

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

**The Semi-Annual Report 2016**

**August 2016**

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

The Board of Directors ,the Supervisory committee as well as all directors, supervisors and senior management staff of the Company warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and several liable for that

All the directors have attended the meeting of the board meeting at which this report was examined.

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

Mr.Zheng Renfa, Compant principal , Mr. Wang Chunhua, General Manager ,Mr.Fang Zhi, Chief of the accounting owrk, Ms.Liu Xiaomei, Chief of the accounting organ (chief of accounting ) hereby confirm the authenticity and completeness of the financial report enclosed in this Semi-annual report.

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## Definition

Terms to be defined	Refers to	Definition
The Company ,Listed Company, This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Communication Group	Refers to	Guangdong Communication Group Co., Ltd.
Province Expressway	Refers to	Guangdong Province Expressway Co., Ltd.
Construction Company	Refers to	Guangdong Highway Construction Co., Ltd.
Yadong Fuxing Yalian	Refers to	Yadong Fuxing Yalian Investment Co., Ltd.
Xizang Yingyue	Refers to	Xizang Yingyue Investment Co., Ltd.
Technology Company	Refers to	Guangdong Expressway Technology Investment Co.,Ltd.
Fokai Company	Refers to	Guangdong Fokai Expressway Co., Ltd.
Guangfo Company	Refers to	Guangdong Guangfo Expressway Co., Ltd.
Guangzhu Traffic	Refers to	Guangzhou Guangzhu Traffic Investment Management Co., Ltd.
Guangzhu East Company	Refers to	Jingzhu Expressway Guangzhu Section Co., Ltd.
Major assets restructuring	Refers to	Guangdong Provincial Expressway Development Co.,Ltd. issues shares and uses cash to purchase assets and raise counterpart funds and Related transaction

## II. Basic Information of the Company

### 1. Company Information

Stock abbreviation:	Expressway A, Expressway B	Stock code:	000429、200429
Stock exchange for listing:	Shenzhen Stock Exchange		
Name in Chinese	广东省高速公路发展股份有限公司		
Abbreviation of Registered Company (if any)	粤高速		
English name (If any)	Guangdong Provincial Expressway Development Co.,Ltd.		
English abbreviation (If any)	GPED		
Legal Representative	Zhu Zhanliang		

### 2. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Liu Xiaomei	Liang Jirong
Contact address	46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe District , Guangzhou	45/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe District , Guangzhou
Tel	020-29004619	020-29004523
Fax	020-38787002	020-38787002
E-mail	53537552@qq.com	139221590@qq.com

### 3. Other

#### 1. Way to contact the Company

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable  Not applicable

Email: zqb@gpedcl.com

Registered address, Postal code of the Registered Address, Office Address, Internet Web Site has not changed, refers to the company's 2015 annual report.

#### 2. About information disclosure and where this report is placed

Did any change occur to information disclosure media and where this report is placed during the reporting period?

Applicable  Not applicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for

disclosing this report and the location where this report is placed did not change during the reporting period. The said information can be found in the 2015 Annual Report.

### 3. Registration changes of the Company

Whether registration has changed in reporting period or not

Applicable  Not applicable

Date/place for registration of the Company, registration number for enterprise legal license number of taxation registration and organization code have no change in reporting period, found more details in annual report 2015.

### III. Summary of Accounting Highlights and Business Highlights

#### I. Summary of accounting /Financial Data

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

Note:the Company make restatement of the accounting data of the same period last year and the end of last year due to Major assets restructuring.

Yes No

	Reporting period	Same period of last year		YoY+/- (%)
		Before adjustment	After adjustment	After adjustment
Operating income (RMB)	1,333,492,179.77	724,392,887.59	1,250,134,143.23	6.67%
Net profit attributable to the shareholders of the listed company (RMB)	505,899,144.29	231,855,370.05	338,837,143.73	49.30%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	356,881,714.84	228,030,004.15	228,030,004.15	56.51%
Cash flow generated by business operation, net (RMB)	932,882,829.38	518,081,630.75	804,186,516.45	16.00%
Basic earning per share(RMB/Share)	0.29	0.18	0.20	45.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.29	0.18	0.20	45.00%
Weighted average ROE(%)	8.39%	4.49%	6.03%	2.36%
	As at the end of the reporting period	As at the end of last year		YoY+/- (%)
		Before adjustment	After adjustment	After adjustment
Gross assets (RMB)	15,175,588,214.81	12,400,203,367.83	15,126,912,516.70	0.32%
Net assets attributable to Shareholders' equity attributable to shareholders of the listed company (RMB)	7,758,425,258.69	5,235,242,444.46	5,855,404,300.43	32.50%

Note 1, on the table over the same period last year (before adjusting) performance for the company implementation of a major reorganization of assets before 2015 semi annual report to disclose data; over the same period last year (adjusted) data of the Department of the company a major reorganization of assets, according to enterprises under the same control combined with related standards on the same period last year financial data retrospective restatement data.

Note 2, the company during the reporting period, the implementation of the issuance of shares to buy assets of matters, over the same period last year (before adjusting) basic earnings per share to total share capital 1257117748 shares is estimated; over the same period last year (adjusted) basic earnings per share to the company non public offering of shares weighted average equity 1723442768 estimates; newspaper report that the basic earnings per share of the company non - public offering of shares weighted average equity 1729001979 estimates. Calculation process and calculation based on the "Ninth sections of the financial report" of the "Eighteen

supplementary information" "2, net assets income and earnings per share".

Total share capital of the Company up to a trading day before disclosure:

Total share capital of the Company up to a trading day before disclosure(Shares)	2,090,806,126
Fully diluted EPS based on new share capital (RMB/Share)	0.242

## II. Differences between accounting data under domestic and overseas accounting standards

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

Applicable  Not applicable

No difference .

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

Applicable  Not applicable

No difference .

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

Applicable  Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	17,214.82	
Current net gains and losses occurred from period-begin to combination day by subsidiaries resulting from business combination under common control	102,025,476.76	
Other non-business income and expenditures other than the above	62,934,995.14	
Less: Amount of influence of income tax	15,736,437.22	
Amount of influence of minority interests(after tax)	223,820.05	
Total	149,017,429.45	--

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

Applicable  Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to



the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss.

## IV. Report of the Board of Directors

### I. General

In the first half of 2016, the Board of Directors actively promoted the major asset reorganization. Upon receiving the official approval from the China Securities Regulatory Commission (CSRC), the Board of Directors organized all parties to implement the reorganization plan. On June 17, 2016, the transfer and handover procedures of underlying assets purchased by the Company in this major asset reorganization were completed; On July 8, 2016, the registration and going public work of non-public shares in this major asset reorganization were completed. So far, the major asset reorganization launched by the Company on April 8, 2015 has been successfully completed. After completion of the transaction, the Company has taken a full ownership of Fokai Expressway, and a new holding Guangzhu East Expressway, with shareholding ratio up to 75%, further enhancing the continuing profitability of the main highway industry. In the first half of 2016, the net profit of the Company attributable to shareholders of listed companies was RMB 506 million, an increase of 49.30% year-on-year, showing the effectiveness of reorganization.

### II. Analysis on principal Business

#### General

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

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

	Volume of vehicle traffic in the first half year of 2016( vehicles)	Increase /Decrease(%)	Toll income in the first half year of 2016 (RMB'0000)	Increase /Decrease(%)
Guangfo Expressway	26,575,444	13.78%	19,083.76	9%
Fokai Expressway	23,968,177	15.52%	56,928.08	7.1%
Huiyan Expressway	17,044,547	15.49%	10,615.90	11.27%
Jingzhu Expressway Guangzhu Section	30,170,232	8.43%	54,158.82	5.38%
Guangzhao Expressway	14,315,677	15.73%	28,997.89	20.68%
Guanghui Expressway	21,450,514	13.60%	80,078.11	3.18%
Jiangzhong Expressway	20,429,959	8.87%	19,625.92	4.44%
Kangda Expressway	1,187,605	5.28%	11,553.73	-0.22%
Gangkang Expressway	1,158,072	1.51%	7,324.78	-22.26%

In Guangdong province, Guangdong Expressway's equity and participation and controlling projects all increased in varying degrees. The relatively obvious growth was Guangzhao Expressway in the first half of year increased more than 20.68%, Huiyan Expressway in the first half of year increased more than 10%. The main factors influencing the revenue growth were: first, the positive influence of the total weight calculation of trucks that began in June 2015 and the subsequent national ETC network on the revenue growth index over the same

period in the first half year of 2016; second, the natural influence of the economic growth; third, the Group attached great importance to crack down the toll jumpers and do the inspection work. Jiangxi Kangda project drop slightly with last year, Gankang section continued to decline to -22.26%, because the Xunquan Expressway was opened to traffic at the end of October 2015, and the docking of the Ruixun section in Jiangxi province and Pingxing section in Guangdong province of the Jiguang Expressway at the end of last year caused traffic diversion in the Gankang Expressway, leading to a substantial toll decline.

## Year-on-year change of main financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	1,333,492,179.77	1,250,134,143.23	6.67%	Mainly due to the growth of Guangfo, Fokai and Guangzhu East Company Toll revenue
Operating cost	558,947,473.08	527,672,324.82	5.93%	Mainly due to the growth of toll revenue has led to an increase in depreciation expense
Administrative expenses	80,579,615.84	85,292,103.26	-5.53%	Strengthen the management of the Company
Financial expenses	190,618,235.21	257,512,886.37	-25.98%	Reducing interest-bearing debt led to an decrease in interest expense
Income tax expenses	157,332,820.43	117,044,170.80	34.42%	The total profit increase
Net cash flows from operating activities	932,882,829.38	804,186,516.45	16.00%	Mainly due to toll revenue increase brought the increased cash flow from operating activities
Net cash flows from investing activities	-1,656,094,323.59	152,771,749.66	-1,184.03%	Mainly due to the implementation of major asset restructuring program in order to hold higher cash purchase province Fokai Company equity and the construction of the Guangzhu East company claims
Net cash flows from financing activities	1,201,696,913.84	-797,860,532.80	250.61%	Mainly due to the combined effect of the following factors: (1) the implementation of major asset restructuring period increased to raise matching funds; (2) the repayment period to reduce interest-bearing debt year on year.
Net increase in cash and cash equivalents	477,962,215.77	158,597,395.16	201.37%	Net cash from operating activities and net cash from financing activities by the inflow and outflow from investing activities due to the combined effects.

Major changes in profit composition or sources during the report period

√ Applicable □ Not applicable

During the reporting period, the transfer and handover procedures of underlying assets purchased by the Company in this major asset reorganization were completed. After completion of the transaction, the new wholly-owned subsidiary Guangzhu Transportation indirectly controls the shares of Guangzhu East Company, increasing the net profit of Guangzhu East attributable to its parent company by RMB 170,420,000.

Delay of future development and plan disclosed in Company's IPO prospectus, fund raising prospectus and capital reorganization report into this report period.\

□ Applicable √ Not applicable

No future development and plan disclosed in Company's IPO prospectus, fund raising prospectus and capital reorganization report into this report period.\

Implementation of business plans disclosed in previous periods in this period.

The 2016 annual plan disclosed by the Company in the annual report of 2015: under the premise of the completion of major asset reorganization, the operating income of RMB 2.738 billion, the investment income of RMB 360 million, and the operating cost less than RMB 1.277 billion shall be realized to ensure the full completion of the annual objectives assigned by the Board of Directors of the Company. As of June 30, 2016, the transfer and handover procedures of underlying assets purchased by the Company in this major asset reorganization have been completed. From January to June in 2016, the Company realized the operating income of RMB 1.333 billion, investment income of RMB 227 million, and operating cost of RMB 558 million.

### III. Business composition

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
<b>Industry</b>						
Highway transportations	1,301,706,539.57	540,372,946.74	58.49%	6.65%	4.99%	0.66%
Other	8,818,369.20	7,356,117.01	16.58%	35.81%	388.61%	-60.23%
<b>Product</b>						
Highway transportations	1,301,706,539.57	540,372,946.74	58.49%	6.65%	4.99%	0.66%
Other	8,818,369.20	7,356,117.01	16.58%	35.81%	388.61%	-60.23%
<b>Area</b>						
Guangfo Expressway	190,837,582.98	118,652,429.93	37.83%	9.00%	6.68%	1.36%

Fokai Expressway	569,280,788.89	262,799,636.97	53.84%	7.10%	7.37%	-0.11%
Jingzhu Expressway Guangzhu section	541,588,167.70	158,920,879.84	70.66%	5.38%	0.12%	1.54%
Other	8,818,369.20	7,356,117.01	16.58%	35.81%	388.61%	-60.23%

#### IV. Analysis On core Competitiveness

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

Guangfo Expressway holding company, the Fokai Expressway and Jingzhu Expressway Guangzhu section are the parts "five vertical and seven horizontal part of the national highway network planning. The holding highways are also the Guangdong Provincial Expressway Network Plan which provide a strong guarantee for the traffic flow. At the same time, the regional economy is an important factor affecting highway traffic volume. With the gradual implementation of expressway network planning of Guangdong Province in recent years, the road network connection effect has been increasingly better, which contributes to accelerating the growth of vehicle traffic volume of expressways run by the Company.

#### V. Analysis on investment Status

##### 1. Foreign Equity investment

###### (1) External investment

Applicable  Not applicable

There was no foreign investment of the Company in the reporting period.

## (2) Holding of the equity in financial enterprises

√Applicable □Not applicable

Company Name	Company type	Initial Investment cost (RMB)	Number of shares held at the beginning of the reporting period (shares)	Shareholding proportion at the beginning of the reporting period (%)	Number of shares held at the end of the reporting period (shares)	Shareholding proportion at the end of the reporting period (%)	Book balance at the end of the reporting period (RMB)	Gain/loss of the reporting period (RMB)	Accounting items	Source of the shares
China Everbright Bank	Commercial Bank	528,000,000.00	235,254,944	0.50%	235,254,944	0.50%	884,558,589.44	44,698,439.36	Financial assets available for sale	Subscribe on 2009
Total		528,000,000.00	235,254,944	--	235,254,944	--	884,558,589.44	44,698,439.36	--	--

**(3) Investment in securities**

Applicable  Not applicable

No securities investment in the report period.

**(4) Statement of holding equities in other PLCs**

Applicable  Not applicable

After approved by the first Provisional General Meeting of shareholders in 2009, which is also the 13th (Provisional) meeting of the fifth Board of Directors, the Company invested RMB 528 million to subscribe for 240 million shares of China Everbright Bank (CEB) in August 2009. In 2013 the Company sold 4,745,056 shares in the secondary market. During the reporting period, the number of shares of CEB held by the Company remained unchanged and its investment income was RMB 45,697,711.66.

**2. Trusted financing, derivate instruments, and trusted loans****(1) Trust management****(2) Derivative investment**

Applicable  Not applicable

There was no derivative investment of the Company in the reporting period.

**(3) Trusted loans**

Applicable  Not applicable

No trusted loans in the report period.

**3. Actual usage of raised capital**

Applicable  Not applicable

**(1) General usage of raised capital**

Applicable  Not applicable

In RMB'0000

Total raised capital	165,000
Total raised capital invested in reporting period	164,500
Total accumulative raised capital invested	164,500
Total raised fund for changes its usage area in report period	0
Total accumulative raised fund for changes its usage area	0
Proportion of total accumulative raised fund for changes its usage area	0.00%
<b>Explanation on general usage of raised capital</b>	
During the reporting period, the Company purchased 25% stock equity of Fokai Company held by Guangdong Expressway Company through the issuance of A shares and cash payment, 100% stock equity of Guangzhu Transportation held by the	

Construction Company through the issuance of A shares, and the debt to the Guangzhu East Company held by the Construction Company through cash payment. Meanwhile, the Company issued non-public A shares towards Yadong Fuxing Yalian, Tibet Yingyue and Guangfa Securities (GF Securities) to raise counterpart funds for part of the cash payment and taxes of the transaction, as well as to supplement the Company's working capital. As of June 21, 2016, the Company raised a total sum of counterpart fund of RMB 1650 million. During the reporting period, RMB 16.5 million was used to cover the underwriting fees; RMB 803.5 million was used to pay part of the purchase price for 25% stock equity of Fokai Company; RMB 825 million was used to supplement the working capital of listed companies, all was used to purchase the debts to Guangzhu East Company held by the Construction Company; and the remaining 5 million has not been used.

## (2) Commitments of raised capital

√ Applicable □ Not applicable

In RMB'0000

Committed investment projects and investment	Project changed (including partial change)	Total raised capital invested as committed	Total investment after adjustment (1)	Amount invested in the reporting period	Accumulated amount invested at the end of the reporting period (2)	Investment progress ended the reporting period (%) (3)=(2)/(1)	Date when the project has reached the predicted applicable status	Benefit realized in the reporting period	Has the predicted result been realized	Has any material change taken place in feasibility
Committed investment projects										
The acquisition to pay part of the price of the shares of Fokai company	No	80,350		80,350	80,350	100.00%	June 13, 2016	1,545.37	Yes	No
Supplementary liquidity of listed companies	No	82,500		82,500	82,500	100.00%	June 15, 2016	159.37	Yes	No
The payment for transaction taxes	No	2,150		1,650	1,650	76.74%			Yes	No
Subtotal of committed investment projects	--	165,000		164,500	164,500	--	--	1704.74	--	--
Investment orientation for und arising out of plan										
No										
Total	--	165,000	0	164,500	164,500	--	--	1704.740	--	--
Situation about not coming up to schemed progress or expected revenue and the reason	N/A									



( in specific project)	
Notes to significant change in feasibility of the project	N/A
Amount, application and application progress of the unbooked proceeds	Not applicable
About the change of the implementation site of the projects invested with the proceeds	Not applicable
Adjustment of the implementation way of investment funded by raised capital	
About the initial investment in the projects planned to be invested with the proceeds and the replacement	Not applicable
Using the idle proceeds to supplement the working capital on temporary basis	Not applicable
Balance of the proceeds in process of project implementation and the cause	Not applicable
About application and status of the proceeds unused	During the reporting period, the unused funds raised 5 million yuan stored in the proceeds account.
Problems existing in application of the proceeds and the information disclosure or other issues	N/A

## (3) Changes of raised funds projects

Applicable  Not applicable

There is no change in raised funds in company reporting period.

## (4) Raise capital project situation

Overview of the project to raise funds	Date of disclosure	Disclosure index
The acquisition to pay part of the price of the shares of Fokai company	February 16,2016	www.cninfo.com.cn .Report of Issuing of shares and cash to buy assets and raise matching funds Connected Transaction (Revised Version)
Supplementary liquidity of listed companies	February 16,2016	www.cninfo.com.cn Report of Issuing of shares and cash to buy assets and raise matching funds Connected Transaction (Revised Version)
The payment for transaction taxes	February 16,2016	www.cninfo.com.cn Report of Issuing of shares and cash to buy assets and raise matching funds Connected Transaction (Revised Version)

## 4. Analysis on principal subsidiaries and Mutual Shareholding Companies

√ Applicable □ Not applicable

## Particulars about the principal subsidiaries and Mutual shareholding companies

In RMB

Company Name	Company type	Sectors engaged in	Leading products and services	Registered capital	Total assets(RMB)	Net assets (RMB)	Operating Income (RMB)	Operating profit (RMB)	Net Profit (RMB)
Guangdong Fokai Expressway	Subsidiary	Expressway	Operation and management of Fokai Expressway Co., Ltd., supporting salvage, maintenance and cleaning, supply of parts and components	RMB 1.108 billion	6,808,408,399.89	3,545,181,983.09	573,052,092.00	203,336,602.02	199,153,361.78
Guangdong Fokai Expressway	Subsidiary	Expressway	Operation and management of Fokai Expressway Co., Ltd., supporting salvage, maintenance and cleaning, supply of parts and components	RMB 1.108 billion	376,104,482.72	330,455,438.12	192,164,999.38	55,507,264.96	41,079,773.35
Guangdong Expressway Technology Investment Co., Ltd	Subsidiary	Composite	Investing in science and technology industries. Investment in technical industries and provision of relevant consulting services, research and development of lighting technology, energy saving and storage technology, photovoltaic technology of solar energy and production and sales of relevant products, design, production , release and agency of all kinds of domestic and foreign advertisements, construction and maintenance management of highway projects and domestic trade. (excluding illegally, or prohibited and restricted	RMB 100 million	56,630,990.49	16,021,385.10	14,281,820.92	3,328,860.76	3,335,321.83

			by law products )						
Guangzhu Traffic Investment Management Co., Ltd.	Subsidiary	Expressway	Highway investment management and consultation; highway maintenance	RMB 3 million	3,615,220,003.74	1,600,380,976.64	553,201,818.43	303,089,662.33	227,163,929.23
Guangdong Guanghui Expressway Co., Ltd.	Sharing company	Expressway	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and maintenance management of Guanghui Expressway	RMB 2.352billion	5,150,254,485.08	3,597,823,352.11	812,080,255.90	507,645,680.56	381,440,117.48

## 5. Significant projects of investments with non-raised funds

Applicable  Not applicable

The company has no project invested by raised fund in the reporting period.

## VI. Performance Forecast for January to September 2016

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable  Not applicable

VII. Explanation by the Board of Directors and the Supervisory Committee about the “non-standard audit report” issued by the CPAs firm for the reporting period

Applicable  Not applicable

VIII. Explanation by the Board of Directors about the relevant situation of the “non-standard audit report” of the previous year

Applicable  Not applicable

## IX. Profit distribution carried out in the report period

Execution or adjustment of profit distribution, especially cash dividend, and capitalizing of reserves in the report period.

Applicable  Not Applicable

Which has been adopted. According to the resolution passed at the annual shareholders’ general meeting 2015, The Company’s dividend distribution plan for 2015: With the existing total share capital, i.e., 1,257,117,748 shares, as the base, cash dividend of RMB 1.50 (including tax) is to be distributed for every 10 shares, Cash dividend of RMB188,567,662.20 is to be distributed, The undistributed profit was carried forward to the next year. The Company had implemented this distribution plan on May 18, 2016.

Special explanation of the cash dividend policy	
Whether conformed with the regulations of the Articles of association or the requirements of the resolutions of the shareholders’ meeting:	Yes
Whether the dividend standard and the proportion were definite and clear:	Yes
Whether the relevant decision-making process and the system were complete:	Yes
Whether the independent director acted dutifully and exerted the proper function:	Yes
Whether the medium and small shareholders had the chances to fully express their suggestions and appeals, of which their legal interest had gained fully protection:	Yes
Whether the conditions and the process met the regulations and was transparent of the adjustment or altered of the cash dividend policy:	Yes

## X. Preplan for profit distribution and turning capital reserve into share capital in the reporting period

Applicable  Not applicable

The Company planed that no to distribute cash dividend, bonus shares and there was no turning of capital reserve

into share capital.

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

√ Applicable □ Not applicable

Time	Place	Way	Type	Reception	Contents discussed and material provided
March 31,2016	Meeting room	Investigation	Institution	Taikang Asset Management Co., Ltd. Director, Guangzhou Securities Asset Management Director ,Beijing Hongdao Investment Management Co., Ltd. Director and CITIC Secutities Delivery Industry . researcher.	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
April 7,2016	Meeting room	Investigation	Institution	Guotai Junan Institute .Researcher ,E-Fund Management Co., Ltd.Senior Researcher,Dacheng Fund Management Co., Ltd. Researcher, Lombarda China Fund Management Co.,Ltd..Researcher.	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
April 15,2016	Meeting room	Investigation	Institution	GF Securities Development Research Center.Researcher, senior analyst at Societe Generale Securities Research Institute..	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
April 20,2016	Meeting room	Investigation	Institution	Tianhong Fund Management Co., Ltd.Researcher.	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports

## V. Important Events

### I. Administrative position

The company strictly abides by the requirements of laws and regulations of "Corporate Law", "Securities Law", "Governance Rules of Listed Companies" and "Listing Rules of Stocks" to continuously perfect the corporate governance structure and improve the norms operation level. Also, the company has set up the "Articles of Association", the parliamentary procedure of three meetings operating, the work rules of the special committee of the Board of Directors, the work rules of General Manager and other systems, as well as the internal control systems basically covering the company's financial management, investment management, information disclosure, affiliated transactions, external guarantee, funds-raising and all aspects of business management, and all the systems have been implemented better.

At present, the actual status of corporate governance complied with the requirements of relevant documents of CSRC and regulatory authority. According to the requirements of relevant laws and regulations and regulatory documents, the Company will stick to the policy of continuous rectification, unceasingly strengthen the construction of corporate governance structure, continuously enhance its level of corporate governance and make its governance structure more steady and transparent.

### II. Lawsuits affairs

Major lawsuits and Arbitration affairs

Applicable  Not applicable

The Company has no major lawsuit or arbitration in the report period.

Other Lawsuits affairs

Applicable  Not applicable

### III. Query form media

Applicable  Not applicable

In the reporting year, the Company had no query from media

### IV. Bankruptcy or Reorganization Events

Applicable  Not applicable

There Company was not involved in any bankruptcy or reorganization events in the reporting period.

### V. Transaction in Assets

#### 1. Purchase of assets

Applicable  Not applicable



There is no purchase of assets in the Company during the reporting period.

2. Sale of assets

Applicable  Not applicable

There is no sale of assets in the Company during the reporting period

3. Business combination

Applicable  Not applicable

VI. Implementation and Influence of Equity Incentive Plan of the Company

Applicable  Not applicable

There is no equity incentive plan and its implementation in the Company during the reporting period.

VII. Significant related-party transactions

1. Related-party transactions concerning routine operation

Applicable  Not applicable

The company has no transactions related to daily operations in the reporting period.

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

Applicable  Not applicable

The Company has involved in any related-party transactions arising from asset acquisition or sale during the reporting period, details refers to content No.5.

3. Related-party transitions with joint investments

Applicable  Not applicable

The Company was not involved in any related-party transaction with joint investments during the reporting period.

4. Credits and liabilities with related parties

Applicable  Not applicable

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

Yes  No

The Company was not involved in any credits and liabilities with related parties during the reporting period.

5. Other significant related-party transactions

Applicable  Not applicable

(1)The 26th meeting of the seventh board of directors of the Company was held on March 28,2016. The meeting examined and adopted the Proposal for Renewing the Lease of Litong Plaza as Office Building. The Company approved to continue to lease the 43rd and 44th floor (conceptual design floor) of Litong Plaza as offices from Guangdong Litong Property Investment Co., Ltd. The renewal period starts from May 5, 2016 to May 4, 2017 with the monthly rent per square meter (gross floor area) is RMB 159.60 , the total amount of the contract is RMB

10.5897 million .

(2) The 18th Meeting of the Seventh Board of Directors (provisional) meeting, 20th (provisional) meeting, the 23rd (provisional) meeting and 25th (provisional) meetings and on 2015 the second provisional General Meeting by the issue of shares and cash to buy assets and raise matching funds connected transaction matters. The transaction is divided into issue of shares and payment of cash to buy assets and raise matching funds of two parts.

(1) Issue of Share and Cash to Buy Asset

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

(2) Raise of Matching Funds

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

On January 14, 2016, the Company received the notice from CSRC. After being examined by the 4th working conference in 2016 of Merger and Reorganization Committee held by Merger and Reorganization Audit Committee for Listed Companies of CRSC on January 14, 2016, the Company's issue of shares and cash to buy assets and raise matching funds and related transactions was adopted conditionally.

The company received the China Securities Regulatory Commission, "the approval of Guangdong Provincial Expressway Development Co., Ltd. issued shares to Guangdong Expressway Co., Ltd. to buy assets and raise matching funds of approval" on February 5, 2016 (Commission license [2016 ] No. 230).

On June 17, 2016, the Company completed the transfer procedures of the underlying assets purchased by the Company in this major asset reorganization.

On July 8, 2016, the Company completed the issuance of new shares and the going public work in this major asset reorganization.

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

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement on the Company's Significant Asset Reorganization Adopted by Mergers and Acquisitions Committee of CSRC and Trade Resumption	January 15, 2016	www.cninfo.com.cn
Announcement regarding company's major asset reorganization approved by the China Securities Regulatory Commission	February 6, 2016	www.cninfo.com.cn
Report of Issuing of shares and cash to buy assets and raise matching funds Connected Transaction (Revised Version)	February 16, 2016	www.cninfo.com.cn

Related transaction announcement	March 29,2016	www.cninfo.com.cn
Announcement regarding a major asset restructuring transfer completed	June 17,2016	www.cninfo.com.cn
Issue of shares and cash to buy assets and raise matching funds of non-public issuance Report and the listing announcement of the Related Transaction	July 7, 2016	www.cninfo.com.cn

## VIII. Non-operational capital appropriation by holding shareholder and related parties

Applicable  Not applicable

No non-operational capital appropriation by holding shareholder or related parties occurred in the report period.

## IX. Material contracts and execution

## 1. Entrustment, contracting, and leasing issues

## (1) Entrustment

No entrustment in the report period.

## (2) Contracting

Applicable  Not applicable

No contracting in the report period.

## (3) Leasing

Applicable  Not applicable

No leasing in the report period.

## 2. Guarantee

Applicable  Not applicable

In RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guangdong Communication Group Co., Ltd.	May 11,2012	150,000	May 31,2013	150,000	Mortgage	September 25,2012 to July 25,2021	No	Yes

Total of external guarantee approved at Period-end(A3)		150,000		Total balance of actual external guarantee at Period-end(A4)		150,000		
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
The Company's total guarantee(i.e.total of the first three main items)								
Total guarantee quota already approved at the end of the reporting period (A3+B3+C3)		150,000		Total balance of the actual guarantee at the end of the reporting period (A4+B4+C4)		150,000		
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+B4+C4) %				19.33%				
Including:								
Amount of guarantee for shareholders, actual controller and its related parties(D)				150,000				
Total amount of the aforesaid three guarantees (D+E+F)				150,000				

## Description of the guarantee with complex method

(1) Illegal providing of external guarantees

 Applicable  Not applicable

No illegal providing of external guarantees in the report period.

## 3. Other material contracts

No other material contract in the report period.

## 4. Other material trades

No other material trade in the report period.

## X. Commitment issues by shareholders with 5% or over of shares in the report period or carried over to the report period from previous periods

√ Applicable □ Not applicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform					
Commitment in the acquisition report or the report on equity changes					
Commitments made upon the assets replacement	Guangdong Highway Construction Co., Ltd.	Guangdong Expressway A shares acquired by the Company through subscription in this major asset reorganization cannot be transferred or listed for transaction within thirty-six months from the date of the completion of the shares issuance in this major asset reorganization. Upon the expiry of the lock-up period, the transfer and transaction of these shares will be made in accordance with the effective laws and regulations, and relevant provisions of CSRS and Shenzhen Stock Exchange (SSE). Upon the completion of this major asset reorganization, if the closing price of the A-share of Guangdong Expressway is below the issue price for 20 consecutive trading days within six months, or at the end of six months after the completion of the transaction the closing price is below the issue price, the lock-up period of the A-share of Guangdong Expressway acquired by the Company through this major asset reorganization will be automatically extended for six months.	June 26, 2015	The date of the expiration of the share lock.	Fulfill the commitment normally
	Yadong Fuxing Yalian Investment Co., Ltd.	Guangdong Expressway A shares acquired by the Company through subscription in this major asset reorganization cannot be transferred or listed for transaction within thirty-six months from the date of the completion of the shares issuance in this major asset reorganization. Upon the expiry of the lock-up period, the transfer and transaction of these shares will be made in accordance with the effective laws and regulations, and relevant provisions of CSRS and SSE. The company guarantees that the company and the controlling shareholder or actual controller of the company in a timely manner to provide the major asset restructuring related	June 18, 2015	The date of the expiration of the share lock.	Fulfill the commitment normally

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
		information, and to ensure that the information provided is true, accurate and complete. If the information provided by the existence of false records, misleading statements or material omissions, the Guangdong Expressway or investors caused losses, will be liable for compensation in accordance with law.			
	Guangdong Highway Construction Co., Ltd.	Upon the mutual agreement by the Company and the Guangdong Provincial Highway Construction Co., Ltd., the predicted annual net profit of the Guangzhou Guangzhu Transportation Investment Management Co., Ltd. is RMB 230,3606 million in 2016, RMB 263.2329 million in 2017, and RMB 286.5018 million in 2018. Within the term of compensation, if the cumulated net profit of Guangzhou Guangzhu Transportation Investment Management Co., Ltd. by the end of a year is lower than the accumulated predicted net profit of that year, the Company will buy back the compensated shares at the price of RMB 1 from the Guangzhou Guangzhu Transportation Investment Management Co., Ltd. that should be calculated in accordance with the agreement, and deregister such shares.	August 26, 2015	The period of compensation and the date of completion of the agreement.	Fulfill the commitment normally
	Guangdong Communication Group Co., Ltd., Guangdong Highway Construction Co., Ltd.	The commitment to avoid horizontal competition: 1. the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, will not use the controlling shareholders to damage the legitimate interests of the business activities of Guangdong Expressway and its medium and small shareholders and its subsidiaries. 2. The Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, will not use the information acquired from Guangdong Expressway and its subsidiaries to engage in core business which competes with Guangdong Expressway and its subsidiaries and will not conduct any activity that damages or may damage the legitimate interests of Guangdong Expressway and its medium and small shareholders and its subsidiaries. 3. As for the transfer of toll roads, bridges, tunnels and related ancillary facilities or equity invested, constructed or managed by the Company or companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries to the Company or any company that is under direct or indirect control of the company, unless it is a transferee expressly designated by the relevant government	June 26,2016	This commitment is valid from the date of signing this letter of commitment to the date on which the shares of Company is no longer controlled by the controlling shareholder of the Guangdong	Fulfill the commitment normally

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
		<p>departments, to the extent permitted by relevant laws and regulations, Guangdong Expressway has the right of preemption under the same conditions. 4. In the future, if the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, invest and construct a parallel highway or a highway in the same direction on either side of the Highway within 20 km, to the extent permitted by relevant laws and regulations, except in the project whose investors have been expressly specified by the relevant government departments, Guangdong Expressway has the priority right to invest ahead of the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries,. This commitment, when signed, constitutes the irrevocable legal obligations of the Company. If the circumstances arise that cause damage to Guangdong Expressway because of the Company's breach of the commitment, the Company will bear the corresponding liability according to laws. The commitment to reduce and regulate the connected transactions: 1. After the completion of this major asset reorganization, the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, and other related parties will try to avoid the connected transaction with Guangdong Expressway and its subsidiaries; the necessary and unavoidable connected transactions shall be conducted in accordance with the principles of fairness and compensation of equal value, the transaction prices shall be determined according to the reasonable market price, the transaction approval procedures and the disclosure obligations should be conducted in accordance with relevant laws, regulations and regulatory documents, to effectively protect the interests of medium and small shareholders of Guangdong Expressway . 2. The Company guarantees to be in strict accordance with relevant laws and regulations, the regulations and regulatory documents promulgated by CSRC, the business rules promulgated by Shenzhen Stock Exchange (SSE) and the rules of the system such as the <i>Articles of Association of Guangdong Provincial Expressway Development Co., Ltd.</i>, exercise the shareholder rights and fulfill the obligations of shareholders according to laws, without using controlling shareholders' holding position to seek improper interests, without damage to the legitimate rights and interests of Guangdong Expressway and its medium and</p>		Expressway.	



Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
		small shareholders. Once in violation of the above-stated commitment, the company conducts a transaction with Guangdong Expressway and its subsidiaries, causing damages to them, it shall bear the liability for compensation according to laws.			
	Guangdong Provincial Expressway Development Co., Ltd.	(1) The commitment to the authenticity, accuracy and completeness of the information disclosure and application documents: The Company guarantees that there is no false, misleading statement or major omission in the information disclosure and application documents for the major asset reorganization, and it bears the legal liability for the authenticity, accuracy and completeness of the above-mentioned information disclosure and application documents. (2) The commitment of Guangdong Expressway to not violate Article 39 of the <i>Administrative Measures for the Issuance of Securities by Listed Companies</i> . The Company confirms and warrants that there is no violation of the following matters regulated by the Article 39 of the <i>Administrative Measures for the Issuance of Securities by Listed Companies</i> : 1. The issuance application documents have false, misleading statements or major omissions; 2. The interests of the Company are seriously damaged by the controlling shareholders or the actual controller, and such damages have not been eliminated; 3. The Company and its subsidiaries illegally provide external guarantees and such guarantees have not been eliminated; 4. The Board of Directors or senior management have recently been subject to administrative penalty by CSRC within thirty-six months, or within 12 months have been publicly condemned by the Stock Exchange; 5. The current Board of Directors and senior management of the Company are suspected of a crime and investigated by the judiciary authorities or suspected of breaking the laws or the regulations and investigated by CSRC; 6. In the financial report of the most recent year or period, the CPA issues an audit report with qualified opinion, adverse opinion or disclaimer of opinion, except that the significant impact of matters concerning the qualified opinion, adverse opinion and disclaimer of opinion has been eliminated or that the issue relates to the major reorganization; 7. Other cases seriously damaging the legitimate interests of investors and the public interests. (3) Other commitments: urge Fokai Expressway Co., Ltd. to transfer the Xiebian Office to Guangfo Expressway Co., Ltd.	June 26,2015	No commitment period.	Fulfill the commitment normally

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
	Guangdong Communication Group Co., Ltd.	<p>(1) The commitment to the authenticity, accuracy and completeness of the information provided: The Company guarantees that there is no false, misleading statement or major omission in the information disclosure and application documents for the major asset reorganization. If it is suspected that there is false, misleading statement or major omission in the information disclosed or provided for the major asset reorganization, and it is investigated by the judiciary authorities or by CSRC, before the clear conclusion of the case is reached, the Company will suspend the transfer of shares of Guangdong Expressway held by the Company, and within two business days upon receipt of the notice of filing a case and inspection, the written application for suspending the transfer and the stock account should be submitted to the Board of Directors of Guangdong Expressway, and the Board of Directors of Guangdong Expressway, shall, on behalf of the Company, apply for the lockout towards Shenzhen Securities Exchange (SSE) and Registration and Clearing Company; if the application for the lockout is not submitted within two business days, after verification the Board of Directors authorized by the Company will directly submits the Company's identity and account information to the Registration and Clearing Company and apply for the lockout; if the Board of Directors fails to do so, the Securities Exchange and the Registration and Clearing Company will be authorized to directly lock the related shares. If it is found that the Company has illegal circumstances, the Company promises that the lockout shares should be automatically used for the compensation for the relevant investors. (2) The commitment to maintain the independence of the listed company. The Company and the companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, have increased their shares of Guangdong Expressway after the completion of the major asset reorganization; however they will not damage the independence of Guangdong Expressway. They will continue to be separated from Guangdong Expressway in assets, personnel, finance, organization and business and strictly abide by the relevant provisions on the independence of listed companies of CSRC. They will not illegally use Guangdong Expressway to provide guarantee, or occupy its capital, and they will keep and maintain the its independence and safeguard the legitimate rights and interests of other shareholders of it. (3)The company confirmed and guaranteed: 1, the company set up and</p>	June 18,2015	<p>(1) a promise without a commitment period.  (2) the date of the validity of the term commitment from the date of this letter of commitment to the date of the company no longer is the date of the controlling shareholder of guangdong.  (3) the date of the validity of the term commitment to the completion of the completion of the major</p>	Fulfill the commitment normally

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
		effectively exist in accordance with the law of the enterprise, the company has an independent legal personality, independent of the ability to assume legal responsibility. 2, as the commitment letter issued by the Japanese, the company does not exist in the listed company acquisition management approach "the provisions of Article 6 of the acquisition of a listed company may not be under any of the following circumstances: (1) bears a relatively large amount of debt, due and outstanding, and in persistent state; (2) in recent 3 years, have major violations or suspected of major violations; (3) in recent 3 years, have severe stock market acts of dishonesty; (4) the laws, administrative regulations and recognized by the CSRC shall not purchase of Listed Companies in other circumstances. This commitment is issued to the completion of the reorganization before, if the company does not conform to the fact that these commitments, the company that will be occurring in the facts, from within 3 days notice of Ganyue expressway, otherwise it will bear incurred in the full legal responsibility.		asset restructuring.	
	Guangdong Highway Construction Co., Ltd.	(1) The commitment to the authenticity, accuracy and completeness of the information provided: 1. The Company guarantees to provide the information related to the major asset reorganization for Guangdong Expressway and ensures its authenticity, accuracy and completeness; if there is false, misleading statement or major omission in the information provided, which causes losses to Guangdong Expressway or the investors, the Company will assume the compensation liabilities in accordance with laws. If it is suspected that there is false, misleading statement or major omission in the information disclosed or provided for the major asset reorganization, and it is investigated by the judiciary authorities or by CSRC, before the clear conclusion of the case is reached, the Company will suspend the transfer of shares of Guangdong Expressway held by the Company, and within two business days upon receipt of the notice of filing a case and inspection, the written application for suspending the transfer and the stock account should be submitted to the Board of Directors of Guangdong Expressway , and the Board of Directors of Guangdong Expressway , shall, on behalf of the Company apply for the lockout towards Shenzhen Securities Exchange (SSE) and Registration and Clearing Company; if the application for the lockout is not submitted in two business days, after verification the Board of Directors authorized by the Company will directly submits the Company's identity and account	June 26,2015	This commitment is valid from the date of signing this letter of commitment to the date on which the shares of Company is no longer controlled by the controlling shareholder of the Guangdong Expressway.	

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
		<p>information to the Registration and Clearing Company and apply for the lockout; if the Board of Directors fails to do so, the Securities Exchange and the Registration and Clearing Company will be authorized to directly lock the related shares. If it is found that the Company has illegal circumstances, the Company promises that the lockout shares should be automatically used for the compensation for the relevant investors. (2) The commitment to maintain the independence of the listed company. The Company and the companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its holding subsidiaries, have increased their shares of Guangdong Expressway after the completion of the major asset reorganization; however they will not damage the independence of Guangdong Expressway . They will continue to be separated from Guangdong Expressway in assets, personnel, finance, organization and business and strictly abide by the relevant provisions on the independence of listed companies of CSRC. They don't illegally use Guangdong Expressway to provide guarantee, or occupy its capital so as to keep and maintain its independence and safeguard the legitimate rights and interests of other shareholders of Guangdong Expressway . All losses will be borne by the Company if it breaks the above commitments and causes losses to Guangdong Expressway . (3) The commitment to good credit record without penalties: The Company hereby acknowledges and warrants that: in the recent three years or the period, the Company has no dishonest behavior in the stock market. The Company and its directors, supervisors and senior management (or main person in charge) within the recent five years before signing this letter of commitment, have not been subject to administrative penalties (except those apparently unrelated to the stock market), criminal penalties, or major civil litigation or arbitration related to economic disputes (including the litigation or arbitration which is ongoing, pending or may occur). The Company and its directors, supervisors and senior executives have good credit in recent five years before signing the letter of commitment, and there is no circumstance in which they have large overdue debts, or don't fulfill their commitments, or they are subject to the administrative regulation by CSRC or subject to disciplinary actions by the Securities Exchange. (4) The commitment on the qualification of the purchaser of the listed companies: The Company acknowledges and warrants: 1. The Company is a legally established and validly existing corporate entity, and has</p>			

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
		<p>an independent qualification for enterprise legal person, and independently bears the legal responsibility. 2. As of the issuing date of the letter of commitment, the Company doesn't have the following circumstances in which the listed companies cannot be purchased, as regulated by Article 6 of the <i>Measures for the Administration of the Takeover of Listed Companies</i>: (1) bears a relatively large amount of overdue debt, and is in persistent state; (2) in recent three years is in, or suspected of, major violations; (3) in recent three years, commits serious acts of dishonesty in the stock market; (4) other circumstances that cannot purchase the listed companies, as regulated by laws, administrative regulations and CSRC. From the issuance of the commitment to the completion of this reorganization, if the Company has actions that are in noncompliance with these commitments, the Company will inform the West Guangzhou Highway within 3 days from the day on which the action occurs, or they will bear the legal responsibility arising there from.</p>			
	Guangdong Communication Group Co., Ltd. Jingzhu Expressway Guangzhu Section Co., Ltd.	<p>Guangdong Communication Group Co., Ltd. and Guangzhu Section of Jingzhu Expressway , Ltd. commit: within 10 working days after the closing of the transferred equities of the Guangzhou Guangzhu Investment Management Co., Ltd., the cash pooling of the Guangzhu Section of Jingzhu Expressway Co., Ltd will be dispersed ( including: Guangdong Transportation Group Co., Ltd., Guangzhu Section of Jingzhu Expressway Co., Ltd., and Industrial and Commercial Bank of China agree to terminate the <i>Settlement Agreement on the Group Account Fund</i> , Guangdong Transportation Group Co., Ltd. and Guangzhu Section of Jingzhu Expressway Co., Ltd. agree to terminate the <i>Agreement on Settlement and Credit Management System Service of Guangdong Transportation Group Co., Ltd.</i> ).</p>	August 26, 2015	2016-06-24	Completed
	Guangdong Expressway Co., Ltd., Guangdong Fokai Expressway Co., Ltd.	<p>Guangdong Expressway Co., Ltd. and Guangdong Fokai Expressway Co., Ltd commit: within 30 working days after the effective date of the agreement (December 7, 2015), the application for transfer procedures of the ownership of Heshan hostel shall be submitted to the relevant departments.</p>	December 7,2015	2016-01-18	Completed
	Guangdong Communication	<p>Guangdong Communication Group Co., Ltd. commits: within 3 years from the date of completion of the reorganized underlying asset transfer, in which Guangzhu Section of Jingzhu</p>	2016-1-19	2019-06-14	Fulfill the commitment

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
	Group Co., Ltd.	Highway Co., Ltd. shall hire professional organizations to sort out and prepare the documents needed for the ownership registration and complete the ownership registration procedures within 1 year for the relevant lands or real estates in Guangzhou and Zhuhai city for which the Guangdong Fokai Expressway Co., Ltd and Guangzhu Section of Jingzhu Expressway Co., Ltd. have not gone through the procedures of ownership registration.			normally
	Guangdong Communication Group Co., Ltd.	Guangdong Communication Group Co., Ltd. commits: for the lands, real estates and allocated lands for which the Guangdong Fokai Expressway Co., Ltd. and Guangzhu Section of Jingzhu Expressway Co., Ltd. have not gone through the procedures of ownership registration (1) the property rights of the above-mentioned lands are clear, and can be legally used by the target company; (2) assist or ask the Guangdong Highway Co., Ltd. and Guangdong Highway Construction Co., Ltd to assist in conducting the ownership registration of the real estates; (3) the land can continue to be used unscathed before the ownership registration; (4) once losses arise, bear the losses of Guangdong Expressway according to its shareholding ratio.	2016-1-19	Related land, real estate management authority certificate or related land to complete the transfer procedures of the day.	Fulfill the commitment normally
	Guangdong Expressway Co., Ltd., Guangdong Fokai Expressway Co., Ltd.	Guangdong Highway Construction Co., Ltd. transfers its shareholder loans from Guangzhu Section of Jingzhu Expressway Co., Ltd. into entrusted loans.	August 26,2015	The company submitted to the China Securities Regulatory Commission before a major asset restructuring application documents.	Completed
Commitments made upon first issuance					

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
or refinance					
Other commitments made to minority shareholders					
Executed timely or not?	Yes				

## XI. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes  Not

Name of the domestic CPAs	Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd. (Special General Partnership)
Remuneration for domestic accounting firm (RMB'0000)	20

Has the CPAs been changed in the current period

Yes  No

## XII. Punishment and improvement

Applicable  Not applicable

No punishment or improving approach in the report period.

## XIII. Disclosure of illegal action causing risk of delisting.

Applicable  Not applicable

No such illegal action causes risk of delisting.

## XIV. Statement on other material issues

Applicable  Not applicable

On June 24, 2013, Guangdong Provincial Department of Transportation held a Teleconference on Speeding up the Special Clean-up of the Toll Roads, and issued a *Notice on Matters Related to the Acceleration of the Special Clean-up of the Toll Roads* (Yue Jiao Ming Dian [2013] No. 56) text. According to which, the National Road 325 Jiujiang Bridge of the Company's subsidiary—Jiujiang Bridge Branch of Guangdong Fokai Expressway-- stopped charging tolls since 24 pm on June 30, 2013.

Subsequently, the Company submitted the application for compensation to relevant government departments. The relevant government authorities have approved that the loss caused by the early termination of the toll of Jiujiang Bridge is RMB 140,765,667.68, and it is planned to be included in the state-owned capital budget for three consecutive years from 2015 (the Company did not receive an official document approval).

In September 2015, Guangdong Fokai Co., Ltd received RMB 20 million for the compensation of the early termination of the toll of Jiujiang Bridge; on June 16, 2016, Guangdong Fokai Co., Ltd received RMB 60.77 million as compensation, which is included in the non-operating income, and increased the net profit of RMB 45.5775 million attributable to shareholders of listed companies of the Company from January to June in 2016, accounting for 9.71% of the net profit of RMB 469,386,906.79 attributable to shareholders of listed companies.

## XV. Issuance of corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No.



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

### (I). Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
I. Shares with conditional subscription	439,698,752	34.98%				-8,455	-8,455	439,690,297	34.98%
1.State-owned shares	409,977,151	32.61%						409,977,151	32.61%
2.State-owned legal person shares	21,712,738	1.73%						21,712,738	1.73%
3.Other domestic shares	8,008,863	0.64%				-8,455	-8,455	8,000,408	0.64%
Including : Domestic Legal person shares	7,352,867	0.59%						7,352,867	0.59%
Domestic natural person shares	655,996	0.05%				-8,455	-8,455	647,541	0.05%
II. Shares with unconditional subscription	817,418,996	65.02%				8,455	8,455	817,427,451	65.02%
1.Common shares in RMB	468,668,996	37.28%				8,455	8,455	468,677,451	37.28%
2.Foreign shares in domestic market	348,750,000	27.74%						348,750,000	27.74%
III. Total of capital shares	1,257,117,748	100.00%				0	0	1,257,117,748	100.00%

#### Reasons for share changed

Applicable  Not applicable

In the report period, Mr.Xiao Laijiu because of job transfer ,8,455 unrestricted negotiable shares held by him were

Approval of Change of Shares

Applicable  Not applicable

Transfer of Change of shares

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

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

√ Applicable □ Not Applicable

The Company in June 2016 began to issue shares and use cash to purchase assets and raise counterpart funds and connected transactions, it purchased 25% equity of Fokai Company held by the Guangdong Highway by issuing 33,355,263 A-shares and paying cash; it purchased 100% equity of Guangzhu Transportation held by the Construction Company by issuing 466,325,020 A-shares; it purchased the debts to Guangzhu East Company held by the Construction Company by paying cash.

Meanwhile, the Company issued 202,429,149 A shares, 101,214,574 A shares and 30,364,372 A shares towards Yadong Fuxing Yalian, Tibet Yingyue and GF Securities respectively to raise counterpart funds for part of the cash payment and taxes of the transaction, as well as to supplement the listed company's working capital.

The Company completed the registration, issuance and going public work of the above-mentioned shares on July 8, 2016, the Company's total number of shares is 2,090,806,126, the number of its restricted outstanding shares becomes 1,273,378,675, and the number of its outstanding shares has not changed and remains 817,427,451.

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

In shares

Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Particulars about shares held above 5% by shareholders or top ten shareholders								
Guangdong Communication Group Co.,Ltd	State-owned legal person	40.84%	513,356,893	0	409,977,151	103,379,742		
Feng Wuchu	Domestic natural person shares	1.76%	22,137,997	2478688	0	22,137,997		
Guangdong Expressway Co., Ltd	State-owned legal person	1.56%	19,582,228	0	19,582,228	0		
Haerbin Hali Industrial Co., Ltd.	Domestic non State-owned Legal person	1.18%	14,850,682	0	0	14,850,682		
Xinyue Co., Ltd.	Foreign legal person	1.05%	13,201,086	0	0	0		

Li Zhuo	Domestic natural person shares	0.75%	9,458,390	1831702	0	9,458,390		
ICBC—South Preferred stock investment Fund	Domestic non State-owned Legal person	0.56%	7,000,060	0	0	7,000,060		
China Everbright Bank Co., Ltd.—China Europe New Power Stock Securities Investment Fund (LOF)	Domestic non State-owned Legal person	0.53%	6,678,925	0	0	6,678,925		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.35%	4,417,431	0	0	4,417,431		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.34%	4,327,802	0	0	4,327,802		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Expressway Co., Ltd. and Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.							
Shareholding of top 10 shareholders of unrestricted shares								
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period				Share type			
					Share type		Quantity	
Guangdong Communication Group Co.,Ltd	103,379,742				RMB Common shares		103,379,742	
Feng Wuchu	22,137,997				RMB Common		20,206,409	

		shares	1,931,588
Haerbin Hali Industrial Co., Ltd.	14,850,682	RMB Common shares	14,850,682
Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086
Li Zhuo	9,458,390	RMB Common shares	9,458,390
ICBC—South Preferred stock investment Fund	7,000,060	RMB Common shares	7,000,060
China Everbright Bank Co., Ltd.—China Europe New Power Stock Securities Investment Fund (LOF)	6,678,925	RMB Common shares	6,678,925
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,417,431	Foreign shares placed in domestic exchange	4,417,431
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,327,802	Foreign shares placed in domestic exchange	4,327,802
China Securities Finance Co., Ltd.	4,144,500	RMB Common shares	4,144,500
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.		
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	Harbin Hali Industry Co., Ltd. holds 14,849,774 A shares of the Company through stock account with credit transaction and guarantee and holds 908 A shares through ordinary stock account. hold 14,850,682 shares of the Company's stock totally; Li Zhuo holds 9,362,409 A shares of the Company through stock account with credit transaction and guarantee and holds 95,981 A shares through ordinary stock account, hold 9,458,390 shares of the Company's stock totally.		

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

Yes  No

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

### III. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable  Not Applicable

There was no any change of the controlling shareholder of the Company in the reporting period.

Change of the actual controller in the reporting period

Applicable  Not applicable

There was no any change of the actual controller of the Company in the reporting period.

IV. Particulars on shareholding increase scheme during the reporting period proposed or implemented by the shareholders and act-in-concert persons

Applicable  Not applicable

Within the scope known to the Company, there was no any shareholding increase scheme during the reporting period proposed or implemented by the shareholders and act-in-concert persons.

## **VII. Situation of the Preferred Shares**

Applicable Not applicable

The Company had no preferred shares in the reporting period.

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

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

Applicable  Not Applicable

There was no change in shareholding of directors, supervisors and senior Executives, for the specific information please refer to the 2015 Annual Report.

### **II. Changes in directors, supervisors and senior Executives**

Applicable  Not Applicable

No Change in Directors, Supervisors and Senior Executives, for the specific information please refer to the 2015 Annual Report.

## IX. Financial Report

### 1. Audit report

Has this semi-annual report been audited?

Yes    No

Type of audit opinion	Standard Unqualified Audit Opinion
Date for signing the auditor's report	August 22, 2016
Name of audit firm	Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd. (Special General Partnership)
The audit report number	广会审字[2016]G16036790019 号
Name of Certified Public Accountant	Yao Jing、 Xu Jihong

Are Semi-annual audit report is non-standard audit report?

Yes    No



## II. Financial statements

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

### 1. Consolidated balance sheet

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

June 30, 2016

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	1,677,591,492.62	1,199,629,276.85
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable	85,563,075.45	77,396,705.54
Prepayments	4,039,664.37	7,390,264.97
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable	44,698,439.36	
Other account receivable	18,901,657.90	18,265,472.13
Repurchasing of financial assets		
Inventories	800,998.80	800,998.80
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	55,744.14	
Total of current assets	1,831,651,072.64	1,303,482,718.29
Non-current assets:		
Loans and payment on other's behalf		

Items	At the end of term	Beginning of term
disbursed		
Disposable financial asset	1,683,133,691.17	1,796,056,064.29
Expired investment in possess		
Long-term receivable		
Long term share equity investment	2,289,671,148.45	2,250,314,577.89
Property investment	3,452,077.78	3,684,184.48
Fixed assets	9,315,285,318.01	9,733,198,359.00
Construction in progress	33,512,790.35	23,624,279.71
Engineering material	1,549,556.00	1,549,556.00
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	6,694,795.40	8,634,141.79
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	2,670,468.10	3,576,970.11
Differed income tax asset	4,958,570.39	448,397.20
Other non-current asset	3,008,726.52	2,343,267.94
Total of non-current assets	13,343,937,142.17	13,823,429,798.41
Total of assets	15,175,588,214.81	15,126,912,516.70
Current liabilities		
Short-term loans		
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable	138,652,556.81	173,079,084.60
Advance payment	34,264,444.93	35,079,806.09
Selling of repurchased financial assets		
Fees and commissions receivable		

Items	At the end of term	Beginning of term
Employees' wage payable	11,983,655.61	6,616,356.87
Tax payable	112,419,482.29	90,711,647.65
Interest payable	93,197,701.63	23,143,564.41
Dividend payable	12,512,983.60	11,681,423.74
Other account payable	146,101,437.03	192,607,238.67
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	1,758,680,000.00	1,379,080,000.00
Other current liability		
Total of current liability	2,307,812,261.90	1,911,999,122.03
Non-current liabilities:		
Long-term loan	4,333,760,000.00	4,830,760,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	969,925,895.09
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	291,982,464.37	297,540,718.21
Other non-current liabilities		
Total non-current liabilities	4,627,764,674.48	6,098,226,613.30
Total of liability	6,935,576,936.38	8,010,225,735.33
Owners' equity		
Share capital	2,090,806,126.00	1,257,117,748.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Items	At the end of term	Beginning of term
Capital reserves	2,508,408,342.99	1,643,484,871.70
Less: Shares in stock		
Other comprehensive income	366,997,712.64	479,920,085.76
Special reserves		
Surplus reserves	295,642,270.96	295,642,270.96
Common risk provision		
Undistributed profit	2,496,570,806.10	2,179,239,324.01
Total of owner's equity belong to the parent company	7,758,425,258.69	5,855,404,300.43
Minority shareholders' equity	481,586,019.74	1,261,282,480.94
Total of owners' equity	8,240,011,278.43	7,116,686,781.37
Total of liabilities and owners' equity	15,175,588,214.81	15,126,912,516.70

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Liu Xiaomei

## 2. Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	964,876,456.11	822,286,507.11
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable		
Prepayments	3,313,209.55	1,994,822.56
Interest receivable	2,025,527.74	137,958.34
Dividend receivable	44,698,439.36	
Other account receivable	2,607,029.46	2,256,822.99

Items	At the end of term	Beginning of term
Inventories		
Assets held for sales		
Non-current asset due in 1 year	110,000,000.00	
Other current asset		
Total of current assets	1,127,520,662.22	826,676,111.00
Non-current assets:		
Disposable financial asset	1,683,133,691.17	1,796,056,064.29
Expired investment in possess		
Long-term receivable		
Long term share equity investment	6,954,833,368.11	5,053,688,539.24
Property investment	3,199,939.53	3,432,046.23
Fixed assets	3,044,784.91	3,734,470.83
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	899,803.39	1,056,003.37
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	2,410,715.06	3,261,555.68
Differed income tax asset		
Other non-current asset	932,903,684.98	75,000,000.00
Total of non-current assets	9,580,425,987.15	6,936,228,679.64
Total of assets	10,707,946,649.37	7,762,904,790.64
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable		
Advance payment		

Items	At the end of term	Beginning of term
Employees' wage payable	944,420.17	1,022,391.27
Tax payable	4,390,655.36	4,915,239.62
Interest payable	51,248,494.23	17,625,272.46
Dividend payable	12,512,983.60	11,681,423.74
Other account payable	4,800,426.40	6,378,723.77
Liabilities held for sales		
Non-current liability due in 1 year	1,047,000,000.00	997,000,000.00
Other current liability	666,973,897.94	309,154,118.44
Total of current liability	1,787,870,877.70	1,347,777,169.30
Non-current liabilities:		
Long-term loan	1,500,000,000.00	1,500,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	52,022,210.11
Employees' wage payable		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	1,502,022,210.11	1,552,022,210.11
Total of liability	3,289,893,087.81	2,899,799,379.41
Owners' equity		
Share capital	2,090,806,126.00	1,257,117,748.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	3,359,791,693.12	1,534,920,742.49
Less: Shares in stock		
Other comprehensive income	366,997,712.64	479,920,085.76
Special reserves		
Surplus reserves	279,797,987.31	279,797,987.31

Items	At the end of term	Beginning of term
Undistributed profit	1,320,660,042.49	1,311,348,847.67
Total of owners' equity	7,418,053,561.56	4,863,105,411.23
Total of liabilities and owners' equity	10,707,946,649.37	7,762,904,790.64

## 3.Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	1,333,492,179.77	1,250,134,143.23
Incl: Business income	1,333,492,179.77	1,250,134,143.23
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	862,251,224.53	914,491,445.90
Incl: Business cost	558,947,473.08	527,672,324.82
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	32,283,347.45	43,942,749.79
Sales expense		
Administrative expense	80,579,615.84	85,292,103.26
Financial expenses	190,618,235.21	257,512,886.37
Asset impairment loss	-177,447.05	71,381.66
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	227,430,687.32	197,546,547.39
Incl: investment gains from affiliates	181,732,975.66	152,934,917.52
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	698,671,642.56	533,189,244.72

Items	Report period	Same period of the previous year
Add : Non-operational income	63,681,145.14	6,033,478.51
Including: Income from disposal of non-current assets	111,175.47	10,682.00
Less: Non business expenses	878,328.59	849,482.98
Incl: Loss from disposal of non-current assets	102,453.65	365,730.09
IV.Total profit("-"for loss)	761,474,459.11	538,373,240.25
Less: Income tax expenses	157,332,820.43	117,044,170.80
V. Net profit	604,141,638.68	421,329,069.45
Net profit attributable to the owners of parent company	505,899,144.29	338,837,143.73
Minority shareholders' equity	98,242,494.39	82,491,925.72
VI. Other comprehensive income	-112,922,373.12	112,922,373.12
Net of profit of other comprehensive income attributable to owners of the parent company.	-112,922,373.12	112,922,373.12
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-112,922,373.12	112,922,373.12
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-112,922,373.12	112,922,373.12
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedg		



Items	Report period	Same period of the previous year
es and losses		
5.Translation differences in currency financial statements		
6.Other		
7.Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	491,219,265.56	534,251,442.57
Total comprehensive income attributable to the owner of the parent company	392,976,771.17	451,759,516.85
Total comprehensive income attributable minority shareholders	98,242,494.39	82,491,925.72
VIII. Earnings per share		
(I) Basic earnings per share	0.29	0.20
(II) Diluted earnings per share	0.29	0.20

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 102,025,476.76, last period the combined party realized RMB106,981,773.68.

Legal Representative: Zheng Renfa

General Manager Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Liu Xiaomei

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

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	10,505,002.81	9,327,468.61
Incl: Business cost	232,106.70	232,106.70
Business tax and surcharge	361,322.43	573,183.35
Sales expense		
Administrative expense	30,982,771.89	37,108,447.40
Financial expenses	73,447,382.17	85,517,724.54
Asset impairment loss		

Items	Report period	Same period of the previous year
Add: Gains from change of fair value ("-"for loss)		
Investment gain ("-"for loss)	292,397,437.40	259,765,299.53
Incl: investment gains from affiliates	215,901,030.71	187,979,091.58
II. Operational profit ("-"for loss)	197,878,857.02	145,661,306.15
Add : Non-operational income		26,300.00
Including: Income from disposal of non-current assets		
Less: Non business expenses		7,697.44
Incl: Loss from disposal of non-current assets		7,577.44
III.Total profit("-"for loss)	197,878,857.02	145,679,908.71
Less: Income tax expenses		
IV. Net profit ("-"for net loss)	197,878,857.02	145,679,908.71
V.Net of profit of other comprehensive income	-112,922,373.12	112,922,373.12
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-112,922,373.12	112,922,373.12
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-112,922,373.12	112,922,373.12
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hed		

Items	Report period	Same period of the previous year
ges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	84,956,483.90	258,602,281.83
VII. Earnings per share:		
(I) Basic earnings per share		
(II)Diluted earnings per share		

## 5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,332,381,201.70	1,155,264,691.61
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned		
Other cash received from business operation	42,007,100.90	51,907,173.11

Items	Report period	Same period of the previous year
Sub-total of cash inflow	1,374,388,302.60	1,207,171,864.72
Cash paid for purchasing of merchandise and services	47,639,137.85	50,599,622.38
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	138,780,053.43	144,520,075.28
Taxes paid	191,444,172.08	179,427,875.72
Other cash paid for business activities	63,642,109.86	28,437,774.89
Sub-total of cash outflow from business activities	441,505,473.22	402,985,348.27
Cash flow generated by business operation, net	932,882,829.38	804,186,516.45
II. Cash flow generated by investing		
Cash received from investment retrieving		40,549,909.00
Cash received as investment gains	143,375,677.40	197,998,345.87
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	606,975.00	10,682.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	60,770,000.00	
Sub-total of cash inflow due to investment activities	204,752,652.40	238,558,936.87
Cash paid for construction of fixed assets, intangible assets and other long-term assets	69,443,291.01	85,787,187.21
Cash paid as investment	803,500,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		

Items	Report period	Same period of the previous year
Other cash paid for investment activities	987,903,684.98	
Sub-total of cash outflow due to investment activities	1,860,846,975.99	85,787,187.21
Net cash flow generated by investment	-1,656,094,323.59	152,771,749.66
III.Cash flow generated by financing		
Cash received as investment	1,633,499,989.30	
Incl: Cash received as investment from minor shareholders		
Cash received as loans	499,000,000.00	755,000,000.00
Cash received from bond placing		
Other financing –related ash received	5,173.81	
Sub-total of cash inflow from financing activities	2,132,505,163.11	755,000,000.00
Cash to repay debts	596,400,000.00	1,241,720,000.00
Cash paid as dividend, profit, or interests	330,423,880.43	308,140,532.80
Incl: Dividend and profit paid by subsidiaries to minor shareholders	10,266,231.67	
Other cash paid for financing activities	3,984,368.84	3,000,000.00
Sub-total of cash outflow due to financing activities	930,808,249.27	1,552,860,532.80
Net cash flow generated by financing	1,201,696,913.84	-797,860,532.80
IV. Influence of exchange rate alternation on cash and cash equivalents	-523,203.86	-500,338.15
V.Net increase of cash and cash equivalents	477,962,215.77	158,597,395.16
Add: balance of cash and cash equivalents at the beginning of term	1,199,629,276.85	737,462,446.86
VI ..Balance of cash and cash equivalents at the end of term	1,677,591,492.62	896,059,842.02

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
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Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	6,683,948.58	2,941,717.07
Tax returned		
Other cash received from business operation	377,038,257.24	106,775,060.83
Sub-total of cash inflow	383,722,205.82	109,716,777.90
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	18,319,723.15	24,072,836.07
Taxes paid	695,332.37	743,853.55
Other cash paid for business activities	23,791,412.76	133,568,926.05
Sub-total of cash outflow from business activities	42,806,468.28	158,385,615.67
Cash flow generated by business operation, net	340,915,737.54	-48,668,837.77
II.Cash flow generated by investing		
Cash received from investment retrieving		40,549,909.00
Cash received as investment gains	174,174,372.43	197,998,345.87
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	22,151,791.67	6,323,061.11
Sub-total of cash inflow due to investment activities	196,326,164.10	244,871,315.98
Cash paid for construction of fixed assets, intangible assets and other long-term assets		294,728.41
Cash paid as investment	803,500,000.00	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	987,903,684.98	

Items	Amount in this period	Amount in last period
Sub-total of cash outflow due to investment activities	1,791,403,684.98	294,728.41
Net cash flow generated by investment	-1,595,077,520.88	244,576,587.57
III.Cash flow generated by financing		
Cash received as investment	1,633,499,989.30	
Cash received as loans		50,000,000.00
Cash received from bond placing		
Other financing –related ash received	5,173.81	
Sub-total of cash inflow from financing activities	1,633,505,163.11	50,000,000.00
Cash to repay debts		
Cash paid as dividend, profit, or interests	232,245,858.07	170,505,364.48
Other cash paid for financing activities	3,984,368.84	3,000,000.00
Sub-total of cash outflow due to financing activities	236,230,226.91	173,505,364.48
Net cash flow generated by financing	1,397,274,936.20	-123,505,364.48
IV. Influence of exchange rate alternation on cash and cash equivalents	-523,203.86	-500,338.15
V.Net increase of cash and cash equivalents	142,589,949.00	71,902,047.17
Add: balance of cash and cash equivalents at the beginning of term	822,286,507.11	332,632,828.69
VI ..Balance of cash and cash equivalents at the end of term	964,876,456.11	404,534,875.86

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

Amount in this period

In RMB

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
		preferred stock	Sustainable debt	Other									
I. Balance at the end of last year	1,257,117,748.00				1,643,484,871.70		479,920,085.76		295,642,270.96		2,179,239,324.01	1,261,282,480.94	7,116,686,781.37
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of	1,257,117,748.00				1,643,484,871.70		479,920,085.76		295,642,270.96		2,179,239,324.01	1,261,282,480.94	7,116,686,781.37



Items	Amount in this period												
	Owner's equity Attributable to the Parent Company										Minor shareholders' equity	Total of owners' equity	
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision			Attributable profit
	preferred stock	Sustainable debt	Other										
current year													
III.Changed in the current year	833,688,378.00				864,923,471.29		-112,922,373.12				317,331,482.09	-779,696,461.20	1,123,324,497.06
(1) Total comprehensive income							-112,922,373.12				505,899,144.29	98,242,494.39	491,219,265.56
(II) Investment or decreasing of capital by owners	833,688,378.00				1,824,865,776.82								2,658,554,154.82
1. Ordinary Shares invested by shareholders	833,688,378.00				1,824,865,776.82								2,658,554,154.82
2. Holders of other equity instruments invested capital													
3. Amount of													

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
preferred stock		Sustainable debt	Other										
shares paid and accounted as owners' equity													
4. Other													
(III) Profit allotment											-188,567,662.20	-10,266,231.67	-198,833,893.87
1. Providing of surplus reserves													
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)											-188,567,662.20	-10,266,231.67	-198,833,893.87
4. Other													

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
preferred stock		Sustainable debt	Other										
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves													

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
preferred stock		Sustainable debt	Other										
1. Provided this year													
2. Used this term													
(VI) Other					-959,942,305.53							-867,672,723.92	-1,827,615,029.45
IV. Balance at the end of this term	2,090,806,126.00				2,508,408,342.99		366,997,712.64		295,642,270.96		2,496,570,806.10	481,586,019.74	8,240,011,278.43

Amount in last year

In RMB

Items	Amount in last year												
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit	Minor shareholders' equity	Total of owners' equity
		preferred stock	Sustainable debt	Other									
I. Balance at the end of last year	1,257,117,748.00				1,643,483,493.03		630,483,249.92		268,900,521.42			1,097,400,361.54	6,532,978,020.38
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	1,257,117,748.00				1,643,483,493.03		630,483,249.92		268,900,521.42		1,635,592,646.47	1,097,400,361.54	6,532,978,020.38

Items	Amount in last year												
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit	Minor shareholders' equity	Total of owners' equity
		preferred stock	Sustainable debt	Other									
III.Changed in the current year				1,378.67		-150,563,164.16		26,741,749.54		543,646,677.54	163,882,119.40	583,708,760.99	
(1) Total comprehensive income						-150,563,164.16				696,100,201.88	169,648,010.50	715,185,048.22	
(II) Investment or decreasing of capital by owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Allotment to the owners (or													

Items	Amount in last year												
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit	Minor shareholders' equity	Total of owners' equity
		preferred stock	Sustainable debt	Other									
shareholders)													
4. Other													
(IV) Internal transferring of owners' equity								26,741,749.54		-152,453,524.34	-5,765,891.10	-131,477,665.90	
1. Capitalizing of capital reserves (or to capital shares)								26,741,749.54		-26,741,749.54			
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.										-125,711,774.80	-5,765,891.10	-131,477,665.90	
4. Other													

Items	Amount in last year												
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit	Minor shareholders' equity	Total of owners' equity
		preferred stock	Sustainable debt	Other									
(VI) Special reserves													
1. Provided this year													
2. Used this term													
(VII) Other													
IV. Balance at the end of this term													
(V) Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other					1,378.67							1,378.67	
IV. Balance at the	1,257,117,748.00				1,643,484,871.70		479,920,085.76		295,642,270.96		2,179,239,324.01	1,261,282,480.94	7,116,686,781.37



Items	Amount in last year												
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit	Minor shareholders' equity	Total of owners' equity
		preferred stock	Sustainable debt	Other									
end of this term													

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

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustain able debt	Other							
I.Balance at the end of last year	1,257,117,748.00				1,534,920,742.49		479,920,085.76		279,797,987.31	1,311,348,847.67	4,863,105,411.23
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II.Balance at the beginning of current year	1,257,117,748.00				1,534,920,742.49		479,920,085.76		279,797,987.31	1,311,348,847.67	4,863,105,411.23
III.Changed in the current year	833,688,378.00				1,824,870,950.63		-112,922,373.12			9,311,194.82	2,554,948,150.33

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less:	Other	Specialize	Surplus reserves	Attributable profit	Total of owners'
(I) Total comprehensive income							-112,922,373.12			197,878,857.02	84,956,483.90
(II) Investment or decreasing of capital by owners	833,688,378.00				1,824,865,776.82						2,658,554,154.82
1. Ordinary Shares invested by shareholders	833,688,378.00				1,824,865,776.82						2,658,554,154.82
2. Holders of other equity instruments invested capital											
3.Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit allotment										-188,567,662.20	-188,567,662.20
1.Providing of surplus reserves											

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less:	Other	Specialize	Surplus reserves	Attributable profit	Total of owners'
2. Allotment to the owners (or shareholders)										-188,567,662.20	-188,567,662.20
3. Other											
(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this											

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less:	Other	Specialize	Surplus reserves	Attributable profit	Total of owners'
year											
2. Used this term											
(VI) Other					5,173.81						5,173.81
IV. Balance at the end of this term	2,090,806,126.00				3,359,791,693.12		366,997,712.64		279,797,987.31	1,320,660,042.49	7,418,053,561.56

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustain able debt	Other							
I.Balance at the end of last year	1,257,117,748.00				1,534,919,363.82		630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II.Balance at the beginning of current year	1,257,117,748.00				1,534,919,363.82		630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08
III.Changed in the current year					1,378.67		-150,563,164.16		26,741,749.54	114,963,971.10	-8,856,064.85
(I) Total							-150,563,164.16			267,417,495.44	116,854,331.28

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustain able debt	Other							
comprehensive income											
(II) Investment or decreasing of capital by owners											
1. Ordinary Share s invested by share holders											
2. Holders of oth er equity instrume nts invested capital											
3.Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit									26,741,749.54	-152,453,524.34	-125,711,774.80

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustain able debt	Other							
allotment											
1.Providing of surplus reserves								26,741,749.54	-26,741,749.54		
2. Allotment to the owners (or shareholders)										-125,711,774.80	-125,711,774.80
3. Other											
(IV)Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											



Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustain able debt	Other							
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other					1,378.67						1,378.67
IV. Balance at the end of this term	1,257,117,748.00				1,534,920,742.49		479,920,085.76		279,797,987.31	1,311,348,847.67	4,863,105,411.23

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

### Notes to financial statements

January -June 2016

#### I. Company Profile

##### (1). History

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

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

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

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

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

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

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

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

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

9.Pursuant to the approval of Shenzhen Stock Exchange, 53.0205 million staff shares of the Company (132,722 shares held by directors, supervisors and senior executives are temporarily frozen) were listed on February 5, 2001.As of June 30,2016, the quantity of the shares subject to sale restriction held by senior executives is 135,069.

10.In accordance with the resolutions of 2000 annual shareholders' general meeting, the Company capitalized capital common reserve into 419,039,249 shares on 5-for-10 basis with the total share capital as of the end of 2000, i.e., 838,078,499 shares as base. The date of stock right registration was May 21, 2001. The ex-right date was May 22, 2001.

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

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

13. Upon the approval document of CSRC No.230-2016 Zheng Jian Xu ke-Approval of the Share-Issuing to Parties such as Guangdong Provincial Expressway Co., Ltd to Purchase Assets and Raise Matching Funds by Guangdong Provincial Expressway Development Co., Ltd, in June 2016 the company issued 33,355,263 shares and paid RMB 803.50 million to Guangdong Provincial Expressway Co., Ltd for purchasing the 25% stake of Guangdong Provincial Fokai Expressway Co., Ltd held by Guangdong Provincial Expressway Co., Ltd; and issued 466,325,020 shares to Guangdong Provincial Highway Construction Co., Ltd for purchasing the 100% stake of Guangzhou Guangzhu Traffic Investment Management Co., Ltd held by Guangdong Provincial Highway Construction Co., Ltd. On June 21, 2016, the company directionally issued 334,008,095 A-shares to Yadong Fuxing Yalian Investment Co.,Ltd, Tibet Yinyue Investment Management Co.,Ltd and GF Securities Co.,Ltd.

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

As of June 30, 2016, Registration capital :RMB2,090,806,126, Legal representative: Zhu Zhanliang,Registration place:No.85, Baiyun Road, Guangzhou, Headquarters Office: 45-46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe Disrtict , Guangzhou, The company has set up: Investment Development Dept, Security Affairs

Department, Management Department, Financial Management Department, Base construction Department, Audit and Supervise Department, Affairs Department, Personnel Department , Party Work Department, Law affairs Department , Project Office and Labour union etc.

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Li Jing. Date of establishment: June 23, 2000. As of June 30, 2016,Registered capital: RMB 26.8 billion. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; The value-added telecom business.

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

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

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

### (4) Scope of consolidated financial statements

The company's 2016(Jan-June) annual consolidated subsidiaries of total 4 companies, the scope of consolidated financial statements did not change compared with the previous period, Compared with the prior period, one new business combination was added to the scope of consolidate financial statement in reason of being under the same control. Refer to Notes VI, Notes of financial statements ,Change of consolidation scope and Notes VII, Notes of financial statements, Equity in other entities for more details.

### (5) Approval of the financial statements reported

The financial statements have been authorized for issuance by the Board of Directors of the Group on August 4,2016.

## II. Basis for the preparation of financial statements

### 1.Preparation basis

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

### 2.Continuation

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

### III. Important accounting policies and estimations

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

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

#### 2.Fiscal Year

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

#### 3.Operating cycle

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

#### 4.Standard currency for bookkeeping

The Company takes RMB as the standard currency for bookkeeping.

#### 5.Accountings for Business Combinations under the Same Control & Business Combinations not under the Same Control

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

The assets and liabilities acquired by the company in the business combination shall be measured as per the obtained book value of owner's equity of the combined party in the consolidated financial statements. As for the balance between the carrying amount of the net assets obtained by the combining party & the carrying amount of the consideration paid by it (or the total par value of the shares issued), the additional paid-in capital shall be adjusted. If the additional paid-in capital is not sufficient to be offset, the retained earnings shall be adjusted.

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

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

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

##### 2. Business Combinations not under the Same Control

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

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

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

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

#### 6.Methods for Preparing the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 9. Foreign Currency Transaction

- (1) Foreign Currency Transaction

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

## (2) Conversion of Foreign Financial statement

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

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

### 10. Financial tools

#### 1. Categories of financial Tools

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

#### 2. Recognition and measurement of financial tools

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

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

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

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

##### (2) Investment hold till expiration

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

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

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



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

(3) Account receivable

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

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

(4) Saleable financial assets

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

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

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

(5) Other financial liabilities

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

3. Recognition and measurement basis of financial asset transposition

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

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

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

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

If part transfer of financial assets meet the conditions of terminating confirmation, the book value of the transferred

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

① Book value of the confirmed part;

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

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

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

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

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

Stop admitting the balance of value of financial liability and consideration (Including the roll-out of non-cash assets or financial liabilities) which could be consider as current profits and losses.

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

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

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

#### 6. Impairment provision for financial assets

① Impairment provision for financial assets for sale:

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

② Holding the impairment provision of expired investments:

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

### 11. Recognition criteria and withdrawal methods for bad debts provision of accounts receivable

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

① Judgment criteria or amount standard of material specific amount or amount criterial: The accounts receivable whose single amount is over RMB 1 million & accounts for over 10% of the accounts receivable amount.

② Provision method with material specific amount and provision of specific bad debt preparation: Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period.

(2)Accounts receivable which the bad debt provision is withdrawn by credit risk characteristics

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

②In the Groups, adopting aging analysis method to withdraw bad debt provision

#### A. Age analysis method

Age	Withdrawal proportion for accounts receivable	Withdrawal proportion for other accounts receivable(%)
Within 1 year (including 1 year)	0	0
1—2 years	10	10
2—3 years	30	30
3—4 years	50	50
4—5 years	90	90
Over 5 years	100	100

When the provision for bad debts is summed and drew by age analysis, it will be counted with the balance of the C/A between the subsidiary in the scope of consolidated statements which has been deducted by the ending receivables.

#### B. Other counting methods for bad-debt provisions:

Launching impairment test separately and summing and drawing the provision for bad debts according to the gap whose expected future value of cash flow is lower than its book value to count into current profit and loss

(3)The determining basis and methods of counting for bad-debt provisions for the no significant amount but counted separately receivables.

The determining basis of bad-debt provisions for the no significant amount but separately counted receivables: The accounts receivable under 5 years of age which are not significant without any business connections any more.

②Recognition Standard and Counting & Drawing Method of Bad Debt Reserves for the Accounts Receivable Whose Single Amount Is not Significant: Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period

## 12.Inventory

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

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

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

4. Inventory System: Adopts the Perpetual Inventory System

### 13. Divided as assets held for sale

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

- (1) The components should be immediately sold under the current condition only according to the usual terms of the parts sold.
- (2) The enterprise has made resolution for the disposal of the components, the approval of shareholders' meeting or relevant authority agency if the shareholder's approval is requested by the rules.
- (3) The enterprise has signed the irrevocable transfer agreement with the transferee.
- (4) The transfer shall be completed within one year.

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

### 14. Long-term equity investment

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

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

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

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

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

date minus the initial investment cost of long-term equity investment. The retained earnings shall be adjusted if the capital reserves are insufficient to offset.

②For the business combination under non-common control, the initial investment cost shall be recognized according to the fair value of the merger consideration paid on the purchase date. For the long-term equity investment after the business combination under non-common control realized step-by-step through multiple transactions, the relevant accounting treatment should be respectively conducted for the individual financial statement and the consolidated financial statements:

1) In the individual financial statements, the sum of the book value of equity investment from the purchased party held before the purchase date and the new investment cost at the purchase date shall be as the initial investment cost of the investment. Other comprehensive incomes related to the equity of the purchased party held before the purchase date shall be transferred into the current investment incomes in the disposal of the investment. 2) In the consolidated financial statements, the equity of the purchased party held before the purchase date should be measured again according to the fair value of the equity on the purchase date, and the gap of the fair value and the book value should be recorded into the current investment incomes. Other comprehensive incomes related to the equity of the purchased party held before the purchase date shall be transferred into the current investment incomes on the purchase date.

③With the exception of the business combination:

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

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

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

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

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

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

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

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

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

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

## 15. Entrusted Loans

The entrusted loans shall be made bookkeeping according to the actually entrusted loan amount. The receivable interests

shall be withdrawn according to the interest rate stated in the entrusted loans.

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

## 16. Investment Real Estates

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

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

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

## 17. Fixed assets

### (1) Confirmation conditions of fixed assets

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

### (2) Depreciation method

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

The company regularly rechecks the estimate total standard vehicle traffic volume with in the remaining operation period of highways and bridges. When there is big difference between actual standard vehicle traffic volume and estimated standard vehicle traffic volume, the Company will re-estimate future total standard vehicle traffic volume and

adjust the provision for depreciation per standard vehicle traffic volume to ensure that the book value of relevant highways and bridges will be completely amortized within useful life.

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

Depreciation ages and ration of fixed assets:

Classification of fixed asset	Depreciable life (Year)	Residual rate (%)	Depreciation rate (%)
Highway and Bridge:			
Including: Guangfo Expressway	28 years	0%	Working flow basis
Fokai Expressway	30 years	0%	Working flow basis
Jingzhu Expressway Guangzhu Section	30 years	0%	Working flow basis
House Building	20-30 years	3%—10%	3%-4.85%
Machine Equipment	10 years	3%—10%	9%-9.7%
Transportation Equipment	5-8 years	3%—10%	11.25%-19.4%
Electric Equipment and other	5-15 years	3%—10%	6 %-19.4%

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

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

## 18. Construction-in process

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

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

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

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

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

3 of Financial Statements”.

#### 19.Loan expenses

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

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

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

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

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

##### 2. Duration of capitalization of Loan costs

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

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

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

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

##### 3. Capitalization Suspension Period

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

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

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

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



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

## 20.Intangible assets

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

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

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

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

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

The entry value of the non-monetary assets exchanged into by the non-monetary assets are determined on the basis of the fair value of the assets exchanged out if the exchange of non-monetary assets has commercial nature and the assets exchanged into or out can be reliably measured, unless there is authentic evidence indicating that the fair value of assets exchanged into are more reliable; if the non-monetary assets that cannot meet the above prerequisite use the book value of the assets exchanged out and relevant taxes payable as the cost of the non-monetary assets, the profit and loss is not confirmed.

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

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

#### (2) Subsequent measurement

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

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

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

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

For the impairment test method and the impairment provision withdrawing method of the Intangible assets, please refer to

“Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 3 of Financial Statements”.

#### 21.Impairment of Long-term assets

##### (1) Scope

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

##### (2) Recognition of Possible Impairment Assets

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

- ① The market price of assets fall sharply in the current period, and the decline is obviously beyond that estimated due to the passage of time or normal use.
- ② The significant changes in the economy, technology or legal environment operated by the company and the assets market in the current or the near future adversely affect the company.
- ③ The improvement of the market interest rates or other market investment returns in the current period, influence the company to calculate assets estimating the discount rate of the present value of future cash flow and result in the sharp drop of the recoverable amount of the assets.
- ④ There is evidence that shows the assets have become obsolete or the entities have been damaged.
- ⑤ The assets have been or will be idle, terminated the use or planned to dispose in advance.
- ⑥ The evidence in the internal report of the company shows that the economic performance of assets has been less than or lower than the expected, such as the net cash flow created by assets or the achieved operating profit (or loss) is far below (or above) the estimated amount.
- ⑦ Other evidences indicate the impairment of assets may have occurred.

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

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

##### (4) Determination of Asset Impairment Loss

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

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

If there is the impairment for one asset, the company shall estimate the recoverable amount based on the individual asset. If

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

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

#### (6) The Goodwill Impairment

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

When the relevant asset group or the asset group combination including the goodwill are conducted the impairment test, the impairment test should be firstly conducted for the asset group without the goodwill or the asset group combination, the recoverable amount shall be calculated and the corresponding impairment loss shall be recognized by comparison with the relevant book value if there exists the impairment for the asset group relevant to the goodwill or the asset group combination. Then the impairment test should be conducted for the asset group with the goodwill or the asset group combination, the impairment loss of the goodwill shall be recognized and made the treatment according to the provisions of the asset group impairment stated in the notes if the recoverable amount of the relevant asset group or the asset group combination is less than the book value by comparison of the book value of these relevant asset group or the asset group combination (including the book value of the goodwill amortized) with the recoverable amount.

#### 22.Long-term amortizable expenses

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

#### 23.Remuneration

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

Remuneration refers to all kinds of rewards or compensation that the Company gives to get in return for the services its employees provide or employment termination. It includes short-term compensation, post-employment benefits, demission benefits and other long-term employee benefits.

Enterprises to provide employees spouse, child welfare, dependents, survivors and other beneficiaries of deceased employees, etc., also belong to payroll.

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

(2) Accounting methods for post-employment benefits

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

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

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

(3) Accounting Treatment Method of Demission Welfare

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

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

24. Estimated liabilities

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

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

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

book value of the estimated liabilities

## 25. Bond payable

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

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

## 26. Other Comprehensive Incomes

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

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

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

## 27. Revenues

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

(1) The recognition principle of the toll service revenues is that the toll revenues refer to the charges of operating the toll roads and shall be recognized in the actual charge.

(2) The recognition principle of the services provision is as follows:

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

## 28. Governmental subsidy

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

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

the serviceable life of assets built or purchased.

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

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

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

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

#### 30. Accounting Methods of Income tax

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

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

#### 31. Change of main accounting policies and estimations

##### (1) Change of accounting policies

N/A

##### (2) Change of accounting estimations

N/A

### IV. Taxation

#### 1. Major category of taxes and tax rates

Tax category	Tax basis	Tax rate
VAT	Toll income, Rent income and Labour income	3%、5%、6%、11%、17%

## Guangdong Provincial Expressway Development Co.,Ltd.

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

## 2.Preferential tax and approving documents

N/A

## V. Notes to the major items of consolidated financial statement

With respect to the notes item disclose below, unless otherwise specified, “Year-beginning” refers to December 31, 2015, “Year-end “ refers to June 30, 2016, “Previous period” refers to Jan-June 2015, “This period” refers to Jan-June 2016.

## 1.Monetary Capital

In RMB

Items	Amount in year-end	Amount in year-begin
Cash	84,796.99	138,192.93
Bank deposit	1,676,634,398.25	1,198,752,797.31
Other	872,297.38	738,286.61
Total	1,677,591,492.62	1,199,629,276.85
Thereinto : The total amount of deposited abroad		

## 2. Account receivable

## 1.Classification account receivables.

In RMB

Type	Amount in year-end		
	Book Balance	Bad debt provision	Book value

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	Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable with single major amount and withdrawal bad debt provision for single item	69,507,918.82	81.14			69,507,918.82
Account receivable withdrawal bad debt provision by group of credit risk characteristics	16,160,141.31	18.86	104,984.68	0.65	16,055,156.63
Account receivable with minor individual amount but bad debt provision is provided					
Total	85,668,060.13	100.00	104,984.68	0.12	85,563,075.45

Continued table

Type	Amount in year- begin				Book value
	Book Balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable with single major amount and withdrawal bad debt provision for single item	64,144,586.08	82.58			64,144,586.08
Account receivable withdrawal bad debt provision by group of credit risk characteristics	13,532,877.08	17.42	280,757.62	2.07	13,252,119.46
Account receivable with minor individual amount but bad debt provision is provided					
Total	77,677,463.16	100.00	280,757.62	0.36	77,396,705.54

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

Name	Amount in year-end			Reason
	Receivable accounts	Bad debt provision	Proportion	
Guangdong Union Electronic Services Co., Ltd.	51,065,424.16			Been recovered after the period



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Name	Amount in year-end			
	Receivable accounts	Bad debt provision	Proportion	Reason
Guangdong Humen Bridge Co., Ltd.	18,442,494.66			Period after recovery
Total	69,507,918.82			

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

Aging	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Within 1 year	15,792,627.92		
1-2 years	141,513.39	14,151.34	10.00
2-3 years	110,833.33	33,250.00	30.00
3-4 years	115,166.67	57,583.34	50.00
4-5 years			
Over 5 years			
Total	16,160,141.31	104,984.68	0.65

Notes of the basis of recognizing the group:

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

- In the groups, accounts receivable adopting other method to withdraw bad debt provision: N/A

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

The current amount of provision for bad debts is RMB175,772.94; recovery or payback for bad debts Amount is RMB0.00.

Where the current bad debts back or recover significant amounts:N/A

(3) The current accounts receivable write-offs situation:N/A

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

Name	Amount	Aging	Proportion(%)	Bad debt provision
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## Guangdong Provincial Expressway Development Co.,Ltd.

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Name	Amount	Aging	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	51,065,424.16	Within 1 year	59.61	
Guangdong Humen Bridge Co., Ltd.	18,442,494.66	Within 1 year	21.53	
Guangdong Jingzhu Expressway Guangzhou Section Co., Ltd.	4,173,999.99	Within 1 year	4.87	
Guangdong Expressway Co., Ltd.	2,180,150.00	Within 1 year	2.54	
Guangzhou Xiehou Advertising media Co., Ltd.	2,002,000.00	Within 1 year	2.34	
Total	77,864,068.81		90.89	

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

N/A

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

accounts receivable: N/A

**3. Prepayments**

(1) Age analysis

Age	Balance in year-end		Balance in year-begin	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	3,834,926.37	94.93	6,556,299.23	88.72
1-2 years	35,000.00	0.87	664,227.74	8.99
2-3 years				
Over 3 years	169,738.00	4.20	169,738.00	2.29
Total	4,039,664.37	100.00	7,390,264.97	100.00

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

N/A

## Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

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

Name	Amount	Time	Proportion(%)
CITIC Securities Co., Ltd.	1,103,773.58	Within 1 year	27.32
Guangdong Guanyue Luqiao Co., Ltd.	646,014.00	Within 1 year	15.99
Ping An Insurance	469,204.50	Within 1 year	11.61
Guangdong Changda Highway Engineering Co., Ltd.	390,375.10	Within 1 year	9.66
Dongguan Yongyao Optoelectricity Technology Co., Ltd.	363,487.50	Within 1 year	9.00
Total	2,972,854.68		73.58

## 4.Dividend receivable

(1) Dividend receivable

In RMB

Items	Balance in year-end	Balance in year-begin
China Everbright Bank Co., Ltd.	44,698,439.36	
Total	44,698,439.36	

(2) Significant dividend receivable aged over 1 year: N/A

## 5.Other accounts receivable

(1) Other accounts receivable disclosed by category

Type	Balance in year-end				Book value
	Book Balance		Bad debt provision		
	Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	53,351,565.01	72.15	53,351,565.01	100.00	
Other Account receivable withdrawal bad debt provision by	20,595,640.93	27.85	1,693,983.03	8.22	18,901,657.90

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Type	Balance in year-end				Book value
	Book Balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
group of credit risk characteristics					
Other Account receivable with minor individual amount but bad debt provision is provided					
Total	73,947,205.94	100.00	55,045,548.04	74.44	18,901,657.90

Continued table

Type	Balance in year-begin				Book value
	Book Balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	53,351,565.01	72.77	53,351,565.01	100.00	
Other Account receivable withdrawal bad debt provision by group of credit risk characteristics	19,961,129.27	27.23	1,695,657.14	8.49	18,265,472.13
Other Account receivable with minor individual amount but bad debt provision is provided					
Total	73,312,694.28	100.00	55,047,222.15	75.09	18,265,472.13

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

Other receivable (Unit)	Balance in year-end			
	Other receivable	Bad debt provision	Proportion	Reason
Kunlun Securities Co.,Ltd.	49,343,885.10	49,343,885.10	100.00	Notes 1
Beijing Gelin Enze Organic Fertilizer Co., Ltd.	4,007,679.91	4,007,679.91	100.00	Notes 2
Total	53,351,565.01	53,351,565.01		

Notes 1: The parent company once paid RMB 33,683,774.79 into Kunlun Securities Co., Ltd, Guangdong

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Expressway technology investment Co., Ltd once paid RMB 18,000,000.00 into Kunlun Securities Co., Ltd. Qinghai Province Xining City's intermediate people's court made a adjudication under law declared that Kunlun Securities Co., Ltd went bankrupt and repaid debt in November 11, 2006. On March 2007, The Company and Guangdong Expressway Technology Investment Co., Ltd had switched the money that paid into Kunlun Securities Co., Ltd to other account receivable, and follow the careful principle to doubtful debts provision. The RMB 710,349.92 Credit was Recovered in 2008, and the provision for bad debt is deducted, The RMB977,527.77 credit was recovered in 2011, and the provision for had debt is deducted. The RMB 652,012.00 Credit was recovered in 2014, and the provision for had debt is deducted.

Notes 2: Guangdong Expressway Technology investment Co., Ltd .should charge Beijing Gelin Enze Organic Fertilizer Co., Ltd.for RMB12,220,079.91. Eight millions of it was entrust loan, three million was temporary borrowing RMB 12,400.00 is the commission loan interest, the rest of it was advance money for another, Beijing Gelin Enze Organic Fertilizer Co., Ltd's operating status was had and had already ceased producing, Accordingly, the controlling subsidiary of the company Guangdong Expressway Investment Co., Ltd. accounted full provision for Bad debt RMB 12,220,079.91 provision.

The company in 2014 recovered arrears of RMB 8,000,000.00, rushed back to the provision for bad debts and write off un collected interest entrusted loans according to the settlement agreement of RMB 212,400.00.

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

Age	Amount in year-end		
	Other receivable	Bad debt provision	Withdrawal proportion
Within 1 year	13,770,510.69		
1-2 years	315,461.47	31,546.15	10.00
2-3 years	12,727.60	3,818.28	30.00
3-4 years	93.60	46.80	50.00
4-5 years			
Over 5 years	1,658,571.80	1,658,571.80	100.00
Total	15,757,365.16	1,693,983.03	10.75

Notes of the basis of recognizing the group:

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

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

## Guangdong Provincial Expressway Development Co., Ltd.

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

Name	Amount in year-end			Reason
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	
Guangdong Litong Real estate Investment Co., Ltd.	1,435,856.00			Rease deposit
Beijing Shibang Weilishi Property Management Services Co., Ltd.	393,331.00			Deposit
Guangdong Guanghui Expressway Co., Ltd.	757,376.00			Guarantees fund, deposit
Foshan Nanhai Labor & social Security Bureau	449,682.00			Land deposit, recoverable
Zhaoqing Yuezhao Highway Co., Ltd.	447,849.00			Guarantees fund, deposit
Guangdong Guanyue Luqiao Co., Ltd.	364,594.20			Quality guarantees fund
Zhaoqing Guanghe Expressway Co., Ltd.	163,620.63			Quality guarantees fund
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	165,169.25			Quality guarantees fund
Guangshen Zhu Expressway Co., Ltd.	121,280.00			Guarantee fund
Guangdong Highway Construction Co., Ltd.	76,563.00			Guarantee fund
Chengdu Shuguang Fibre-optical Metwork Co., Ltd.	59,758.09			Quality guarantees fund
Guangdong Guangzhu West Line Expressway Co., Ltd.	47,639.00			Guarantee fund
Guangdong Boda Expressway Co., Ltd.	45,480.00			Guarantee fund
Guangdong Expressway Co., Ltd.	39,654.00			Guarantee fund
Guangdong Feida Communication Engineering Co., Ltd.	34,849.25			Quality guarantees fund
Guangdong Kaiyang Expressway Co., Ltd.	33,300.00			Quality guarantees fund
Guangdong Weishi Highway Engineering Co., Ltd.	51,157.05			Quality guarantees fund
Guangzhou Chengcheng Auto Leasing Service Co., Ltd.	30,000.00			Deposit

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Name	Amount in year-end			Reason
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	
Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	20,466.00			Quality guarantees fund
Guangdong Jiangzhong Expressway Co.,Ltd.	19,708.00			Quality guarantees fund
Guangdong Humen Bridge Co., Ltd.	16,676.00			Guarantee fund
Shanxi Hantang Computer Co., Ltd.	14,250.00			Quality guarantees fund
Guangdong Dingrong Information Technology Co., Ltd.	10,950.00			Quality guarantees fund
Guangdong Zhonglin Electrical Installation Engineering Co., Ltd.	8,820.00			Quality guarantees fund
Guangdong Jingzhu Expressway Guangzhu North Co., Ltd.	6,064.00			Deposit
Deposit	5,700.00			Deposit
Beijing Gongke Feida Transport Engineering Development Co., Ltd.	4,140.00			Quality guarantees fund
Guangdong West Coastal Expressway Xinhui Section Co., Ltd.	3,790.00			Quality guarantees fund
Guangdong Road & Highway Construction Development Co., Ltd.	3,762.70			Quality guarantees fund
Guangdong Yueyun Communication Co., Ltd.	3,032.00			Quality guarantees fund
Guangdong Xinyue Communication Investment Co., Ltd.	2,158.60			Quality guarantees fund
Shanxi Sihe Communication Engineering Co., Ltd.	1,600.00			Quality guarantees fund
Total	4,838,275.77			

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

The current amount of provision for bad debts is RMB-1,674.11; recovery or payback for bad debts Amount is RMB 0.00.

Where the current bad debts back or recover significant amounts:N/A

## Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

(3) The actual write-off other accounts receivable: N/A

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

Nature	Closing book balance	Opening book balance
Securities trading settlement funds balance	49,343,885.10	49,343,885.10
Guarantee deposit	4,838,275.77	5,034,205.25
Current account of Gelin enze	4,007,679.91	4,007,679.91
Pretty cash	4,100,100.00	4,100,100.00
Advertising and service fee	952,925.61	1,978,678.79
Other	10,704,339.55	8,848,145.23
Total	73,947,205.94	73,312,694.28

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

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
Kunlun Securities Co.,Ltd	Securities trading settlement funds	49,343,885.10	Over 5 years	66.73	49,343,885.10
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	5.42	4,007,679.91
Guangdong Expressway Co., Ltd.	Administration fee, Quality guarantees fund	1,703,434.12	Within 1 year	2.30	
Heshan Communication Real estate Development Company	Current account	1,470,000.00	Over 5 years	1.99	1,470,000.00
Guangdong Litong Real estate Investment Co., Ltd.	Deposit	1,435,856.00	3-4 years	1.94	
Total		57,960,855.13		78.38	54,821,565.01



(6) Accounts receivable involved with government subsidies: N/A

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets: N/A

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

accounts receivable: N/A

#### 6.Inventory

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

- By the end of this period, no situation that needs provision for decline in value was found in inventories.

#### 7.Non-current asset due within 1 year

Items	Year-end balance	Year-beginning balance
Advance business tax	55,744.14	
Total	55,744.14	

#### 8. Available-for-sale financial assets

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

Items	Amount in year-end		
	Book balance	Bad debt provision	Book value
Available-for-sale Debt Instruments			
Available-for-sale equity Instruments	1,719,926,891.17	36,793,200.00	1,683,133,691.17
Measured by fair value	884,558,589.44		884,558,589.44
Measured by cost	835,368,301.73	36,793,200.00	798,575,101.73

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

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Items	Amount in year-end		
	Book balance	Bad debt provision	Book value
Other			
Total	1,719,926,891.17	36,793,200.00	1,683,133,691.17

Continued table

Items	Amount in year- begin		
	Book balance	Bad debt provision	Book value
Available-for-sale Debt instruments			
Available-for-sale equity instruments	1,832,849,264.29	36,793,200.00	1,796,056,064.29
Measured by fair value	997,480,962.56		997,480,962.56
Measured by cost	835,368,301.73	36,793,200.00	798,575,101.73
Other			
Total	1,832,849,264.29	36,793,200.00	1,796,056,064.29

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

Type	Available-for-sale Debt instruments	Available-for-sale equity instruments	Total
Cost of the equity instruments/amortized cost of the liabilities instruments		517,560,876.80	517,560,876.80
Fair value		884,558,589.44	884,558,589.44
Changed amount of the fair value accumulatively included in other comprehensive income		366,997,712.64	366,997,712.64
Amount of impairment			

## Guangdong Provincial Expressway Development Co.,Ltd.

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

According to the closing price of June 30, 2016 of RMB 3.76, the final calculation of fair value was RMB884,558,589.44.

## (3) Available-for-sale financial assets measured by cost at the period-end

Investee	Book balance			
	Period-begin	Increase	decrease	Period -end
Guangdong Rodio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00			50,000,000.00
Kunlun Securities Co., Ltd. (Notes1)	30,000,000.00			30,000,000.00
Huaxia Securities Co., Ltd. (Notes 2)	5,400,000.00			5,400,000.00
Huazheng Assets Management Co. Ltd. (Notes3)	1,620,000.00			1,620,000.00
Guangdong Guangle Expressway Co., Ltd.	748,348,301.73			748,348,301.73
Total	835,368,301.73			835,368,301.73

Continued table

Investee	Impairment provision			Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-begin		Period -end		
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise				2.97	999,272.30
Kunlun Securities Co., Ltd. (Notes1)	30,000,000.00		30,000,000.00	5.74	
Huaxia Securities Co., Ltd. (Notes 2)	5,400,000.00		5,400,000.00	0.27	
Huazheng Assets Management Co. Ltd. (Notes3)	1,393,200.00		1,393,200.00	0.54	

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Investee	Impairment provision			Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-begin		Period -end		
Guangdong Guangle Expressway Co., Ltd.				9.00	
Total	36,793,200.00		36,793,200.00		999,272.30

Notes1: The owner's equity of Kunlun Securities Co., Ltd. was negative and it entered liquidation procedure in October 2005. Guangdong Express Technology Investment Co., Ltd., a controlled subsidiary of the Company, made full provision for impairment in respect of its long-term equity investment of RMB 30 million in Kunlun Securities Co., Ltd.

Notes 2 : The owner's equity of Huaxia Securities Co., Ltd. was negative and it entered liquidation procedure in December 2005. The Company made full provision for impairment in respect of this long-term equity investment of RMB 5.4 million.

Notes 3 : According to De Wei Ping Gu Zi 2005 No. 88 Appraisal Report issued by Beijing Dewei Appraisal Co., Ltd. As the June 30, 2005, the amount of net assets of Huazheng Asset Management Co., Ltd. in book was RMB 279.132 million and the appraised value was RMB - 2299.5486 million ,On October 14, 2005, Jianyin CITIC Asset Management Co., Ltd. issued the Letter of Soliciting Opinions on Equity Assignment to the Company. Jianyin CITIC Asset Management Co., Ltd. was willing to pay the price of not more than RMB 42 million to acquire 100% equity of Huazheng Asset Management Co., Ltd. and solicited the Company's opinions. The Company replied on December 5, 2005, abandoning the preemptive right under the same conditions. The Company made provision of RMB 1.3932 million for impairment in respect of this long-term equity investment of RMB 1.62 million.

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

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

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Type	Available-for-sale Equity instruments	Available-for-sale Debt instruments	Total
Including : Transferred from other comprehensive income			
Period Decrease			
Including: Return after the fair value recovery			
Balance of the withdrawn impairment at the period-end	36,793,200.00		36,793,200.00

(5)Relevant description of the end of the fair value of the equity instruments at the end of a serious decline in fair value or non temporary decline but not related to impairment provision: N/A.

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

January-June 2016

In RMB

9. Long-term equity investment

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addition al investme nt	Negative investme nt	Investment profit and loss recognized under the equity method	Adjustmen t of other comprehe nsive income	Changes of other equity	Cash bonus or profits announced to issue	Withdra wal of impairm ent provisio n	Other		
I. Joint venture											
Guangdong Guanghui Expressway Co., Ltd.	1,069,914,970.39			114,432,035.24			105,000,000.00				1,079,347,005.63
Zhaoqing Yuezhao Highway Co., Ltd.	274,277,246.91			31,638,610.61			37,376,405.10				268,539,452.42
Subtotal	1,344,192,217.30			146,070,645.85			142,376,405.10				1,347,886,458.05
2. Affiliated Company											
Shenzhen Huiyan Expressway	133,060,103.06			13,566,398.79							146,626,501.85
Guangdong Jiangzhong Expressway	175,416,968.11			3,524,508.08							178,941,476.19
Ganzhou Kangda Expressway	187,783,489.51			11,971,498.99							199,754,988.50

Guangdong Provincial Expressway Development Co.,Ltd.

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Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addition al investme nt	Negative investme nt	Investment profit and loss recognized under the equity method	Adjustmen t of other comprehe nsive income	Changes of other equity	Cash bonus or profits announced to issue	Withdra wal of impairm ent provisio n	Other		
Ganzhou Gankang Expressway	204,765,919.28			3,860,074.44						208,625,993.72	
Guangdong Yueke Technology Petty Loan Co., Ltd.	205,095,880.63			2,739,849.51						207,835,730.14	
Subtotal	906,122,360.59			35,662,329.81						941,784,690.40	
Total	2,250,314,577.89			181,732,975.66			142,376,405.10			2,289,671,148.45	

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

## 10. Investment property

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

Items	Houses and buildings	Land use right	Construction in progress	Total
I.Original value				
1.Opening balance	12,664,698.25			12,664,698.25
2.Increased amount of the period				
(1) Outsourcing				
(2)Inventory, Fixed assets and Construction project into				
(3)Enterprise consolidation				
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	12,664,698.25			12,664,698.25
II.Accumulated depreciation accumulated amortization				
1.Opening balance	8,980,513.77			8,980,513.77
2.Increased amount of the period	232,106.70			232,106.70
(1)Withdrawal or amortization	232,106.70			232,106.70
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	9,212,620.47			9,212,620.47
III. Impairment provision				



## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

Items	Houses and buildings	Land use right	Construction in progress	Total
1.Opening balance				
2.Increased amount of the period				
(1) Withdrawal				
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance				
IV. Book value				
1.Closing book value	3,452,077.78			3,452,077.78
2.Opening book	3,684,184.48			3,684,184.48

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

Items	Book value	Reason
Transportation and other ancillary facilities	1,956,717.78	Transportation and other ancillary facilities, Not accreditation

Guangdong Provincial Expressway Development Co.,Ltd.

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11. Fixed assets

(1) List of fixed assets

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
I. Original price								
1. Opening balance	1,460,270,190.66	8,561,844,081.05	5,130,394,315.84	350,773,581.37	114,585,044.58	67,797,442.56	593,324,239.83	16,278,988,895.89
2. Increased amount of the period							7,078,323.12	7,078,323.12
(1) Purchase							741,967.96	741,967.96
(2) Transfer of project under construction							6,336,355.16	6,336,355.16
(3) Increased of Enterprise consolidation								
3. Decreased amount of the period						2,707,181.16	260,173.00	2,967,354.16
(1) Disposal or scrap						2,707,181.16	260,173.00	2,967,354.16

Guangdong Provincial Expressway Development Co.,Ltd.

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Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
4.Closing balance	1,460,270,190.66	8,561,844,081.05	5,130,394,315.84	350,773,581.37	114,585,044.58	65,090,261.40	600,142,389.95	16,283,099,864.85
II. Accumulated depreciation								
1.Opening balance	1,270,715,339.72	2,543,582,942.82	2,088,271,612.25	188,217,319.83	39,150,635.60	49,533,318.08	366,319,368.59	6,545,790,536.89
2.Increased amount of the period	80,762,167.48	200,062,401.90	106,254,460.22	9,594,480.30	5,104,458.57	2,093,968.18	20,830,988.38	424,702,925.03
(1) Withdrawal	80,762,167.48	200,062,401.90	106,254,460.22	9,594,480.30	5,104,458.57	2,093,968.18	20,830,988.38	424,702,925.03
3.Decreased amount of the period						2,433,963.80	244,951.28	2,678,915.08
(1) Disposal or scrap						2,433,963.80	244,951.28	2,678,915.08
4.Closing balance	1,351,477,507.20	2,743,645,344.72	2,194,526,072.47	197,811,800.13	44,255,094.17	49,193,322.46	386,905,405.69	6,967,814,546.84
III. Impairment provision								
1.Opening balance								
2.Increased amount of the period								
(1) Withdrawal								

Guangdong Provincial Expressway Development Co.,Ltd.

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Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
3.Decreased amount of the period								
(1) Disposal or scrap								
4.Closing balance								
IV. Book value								
1.Closing book value	108,792,683.46	5,818,198,736.33	2,935,868,243.37	152,961,781.24	70,329,950.41	15,896,938.94	213,236,984.26	9,315,285,318.01
2.Opening book value	189,554,850.94	6,018,261,138.23	3,042,122,703.59	162,556,261.54	75,434,408.98	18,264,124.48	227,004,871.24	9,733,198,359.00

(2)Temporarily idle fixed assets: N/A.

(3)Fixed assets through financial leasing: N/A

(4)Tenancy of fixed assets through operating lease: N/A.

(5)Details of fixed assets failed to accomplish certification of property

Items	Book value	Reason

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

January-June 2016

In RMB

Transportation and other ancillary facilities	110,873,418.05	Transportation and other ancillary facilities, Not accreditation
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12. Project under construction

(1) Project under construction

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book Net value	Book balance	Provision for devaluation	Book Net value
Odd project	33,512,790.35		33,512,790.35	23,624,279.71		23,624,279.71
Total	33,512,790.35		33,512,790.35	23,624,279.71		23,624,279.71

Guangdong Provincial Expressway Development Co.,Ltd.

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(2) Changes of significant construction in progress

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end
Odd project		23,624,279.71	16,224,865.80	6,336,355.16		33,512,790.35
Total		23,624,279.71	16,224,865.80	6,336,355.16		33,512,790.35

Continued table

Name	Proportion(%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization of interest ratio (%)	Source of funds
Odd project						Self fund
Total						

Guangdong Provincial Expressway Development Co.,Ltd.

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(3)Provision for impairment of construction projects in the current period: N/A.

## Guangdong Provincial Expressway Development Co.,Ltd.

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## 13. Engineering material

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

## 14. Intangible assets

## (1) List of intangible assets

Items	Land use right	Patent right	Non-patent right	Software	Total
I. Original price					
1. Opening balance	1,311,658.00			21,795,611.43	23,107,269.43
2. Increased amount of the period				38,400.00	38,400.00
(1) Purchase				38,400.00	38,400.00
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,311,658.00			21,834,011.43	23,145,669.43
II. Accumulated amortization					
1. Opening balance	1,072,028.50			13,401,099.14	14,473,127.64
2. Increased amount of the period	75,672.60			1,902,073.79	1,977,746.39
(1) Withdrawal	75,672.60			1,902,073.79	1,977,746.39
3. Decreased amount of the					



Guangdong Provincial Expressway Development Co.,Ltd.

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Items	Land use right	Patent right	Non-patent right	Software	Total
period					
(1) Disposal					
4.Closing balance	1,147,701.10			15,303,172.93	16,450,874.03
III. Impairment provision					
1.Opening balance					
2.Increased amount of the period					
(1) Withdrawal					
3.Decreased amount of the period					
(1) Disposal					
4.Closing balance					
IV. Book value					
1.Closing book value	163,956.90			6,530,838.50	6,694,795.40
2.Opening book value	239,629.50			8,394,512.29	8,634,141.79

- Intangible assets formed through the company's internal R & D at the end of the

(2)Details of Land use right failed to accomplish certification of property: N/A

15. Development expenses

Items	Beginning balance	Increase		decrease		Ending balance
		Internal research and development	Other	Recognized as intangible assets	Charged to income statement of the current	

## Guangdong Provincial Expressway Development Co.,Ltd.

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				year	
Expressway network toll collection system based on "Internet" identification and payment technology		790,927.27			790,927.27
<b>Total</b>		<b>790,927.27</b>			<b>790,927.27</b>

Notes: Description of the beginning of the capital point of time, the specific basis for the capital, as of the end of the research and development progress, etc.

## 16. Long-term amortize expenses

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end	Reason
Renovation fee	3,261,555.68		850,840.62		2,410,715.06	
Property Insurance	315,414.43		55,661.39		259,753.04	
<b>Total</b>	<b>3,576,970.11</b>		<b>906,502.01</b>		<b>2,670,468.10</b>	

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

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

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Asset impairment provision	3,798.64	949.66	57,266.35	14,316.59
Amortization of intangible assets	1,332,637.97	333,159.49	1,319,174.98	329,793.74
Timing difference between accumulated depreciation	18,497,844.96	4,624,461.24	417,147.47	104,286.87
<b>Total</b>	<b>19,834,281.57</b>	<b>4,958,570.39</b>	<b>1,793,588.80</b>	<b>448,397.20</b>

## Guangdong Provincial Expressway Development Co.,Ltd.

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

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Timing difference between accumulated depreciation	1,167,929,857.49	291,982,464.37	1,190,162,872.83	297,540,718.21
Total	1,167,929,857.49	291,982,464.37	1,190,162,872.83	297,540,718.21

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

Items	Balance in year-end	Balance in year-begin
Deductible temporary differences in the formation of asset impairment	91,939,934.08	92,063,913.42
Deductible loss	1,054,430,798.38	946,615,429.28
Total	1,146,370,732.46	1,038,679,342.70

Notes: Due to the uncertainty existing in whether income tax payable will be prospectively obtained by the parent company and Guangdong Expressway Technology Investment Co., Ltd. as well as Guangzhou Guangzhu Traffic Investment Management Co., Ltd, its wholly-owned subsidiaries. Hence, this part can deduct temporary differences, which isn't confirmed as deferred income tax assets.

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

Year	Balance in year-end	Balance in year-begin	Remark
2016	139,319,814.49	139,319,814.49	
2017	221,573,717.76	218,901,780.38	
2018	160,710,175.67	159,775,801.22	
2019	227,972,299.53	227,972,299.53	
2020	210,272,209.85	200,645,733.66	
2021	94,582,581.08		
Total	1,054,430,798.38	946,615,429.28	

## Guangdong Provincial Expressway Development Co.,Ltd.

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## 18. Other Non-current assets

Items	Balance in year-end	Balance in year-begin
Prepaid land occupation tax	1,176,432.55	1,176,432.55
Prepaid business tax	619,180.58	
Prepaid fixed assets engineering fees	1,213,113.39	1,166,835.39
Total	3,008,726.52	2,343,267.94

## 19. Account payable

## (1) List of Account payable

Items	Balance in year-end	Balance in year-begin
Within 1 year (Including 1 year)	87,995,698.42	123,690,558.76
1-2 year (Including 2 years)	27,325,094.91	34,545,331.99
2-3 year (Including 3 years)	9,795,435.80	1,161,629.15
Over 3 years	13,536,327.68	13,681,564.70
Total	138,652,556.81	173,079,084.60

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

Items	Balance in year-end	Unpaid reason
Foshan Land and resources Bureau	10,996,790.40	Unsettled
Guangdong Expressway Co., Ltd.	8,746,491.18	Unsettled
Guangdong Changda Highway Engineering Co., Ltd.	6,316,565.49	Unsettled
Heshan Land and resources Bureau	5,149,599.60	Unsettled
Guangdong Guanghui Expressway Co., Ltd.	2,375,134.01	Unsettled
Dongguan Leyu Optoelectronic Technology Co., Ltd.	2,340,240.00	Unsettled
Guangdong Jingtong Highway Engineering Construction Co., Ltd.	2,005,731.00	Unsettled

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

Items	Balance in year-end	Unpaid reason
Total	37,930,551.68	

## 20. Advance from customers

## (1) List of advance from customers

Items	Balance in year-end	Balance in year-begin
Within 1 year (Including 1 year)	1,525,900.79	1,598,920.90
1-2 years (Including 2 years)	15,914,601.51	15,780,110.00
2-3 years (Including 3 years)		169,767.84
Over 3 years	16,823,942.63	17,531,007.35
Total	34,264,444.93	35,079,806.09

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

Items	Closing balance	Unpaid/Uncarry over reason
Zhongshan Communication Development Group Co., Ltd.	15,777,610.00	Road property transfer payments are not settled
Guangzhou Huanlong Expressway Co., Ltd.	11,765,613.26	Land rent is not in the settlement period
Guangdong Province Telecommunications Engineering Management Center	3,333,334.92	The rental of the communication channel is not in the settlement period
Total	30,876,558.18	

(3)The completion of the final construction contract has been completed and the project is not completed: N/A.

## 21. Payable Employee wage

## (1) Payable Employee wage

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
I. Short-term compensation	6,616,356.87	128,861,347.37	124,447,857.42	11,029,846.82

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
II.Post-employment benefits - defined contribution plans		12,586,548.63	11,632,739.84	953,808.79
III. Dismiss welfare		1,330,759.47	1,330,759.47	
IV. Other benefits due within One year				
Total	6,616,356.87	142,778,655.47	137,411,356.73	11,983,655.61

## (2) Short-term compensation

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
1.Wages, bonuses, allowances and subsidies	465,063.49	90,047,435.94	86,438,193.01	4,074,306.42
2.Employee welfare		9,634,045.50	9,442,430.50	191,615.00
3. Social insurance premiums		6,399,238.41	6,397,503.86	1,734.55
Including : Medical insurance		5,497,649.71	5,496,117.80	1,531.91
Work injury insurance		232,899.05	232,854.18	44.87
Maternity insurance		560,306.83	560,149.06	157.77
Supplementary medical insurance		108,382.82	108,382.82	
4.Public reserves for housing		17,506,305.00	17,501,258.00	5,047.00
5.Union funds and staff education fee	6,151,293.38	3,784,790.25	3,179,949.78	6,756,133.85
6. Short paid absences				
7. Short-term profit sharing plan				
8.Other		1,489,532.27	1,488,522.27	1,010.00
Total	6,616,356.87	128,861,347.37	124,447,857.42	11,029,846.82

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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In RMB

## (3) List of drawing scheme

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums		9,834,915.68	9,832,671.98	2,243.70
2.Unemployment insurance		426,357.74	426,268.65	89.09
3.Enterprise annuity payment		2,325,275.21	1,373,799.21	951,476.00
Total		12,586,548.63	11,632,739.84	953,808.79

## 22. Tax Payable

Items	Balance in year-end	Balance in year-begin
VAT	7,222,778.08	227,418.75
Business Tax	912,233.33	8,236,565.84
Enterprise Income tax	96,863,242.36	71,941,818.25
Individual Income tax	695,135.96	3,866,695.56
City Construction tax	486,151.04	528,545.91
Land use tax	1,046,006.43	721,116.20
Property tax	965,146.96	961,360.80
Education subjoin	243,055.57	270,706.45
Locality Education subjoin	138,288.73	145,564.14
Stamp tax	3,697,319.40	3,711,221.89
Defend expense	52,746.42	96,769.86
Cultural construction costs	97,378.01	3,864.00
Total	112,419,482.29	90,711,647.65

## 23..Interest payable

Items	Balance in year-end	Balance in year-begin
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## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

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Items	Balance in year-end	Balance in year-begin
Pay the interest for long-term loans by installments.	6,990,628.96	8,243,286.80
Interest of company bonds	48,850,277.59	14,900,277.61
Payable interest for short-term borrowings		
Interest payable on entrusted loans	37,356,795.08	
Preference shares classified as financial liabilities\ Perpetual debt interest		
Total	93,197,701.63	23,143,564.41

- Particulars of significant overdue unpaid interest: N/A

#### 24. Dividends payable

Items	Year-end balance	Year-Beginning balance
Common stock dividends	12,512,983.60	11,681,423.74
Preference shares classified as equity instrument\ Perpetual debt dividends		
Total	12,512,983.60	11,681,423.74

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

Final dividend payable RMB11,676,131.49 for more than a year in unpaid dividends to shareholders over the year was mainly due to non-payment of shareholder dividends did not provide information on interest-bearing bank, did not share reform of shareholders to receive dividends or provide application to receive dividends the bank information is incorrect, resulting in failure to pay a dividend or refund.

#### 25. Other accounts payable

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

Items	Year-end balance	Year-Beginning balance
Quality guarantee fund	103,329,986.28	130,119,710.02
Deposit	1,691,963.15	2,279,464.15
Other	41,079,487.60	60,208,064.50



## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Items	Year-end balance	Year-Beginning balance
Total	146,101,437.03	192,607,238.67

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

Items	Closing balance	Unpaid/un-carry over reason
Guangdong Changda Engineering Co., Ltd	40,600,665.76	Project Quality guarantees/ Bid Guarantees/Deposit
Guangdong Guanyue luqiao Co., Ltd.	15,213,868.44	Project Quality guarantees/ Bid Guarantees/ Performance Guarantees
China Railway 12 Bureau Group Co., ltd.	7,747,805.00	Project Quality guarantees
Jilin Great wall Highway Bridge Construction Co., Ltd.	4,754,449.50	Project Quality guarantees
China Railway 23 Bureau Group Co., ltd.	3,340,658.50	Project Quality guarantees
Guangdong Nengda Grade Highway Maintenance Co., Ltd.	2,815,865.57	Project Quality guarantees/ Bid Guarantees/ Performance Guarantee
Guangdong Jingtong Highway Engineering Construction Group Co., ltd.	2,149,909.76	Project Quality guarantees
Total	76,623,222.53	

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

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	711,680,000.00	312,080,000.00
Bonds payable due within 1 year	997,000,000.00	997,000,000.00
Long-term payable account due within 1 year	50,000,000.00	70,000,000.00
Total	1,758,680,000.00	1,379,080,000.00

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

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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## 27. Long-term loan

Items	Balance year-end	Year-beginning balance
Pledge loan	579,000,000.00	749,000,000.00
mortgage loan		
Guaranteed loans	1,500,000,000.00	1,500,000,000.00
Credit loans	2,254,760,000.00	2,581,760,000.00
Total	4,333,760,000.00	4,830,760,000.00

Notes

:

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

## 28. Long term payroll payable

Items	Balance in year-end	Balance in year-begin
Non-operating asset payable	2,022,210.11	2,022,210.11
Guangdong Highway Construction Co., Ltd.		917,903,684.98
Ganzhou Gankang Expressway Co., Ltd.		50,000,000.00
Total	2,022,210.11	969,925,895.09

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

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## 29. Stock capital

Items	Balance Year-beginning	Increase/decrease this time (+, -)				Subtotal	Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other		
1.Shares with conditional subscription							
1.State-owned shares	409,977,151						409,977,151
2.State –owned legal person shares	21,712,738	499,680,283				499,680,283	521,393,021
3.Other domestic shares	7,865,339	334,008,095				334,008,095	341,873,434
Including: Domestic legal person shares	7,352,867	334,008,095				334,008,095	341,360,962
Domestic natural person shares	512,472						512,472
4. Foreign shares							
Including: Foreign legal person shares							
Foreign natural person shares							
5. Executives shares	143,524				-8,455	-8,455	135,069
6. Directed, inquiry issued shares							
Including: Domestic natural person							
Total Shares with conditional subscription	439,698,752	833,688,378			-8,455	833,679,923	1,273,378,675

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

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Items	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
2.Shares with unconditional subscription							
(1). Common shares in RMB	468,668,996				8,455	8,455	468,677,451
(2).foreign shares in domestic market	348,750,000						348,750,000
(3).Foreign shares in overseas market							
4.Other							
Total Shares with unconditional subscription	817,418,996				8,455	8,455	817,427,451
3. Total of capital shares	1,257,117,748	833,688,378				833,688,378	2,090,806,126

Notes 1: In the report period, Mr. Xiao Laijiu was transferred to work, 8,455 unrestricted negotiable shares held by him were transferred into frozen shares for senior executives.

Notes 2: In this report period, 833,688,378 of new shares was issued. See details at 1.Development History of the Company of Note 1. Company's Basic Information

30. Capital reserves

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	1,643,483,493.03	1,824,865,776.82	959,947,479.34	2,508,401,790.51
Other capital reserves	1,378.67	5,173.81		6,552.48
Total	1,643,484,871.70	1,824,870,950.63	959,947,479.34	2,508,408,342.99

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

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- The situation of change in the current capital reserve is as follows:

-In June 2016, the Company non-publicly issued shares to Guangdong Provincial Expressway Co., Ltd. to add 131,419,737.00 RMB of capital reserve, and non-publicly issued shares to Guangdong Provincial Highway Construction Co., Ltd. to add 393,020,184.26 RMB of capital reserve.

-In June 2016, the Company directionally issued shares to Yadong Fuxing Yalian Investment Co., Ltd., Tibet Yingyue Investment and Management Co., Ltd. and Guangfa Securities Co., Ltd. ,where RMB 1,300,425,855.56 was totally added to the capital reserve.

-The Company purchased 25% share rights of Guangdong Fokai Expressway Co., Ltd. from Guangdong Provincial Expressway Co., Ltd., which resulted in RMB 100,602,275.08 of decrease in the capital reserve.

--In the reason of no payment for fractional dividend required at this period, the capital reserve was added with RMB 5,173.81.

**31. Other comprehensive income**

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Items	Year-beginning	Amount of current period	Year-end balance
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Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

January-June 2016

In RMB

	balance	Amount for the period before income tax	Less: Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
1.Other comprehensive income will be reclassified into income or loss in the future							
Including: Remeasurement of net assets or net liabilities of defined benefit plans							
Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method							
2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	479,920,085.76	-112,922,373.12			-112,922,373.12		366,997,712.64
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method							
Gains and losses from changes in fair value of available for sale financial assets	479,920,085.76	-112,922,373.12			-112,922,373.12		366,997,712.64

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

January-June 2016

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less: Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
Held-to-maturity investment that is reclassified as financial assets available for sale							
Effective gains(losses) arising from cash flow hedging instruments							
Translation differences of financial statements denominated							
Total of other comprehensive income	479,920,085.76	-112,922,373.12			-112,922,373.12		366,997,712.64

Notes:

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

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

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	295,642,270.96			295,642,270.96
Discretionary surplus reserve				
reserve fund				
Enterprise development fund				
Other				
Total	295,642,270.96			295,642,270.96

### 32. Surplus reserve

### 33. Retained profits

Items	Amount of this period	Amount of last period
Retained profit at the beginning of current year	2,179,239,324.01	1,635,592,646.47
Total of Retained profit at the beginning of current year		
Retained profit at the beginning of current year	2,179,239,324.01	1,635,592,646.47
Add : Net profit attributable to owners of the Company	506,690,071.56	338,837,143.73
Less: Statutory surplus reserve		
Discretionary surplus reserve		
Common risk preparation		
Common stock dividend payable	188,567,662.20	125,711,774.80
Common stock dividends transferred to share capital		
Retained profit at the end of this term	2,497,361,733.37	1,848,718,015.41

### 34. Operation income and operation cost

Items	Amount of this period	Amount of last period
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	Income	Cost	Income	Cost
Main operation	1,310,524,908.77	547,729,063.75	1,227,025,687.41	516,198,751.53
Other operation	22,967,271.00	11,218,409.33	23,108,455.82	11,473,573.29
Total	1,333,492,179.77	558,947,473.08	1,250,134,143.23	527,672,324.82

### 35. Business tax and subjoin

Items	Amount of this period	Amount of last period
Business tax	26,938,514.91	38,652,723.51
Urban construction tax	2,657,718.23	2,496,819.35
Education surcharge	1,233,888.92	1,161,438.74
Defend expense	505,754.16	830,328.00
Locality Education surcharge	821,904.47	774,292.34
Culture Construction fee	125,566.76	27,147.85
Total	32,283,347.45	43,942,749.79

### 36. Management expenses

Items	Amount of this period	Amount of last period
Wage	53,433,060.50	60,049,456.51
Depreciation and Amortization	6,862,171.67	7,127,367.93
Low consumables amortization	340,720.10	92,899.70
Travel expenses	256,792.05	265,728.40
Office expenses	2,407,928.04	2,401,307.77
Leased expenses	5,602,580.99	5,428,944.31
The fee for hiring agency	1,688,829.24	1,891,285.74
Consultation expenses	337,026.84	118,000.00
Directorate expenses	32,606.00	391,976.00
Expenses of taxation	2,113,989.57	1,831,640.33
Listing fee	11,057.40	150,810.80
Information cost and maintenance fee	513,040.25	613,400.22
Other	6,188,885.92	4,929,285.55
Total	79,788,688.57	85,292,103.26

### 37. Financial expenses

Items	Amount of this period	Amount of last period
Interest expenses	202,465,249.45	259,746,725.72
Deposit interest income (-)	-12,693,925.94	-3,068,708.78
Exchange Income and loss (Gain-)	533,974.57	499,486.96
Bank commission charge	312,937.13	335,382.47
Total	190,618,235.21	257,512,886.37

### 38. Asset impairment loss

Items	Amount of this period	Amount of last period
I. Bad debt loss	-177,447.05	71,381.66
II. Inventory falling price loss		
III. Impairment loss of financial assets available for sale		
IV. Impairment loss of hold to maturity investment		
V. Impairment loss of long term equity investment		
VI. Impairment loss of investment real estate		
VII. Impairment loss of fixed assets		
VIII. Impairment loss of engineering materials		
IX. Impairment loss of construction in process		
X. Impairment loss of biological production assets		
XI. Impairment loss of oil and gas assets		
XII. Impairment loss of intangible assets		
XIII. Impairment loss of goodwill		
XIV. Other		
Total	-177,447.05	71,381.66

### 39. Investment income

Items	Amount of this period	Amount of last period
Long-term equity investment income accounted by	181,732,975.66	152,934,917.52

Items	Amount of this period	Amount of last period
cost method		
Long-term equity investment income accounted by equity method		
Investment income from holding the financial asset of which fair value recognized in profit or loss		
Investment income from disposal of financial assets measured by fair value with changes in fair value recognized in profit or loss		
Investment income from holding the financial asset available for sale		
Investment income received from holding of available-for-sale financial assets	45,697,711.66	43,757,419.58
The investment income procure from the available-for-sale financial assets		
Investment income from disposal of financial assets available for sale		
Reverse repurchase treasury investment income		854,210.29
Total	227,430,687.32	197,546,547.39

#### 40. Non-Operation income

Items	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	111,175.47	10,682.00	111,175.47
Including: Gains from disposal of fixed assets	111,175.47	10,682.00	111,175.47
Intangible asset disposal gains			
Disposal gains in construction projects			
Other			

Items	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Debt restructuring gains			
Non monetary assets exchange gains			
Accept donations			
Government Subsidy		230,000.00	
Surplus profit			
Road property claim income	1,683,499.20	5,176,717.51	1,683,499.20
Other income	61,886,470.47	616,079.00	61,886,470.47
Total	63,681,145.14	6,033,478.51	63,681,145.14

Notes: Other gains at this period includes RMB 60,770,000.00 of compensation received from the advanced toll collection termination in Jiujiang Bridge of G325, and which is counted as “Cash Related to Other Investment Activities Received” into the cash flow statement.

- Government subsidy reckoned into current gains/losses

Subsidy items	Amount of current period	Amount of previous period	Assets-related/income –related
Special funds for energy saving and consumption reduction		230,000.00	Related to income
Total		230,000.00	

#### 41. Non-Operation expense

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Total of non-current asset Disposition loss	102,453.65	365,730.09	102,453.65
Incl: loss of fixed assets disposition	102,453.65	365,730.09	102,453.65
Loss of intangible assets disposition			
Loss of construction in process disposition			

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Loss of debt restructuring			
Non monetary assets exchange loss			
External donation			
Loss			
Loss of assets			
Expense of fine		48,735.64	
Other	775,874.94	435,017.25	775,874.94
Total	878,328.59	849,482.98	878,328.59

#### 42. Income tax expense

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

Items	Amount of current period	Amount of previous period
Current income tax expense	167,401,247.46	112,688,439.97
Deferred income tax expense	-10,068,427.03	4,355,730.83
Total	157,332,820.43	117,044,170.80

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

Items	Amount of current period
Total profits	762,265,386.38
Current income tax expense accounted by tax and relevant regulations	190,566,346.61
The impact of different tax rates for subsidiaries	-
Influence of income tax before adjustment	93,498.65
Influence of non taxable income	-56,981,958.22
Impact of non-deductible costs, expenses and losses	1,040,850.40
Affect the use of deferred tax assets early unconfirmed deductible losses	-1,031,562.28
The current period does not affect the deferred tax assets recognized	23,645,645.27

Items	Amount of current period
deductible temporary differences or deductible loss	
Income tax expense	157,332,820.43

43. Items of Cash flow statement

(1) Other cash received from business operation

Items	Amount of current period	Amount of previous period
Newwork received toll income		18,511,470.94
Interest income	12,693,925.94	3,068,708.78
Unit current account	29,313,174.96	30,326,993.39
Total	42,007,100.90	51,907,173.11

(2) Other cash paid related to operating activities

Items	Amount of current period	Amount of previous period
Network received toll income	16,674,879.00	
Management expense	15,716,976.73	15,031,782.05
Unit current account	30,486,151.38	13,405,992.84
Total	62,878,007.11	28,437,774.89

(3) Other Cash received related to investment activities

Items	Amount of current period	Amount of previous period
Jiujiang bridge to receive compensation	60,770,000.00	
Total	60,770,000.00	

Items	Amount of current period	Amount of previous period
Acquisition and construction company creditor's rights	987,903,684.98	
Total	987,903,684.98	

(4) Other Cash payable related to investment activities

(5) Other Cash received related to Financing activities

Items	Amount of current period	Amount of previous period
Piecemeal dividend	5,173.81	
Total	5,173.81	

(6) Other Cash payable related to financing activities

Items	Amount of current period	Amount of previous period
Underwriting fee		3,000,000.00
Recombination fee	3,451,000.00	
Issue registration fee	533,368.84	
Total	3,984,368.84	3,000,000.00

#### 44. Supplement Information for cash flow statement

(1) Supplement Information for cash flow statement

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities		
Net profit	604,932,565.95	421,329,069.45
Add: Impairment loss provision of assets	-177,447.05	71,381.66
Depreciation of fixed assets, oil and gas assets and consumable biological assets	424,901,934.49	400,906,051.92
Amortization of intangible assets	1,976,826.39	1,918,969.82
Amortization of Long-term deferred expenses	906,502.01	880,672.34
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-8,721.82	355,048.09
Losses on scrapping of fixed assets		
Loss from Fair Value Change		
Financial cost	202,999,224.02	260,246,212.68
Loss on investment	-227,430,687.32	-197,546,547.39

Supplement Information	Amount of current period	Amount of previous period
Decrease of deferred income tax assets	-4,510,173.19	8,904,363.08
Increased of deferred income tax liabilities	-5,558,253.84	-4,548,632.25
Decrease of inventories		
Decease of operating receivables	-9,440,469.79	-87,120,666.37
Increased of operating Payable	-54,944,367.72	-1,209,406.58
Other		
Net cash flows arising from operating activities	933,646,932.13	804,186,516.45
II. Significant investment and financing activities that without cash flows:		
Debt to capital		
Switching Company bonds maturing within one year		
fixed assets under financing lease		
3. Movement of cash and cash equivalents:		
Ending balance of cash	1,677,591,492.62	896,059,842.02
Less: Beginning balance of cash equivalents	1,199,629,276.85	737,462,446.86
Add: End- balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Less: Beginning balance of cash equivalents	477,962,215.77	158,597,395.16

(2) Net cash paid by the company for the period

N/A

(3)Net cash received from disposal of subsidiaries

N/A

Items	Amount of current period	Amount of previous period
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I.Cash	1,677,591,492.62	896,059,842.02
Including: Cash at hand	84,796.99	104,452.08
Demand bank deposit	1,676,634,398.25	895,090,674.98
Demand other monetary funds	872,297.38	864,714.96
Demand deposit in the Central Bank		
Deposit in peer firms		
Loan to peer firms		
II. Cash equivalents		
Including: Debt instrument matured within three months		
III. Cash and cash equivalents as at 30/06/2016	1,677,591,492.62	896,059,842.02
Including : Restricted cash and cash equivalents in parent company or subsidiary		

#### (4)Composition of cash and cash equivalents

45. Note of statement of changes in the owner's equity

N/A

46. The assets with the ownership or use right restricted

Up to June 30, 2016, Jingzhu Expressway Guangzhu Section Co., Ltd., the controlling grandchildren company of the Company, with the toll collection right of Panyu Tangkeng-Zhuhai Jinding section project in Jingzhu expressway, asked for RMB 729,000,000.00 of loan from Guangzhou Wuyang Branch of ICBC to provide pledge guarantee(of which the non-current debt balance with 1-year expiration was RMB 150,000,000.00 and the long-term loan balance was RMB 579,000,000.00).

47. Foreign currency monetary items

(1) Foreign currency monetary items

N/A.

(2) Note to oversea entities

N/A.

VI. Changes of merge scope

1. Business merger not under same control

N/A

2. Business combination under the same control

Name of the Combined Party	Interest Proportion gained from the Business Combination	Basis that forms Business Combination under the Same Control	Date of Combination	Determination Basis of Combination Date
Guangzhou Guangzhu Traffic Investment Management Co., Ltd	100%	Controlled by the same ultimate controlling party	2016-05-31	Gaining the controlling right

Continued table

Name of the Combined Party	Income of the Combined Party from the Early Combination Period to Combination Date	Net Profit of the Combined Party from the Early Combination Period to Combination Date	Income of the Combined Party during the Comparison	Net Profit of the Combined Party during the Comparison
Guangzhou Guangzhu Traffic Investment Management Co., Ltd	459,517,071.80	102,025,476.76	525,741,255.64	106,981,773.68

N/A

3. Counter purchase

N/A

4. The disposal of subsidiary

N/A

5. Other reasons for the changes in combination scope

N/A

6. Other

N/A

VII. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

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

Notes: holding proportion in subsidiary different from voting proportion:

N/A

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

N/A

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

N/A

(2) Important Non-wholly-owned Subsidiary

Name of Subsidiary	Shareholding Ratio of Minority Shareholders (%)	Profit or Loss Owned by the Minority Shareholders in the Current Period	Dividends Distributed to the Minority Shareholders in the Current Period	Equity Balance of the Minority Shareholders in the End of the Period
Guangfo Expressway Co., Ltd.	25.00	10,269,943.33	10,266,231.67	82,613,859.53

Notes: In this report period, the Company purchased 25% share rights of the minority shareholders' in Guangdong Fokai Expressway Co., Ltd., where the minority shareholders enjoyed RMB 31,165,568.59 of profits and losses at the current period before its purchase

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

N/A

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

Name	Name					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Guangfo Expressway Co., Ltd.	231,731,460.50	144,373,022.22	376,104,482.72	45,649,044.60		45,649,044.60

Continued table

Name	Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Guangfo Expressway Co., Ltd.	139,614,700.50	229,152,252.38	368,766,952.88	38,326,361.41		38,326,361.41

Continued table

Name	Amount of current period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Guangfo Expressway Co., Ltd.	192,164,999.38	41,079,773.35	41,079,773.35	135,089,476.99

Continued table

Name	Guangfo Expressway Co., Ltd.			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Guangfo Expressway Co., Ltd.	177,462,820.98	34,826,138.70	34,826,138.70	114,226,183.66

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

N/A

(5) Provide financial support or other support for structure entities incorporate into the scope of

consolidated financial statements

N/A

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

N/A

Guangdong Provincial Expressway Development Co.,Ltd.

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3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Guangdong Guanghui Expressway Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Expressway Management	30.00		Equity method
Zhaoqing Yuezhao Highway Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Expressway Management	25.00		Equity method
Shenzhen Huiyan Expressway Co., Ltd.	Shenzhen Guangdong	Shenzhen Guangdong	Expressway Management	33.33		Equity method
Jingzhu Expressway Guanzhu	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	15.00		Equity method
Ganzhou kangda Expressway Co., Ltd.	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	30.00		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Guangdong Zhongshan	Guangzhou Guangdong	Expressway Management	30.00		Equity method
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00		Equity method

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

N/A

Guangdong Provincial Expressway Development Co.,Ltd.

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

Guangdong, Jiangzhong Expressway Co., Ltd and Asian Kitchen & Bath City Co.,

Ltd.. holds 20% of the voting rights, but has the power to participate in making decisions on their financial and operating decisions, and therefore deemed to be able to exert significant influence over the investee.

(2) Main financial information of significant joint venture

①The current period.

Name	Current assets	Including: Cash and cash equivalent	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Minority interest	Shareholders' equity attributable to shareholders of the parent company	Pro rata share of the net assets cal culated
Guangdong Guanghui Expressway Co., Ltd.	724,707,925.33	410,879,947.58	4,425,546,559.75	5,150,254,485.08	486,368,797.97	1,066,062,335.00	1,552,431,132.97		3,597,823,352.11	1,079,347,005.63
Zhaoqing Yuezhao Highway Co., Ltd.	133,682,204.77	109,080,838.14	1,837,138,583.64	1,970,820,788.41	126,785,292.13	769,877,686.61	896,662,978.74		1,074,157,809.67	268,539,452.42

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

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Continued table

Name	Adjustment item			The book value of equity investments in joint ventures	The fair value of the existence of a public offer of equity investments in joint ventures	Business income	Financial expenses	Income Tax expenses	Net profit	Net profit from discontinued operations	Other Comprehensive income	Total Comprehensive income	Dividends received from associates during the year
	Goodwill	Internal trading unrealized profits	Other										
Guanghui Expressway Co., Ltd.				1,079,347,005.63		812,080,255.90	24,546,983.30	127,408,913.87	381,440,117.48			381,440,117.48	105,000,000.00
Zhaoqing Yuezhao Highway Co., Ltd.				268,539,452.42		291,189,867.43	17,627,552.31	40,562,875.14	126,554,442.44			126,554,442.44	37,376,405.10

② The last period



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In RMB

Name	Current assets	Including: Cash and cash equivalent	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Minority interest	Shareholders' equity attributable to shareholders of the parent company	Pro rata share of t he net assets calc ulated
Guangdong Guanghui Expressway Co., Ltd.	766,450,792.34	480,536,440.78	4,560,378,796.63	5,326,829,588.97	817,431,700.70	943,014,653.64	1,760,446,354.34		3,566,383,234.63	1,069,914,970.39
Zhaoqing Yuezhao Highway Co., Ltd.	198,764,861.77	176,442,107.38	1,899,012,860.07	2,097,777,721.84	304,439,107.94	696,229,626.27	1,000,668,734.21		1,097,108,987.63	274,277,246.91

Continued table

Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

Name	Adjustment item			The book value of equity investments in joint ventures	The fair value of the existence of a public offer of equity investments in joint ventures	Business income	Financial expenses	Income tax	Net profit	Net profit from discontinued operations	Other Comprehensive income	Total Comprehensive income	Dividends received from associates during the year
	Goodwill	Internal trading unrealized profits	Other										
Guangdong Guanghui Expressway Co., Ltd.				1,069,914,970.39		787,594,239.51	32,134,388.46	112,915,289.96	338,745,869.79			338,745,869.79	150,000,000.00
Zhaoqing Yuezhao Highway Co., Ltd.				274,277,246.91		242,821,675.27	24,434,908.85	20,906,815.95	64,636,934.25			64,636,934.25	

(3) Main financial information of significant associated enterprise

①The current period.

Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

Name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current Liabilities	Total liabilities	Minority interest	Shareholders' equity attributable to shareholders of the parent company	Pro rata share of the net assets calculated
Shenzhen Huiyan Expressway Co., Ltd.	309,365,014.52	165,949,492.91	475,314,507.43	35,359,201.00	75,800.87	35,435,001.87		439,879,505.56	146,626,501.85
Guangdong Jiangzhong Expressway Co., Ltd.	76,026,693.67	2,025,910,043.76	2,101,936,737.43	628,993,562.80	280,000,000.00	908,993,562.80		1,192,943,174.63	178,941,476.19
Ganzhou Kangda Expressway	47,638,350.08	1,569,709,208.36	1,617,347,558.44	41,553,606.36	909,943,990.41	951,497,596.77		665,849,961.67	199,754,988.50
Ganzhou Gankang Expressway Co., Ltd.	345,972,097.03	1,512,018,396.47	1,857,990,493.50	116,701,642.50	1,045,868,871.92	1,162,570,514.42		695,419,979.08	208,625,993.72
Guangdong Yueke Technology Petty Loan Co., Ltd.	1,341,498,703.86	36,988,725.42	1,378,487,429.28	44,787,869.72	20,757.29	44,808,627.01	294,500,151.55	1,039,178,650.72	207,835,730.14

Continued table

Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

Name	Adjustment item			The book value of equity investments in joint ventures	The fair value of the existence of a public offer of equity investments in joint ventures	Business income	Net profit	Net profit from discontinued operations	Other comprehensive income	Total comprehensive income	Dividends received from associates during the year
	Goodwill	Internal trading unrealized profits	Other								
Shenzhen Huiyan Expressway Co., Ltd.				146,626,501.85		106,414,977.95	40,699,196.38			40,699,196.38	
Guangdong Jiangzhong Expressway Co., Ltd.				178,941,476.19		205,492,811.90	23,496,720.59			23,496,720.59	
Ganzhou Kangda Expressway				199,754,988.50		118,131,984.73	39,904,996.63			39,904,996.63	
Ganzhou Gankang Expressway Co., Ltd.				208,625,993.72		81,660,482.24	12,866,914.80			12,866,914.80	
Guangdong Yueke Technology Petty Loan Co., Ltd.				207,835,730.14		46,518,656.73	27,503,000.00			27,503,000.00	

③ The last period.

Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

Name	Current assets	Non-current assets	Total assets	Current liabilities	Non-current Liabilities	Total liabilities	Minority interest	Shareholders' equity attributable to shareholders of the parent company	Pro rata share of the net assets calculated
Shenzhen Huiyan Expressway Co., Ltd.	252,775,866.87	184,281,067.28	437,056,934.15	37,679,784.93	196,840.04	37,876,624.97		399,180,309.18	133,060,103.06
Guangdong Jiangzhong Expressway Co., Ltd.	86,007,404.53	2,121,939,802.89	2,207,947,207.42	330,000,753.38	708,500,000.00	1,038,500,753.38		1,169,446,454.04	175,416,968.11
Ganzhou Kangda Expressway	22,962,621.27	1,593,039,071.93	1,616,001,693.20	67,580,844.11	922,475,884.05	990,056,728.16		625,944,965.04	187,783,489.51
Ganzhou Gankang Expressway Co., Ltd.	316,962,679.74	1,537,143,806.20	1,854,106,485.94	128,345,735.31	1,043,207,686.35	1,171,553,421.66		682,553,064.28	204,765,919.28
Guangdong Yueke Technology Petty Loan Co., Ltd.	1,291,749,915.06	40,623,208.62	1,332,373,123.68	14,955,461.26		14,955,461.26	291,938,259.29	1,025,479,403.13	205,095,880.63

Continued table

Guangdong Provincial Expressway Development Co.,Ltd.

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January-June 2016

In RMB

Name	Adjustment item			The book value of equity investments in joint ventures	The fair value of the existence of a public offer of equity investments in joint ventures	Business income	Net profit	Net profit from discontinued operations	Other comprehensive income	Total Comprehensive income	Dividends received from associates during the year
	Goodwill	internal trading unrealized profits	Other								
Shenzhen Huiyan Expressway Co., Ltd.				133,060,103.06		96,093,908.58	32,688,059.55			32,688,059.55	3,333,000.00
Guangdong Jiangzhong Expressway Co., Ltd.				175,416,968.11		202,641,512.94	31,063,757.09			31,063,757.09	
Ganzhou Kangda Expressway				187,783,489.51		118,859,388.33	42,564,485.24			42,564,485.24	
Ganzhou Gankang Expressway Co., Ltd.				204,765,919.28		95,640,534.67	22,225,070.15			22,225,070.15	
Guangdong Yueke Technology Petty Loan Co., Ltd.				205,095,880.63		23,099,169.06	9,139,346.98			9,139,346.98	

Guangdong Provincial Expressway Development Co.,Ltd.

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(4) Summary financial information of insignificant joint venture or associated enterprise: N/A

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

N/A

(6) The excess loss of joint venture or associated enterprise: N/A

(7) The unrecognized commitment related to joint venture investment

N/A

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

N/A

4. Significant common operation

N/A

5. Equity of structure entity not including in the scope of consolidated financial statements

N/A

6. Other

N/A

VIII. Risks Related to Financial Instruments

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

1. Credit Risk

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

2. Interest Rate Risk

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

3. Foreign Exchange Risk

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

4. Liquidity Risk

The liquidity risk means that the risk of the shortage of funds occurs when the settlement obligations by the delivery of the cash or other financial assets are fulfilled by the company. The policy of the company is to ensure the sufficient cash for repaying the matured debts. The liquidity risk is under the centralized control of Finance department of the company, and



## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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In RMB

Finance department shall guarantee the company having the sufficient funds to repay the debts under any reasonable forecast through monitoring the cash balance, the marketable securities available to be cash and the rolling forecast for the cash flow of the next six months.

## 5. Other Price Risk

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

## IX. The disclosure of the fair value

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

Items	Closing fair value			Total
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	
I. Consistent fair value measurement				
(1) Financial assets measured by fair value with changes in fair value recognised in profit or loss				
1. Trading financial assets				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
2. Available for sale financial assets	884,558,589.44			884,558,589.44
(1) Debt instrument investment				
(2) Equity instrument investment	884,558,589.44			884,558,589.44

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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In RMB

Items	Closing fair value			Total
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	
(3) Other				
3.Real Estate Investment				
Lease of land use rights				
Leased buildings				
3.Held and prepared for transfer after appreciation of land use rights				
4.Biological assets				
1.Consumable biological assets				
2.Productive biological assets				
Total of Consistent fair value measurement	884,558,589.44			884,558,589.44
5. Trading financial Liability				
Thereinto: Trading bonds issued				
Derivative financial Liability				
Other				
6. Financial Liabilities designated at fair value through profit or loss				
Liability Total of Consistent fair value measurement				
II.Non-continuous measurement fair value				
(1) Available for sale financial assets				
.Assets total of Non-continuous measurement fair value				
.Liability total of Non-continuous measurement fair value				

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

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

According to the closing price of June 30, 2016 of RMB 3.76, the final calculation of fair value was RMB884,558,589.44.

3. Valuation technique adopted and nature and amount determination of important parameters for

consistent and inconsistent fair value measurement items at level 2.

N/A

4. Valuation technique adopted and nature and amount determination of important parameters for

consistent and inconsistent fair value measurement items at level 3.

N/A

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and

closing book value of consistent fair value measurement items at level 3.

N/A

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion

happens among consistent fair value measurement items at different levels

N/A

7. Changes in the valuation technique in the current period and the reason for change

N/A

8. Fair value of financial assets and liabilities not measured at fair value

N/A

## 9. Other

N/A

## X. Related parties and related-party transactions

### 1. Parent company information of the enterprise

Name	Registered address	Nature	Redistricted capital(RMB'000 0)	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Guangdong communication	No. 27, Baiyun	Equity management, traffic infrastructure	2,680,000.00	24.55	50.11

Guangdong Provincial Expressway Development Co.,Ltd.

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Name	Registered address	Nature	Redistricted capital(RMB'000 0)	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Group Co., Ltd	Road, Yuexiu District , Guangzhou.	construction and railway project operation			

-Notes :

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Li Jing. Date of establishment: June 23, 2000. As of June 3, 2016, Registered capital: RMB 26.8 billion. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses

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

The final control of the Company was State owned assets supervision and Administration Commission of Guangdong Provincial People's Government.

## 2.Subsidiaries of the Company

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

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

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

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

### 4. Other Related parties

Name	<u>Relation with the Company</u>
Guangdong Changda highway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu communication Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinruan Computer Technology Co., Ltd	Fully owned subsidiary of the parent company
Guangdong Xinyue Communication Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Name	<u>Relation with the Company</u>
Guangdong East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shenshan West Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Luqiao Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yunwu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Taishan Coastal Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuzhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinlu Advertising Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangshen Zhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Zhuhai section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Zhaoqing Guanghe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Xinhui Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Communication Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Meihe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Two Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Heyuan Helong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuegan Expressway Co., Ltd.	Fully owned subsidiary of the parent company

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Name	Relation with the Company
Guangdong Yuedong Expressway Industry Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuejia Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinyue Asphalt Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Taoshan Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Yangjiang Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhanxu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Baomao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tongyi Expressway Service Area Co., Ltd	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Group non controlling related party
Guangdong Humen Bridge Co., Ltd.	Group non controlling related party
Asian Kitchen & Bath City Co., Ltd.	Original shares of the company

## 5. List of related-party transactions

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

## Acquisition of goods and reception of labor service

Related parties	Content of related transaction	Amount in current period	Amount in last period
1.Business cost			
Guangdong Changda highway Co., Ltd.	Project fund	5,106,838.40	1,374,275.58
Guangdong Expressway Co., Ltd.	Expansion management fee	922,029.51	
Guangdong Maozhan Expressway Co., Ltd.	Calculate the weight of car rental	50,750.00	
Guangzhou Xinruan Computer Technology Co., Ltd.	Project fund	158,850.00	

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Related parties	Content of related transaction	Amount in current period	Amount in last period
Guangdong Xinyue Communication Investment Co., Ltd.	Project fund	36,000.00	
Guangdong Hualu communication Technology Co., Ltd.	Project fund		127,500.00
Subtotal		13,245,735.82	2,178,237.65
2. Financial expenses			
Guangdong Highway Construction Co., Ltd.	Interest	37,356,795.08	38,433,222.35
Ganzhou Gankang Expressway Co.,Ltd.	Interest	1,180,876.67	171,012.91
Guangdong Expressway Co., Ltd.	Interest		3,604,166.64
Subtotal		38,537,671.75	42,208,401.90
3. Fixed assets			
Guangdong Xinyue Communication Investment Co., Ltd	Purchasing assets		2,114,545.72
Subtotal			2,114,545.72
4.Non-Operating expenses			
Guangdong Changda highway Co., Ltd.	Project fund	338,293.60	132,231.19
Subtotal		338,293.60	132,231.19

## Related transactions on sale goods and receiving services

Related party	Content	Amount of current period	Amount of previous period
1.Business income			
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	8,190,490.55	8,816,200.01
Guangdong Expressway Co., Ltd.	Project fund	2,062,650.00	2,079,150.00
Guangdong Kaiyang Expressway Co., Ltd.	Project fund	224,035.68	146,035.68
Guangdong Guangle Expressway Co., Ltd.	Project fund		93,000.00
Guangdong Guanghui Expressway Co.,Ltd.	Project fund	303,890.00	90,000.00
Guangdong Shenshan West Expressway Co., Ltd.	Project fund	75,000.00	108,000.00

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

Related party	Content	Amount of current period	Amount of previous period
Guangdong Yangmao Expressway Co.,Ltd.	Project fund	51,000.00	60,000.00
Guangdong Maozhan Expressway Co.,Ltd.	Project fund	91,500.00	48,000.00
Guangdong Yunwu Expressway Co., Ltd.	Project fund	66,000.00	69,000.00
Guangdong Taishan Coastal Expressway Co., Ltd	Project fund		30,000.00
Yunfo Guangyun Expressway Co., Ltd.	Project fund	13,500.00	16,500.00
Guangdong Yuzhan Expressway Co., Ltd.	Project fund	85,500.00	51,000.00
Zhaoqing Guanghe Expressway Co., Ltd.	Project fund		40,500.00
Zhaoqing Yuezhao Highway Co., Ltd.	Project fund	52,500.00	
Guangdong West coastal Expressway Taishan Section Co., Ltd.	Project fund	84,000.00	
Guangdong West coastal Expressway Yangjiang Section Co., Ltd.	Project fund	30,000.00	
Guangdong Zhaoyang Expressway Co., Ltd.	Project fund	60,000.00	
Guangdong Zhanxu Expressway Co., Ltd.	Project fund	91,500.00	
Guangdong Baomao Expressway Co., Ltd.	Project fund	90,000.00	
Subtotal		11,571,566.23	11,647,385.69

## (2) Related trusteeship/contract

N/A

## (3) Information of related lease

The Company was lessor:

Name of lessee	Category of lease assets	The lease income confirmed in this year	The lease income confirmed in last year
Guangdong Xinlu Advertising Co., Ltd.	Advertising lease	73,843.20	
Asian Kitchen & Bath City Co., Ltd.	Advertising lease		3,492,000.00
Guangdong Tongyi Expressway Service Area Co., Ltd.	Service Area Lease	1,857,376.40	1,667,825.50



## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Name of lessee	Category of lease assets	The lease income confirmed in this year	The lease income confirmed in last year
Subtotal		1,931,219.60	5,159,825.50

- The company was lessee:

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Litong Property Investment Co., Ltd	Office space	4,410,552.00	4,270,536.00
Guangdong Guanghui Expressway Co., Ltd.	Advertising column lease	696,800.00	215,880.00
Zhaoqing Yuezhaoh Highway Co., Ltd.	Advertising column lease		118,125.00
Guangdong Highway Construction Co., Ltd.	Office space	77,631.84	41,341.39
Subtotal		5,184,983.84	4,645,882.39

## (4) Related-party guarantee

The Company was Guarantor

N/A

The Company was secured party

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Guangdong Communication Group Co., Ltd.	1,500,000,000.00	2012-09-25	2021-07-25	No

Notes:

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

Guangdong Provincial Expressway Development Co.,Ltd.

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(5) Inter-bank lending of capital of related parties

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	2015-6-10	2017-6-10	

(6) Related party asset transfer and debt restructuring

N/A

(7) Rewards for the key management personnel

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel		2.2653 million

(8) Other related-party transactions

N/A

-Capital Deposit Situation of Guangdong Provincial Communication Group Finance Co., Ltd.

Items	Amount of current period	Amount of previous period
Balance of Deposit	515,980,828.77	200,848,784.54
Interest Income	1,864,277.66	421,232.29
Pricing Principle	Refer to deposit interest rate at the corresponding period of Bank of China	

- Approved by the “Reply on Approving Guangdong Provincial Expressway Development Co., Ltd Issue of Share and Cash to Buy Assets and Raise Matching Funds to Guangdong Provincial Expressway Co., Ltd. ”of CSRC’s Permission [2016] No.230, the Company purchased the creditor’s rights with RMB 987,903,684.98 in Jingzhu Expressway Guangzhou Section Co., Ltd. from Guangdong Provincial Expressway Co., Ltd. on June 21, 2016

-The company’s 29th meeting (Provisional) of the seventh board of directors was convened. The Proposal on

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Entrustment of Construction Management of the Renovation and Expansion Project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway was deliberated in the meeting, agreed that Guangdong Provincial Fokai Expressway Co., Ltd entrusts Guangdong Provincial Highway Construction Co., Ltd with the construction management of the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway, and handling the related matters of the entrustment of the construction management.

## 6. Receivables and payables of related parties

## (1) Receivables

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable					
	Guangdong Humen Bridge Co.,Ltd.	18,442,494.66		5,075,745.18	
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	4,173,999.99		12,057,405.80	
	Guangdong Expressway Co., Ltd.	2,180,150.00		117,500.00	
	Guangdong Xinyue Communication Investment Co., Ltd.	909,623.66		1,272,653.03	
	Guangshen Zhu Expressway Co., Ltd.	545,760.00		545,760.00	
	Guangdong Kaiyang Expressway Co., Ltd.	402,449.97		178,414.29	
	Guangdong Guanghui Expressway Co., Ltd.	303,890.00		2,247,992.00	
	Guangdong West coastal Expressway Zhuhai Section Co., Ltd.	184,194.00		251,694.00	

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Guangdong Jiangzhong Expressway Co., Ltd.	177,372.00		177,372.00	
Guangdong Maozhan Expressway Co., Ltd.	91,500.00			
Guangdong Zhanxu Expressway Co., Ltd.	91,500.00			
Guangdong Baomao Expressway Co., Ltd.	90,000.00			
Guangdong Yuzhan Expressway Co., Ltd.	85,500.00			
Guangdong West coastal Expressway Taishan Section Co., Ltd.	84,000.00			
Guangdong Shenshan West Expressway Co., Ltd.	75,000.00			
Guangdong Yunwu Expressway Co., Ltd.	66,000.00			
Guangdong Zhaoyang Expressway Co., Ltd.	60,000.00			
Zhaoqing Yuezhao Highway Co., Ltd.	52,500.00			
Guangdong Yangmao Expressway Co., Ltd.	51,000.00			
Guangdong West coastal Expressway Xinhui Section Co., Ltd.	34,110.00		50,610.00	
Guangdong West coastal Expressway Yangjiang Section Co., Ltd.	30,000.00			
Yunfo Guangyun Expressway Co., Ltd.	13,500.00			
Guangdong Xinlu advertising Co., Ltd.			1,696,300.00	
Guangdong Boda Expressway Co., Ltd.			204,660.00	
Guangdong Yueyun			27,288.00	

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

	Communication Co., Ltd.			
	Subtotal	28,144,544.28		23,903,394.30
Prepayable account				
	Zhanqing Yuezhao Highway Co., Ltd.	131,250.00		131,250.00
	Guangdong Changda Highway Engineering Co., Ltd.	390,375.10		
	Guangdong Litong Property Investment Co., Ltd.			735,092.00
	Guangzhou Xinruan Computer Technology Co., Ltd.			664,227.74
	Subtotal	521,625.10		1,530,569.74
Other Account receivable				
	Guangdong Expressway Co., Ltd.	1,703,434.12		2,625,463.63
	Guangdong Litong Property Investment Co., Ltd.	1,435,856.00		1,435,856.00
	Guangdong Guanghui Expressway Co., Ltd	757,376.00		847,048.98
	Zhaoqing Yuezhao Highway Co., Ltd.	447,849.00		456,934.57
	Zhaoqing Guanghe Expressway Co., Ltd.	163,620.63		189,397.72
	Guangdong Xinlu advertising Co., Ltd.	161,131.15		1,240,285.86
	Guangshen Zhu Expressway Co., Ltd.	121,280.00		134,794.38
	Guangdong Highway Construction Co., Ltd.	76,563.00		81,571.71
	Guangdong Boda Expressway Co., Ltd.	45,480.00		45,605.48
	Guangdong Kaiyang	33,300.00		74,950.95

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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In RMB

Expressway Co., Ltd.				
Guangdong West Coastal Expressway Zhuhai section Co., Ltd.	20,466.00		20,466.00	
Guangdong Jiangzhong Expressway Co., Ltd.	19,708.00		19,842.06	
Guangdong Humen Bridge Co.,Ltd.	16,676.00		-	
Guangdong Luqiao Construction Development Co., Ltd.	9,334.87		14,801.32	
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	6,117.93		-	
Guangdong West Coastal Expressway Xinhui section Co., Ltd.	3,790.00		3,790.00	
Guangdong Yueyun Communication Co., Ltd.	3,032.00		3,032.00	
Guangdong Xinyue Communication Investment Co., Ltd.	2,158.60		2,158.60	
Guangdong Meihe Expressway Co., Ltd.	33.41		1,164.09	
Guangdong Zhaoyang Expressway Co., Ltd.	11.75		11.75	
Guangdong Yuejia Expressway Co., Ltd.	4.13		4.13	
Guangdong Maozhan Expressway Co., Ltd.			41,208.46	
Guangdong Guangle Expressway Co., Ltd.			37,020.23	
Guangdong Yangmao Expressway Co., Ltd.			20,251.86	
Guangdong Changda Highway Engineering Co., Ltd.			9,126.00	

## Guangdong Provincial Expressway Development Co.,Ltd.

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	Yunfo Guangyun Expressway Co., Ltd.			5,252.64	
	Guangdong Yunwu Expressway Co., Ltd.			4,697.95	
	Guangdong Two Guang Expressway Co., Ltd.			1,117.07	
	Heyuan Helong Expressway Co., Ltd.			778.93	
	Guangdong Yuekan Expressway Co., Ltd.			806.64	
	Guangdong Yuedong Expressway Industry Development Co., Ltd.			664.16	
	Guangdong Hehui Expressway Co., Ltd.			424.1	
	Guangdong Shanfen Expressway Co., Ltd.			91.24	
	Guangdong Yuzhan Expressway Co., Ltd.			75.23	
	Beijing Gelin Enze			4,007,679.91	4,007,679.91
	Subtotal	5,027,222.59		11,326,373.65	4,007,679.91
Other Current Assets					
	Guangdong Xinyue Communication Investment Co., Ltd.	383,658.23		383,658.23	
	Subtotal	383,658.23		383,658.23	

Notes 1: If the related transaction was agreed upon netting agreement, the account receivable for the related party may list there after set-off.

Notes 2: The stake of Beijing Lin Enze Organic Fertilizer Co., Ltd held by Guangdong Expressway Technology Investment Co., Ltd-the company's wholly-owned subsidiary had been transferred to the outside party in 2015, therefore as of June 30, 2016, the company's account receivable pertaining to Beijing Lin Enze Organic Fertilizer Co., Ltd should not be count in related transaction.

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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## (2) Payables

Name	Related party	Amount at year end	Amount at year beginning
Account payable			
	Guangdong Expressway Co., Ltd	8,746,491.18	8,746,491.18
	Guangdong Changda highway Co., Ltd	7,002,365.49	10,625,970.83
	Guangdong Xinyue Communication Investment Co., Ltd.	3,212,474.28	3,284,062.53
	Guangdong Guanghui Expressway Co., Ltd.	3,071,934.01	4,692,732.01
	Guangdong Hualu communication Technology Co., Ltd.	550,871.89	610,090.63
	Guangdong East Thinking Management Technology Development Co., Ltd.	180,000.00	235,000.00
	Guangzhou Xinruan Computer Technology Co., Ltd	113,850.00	
	Guangdong Hengjian Expressway Co., Ltd.	32,018.15	32,018.15
	Zhaoqing Yuezhao Highway Co., Ltd.	19,500.00	19,500.00
	Guangdong Maozhan Expressway Co., Ltd.		150,750.00
	Guangdong Humen Bridge Co., Ltd.		61,600.00
	Subtotal	22,929,505.00	28,458,215.33
Interest payable			
	Guangdong Highway Construction Co., Ltd.	37,356,795.08	
	Ganzhou Gankang Expressway Co., Ltd.	64,883.33	89,578.19
	Subtotal	37,421,678.41	89,578.19
Other Payable			



## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

Name	Related party	Amount at year end	Amount at year beginning
account			
	Guangdong Changda highway Co., Ltd	42,582,567.88	48,792,741.75
	Guangdong Highway Construction Co., Ltd.	6,361,284.80	1,876,132.24
	Guangdong Xinyue Communication Investment Co., Ltd.	1,922,586.98	1,579,484.21
	Guangdong Litong Property Investment Co., Ltd.	1,470,184.00	
	Guangzhou Xinruan Computer Technology Co., Ltd.	534,262.95	404,102.30
	Guangdong Communication Development Co., Ltd.	405,372.23	
	Guangdong East Thinking Management Technology Development Co., Ltd.	207,542.00	62,700.00
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	161,619.45	67,546.00
	Guangdong Hualu Communication Technology Co., Ltd.	123,460.39	145,960.39
	Guangdong Xinlu Adverting Co., Ltd.	70,000.00	70,000.00
	Guangdong Expressway Co., Ltd.	52,317.51	62,596.67
	Guangdong Lulutong Co., Ltd.	40,000.00	146,604.23
	Guangdong Tongyi Expressway Service Area Co., Ltd.	20,000.00	20,000.00
	Guangdong Boda Expressway Co., Ltd.	19.41	19.41
	Guangdong West Coastal Expressway Co., Ltd.	10.27	1,396.29
	Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	3.51	3.51

## Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

January-June 2016

In RMB

Name	Related party	Amount at year end	Amount at year beginning
	Guangdong Hengjian Expressway Co., Ltd.		100,000.00
	Guangdong Guanghui Expressway Co., Ltd.		6,019.00
	Guangdong Shenshan West Expressway Co., Ltd.		454.68
	Guangdong Luqiao Construction Development Co., Ltd.		110.05
	Subtotal	52,481,047.38	53,335,870.73
Non current liabilities due within one year			
	Guangdong Highway Construction Co., Ltd.		70,000,000.00
	Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	
	Subtotal	50,000,000.00	70,000,000.00
Long-term Payable account			
	Ganzhou Gankang Expressway Co., Ltd.		50,000,000.00
	Guangdong Highway Construction Co., Ltd.		917,903,684.98
	Subtotal		967,903,684.98

## XI. Stock payment

N/A

## XII. Commitments

## 1. Significant commitments

(1) On June 15, 2016, the Company's 29th meeting (Provisional) of the seventh board of directors was convened. In the meeting, the Proposal on Increasing Funding for Guangdong Fokai Expressway Co., Ltd pertaining to the Renovation

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and Expansion Project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway was examined and approved, agreed that based on the approved total investment amount by relevant government department, then the company's subsidiary- Guangdong Fokai Expressway Co., Ltd carries out the investment and construction of the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway; the company increases funding for Guangdong Provincial Fokai Expressway Co., Ltd pertaining to the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway, with the contributed funds as a proportion of 35% of the total investment amount approved by relevant government department. The afore-said item had been examined and approved in the first extraordinary general shareholder meeting, however such item still needs the National Development and Reform Commission's approval and its project establishment. Currently, the total investment amount of the project is estimated to be RMB 3.5615 billion, thus the company planned to increase RMB 1.247 billion to Fokai Company. As of June 30, 2016, the accumulative upfront fees of Guangdong Provincial Fokai Expressway Co., Ltd occurred were RMB 20.1198 million.

## 2.Contingency

This matter. did not occur in this accounting period. During the reporting period.

## XIII. Events after balance sheet date

### 1.Significant events had not adjusted

On July 7, 2016, the Company's 31st meeting (Provisional) of the seventh board of directors was convened. In the meeting, the Proposal on the Company's Subscription of the Non-publicly Issued A-shares by Guoyuan Securities Co.,Ltd was examined and approved, agreed that the company shall not invest more than RMB 0.8 billion for the subscription of the non-publicly issued A-shares by Guoyuan Securities Co.,Ltd. Still, such item needs to be submitted to the general shareholder meeting for deliberation.

### 2.Profit distribution

N/A

### 3.Sales return

N/A

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4. Notes of other significant event after balance sheet date

N/A

XIV. Other significant events

1. The accounting errors correction in previous period

This matter did not occur in this accounting period. During the reporting period.

2. Debt restructuring

This matter did not occur in this accounting period. During the reporting period.

3. Replacement of assets

This matter did not occur in this accounting period. During the reporting period.

4. Pension plan

The company does not disclose the pension plan undisclosed matter should exist.

5. Discontinuing operation

This matter did not occur in this accounting period. During the reporting period,.

6. Segment information

The company's business for Guangfo Expressway ,Fokai Expressway and Jingzhu Expressway Guangzhu Section toll collection and maintenance work, the technology industry and provide investment advice, no other nature of the business, no reportable segment.

7. Other events

The toll collection period of Jiujiang Bridge of No. 325 National Highway owned by Jiujiang Bridge Branch of Guangdong Fokai Expressway Co., Ltd., a controlled subsidiary of the Company, which was approved by Ministry of Communications, is 30 years. Up to the present, the accumulative toll collection period is 25 years. According to the Notice of Relevant Matters Concerning Quickening Special Clearing of Toll Highways in Guangdong Province (Yue Jiao Ming Dian (2013) No. 56 Document), the rectification measure proposed for Jiujiang Bridge is "toll collection period shall be no more than 20 years". The result of rectification is "toll collection shall be cancelled due to the expiration of toll collection period." As required by this document, Jiujiang Bridge will stop toll collection from 24:00 of June 30, 2013.

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Jiujiang Bridge is a construction project in which an enterprise under provincial administration invested. As for relevant problems occurred after rectification, the Provincial State-owned Assets Commission shall coordinate in handling such problems according to the requirements of the document.

In view of the cancellation of tolls, the relevant assets on Jiujiang Bridge are neither owned or controlled by the company, nor brings any economic benefits to enterprise in future. According to the provision of Accounting Standards, the company has made disposal of the assets at the end of 2013, and the relevant losses have been recorded into the annual expenses outside of operation in 2013.

In May 2014, the company received Guangdong Provincial People's Government Office documents on the opinions of the compensation for cancellation fee of Jiujiang Bridge as follow. The loss to the company resulted from the early cancellation of Jiujiang Bridge toll fee will be compensated by Guangdong Communication Group. The provincial SASAC conjunction with relevant units will examine the compensation amount base on Provincial Legal Office; work with Provincial Department of Finance to make the compensation arrangements for provincial government to approve.

Approved by the Jiujiang Bridge early termination fee the amount of loss caused to 140,765,667.68 yuan, to be divided from 2015 included three years of state-owned capital management budget arrangements. In view of the recovery period is not yet clear, the company intends to recognized operating income when received.

Fokai Expressway Co., Ltd. had received in advance of Jiujiang Bridge cancellation fees compensate for the loss of funds RMB 20 million and 60.77 million on August 7, 2015 and June 16, 2016, the extra operating income the company has confirmed.

(2)June 15,2007 early in the morning, The 325 Jiujiang Bridge collapsed on # 23 pier for —Nanguijii 035# collision owned by the controlling subsidiary of the company Guangdong Fokai Expressway Company leads the collapse and the traffic jam of 200 meters long of the Jiujiang Bridge. On June 10, 2009, Jiujiang Bridge opened to traffic has been restored.

On June 19,2007, The Ministry of Communications, the State Production Safety Supervision and Administration Commission issued the JiaoAnWeiming File [2007] No. 8 "Notification on the Guangdong"6.15 "Jiujiang Bridge Collision Accident", initially determined the causes of the accident are: the incident ship suddenly met heavy fog on the way from Foshan Gaoming to Sunde, the captain neglected looking out, did not take proper measures and deviated from the main channel, touched the 325 National Road Jiujiang Bridge the non-navigation bridge pier and caused the collapsion of part of the Jiujiang bridge. The accident was an unilateral responsibility of the ship.

On July 19,2007, Fokai Company applied preservation of property to Guangzhou Maritime Court.On August 22,2007, Fokai Company officially prosecuted to Guangzhou Maritime Court, asking Foshan South Sea Shipping Company Limited and Yang Xiong to undertake the compensation 25,587,684 yuan for the loss caused by collapsion of Jiujiang Bridge. On August 28, 2007, Guangzhou Maritime Court accepted the case. According to the (2007)-Canton Haifa No. 332 ruling book issued by Guangzhou Maritime Court, the proceeding of the case was suspended.

After the court accepted the case, the incident investigation team of Guangdong Provincial Government had not made the final report of Jiujiang Bridge accident. The Court, on November 5, 2007, decided to suspend the proceeding. In September 2008, Jiujiang Bridge accident investigation report was officially reported and resumed the proceedings. On December 5, 2008, Guangzhou Marine Court opened a court trial to proceeded the case. Currently, Guangzhou Haizhu prosecutorial office was intend to prosecute the accident captain Shi Guide, therefore, on January 5, 2009, Guangzhou

# Guangdong Provincial Expressway Development Co.,Ltd.

## Notes to financial statements

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Maritime Court ruled the suspension of the case. On September 17, 2013, the Guangzhou Maritime Court issued a notice of civil and eliminate the cause of suspension of proceedings, the court decided to resume the trial. On December 19, 2013, the Guangzhou Maritime Court opened a court session, has not yet made the first-instance judgment. On March 7, 2014 the Court made the first instance verdict: the defendant Foshan Nanhai Yuhang ship Services Co., Ltd. and Yang Xiong compensated the plaintiff Fokai Expressway Co., Ltd. toll revenue losses of RMB 19,357,500.96; the court dismissed the plaintiff other aspirations. The defendant appealed to the Higher People's Court of Guangdong Province, the Guangdong Provincial Higher People's Court ruled on June 5, 2014, the case discontinued proceedings.

(3) The 26th (Provisional) Meeting of the sixth board of directors of Guangdong Provincial Expressway Development Co., Ltd. was held of May 10, 2012. The meeting examined and adopted the proposal Concerning the Company's Accepting the insurance Bond Investment Plan of Pacific Asset Management Co., Ltd. The Company was approved to accept the insurance bond investment plan made by Pacific Asset Management Co., Ltd. The amount of proceeds to be raised is not more than RMB 1.5 billion . Floating interest rate plus guaranteed base interest rate applies as the interest rate. The Floating interest rate shall not exceed the basic interest rate of RMB loan with a term of over five years on the day when the investment fund of the insurance company is transferred into the Company's account and the corresponding days of the future years, which shall be adjusted once each year. The guaranteed base interest rate is 5.6%. The concrete amount of raised proceeds shall be within maximum limit of investment fund filed with CIRC. The actual amount wholly transferred to the Company shall apply. The final interest rate is subject to investment Contract for Bond Investment Plan between Pacific and Guangdong Expressway Filed with CIRC. It was approved to authorize the management of the Company to implement the above-mentioned matters.

The Company was approved to provide counter guarantee to Guangdong Communication Group Co.,Ltd.with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it . as of December 31, 2014, the company has borrowed RMB 1.5 billion.

(4) On June 3, 2016, Guangdong Provincial People's Government released the Reply on the Toll Period of the Renovation and Expansion Project of Guangfo Expressway (No.156-2016 Yue Gov Document), approved the toll period of the renovation and expansion project of Guangfo Expressway was from the date opened to traffic to December 7, 2021. Currently, whether the cooperation period between the company and its partner will be extended has not been determined, therefore temporarily there shall be no changes in accounting estimates.

(5) On February 5, 2016, the company received the Approval of the Share-Issuing to Parties such as Guangdong Provincial Expressway Co., Ltd to Purchase Assets and Raise Matching Funds by Guangdong Provincial Expressway Development Co., Ltd(CSRC No.230-2016 Zheng Jian Xu ke) issued from CSRC; the company's scheme on share-issuance for purchasing assets and raising matching funds had been examined and approved by the Audit Committee of CSRC on Verifying and Approving Mergers, Acquisitions and Restructuring of Listed Companies.

During the profit compensation period, in the case that the actual profits of the underlying company were less than the committed profits, respectively the counterparts of Guangdong Provincial Expressway Co., Ltd and Guangdong Provincial Highway Construction Co., Ltd shall assume the obligation of compensation for the profit difference according to their equity proportion of Guangdong Provincial Fokai Expressway Co., Ltd and Guangzhou Guangzhu Traffic Investment Management Co., Ltd. The profit compensation period is three years from 2016-2018.

Agreed by the company and Guangdong Provincial Expressway Co., Ltd, the profits of Fokai Expressway Co., Ltd in year-2016, year-2017 and year-2018 by estimation shall accordingly be RMB 250.6973 million, RMB 260.0802

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million and RMB 403.1197 million, with the aggregated non-recurring gains and losses were expected to be RMB 105.5743 million. During the compensation period, in the case that the cumulative net profits of Fokai Expressway Co., Ltd in a certain year realized at the end of the year are less than the estimated cumulative net profits of the year, the company will, at the price of RMB1.0 per share, buy-back the shares calculated in accordance with the agreement for the purpose of compensation and those shares will be written off, and if the amount of compensation exceeds the consideration of those shares being bought-back, Guangdong Provincial Expressway Co., Ltd will compensate that part in cash. At the expiration of the compensation period, if the accumulative actual non-recurring gains and losses (referring to the government's compensation to Guangdong Provincial Fokai Expressway Co., Ltd due to the cancellation of toll charge of Jiujiang bridge, hereinafter shortly named as "Jiujiang Bridge Compensation") of Fokai Expressway Co., Ltd were less than the estimated accumulative non-recurring gains and losses, Guangdong Provincial Expressway Co., Ltd will, upon the basis of the stake proportion held by G Fokai Expressway Co., Ltd before the major asset restructuring, compensate in cash to the company in accordance with the agreement; If it is after the expiration of the compensation period, every time when Fokai Expressway Co., Ltd received Jiujiang Bridge Compensation, the company should refund the corresponding part which had been paid by Guangdong Provincial Expressway Co., Ltd for the compensation in accordance with the agreement to Guangdong Provincial Expressway Co., Ltd within 30 working days started from the date G Fokai Expressway Co., Ltd received such compensation.

Agreed by the company and Guangdong Provincial Highway Construction Co., Ltd, the profits of Guangzhou Guangzhu Traffic Investment Management Co., Ltd in year-2016, year-2017 and year-2018 by estimation shall accordingly be RMB 230.3606 million, RMB 263.2329 million and RMB 286.5018 million. During the compensation period, in the case that the cumulative net profits of Guangzhou Guangzhu Traffic Investment Management Co., Ltd realized at the end of the year are less than the estimated cumulative net profits of the year, the company will, at the price of RMB1.0 per share, buy-back the shares held by Guangdong Provincial Highway Construction Co., Ltd with the quantity being calculated upon the agreement for compensation and those shares will be written off.

(6)On July 15, 2016, the company received the writing notice from Yadong Fuxing Investment Co.,Ltd-one of the company's shareholders. Yadong Fuxing had signed the Financing Agreement by Pledging A-shares of Guangdong Provincial Expressway Development Co.,Ltd with Guotai Junan Securities Co., Ltd, of which Yadong Fuxing pledged 202,429,000 shares that account for 9.68% of the company's total share capital to Guotai Junan Securities Co., Ltd, which was mainly for the enterprise financing, with the pledge period started from July 13, 2016.

As of the date this financial report was approved for disclosure, Yadong Fuxing Company holds 202,429,149 A-shares of the company that account for 9.68% of the company's total share capital, of which 202,429, 000 shares-9.68% of the company's total share capital were pledged, and the pledged shares account for 99.99993% of the total shares of the company held by Yadong Fuxing.

## XV..Notes s of main items in financial reports of parent company

## 1.Other account receivable

## (1) Other account receivable classified by category

Classification	Year-end balance				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	32,084,893.35	88.27	32,084,893.35	100.00	
Other Account receivable withdrawal bad debt provision by group of credit risk characteristics	4,265,601.26	11.73	1,658,571.80	38.88	2,607,029.46
Other Account receivable with minor individual amount but bad debt provision is provided					
<b>Total</b>	<b>36,350,494.61</b>	<b>100.00</b>	<b>33,743,465.15</b>	<b>92.83</b>	<b>2,607,029.46</b>

Continued table

Classification	Year-beginning				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	32,084,893.35	89.12	32,084,893.35	100.00	
Other Account receivable withdrawal bad debt provision by group of credit risk characteristics	3,915,394.79	10.88	1,658,571.80	42.36	2,256,822.99
Other Account receivable with minor individual amount but bad debt provision is provided					
<b>Total</b>	<b>36,000,288.14</b>	<b>100.00</b>	<b>33,743,465.15</b>	<b>93.73</b>	<b>2,256,822.99</b>



## Guangdong Provincial Expressway Development Co.,Ltd.

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

Name	Balance at year-end			Reason
	Other receivable	Provision for bad debts	Proportion%	
Kunlun Securities Co., Ltd.	32,084,893.35	32,084,893.35	100.00	Notes 1
Total	32,084,893.35	32,084,893.35		

## Notes1:

For the balance amount of our company's security trading settlement funds RMB 33,683,774.79 deposited in Kunlun Securities Co., Ltd., The Xin'Ning Municipal intermediate People's Court of Qinghai Province had made the judgment in accordance with the law and declared on November 11, 2006. that Kunlun Securities Co., Ltd. was bankrupted for debt payment . In March of 2007, the liquidating group of Kunlun Securities preliminary judged the relationship between our company and Kunlun Securities Co., Ltd.is debtor creditor relationship . as Kunlun Securities Co., Ltd.was bankrupted for debt payment and it is in serious insolvency. Our company had moved the security trading settlement funds deposited in Kunlun Securities Co., Ltd, to other receivables account for reflection, we also have made full amount provision for had debts based on conservatism principle. The recovered debt amount in 2008 is RMB485,392.67 which had been offset from the provision for bad debts. The recovered debt amount in 2011 is RMB 667,959.27 which had been offset from the provision for bad, The recovered debt amount in 2014 is RMB 445,529.50 which had been offset from the provision for bad debts.

- In the groups, other accounts receivable adopting aging analysis method to withdraw bad debt provision:

Aging	Balance at year-end		
	Other receivable	Provision for bad debts	Proportion%
Within 1 year	777,842.46		
1-2 years			
2-3 years			
3-4 years			
4-5 years			
Over 5 years	1,658,571.80	1,658,571.80	100.00
Total	2,436,414.26	1,658,571.80	68.07

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

N/A

## Guangdong Provincial Expressway Development Co.,Ltd.

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

Name	Balance at year-end			Reason
	Other receivable	Bad debt provision	Proportion (%)	
Guangdong Litong Real estate Investment Co., Ltd.	1,435,856.00			Lease deposit
Beijing Shibang Weilishi Property Management Services Co., Ltd.	393,331.00			Deposit
Total	1,829,187.00			

## (2) Bad debt provision withdrawal, reversed or recovered in the report period

The amount of bad debt provision was RMB 0.00, the amount of reversed or recovered bad debt provision in the report period RMB 0.00.

Significant amount of reversed or recovered bad debt provision:

N/A

## (3) Particulars of the actual verification of other accounts receivable during the reporting period

N/A

## (4) Other receivables nature of fund classification information

Nature	Book balance at year end	Book balance at year beginning
Securities trading settlement funds balance	32,084,893.35	32,084,893.35
Guarantee deposit	1,829,187.00	1,829,187.00
Other	2,436,414.26	2,086,207.79
Total	36,350,494.61	36,000,288.14

## (5) The top five other account receivable classified by debtor at period end

## Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

Name	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Kunlun Securities Co., Ltd.	Securities trading settlement funds	32,084,893.35	Over 5 years	88.27	32,084,893.35
Heshan Communication Real estate Development Co., Ltd.	Current accounts	1,470,000.00	Over 5 years	4.04	1,470,000.00
Guangdong Litong Property Investment Co., Ltd.	Deposit	1,435,856.00	3-4 years	3.95	
Beijing Shibang Weilishi Property Management Services Co., Ltd.	Deposit	393,331.00	3-4 years	1.08	
China Securities Settlement Co., Ltd.	Current accounts	154,511.77	Within 1 Year	0.43	
Total		35,538,592.12		97.77	33,554,893.35

## (6) Account receivable involving government subsidies

N/A

## (7) Other account receivable derecognized due to the transfer of financial assets

N/A

(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement.

N/A

Guangdong Provincial Expressway Development Co.,Ltd.

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2. Long-term equity investment

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	4,665,162,219.66		4,665,162,219.66	2,418,436,569.52		2,418,436,569.52
Investment to joint ventures and associated enterprises	2,289,671,148.45		2,289,671,148.45	2,635,251,969.72		2,635,251,969.72
Total	6,954,833,368.11		6,954,833,368.11	5,053,688,539.24		5,053,688,539.24

(1) Investment to the subsidiary

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Guangdong Guangfo Expressway Co., Ltd.	154,982,475.25			154,982,475.25		
Guangdong Expressway Technology Investment Co., Ltd.	95,731,882.42			95,731,882.42		
Guangdong Fokai Expressway Co., Ltd.	2,167,722,211.85	968,274,999.00		3,135,997,210.85		
Guangzhou Guangzhu Communication		859,345,204.26		859,345,204.26		

Guangdong Provincial Expressway Development Co.,Ltd.

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In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Investment Management Co., Ltd.						
Jingzhu Expressway Guangzhu Section Co., Ltd.		419,105,446.88		419,105,446.88		
Total	2,418,436,569.52	2,246,725,650.14		4,665,162,219.66		

(2) Investment to joint ventures and associated enterprises

Name	Opening balance	Increase /decrease in reporting period							Closing balance	Closing balance of impairment provision
		Add investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision		
I. Joint ventures										
Guangdong Guanghui Expressway Co., Ltd.	1,069,914,970.39			114,432,035.24			105,000,000.00			1,079,347,005.63
ZhaoqingYuezhao	274,277,246.91			31,638,610.61			37,376,405.10			268,539,452.42

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

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In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
Highway Co., Ltd.											
Subtotal	1,344,192,217.30			146,070,645.85			142,376,405.10			1,347,886,458.05	
II. Associated enterprises											
ShenzhenHuiyan Expressway Co., Ltd.	133,060,103.06			13,566,398.79						146,626,501.85	
Jingzhu Expressway Guangzhu	384,937,391.83			34,168,055.05					-419,105,446.88		
Guangdong Jiangzhong Expressway Co., Ltd.	175,416,968.11			3,524,508.08						178,941,476.19	
Ganzhou Kangda Expressway Co., Ltd.	187,783,489.51			11,971,498.99						199,754,988.50	
Ganzhou Gankang Expressway Co., Ltd.	204,765,919.28			3,860,074.44						208,625,993.72	

Guangdong Provincial Expressway Development Co.,Ltd.

Notes to financial statements

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In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
Guangdong Yueke Technology Petty Loan Co., Ltd.	205,095,880.63			2,739,849.51						207,835,730.14	
Subtotal	1,291,059,752.42			69,830,384.86					-419,105,446.88	941,784,690.40	
Total	2,635,251,969.72			215,901,030.71			142,376,405.10		-419,105,446.88	2,289,671,148.45	

3. Business income and Business cost

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business				
Other business	10,505,002.81	232,106.70	9,327,468.61	232,106.70
Total	10,505,002.81	232,106.70	9,327,468.61	232,106.70

4. Investment income

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	30,798,695.03	27,174,578.08
Long-term equity investment income accounted by equity method	215,901,030.71	187,979,091.58
Investment income arising from disposal of long-term equity investments		
Investment income from holding the financial asset of which fair value recognized in profit or loss		
Investment income from disposal of financial assets measured by fair value with changes in fair value recognized in profit or loss		
Investment income from holding the financial asset available for sale		
Investment income received from holding of available-for-sale financial assets	45,697,711.66	43,757,419.58
The investment income procure from the available-for-sale financial assets		
Investment income from disposal of financial assets available for sale		
Reverse repurchase treasury investment income		854,210.29
Total	292,397,437.40	259,765,299.53

XVI. Supplement information

1. Particulars about current non-recurring gains and loss



Items	Amount	Notes
Gains/losses from the disposal of non-current asset	17,214.82	
Tax refund or mitigate due to examination-and –approval beyond power or without official approval document		
Governmental subsidy calculated into current gains and loess (while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard )		
Capital occupancy expense, collected from non-financial enterprises and recorded in current gains and losses.		
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries , associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment		
Gains and losses from exchange of non-monetary assets		
Gains and losses from assets under trusted investment or management		
Various provision for impairment of assets withdrew duetoact of God, such as natural disaster		
Gains and losses from debt restructuring		
Enterprise reorganization expense(eg.expenditure of staff replacement and integration change)		
Gains and losses of the part arising from transaction in which price is not fair and exceeding fair value		
Current net gains and losses occurred from period-begin to combination day by subsidiaries resulting from business combination under common control	102,025,476.76	
Gains and losses arising from contingent proceedings irrelevant to normal operation of the Company		
Gains and losses from change of fair values of held-for-transaction financial assets and financial liabilities except for the effective hedge business related to normal business of the Company, and investment income from disposal of transactional financial assets and liabilities and financial assets available for sale		
Switch-back of provision of impairment of account receivable which		

Items	Amount	Notes
are treated with separate depreciation test		
Gains and losses obtained from external trusted loans		
Gains and losses arising from change of fair value of investment real estate whose follow-up measurement are conducted according to fair value pattern.		
Affect on current gains and losses after an one-time adjustment according to requirements of laws and regulations regarding to taxation and accounting		
Trust fee obtained from trust operation		
Other non-operating income and expenditure except for the aforementioned items	62,934,995.14	
Other non-business income and expenditures other than the above		
Influenced amount of income tax	15,736,437.22	
Amount of influence of minority interests	223,820.05	
Total	149,017,429.45	

Notes: Non-operating gains and losses before taxes listed

## 2. Return on equity (ROE) and earnings per share (EPS)

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	8.40	0.29	0.29
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	6.51	0.27	0.27

## 3. Differences between accounting data under domestic and overseas accounting standards

N/A

4. Supplementary materials of changes in accounting policies

N/A

5.Other

N/A