Guangdong Provincial Expressway Development Co., Ltd.

2016 Annual Report

March 2017

I. Important Notice, Table of Contents and Definitions

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

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

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

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

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: 2,090,806,126 for the base, the Company would distribute cash dividend to all the shareholders at the rate of CNY3.36 for every 10 shares (with tax inclusive) , 0 bonus shares（including tax）and no reserve would be converted into share capital.

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Definition

Terms to be defined	Refers to	Definition
Report Period/This Annual Year	Refers to	For the 12 months ended December 31, 2016
Report Date	Refers to	28 March 2017, The date that the Company’s 2016 annual report approved by the Board of Directors.
On year-on-year basis	Refers to	Compared with the same period in 2015
The Company /This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Province Expressway	Refers to	Guangdong Province Expressway Co., Ltd.
Construction Company	Refers to	Guangdong Highway Construction Co., Ltd.
Fosun Group	Refers to	Shanghai Fosun High-tech(Group)Co., Ltd.
Poly Real Estate	Refers to	Poly Real Estate (Group)Co., Ltd.
Yadong Fuxing Yalian	Refers to	Yadong Fuxing Yalian Investment Co., Ltd.
Tibet Yingyue	Refers to	Tibet Yingyue Investment Management Co., Ltd.
Guangfa Securities	Refers to	Guangfa Secutities 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.
Huiyan Expressway	Refers to	Shenzhen Huiyan Expressway Co., Ltd.
Fokai Expressway South Section Extension Project	Refers to	Guangdong Fokai Expressway Co., Ltd. for construction of the extension project of Sanbao-Shuikou Section in Shenyang-Haikou National Expressway
Huiyan Expressway Extension Project	Refers to	Changshen Expressway For construction of the extension project of Huiyan Shenzhen Section
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 and Financial index

1. Company Information

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

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 Disrtict , Guangzhou	45/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe Disrtict , Guangzhou
Tel	020-29004619	020-29004523
Fax	020-38787002	020-38787002
E-mail	53537552@qq.com	139221590@qq.com

3. Information disclosure and placed

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

4.Changes in Registration

Organization Code	91440000190352102M
Changes in principal business activities since listing (if any)	No change
Changes is the controlling shareholder in the past (is any)	On November 2000, In accordance with Cai Guan Zi (2008) No. 109 Document of Ministry of Finance and Yue Ban Han (2000) No. 574 Document of General Office of

	Guangdong People's Government, the state-owned shares of Guangdong Expressway originally entrusted to Guangdong Expressway Company (now renamed as "Guangdong Provincial Expressway Co., Ltd.") for management were transferred to Guangdong Communication Group Co., Ltd. for holding and management in November 2000. After the transfer of state-owned shares, Guangdong Communication Group Co., Ltd. became the largest shareholder of the Company. The nature of equity was defined as state-owned shares.

5. Other Relevant Information

CPAs engaged

Name of the CPAs	Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd.
Office address：	10/F,Yuehai Group Building, No.555 Dongfeng East Road, Guangzhou
Names of the Certified Public Accountants as the signatiries	Feng Kuncong, Xu Jihong

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

☐ Applicable √ Not applicable

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

√ Applicable □Not applicable

Advisor Name	Office address	Representatives	Period of supervision and guide
CITIC Securities Co., Ltd.	North Unit, No.8 Zhuoyue TimeS Square(II) , 3 Road Central,Futian District, Shenzhen	Duan Yining, Cai Yong	July 8,2016 to December 31,2017

6.Summary of Accounting data and Financial index

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

√Yes □No

	2016	2015		Changed over last year（%）	2014
		Before adjustment	After adjustment	After adjustment	
Operating income（RMB）	2,825,049,808.36	1,545,498,589.11	2,657,616,508.59	6.30%	1,455,054,983.70
Net profit attributable to the shareholders of the listed company（RMB）	1,001,205,945.39	469,386,906.79	696,100,201.88	43.83%	318,754,807.85
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（RMB）	846,981,077.52	442,162,503.47	449,814,058.26	88.30%	307,337,119.08
Cash flow generated by business operation, net	1,924,259,958.28	996,993,291.19	1,705,886,449.05	12.80%	967,241,746.79

	2016	2015		Changed over last year（%）	2014
		Before adjustment	After adjustment	After adjustment	
（RMB）					
Basic earning per share(RMB/Share)	0.52	0.37	0.40	30.00%	0.25
Diluted gains per share(RMB/Share)(RMB/Share)	0.52	0.37	0.40	30.00%	0.25
Weighted average ROE(%)	14.18%	9.22%	12.38%	1.80%	6.90%
	End of 2016	End of 2015		Changed over last year（%）	End of 2014
		Before adjustment	After adjustment	After adjustment	
Gross assets（RMB）	16,072,445,216.59	12,107,767,967.86	15,126,912,516.70	6.25%	12,513,505,946.42
Net assets attributable to shareholders of the listed company（RMB）	8,289,020,301.39	5,209,289,822.59	5,855,404,300.43	41.56%	5,016,176,476.09

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 1,257,117,748 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 1,723,442,768 estimates; newspaper report that the basic earnings per share of the company non - public offering of shares weighted average equity 1,909,904,052 estimates.

7.The differences between domestic and international accounting standards

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

□ Applicable□√ Not applicable

Nil

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

□ Applicable √Not applicable

Nil

8.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	384,703,107.66	948,789,072.11	741,459,581.99	750,098,046.60
Net profit attributable to the shareholders of the listed company	127,187,345.72	378,711,798.57	291,476,074.93	203,830,726.17
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	126,779,718.66	230,101,996.18	290,837,468.16	199,261,894.52
Net Cash flow generated by business operation	274,943,372.62	657,939,456.76	543,312,787.30	448,064,341.60

Notes： Due to the major asset restructuring of the company in 2016 leading to the merger under the common control, with the base date of the merger was May 31, 2016, therefore the first quarter of the data disclosed is the data before the major asset restructuring.

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

□ Yes √No

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

√Applicable □Not applicable

In RMB

Items	Amount (2016)	Amount (2015)	Amount (2014)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	8,644,766.55	21,188,094.05	149,097.85	The net profit or loss of the surrounding land of Guangzhu Dong
Govemment subsidies recognized in currentgain and loss(excluding those closely related to the Company's business and granted under the state's policies)	704,645.87	480,000.00	150,000.00	Stable post subsidies, special funds for energy saving
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	219,061,740.30		Current net gains and losses increased from Guangzhu Traffic 1-5 months of 2016 by subsidiaries resulting from business combination under common control,due to major assets restructure in 2016.
Single impairment test for impairment of receivables transferredback to preparation			8,652,012.00	
Operating income and expenses other than the aforesaid items	62,762,574.05	24,879,481.73	-838,802.06	The received compensation for

				Jiujiang Bridge was increased by RMB 60,770,000.00.
Other non-business income and expenditures other than the above		854,210.29	2,991,262.39	
Less:Amount of influence of income tax	17,954,525.92	11,529,933.00	-179,496.34	
Amount of influence of minority interests(after tax)	1,958,069.44	8,647,449.75	-134,622.25	
Total	154,224,867.87	246,286,143.62	11,417,688.77	--

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

□ Applicable√ Not applicable

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

III. Outline of Company Business

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

Whether the company needs to comply with the disclosure requirements of the particular industry

No

The company belongs to the infrastructure industry, and the company's main business is the toll of expressway, bridge investment, construction, and fees charge and maintenance management. Moreover, the company is one of the main organizations in developing expressway and super-larger bridge in Guangdong provincial expressway system.

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway and Jingzhu Expressway Guangzhu Section investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd.,Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd.,Ganzhou Kangda Ex pressway , Ganzhou Gankang Expressway Co., Ltd.,Guangdong Yueke Technology Micro Loan Co., Ltd.and Guangdong Guangle Expressway Co.,Ltd.. The company implemented a major asset restructuring in the year. After the major asset restructuring, the company holds 75% stake of Guangzhudong Company (direct and indirect holding) increased from the previous 20% stake, while holds 100% stake of Fokai Company increased from the previous 75% stake. For details, please see the other 5 important related transactions of the sixteen important related transactions of the important matters in the fifth section. As of the end of the reporting period, the company's share-controlled expressway is 158.12 km, and the share-participation expressway is 684.20 km, and according to the equity ratio, after the conversion calculation, the total mileage is 273.05 km.

II. Major Changes in Main Assets

1.Major Changes in Main Assets

Main assets	Major changes
Equity assets	Mainly for the comprehensive influence of the increase in the joining company's dividend distribution and investment income.
Fixed assets	The depreciation of Guangfo Company, Fokai Company and Jingzhu Expressway at the current period.
Intangible assets	No significant changes.
Construction in process	The current increase in Fokai Expressway Sanbao to Shuikou section of the expansion project
Available for sale financial assets	The company held Everbright Bank shares at the end of the fair value decreased
Account receivable	The main reason for the decrease is the timely settlement of the network charging center
Monetary funds	The increase is the combined effect of operating activities, investment activities and financing activities on monetary funds

2. Main Conditions of Overseas Assets

□ Applicable √Not applicable

III. Analysis On core Competitiveness

Whether or not the Company complies with disclosure requirement of the special industry

No

The toll revenue of expressway industry mainly depends on the regional economic development. The regional economy is the critical factor that influences the traffic volume. On the one hand, Guangdong's economic growth performance is better than the national.Guangdong has good industrial upgrading momentum and business performance, private investment is relatively active. On the other hand, the Guangfo expressway and the Fokai expressway, controlled by the company, are part of the National Expressway Network Planning-“Five vertical and seven horizontal”, The share-controlled Beijing-Zhuhai Guangzhu Section Expressway is a fast and convenient expressway.and many of the company’s equity-participation expressways that are part of the main skeleton of the Guangdong Provincial Expressway Planning-“Ten vertical and five horizontal”. Meanwhile the strong demand of the regional economy and the favorable geographical location provide a strong guarantee for the steady growth of the Company's participating expressway traffic volume.

IV. Management's Discussion and Analysis

I. General

In 2016，The board of directors of the Company actively implemented all resolutions of shareholders' general meeting, duly performed its duties，Operated the company management team，In the beginning year of the "13th Five-Year plan", the leaders and management of the company focused on the overall strategy of "stronger and better", adhered to the main business of expressway, actively sought for diversified development, stuck to reform and innovation and deeply promoted the transformation and development of enterprises, thus fully achieved every task goal of the year.

1. In 2016, the company completed the development of the target. 2016 to achieve operating income of 2.825 billion yuan to complete the target value of 2.738 billion yuan by 103.18%; to achieve operating costs of 1.281 billion yuan to complete the target value of 1.277 billion yuan by 100.31%; to achieve investment income of 442 million yuan to complete the target value of 360 million yuan by122.78%.

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

3.Continually enhancing the construction of internal control system

In 2016, the company's board of directors conscientiously performed the guidance, evaluation and management so forth responsibilities and continually enhanced the construction of internal control system and continually engaged the external audit agency for the company's annual internal-control audit. As to the reasonable suggestions provided by the external audit agency on internal control system, daily operations and managements, finance and bushiness, the company's board of directors had organized relevant departments and related companies for seriously rectifying and improving to ensure the relevant risks were effectively controlled.

4.Successful completion of information disclosure work of year 2016 by the company.

In 2016, according to the relevant regulations and requirements of information disclosure stipulated by CSRC and Shenzhen Stock Exchange, the board of directors further enhanced the garnering, feedback, filing and reviewing of the material information and disclosed the information timely in accordance with relevant provisions, ensuring the truthfulness, accuracy and completeness of the contents of the information disclosed. There were aggregately 4 annual reports and 107 provisional reports issued in the name of the board of directors in year 2016 and all the reports were in line with the requirements by Shenzhen Stock Exchange.

5.Continually strengthening the management of investor relations

Through the face-to-face communication with the institutional investors, the online investor-relations interactive platform and the contact hotline for investor and so on, the board of directors communicated and exchanged with the investors with in line with regulations and laws. The company's inside director, who is on behalf of the board of directors, totally participated in 11 online reception day activities for investors in the whole year and totally answered nearly 100 questions; The company totally received the institutional investors in 5 times, 3 times of telephone survey by institutional investors and participated in institutional reverse roadshow in once. By various forms of investor exchanges, it made the investors can timely and accurately get to know the company's relevant information, resulting in good communication effect with investors.

6.. The major asset restructuring was successfully completed.

The company worked closely together and implemented the major asset restructuring with full strength. In February 5, 2016, the company received the formal approval from CSRC for the company's major asset restructuring program, and finally successfully implemented the asset transaction, raising matching funds, payment and receiving for the transaction amounts, the listing of the new shares of the issuance and so on procedures.

After the completion of the major asset restructuring, the company's main business has been further enhanced, the total share capital increased from 1.257 billion shares to 2.091 billion shares, as well as the financial indicators have increased substantially and the overall size of the enterprise and the ability of development entered into a new level. The major asset restructuring introduced three strategic investors which are Fosun Group, Poly Real estate and GF Securities, making the company's equity structure more reasonable. By tapping into the advantages of strategic investors in their respective areas, it would be helpful in the company's diversified development and explorations and the acceleration of the company's business transformation.

7. The expansion phase and toll-period verifying of Guangfo expressway completed successfully.

The company continued to promote the work of expansion and toll-period verifying of Guangfo expressway. In June 3, 2016, Guangdong provincial government had officially approved that the operating period of Foshan expansion project will last to December 7, 2021, which effectively protected the interests of investors and would play a positive role for the long-term development of the company.

8. Diversified development had progressed, and participate in Guoyuan Securities private placement.

In August 2016, the shareholders' general meeting approved the company's investment of RMB 0.8 billon to participate in the private placement of Guoyuan Securities. The investment would be implemented after CSRC approved the Guoyuan Securities' private placement plan. After the implementation, besides the company's investment of small loan companies and bank equity, the company also has the financial investment of securities companies such as Guoyuan Securities.

9. Deepening the pace of enterprise reform

(1)Actively carried out the revision and perfection work for the company's strategic planning. Proposed the company's overall positioning, guiding ideology and development goals for the "13th Five-Year" period and set up of construction of "1+4" pattern of industrial development which is the main business of expressway + development of resources along the line, intelligent transportation, finance and financial investment and investment(Energy saving and environmental protection, health etc.) and set up the corresponding safeguarding measures.

(2)Soundly carried out the research of equity investment fund. In order to give a full play to the platform function of state-owned listed company, the company innovated the way of investment management, carried out the special research on the establishment of equity investment funds and completed the relevant feasibility study report and achieved substantial phase-results.

10. Actively build "Internet + traffic" platform. April 2016 has been officially launched "blue channel" project development. At present, the project has been completed the overall structure design, cloud deployment plan, test environment construction, project and expert review, and trademark registration applications and some intellectual property protection applications; Guangfo, Fokai toll station 8 MTC lane to implement a full set of software, Hardware upgrades, the "blue channel" project system full-featured test.

11. Continuously deepening operations management

(1)The operations management was standardized and orderly and took many measures to ensure the completion of the smooth transportation flow, safety and revenue targets, also working hard in enhancing the quality of operation and management.

(2)Striking toll-escaping to increase revenue had obtained obvious effect. Unified implementation of special inspection for toll-escaping behaviors in the certain expressway section particularly for illegally changing the vehicle type on e-tag; finishing the HD system transformation for anti toll-escaping in charging spots on schedule and timely enabling the blacklist intercept function; carried out many times of special inspection meeting and increased the efforts to strike the toll-escaping.

(3)Maintenance management was professional and standardized. Scientific and reasonable arrangements for the annual maintenance plan, strengthened safety awareness and comprehensively checked and examined the bridge safety hazards, timely organized the emergency reinforcement project of bridge and ensured the overall safety and good operating conditions for the expressways.

12. The preliminary work of the reform and expansion project progressed smoothly.

The southern section of Fokai Expressway Extension Project obtained the approval by the National Development and Reform Commission in August 30, 2016. Made continuous coordination for the preliminary work of the project and performed supervision and management and other statutory duties; Hui Yan expressway expansion project has been listed as the important construction project of 2016- Guangdong province and Shenzhen City's Project Program, actively followed up the project's revision work, participated in the special discussion of the project organized by Hui Yan Company and continuously guided and followed up the preliminary work of the reform and expansion project of Hui Yan expressway.

13. Remarkable achievements in management innovation

(1)Implementation of debt optimization and reducing financing costs. Optimized the structure and mode of deposits, actively carried out intelligent deposit business and improved the fund use efficiency.

(2)Strengthening budget management and tapping into the financial supervision function. Actively tapped into the effect of comprehensive budget management and achieved full-coverage and full participation. Timely formulated the interim measures for the company's comprehensive budget management and further perfected the comprehensive budget management system. Actively responded and enhanced the guidance and supervisions to achieve steady transition of “replacing business tax with value-added tax”, thus avoiding the tax risks.

(3)Continuously strengthened internal audit to guard against business risks. Gave full play to the role of internal audit and the "immune system" function of internal control evaluation, completed 4 financial audits in the year, proposed 23 audit recommendations; carried out two internal control evaluations for the company headquarters and subordinate enterprises and not found any material deficiencies or significant deficiencies.

(4)Strengthened the legal review of the major decisions, contracts, rules and regulations, ensuring the decision-making and business operation conforming to the law, and completed 27 documents of legal opinion for important decisions. Carried out the special inspection for legal risks and timely made countermeasures to the legal risks found during the inspection.

II. Main business analysis

1. 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 2016 vehicles)	Increase /Decrease(%)	Toll income in 2016 （RMB’0000）	Increase/Decrease(%)
Guangfo Expressway	5,764.54	14.67%	39,314.49	10.10%
Fokai Expressway	5,338.58	14.74%	118,019.03	3.44%
Jingzhu Expressway Guangzhu Section	6,987.13	10.64%	115,904.07	6.99%
Huiyan Expressway	3,589.89	15.06%	22,164.35	9.22%
Guangzhao Expressway	3,212.71	12.60%	59,409.95	12.58%
Guanghui Expressway	4,944.08	14.47%	170,833.63	0.06%
Jiangzhong Expressway	4,677.90	10.98%	41,306.33	6.10%
Kangda Expressway	282.61	6.99%	24,848.29	6.08%
Gangkang Expressway	266.29	1.86%	15,240.41	-9.28%
Guangle Expressway	1,742.90	16.02%	282,078.66	17.00%

Ps: As the May 1, 2016 began to implement the business tax to change the value-added tax, so the participating sections of May -December 2016 toll income is tax-free income.

All share-participation and share-controlled expressways operate normally. As the expansion project of southern section of Fokai expressway just started, it yet has no impact to the toll revenue. There are no large construction projects for other expressways.

The overall situation: Except Gan Kang expressway, the tolls of the other expressways all showed various extent of growth compared to 2015. Guang Le Expressway, Guang Zhao Expressway and Guangfo Expressway all have the year-on-year growth more than 10%; the year-on-year growth rate of Hui Yan Expressway ,Guangzhudong Expressway, Jiangzhong Expressway and Kangda Expressway are all between 5%-10%; the growth rate of . Fokai Expressway and Guanghui Expressway is under 5%; while the growth rate of Gankang Expressway fell 9.28% compared with last year.

1. As the increasing positive impact of the geographical advantage arising from Guangzhou-Foshan Integration, Guangfo Expressway’s traffic volume has increased largely compared with last period, while Guangfo Expressway got more positive impact than Fokai Expressway; in addition, in 2015, the expansion construction of North Ring Expressway which connects Guangfo Expressway led to traffic jam and bypass flow, while in 2016, there was no such influence factor.

2. Since the completion of expansion of Fokai Expressway in 2012, Fokai Expressway has been entered a period of stable growth. Throughout the year, the car flow has always maintained a sustained growth momentum, and the proportion of short-distance transportation vehicles grew faster.

3. As the expansion project of Huizhou section of Huiyan Expressway was completed in the end of 2015, the driving condition of Shenzhen Huiyan Expressway was improved, which also led to smoother traffic for the connected Shenzhen section of Huiyan Expressway, resulting in significant increase of traffic volume.

4. Gang Kang Expressway was affected by the full operation of Xunquan Expressway at the end of 2015 and the connection between Jiangxi Rui Xun section of Jiguang Expressway and Guangdong Pingxing section, so there was a diversion of traffic volume, resulting in a large decrease in the toll revenue compared to 2015.

5. Affected by the negative impact of traffic diversion of Jiebo and the positive impact of several free expressways of Shenzhen and the natural traffic growth, Guanghui Expressway’s income gained a slight growth on the basis of 2015, but compared to 2015, the trend of inconsistent growth between the growth rate of traffic volume and the growth rate of revenue was increasingly obvious, meaning the short-distance transportation

vehicle increased.

6. Guang Zhao Expressway's traffic volume and toll revenue were affected in 2015 because the construction section carried out in Jan 2015, but in 2016, such factor no longer existed, so the traffic volume and toll revenue all gained a large growth compared to last year.

2. Revenue and cost

(1)Component of Business Income

In RMB

	2016		2015		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	2,825,049,808.36	100%	2,657,616,508.59	100%	6.30%
Industry					
Highway transportations	2,732,376,001.73	96.72%	2,580,309,932.02	97.09%	5.89%
Other	92,673,806.63	3.28%	77,306,576.57	2.91%	19.88%
Prodect					
Highway transportations	2,732,376,001.73	96.72%	2,580,309,932.02	97.09%	5.89%
Othe	92,673,806.63	3.28%	77,306,576.57	2.91%	19.88%
Area					
Guangfo Expressway	393,144,923.40	13.92%	357,077,010.88	13.44%	10.10%
Fokai Expressway	1,180,190,342.35	41.78%	1,140,967,080.52	42.93%	3.44%
Jingzhu Expressway Guangzhu Section	1,159,040,735.98	41.03%	1,083,328,492.62	40.76%	6.99%
Othe	92,673,806.63	3.28%	76,243,924.57	2.95%	21.55%

Notes: Note: In the table, the "operating income" refers to the “income of main business ".

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

√ Applicable □Not applicable

Whether or not the Company complies with disclosure requirement of the special industry

No

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Highway transportations	2,732,376,001.73	1,221,232,006.04	55.31%	5.89%	3.30%	1.12%
Prodect						

Roll revenue	2,732,376,001.73	1,221,232,006.04	55.31%	5.89%	3.30%	1.12%
Area						
Guangfo Expressway	393,144,923.40	271,114,688.61	31.04%	10.10%	2.92%	4.81%
Fokai Expressway	1,180,190,342.35	596,300,178.61	49.47%	3.44%	3.92%	-0.19%
Jingzhu Expressway Guangzhu Section	1,159,040,735.98	353,817,138.82	69.47%	6.99%	2.58%	1.31%

Notes：Note: In the table, the "operating income" refers to the “income of main business ", and "operating costs" refers to the “costs of main business ".

During the reporting period, the overall gross profit margin of the toll revenue that accounts for 96.72% of the company’s operation income was increased by 1.12%, just a small change.

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

□ Applicable √Not applicable

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

□ Yes √ No

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

□ Applicable √Not applicable

(5)Component of business cost

Industry category

Industry category	Items	2016		2015		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Highway transportations	Depreciation and Amortized	875,609,973.92	68.35%	829,617,109.53	67.41%	5.54%
Highway transportations	Out of pocket expenses	345,622,032.12	26.98%	352,549,572.85	28.65%	-1.96%
Other	Other	59,800,554.46	4.67%	48,471,139.98	3.94%	23.37%

In RMB

Industry category	Items	2016		2015		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Highway transportations	Depreciation and Amortized	875,609,973.92	68.35%	829,617,109.53	67.41%	5.54%
Highway transportations	Out of pocket expenses	345,622,032.12	26.98%	352,549,572.85	28.65%	-1.96%
Other	Other	59,800,554.46	4.67%	48,471,139.98	3.94%	23.37%

During the reporting period, the costs related to the expressway business were still a major component of operating costs. Among them, depreciation and amortization were the largest in the operating costs, increased by 0.94%-a small change. The out-of-pocket expenses of the business part of Expressway also changed little, with a slight decline in proportion.

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

√Yes □No

The number of the total subsidiaries that were incorporated in the consolidated scope of year-2016 was 4, and compared to the previous period, the enterprise merger under the common control in the scope of consolidated financial statements increased by 1. For details, please see “the eighth section about changes in the scope of consolidated statements in the eleventh part of the financial report” and “the ninth section about interests in other entities in the eleventh part of the financial report”.

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

√ Applicable □Not applicable

In 2016, the company conducted the major assets restructuring. The compan’s holding the expressway increased the Jingzhu Expressway Guangzhu section in year 2016.

(8)Situation of Main Customers and Main Supplier

□ Applicable √Not applicable

3.Expenses

In RMB

	2016	2015	Increase/Decrease(%)	Notes
Administration expenses	189,789,891.95	200,500,502.25	-5.34%	
Financial expenses	340,854,007.43	478,177,404.36	-28.72%	Comprehensive impact of interest bearing debt and interest rate reduction

4. Research and Development

√ Applicable □Not applicable

Purpose: set up the “blue channel” program based on a mobile phone path recognition+ mobile payment passage called as BTC for short, which can also be the accommodation lane or compatible with MTC or ETC.

Proposed achieved target: it’s proposed that the test will be conducted in individual section in Guangzhan and Meizhou, etc. From the begining of 2017 with application on the whole provincial sections at the end of the year.

R & D investment

	2016	2015	Increase /decrease
Number of Research and Development persons (persons)	19	0	
Proportion of Research and Development persons	1.34%	0.00%	

Amount of Research and Development Investment (In RMB)	6,171,805.27	0.00	
Proportion of Research and Development Investment of Operation Revenue	0.22%	0.00%	
Amount of Research and Development Investment Capitalization (In RMB)	0.00	0.00	
Proportion of Capitalization Research and Development Investment of Research and Development Investment	0.00%	0.00%	

The Reason of the Prominent Change in Total Amount of Research and Development Input Occupying the Business Income Year on Year

□ Applicable √Not applicable

Explanation of the Reason for Substantial Changes in the Research and Development Input's Capitalization Rate and Its Reasonableness

□ Applicable √ Not applicable

5.Cash Flow

In RMB

Items	2016	2015	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	2,959,887,922.64	2,709,380,370.08	9.25%
Subtotal of cash outflow received from operation activities	1,035,627,964.36	1,003,493,921.03	3.20%
Net cash flow arising from operating activities	1,924,259,958.28	1,705,886,449.05	12.80%
Subtotal of cash inflow received from investing activities	532,485,061.86	637,358,615.83	-16.45%
Subtotal of cash outflow for investment activities	2,278,731,726.67	114,538,179.80	1,889.50%
Net cash flow arising from investment activities	-1,746,246,664.81	522,820,436.03	-434.01%
Subtotal cash inflow received from financing activities	4,131,505,163.11	2,422,455,063.65	70.55%
Subtotal cash outflow for financing activities	2,905,344,885.32	4,188,494,780.59	-30.64%
Net cash flow arising from financing activities	1,226,160,277.79	-1,766,039,716.94	-169.43%
Net increase in cash and cash equivalents	1,403,650,367.40	462,166,829.99	203.71%

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

√Applicable □ Not applicable

1. The sub-total of cash outflows for investment activities increased by 1,889.50% on year-on-year basis, which was mainly caused by the purchase of 25% stock right (namely 803 million) of Fokai and 988 million of Guangdongzhu creditor's rights owned by the construction company within the report period.
2. The sub-total of cash outflows for financial activities increased by 70.55% on year-on-year basis, which was mainly caused by receiving the major assets restructuring supporting capitals and loan increase within the report period.
3. The sub-total of cash outflows for financial activities decreased by 30.64% on year-on-year basis, which was mainly caused by the repayment decrease of the interest-bearing loans within the report period compared with that of previous period.

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

√Applicable □Not applicable

The main reason for great difference existence is the fixed assets depreciation other than that the out-of-pocket cost, financial cost and investment income are excluded in the operation activities cash flow, etc., which is normal, and see "Note No. 42 supplementary data for the cash flow statement of Article XI Financial Report No.7 consolidated financial statement items notes" for detailed data.

III. Analysis of Non-core Business

√ Applicable □Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment Income	441,537,648.28	29.70%	The company shares the unit to achieve profits to form investment income	Sustainable
Changes in far value		0.00%		
Asset impairment	-123,935.18	-0.01%	Turn back to bad debts	Not sustainable
Non-operating income	76,950,489.32	5.18%	Jiujiang bridge compensation income	It is expected that the income sustainability will last for another year,2017 will be the last year to charge Jiujiang Bridge compensation income, but the amount is not the same.
Non-operating expenses	4,838,502.85	0.33%	Road repair expenses	Sustainable

IV. Condition of Asset and Liabilities

1.Condition of Asset Causing Significant Change

In RMB

	End of 2016		End of 2015		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	2,603,279,644.25	16.20%	1,199,629,276.85	7.93%	8.27%	Comprehensive influence of the

						accumulation in business, the obtained investment income, the repayment of bank loan and dividend.
Accounts receivable	40,681,197.01	0.25%	77,396,705.54	0.51%	-0.26%	
Inventories	323,888.89	0.00%	800,998.80	0.01%	-0.01%	
Investment real estate	3,219,971.08	0.02%	3,684,184.48	0.02%	0.00%	
Long-term equity investment	2,220,805,130.31	13.82%	2,250,314,577.89	14.88%	-1.06%	Mainly for the comprehensive influence of the increase in the joining company's dividend and investment income
Fixed assets	9,285,823,302.77	57.77%	9,733,198,359.00	64.34%	-6.57%	The effect of depreciation on this period
Construction inprocess	149,244,110.30	0.93%	23,624,279.71	0.16%	0.77%	This period Fokai South extension project cost effect
Short-term loans				0.00%	0.00%	
Long-term loans	5,402,780,000.00	33.62%	4,830,760,000.00	31.93%	1.69%	Increased borrowing

2.Asset and Liabilities Measured by Fair Value

√Applicable □ Not applicable

In RMB

Items	Opening amount	Gain/Loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the repoting period	Purchanased amount in the reporting period	Sold amount in the reporting period	Closing mount
Financial assets							
3.Available-for-sale financial assets	997,480,962.56	-77,634,131.52	402,285,954.24				919,846,831.04
Subtotal of financial assets	997,480,962.56	-77,634,131.52	402,285,954.24				919,846,831.04
Total of the above	997,480,962.56	-77,634,131.52	402,285,954.24				919,846,831.04
Financial liabilities	0.00	0.00	0.00				0.00

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

□ Yes √No

3. Assets right restriction till end of reporting period

Nil

V. Investment situation

1. General

√ Applicable □ Not applicable

Investment Amount in 2016(RMB)	Investment Amount in 2015(RMB)	Change rate

3,796,609,855.82	0.00	Not sustainable

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

√Applicable □Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure	Disclosure Index
Guangdong Fokai Expressway Co., Ltd.	Expressway	Purchase	968,274,999.00	25.00%	Raise fundand issue shares	Guangdong Expressway Co., Ltd.	Long-term	Expressway	Complete		52,052,475.52	No	June 16,2016	Announcement on the transfer of assets of major asset restructuring
Guangzhou Guangzhu Traffic Investment Management Co., Ltd.	Expressway	Purchase	2,303,645,598.80	100.00%	Issue shares	Guangdong Highway Construction Co., Ltd.	Long-term	Expressway	Complete		169,750,412.05	No	June 16,2016	
Total	--	--	3,271,920,597.80	--	--	--	--	--	--	0.00	221,802,887.57	--	--	--

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

√ Applicable □Not applicable

In RMB

Name	Form of investment	Fixed assets investment or not	Industry in which the investment project operates	Investment amount during the reporting period	Accumulated actual amount invested as of the end of reporting period	Source of und	Progress	Estimated return	Accumulated realized return as of the end of the end of the reporting period	Reasons for failure in meeting scheduled progress and estimated return	Date of Disclosure(If any)	Disclosure Index(If any)
Fokai Expressway South Section Extension Project	Self	Yes	Expressway	524,689,258.02	524,689,258.02	Self and Borrowing	14.94%	0.00	0.00	Nil	June 17, 2016	Announcement of the 21st (Provisional) Meeting of the seventh Board of Directors,

												Announcement of External Investment
Total	--	--	--	524,689,258.02	524,689,258.02	--	--	0.00	0.00	--	--	--

4.Investment of Financial Asset

（1）Securities investment

√ Applicable □ Not applicable

In RMB

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Sauce of the shares
Domestic and foreign stocks	601818	China Everbright Bank	517,560,876.80	FVM	997,480,962.56	-77,634,131.52	402,285,954.24			44,698,439.36	919,846,831.04	Financial assets available for sale	Self
Other securities investments held at the end of the period			0.00	--	0.00	0.00	0.00				0.00	--	--
Total			517,560,876.80	--	997,480,962.56	-77,634,131.52	402,285,954.24	0.00	0.00	44,698,439.36	919,846,831.04	--	--
Disclosure Date of Announcement on Securities Investment Approved by the Board of Directors			July 22, 2009										
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting(If any)			August 7,2009										

（2）Investment in Derivatives

□ Applicable √ Not applicable

Nil

5.Application of the raised capital

√ Applicable □ Not applicable

（1）General application of the raised funds

√ Applicable □ Not applicable

In RMB'0000

Year of Raising	Way of Raising	Total raised capital	Total Amount of the Raised Fund Used at the	Total amount of Raised Funds	Amount of raised capital of which the purpose was changed in the report period	Accumulative amount of raised capital of which the purpose has been changed	Proportion of raised capital of which the purpose has been changed (%)	Total Amount of the Unused Raised Fund at the Current Period	Use and Whereabouts of the Unused Raised Fund	Amount of the Raised Fund with over 2 Years' Idling
2016	private offering of additional shares	165,000	164,500	164,500	0	0	0.00%	500	Transfer to the basic company	0
Total	--	165,000	164,500	164,500	0	0	0.00%	500	--	0
Explanation on general usage of raised capital										
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. Saving to raise funds of RMB 5.0640 million (including interest), accounting for the total amount of RMB 1650 million to raise funds 0.307%, accounting for the net proceeds of RMB 1633.5 million 0.31%. The reason for the savings is that the company has already paid part of the transaction tax with its own funds before the proceeds are raised, and it is planned to use the raised funds to pay the transaction tax of RMB 21.5 million. The actual underwriting tax is only paid in the transaction tax RMB 16.5 million.										

（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 be realized	Has any material change taken place in feasibility
Committed investment projects										

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 be realized	Has any material change taken place in feasibility
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	4,319.45	Yes	No
Supplementary liquidity of listed companies	No	82,500		82,500	82,500	100.00%	June 15,2016	3,190.35	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	--	--	7,509.8	--	--
Investment orientation for und arising out of plan										
Nil										
Total	--	165,000	0	164,500	164,500	--	--	7,509.8	--	--
Situation about not coming up to schemed progress or expected revenue and the reason (in specific project)	Nil									
Notes to significant change in feasibility of the project	Nil									
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	Not applicable									
About the initial investment in the projects planned to be invested with the proceeds and the replacement	Not applicable									
Using the idle proceeds to	Not applicable									

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 be realized	Has any material change taken place in feasibility
supplement the working capital on temporary basis										
Balance of the proceeds in process of project implementation and the cause	Applicable									
	Saving to raise funds of RMB 5.0640 million (including interest), accounting for the total amount of RMB 1650 million to raise funds 0.307%, accounting for the net proceeds of RMB 1633.5 million 0.31%. The reason for the savings is that the company has already paid part of the transaction tax with its own funds before the proceeds are raised, and it is planned to use the raised funds to pay the transaction tax of RMB 21.5 million. The actual underwriting tax is only paid in the transaction tax RMB 16.5 million.									
About application and status of the proceeds unused	The surplus funds raised RMB 5 .0604million (including interest) has been transferred to the basic account.									
Problems existing in application of the proceeds and the information disclosure or other issues	Nil									

（3）Changes of raised funds projects

□ Applicable √ Not applicable

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

VI. Significant Asset and Right Offering

1.Situation of Significant Asset Sale

□ Applicable√ Not applicable

Nil

2.Situation of Substantial Stake Sale

□ Applicable√ Not applicable

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

√ Applicable □ Not applicable

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

In RMB

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Guangdong Fokai Expressway	Subsidiary	Operation and management of Fokai Expressway Co., Ltd., supporting salvage, maintenance and cleaning, supply of parts and components	RMB 1.108 billion	7,038,002,346.62	3,951,289,017.68	1,196,763,927.66	384,572,773.51	332,872,176.45
Guang Fo Expressway Co., Ltd	Subsidiary	Main construction of the Guangfo Expressway (from Guangzhou Hengsha, ending in Foshan Xiebian. Length of 15.7 km) Construction, charges and	RMB 0.2 billion	397,200,944.83	355,048,695.20	397,442,447.78	88,743,150.20	65,673,030.43

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
		maintenance management, car rescue and cleaning						
Guangzhu Traffic Investment Management Co., Ltd.	Subsidiary	Highway investment management and consultation; highway maintenance	RMB 3 million	3,665,917,502.87	1,719,147,329.47	1,186,929,175.15	661,816,396.09	494,198,173.38
Jingzhu Expressway Guangzhu Section Co., Ltd.	Subsidiary	The operation and management of Guangzhou-Zhuhai Expressway and provision of supporting services including fueling, salvage and supply of parts and components	RMB 580 million	3,319,698,035.38	1,306,927,861.98	1,186,929,175.15	661,889,966.21	494,271,743.50
Guangdong Guanghui Expressway Co., Ltd.	Sharing company	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and maintenance management of Guanghui Expressway	RMB 2.352 million	4,687,135,990.48	3,212,689,034.52	1,732,764,597.10	1,125,840,906.18	846,305,799.89

Particulars about the principal subsidiaries and Mutual holding companies

√ Applicable □Not applicable

Name	Mode	Influence
Guangzhu Traffic Investment Management Co., Ltd.	Issue shares to buy 100% stake	Increase the net profit attributable to listed companies in 2016 of RMB 271,775,888.81.

Particulars about the Mutual holding companies

1. The company holds 75% stake of Guangdong Provincial Fokai Expressway Co. Ltd which is one of the subsidiaries majority-controlled by the company and the subsidiary mainly engaged in operating and managing the Fokai Expressway and the related matching businesses such as rescue, maintenance, cleaning and spare parts supply service. The net profits in the current period increased RMB 94.6027 million compared with the last period, computed in percentage as an increase of 39.70%. The main reasons of the increase are: (1) Due to the toll revenue increased as the spontaneous growth of the traffic volume; (2) The financial expenses decreased in the current period due to the repayment of liabilities with interest and the lower interest rates.(3)The received compensation for Jiujiang Bridge was increased non-operating income by RMB 40 million.

2. The company directly and indirectly holds 75% stake of Beijing-Zhuhai Guangzhu Section Expressway Co., Ltd, which is the company's share-controlled subsidiary and operates Guangzhou- Zhuhai Expressway and provides expressway matching services such as fuel filling, salvation and spare parts supply services. The net profits in the current period increased RMB 95.8522 million and 24.06% compared with the last period, The main reason for the increase was the combined effect of the natural increase of the toll revenue and the reduction of the financial costs.

3.The Company holds a 75% equity interest in the Guangfo company, the construction and operation of the Guangzhou-Foshan Expressway, including road maintenance, charges, signs, marking and other transport facilities maintenance, Vehicle rescue and other business. The current net profit increased by RMB23.7701 million, an increase of 56.73%, the increasing is due to natural income growth and financial costs to reduce the combined impact.

Ⅷ.Special purpose vehicle controlled by the Company

□ Applicable √ Not applicable

Ⅸ.Prospect for future development of the Company

1. Strategy of the Company's Development

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

2.Business Plan in the Coming Year and Future Plan of the Company

The overall objective of 2017: to reach RMB 3.085 billion in revenue， RMB0.444 billion in investment income and control the operating costs within RMB 1.25 billion. Centering on this objective, and in 2017 and the coming few years, we will take the core development concept of Being Innovating, Coordinating, Green, Open and Sharing as the guidance, and center on the overall objective of Making It Stronger and Better to devote to build the Company into an asset operation platform for expressway as well as a strategic integrated platform for emerging industry. We will strengthen the resource integration and plan for the mechanism innovation to promote the sustainable development of the Company in a new normal. The main work is as follow:

(1) Plan for Asset Operation and Make Main Business Stronger and Better

We will carry out asset operation to provide support for the Company's transformation development by means of fully utilizing the platform advantage the listed company offers and the asset market.We will set up the normalization concept of asset operation and apply the combination of acquisition and reorganization, private placement and cash offer to make a further optimization for asset structure. The number of holding projects will be increased while the number of joint-stock projects will be decreased. Among the current joint-stock projects, we will consider increasing the share proportion for high-quality projects which will benefit the prospect or remains a longer operating period. We will broadly collect the project information and steadily promote the investment for the expressway project outside the system.

We will actively accomplish the related work of rehabilitation and expansion in the southern section of Fokai Expressway. We will actively promote the application for the approval and investment of the rehabilitation and extension project of Shenzhen section of Huiyan Expressway

We will constantly improve the quality of operation and management. We will focus on the safety of bridge and culvert structures. We will urge the project company to enlarge maintainance and management of them, emphasize checking and solving the safety hazards and seriously conduct inspection, detection and the project of maintainance and reinforcement to ensure the operation safety of them. Combining with the subject study of underbridge space, we will orderly promote the governance scheme implement of One Bridge One Strategy, where safe and controllable management of underbridge space will be guaranteed

(2) Focus on the Implement of Strategies and Promote Diversified Development

We will take implementing the Thirteenth Five-Year Flan as the key point to arrange and start for the transformation development. The Development Planning Report of Guangdong Provincial Expressway Development Co., Ltd., formulated by the Company, puts forward that the Company will be built into an asset operation platform for expressway as well as a strategic integrated platform for emerging industry, and construct the 1+4 industry development pattern, where Main Business of Expressway Plus Development of the Resource along the Expressway, Intelligent Transportation, Finance and Its Same Type, Investment are included.

Expressway industry remains the Company's main business and basic for a long term in the future, also the fundamental support which is used to actively promote transformation development by the Company. With a solid foundation of main business, the diversified development will be sought. In the long run, we will build the Company into a large investment holding enterprise and fully perform the function of being an investment holding platform.

The Company will tightly keep itself around the main line of diversified development. We will take deepening the reform in the round as motivation and boost the transformation through investment by means of the strategic investors' resource and capability in their respective professional fields.We will strive for great breakthroughs on the resource development along the expressway, intelligent transportation, finance and its same type, investment business.

1.Actively promote the development of resources along the highway. Build a comprehensive development platform for land resources, the effective integration of stock resources. Focus on the existing land resources, to strengthen cooperation with the industry's outstanding enterprises, with the external advantages of the gradual accumulation of experience and professional ability.

2.Focus on the "blue channel" project research, development,construction and implementation. Speed up the "blue channel" project development and construction, preparation of project technical programs, technical standards and related operational management system. For the orderly implementation of the project, as soon as setup the formation of platform companies for the project construction to provide financial security and to carry out business operations.

3.Continue to increase investment in finance and Class in the financial sector. The establishment of wholly-owned equity investment companies, specialized management company equity investment projects. Focusing on strengthening cooperation with strategic investors, to seek new equity investment projects to hold as the goal, grasp the high quality equity investment opportunities, and gradually improve the company's financial and class in the financial sector asset layout.

4.Expand investment business, cultivate strategic new industries. Increase the investment in new industries outside the expressway, except for direct investment, increase the form of equity investment funds in the energy saving、environmental protection、new energy、large health industry and other directions to tap the quality of investment opportunities.

By the end of period of the Thirteenth Five-Year Plan, the expressway industry will be increased steadily, and the non-expressway industry will form at a scale, where transformation development will be effective and apparent.

(3) Explore Mechanism Innovation and Motivate Business Vitality

According to the set strategic plannings, we will intensify the decision-making mechanism of the listed Company’s board of directors to unceasingly optimize the system and mechanism. By means of fully utilizing the platform advantage the listed company offered, we will formulate new mechanisms and new schemes which benefit the enterprise’s significant decision, constraint and inspiration as well as personnel selection. We will actively promote the organizational reform, motivate the endogenous power of the enterprise and mobilize the initiative and creativity of staffs at all levels, especially middle and senior managers’.

We will build a perfect management system of the Company’s market value by focusing on implementing strategy, establishing incentive restriction mechanism, strengthening the effective communication between markets and investors, continuously improving the operation management and increasing the Company’s performance.

X. List of the received researches, visits and interviews

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

√ Applicable □Not applicable

Reception time	Way of reception	Types of visitors	Basic index
March 31,2016	Onsite investigation	Organization	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

Reception time	Way of reception	Types of visitors	Basic index
April 7,2016	Onsite investigation	Organization	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	Onsite investigation	Organization	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	Onsite investigation	Organization	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
August 23,2016	By Phone	Organization	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
August 23,2016	By Phone	Organization	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
August 25,2016	Onsite investigation	Organization	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
October 28,2016	By Phone	Organization	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
December 27,2016	Other	Organization	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

Reception times	9
Reception agency amount	19
Reception personal number	0
Others	0
Whether to disclose, reveal or disclose non-public material information	No

V. Important Events

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

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

□Applicable√ Not applicable

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

(1) The Company's profit distribution plan for 2014 is as follows:

1.10% of the net profit of the company, i.e. RMB 19,305,459.02, is to be allocated for statutory common reserve fund.

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

(2) The Company's profit distribution plan for 2015 is as follows:

1.10% of the net profit of the company, i.e. RMB 26,741,749.54, is to be allocated for statutory common reserve fund.

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

(3) The Company's profit distribution preplan for 2016 is as follows:

1.10% of the net profit of the company, i.e. RMB71,314,278.93, is to be allocated for statutory common reserve fund.

2.The profit for 2016 is to be distributed as follows: RMB 702,510,858.34. is to be allocated as the fund for dividend distribution for 2016. with the total shares at the end of 2016, i.e., 2,090,806,126 shares, as the base, cash dividend of RMB 3.36 (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2016 annual shareholders' general meeting makes resolution on dividend distribution.

Dividend distribution of the latest three years

In RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent company in the consolidated financial statements	Ratio in net profit attributable to the parent company in the consolidated financial statements	Amount of cash dividends from cash offer to repurchase shares of the funds	Proportion of cash dividends from cash offer to repurchase shares of the funds
2016	702,510,858.34	1,001,205,945.39	70.17%	0.00	0.00%
2015	188,567,662.20	696,100,201.88	27.09%	0.00	0.00%
2014	125,711,774.80	318,754,807.85	39.44%	0.00	0.00%

Note: the net profit in 2016 included into the common-stock holders of listing companies in the statement is the data caused by the retrospect restatement of the major assets restructuring subject to accounting standards in 2016. The net profit before retrospect restatement in 2015 included into the common-stock holders of listing companies was 469,386,906.79 yuan, the annual bonus in 2015 accounted for 40.17% of the net profit before adjustment included into the common-stock holders of listing companies in the consolidated statement.

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

□Applicable√ Not applicable

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

√ Applicable □ Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for everty ten shares (Yuan)(Tax-included)	3.36
Distribute additional (shares)for 10 shares	0
A total number of shares as the distribution basis(shares)	2,090,806,126
Total cash dividend (Yuan)(Tax-included)	702,510,858.34
Profit dividend (Yuan)	1,764,609,695.85
Proportion of cash dividend in the distributable profit (%)	100.00%
Cash dividend distribution policy	
The Company is in a fast growth stage, there fore, the cash dividend will reach 80% of the profit distribution at least.	
Details of profit distribution or reserve capitalization plan	
1.10% of the net profit of the company, i.e. RMB 71,314,278.93, is to be allocated for statutory common reserve fund. 2.The profit for 2016 is to be distributed as follows: RMB 702,510,858.34. is to be allocated as the fund for dividend distribution for 2016. with the total shares at the end of 2016, i.e., 2,090,806,126 shares, as the base, cash dividend of RMB 3.36 (including tax)	

is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2016 annual shareholders' general meeting makes resolution on dividend distribution.

III.Commitments to fulfill the situation

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

√Applicable □ Not applicable

Commitment	Commitment maker	Type	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	Guangfa Securities Co., Ltd., Tibet Yingyue Investment Management Co., Ltd., Yadong Fuxing Yalian Investment Co., Ltd.	Share limited commitment	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).	June 18,2015	The date of the expiration of the share lock.	Fulfill the commitment normally
	Guangdong Expressway Co., Ltd., Guangdong Highway Construction Co., Ltd., Guangdong Communication Group Co., Ltd.	Share limited commitment	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
	Guangdong Expressway Co., Ltd.	Performance commitments and compensation arrangements	Upon the mutual agreement by the Company and the Guangdong Expressway Co., Ltd., the predicted annual net profit of the Guangzhou Fokai Expressway Co., Ltd. is RMB 250.6973 million in 2016, RMB 2690.0802 million in 2017, and RMB 403.1197 million in 2018，The non-recurring profit and loss in total is RMB 105.5743 million through accumulated prediction. Within the compensation period, if Guangdong Fokai Expressway Co., Ltd. achieves the accumulated net profit at the end of one year lower than the accumulated	August 26,2015	The period of compensation and the date of completion of the	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			predicted net profit of such year, the company will, based on shares needing compensation through calculated and determined subject to the Agreement, buy back them by 1 yuan from Guangdong Fokai Expressway Co., Ltd. and cancel them and Guangdong Expressway Co., Ltd. shall compensate in cash for the share part in short. Upon the compensation period expiration, if the actual accumulated non-recurring profit and loss (means the compensation granted within the compensation period by the governmental sector to Guangdong Fokai Expressway Co., Ltd. for Jiujiang Bridge charging cancel, hereinafter referred to as “compensation amount for Jiujiang bridge”) of Guangdong Fokai Expressway Co., Ltd. is lower than accumulated predicted non-recurring profit and loss, Guangdong Expressway Co., Ltd. will, subject to its shareholding ratio in Guangdong Fokai Expressway Co., Ltd. before the major assets restructuring implementation, compensate the company in cash per the agreement; after the compensation period expiration, upon Guangdong Fokai Expressway Co., Ltd. acceptance of Jiujiang bridge compensation each time, the company shall refund the corresponding part among the compensation paid subject to the agreement by Guangdong Expressway Co., Ltd. within 30 workdays after Guangdong Fokai Expressway Co., Ltd. receives such compensation.		agreement.	
	Guangdong Highway Construction Co., Ltd.	Performance commitments and compensation arrangements	Upon the mutual agreement by the Company and the Guangdong Provincial Highway Construction Co., Ltd., the predicted annual net profit of the Guangzhou Guangzhu Traffic 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	August 26,2015	The period of compensation and the date of completion of the agreement.	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			agreement, and deregister such shares.			
	Guangdong Expressway Co., Ltd., Guangdong Highway Construction Co., Ltd., Guangdong Communication Group Co., Ltd.	Commitments on horizontal competition, related transaction and capital occupation	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 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	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.	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			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 *Articles of Association of Guangdong Provincial Expressway Development Co., Ltd.*, 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 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. The date of this commitment is valid from			

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			the date of signing the letter of commitment to the date of the Company's ceasing to be controlled by the controlling shareholder of the Company.			
	Guangdong Provincial Expressway Development Co., Ltd.	Other commitment	(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 *Administrative Measures for the Issuance of Securities by Listed Companies*. The Company confirms and warrants that there is no violation of the following matters regulated by the Article 39 of the *Administrative Measures for the Issuance of Securities by Listed Companies:* 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,	June 26,2015		Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			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.			
	Guangdong Communication Group Co., Ltd.	Other commitment	(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 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	June 18,2015	(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	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			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 .		of the validity of the term commitment to the completion of the completion of the completion of the major asset restructuring.	
	Guangdong Highway Construction Co., Ltd.,Guangdong Expressway Co., Ltd.	Other commitment	(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	June 26,2015	(1) a promise without a commitment period. (2) the date of the validity of the term commitment from the date of this letter of	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			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 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)		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 completion of the major asset restructuring.	

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			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 Guangdong expressway, otherwise it will bear incurred in the full legal responsibility.			
	Guangdong Communication Group Co., Ltd., Jingzhu Expressway Guangzhu Section Co., Ltd.	Other commitment	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 *Settlement Agreement on the Group Account Fund* , Guangdong Transportation Group Co., Ltd. and Guangzhu Section of Jingzhu Expressway Co., Ltd. agree to terminate the *Agreement on Settlement and Credit Management System Service of Guangdong Transportation Group Co., Ltd.*).	August 26,2015	2016-06-24	Completed
	Guangdong Fokai ExpresswayCo., Ltd.,Guangdong Expressway Co., Ltd.	Other commitment	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.	December 7,2015	2016-01-18	Completed
	Guangdong Communication Group Co., Ltd.	Other commitment	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 Highway Co., Ltd. shall hire professional organizations to sort out and prepare the documents needed for the ownership	January 19,2016	June 14,2019	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
			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.			
	Guangdong Communication Group Co., Ltd.	Other commitment	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.	January 19,2016	Related land, real estate management authority certificate or related land to complete the transfer procedures of the day.	Fulfill the commitment normally
Commitments made upon first issuance or refinance						
Equity incentive commitment						
Other commitments made to minority shareholders						
Completed on time(Y/N)	Yes					

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

√Applicable □Not applicable

Asset or Project Name of Earnings Forecast	Start date of the forecasting period	End date of the forecasting period	Forecast earnings	Actual earnings	Reason for less than forecast	Disclosure date of the Forecast	Reference for the Forecast
Guangfo Expressway Co., Ltd.	January 1,2016	December 31,2018	25,069.73	28,616.55	Not applicable	July 7,2016	www.cninfi.com.cn . Announcement on matters related to major asset restructuring commitments
Guangzhou Guangzhu Traffic Investment Management Co., Ltd.	January 1,2016	December 31,2018	23,036.06	27,177.59	Not applicable	July 7,2016	www.cninfi.com.cn . Announcement on matters related to major asset restructuring commitments

The commitments of the operating earnings made by the company's shareholder and relevant transaction parties

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

Nil

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

□ Applicable √ Not applicable

Nil

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

□ Applicable √ Not applicable

Nil

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

□Applicable √ Not applicable

Nil

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

√Applicable □Not applicable

In 2016, the company had four subsidiaries included into the merger scope, the consolidated financial statement scope covers more than 1 subsidiary compared with that of the previous period due to the enterprise merger under the same control and see the "Article XI Financial Report No. 8 the consolidated statement scope change" and "Article XI Financial Report No. 9 equities in other main bodies" for details.

IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	Zhengzhong Zhujiang Certified Public Accountants Co., Ltd.
Remuneration for domestic accounting firm (RMB'0000)	120
Successive years of the domestic CPAs offering auditing services	6
Names of the certified public accountants from the domestic CPAs	Feng Kuncong,Xu Jihong

Has the CPAs been changed in the current period

□ Yes √No

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

√Applicable □Not applicable

1.2015 shareholders' general meeting of the Company examined and adopted the Proposal for Engaging Auditing Body for Internal Control. The Company was approved to engage Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd. as the auditing body for internal control of the Company for 2016. The audit fee shall be less than RMB 0.30 million.

2. For the item of major assets, the company employed CITIC Securities Company Limited as the Financial Consultant and issue shares of the sponsor. The company has been paid financial advisory underwriting fee of RMB 16.5 million in 2016.

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

□Applicable √ Not applicable

XI.Relevant Matters of Bankruptcy Reorganization

□Applicable √ Not applicable

Nil

XII.Matters of Important Lawsuit and Arbitration

□Applicable √ Not applicable

Nil

XIII.Situation of Punishment and Rectification

□Applicable √ Not applicable

Nil

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

□Applicable √ Not applicable

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

□Applicable √ Not applicable

Nil

XVI.Material related transactions

1. Related transactions in connection with daily operation

□Applicable √ Not applicable

Nil

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

□Applicable √ Not applicable

Nil

3. Related-party transitions with joint investments

□Applicable √ Not applicable

Nil

4. Credits and liabilities with related parties

□Applicable √ Not applicable

Nil

5. Other significant related-party transactions

√Applicable □ Not applicable

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

(1)Issue of Share and Cash to Buy Asset

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

(2)Raise of Matching Funds

on Asian Union Investment Co., Ltd., Tibet Yingyue Investment and Management Co., Ltd., and GF Securities Co., Ltd. to raise matching funds which is to 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 of the 18th (Provisional) Meeting of the seventh Board of Directors	July 1,2015	www.cninfo.com.cn
Announcement of the 20th (Provisional) Meeting of the seventh Board of Directors	August 28,2015	www.cninfo.com.cn
Announcement of Resolutions of the Second provisional shareholders' general meeting	September 5,2016	www.cninfo.com.cn
Announcement of the 23th (Provisional) Meeting of the seventh Board of Directors	December 10,2015	www.cninfo.com.cn
Announcement of the 25th (Provisional) Meeting of the seventh Board of Directors	December 31,2015	www.cninfo.com.cn
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
Announcement regarding a major asset restructuring transfer completed	August 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

XVII.Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

□Applicable √ Not applicable

Nil

(2) Contract

□ Applicable √ Not applicable

Nil

(3) Lease

□Applicable √ Not applicable

Nil

2.Guarantees

√Applicable□Not applicable

（1）Guarantees

In RMB’0000

<table>
<tr><td colspan="9">Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)</td></tr>
<tr><td>Name of the Company</td><td>Relevant disclosure date/No. of the guaranteed amount</td><td>Amount of Guarantee</td><td>Date of happening (Date of signing agreement)</td><td>Actual mount of guarantee</td><td>Guarantee type</td><td>Guarantee term</td><td>Complete implementation or not</td><td>Guarantee for associated parties (Yes or no)</td></tr>
<tr><td>Guangdong Communication Group Co.,Ltd</td><td>May 11,2012</td><td>150,000</td><td>May 31,2013</td><td>150,000</td><td>Martgage</td><td>September 25,2012 to July 25,2021</td><td>No</td><td>Yes</td></tr>
<tr><td colspan="2">Total of external guarantee approved at Period-end(A3)</td><td colspan="2">150,000</td><td colspan="2">Total balance of actual external guarantee at Period-end(A4)</td><td colspan="3">150,000</td></tr>
<tr><td colspan="9">Guarantee of the Company for the controlling subsidiaries</td></tr>
<tr><td>Name of the Company guaranteed</td><td>Relevant disclosure date/No. of the guaranteed amount</td><td>Amount of guarantee</td><td>Date of happening (Date o signing agreement)</td><td>Actual mount of guarantee</td><td>Guarantee type</td><td>Guarantee term</td><td>Complete implementation or not</td><td>Guarantee for associated parties (Yes or no)</td></tr>
<tr><td colspan="9">Guarantee of the subsidiaries for the controlling subsidiaries</td></tr>
<tr><td>Name of the Company guaranteed</td><td>Relevant disclosure date/No. of the guaranteed amount</td><td>Amount of guarantee</td><td>Date of happening (Date o signing agreement)</td><td>Actual mount of guarantee</td><td>Guarantee type</td><td>Guarantee term</td><td>Complete implementation or not</td><td>Guarantee for associated parties (Yes or no)</td></tr>
<tr><td colspan="9">Total of Company’s guarantee（namely total of the large three aforementioned）</td></tr>
<tr><td colspan="2">Total of guarantee at Period-end（A3+B3+C3）</td><td colspan="2">150,000</td><td colspan="2">Total of actual guarantee at Period-end （A4+B4+C4）</td><td colspan="3">150,000</td></tr>
<tr><td colspan="5">The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)</td><td colspan="4">18.10%</td></tr>
<tr><td colspan="9">Including</td></tr>
<tr><td colspan="5">Amount of guarantee for shareholders, actual controller and its associated parties（D）</td><td colspan="4">150,000</td></tr>
<tr><td colspan="5">Total guarantee Amount of the abovementioned guarantees（D+E+F）</td><td colspan="4">150,000</td></tr>
</table>

Description of the guarantee with complex method

Nil

（2）Illegal external guarantee

☐ Applicable √ Not applicable

Nil

3.Situation of Entrusting Others for Managing Spot Asset

(1)Situation of Entrusted Finance

☐ Applicable √ Not applicable

Nil

（2）Situation of Entrusted Loans

☐ Applicable √ Not applicable

Nil

4. Other significant contract

√ Applicable ☐ Not applicable

Contract Company Name	name of the other party who enter the Contract	The subject of the contract	Date of contract signing	The contract involves the carrying amount of the asset (million) (if any)	The contract involves the valuation of the asset (million) (if any)	Evaluation agency name (if any)	Evaluate the base date (if any)	Pricing principles	Transaction price (million)	Whether it is related to the transaction	connection relation	As at the end of the reporting period	Disclosure date	Disclosure index
Guangdong Provincial Expressway Development Company Ltd.,Co.	Guoyuan Securities Co., Ltd	The number of non-public offering of Guoyuan Securities was 54,907,343 shares	July 7th 2016			Nil		The non-public offering of the base date for the resolution of the board of directors, the issuance of non-public offering price of 20 trading days before the benchmark price of 90% of the company's stock trading price, the issue price of RMB14.57 per A shall, within 6 months after receiving the approval document of the non-public offering of the CSRC, if the subscription price determined in accordance with the provisions of this Agreement is higher than or equal to the issuance period of the non-public offering before the first day of the 20th trading day Party A The Company shall send a notice of payment to the issuer of this non-public offering, and Party A shall initiate the issuance work; if the subscription price determined by agreement under this Agreement is less than this Non-public offering of the first day of the first 20 trading days A shares of the average price of 70 shares of the stock trading, then the non-public offering price adjustment for the non-public offering of the first day of the first 20 trading day Side A shares of the average price of 70% of the stock; at the same time, the issuer to the original subscription amount based on the number of shares to recalculate.	799.9999	No	Nil	Guoyuan Securities Co., Ltd. non-public issuance has not yet been approved by the China Securities Regulatory Commission	July 8th 2016	www.cninfi.com.cn

XVIII.Social responsibility

1. Execution of social responsibility of targeted poverty alleviation

□ Applicable √ Not applicable

2. Execution of other social responsibility

In 2016, the expressway toll-free policy for small-sized passenger cars with less than 7 seats for main holidays, intermittent free-charge release and green-channel preferential policy were still executed, Guangfo company, Fokai company and Guangzhudong company have completed each safety and smooth traffic task successfully based on the thorough understanding, complete personnel dispatching, duties performance and measures implementation.

1. Several measures are implemented synchronously to provide drivers and the public with the smooth, convenient, comfortable and safe driving environment and build the harmonious relationship between vehicles and roads jointly. The company is located in Guangfo and Fokai sections among Pearl River Delta developed zone, in which, the traffic flow is large and the charging squares and lanes resources are limited due to the limitation of the previous infrastructure construction scale. Then, with the influence of the north-ring expressway as well as Gonghe-Siqian bottleneck-type section, the congestion and slow traffic become normal. The traffic flow peak in holidays lasts long with strong directionality and plenty of emergencies and therefore the vehicle free toll in holidays catches high social attention. Each toll-station lanes are reconstructed with the whole-weighing-platform weighing equipment, which results in the larger pressure of the smooth traffic guarantee by stations. In light of such condition, the company motivated through organization the section companies to perfect and detail the smooth traffic guarantee working schemes continuously, summarize previous experience, conduct emergency exercises and make the production line exercise various smooth-traffic measures skillfully on one hand; on the other hand strengthen the service consciousness and conduct the business and civilized service trainings. Through efforts of all parties, the section for the company is free from artificial vehicle congestion and mass incidents for the whole year with the complaints limited to zero, through which, the safety and reliability of the expressway traffic environment were guaranteed.
2. Respond positively to the governmental policies, provide preferential, deduction and exemption policies per laws and reduce the cost of enterprise transportation and the masses travel.

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

Not applicable

Whether the social responsibility report released

□Yes √ No

XIX. Explanation on other significant events

□ Appliable √Not applicable

Nil。

XX. Significant event of subsidiary of the Company

√ Applicable □Not applicable

1.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 December in 2016, accounting for 4.55% of the net profit of RMB 1001.2059 millon attributable to shareholders of listed companies.

2. The People's Government of Guangdong issued on June 3, 2016 Guangdong People's Government Reply to Charging Period of Guangfo Expressway Reconstruction and Extension Project (YFH[2016] No.156) and agreed and verified that the charging period for Guangfo expressway reconstruction and extension project would be from the date opening to traffic to December 7, 2021.

3. The first extraordinary general meeting of the company in 2016 deliberated the Proposal about Investment Increase in Guangdong Fokai Expressway Co., Ltd. for Reconstruction and Extension Project of Sanbao-Shuikou Section in Shenyang-Haikou National Expressway and agreed that:

(1) Guangdong Fokai Expressway Co., Ltd., as the wholly-owned subsidiary thereof, would, based on the total investment amount approved by relevant governmental sector, invest in construction of the reconstruction and extension project of Sanbao-Shuikou Section in Shenyang-Haikou National Expressway.

(2) The company itself would increase the investment in Guangdong Fokai Expressway Co., Ltd. for construction of the reconstruction and extension project of Sanbao-Shuikou Section in Shenyang-Haikou National Expressway. The increased investment amount of the company will be subject to the total investment amount approved and replied by relevant governmental sector and 35% of the capital fund contribution ratio.

VI. Change of share capital and shareholding of Principal Shareholders

I. Changes in share capital

1. Changes in share capital

In Shares

	Before the change		Increase/decrease（+，-）					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1.Shares with conditional subscription	439,698,752	34.98%	833,688,378			5,767	833,694,145	1,273,392,897	60.90%
1.State-owned shares	409,977,151	32.61%						409,977,151	19.61%
2.State-owned legal person shares	21,712,738	1.73%	499,680,283				499,680,283	521,393,021	24.94%
3.Other domestic shares	8,008,863	0.64%	334,008,095			5,767	334,013,862	342,022,725	16.35%
Including ： Domestic Legal person shares	7,352,867	0.59%	334,008,095			-100,021	333,908,074	341,260,941	16.32%
Domestic natural person shares	655,996	0.05%				105,788	105,788	761,784	0.03%
II.Shares with unconditional subscription	817,418,996	65.02%				-5,767	-5,767	817,413,229	39.10%
1.Common shares in RMB	468,668,996	37.28%				-5,767	-5,767	468,663,229	22.42%
2.Foreign shares in domestic market	348,750,000	27.74%						348,750,000	16.68%
III. Total of capital shares	1,257,117,748	100.00%	833,688,378			0	833,688,378	2,090,806,126	100.00%

Reasons for share changed

√ Applicable □Not applicable

1. Guangdong Expressway Co., Ltd. and Guangdong Highway Construction Co., Ltd. increase separately 33,355,263 shares and 466,325,020 shares with sales conditions limitation. Tibet Yingyue Investment Management Co., Ltd., Yadong Fuxing Yalian Investment Co., Ltd. and GF Securities increase separately 101,214,574 shares, 202,429,149 shares and 30,364,372 shares with sales conditions limitation. See “Article VI Shares change and shareholders conditions No. 2 securities insurance and listing conditions” for details.

2. The “legal person shareholding at domestic” of 100,021 shares with sales conditions limitation is changed into “ natural person shareholding at domestic ” of shares with sales conditions limitation. Mr.Xiao Laijiu because of job transfer ,8,455 unrestricted negotiable shares held by him were approval of change of shares. He was leaving for more than six months

3. Ms.Tu Huiling because of Retire ,14,222 unrestricted negotiable shares held by him were transferred into frozen shares for senior executives.

Approval of Change of Shares

√ Applicable □Not applicable

Pursuant to the approval of the China Securities Regulatory Commission ("CSRC") approved the approval of the Guangdong Provincial Expressway Development Co., Ltd. to purchase shares from the Guangdong Provincial Expressway Co., Ltd. and raise funds for matching funds (CSRC Permit No. 2016) No. 230) The Company issued 833,688,378 shares to Guangdong Expressway Co., Ltd., Guangdong Provincial Expressway Construction Co., Ltd., Tibet Shengyue Investment Management Co., Ltd., Yadong Fosun Asia Investment Co., Ltd. and Guangfa Securities Co., Ltd. through non-public offering 2,090,806,126 shares.

Transfer of Change of shares

□Applicable √ Not applicable

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

√ Applicable □Not applicable

In 2016 the company implemented a major asset restructuring, the increase in shares in 2015 basic earnings per share of RMB 0.02, an increase of diluted earnings per share of RMB 0.02, attributable to ordinary shareholders of the company's net assets per share of RMB0.47, please refer to the "sixth Section of the shares of the changes and the situation of the two shareholders, securities issuance and listing situation.

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

☐Applicable √ Not applicable

2. Change of shares with limited sales condition

√ Applicable □ Not applicable

In Shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Guangdong Highway Construction Co., Ltd,	0		466,325,020	466,325,020	SEO and make commiment	July 8,2019
Yadong Fuxing Yalian Investment Co., Ltd.	0		202,429,149	202,429,149	SEO and make commiment	July 8,2019
Tibet Yingyue Investment Management Co., Ltd.	0		101,214,574	101,214,574	SEO and make commiment	July8,2019
Guangdong Expressway Co., Ltd.	19,582,228		33,355,263	52,937,491	The beginning of the sale is due to share reform, commitment to the formation of the commitment period has not yet completed the restrictions;	The number of shares to be sold at the beginning of the period is expected to be lifted in 2017. The increase in the number of restricted shares

					The increase in sales due to the increase in the current commitment to participate in additional commitments	for the period is limited to July 8, 2019
Guangfa Securities Co., Ltd.	0		30,364,372	30,364,372	SEO and make commiment	July 8,2019
Tu Huiling	42,665		14,222	56,887	Executives locked shares	January 2017
Xiao Laijiu	8,445	8,445		0	Executives locked shares	April 2016
Total	19,633,338	8,445	833,702,600	853,327,493	--	--

II. Securities issue and listing

1.Explanation of the Situation of the Security Issue(No Preferred Shares) in the Report Period

√ Applicable □ Not applicable

Description of stock and its Derivative securities	Issuing date	Issuing price(Or interest rate)	Issuing quantity	Listing date	Quantity approved for listing	Expiration date of transaction
Stocks						
Guangdong Expressway A	July 7,2016	4.94	833,688,378 shares	July 8,2016	833,688,378 shares	
Convertible Corporate Bonds, Detachable Convertible Bond and Corporate Bonds						
Other derivative securities						

Notes

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.

2.Change of asset and liability structure caused by change of total capital shares and structure

√ Applicable □ Not applicable

3.About the existing employees’ shares

□Applicable√Not applicable

II. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Share

Total number of common shareholders at the end of the reporting period	64,783	Total shareholders at the end of the month from the date of disclosing the annual report	61,994	The total number of preferred shareholders voting rights restored at period-end (if any)	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report(if any)	0

Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nuture of shareholder	Proportion of shares held（%）	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number os share pledged/frozen	
							State of share	Amount
Guangdong Communication Group Co.,Ltd	State-owned legal person	24.55%	513,356,893	0	409,977,151	103,379,742		
Guangdong Highway Construction Co., Ltd,	State-owned legal person	22.30%	466,325,020	466,325,020	466,325,020			
Yadong Fuxing Yalian Investment Co., Ltd.	Domestic non State-owned Legal person	9.68%	202,429,149	202,429,149	202,429,149		Pledge	202,429,000
Tibet Yingyue Investment Management Co., Ltd.	Domestic non State-owned Legal person	4.84%	101,214,574	101,214,574	101,214,574			
Guangdong Expressway Co., Ltd.	State-owned legal person	2.53%	52,937,491	33,355,263	52,937,491			
Guangfa Securities Co., Ltd.	Domestic non State-owned	1.45%	30,364,372	30,364,372	30,364,372			

	Legal person							
Feng Wuchu	Domestic natural person shares	1.05%	21,936,282	2,276,973				
Haerbin Hali Industrial Co., Ltd.	Domestic non State-owned Legal person	0.71%	14,850,682	0				
PERSHING LLC	Foreign legal person	0.70%	14,612,262	14,612,262				
Bank of Communications－Hybrid securities investment fund in Huaan strategy optimization	Other	0.65%	13,522,170	13,522,170				

Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if any)	Guangdong Provincial Highway Construction Co., Ltd., Guangdong Province Expressway Co., Ltd., Guangdong Provincial Highway Construction Co., Ltd., Yadong Fosun Asia Investment Co., Ltd., Tibet Yingyue Investment Management Co., Ltd., Guangfa Securities Co., Ltd. Due to additional holdings, The shares were 466,325,020 shares, 202,429,149 shares, 101,214,574 shares, 33,355,263 shares, 30,364,372 shares, totaling 833,688,378 shares. The holding period is: July 8, 2016 to July 8, 2019.
Explanation on associated relationship among the aforesaid shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Expressway Co., Ltd. and Guangdong Highway Construction 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	21,936,282	RMB Common shares	20,029,694
		Foreign shares placed in domestic exchange	1,906,588
Haerbin Hali Industrial Co., Ltd.	14,850,682	RMB Common shares	14,850,682
PERSHING LLC	14,612,262	Foreign shares placed in domestic exchange	14,612,262
Bank of Communications－Hybrid securities investment fund in Huaan strategy optimization	13,522,170	RMB Common shares	13,522,170

Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086
ICBC－CCB preferred growth hybrid securities investment fund	12,082,171	RMB Common shares	12,082,171
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	10,691,068	Foreign shares placed in domestic exchange	10,691,068
MATTHEWS CHINA DIVIDEND FUND	7,861,881	Foreign shares placed in domestic exchange	7,861,881
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,541,331	Foreign shares placed in domestic exchange	6,541,331
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)	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.		

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

□ Yes √ No

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

2.Controlling shareholder

Nature of Controlling Shareholders: Local state holding

Type of Controlling Shareholders:Legal person

Name of the Controlling shareholder	Legal representative/ Leader	Date of incorporation	Organization code	Principal business activities
Guangdong Communication Group Co., Ltd.	Deng Xiaohua	June 23,2000	91440000723838552J	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; Value added telecommunication services.
Equity in other domestic and foreign listed companies held by the controlling shareholder by means of control and mutual shareholding in the reporting period	Guangdong Communication Group Co., Ltd. holds 34.06% equity of Guangdong Nanyue Logistics Co., Ltd., a company listing H shares.			

Changes of contrulling shareholder in reporting period

□ Applicable √ Not applicable

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

3. Information about the controlling shareholder of the Company

Actual controller nature：Local state owned assets management

Actual controller type：Legal person

Name of the actual controller	Legal representative /Leader	Date of incorporation	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People’s Government	Li Cheng	June 26,2004	Not learn	As an ad hoc body directly under the Guangdong Provincial People's Government, commissioned by the provincial government to fulfill the State-owned asset investor, regulatory enterprises to implement the rights, obligations and responsibilities, pipe asset control and people management.
Equity of other domestic/foreign listed company with share	As an ad hoc body directly under the Guangdong Provincial People's Government, commissioned by the provincial government to fulfill the State-owned asset investor, regulatory enterprises to implement the rights, obligations and responsibilities, pipe asset control and people management.			

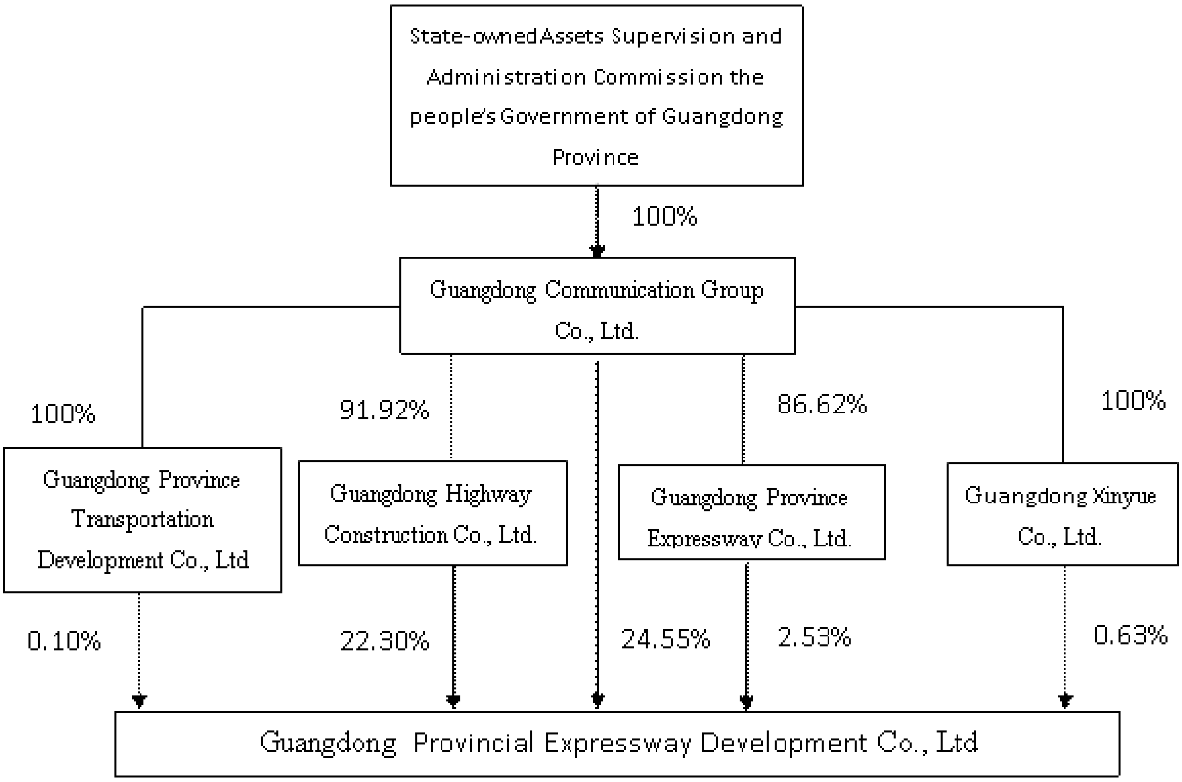
controlling and share participation by controlling shareholder in reporting period	

Changes of controlling shareholder in reporting period

□ Applicable √ Not applicable

No changes of controlling shareholder for the Company in reporting period

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



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

□Applicable √ Not applicable

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

√ Applicable □Not applicable

Legal person shareholder	Legal person/person in charge of the unit	Date of foundation	Register capital	Main operation business or management activities
Guangdong Highway Construction Co., Ltd.	Tong Degong	April 16,1987	RMB 7832.8982 million	Construction, construction and equipment; vehicle rescue services (operated by the branch).

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

□Applicable √Not applicable

VII. Situation of the Preferred Shares

□Applicable √Not applicable

The Company had no preferred shares in the reporting period.

VIII. Information about Directors, Supervisors and Senior Executives

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

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin (share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase/ decrease	Shares held at the year-gegin (share)
Zheng Renfa	Board Chairman	In office	Male	47	July 21,2016	July 21,2019					
Wang Chunhua	Director, General Manager	In office	Male	52	July 21,2016	July 21,2019					
Wang Ping	Director ,Chie f Engineer	In office	Female	52	July 21,2016	July 21,2019	3,500				3,500
Fang Zhi	Director, CFO	In office	Male	53	July 21,2016	July 21,2019					
Ye Yongchen g	Director	In office	Male	59	July 21,2016	July 21,2019					
Du Jun	Director	In office	Male	51	July 21,2016	July 21,2019					
Liu Weimin	Director	In office	Male	44	July 21,2016	July 21,2019					
Cao Yu	Director	In office	Male	31	July 21,2016	July 21,2019	0	150,000			150,000
Huang Hai	Director	In office	Male	41	July 21,2016	July 21,2019					
Tang Qing Quan	Independent director	In office	Male	56	July 21,2016	December 7,2017					
Xiao Duan	Independent director	In office	Female	58	July 21,2016	April 15,2019					
Gu Naikang	Independent director	In office	Male	51	July 21,2016	July 21,2019					
Bao Fangzhou	Independent director	In office	Male	38	July 21,2016	July 21,2019					
Peng Xiaolei	Independent director	In office	Male	64	July 21,2016	July 21,2019					
Ling Ping	Chairman of the Supervisory Committee	In office	Female	53	July 21,2016	July 21,2019					
Li Haihong	Supervisor	In office	Female	45	July 21,2016	July 21,2019					
Wu Guangze	Supervisor	In office	Male	49	July 21,2016	July 21,2019					
Li Mei	Supervisor	In office	Female	47	July 21,2016	July 21,2019	123,205				123,205
Cao Xiaoying	Supervisor	In office	Female	48	July 21,2016	July 21,2019					

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin (share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase/ decrease	Shares held at the year-gegin (share)
Chen Wenmian	Deputy General Manager	In office	Male	38	July 21,2016	July 21,2019					
Zuo Jiang	Deputy General Manager	In office	Female	44	July 21,2016	July 21,2019					
Peng Xiaofang	head of the internal audit	In office	Female	54	July 21,2016	July 21,2019					
He Bing	Chief Counselor	In office	Female	49	July 21,2016	July 21,2019					
Liu Xiaomei	Secretary to the Board	In office	Female	38	July 21,2016	July 21,2019					
Zhu Zhanliang	Board Chairman	Dimission	Male	52	July 21,2016	August 12,2016					
Chen Yanqing	Director	Dimission	Female	52	April 16,2013	July 21,2016					
Wang Pu	Independent director	Dimission	Male	48	April 16,2013	July 21,2016					
Feng Ke	Independent director	Dimission	Male	45	April 16,2013	July 21,2016					
Yang Xiaohua	Supervisor	Dimission	Female	38	April 16,2013	July 21,2016					
Total	--	--	--	--	--	--	126,705	150,000	0	0	276,705

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

III.Posts holding

Name	Positions	Types	Date	Reason
Zhu Zhanliang	Board Chairman	Dimission	August 12,2016	Resigned
Chen Yanqing	Director	Departure on his term	July 21,2016	Departure on his term
Wang Pu	Independent director	Departure on his term	July 21,2016	Departure on his term
Feng Ke	Independent director	Departure on his term	July 21,2016	Departure on his term
Yang Xiaohua	Supervisor	Departure on his term	July 21,2016	Departure on his term

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

Mr. Zheng Renfa，He serves as Director, Master Degree,Senior economic engineer. From December 2005 to January2013， He serves as Deputy Minister of Investment Management Department of Guangdong Communication Group， Since January 2013， He serves Minister of Investment Management Department of Guangdong Communication Group, Since April 21,2014, He serves as Director of the Company. from August 15, 2016, the implementation of the duties of the Board of Directors and the legal representative of the duties. From January 4, 2017, he was the chairman of the board of directors of the Company.

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

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

Mr. Fangzhi , He serves as Director , Master Degree and Senior Accountant, He serves as associate director and Deputy General Manager of Finance Center of Guangdong Communication Group, Since May 2015, He served as Chief accountant of the Company, Since December 2015, He served as director and chief accountant of the Company.

Mr. Ye Yongcheng, He serves as Director of the Company, Master's degree, senior engineer of the Road and Bridge Group. Since June 2012, He served as general manager of Guangdong Expressway Co., Ltd. Since April 2013,He served as Director of the Company.

Mr. Du Jun, He serves as Director, Master's degree and bachelor's degree, senior engineer, He serves as Deputy General Manager ,director and member of party committee of Guangdong Luqiao Construction Development Co., Ltd.Since April 2016, He served as Deputy General Manager of Guangdong Highway Construction Co., Ltd., Since July 21, He served as Director of the Company.

Mr. Liu Weimin, bachelor's degree, senior engineer, He serves as Deputy General Manager of Guangdong Jiangzhong Expressway Co., Ltd., General Manager of Guangdong Jingzhu Expressway Guangzhu Bei Section Co., Ltd., Since July 2014,He served as Deputy General Managerof Guangdong Jingzhu Expressway Guangzhu Section Co., Ltd.,Since July 21, 2016, He served as Director of the Company.

Mr. Cao Yu, Master of Business Administration, since 2011 has served as Shanghai Fuxin high-tech (Group) Co., Ltd. investment manager, deputy director of investment, investment director. From July 21, 2016, he is a director of the Company.

Mr. Huang Hai, Master of Business Administration. Used to be Zhongshan Public Technology Co., Ltd. securities manager and securities affairs representative. He is currently the Secretary of the Board of Directors of Poly Real Estate, the Director of the Office of the Board of Directors and the Executive Director of Tibet Yinyue Investment Management Co., Ltd. From July 21, 2016, he is a director of the Company.

Mr. Tang Qingquan, Independent directors of the Company, Certified Public Accountants of China (non - practice). He is Zhongshan University School of Management professor of accounting, Doctor Degree, doctoral tutor. Since June 2002, he has been Professor of Accounting Department of Zhongshan University School of Management, and a member of the expert committee of Guangdong Provincial Situation Research and Research Center. He is also a guest researcher. Since November 2011, he has been an independent director of the Company.

Ms.Xiao Duan an independent director of the Company, Doctor of Economics, the Jinan University Associate Professor of Finance and research supervisor. She used to be a researcher at the Beijing Institute of Market Economy, executive member of the council of Guangdong shares Economic Research Association, a member of the Taiwan Economic Research Institution. She is also the independent director of Guangdong Tianhe Agricultural materials Co., Ltd.Sice April 2013, She served as Dorector of the Company.

Mr. Bao Fangzhou, Independent director of the Company, Master of Law. Shanghai Jin Tiancheng Law Firm, Senior Partner, 2008 - 2014 Former Independent Director of New Nanyang Co., Ltd. Since 2013, he has been an independent director of Hubei Wushi Pharmaceutical Co., Ltd. since June 2016, Power Co., Ltd. Independent Director. From July 21, 2016, he is an independent director of the Company.

Mr. Gu Naikang, Independent directors and doctorate degree of the Company. Since June 2004, he has been a professor and doctoral tutor of Finance and Investment Department of Zhongshan University School of Management. He is currently an independent director of Guangxi Guitang (Group) Co., Ltd., an independent director of Zhubo Design Co., Ltd. , an independent director of Guangzhou Zhujiang Industrial Development Co., Ltd. and supervisor of Guangfa Securities Co., Ltd. From July 21, 2016, he is an independent director of the Company.

Mr. Peng, Xiaolei, Independent director of the Company, Master of Economics, senior accountant (professor level). Former Guangdong Province Guangye Asset Management Co., Ltd. Deputy General Manager, Chief Accountant, March 2013 retired. From July 21, 2016, he is an independent director of the Company.

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

Ms. Li Xiaohong, Supervisors of the Company, bachelor degree, senior economist and road and bridge engineer. Since October 2008, he has been working as a supervisory and auditing department of the Guangdong Provincial Communications Group. From October 2008 to September 2012, he was appointed full-time supervisor of Guangdong Expressway Co., Ltd., and since October 2012, Traffic Co., Ltd. and Guangdong Communications Industrial Investment Co., Ltd. full-time supervisors. From July 21, 2016, he served as supervisor of the Company.

Mr. Wu Guangze, the supervisor of the Company,,bachelor’s , MBA, Engineer, June 2011-December 2014， in Guangdong Hualu Transportation Technology Co., Ltd., served as party secretary of the Discipline Committee, the union president, director; December 2014 – present, in current company, serve as Vice secretary of Communist Party, Secretary of Discipline Inspection Commission and Chairman of the Labor Union.Since March 2015, He served as Supervisor of Board of supervisor of the Company.

Ms. Li Mei, Supervisors of the Company, bachelor degree and political engineer. Since April 1998, he has been working in the Company. He has served as the deputy director of the office, the director of the office of the party and the people, the third, fourth, fifth, sixth, seventh employee supervisor, general affairs minister and discipline inspection committee. He is currently the vice chairman of the trade union of the Company and the employee supervisor of the 8th Supervisory Committee.

Ms. Cao Xiaoying, Supervisors of the Company, bachelor's degree, bachelor's degree, senior economist, deputy interpreter, senior human resource management division, senior corporate culture division. Since 2011 to work in the Company, served as vice minister of human resources, minister. He is currently the minister of the Party and the Communist Party of China and the employee supervisor of the 8th Supervisory Committee.

Mr. Chen Wenmian, Deputy general manager, bachelor's degree, Since January 2012, he served as the party committee member and assistant general manager of the company. Since February 2013, He served as Deputy General Manager of the Company.

Ms. Zuo Jiang, Deputy General Manager of the Company, Master of Economics, Senior Economist, Qualified as Legal Adviser of the Enterprise, Secretary of the Board of Directors. He has been working in the Company since 1994. He has been the Minister of Securities Affairs of the Company since 1999. He has been the Secretary of the Board of Directors and Director of Securities Affairs Department since March 2006. From October 2015 to July 2016, he was the Deputy General Manager and Secretary of the Board of Directors And Minister of Securities Affairs. Since October 2015, he has been the Deputy General Manager of the Company.

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

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

Ms. Liu Xiaomei, The Secretary of the Board of the Company, Master's Degree, Senior Accountant, Certified Public Accountant (Non-practicing). From January 2012 to July 2016, he was appointed as the Minister of Financial Management of the Company. Since July 2016, he has been the Secretary of the Board of the Company, the Minister of Securities Affairs and the Deputy

Office taking in shareholder companies

√Applicable □Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Zheng Renfa	Guangdong Communication Group	Minister of Investment Management Dept.	January 1,2013		Yes
Ye Yongcheng	Guangdong Expressway Co., Ltd	General Manager	June 1,2012		Yes
Du Jun	Guangdong Highway Construction Co., Ltd.	Deputy General Manager	April 1,2016		Yes
Ling Ping	Guangdong Communication Group Co., Ltd.	Dispatched chairman of the supervisory committee	January 1,2015		Yes
Li Haihong	Guangdong Communication Group Co., Ltd.	Full-time field supervisors	July 21,2016		Yes

Offices taken in other organizations

√ Applicable □Not applicable

Name of the persons in office	Name of other organizations	Titles engaged in the other organizations	Starting date of office term	Expiry date of office term	Does he/she receive remuneration or allowance from other organization
Tang Qingquan	School of Business Sun YAT-SEN University	Professor of Accounting			Yes
Tang Qingquan	Guangzhou Jinyi Film & television	Independent director			Yes

	Co., Ltd.				
Xiao Duan	The financial department of the school ofeconomics of Jinan University	Associate professor,Master's supervisor			Yes
Xiao Duan	Guangdong Tianhe Agricultural materials Co., Ltd.	Independent director			Yes
Bao Fangzhou	Shanghai Allbright law firm	Lawyer, Senior partner			Yes
Bao Fangzhou	Hubei Wushi Pharmaceutical Co., Ltd.	Independent director			Yes
Bao Fangzhou	Laurel Power Co., Ltd.	Independent director			Yes
Wu Naikang	Finance and Investment ,School of Business Sun YAT-SEN University	Professor, doctoral supervisor			Yes
Gu Naikang	Guangxi Guitang（Group）Co., Ltd.	Independent director			Yes
Gu Naikang	DongguanYuqiu Electronic Co., Ltd.	Independent director			Yes
Gu Naikang	Guangzhou Zhujiang Industry Development Co., Ltd.	Independent director			Yes

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

□ Applicable √Not applicable

IV. Remuneration to directors, supervisors and senior executives

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

The remuneration of members of the Eighth board of directors and supervisory committee was examined and determined at the second provisional shareholders' general meeting in 2016.The remuneration of the senior executives is determined by the assets operation responsibility system in that year.

1. The directors of the Company and the controlling shareholder of the Company and its related parties, as well as the directors of the Company, shall not receive the remuneration of the directors.

2. Directors who have not held other positions in the Company and the controlling shareholder of the Company and its related parties are remunerated by the directors of the Company, and the standard is RMB 5,000 (tax included) per person per month. In addition, the expenses incurred by the independent directors at the board of directors and the shareholders' general meeting and the expenses incurred in exercising their functions and powers in accordance with the articles of association may be reimbursed in the company.

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

In RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Zheng Renfa	Director	Male	47	In Office	3.00	Yes
Wang Chunhua	Director , Deputy General manage	Male	52	In Office	54.54	No
Fang Zhi	Director, Chief Accountant	Male	53	In Office	47.82	No
Wang Ping	Director, Chief Engineer	Female	52	In Office	46.04	No
Ye Yongcheng	Director	Male	59	In Office	3.00	Yes

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Du Jun	Director	Male	51	In Office	0	Yes
Liu Weimin	Director	Male	44	In Office	0	Yes
Caoyu	Director	Male	31	In Office	3.00	No
Huang Hai	Director	Male	41	In Office	3.00	No
Tang Qingquan	Independent director	Male	56	In Office	6.00	No
Xiao Duan	Independent director	Female	58	In Office	6.00	No
Gu Naikang	Independent director	Male	51	In Office	3.00	No
Bao Fangzhou	Independent director	Male	38	In Office	3.00	No
Peng Xiaolei	Independent director	Male	64	In Office	3.00	No
Ling Ping	Chairman of the Supervisory Committee	Female	52	In Office	3.00	Yes
Li Haihong	Supervisor	Female	45	In Office	0.00	Yes
Wu Guangze	Supervisor	Male	49	In Office	51.59	No
Li Mei	Supervisor	Female	47	In Office	42.79	No
Cao Xiaoying	Supervisor	Female	48	In Office	40.48	No
Chen Wenmian	Deputy General Manager	Male	38	In Office	45.97	No
Zuo Jiang	Deputy General Manager	Female	44	In Office	46.09	No
Peng Xiaofang	head of the internal audit	Female	54	In Office	42.60	No
He Bing	Chief legal adviser	Female	49	In Office	42.27	No
Liu Xiaomei	Secretary to the Board	Female	38	In Office	42.50	No
Zhu Zhanliang	Board Chairman	Male	52	Dimission	46.35	No
Chen Yanqing	Director	Female	52	Dimission	3.00	No
Feng Ke	Independent director	Male	45	Dimission	3.00	No
Wang Pu	Independent director	Male	48	Dimission	3.00	No
Yang Xiaohua	Supervisor	Female	38	Dimission	2.50	No
Total	--	--	--	--	596.54	--

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

□ Applicable √Not applicable

V. Particulars about employees.

1.Number of staff, professional structure and educational background

Number of in-service staff of the parent company(person)	105
Number of in-service staff of the main subsidiaries(person)	2,136
The total number of the in-service staff(person)	2,241
The total number of staff receiving remuneration in the current period(person)	2,241
Retired staff with charges paid by the parent company and main subsidiaries (person)	93
Professional	
Category	Number of persons（person）
Management personnel	434
Toll collectors	1,337
Road service personnedl	104
Logistical personnedl	366
Total	2,241
Education	
Category	Number of persons（person）
Holders of master's degree or obove	33
Graduates of regular university	350
Graduates of junior colleges	1,099
Other	759
Total	2,241

2. Remuneration policies

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

3.Training plan

Nil

4.Outsourcing situation

□ Applicable √ No Applicable

IX. Administrative structure

I. General situation

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

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

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

☐ Yes √ No

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

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

1. Independent business

The company mainly engaged in business is Guangfo Expressway, Fokai Expressway and Beijing-Zhuhai Expressway Guangzhu section of the charges and maintenance work, investment in science and technology industry and provide relevant advice.

it has invested in or holds Shenzhen Huiyan Expressway Co., Ltd., Guanghui Expressway Co., Ltd., Jiangzhong Expressway Co., Ltd. , Zhaoqing Yuezhao Highway Co., Ltd., Ganzhou Kangda Expressway Co., Ltd ,Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd. and Guangdong Guangle Expressway Co., Ltd.

The Company has outstanding main operation, independent and complete business and the ability of independent operation. All business decisions of the Company were made independently, being completely separated from the shareholder with actual control. Related transactions were carried out in light of the principle of fair transaction, which did not harm the interests of the Company and other shareholders of the Company. The content of related transactions was fully, timely and accurately disclosed, which did not have negative influence on the Company.

2. Complete assets

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

3. Independent personnel

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

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

4. Independent finance

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

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

5. Independent organization

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

III. Horiontal Competitions

□ Applicable √ Not applicable

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

1.Annual General Meeting

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
2015 Shareholders’ general meeting	Annual Shareholders’ General Meeting	43.92%	April 28,2016	April 29,2016	Announcement of Resolutions of the shareholders' general meeting in 2015.www.cninfo.com.cn
The First provisional shareholders’ General meeting in 2016	Provisional shareholders’ General meeting	46.75%	July 5,2016	July 6,2016	Announcement of Resolutions of the First provisional shareholders' general meeting in 2016. www.cninfo.com.cn
The Second provisional shareholders’ General meeting in 2016	Provisional shareholders’ General meeting	66.10%	July 21,2016	July 22,2016	Announcement of Resolutions of the Second provisional shareholders' general meeting in 2016. www.cninfo.com.cn
The Third provisional shareholders’ General meeting in 2016	Provisional shareholders’ General meeting	55.89%	August 4,2016	August 5,2016	Announcement of Resolutions of the Third provisional shareholders' general meeting in 2016. www.cninfo.com.cn

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

☐ Applicable √ Not applicable

V. Responsibility performance of independent directors in report period

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

The attending of independent directors						
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)
Tang Qingquan	11	3	8	0	0	No
Xiao Duan	11	3	8	0	0	No
Gu Naikang	5	1	4	0	0	No
Bao Fangzhou	5	1	4	0	0	No
Peng Xiaolei	5	1	4	0	0	No
Feng Ke	6	2	4	0	0	No
Wang Pu	6	2	4	0	0	No
Number of general meetings attended by independent directors as non-voting delegates		4				

Notes to failure to personally attend Board Meetings Successively Twice

Nil

2.Objection of independent directors on some relevant issues

Objection of independent directors on some relevant issues

□ Yes √No

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

3. Other notes to duty performance of independent directors

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

√Yes □No

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

Independent directors seriously exercise the rights conferred by law, keep abreast of the company's production and management information, concerned about the company's comprehensive development, actively attend relevant meetings held by the company in 2016, published an independent and objective advice on relevant matters for consideration by the Board of Directors of the Company. Faithfully perform their duties, give full play to the independent role of the independent directors, to safeguard the interests of the company as a whole, and to safeguard the legitimate rights and interests of all shareholders, especially minority shareholders. The advices on business development and corporate governance given by independent directors can be adopted.

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

1. The board of directors has an audit committee composed of three directors. i.e., Mr. Tang Qingquan , Mr.Peng Xiaolei and Mr.Fang Zhi. The particulars of the work of the audit committee in the report period are as follows:

According to the Rulels of Procedure of Audit Committee of the Board of Directors and Working Regulations of Audit Committee of the Board of Directors on Annual Report and the work requirements of CSRC and Shenzhen Stock Exchange on annual report for 2015, the audit committee carried out a series of work for the annual audit of the Comopany for 2015, including deciding the working schedule for the audit of financial report for the report year after consultation with the certified public accountants in charge, reviewing the financial report prepared by the Company and forming written opinions, issuing the Urging Letter for Audit to certified public accountants and requiring certified public accountants to carry out overall work plan for audit and submit relevant progress report to the audit committee, reviewing the financial report for 2015 submitted by the Finance Dept. of the Company (on which the certified public accountants in charge of annual audit issued standard unqualified opinions) and giving written auditing opinions.

2. The board of directors has a remuneration committee composed of three directors, i.e., Mr. Bao Fangzhou, Ms. Xiao Duan and Mr Huang Hai. The particulars of the work of the remuneration committee in the report period are as follows:

According to the Company's Regulations on Performance Appraisal and Remuneration Management of Senior Executives, the remuneration and appraisal committee audited the remuneration disclosed by the Company's directors, supervisors and senior executives for 2015 and expressed auditing opinions and examined and adopted the remuneration scheme and appraisal scheme for senior executives of the Company for 2016.

3.In the report period, The board of directors has an strategy committee composed of five directors. i.e., Mr. Wang Chunhua, Mr. Tang Qingquan, Mr.Gu Naikang, Mr.Bao Fangzhou .
Strategy Committee will strengthen the company's strategic direction, strategic planning, research, and supervise the implementation of corporate strategies, provide timely advice to the Board decisions on strategic development.

VII. Work of the supervisory Committee

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

□Yes √No

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

VIII. Assessment and incentive Mechanism for Senior executives

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

IX.Internal Control

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

□ Yes √ No

II. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	March 29,2017
Disclosure index of appraisal report on internal control	www.cninfo.com.cn
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	100.00%

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

Disclosure date of appraisal report on internal control	March 29,2017	
Disclosure index of appraisal report on internal control	www.cninfo.com.cn	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	100.00%	
Standards of Defects Evaluation		
Type	Financial Report	Non-financial Report
	(1) Frauds made by staff in key positions; (2)The supervisory function on compliance is invalid, and the violations of regulations may have a significant impact on the reliability of the financial report; (3)The significant deficiencies reported to the management but are not corrected within a reasonable period. The following situations (including but not limited to) shall be deemed as "general deficiencies" in the internal control of the financial report. (1) Frauds made by staff in non key positions, or business operators execute the implementation procedures not strictly conforming to the company's policy but resulted in no significant impact on the reliability of the financial report. (2)The supervisory function on compliance is invalid, and the violations of regulations may not have a significant impact on the reliability of the financial report; (3)The general deficiencies reported to the management but are not corrected within a reasonable period.	phenomena such as being slack in performing management duties, being passive and poorly execute the institution in the work, which shall affect the efficiency and the result of daily operation and management activities and lead to small effects to the company's management goal; the negative news spread within the company, which caused the little-extent damage to the company's reputation; shortly affected the health of the workers or citizens and the workers or citizens can be recovered in a short time; reached the circumstance(grade Ⅳ) of general environmental event.
Standards of Quantitation	Material deficiencies: potential misstatement≧1% of the total amount of the owner's equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner's equity or RMB 100 million≤potential misstatement＜1% of the total amount of the owner's equity or RMB 200 million; general deficiencies: potential misstatement＜0.5% of the total amount of the owner's equity or RMB 100 million	Material deficiencies: potential misstatement≧1% of the total amount of the owner's equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner's equity or RMB 100 million≤potential misstatement＜1% of the total amount of the owner's equity or RMB 200 million; general deficiencies: potential misstatement＜0.5% of the total amount of the owner's equity or RMB 100 million
Number of major defects	0	

Disclosure date of appraisal report on internal control	March 29,2017	
Disclosure index of appraisal report on internal control	www.cninfo.com.cn	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	100.00%	
Standards of Defects Evaluation		
Type	Financial Report	Non-financial Report
in financial reporting（a）		
Number of major defects in non financial reporting (a)	0	
Number of important defects in financial reporting（a）	0	
Number of important defects in non financial reporting（a）	0	

X. Internal Control audit report

√ Applicable □Not applicable

Review opinions in the internal control audit report	
In our opinion, Guangdong Expressway has maintained effective financial report internal control in all material aspects according to the basic standards for Enterprise internal control and relevant regulations ended December 31, 2016.	
Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	March 29,2017
Index of audit report of internal control (full-text)	www.cninfo.com.cn
Internal audit report's opinion	Unqualified audit opinion
Non-financial reporting the existence of significant deficiencies	No

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

□ Yes √No

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

√Yes □No

X. Corporation bonds

Whether or not the Company public offering corporation bonds in stock exchange, which undue or without payment in full at maturity on the approval date for annual report disclosed

No

XI. Financial Report

1. Audit report

Type of audit opinion	Standard Unqualified audit opinion
Name of audit firm	Guangdong Zhengzhong Zhujiang Certified Public Accountants Co., Ltd.（Special General Partnership）
The audit report number	GHSZ[2017]No.G16041020012
Name of Certified public accountant	Feng Kuncong, Xu Jihong

Auditors’ Report

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

We audited accompanying financial statements of Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "the Company"), including Consolidation and parent Company balance sheet on December 31, 2016, Consolidation and parent Company income statement, Consolidation and parent Company cash flow statement for the year 2016 and Consolidation and parent Company statement of change in shareholders' equity and the notes to financial statements.

(I)Responsibilities of the management concerning the financial statements

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

(II)Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor‘s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity‘s preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the prupose of expressing an opinion on the effectiveness of the entity‘s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

(III) Auditing opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of

31 December 2016 and its financial performance and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises.

II. Financial statements

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

1. Consolidated balance sheet

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

December 31, 2016

In RMB

Items	At the end of term	Beginning of term
Current asset：		
Monetary fund	2,603,279,644.25	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	40,681,197.01	77,396,705.54
Prepayments	2,860,130.35	7,390,264.97
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	25,167,879.53	18,265,472.13
Repurchasing of financial assets		
Inventories	323,888.89	800,998.80
Assets held for sales		
Non-current asset due in 1 year	55,719.14	

Items	At the end of term	Beginning of term
Other current asset		
Total of current assets	2,672,368,459.17	1,303,482,718.29
Non-current assets：		
Loans and payment on other’s behalf disbursed		
Disposable financial asset	1,718,421,932.77	1,796,056,064.29
Expired investment in possess		
Long-term receivable		
Long term share equity investment	2,220,805,130.31	2,250,314,577.89
Property investment	3,219,971.08	3,684,184.48
Fixed assets	9,285,823,302.77	9,733,198,359.00
Construction in progress	149,244,110.30	23,624,279.71
Engineering material	1,549,556.00	1,549,556.00
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	6,138,294.90	8,634,141.79
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	1,763,966.07	3,576,970.11
Deffered income tax asset	10,810,322.94	448,397.20
Other non-current asset	2,300,170.28	2,343,267.94
Total of non-current assets	13,400,076,757.42	13,823,429,798.41
Total of assets	16,072,445,216.59	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		

Items	At the end of term	Beginning of term
Account payable	299,414,047.07	173,079,084.60
Advance payment	17,440,023.40	35,079,806.09
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees’ wage payable	8,840,599.13	6,616,356.87
Tax payable	106,370,898.31	90,711,647.65
Interest payable	8,945,283.52	23,143,564.41
Dividend payable	12,506,777.92	11,681,423.74
Other account payable	134,266,141.34	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	957,880,000.00	1,379,080,000.00
Other current liability		
Total of current liability	1,545,663,770.69	1,911,999,122.03
Non-current liabilities：		
Long-term loan	5,402,780,000.00	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	278,463,647.00	297,540,718.21
Other non-current liabilities		
Total non-current liabilities	5,683,265,857.11	6,098,226,613.30
Total of liability	7,228,929,627.80	8,010,225,735.33
Owners’ equity		

Items	At the end of term	Beginning of term
Share capital	2,090,806,126.00	1,257,117,748.00
Other equity instruments		
Including：preferred stock		
Sustainable debt		
Capital reserves	2,508,408,342.99	1,643,484,871.70
Less：Shares in stock		
Other comprehensive income	402,285,954.24	479,920,085.76
Special reserves		
Surplus reserves	366,956,549.89	295,642,270.96
Common risk provision		
Undistributed profit	2,920,563,328.27	2,179,239,324.01
Total of owner’s equity belong to the parent company	8,289,020,301.39	5,855,404,300.43
Minority shareholders’ equity	554,495,287.40	1,261,282,480.94
Total of owners’ equity	8,843,515,588.79	7,116,686,781.37
Total of liabilities and owners’ equity	16,072,445,216.59	15,126,912,516.70

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

2.Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset：		
Monetary fund	1,795,455,123.88	822,286,507.11
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable		

Items	At the end of term	Beginning of term
Prepayments	2,059,362.84	1,994,822.56
Interest receivable	34,833.33	137,958.34
Dividend receivable	24,000,000.00	
Other account receivable	2,350,265.24	2,256,822.99
Inventories		
Assets held for sales		
Non-current asset due in 1 year	95,000,000.00	
Other current asset		
Total of current assets	1,918,899,585.29	826,676,111.00
Non-current assets：		
Disposable financial asset	1,718,421,932.77	1,796,056,064.29
Expired investment in possess		
Long-term receivable		
Long term share equity investment	7,385,967,349.97	5,053,688,539.24
Property investment	2,967,832.83	3,432,046.23
Fixed assets	2,744,611.16	3,734,470.83
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	725,234.38	1,056,003.37
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	1,559,874.44	3,261,555.68
Defered income tax asset		
Other non-current asset	847,903,684.98	75,000,000.00
Total of non-current assets	9,960,290,520.53	6,936,228,679.64
Total of assets	11,879,190,105.82	7,762,904,790.64
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		

Items	At the end of term	Beginning of term
Derivative financial liabilities		
Bill payable		
Account payable		
Advance payment		
Employees' wage payable	1,347,078.47	1,022,391.27
Tax payable	1,986,670.18	4,915,239.62
Interest payable	4,469,288.30	17,625,272.46
Dividend payable	12,506,777.92	11,681,423.74
Other account payable	1,989,088.70	6,378,723.77
Liabilities held for sales		
Non-current liability due in 1 year	50,200,000.00	997,000,000.00
Other current liability	836,363,256.69	309,154,118.44
Total of current liability	908,862,160.26	1,347,777,169.30
Non-current liabilities：		
Long-term loan	2,999,700,000.00	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	3,001,722,210.11	1,552,022,210.11
Total of liability	3,910,584,370.37	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

Items	At the end of term	Beginning of term
Less：Shares in stock		
Other comprehensive income	402,285,954.24	479,920,085.76
Special reserves		
Surplus reserves	351,112,266.24	279,797,987.31
Undistributed profit	1,764,609,695.85	1,311,348,847.67
Total of owners' equity	7,968,605,735.45	4,863,105,411.23
Total of liabilities and owners' equity	11,879,190,105.82	7,762,904,790.64

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

3.Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	2,825,049,808.36	2,657,616,508.59
Incl：Business income	2,825,049,808.36	2,657,616,508.59
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,852,134,692.49	2,002,076,529.84
Incl：Business cost	1,281,032,560.50	1,230,637,822.36
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	40,582,167.79	92,547,509.86
Sales expense		

Items	Report period	Same period of the previous year
Administrative expense	189,789,891.95	200,500,502.25
Financial expenses	340,854,007.43	478,177,404.36
Asset impairment loss	-123,935.18	213,291.01
Add：Gains from change of fir value（“-”for loss）		
Investment gain（“-”for loss）	441,537,648.28	433,359,724.46
Incl: investment gains from affiliates	395,658,692.77	363,511,018.55
Gains from currency exchange（“-”for loss）		
III. Operational profit（“-”for loss）	1,414,452,764.15	1,088,899,703.21
Add ：Non-operational income	76,950,489.32	29,145,869.93
Including：Income from disposal of non-current assets	10,223,321.37	13,520.80
Less：Non business expenses	4,838,502.85	7,519,539.62
Incl：Loss from disposal of non-current assets	1,578,554.82	3,290,866.69
IV.Total profit(“-”for loss)	1,486,564,750.62	1,110,526,033.52
Less：Income tax expenses	314,207,043.18	244,777,821.14
V. Net profit	1,172,357,707.44	865,748,212.38
Net profit attributable to the owners of parent company	1,001,205,945.39	696,100,201.88
Minority shareholders’ equity	171,151,762.05	169,648,010.50
VI. Other comprehensive income	-77,634,131.52	-150,563,164.16
Net of profit of other comprehensive income attributable to owners of the parent company.	-77,634,131.52	-150,563,164.16
（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）	-77,634,131.52	-150,563,164.16

Items	Report period	Same period of the previous year
Other comprehensive income that will be reclassified into profit or loss.		
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	-77,634,131.52	-150,563,164.16
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	1,094,723,575.92	715,185,048.22
Total comprehensive income attributable to the owner of the parent company	923,571,813.87	545,537,037.72
Total comprehensive income attributable minority shareholders	171,151,762.05	169,648,010.50
VIII. Earnings per share		
（I）Basic earnings per share	0.52	0.40
(II)Diluted earnings per share	0.52	0.40

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 RMB219,061,740.30.

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	51,258,350.04	17,259,744.96
Incl：Business cost	464,213.40	464,213.40
Business tax and surcharge	540,992.88	1,017,390.83
Sales expense		
Administrative expense	71,990,670.43	87,133,240.32
Financial expenses	147,678,306.36	160,822,480.70
Asset impairment loss	-124,584.54	
Add：Gains from change of fir value（“-”for loss）		
Investment gain（“-”for loss）	882,384,069.76	499,544,231.95
Incl: investment gains from affiliates	429,826,747.82	436,624,090.84
II. Operational profit（“-”for loss）	713,092,821.27	267,366,651.66
Add ：Non-operational income	49,968.04	175,192.03
Including：Income from disposal of non-current assets		
Less：Non business expenses		124,348.25
Incl：Loss from disposal of non-current assets		122,652.44
III.Total profit(“-”for loss)	713,142,789.31	267,417,495.44
Less：Income tax expenses		
IV. Net profit（“-”for net loss）	713,142,789.31	267,417,495.44
V.Net of profit of other comprehensive income	-77,634,131.52	-150,563,164.16
（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 ）	-77,634,131.52	-150,563,164.16

Items	Report period	Same period of the previous year
Other comprehensive income that will be reclassified into profit or loss.		
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	-77,634,131.52	-150,563,164.16
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	635,508,657.79	116,854,331.28
VII. Earnings per share：		
（I）Basic earnings per share	0.52	0.40
(II)Diluted earnings per share	0.52	0.40

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

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 rending of services	2,899,343,557.24	2,620,536,153.82
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		

Items	Report period	Same period of the previous year
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	60,544,365.40	88,844,216.26
Sub-total of cash inflow	2,959,887,922.64	2,709,380,370.08
Cash paid for purchasing of merchandise and services	194,379,423.95	230,863,400.47
Net increase of client trade and advance		
Net increase of savings n 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	311,802,195.74	315,735,967.21
Taxes paid	431,179,968.95	367,128,772.77
Other cash paid for business activities	98,266,375.72	89,765,780.58
Sub-total of cash outflow from business activities	1,035,627,964.36	1,003,493,921.03
Cash flow generated by business operation, net	1,924,259,958.28	1,705,886,449.05
II.Cash flow generated by investing		
Cash received from investment		79,790,549.00

Items	Report period	Same period of the previous year
retrieving		
Cash received as investment gains	471,047,095.86	537,034,545.10
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	667,966.00	533,521.73
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	60,770,000.00	20,000,000.00
Sub-total of cash inflow due to investment activities	532,485,061.86	637,358,615.83
Cash paid for construction of fixed assets, intangible assets and other long-term assets	487,328,041.69	114,538,179.80
Cash paid as investment	803,500,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	987,903,684.98	
Sub-total of cash outflow due to investment activities	2,278,731,726.67	114,538,179.80
Net cash flow generated by investment	-1,746,246,664.81	522,820,436.03
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	2,498,000,000.00	2,422,453,684.98
Cash received from bond placing		
Other financing –related ash received	5,173.81	1,378.67
Sub-total of cash inflow from financing activities	4,131,505,163.11	2,422,455,063.65
Cash to repay debts	2,330,180,000.00	3,581,803,684.98
Cash paid as dividend, profit, or interests	570,437,516.48	600,520,095.61
Incl: Dividend and profit paid by subsidiaries to minor shareholders	10,266,231.67	5,765,891.10

Items	Report period	Same period of the previous year
Other cash paid for financing activities	4,727,368.84	6,171,000.00
Sub-total of cash outflow due to financing activities	2,905,344,885.32	4,188,494,780.59
Net cash flow generated by financing	1,226,160,277.79	-1,766,039,716.94
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	1,403,650,367.40	462,166,829.99
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	2,603,279,644.25	1,199,629,276.85

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	10,046,335.82	8,427,703.28
Tax returned		
Other cash received from business operation	602,105,966.56	75,642,062.47
Sub-total of cash inflow	612,152,302.38	84,069,765.75
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	42,170,653.37	46,591,029.83
Taxes paid	4,606,494.69	1,197,864.49
Other cash paid for business activities	90,477,346.95	37,419,882.44
Sub-total of cash outflow from business	137,254,495.01	85,208,776.76

Items	Amount in this period	Amount in last period
activities		
Cash flow generated by business operation, net	474,897,807.37	-1,139,011.01
II.Cash flow generated by investing		
Cash received from investment retrieving		40,549,909.00
Cash received as investment gains	853,725,462.29	554,332,218.39
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		1,425.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	163,995,012.01	142,082,019.44
Sub-total of cash inflow due to investment activities	1,017,720,474.30	736,965,571.83
Cash paid for construction of fixed assets, intangible assets and other long-term assets	524,310.00	624,472.63
Cash paid as investment	1,303,500,000.00	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	987,903,684.98	
Sub-total of cash outflow due to investment activities	2,291,927,994.98	624,472.63
Net cash flow generated by investment	-1,274,207,520.68	736,341,099.20
III.Cash flow generated by financing		
Cash received as investment	1,633,499,989.30	
Cash received as loans	1,500,000,000.00	50,000,000.00
Cash received from bond placing		
Other financing –related ash received	5,173.81	1,378.67
Sub-total of cash inflow from financing activities	3,133,505,163.11	50,001,378.67
Cash to repay debts	1,000,100,000.00	
Cash paid as dividend, profit, or interests	355,676,260.33	288,878,450.29

Items	Amount in this period	Amount in last period
Other cash paid for financing activities	4,727,368.84	6,171,000.00
Sub-total of cash outflow due to financing activities	1,360,503,629.17	295,049,450.29
Net cash flow generated by financing	1,773,001,533.94	-245,048,071.62
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	973,168,616.77	489,653,678.42
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	1,795,455,123.88	822,286,507.11

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

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				1,643,484,8		479,920,08		295,642,270		2,179,239,32	1,261,282,480.9	7,116,686

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					71.70		5.76		.96		4.01	4	,781.37
III.Changed in the current year	833,688,378.00				864,923,471.29		-77,634,131.52		71,314,278.93		741,324,004.26	-706,787,193.54	1,726,828,807.42
（1）Total comprehensive income							-77,634,131.52				1,001,205,945.39	171,151,762.05	1,094,723,575.92
（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									71,314,278.93		-259,881,941.13	-10,266,231.67	-198,833,893.87
1.Providing of surplus reserves									71,314,278.		-71,314,278.		

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									
									93		93		
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													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3．Making up losses by surplus reserves.													
4. Other													
(V). Special reserves													
1. Provided this year													
2．Used this term													

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									
（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		402,285,954.24		366,956,549.89		2,920,563,328.27	554,495,287.40	8,843,515,588.79

Amount in last year

In RMB

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
		Preferred stock	Sustainable debt	Other									
I.Balance at the end of last year	1,257,117,748.00				1,643,483,493.03		630,483,249.92		268,900,521.42		1,635,592,646.47	1,097,400,361.54	6,532,978,020.38
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
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 sha													

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
		Preferred stock	Sustainable debt	Other									
reholders													
2. Holders of other equity instruments invested capital													
3．Amount of shares paid and accounted as owners' equity													
4．Other													
（III）Profit allotment									26,741,749.54		-152,453,524.34	-5,765,891.10	-131,477,665.90
1.Providing of surplus reserves									26,741,749.54		-26,741,749.54		
2.Providing of common risk provisions													
3．Allotment to the owners (or shareholders)											-125,711,774.80	-5,765,891.10	-131,477,665.90
4．Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
		Preferred stock	Sustainable debt	Other									
2. Capitalizing of surplus reserves (or to capital shares)													
3．Making up losses by surplus reserves.													
4. Other													
(V). Special reserves													
1. Provided this year													
2．Used this term													
（VI）Other					1,378.67								1,378.67
IV. Balance at the end of this term	1,257,117,748.00				1,643,484,871.70		479,920,085.76		295,642,270.96		2,179,239,324.01	1,261,282,480.94	7,116,686,781.37

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

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	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
		Preferred stock	Sustainable debt	Other							
I.Balance at the end of last year	1,257,117,748.00				1,534,920,742.49		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		-77,634,131.52		71,314,278.93	453,260,848.18	3,105,500,324.22
（I）Total comprehensive income							-77,634,131.52			713,142,789.31	635,508,657.79
(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

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
		Preferred stock	Sustainable debt	Other							
2. Holders of other equity instruments invested capital											0.00
3.Amount of shares paid and accounted as owners' equity											0.00
4．Other											0.00
（III）Profit allotment									71,314,278.93	-259,881,941.13	-188,567,662.20
1.Providing of surplus reserves									71,314,278.93	-71,314,278.93	0.00
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											

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
		Preferred stock	Sustainable debt	Other							
(V) Special reserves											
1. Provided this 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		402,285,954.24		351,112,266.24	1,764,609,695.85	7,968,605,735.45

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	Attributable profit	Total of owners' equity
		Preferred stock	Sustainable debt	Other							
I.Balance at the end of last year	1,257,117,748.00				1,534,919,363.82		630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08
Add: Change of accounting policy											
Correcting of previous errors											
Other											

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
		Preferred stock	Sustainable debt	Other							
II.Balance at the beginning of current year	1,257,117,748.00				1,534,919,363.82		630,483,249.92		253,056,237.77	1,196,384,876.57	4,871,961,476.08
III.Changed in the current year					1,378.67		-150,563,164.16		26,741,749.54	114,963,971.10	-8,856,064.85
（I）Total comprehensive income							-150,563,164.16			267,417,495.44	116,854,331.28
(II) Investment or decreasing of capital by owners											
1．Ordinary Shares invested by shareholders											
2．Holders of other equity instruments invested capital											
3.Amount of shares paid and accounted as owners' equity											
4．Other											
（III）Profit allotment									26,741,749.54	-152,453,524.34	-125,711,774.80
1.Providing of surplus reserves									26,741,749.54	-26,741,749.54	
2．Allotment to the owners (or shareholders)										-125,711,774.80	-125,711,774.80

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

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting：Fang Zhi

Accounting Dept Leader:Zhou Fang

III.Company Profile

(1)History

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

Composition of state-owned shares: The appraised net value of state-owned assets of Guangdong Jiujiang Bridge Co. and Guangfo Expressway Co., Ltd. as of January 31, 1993 confirmed by Guangdong State-owned Asset Management Dept., i.e.,RMB 418.2136 million, was converted into 155.025 million shares. Guangdong Expressway Co. invested cash of RMB 115 million to subscribe for 35.9375 million shares. Other legal persons invested cash of RMB 286.992 million to subscribe for 89.685 million shares. Staff of the Company invested RMB 87.008 million to subscribe for 27.19 million shares. The total is RMB 307.8375 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 f or each 10 shares and capitalized capital common reserve on 3.3-for-10 basis.

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

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

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

9.Pursuant to the approval of Shenzhen Stock Exchange, 53.0205 million staff shares of the Company (132,722 shares held by directors, supervisors and senior executives are temporarily frozen) were listed on February 5, 2001.As of December 31,2016, the quantity of the shares subject to sale restriction held by senior executives is 149,291.

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. The issuance of shares have been registered on July 7, 2016, the new shares will be listed on July 8, 2016.

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

As of December 31, 2016， Registration capital:RMB2,090,806,126， Legal representative： Zheng Renfa,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: Deng Xiaohua. Date of establishment: June 23, 2000. As of December 31, 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 communication 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 Yuezhao Expressway Co., Ltd.,Ganzhou Kangda Expressway , Ganzhou Gankang Expressway Co., Ltd.,Guangdong Yueke Technology Micro Loan Co., Ltd.and Guangdong Guangle Expressway Co.,Ltd.

（4）Scope of consolidated financial statements

The company's 2016 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 financial statements XI(8),Change of consolidation scope and, financial statements XI(9), 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 March 28,2017.

IV. Basis for the preparation of financial statements

1.Preparation basis

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

2.Continuation

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

V. Significant Accounting Policies and Accounting Estimates

Whether the Company needs to comply with the disclosure requirements for specific industries

No

Specific accounting policies and accounting estimates are indicated as follows:

Nil

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

⑴A joint arrangement refers to an arrangement jointly controlled by two participants or above.， the joint venture arrangements include co-operation and joint ventures.

⑵ When the joint venture company for joint operations, confirm the following items and share common busines s 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.

⑶When a company is a joint ventures, joint venture investment will be recognized as long-term equity investme nts 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 shot exchange rate on the balance sheet date is adopted as the translation exchange rate. For the owner's equity, the shot exchange rate on the transaction date is adopted as the translation exchange rate, with the exception of "undistributed profits".

② The incomes and expenses in the income statement shall be translated at the spot exchange rate or the approximate exchange rate on the transaction date.

③ The translation gap of financial statement of foreign currency shall be listed under the owner's equity in the consolidated balance sheet in the preparation of the consolidated financial statements.

10.Financial tools

1. Categories of financial Tools

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

2. Recognition and measurement of financial tools

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

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

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

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

(2) Investment hold till expiration

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

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

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

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

(3) Account receivable

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

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

(4) Saleable financial assets

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

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

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

(5) Other financial liabilities

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

3. Recognition and measurement basis of financial asset transposition

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

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

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

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

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

① Book value of the confirmed part;

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

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

4.The conditions to stopping the financial liabilities

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

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

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

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

5.Recognition basis of financial assets and financial liabilities

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

6. Impairment provision for financial assets

①Impairment 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.

②Holding the impairment provision of expired investments:

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

11.Accounts Receivable

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

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

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

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

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

√ Applicable □ Not applicable

Aging	Rate for receivables(%)	Rate for other receivables(%)
Within 1 year（Included 1 year）	0.00%	0.00%
1－2 years	10.00%	10.00%
2－3 years	30.00%	30.00%
3－4 years	50.00%	50.00%
4－5 years	90.00%	90.00%
Over 5 years	100.00%	100.00%

Accounts on percentage basis in group：

□ applicable √not applicable

Accounts on other basis in group：

□ applicable √not applicable

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

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

	profits & losses at the current period.

12.Inventory

Whether the Company needs to comply with the disclosure requirements for specific industrie

No

1.Investories 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 class ified as held for sale:

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

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

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

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

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

14. Long-term equity investment

(1) The Classification of Long-term Equity Investments

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

(2) The Recognition of Investment Cost

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

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

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

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 11 of Important Accounting Policies and Accounting Estimates in Notes

5 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 11 of Important Accounting Policies and Accounting Estimates in Notes 5 of Financial Statements”.

16..Investment Real Estates

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

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

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

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

17.Fixed assets

（1）Confirmation conditions of fixed assets

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

（2）Depreciation method

Type	Depreciation methnod	Evpected useful life(Year)	Residual rate（%）	Annual depreciation rate(%)
Guangfo Expressway	Working flow basis	28	0%	Working flow basis
Fokai Expressway-Xiebian to Sanbao Section	Working flow basis	40	0%	Working flow basis

Type	Depreciation methnod	Evpected useful life(Year)	Residual rate（%）	Annual depreciation rate(%)
Fokai Expressway-Sanbao to Shuikou Section	Working flow basis	30	0%	Working flow basis
Jingzhu Expressway Guangzhu Section	Working flow basis	30	0%	Working flow basis
House Building	The straight-line method	20-30 years	3%—10%	3%-4.85%
Machine Equipment	The straight-line method	10 years	3%—10%	9%-9.7%
Transportation Equipment	The straight-line method	5-8 years	3%—10%	11.25%-19.4%
Electric Equipment and other	The straight-line method	5-15 years	3%—10%	6 %-19.4%

Provision for depreciation of highways and bridges is made with work amount method. Estimatednet residual value rate is zero. Estimated useful life is determined according to the period of peration 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 traffc volume withintheremaining 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 excepthighways & bridges, and recognizes the depreciation rate according to the fixed asset group, expected useful life & the expected net salvage value rate.

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

For the impairment test method and the impairment provision withdrawing method of the Fixed assets, please refer to “Long-term Assets Impairment in Article 11 of Important Accounting Policies and Accounting Estimates in Notes 5 of Financial Statements”.

18.Construction-in process

Whether the Company needs to comply with the disclosure requirements for specific industrie

No

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 11 of Important Accounting Policies and Accounting Estimates in Notes 5 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 othe 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 11 of Important Accounting Policies and Accounting Estimates in Notes 5 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 fu nd confirmed, labor union funds, employee education funds and as a liability profit or loss or costs related assets. If the debt is expected to provide services after the end of the annual reporting period in which an employee can not be fully paid within twelve months, and the financial impact is material, the amount will be discounted liabili ties 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 valueshould be worked as bond premium or discount and be amortized within the bond period according to actual interest rate and vertical line method, and be treated according to borrowing costs described below.

26. Revenues

Whether the Company needs to comply with the disclosure requirements for specific industrie

No

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

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

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

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

27.Other Comprehensive Incomes

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

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

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

28.Governmental subsidy

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

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

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

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

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

29.Deferred income tax assets and deferred income tax liabilities

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

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

30.Accounting Methods of Income tax

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

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

31.Change of main accounting policies and estimations

⑴Change of accounting policies

□ Applicable √ Not applicable

⑵Change of accounting estimations

□ Applicable √ Not applicable

VI. 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%

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

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

2.Preferential tax

Nil

VII. Notes to the major items of consolidated financial statement

1.Monetary Capital

In RMB

Items	Amount in year-end	Amount in year-begin
Cash	50,695.89	138,192.93
Bank deposit	2,602,516,079.26	1,198,752,797.31
Other	712,869.10	738,286.61
Total	2,603,279,644.25	1,199,629,276.85

Other notes

Nil

2. Account receivable

1.Classification account receivables.

In RMB

Type	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Account receivable with single major amount and withdrawal bad debt provision for single item	32,054,176.60	78.46%			32,054,176.60	64,144,586.08	82.58%			64,144,586.08

Account receivable withdrawalbad debt provision by group of credit risk characterstics	8,800,188.07	21.54%	173,167.66	1.97%	8,627,020.41	13,532,877.08	17.42%	280,757.62	2.07%	13,252,119.46
Total	40,854,364.67	100.00%	173,167.66	0.42%	40,681,197.01	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

√ Applicable □Not applicable

In RMB

Receivable accounts（Unit）	Amount in year-end			
	Receivable accounts	Bad debt provision	Proportion	Reason
Guangdong Union Electronic Services Co., Ltd.	16,812,761.55			Been recovered after the period
Guangdong Xinyue Traffic Investment Co.,Ltd.	5,333,036.61			Been recovered after the period
Guangdong Humen Bridge Co., Ltd.	5,095,878.42			Been recovered after the period
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	4,812,500.02			Been recovered after the period
Total	32,054,176.60		--	--

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

√ Applicable □Not applicable

In RMB

Aging	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Subtotal within 1 year	8,024,844.91		
1-2 years	549,343.16	54,934.32	10.00%
2-3 years	15,833.33	4,750.00	30.00%
3-4 years	189,166.67	94,583.34	50.00%
4-5 years	21,000.00	18,900.00	90.00%
Total	8,800,188.07	173,167.66	1.97%

Notes of the basis of recognizing the group:

Refer to "Notes 5 the financial statements of the important accounting policies and accounting estimates No. 11 Recognition and withdrawal method of bad debts.

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

□ Applicable √ Not applicable

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

Nil

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

The current amount of provision for bad debts is RMB0.00_; recovery or payback for bad debts Amount is RMB67,589.96.

Where the current bad debts back or recover significant amounts:Nil

（3）The current accounts receivable write-offs situation

In RMB

Items	Amount
The current accounts receivable write-offs	40,000.00

The current accounts receivable write-offs situation

Explanation for write-off of account receivables:Nil

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

Name	Amount	Aging	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	16,812,761.55	Within 1 year	41.16	
Guangdong Xinyue Traffic Investment Co.,Ltd.	5,333,036.61	Within 2 years	13.05	
Guangdong Humen Bridge Co., Ltd.	5,095,878.42	Within 1 year	12.47	
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	4,812,500.02	Within 1 year	11.78	
Guangzhou Xiehou Advertising media Co., Ltd.	1,731,458.36	Within 1 year	4.24	
Total	33,785,634.96		82.70	

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

Nil

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

Nil

Other notes

Nil

3. Prepayments

（1）Age analysis

In RMB

Age	Balance in year-end		Balance in year-begin	
	Amount	Proportion（%）	Amount	Proportion（%）

Within 1 year	2,655,392.35	92.84%	6,556,299.23	88.72%
1-2 years	35,000.00	1.22%	664,227.74	8.99%
2-3 years	169,738.00	5.93%	169,738.00	2.29%
Over 3 years	2,860,130.35	--	7,390,264.97	--
Total				

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

Nil

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

Name	Amount	Time	Proportion(%)
Ping An Insurance	1,074,651.30	Within 1 year	37.57
Guangdong Litong Real estate Investment Co., Ltd.	700,087.62	Within 1 year	24.48
Guangdong Guanyue Luqiao Co., Ltd.	242,256.40	Within 1 year	8.47
Guangzhou Maritime Court	169,738.00	Within 1 year	5.93
Beijing Shibang Weilishi Property Management Services Co., Ltd.	148,224.11	Within 1 year	5.18
Total	2,334,957.43		81.63

Other notes

Nil

4.Other accounts receivable

(1) Other accounts receivable disclosed by category

In RMB

Type	Balance in year-end					Balance in year-end				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	53,351,565.01	66.56%	53,351,565.01	100.00%		53,351,565.01	72.77%	53,351,565.01	100.00%	
Other Account receivable withdrawalbad debt provision by group of credit risk characterstics	26,807,191.45	33.44%	1,639,311.92	6.12%	25,167,879.53	19,961,129.27	27.23%	1,695,657.14	8.49%	18,265,472.13
Total	80,158,756.46	100.00%	54,990,876.93	68.60%	25,167,879.53	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.

√ Applicable □ Not applicable

In RMB

Other receivable（Unit）	Balance in year-end			
	Other receivable	Bad debt provision	Proportion	Reason
Kunlun Sercurities Co.,Ltd.	49,343,885.10	49,343,885.10	100.00%	The parent company once paid RMB 33,683,774.79 into Kunlun Securities Co., Ltd, Guangdong Expressway technology investment Co., Ltd once paid RMB 18,000,000.00 into Kunlun Securities Co., Ltd. Qinghai Province Xining City's intermediate people's

Other receivable（Unit）	Balance in year-end			
	Other receivable	Bad debt provision	Proportion	Reason
				court made a adjudication under law declared that Kunlun Securities Co., Ltd went bankrupt and repaid debt in Novemeber 11, 2006. On March 2007, The Company and Guangdong Expressway Technology Investment Co., Ltd had switched the money that paid into Kunlun Secutities 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 Cridit was recovered in 2014, and the provision for had debt is deducted.
Beijing Gelin Enze Organic Fertilizer Co., Ltd.	4,007,679.91	4,007,679.91	100.00%	Guangdong Expresswaytechnology 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 rpovision. The company in 2014 recovered arrears of RMB 8,000,000.00, rushed back to the provisio n for bad debts and write off uncollected interest entrusted loans according to the settleme nt agreement of RMB 212,400.00.
Total	53,351,565.01	53,351,565.01	--	--

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

√ Applicable ☐Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Subtotal within 1 year	19,448,555.06		
1-2 years	98,403.98	9,840.40	10.00%
2-3 years	318,280.87	95,484.26	30.00%
Over 3 years			50.00%
4-5 years			90.00%
Over 5 years	1,533,987.26	1,533,987.26	100.00%
Total	21,399,227.17	1,639,311.92	7.66%

Notes of the basis of recognizing the group:

Refer to "Notes 5 the financial statements of the important accounting policies and accounting estimates No. 11 Recognition and withdrawal method of bad debts.

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

□ Applicable √ Not applicable

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

√ Applicable □ Not applicable

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion（%）	Reason
Guangdong Litong Real estate Investment Co., Ltd.	1,435,856.00			Deposit
Guangdong Expressway Co., Ltd.	815,736.56			Quality guarantees fund
Guangdong Guanghui Expressway Co., Ltd	1,112,967.45			Quality guarantees fund
Guangdong Guanghui Expressway Co., Ltd	419,326.00			Contract performance grarantee fund
Beijing Shibang Weilishi Property Management Services Co., Ltd.	393,331.00			Deposit
Guangdong Xinyue Traffic Investment Co.,Ltd.	168,562.60			Quality guarantees fund
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	165,169.25			Quality guarantees fund
Zhaoqing Guanghe Expressway Co., Ltd.	163,620.63			Quality guarantees fund

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion（%）	Reason
Guangshen Zhu Expressway Co., Ltd.	121,280.00			Quality guarantees fund
Guangdong Guangzhu West Line Expressway Co., Ltd.	100,639.00			Quality guarantees fund
Guangdong Highway Construction Co., Ltd.	76,563.00			Contract Grarantee fund
Chengdu Shuguang Fibre-optical Metwork Co., ltd.	59,758.09			Quality guarantees fund
Guangdong Jingzhu Expressway Guangzhu North Co., ltd.	55,694.00			Quality guarantees fund
Guangdong Feida Communication Engineering Co., Ltd.	50,799.25			Quality guarantees fund
Guangdong Boda Expressway Co., Ltd.	45,480.00			Quality guarantees fund
Guangdong Kaiyang Expressway Co., Ltd.	33,300.00			Quality guarantees fund
Guangdong West Coastal Expressway Zhuhai Section Co., ltd.	31,945.45			Quality guarantees fund
Guangzhou Chengcheng Auto Leasing Service Co., ltd.	30,000.00			Deposit
Guangzhou Tuzhiling Compoter technology Co., Ltd.	21,330.00			Quality guarantees fund
Guangdong Jiangzhong Expressway Co.,ltd.	19,708.00			Quality guarantees fund
Guangzhou Saitisi Electromechanical Installation Engineering Co., Ltd.	15,875.00			Quality guarantees fund
Shanxi Hantang Compoter Co., Ltd.	14,250.00			Quality guarantees fund
Guangzhou 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 Humen Bridge Co., Ltd.	8,338.00			Quality guarantees fund
Deposit	5,000.00			Deposit
Guangdong Guangle Expressway Co., Ltd.	4,832.00			Quality guarantees fund
Beijing Gongke Feida Transport Engineering	4,140.00			Quality guarantees

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion（%）	Reason
Development Co., Ltd.				fund
Guangdong West Coastal Expressway Xinhui Section Co., Ltd.	3,790.00			Quality guarantees fund
Guangdong Guangshao Expressway Co., Ltd.	3,762.70			Quality guarantees fund
Guangdong Yueyun Communication Co., Ltd.	3,032.00			Quality guarantees fund
Guangdong Deluosi Lighting Indistry Co., Ltd.	1,662.00			Quality guarantees fund
Shanxi Sihe Communication Engineering Co., ltd.	1,600.00			Quality guarantees fund
Foshan Nanhai Jiangyi Bottled water stores	700.00			Deposit
Guangdong Weishi Highway Engineering Co.,Ltd.	146.30			Quality guarantees fund
Total	5,407,964.28			

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

The current amount of provision for bad debts is RMB0.00; recovery or payback for bad debts Amount is RMB 56,345.22.
Where the current bad debts back or recover significant amounts:Nil

(3) The actual write-off other accounts receivable:Nil

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

In RMB

Nature	Closing book balance	Opening book balance
Securities trading settlement funds balance	49,343,885.10	49,343,885.10
Guarantee deposit	4,641,268.72	5,034,205.25
Current account of gelin enze	4,007,679.91	4,007,679.91
Pretty cash	3,850,100.00	4,100,100.00
Advertising and service fee	2,818,648.03	1,978,678.79
Other	15,497,174.70	8,848,145.23

Nature	Closing book balance	Opening book balance
Total	80,158,756.46	73,312,694.28

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

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
Kunlun Securities Co.,Ltd	Securities trading set tlement funds	49,343,885.10	Over 5 years	61.56%	49,343,885.10
Guangdong Tongtyi Expressway Service Area Co., Ltd.	Rent	9,170,589.80	Within 1 year	11.44%	
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	5.00%	4,007,679.91
Guangdong Xinlu Advertising Co.,ltd.	Advertising and serv ice fee	1,589,781.22	Withn 1 year	1.98%	
Heshan Communication Real estate Development Company	Current account	1,470,000.00	Over 5 years	1.83%	1,470,000.00
Total	--	65,581,936.03	--	81.81%	54,821,565.01

(6) Accounts receivable involved with government subsidies: Nil

(7) Other account receivable which terminate the recognition owning to the transfer of the financial assets: Nil

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

Nil

Other notes

Nil

5.Inventory

Whether the Company needs to comply with the disclosure requirements for specific industrie
No

（1）Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Book value	Book Balance	Provision for bad debts	Book value
Inventory	323,888.89		323,888.89			
Engineering construction				800,998.80		800,998.80
Total	323,888.89		323,888.89	800,998.80		800,998.80

Whether the company is required to comply with the "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 4 - listed companies engaged in seed industry, planting business" disclosure requirements
Yes
- By the end of this period, no situation that needs provision for decline in value was found in inventories.

（2）Inventory falling price reserves

Nil

(3) Description of The closing balance of inventories contain the amount of borrowing costs capitalized

Nil

(4) Completed unsettled assets formed from the construction contact at the period-end

Other notes

Nil

6.Non-current asset due within 1 year

In RMB

Items	Year-end balance	Year-beginning balance
Advance business tax	55,719.14	

Total	55,719.14	

Other notes

Nil

7. Available-for-sale financial assets

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

In RMB

Items	Amount in year-end			Amount in year- begin		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Available-for-sale equity Instruments	1,755,215,132.77	36,793,200.00	1,718,421,932.77	1,832,849,264.29	36,793,200.00	1,796,056,064.29
Measured by fair value	919,846,831.04		919,846,831.04	997,480,962.56		997,480,962.56
Measured by cost	835,368,301.73	36,793,200.00	798,575,101.73	835,368,301.73	36,793,200.00	798,575,101.73
Total	1,755,215,132.77	36,793,200.00	1,718,421,932.77	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

In RMB

Type	Available-for-sale equity instruments	Available-for-sale Debt instruments		Total
Cost of the equity instruments/amortized cost of the liabilities instruments	517,560,876.80			517,560,876.80
Fair value	919,846,831.04			919,846,831.04
Changed amount of the fair value accumulatively included in other comprehensive income	402,285,954.24			402,285,954.24

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

In RMB

Investee	Book balance	Impairment provision	Shareholding proportion	Cash bonus of the

	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00			50,000,000.00					2.97%	1,180,516.15
Kunlun Securities Co., Ltd.（Notes1）	30,000,000.00			30,000,000.00	30,000,000.00			30,000,000.00	5.74%	
Huaxia Securities Co., Ltd.（Notes 2）	5,400,000.00			5,400,000.00	5,400,000.00			5,400,000.00	0.27%	
Huazheng Assets Management Co. Ltd.（Notes3）	1,620,000.00			1,620,000.00	1,393,200.00			1,393,200.00	0.54%	
Guangdong Guangle Expressway Co., Ltd.(Notes 4)	748,348,301.73			748,348,301.73					9.00%	
Total	835,368,301.73			835,368,301.73	36,793,200.00			36,793,200.00	--	1,180,516.15

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

In RMB

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

period-begin				
Withdrawn at the period	36,793,200.00			36,793,200.00

⑸**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**

Other notes

Notes 1.The owner's equity of Kunlun Securities Co., Ltd. was negative and it entered liquidation procedure in October 2005. A wholly owned subsidiary of Guangdong Expressway Technology Investment Co., Ltd. Will invest Kunlun Securities Co., Ltd.'s full provision for impairment of RMB 30 million.

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 investm ent of RMB 1.62 million.

Notes 4: As of December 31, 2016, Guangdong Guangle Expressway Co., Ltd. total assets of RMB 32920.3511 million, the total liabilities of RMB 24751.8466 million; 2016 to achieve operating income of RMB 713.0347 million, net profit of RMB -111.6282 million.

8. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint venture											
Guangdong Guanghui Expressway Co., Ltd.	1,069,914,970.39			253,891,739.97			360,000,000.00			963,806,710.36	
Zhaoqing Yuezhao Highway Co., Ltd.	274,277,246.91			61,447,132.56			37,376,405.10			298,347,974.37	
Subtotal	1,344,192,217.30			315,338,872.53			397,376,405.10			1,262,154,684.73	
2. Affiliated Company											
Shenzhen Huiyan Expressway	133,060,103.06			29,375,381.63						162,435,484.69	

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint venture											
Guangdong Jiangzhong Expressway	175,416,968.11			5,287,455.26			7,198,500.00			173,505,923.37	
Ganzhou Kangda Expressway	187,783,489.51			26,853,776.35			10,500,000.00			204,137,265.86	
Gan Ganzhou Gankang Expressway	204,765,919.28			11,241,269.61			6,000,000.00			210,007,188.89	
Guangdong Yueke Technology Petty Loan Co., Ltd.	205,095,880.63			7,561,937.39			4,093,235.25			208,564,582.77	
Subtotal	906,122,360.59			80,319,820.24			27,791,735.25			958,650,445.58	
Total	2,250,314,577.89			395,658,692.77			425,168,140.35			2,220,805,130.31	

Other notes ：

9. Investment property

(1) Investment property adopted the cost measurement mode

√ Applicable □Not applicable

In RMB

Items	Houses and buildings	Land use right	Construction in progress	Total
I.Original value				
1.Opening balance	12,664,698.25			12,664,698.25
2.Increased amount of the period				
(1) Outsourcing				
(2)Inventory, Fixed assets and Construction project into				
(3)Enterprise consolidation				
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	12,664,698.25			12,664,698.25
II.Accumulated depreciation accumulated amortization				
1.Opening balance	8,980,513.77			8,980,513.77
2.Increased amount of the period	464,213.40			464,213.40
(1)Withdrawal or amortization	464,213.40			464,213.40

Items	Houses and buildings	Land use right	Construction in progress	Total
3.Decreased amount of the period				
（1）Disposal				
（2）Other Out				
4.Closing balance	9,444,727.17			9,444,727.17
III. Impairment provision				
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	3,219,971.08			3,219,971.08
2.Opening book	3,684,184.48			3,684,184.48

(2) Investment property adopted fair value measurement mode

□Applicable√ Not applicable

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

In RMB

Items	Book balue	Reason
Transportation and other ancillary facilities	1,882,943.22	Transportation and other ancillary facilities, Not accreditation

Other notes

10. Fixed assets

(1) List of fixed assets

In RMB

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		393,343,586.03		-635,811.02	12,678,556.25	1,344,000.00	42,010,284.26	448,740,615.52
（1）Purchase		379,354,293.98			12,678,556.25	1,344,000.00	22,853,202.53	416,230,052.76
（2）Transfer of project under construction		13,989,292.05		-635,811.02			19,157,081.73	32,510,562.76
(3)Increased of Enterprise consolidation								
3.Decreased amount of the period			9,988,806.40		553,000.00	4,269,734.16	21,336,014.01	36,147,554.57
（1）Disposal or scrap			9,988,806.40		553,000.00	4,269,734.16	21,336,014.01	36,147,554.57
4.Closing balance	1,460,270,190.66	8,955,187,667.08	5,120,405,509.44	350,137,770.35	126,710,600.83	64,871,708.40	613,998,510.08	16,691,581,956.84
II. Accumulated								

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
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	167,482,946.54	418,294,247.31	226,597,769.33	19,163,783.57	10,200,806.80	4,016,520.82	42,103,895.38	887,859,969.75
（1）Withdrawal	167,482,946.54	418,294,247.31	226,597,769.33	19,163,783.57	10,200,806.80	4,016,520.82	42,103,895.38	887,859,969.75
3.Decreased amount of the period			4,316,336.74		497,700.00	3,840,261.80	19,237,554.03	27,891,852.57
（1）Disposal or scrap			4,316,336.74		497,700.00	3,840,261.80	19,237,554.03	27,891,852.57
4.Closing balance	1,438,198,286.26	2,961,877,190.13	2,310,553,044.84	207,381,103.40	48,853,742.40	49,709,577.10	389,185,709.94	7,405,758,654.07
III. Impairment provision								
1.Opening balance								
2.Increased amount ofthe period								
（1）Withdrawal								
3.Decreased amount of the period								
（1）Disposal or scrap								

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
4.Closing balance								
IV. Book value								
1.Closing book value	22,071,904.40	5,993,310,476.95	2,809,852,464.60	142,756,666.95	77,856,858.43	15,162,131.30	224,812,800.14	9,285,823,302.77
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

⑵**Temporarily idle fixed assets**

⑶**Fixed assets through financial leasing**

⑷**Tenancy of fixed assets through operating lease**

⑸**Details of fixed assets failed to accomplish certification of property**

In RMB

Items	Book value	Reason
Transportation and other ancillary facilities	103,879,274.93	Transportation and other ancillary facilities, Not accreditation

Other notes

11. Project under construction

（1）Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Xiebian To Sanbao SectionOverhaul project						
Sanbao To Shuikou Expansion project	128,709,237.02		128,709,237.02	12,570,581.25		12,570,581.25
Odd project	20,534,873.28		20,534,873.28	11,053,698.46		11,053,698.46
Total	149,244,110.30		149,244,110.30	23,624,279.71		23,624,279.71

(2) Changes of significant construction in progress

In RMB

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	End balance	Proportion %	Project process	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Xiebian To Sanbao SectionOverhaul project	548,586,600.00		14,067,013.88	14,067,013.88				100%	18,559,023.46			Loans from financial institutions
Sanbao To Shuikou Expansion project	3,513,000,000.00	12,570,581.25	116,138,655.77			128,709,237.02	14.94%	14.94%	126,434.47	126,434.47		Loans from financial institutions
Odd project		11,053,698.46	27,924,723.70	18,443,548.88		20,534,873.28						Other
Total	4,061,586,600.00	23,624,279.71	158,130,393.35	32,510,562.76		149,244,110.30	--	--	18,685,457.93	126,434.47		--

(3)Provision for impairment of construction projects in the current period

Other notes

Sanbo to section expansion project has been included in the progress of the new Jiangluo line section of the total amount of river has been transferred to the fixed amount

12. Engineering material

In RMB

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

Other notes

13. Intangible assets

(1) List of intangible assets

In RMB

Items	Land use right	Patent right	Non-patent right	Software	Total
I. Original price					
1.Opening balance	1,311,658.00			21,795,611.43	23,107,269.43
2.Increased amount of the period				1,387,496.20	1,387,496.20
(1) Purchase				1,387,496.20	1,387,496.20
(2)Internal Development					
(3)Increased of Enterprise Combination					
3.Decreased amount of the period					
（1）Disposal					
4.Closing balance	1,311,658.00			23,183,107.63	24,494,765.63
II.Accumulated amortization					
1.Opening balance	1,072,028.50			13,401,099.14	14,473,127.64
2.Increased amount of the period	151,345.20			3,731,997.89	3,883,343.09
(1) Withdrawal	151,345.20			3,731,997.89	3,883,343.09
3.Decreased amount of the period					

Items	Land use right	Patent right	Non-patent right	Software	Total
（1）Disposal					
4.Closing balance	1,223,373.70			17,133,097.03	18,356,470.73
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	88,284.30			6,050,010.60	6,138,294.90
2.Opening book value	239,629.50			8,394,512.29	8,634,141.79

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

⑵Details of Land use right failed to accomplish certification of property

Other notes :Nil

14. Long-term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Renovation fee	3,261,555.68		1,701,681.24		1,559,874.44
Property Insurance	315,414.43		111,322.80		204,091.63
Total	3,576,970.11		1,813,004.04		1,763,966.07

Other notes

15. Deferred income tax assets/deferred income tax liabilities

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Asset impairment provision	3,000.00	750.00	57,266.35	14,316.59
Amortization of intangible assets	1,298,590.36	324,647.59	1,319,174.98	329,793.74
Timing difference between accumulated depreciation	41,939,701.40	10,484,925.35	417,147.47	104,286.87
Total	43,241,291.76	10,810,322.94	1,793,588.80	448,397.20

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Timing difference between accumulated depreciation	1,113,854,587.99	278,463,647.00	1,190,162,872.83	297,540,718.21
Total	1,113,854,587.99	278,463,647.00	1,190,162,872.83	297,540,718.21

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

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible loss	977,316,303.49	946,615,429.28
Deductible temporary differences in the formation of asset impairment	91,954,244.59	92,063,913.42
Total	1,069,270,548.08	1,038,679,342.70

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

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2016		139,319,814.49	
2017	218,901,780.38	218,901,780.38	
2018	160,481,639.35	159,775,801.22	
2019	227,972,299.53	227,972,299.53	
2020	200,645,733.66	200,645,733.66	
2021	169,314,850.57		
Total	977,316,303.49	946,615,429.28	--

Other notes

16. Other Non-current assets

In RMB

Items	Balance in year-end	Balance in year-begin
Prepaid land occupation tax	1,176,432.55	1,176,432.55
Prepaid business tax	618,339.90	
Prepaid fixed assets engineering fees	505,397.83	1,166,835.39
Total	2,300,170.28	2,343,267.94

Other notes

17. Account payable

（1）List of Account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year（Including 1 year）	259,955,112.29	123,690,558.76
1-2 year （Including 2 years）	20,004,237.58	34,545,331.99
2-3 year（Including 3 years）	9,038,060.80	1,161,629.15
Over 3 years	10,416,636.40	13,681,564.70
Total	299,414,047.07	173,079,084.60

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

In RMB

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

Items	Balance in year-end	Unpaid reason
Guangdong Changda Highway Engineering Co., Ltd	5,916,873.63	Unsettled
Dongguan Leyu Optoelectronic Technology Co., Ltd.	1,200,200.00	Unsettled
Total	26,860,355.21	--

Other notes

18. Advance from customers

(1) List of advance from customers

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year（Including 1 year）	1,004,503.09	1,598,920.90
1-2 years（Including 2 years）	51,000.00	15,780,110.00
2-3 years（Including 3 years）		169,767.84
Over 3 years	16,384,520.31	17,531,007.35
Total	17,440,023.40	35,079,806.09

(2) Significant advance from customers aging over one year

In RMB

Items	Closing balance	Unpaid/Uncarry over reason
Guangzhou Huanlong Expressway Co., Ltd.	11,342,896.58	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
Guanghdong Xinle Technology Development Co., Ltd.	1,552,285.93	The Rental is not in the settlement period
Total	16,228,517.43	--

⑶**The completion of the final construction contract has been completed and the project is not completed**

Other notes :Nil

19. Payable Employee wage

（1）Payable Employee wage

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
I. Short-term compensation	6,616,356.87	290,770,543.29	288,546,301.03	8,840,599.13
II.Post-employment benefits - defined contribution plans		30,264,686.79	30,264,686.79	
III. Dismiss welfare		2,180,461.96	2,180,461.96	
Total	6,616,356.87	323,215,692.04	320,991,449.78	8,840,599.13

（2）Short-term Remuneration

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
1.Wages, bonuses, allowances and subsidies	465,063.49	199,223,267.29	198,485,667.29	1,202,663.49
2.Employee welfare		23,771,397.24	23,771,397.24	
3. Social insurance premiums		19,387,415.50	19,387,415.50	
Including ： Medical insurance		11,392,553.40	11,392,553.40	
Work injury insurance		462,660.83	462,660.83	
Maternity insurance		1,193,785.60	1,193,785.60	
Supplementary medical insurance		6,338,415.67	6,338,415.67	
4.Public reserves for housing		30,370,046.00	30,370,046.00	
5.Union funds and staff education fee	6,151,293.38	8,858,209.12	7,371,566.86	7,637,935.64
8.Other		9,160,208.14	9,160,208.14	
Total	6,616,356.87	290,770,543.29	288,546,301.03	8,840,599.13

（3）List of drawing scheme

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums		20,637,650.39	20,637,650.39	
2.Unemployment		795,106.83	795,106.83	

insurance				
3.Enterprise annuity payment		8,831,929.57	8,831,929.57	
Total		30,264,686.79	30,264,686.79	

Other notes

20. Tax Payable

In RMB

Items	Balance in year-end	Balance in year-begin
VAT	10,107,421.05	227,418.75
Enterprise Income tax	86,569,385.59	71,941,818.25
Individual Income tax	4,955,473.49	3,866,695.56
City Construction tax	694,432.76	528,545.91
Business Tax		8,236,565.84
Land use tax	983,920.72	721,116.20
Property tax	2,303,583.10	961,360.80
Education subjoin	323,432.09	270,706.45
Locality Education subjoin	202,594.86	145,564.14
Stamp tax	132,488.16	3,711,221.89
Other	98,166.49	100,633.86
Total	106,370,898.31	90,711,647.65

Other notes

21..Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
Pay the interest for long-term loans by installments.	8,873,911.85	8,243,286.80
Interest of company bonds		14,900,277.61
Interest payable on entrusted loans	71,371.67	
Total	8,945,283.52	23,143,564.41

- Particulars of significant overdue unpaid interest

Other notes:Nil

22. Dividends payable

In RMB

Items	Year-end balance	Year-Beginning balance
Common stock dividends	12,506,777.92	11,681,423.74
Total	12,506,777.92	11,681,423.74

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

Final dividend payable RMB11,669,925.81 for more than a year in unpaid dividends to shareholders over the yea r was mainly due to non-payment of shareholder dividends did not provide information on interest-bearing bank, d id not share reform of shareholders to receive dividends or provide application to receive dividends the bank infor mation is incorrect, resulting in failure to pay a dividend or refund.

23.Other accounts payable

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

In RMB

Items	Year-end balance	Year-Beginning balance
Quality guarantee fund	105,901,434.85	130,119,710.02
Deposit	1,819,863.15	2,279,464.15
Other	26,544,843.34	60,208,064.50
Total	134,266,141.34	192,607,238.67

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

In RMB

Items	Closing balance	Unpaid/un-carry over reason
Guangdong Changda Engineering Co., Ltd	40,479,753.14	Project Quality guarantees/ Bid Gruarantees/Deposit
Guangdong Guanyue luqiao Co., Ltd.	14,406,120.69	Project Quality guarantees/ Bid Gruarantees/Deposit
China Railway 12 Bureau Group Co., ltd.	7,701,191.00	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.	2,766,330.77	Project Quality guarantees/ Bid Guarantees/ Performance Guarantees

Items	Closing balance	Unpaid/un-carry over reason
Guangdong Jingtong Highway Engineering Construction Group Co., ltd.	2,068,131.06	Project Quality guarantees
ZiguangJietong Technology Co., Ltd.	1,918,799.00	Project Quality guarantees/ Drawing deposit
Hubei Luqiao Group Co., Ltd.	1,574,241.50	Project Quality guarantees
Shengshi International Luqiao Construction Co., Ltd.	1,268,674.00	Project Quality guarantees
Guangdong Xinyue Traffic Investment Co., Ltd.	1,086,694.11	Project Quality guarantees
Total	81,365,043.27	--

Other notes

24. Non-current liabilities due within 1 year

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	907,880,000.00	312,080,000.00
Bonds payable due within 1 year		997,000,000.00
Long-term payable account due within 1 year	50,000,000.00	70,000,000.00
Total	957,880,000.00	1,379,080,000.00

Other 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%.

The balance of the long-term payables due within 1 year is the principal amount of the entrusted loan of Guangdong Province Highway Construction Co., Ltd., the interest rate is 8%. The balance at the end of the year is the entrustment of the Company to repay Ganzhou Gankang Expressway Co., Ltd. The principal amount of the loan is 4.6716%.

25. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loan	449,000,000.00	749,000,000.00
Guaranteed loans	1,500,000,000.00	1,500,000,000.00

Items	Balance year-end	Year-beginning balance
Credit loans	3,453,780,000.00	2,581,760,000.00
Total	5,402,780,000.00	4,830,760,000.00

Notes :

The borrowing interest rate is 4.35% -4.75%; the guaranteed loan interest rate is 5.6%; the credit interest rate is 10% lower for the same benchmark lending rate or the benchmark loan interest rate for the same period.

Other notes including interest rate range：Nil

26. Long-term payable

(1) Long-term payable listed by nature of the account

In RMB

Items	Balance year-end	Year-beginning balance
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

Other notes：

27. Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+ , -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	1,257,117,748.00	833,688,378.00				833,688,378.00	2,090,806,126.00

Other notes：

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.

28. Capital reserves

In RMB

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

- 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 add131,419,737.00 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's purchase of Guangdong Expressway Co., Ltd. holds 25% equity interest in Guangdong Fokai Expressway Co., Ltd. to reduce the capital reserve of RMB 100,602,275.08.

The Company merged with Guangzhou Guangzhu Communication Investment Management Co., Ltd. under the same control to reduce the capital reserve of RMB 859,345,204.26.

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

29. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less：Previously recognized in profit or loss in other comprehensive income	Less：Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
2.Other comprehensive income reclassifiable to profit or loss in subsequent	479,920,085.76	-77,634,131.52			-77,634,131.52		402,285,954.24

periods							
Gains and losses from changes in fair value of available for sale financial assets	479,920,085.76	-77,634,131.52			-77,634,131.52		402,285,954.24
Total of other comprehensive income	479,920,085.76	-77,634,131.52			-77,634,131.52		402,285,954.24

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow hedging gains and losses transfer into arbitraged items:

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.

30. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	295,642,270.96	71,314,278.93		366,956,549.89
Total	295,642,270.96	71,314,278.93		366,956,549.89

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

31. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	2,179,239,324.01	1,635,592,646.47
After adjustments: Retained profits at the period beginning	2,179,239,324.01	1,635,592,646.47

Add：Net profit belonging to the owner of the parent company	1,001,205,945.39	696,100,201.88
Less: Statutory surplus reserve	71,314,278.93	26,741,749.54
Common stock dividend payable	188,567,662.20	125,711,774.80
Retained profit at the end of this term	2,920,563,328.27	2,179,239,324.01

As regards the details of adjusted the beginning undistributed profits

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

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.

(3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00 .

(4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00.

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00 .

32.Operation income and operation cost

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	2,767,695,321.80	1,254,593,564.99	2,606,757,497.67	1,204,958,522.23
Other operation	57,354,486.56	26,438,995.51	50,859,010.92	25,679,300.13
Total	2,825,049,808.36	1,281,032,560.50	2,657,616,508.59	1,230,637,822.36

33. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	5,622,674.73	5,262,358.33
Education surcharge	2,595,905.20	2,450,130.61
Property tax	2,144,980.98	
Land use tax	1,080,794.74	
Stamp tax	208,422.13	
Business tax	26,048,319.92	81,549,505.57
Land Value added tax		
Defend expense	675,586.06	1,510,670.19

Items	Amount of this period	Amount of last period
Locality Education surcharge	1,741,251.41	1,633,418.39
Other	464,232.62	141,426.77
Total	40,582,167.79	92,547,509.86

Other notes：

34. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	123,350,619.03	131,668,754.26
Depreciation and Amortization	13,212,988.09	13,623,380.73
R & D expenses	6,171,805.27	
Low consumables amortization	1,287,939.45	763,554.50
Travel expenses	614,219.75	1,055,691.68
Office expenses	6,811,678.05	6,885,201.35
Leased expenses	11,298,505.38	11,491,613.42
The fee for hiring agency	2,877,611.81	1,950,252.74
Consultation expenses	682,526.84	698,718.00
Directorate expenses	35,061.00	37,603.00
Expenses of taxation	1,317,800.12	8,410,131.27
Listing fee	801,340.42	1,925,892.80
Information cost and maintenance fee	1,842,583.26	1,178,924.80
Project expenses		7,463,400.00
Other	19,485,213.48	13,347,383.70
Total	189,789,891.95	200,500,502.25

Other notes：

35.Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	361,220,930.13	488,092,080.70
Deposit interest income（-）	-24,008,234.62	-10,791,549.82
Exchange Income and loss（Gain-）	533,980.14	499,486.96

Bank commission charge	3,107,331.78	377,386.52
Total	340,854,007.43	478,177,404.36

Other notes：

36 Asset impairment loss

In RMB

Items	Amount of this period	Amount of last period
I. Bad debt loss	-123,935.18	213,291.01
Total	-123,935.18	213,291.01

Other notes：

37. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	395,658,692.77	363,511,018.55
Investment income from the disposal of long-term equity investment		24,226,238.09
Hold the investment income during from available-for-sale financial assets	45,878,955.51	44,768,257.53
Reverse repurchase treasury investment incom e		854,210.29
Total	441,537,648.28	433,359,724.46

Other notes：

38. Non-Operation income

In RMB

Items	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	10,223,321.37	13,520.80	10,223,321.37
Including：Gains from disposal of fixed assets	10,216,654.71	11,424.80	10,216,654.71
Government Subsidy	704,645.87	480,000.00	704,645.87
Other	6,666.66	2,096.00	6,666.66

Items	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Road property claim income	3,330,672.74	8,001,018.84	3,330,672.74
Other income(Notes)	62,691,849.34	20,651,330.29	62,691,849.34
Total	76,950,489.32	29,145,869.93	76,950,489.32

- Government subsidy reckoned into current gains/losses

In RMB

Subsidy items	Issuing body	Issuing reason	Nature	Whether the impact of subsidies on the current profit and loss	Whhether special subsidies	Amount of current period	Amount of previous period	Assets-related/income –related
Stable job subsidies						433,445.87		Related to income
Special funds for energy saving and consumption reduction						210,000.00	230,000.00	Related to income
Scrapped yellow car subsidies						31,200.00		Related to income
Guide for space safety management and application of Expressway Bridge						30,000.00	120,000.00	Related to income
Energy conservation and emission reduction demonstration project							130,000.00	Related to income
Total	--	--	--	--	--	704,645.87	480,000.00	--

Other notes：

Other gains in this period include the receipt of the national highway 325 Jiujiang Bridge in advance of the termination fee of RMB 60,770,000.00, and included in the cash flow statement "received other cash related to investment activities."

39. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Total of non-current asset Disposition loss	1,578,554.82	3,290,866.69	1,578,554.82
Incl: loss of fixed assets disposition	1,578,554.82	3,290,866.69	1,578,554.82
Exprese of fine	5,511.89	47,525.84	5,511.89
Other	3,254,436.14	4,181,147.09	3,254,436.14
Total	4,838,502.85	7,519,539.62	4,838,502.85

Other notes：

40. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	343,646,040.13	254,961,881.48
Deferred income tax expense	-29,438,996.95	-10,184,060.34
Total	314,207,043.18	244,777,821.14

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

In RMB

Items	Amount of current period
Total profits	1,486,564,750.62
Current income tax expense accounted by tax and relevant regulations	371,641,187.66
Influence of income tax before adjustment	94,069.70
Influence of non taxable income	-110,384,412.07
Impact of non-deductible costs, expenses and losses	12,284,165.95
Affect the use of deferred tax assets early unconfirmed deductible losses	-1,756,680.70
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	42,328,712.64

Income tax expense	314,207,043.18

Other notes：

41. Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Newwork received toll income	788,456.24	15,799,675.00
Interest income	24,008,234.62	10,791,549.82
Unit current account	35,747,674.54	62,252,991.44
Total	60,544,365.40	88,844,216.26

Notes ：

（2）Other cash paid related to oprating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	49,312,523.04	39,783,590.99
Unit current account	48,953,852.68	49,982,189.59
Total	98,266,375.72	89,765,780.58

Notes ：

（3）Other Cash received related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Jiujiang bridge to receive compensation	60,770,000.00	20,000,000.00
Total	60,770,000.00	20,000,000.00

Notes ：

（4）Other Cash payable related to investment activities

In RMB

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	

Notes：

（5）Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Piecemeal dividend	5,173.81	1,378.67
Total	5,173.81	1,378.67

Notes ：

⑹Other Cash payable related to financing activities

In RMB

Items	Amount of current period	Amount of previous period
Underwriting fee		3,000,000.00
Recombination fee	4,194,000.00	3,171,000.00
Issue registration fee	533,368.84	
Total	4,727,368.84	6,171,000.00

Notes ：

42. Supplement Information for cash flow statement

（1）Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	1,172,357,707.44	865,748,212.38
Add: Impairment loss provision of assets	-123,935.18	213,291.01
Depreciation of fixed assets, oil and gas assets and consumable biological assets	888,249,405.57	842,224,166.83
Amortization of intangible assets	3,873,858.09	3,889,761.82
Amortization of Long-term deferred expenses	1,813,004.04	1,770,241.07
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-8,644,766.55	3,277,345.89
Financial cost	361,754,910.27	488,591,567.66

Supplement Information	Amount of current period	Amount of previous period
Loss on investment	-441,537,648.28	-433,359,724.46
Decrease of deferred income tax assets	-10,361,925.74	8,724,254.26
Increased of deferred income tax liabilities	-19,077,071.21	-18,908,314.60
Decrease of inventories	477,109.91	-800,998.80
Decease of operating receivables	28,114,863.62	-23,782,887.31
Increased of operating Payable	-52,635,553.70	-31,700,466.70
Net cash flows arising from operating activities	1,924,259,958.28	1,705,886,449.05
II. Significant investment and financing activities that without cash flows:	--	--
3．Movement of cash and cash equivalents：	--	--
Ending balance of cash	2,603,279,644.25	1,199,629,276.85
Less: Beginning balance of cash equivalents	1,199,629,276.85	737,462,446.86
Net increase of cash and cash equivalents	1,403,650,367.40	462,166,829.99

(2) Net Cash paid of obtaining the subsidiary

(3) Net Cash receive of disposal of the subsidiary

（4）Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
I. Cash	2,603,279,644.25	1,199,629,276.85
Of which: Cash in stock	50,695.89	138,192.93
Bank savings could be used at any time	2,602,516,079.26	1,198,752,797.31
Other monetary capital could be used at any time	712,869.10	738,286.61
III. Balance of cash and cash equivalents at the period end	2,603,279,644.25	1,199,629,276.85

Other notes：

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

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:Nil

44. The assets with the ownership or use right restricted

Other notes：

Up to December 31, 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 449,000,000.00).

45. Foreign currency monetary items

(1) Foreign currency monetary items

Other notes：Nil

(2) Note to oversea entities including: for significant oversea entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

□ Applicable √ Not applicable

VIII.Changes of consolidation scope

1.Enterprise consolidation not under the same control

（1）Other notes

Nil

2. Enterprise consolidation ont under the same control

（1） Enterprise consolidation ont under same control in reporting period

In RMB

Name of Acquiree	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Guangzhou Guangzhu Traffic Investment	100.00%	Controlled by the same ultimate	May 31,2016	Control	459,517,071.80	102,025,476.76	1,112,117,919.48	219,061,740.30

Name of Acquiree	Time-point of Obtained Equity	Obtained Cost of Equity	Ratio of Obtained Equity (100%)	Method of Obtained Equity	Purchasing Date	Determination Basis on the Purchasing Date	Income of Acquire from the Purchasing Date to the End of the Period	Net Profit of Acquire from the Purchasing Date to the End of the Period
Management Co., Ltd		controlling party						

Other notes:Nil

（2）Consolidation Cost

In RMB

Combined cost	Guangzhou Guangzhu Traffic Investment Management Co., Ltd
-- Par value of equity securities issued	466,325,020.00

Notes to determination method, consideration and changes of fair value of combined cost:Nil

Other notes：

(3) The book value of the assets and liabilities of the combined party at combining date

In RMB

	Guangzhou Guangzhu Traffic Investment Management Co., Ltd	
	Combination date	Last closing period
Assets ：	3,581,586,801.88	3,404,081,940.67
Monetary capital	473,144,233.84	212,891,641.47
Account receivable	38,313,071.65	29,249,369.69
Fixed assets	3,048,096,568.16	3,142,092,015.39
Liability ：	2,022,827,639.94	2,030,864,893.26
Borrowing	1,716,903,684.98	1,736,903,684.98
Account payable	12,060,747.84	18,862,063.46
Advance Payments	29,847,530.89	30,370,493.89
Tax payable	31,530,459.71	53,299,543.40
Interest payable	39,390,677.41	1,064,219.44
Deferred income Tax Liability	177,403,847.84	181,013,951.42
Net assets	1,558,759,161.94	1,373,217,047.41
Less：Minority shareholders' equity	699,413,957.68	615,897,319.91
Net assets acquired	859,345,204.26	757,319,727.50

Contingent liabilities of the combined party undertaken in combination:Nil

Other notes:Nil

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.Nil

4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control
□ Yes √ No
Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period
□ Yes √ No

5. Other reasons for the changes in combination scope

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:Nil

6.Other

Nil

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
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	100.00%		Investment

			provision of relevant			
Guangzhuo Guangzhu Traffic Investment Management Co., Ltd.	Guangzhou	Guangzhou	Investment management	100.00%		Under the same control business combination
Jingzhu Expressway Guangzhu Section Co.,Ltd.（Notes）	Zhongshan	Guangzhou	Expressway Management	20.00%	55.00%	Under the same control business combination

Notes: holding proportion in subsidiary different from voting proportion:Nil

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:Nil

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

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

Other notes：

Jingzhu Expressway Guangzhu Section Co., Ltd. is a non-wholly owned subsidiary of Guangzhou Guangzhu Traffic Investment Management Co., Ltd.

(2) Important Non-wholly-owned Subsidiary

In RMB

Name of Subsidiary	Shareholding Ratio of Minority Shareholders (%)	Profit or Loss Owned by the Minority Shareholders in the Current Period	Dividends Distributed to the Minority Shareholders in the Current Period	Equity Balance of the Minority Shareholders in the End of the Period
Guangfo Expressway Co., Ltd.	25.00%	16,418,257.60	10,266,231.67	88,762,173.80
Jingzhu Expressway Guangzhu Section Co.,Ltd.	25.00%	123,567,935.86		465,733,113.60

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

Other 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

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

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Guangfo Expressway Co., Ltd.	338,006,190.88	59,194,753.95	397,200,944.83	42,152,249.63		42,152,249.63	139,614,700.50	229,152,252.38	368,766,952.88	38,326,361.41		38,326,361.41
Jingzhu Expressway Guangzhu Section Co.,Ltd.	385,446,003.69	2,934,252,031.69	3,319,698,035.38	547,397,234.64	1,465,372,938.76	2,012,770,173.40	246,055,738.58	3,153,469,865.60	3,399,525,604.18	182,947,256.86	1,847,917,636.40	2,030,864,893.26

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Guangfo Expressway Co., Ltd.	397,442,447.78	65,673,030.43	65,673,030.43	249,948,946.11	361,707,563.06	41,902,986.44	41,902,986.44	192,385,810.39
Jingzhu Expressway Guangzhu Section Co.,Ltd.	1,186,929,175.15	494,271,743.50	494,271,743.50	857,332,484.86	1,112,117,919.48	398,419,529.18	398,419,529.18	708,962,158.61

Other notes：Nil

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

Nil

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

Nil

Other notes：Nil

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

(1) Note to owner’s equity share changed in subsidiary

The Company's purchase of Guangdong Expressway Co., Ltd. holds 25% equity in Guangdong Fokai Expressway Co., Ltd.

(2) The transaction’s influence to equity of minority shareholders and attributable to the owner's equity of the parent company

In RMB

	Guangdong Province Fokai Expressway Co., Ltd. 25% Equity
--Cash	803,500,000.00
--Fair value of noncash assets	164,774,999.00
Purchase cost / disposal price	968,274,999.00
Less：The share of the net assets of the subsidiaries calculated as the percentage of equity acquired / disposed of	867,672,723.92
Difference	100,602,275.08
Including：Capital reserve adjustment	100,602,275.08

Other notes：Nil

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
Guangdong Jiangzhong Expressway Co., Ltd.	Zhongshan , Guangdong	Guangzhou, Guangdong	Expressway Management	15.00%		Equity method
Ganzhou kangda Expressway Co., Ltd.	Gangzhou, Jiangxi	Gangzhou, Jiangxi	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Gangzhou, Jiangxi	Gangzhou, Jiangxi	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:

Nil

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 op erating decisions, and therefore deemed to be able to exert significant influence over the investee.

(2) Main financial information of significant joint venture

In RMB

	Year-end balance/ Amount of current period		Year-beginning balance/ Amount of previous period	
	Guangdong Guanghui Expressway Co., Ltd.	Zhaoqing Yuezhao Highway Co., Ltd.	Guangdong Guanghui Expressway Co., Ltd.	Zhaoqing Yuezhao Highway Co., Ltd.
Current assets	398,201,907.66	217,772,715.63	766,450,792.34	198,764,861.77
Including：Cash and cash equivalent	119,447,466.86	199,426,500.59	480,536,440.78	176,442,107.38
Non-current assets	4,288,934,082.82	1,780,232,314.01	4,560,378,796.63	1,899,012,860.07
Total assets	4,687,135,990.48	1,998,005,029.64	5,326,829,588.97	2,097,777,721.84
Current liabilities	330,054,720.57	178,262,191.50	817,431,700.70	304,439,107.94
Non-current liabilities	1,144,392,235.39	626,350,940.66	943,014,653.64	696,229,626.27
Total liabilities	1,474,446,955.96	804,613,132.16	1,760,446,354.34	1,000,668,734.21
Attributable to shareholders of the parent company	3,212,689,034.52	1,193,391,897.48	3,566,383,234.63	1,097,108,987.63
Share of net assets calculated by stake	963,806,710.36	298,347,974.37	1,069,914,970.39	274,277,246.90
Book value of equity investment in joint ventures	963,806,710.36	298,347,974.37	1,069,914,970.39	274,277,246.91
Operating income	1,732,764,597.10	597,309,387.56	1,724,652,359.29	533,009,051.43
Financial expenses	45,685,710.96	33,693,501.91	61,776,338.94	46,967,353.71
Income tax expenses	282,450,537.92	80,791,325.71	262,961,558.97	51,559,142.39
Net profit	846,305,799.89	245,788,530.25	787,421,508.59	156,687,764.02
Total comprehensive income	846,305,799.89	245,788,530.25	787,421,508.59	156,687,764.02
Dividends received fromjoint ventures this year	360,000,000.00	37,376,405.10	359,483,621.28	38,048,040.00

Other notes：Nil

(3) Main financial information of significant associated enterprise

In RMB

	Year-end balance/ Amount of current period					Year-beginning balance/ Amount of previous period				
	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd
Current assets	361,323,243.16	70,211,690.33	23,183,297.78	379,477,241.75	1,631,773,621.73	252,775,866.87	86,007,404.53	22,962,621.27	316,962,679.74	1,291,749,915.06
Non-current assets	160,643,504.53	1,923,663,451.58	1,549,188,958.89	1,487,207,118.19	40,580,700.27	184,281,067.28	2,121,939,802.89	1,593,039,071.93	1,537,143,806.20	40,623,208.62
Total assets	521,966,747.69	1,993,875,141.91	1,572,372,256.67	1,866,684,359.94	1,672,354,322.00	437,056,934.15	2,207,947,207.42	1,616,001,693.20	1,854,106,485.94	1,332,373,123.68
Current liabilities	34,660,293.62	512,668,986.06	68,710,800.33	118,070,797.51	336,978,730.26	37,679,784.93	330,000,753.38	67,580,844.11	128,345,735.31	14,955,461.26
Non-current Liabilities		324,500,000.00	823,203,903.47	1,048,589,599.46	20,757.29	196,840.04	708,500,000.00	922,475,884.05	1,043,207,686.35	
Total liabilities	34,660,293.62	837,168,986.06	891,914,703.80	1,166,660,396.97	336,999,487.55	37,876,624.97	1,038,500,753.38	990,056,728.16	1,171,553,421.66	14,955,461.26
MinorityShareholders' Equity					292,531,920.59					291,938,259.29
Shareholde	487,306,454.07	1,156,706,155.85	680,457,552.87	700,023,962.97	1,042,822,913.86	399,180,309.18	1,169,446,454.04	625,944,965.04	682,553,064.28	1,025,479,403.13

	Year-end balance/ Amount of current period					Year-beginning balance/ Amount of previous period				
	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd
rs' equity attributable to shareholders of the parent company										
Pro rata share of the net assets calculated	162,435,484.69	173,505,923.37	204,137,265.86	210,007,188.89	208,564,582.77	133,060,103.06	175,416,968.11	187,783,489.51	204,765,919.28	205,095,880.63
The book value of equity investments in joint ventures	162,435,484.69	173,505,923.37	204,137,265.86	210,007,188.89	208,564,582.77	133,060,103.06	175,416,968.11	187,783,489.51	204,765,919.28	205,095,880.63
Buinsess incme	223,816,057.53	443,464,456.50	252,603,197.60	167,951,197.92	133,977,902.86	202,939,671.65	419,977,301.24	237,892,210.00	170,331,765.33	76,859,729.88
Net profit	88,126,144.89	35,249,701.81	89,512,587.83	37,470,898.69	62,416,816.71	146,186,134.18	54,032,582.81	77,303,288.20	20,464,471.09	22,995,264.28
Total comprehensive	88,126,144.89	35,249,701.81	89,512,587.83	37,470,898.69	62,416,816.71	146,186,134.18	54,032,582.81	77,303,288.20	20,464,471.09	22,995,264.28

	Year-end balance/ Amount of current period					Year-beginning balance/ Amount of previous period				
	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd
income										
Dividends received from associates during the year		7,198,500.00	10,500,000.00	6,000,000.00	4,093,235.25	76,556,700.00	6,270,000.00		9,000,000.00	2,000,000.00

Other notes :Nil

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

Other notes :Nil

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

Nil

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

(7) The unrecognized commitment related to joint venture investment

Nil

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

Nil

X. Risks Related to Financial Instruments

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

1. Credit Risk

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

2. Interest Rate Risk

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

3. Foreign Exchange Risk

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

4. Liquidity Risk

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

5. Other Price Risk

The company holds the equity investment of other listed companies, and the management believes that these investments facing the market price risk is acceptable. For the equity investment of other listed companies held by the company, please refer to "Available-for-Sale Financial Assets in Article 7 of Consolidated Financial Statement in Notes 5 of Financial Statements".

XI. The disclosure of the fair value

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

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	TotaL
I. Consistent fair value measurement	--	--	--	--
2.Available for sale financial assets	919,846,831.04			919,846,831.04
（2）Equity instrument investment	919,846,831.04			919,846,831.04
Total of Consistent fair value measurement	919,846,831.04			919,846,831.04
II.Non-continuous measurement fair value	--	--	--	--

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

As at the end of the period, the company holds shares 235,254,944 shares of China Everbright Bank According to the closing price of December 31, 2016 of RMB 4.24, the final calculation of fair value was RMB919,846,831.04.

3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2.

Nil

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

consistent and inconsistent fair value measurement items at level 3.

Nil

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3.

Nil

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

Nil

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

Nil

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

Nil

9.Other

Nil

XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Name	Registered address	Nature	Redistricted capital(RMB'0000)	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Guangdong communication Group Co., Ltd	No. 27, Baiyun Road,Yuexiu District , Guangzhou.	Equity management, traffic infrastructure construction and railway project operation	2,680,000.00	24.55%	50.11%

Notes ：

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Deng Xiaohua. Date of establishment: June 23, 2000. As of December 31, 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 finial control of the Company was Guangdong communication Group Co., Ltd.

Other notes ：Nil

2.Subsidiaries of the Company

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

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

The details Notes IX 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:

Other notes ：Nil

4. Other Related parties

Name	Relation with the Company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Zhaoqing Guanghe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Jingzhu Expressway Guangzhu Section Co., Ltd.	Fully owned subsidiary of the parent company
Heyuan Helong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinruan Computer Technology Co., Ltd	Fully owned subsidiary of the parent company
Guang-Shen-Zhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yunwu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Communication Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuejia Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuegan Expressway Co., Ltdf.	Fully owned subsidiary of the parent company
Guangdong Yuedong Expressway Industry Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuzhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinlu Adverting 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 West coastal 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 Taishan Coastal Expressway Co., Ltd	Fully owned subsidiary of the parent company
Guangdong Changda highway 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 Luqiao Construction Development Co., Ltd.	Fully owned subsidiary of the parent company

Name	Relation with the Company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shenshan West Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Pingxing Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Meihe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Real Estate Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Investformation Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jiangzhong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guabngdong Hualu Communication Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Humen Bridge Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hengjian Expressway Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hehui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guanghui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Two Guang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Chaohui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Baomao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Chaohui Expressway Preparatory	Fully owned subsidiary of the parent company

Other notes:Nil

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
1.Business cost					
Guangdong Changda highway Co., Ltd.	Project fund	27,802,872.06			19,436,573.01
Guangdong Hualu communication Technology Co., Ltd.	Project fund	4,327,300.74			3,226,779.03
Guangdong Expressway Co., Ltd.	Project fund	1,819,114.07			9,319,331.40
Guangdong Humen Bridge Co., Ltd.	Project fund	986,696.61			
Guangzhou Xinruan Computer Technology Co., Ltd.	Project fund	721,330.00			1,322,580.00
Guangdong Lulutong Co., Ltd.	Project fund	136,500.00			
Guangdong Litong Information Technology Investment Co., Ltd.	Project fund	50,000.00			
Guangzhou Xinruan Computer Technology Co., Ltd.	Project fund	36,000.00			5,360,020.96
Subtotal		35,879,813.48			38,665,284.40
2. Financial expenses					
Guangdong Highway Construction Co., Ltd.	Interest	37,356,795.08			77,503,459.43
Ganzhou Gankang Expressway Co.,Ltd.	Interest	2,374,730.01			
Guangdong Expressway Co., Ltd.	Interest				3,604,166.67
Subtotal		39,731,525.09			81,107,626.10
3.Management Expenses					
Guangdong East Thinking Management Technology Development Co., Ltd.	Service				568,528.80
Subtotal					568,528.80
4.Non-Operating expenses					
Guangdong Changda highway Co., Ltd.	Project fund	1,035,251.57			987,345.63
Guangzhou Xinruan Computer Technology Co.,	Project	205,000.00			

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Ltd.	fund				
Subtotal		1,240,251.57			987,345.63
5.Fixed assets					
Guangdong Xinyue Communication Investment Co., Ltd	Purchasing assets	3,934,671.10			3,868,894.30
Guangdong Lulutong Co., Ltd.	Purchasing assets	344,996.00			
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchasing assets	145,888.00			
Guangdong Litong Information Technology Investment Co., Ltd.	Purchasing assets	37,524.00			
Guangdong Changda highway Co., Ltd.	Purchasing assets				5,099,862.58
Guangdong Hualu communication Technology Co., Ltd.	Purchasing assets				240,752.83
Subtotal		4,463,079.10			9,209,509.71
6.Intangible assets					
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchasing assets	532,000.00			788,000.00
Guangdong Litong Information Technology Investment Co., Ltd.	Purchasing assets	240,000.00			
Subtotal		772,000.00			788,000.00
7.Construction in process					
Guangdong Changda highway Co., Ltd.	Purchasing assets	6,083,598.63			
Guangdong Xinyue Communication Investment Co., Ltd	Purchasing assets	1,748,478.00			1,139,485.00
Guangdong Highway Construction Co., Ltd.	Purchasing assets	126,434.47			
Guangdong Hualu communication Technology Co., Ltd.	Purchasing assets	24,078.02			
Subtotal		7,982,589.12			1,139,485.00

Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
1.Business income			
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	16,668,320.79	19,057,400.00
Guangdong Guanghui Expressway Co.,Ltd.	Project fund	5,700,367.67	2,929,569.48
Guangdong Expressway Co., Ltd.	Project fund	4,358,123.39	4,149,300.00
Guangdong Kaiyang Expressway Co., Ltd.	Project fund	536,336.69	288,771.50
Guang-Shen-Zhu Expressway Co., Ltd.	Project fund	401,886.81	518,290.58
Guangdong Guangle Expressway Co., Ltd.	Project fund	338,949.84	184,500.00
Guangdong Yunwu Expressway Co., Ltd.	Project fund	161,320.76	130,400.00
Guangdong Jiangzhong Expressway Co., Ltd.	Project fund	147,169.81	168,444.44
Guangdong Maozhan Expressway Co., Ltd.	Project fund	125,943.40	129,000.00
Guangdong Baomao Expressway Co., Ltd.	Project fund	121,698.12	
Guangdong Zhaoyang Expressway Co., Ltd.	Project fund	116,037.74	
Zhaoqing Guanghe Expressway Co., Ltd.	Project fund	107,547.16	81,000.00
Guangdong Yangmao Expressway Co., Ltd.	Project fund	99,056.61	180,000.00
Chaohui Expressway preparatory	Project fund	82,075.47	
Guangdong Boda Expressway Co., Ltd.	Project fund	77,830.19	194,358.96
Guangdong West coastal Expressway Zhuhai Section Co., Ltd.	Project fund	277,591.66	242,423.07
Guangdong Yuzhan Expre4ssway Co., Ltd.	Project fund	70,754.72	102,000.00
Yunfu Guangyun Expressway Co., Ltd.	Project fund	36,792.46	25,500.00
Guangdong West coastal Expressway Xinhui Section Co., Ltd.	Project fund	15,566.04	48,893.16
Guangdong Xinyue Communication Investment Co., Ltd	Project fund	5,603,396.01	1,753,039.88
Guangdong Jingzhu Expressway Guangzhu Section Co., Ltd.	Project fund	695,042.73	658,040.04
Guangdong Humen Bridge Co., Ltd.	Labour service		314,424.69
Guangdong Highway Construction Co., Ltd.	Project fund		272,102.56
Guangdong Shenshan West Expressway Co.,Ltd.	Project fund		213,000.00
Guangdong West coastal Expressway Taishan	Project fund		60,000.00

Related party	Content	Amount of current period	Amount of previous period
Section Co., Ltd.			
Zhaoqing Yuezhao Highway Co., Ltd.	Project fund		39,000.00
Guangdong Yueyun Conunication Co., ltd.	Project fund		25,914.53
Subtotal		35,741,808.07	31,765,372.89

Notes

（2）Related trusteeship/contract

（3）Information of related lease

The Company was lessor：

In RMB

Name of lessee	Category of lease assets	The lease income confirmed in this year	The lease income confirmed in last year
Guangdong Xinlu Advertising Co., Ltd.	Advertising lease	3,972,182.63	3,989,408.00
Asian Kitchen & Bath City Co., Ltd.	Advertising lease		3,492,000.00
Guangdong Tongyi Expressway Service Area Co., Ltd.	Service Area Lease	12,769,015.99	3,653,765.79
Subtotal		16,741,198.62	11,135,173.79

- The company was lessee：

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Litong Property Investment Co., Ltd	Office space	8,541,068.93	8,681,088.00
Guangdong Guanghui Expressway Co., Ltd.	Advertising column lease	1,409,100.00	1,600,900.00
Zhaoqing Yuezhao Highway Co., Ltd.	Advertising column lease	236,250.00	236,250.00
Guangdong Highway Construction Co., Ltd.	Office space	109,182.36	109,182.36
Subtotal		10,295,601.29	10,627,420.36

Notes

（4）Related-party guarantee

The Company was secured party

In RMB

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

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.

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

In RMB

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

(6) Related party asset transfer and debt restructuring

(7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel		5,563,900.00
Numbers for the key management personnel		24.00

(8) Other related-party transactions

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

Items	Amount of current period	Amount of previous period
Balance of Deposit		200,848,784.54
Interest Income	1,991,524.18	2,628,142.82
Pricing Principle	Refer to deposit interest rate at the corresponding period of Bank of China	

The Company's subsidiary, Jingzhu Expressway Guangzhu Section Co., Ltd. signed a cancellation agreement with Guangdong Communications Group Finance Co., Ltd. on June 29, 2016, and transferred out the balance of funds deposited with Guangdong Communications Group Finance Co., Ltd.

- 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 Guangzhu Section Co., Ltd. from Guangdong Provincial Expressway Co., Ltd. on June 2016

-On June 15, 2016,The company’s 29th meeting (Provisional) of the seventh board of directors was convened. The Proposal on 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

In RMB

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable					
	Guangdong Xinyue Communication Co., Ltd.	5,333,036.61		1,272,653.03	
	Guangdong Humen Bridge Co., Ltd.	5,095,878.42		5,075,745.18	
	Jingzhu Expressway Guangzhu Section	4,812,500.02		12,057,405.80	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
	Co., Ltd.				
	Guangzhou Xinruan Computer Technology Co., Ltd	813,200.00			
	Guangdong West coastal Expressway Zhuhai Section Co., Ltd.	259,194.00	18,419.40	251,694.00	
	Guangdong Kaiyang Expressway Co., Ltd.	178,414.29		178,414.29	
	Guangdong Expressway Co., Ltd.	117,500.00		117,500.00	
	Guangdong West coastal Expressway Xinhui Section Co., Ltd.	50,610.00	3,411.00	50,610.00	
	Guangdong Guanghui Expressway Co., Ltd.			2,247,992.00	
	Guangdong Xinlu advertising Co., Ltd.			1,696,300.00	
	Guang-Shen-Zhu Expressway Co., Ltd.			545,760.00	
	Guangdong Boda Expressway Co., Ltd.			204,660.00	
	Guangdong Jiangzhong Expressway Co., Ltd.			177,372.00	
	Guangdong Yueyun Communication Co., Ltd.			27,288.00	
	Subtotal	16,660,333.34	21,830.40	23,903,394.30	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Prepayable account					
	Guangdong Litong Property Investment Co., Ltd.	700,087.62		735,092.00	
	Zhanqing Yuezhao Highway Co., Ltd.	131,250.00		131,250.00	
	Guangzhou Xinruan Computer Technology Co., Ltd.			664,227.74	
	Subtotal	831,337.62		1,530,569.74	
Other Account receivable					
	Guangdong Tongyi Expressway Service Area Co., ltd.	9,170,589.80			
	Guangdong Xinlu Advertising Co., Ltd	1,589,781.22		1,240,285.86	
	Guangdong Litong Property Investment Co., Ltd.	1,435,856.00		1,435,856.00	
	Guangdong Guanghui Expressway Co., Ltd.	1,140,901.90		847,048.98	
	Guangdong Expressway Co., ltd.	821,759.56		2,625,463.63	
	Zhaoqing Yuezhao Highway Co., Ltd.	419,326.00		456,934.57	
	Zhaoqing Guanghe Expressway Co., Ltd.	202,257.23		189,397.72	
	Guangdong Xinyue Communication Investment Co., Ltd.	168,562.60		2,158.60	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
	Guang-Shen-Zhu Expressway Co., Ltd.	146,737.75		134,794.38	
	Guangdong Kaiyang Expressway Co., Ltd.	109,943.37		74,950.95	
	Guangdong Highway Construction Co., Ltd.	84,575.88		81,571.71	
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	55,694.00		6,117.93	
	Guangdong Guangle Expressway Co., Ltd.	51,029.05		37,020.23	
	Guangdong Boda Expressway Co., Ltd.	45,735.46		45,605.48	
	Guangdong Yangmao Expressway Co., Ltd.	35,214.28		20,251.86	
	Guangdong West Coastal Expressway Zhuhai section Co., Ltd.	31,945.45		20,466.00	
	Guangdong Jiangzhong Expressway Co., Ltd.	20,607.68		19,842.06	
	Guangdong Luqiao Construction Development Co., Ltd.	12,669.38		14,801.32	
	Guangdong Maozhan	11,402.00		41,208.46	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
	Expressway Co., Ltd.				
	Yunfu Guangyun Expressway Co., Ltd.	9,269.17		5,252.64	
	Guangdong Humen Bridge Co., Ltd.	8,692.22		16,676.00	
	Guangdong Yunwu Expressway Co., Ltd.	6,811.45		4,697.95	
	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 Meihe Expressway Co., Ltd.	1,780.00		1,164.09	
	Guangdong Two Guang Expressway Co., Ltd.	1,585.66		1,117.07	
	Heyuan Helong Expressway Co., Ltd.	1,180.74		778.93	
	Guangdong Yuedong Expressway Industry Development Co., Ltd.	367.45		664.16	
	Guangdong Chaohui Expressway Co., Ltd.	342.29			
	Guangdong Hehui Expressway Co., Ltd.	188.53		424.10	
	Guangdong	186.11		11.75	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
	Zhaoyang Expressway Co., Ltd.				
	Guangdong Pingxing Expressway Co., Ltd.	111.05			
	Beijing Gelin Enze			4,007,679.91	4,007,679.91
	Guangdong Changda Highway Engineering Co., Ltd.			9,126.00	
	Guangdong Yuegan Expressway Co., Ltd.			806.64	
	Guangdong Shanfen Expressway Co., Ltd.			91.24	
	Guangdong Yuzhan Expressway Co., Ltd.			75.23	
	Guangdong Yuejia Expressway Co., Ltd.			4.13	
	Subtotal	15,591,925.28		11,349,167.58	4,007,679.91
Other Non-Current Assets					
	Guangdong Changda Highway Engineering Co., Ltd.	455,259.04			
	Guangdong Xinyue Communication Investment Co., Ltd.	4,588.15		383,658.23	
	Subtotal	459,847.19		383,658.23	

（2）Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Account payable			
	Guangdong Highway Construction Co., Ltd.	133,928,111.00	
	Guangdong Changda Highway Engineering Co.,Ltd.	21,464,454.62	10,625,970.83
	Guangdong Expressway Co., Ltd.	8,746,491.18	8,746,491.18
	Guangdong Xinyue Communication Investment Co., Ltd	4,342,684.85	3,284,062.53
	Guangdong Hualu communication Technology Co., Ltd.	2,492,830.89	610,090.63
	Guangdong Lulutong Co., Ltd.	136,500.00	
	Zhaoqing Yuezhao Highway Co., Ltd.	19,500.00	19,500.00
	Guangdong Guanghui Expressway Co., Ltd.		4,692,732.01
	Guangdong East Thinking Management Technology Development Co., Ltd.		235,000.00
	Guangdong Maozhan Expressway Co., Ltd.		150,750.00
	Guangdong Humen Bridge Co.,Ltd.		61,600.00
	Guangdong Hengjian Expressway Co., Ltd,		32,018.15
	Subtotal	171,130,572.54	28,458,215.33
Interest payable			
	Ganzhou Gankang Expressway Co., Ltd.	71,371.67	89,578.19
	Subtotal	71,371.67	89,578.19
Other Payable account			
	Guangdong Changda Highway Engineering Co.,Ltd.	42,399,234.18	48,792,741.75
	Guangdong Xinyue	2,036,630.68	1,579,484.21

Name	Related party	Amount at year end	Amount at year beginning
	Communication Investment Co., Ltd.		
	Guangzhou Xinruan Computer Technology Co., Ltd.	448,542.95	404,102.30
	Guangdong East Thinking Management Technology Development Co., Ltd.	207,736.40	62,700.00
	Guangdong Hualu Communication Technology Co., Ltd.	140,100.65	145,960.39
	Guangdong Xinlu Adverting Co., Ltd.	70,000.00	70,000.00
	Guangdong Expressway Co., Ltd.	63,398.31	62,596.67
	Guangdong Tongyi Expressway Service Area Co., Ltd.	20,000.00	20,000.00
	Guangdong Lulutong Co., Ltd.	17,249.80	146,604.23
	Guangdong Litong InformationTechnology Investment Co., Ltd.	16,376.20	
	Guangdong West Coastal Expressway Co., Ltd.	2,667.96	1,396.29
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,172.00	67,546.00
	Guangdong Baomao Expressway Co., Ltd.	662.16	
	Guangdong Jiangzhong Expressway Co., Ltd.	289.81	
	Guangdong Luqiao Construction Development Co., Ltd.	270.72	110.05
	Guangdong Highway Construction Co., Ltd.	176.02	1,876,132.24
	Guangdong Shanfen Expressway Co., Ltd.	110.35	

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 Boda Expressway Co., Ltd.		19.41
	Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.		3.51
	Subtotal	45,424,618.19	53,335,870.73
Non current liabilities due within one year			
	Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	
	Guangdong Highway Construction Co., Ltd.		70,000,000.00
	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

XIII. Stock payment

1. The Stock payment overall situation

□ Applicable √ Not applicable

2. The Stock payment settled by equity

□ Applicable √ Not applicable

3. The Stock payment settled by cash

□ Applicable √ Not applicable

4. Modification and termination of the stock payment

Nil

5.Other

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

(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 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, The Company had received the approval of the National Development and Reform comission about the uandongProvincial Santbao-Shuikou Expressway Section Rebubuilding and Expansion Project(NO.187-2016-NDRC Infrastructure Document)from Guangdong Provincel Development and reform Commission On October 11, 2016, agreed with the implementation of the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project. It's estimated that the total investment of this project is about RMB 3.513 billion(the static investment is about RMB 3.289 billion), of which the project capital is RMB 1.23 billion that accounts for 35% of the total investment and such amount of the project capital will be provided by Guangdong Provincial Fokai Expressway Co., Ltd, and the rest amount of RMB 2,283 billion will be solved by using bank loans. According to the Ministry of Transport of Guangdong Province, the Ministry of Transport on the preliminary design of the Sanbao-Shuikou Highway Reconstruction Project in Guangdong Province (the road letter [2017] No. 73), the Ministry of Transport approved the three Fort to Shuikou Highway expansion The total cost of the preliminary design of the project is RMB3.46 billion. As of December 31,2016, the accumulative upfront fees of Guangdong Provincial Fokai Expressway Co., Ltd occurred were RMB 524.6893 million.

⑵On 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. The matter was examined and approved at the Third provisional shareholders' general meeting in 2016 on August 4, 2016. As of

December 31, 2016, the company has not yet invested.

2. Contingency

(1) Significant contingency at balance sheet date

This matter. did not occur in this accounting period.

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

XV. Enents after balance sheet date

1. Significant events had not adjusted

2. Profit distribution

3. Sales return

This matter. did not occur in this accounting period.

4.Notes of ohter significant events

This matter. did not occur in this accounting period.

XVI.Other significant events

1.Segment information

(1) Recognition basis and accounting policies of reportable segment

The company's business for the Guangfo Expressway , the 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.

2.Other important transactions and events have an impact on investors decision-making

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

Provincial State-owned Assets Commission shall coordinate in handling such problems according to the requirements of the document.

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

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

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

Fokai Expressway Co., Ltd. had received in advance of Jiujiang Bridge cancellation fees compensate for the loss of funds RMB 20 million 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 conpensation 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 procceeded the case. Currently, Guangzhou Haizhu prosecutorial office was intend to prosecute the accident captain Shi Guide, therefore, on January 5, 2009, Guangzhou Maritime Court ruled the suspension of the case. On September 17, 2013, the Guangzhou Maritime Court issued a notice of civil and eliminate the cause of suspension of proceedings, the court decided to resume the trial. On December 19, 2013, the Guangzhou Maritime Court opened a court session, has not yet made the first-instance judgment. On March 7, 2014 the Court made the first instance verdict: the defendant Foshan Nanhai Yuhang ship Services Co., Ltd. and Yang Xiong compensated the plaintiff Fokai Expressway Co., Ltd. toll revenue losses of RMB 19,357,500.96; the court dismissed the plaintiff other aspirations. The defendant appealed to the Higher People's Court of Guangdong Province, the Guangdong Provincial Higher People's Court ruled on June 5, 2014, the case discontinued proceedings.

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

The Company was approved to provide counter guarantee to Guangdong Communication Group Co.,Ltd.with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it . as of December 31, 2016, 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. The company has completed asset restructuring in June 2016.

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 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.

Guangdong Fokai Expressway Co., Ltd. in 2016 the actual profit (excluding non-) by RMB 286.1655 million, more than the commitment to profit more than RMB 35.4682 million; Guangzhou Guangzhu Traffic Investment Management Co., Ltd. 2016 annual profit of RMB 271.7759 million, More than the commitment to profit more than RMB 41.4153 million.

⑹On 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.

XVII..Notes s of main items in financial reports of parent company

1.Other account receivable

（1）Other account receivable classified by category

In RMB

Classification	Year-end balance					Year-beginning				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion(%)	Amount	Proportion (%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	32,084,893.35	89.20%	32,084,893.35	100.00%		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	3,884,252.50	10.80%	1,533,987.26	39.49%	2,350,265.24	3,915,394.79	10.88%	1,658,571.80	42.36%	2,256,822.99
Total	35,969,145.85	100.00%	33,618,880.61	93.47%	2,350,265.24	36,000,288.14	100.00%	33,743,465.15	93.73%	2,256,822.99

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

√Applicable □Not applicable

In RMB

Name	Balance at year-end			
	Other receivable	Provision for bad debts	Proportion%	Reason
Kunlun Securities Co., Ltd.	32,084,893.35	32,084,893.35	100.00%	For the balance amount of our company's secutity trading settlement funds RMB 33,683,774.79 deposited in Kunlun Securities Co., Ltd., The Xin'Ning Municipal intermediate People's Court of Qinghai Province had made the judgment in accordance with the law and declared on November 11, 2006. that Kunlun Securities Co., ltd. was bankrupted for debt payment . In March of 2007, the liquidating group of Kunlun Securities preliminary judged the relationship between our company and Kunlun Securities Co., Ltd.is debtor creditor relationship . as Kunlun Securities Co., Ltd.was bankrupted for debt payment and it is in serious insolvency. Our company had moved the security trading settlement funds deposited in Kunlun Securities Co., Ltd, to other receivables account for reflection, we also have made full amount provision for had debts based on conservatism principle. The recovered debt amount in 2008 is RMB485,392.67

				which had been offset from the provision for bad debts. The recovered debt amount in 2011 is RMB 667,959.27 which had been offset from the provision for bad, The recovered debt amount in 2014 is RMB 445,529.50 which had been offset from the provision for bad debts.debts.
Total	32,084,893.35	32,084,893.35	--	--

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

√Applicable □Not applicable

In RMB

Aging	Balance at year-end		
	Other receivable	Provision for bad debts	Proportion%
Subentry within 1 year			
Subtotal of within 1 year	521,078.24		
1-2 years			10.00%
2-3 years			30.00%
3-4 years			50.00%
4-5 years			90.00%
Over 5 years	1,533,987.26	1,533,987.26	100.00%
Total	2,055,065.50	1,533,987.26	79.50%

Notes

Refer to "Notes 5 the financial statements of the important accounting policies and accounting estimates No. 11 Recognition and withdrawal method of bad debts.

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

□ Applicable √ Not applicable

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

√ Applicable □Not applicable

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

（2）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 124,584.54.

Significant amount of reversed or recovered bad debt provision:

Nil

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

Nil

（4）Other receivables nature of fund classification information

In RMB

Nature	Book balance at year end	Book balance at year beginning
Securities trading settlement funds balance	32,084,893.35	32,084,893.35
Guarantee deposit	1,829,187.00	1,829,187.00
Other	2,055,065.50	2,086,207.79
Total	35,969,145.85	36,000,288.14

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

In RMB

Name	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Kunlun Securities Co., Ltd.	Securities trading settlement funds	32,084,893.35	Over 5 years	89.20%	32,084,893.35
Heshan Communication Real estate Development Co., Ltd.	Current accounts	1,470,000.00	Over 5 years	4.09%	1,470,000.00
Guangdong Litong Property Investment Co., Ltd.	Deposit	1,435,856.00	2-4 years	3.99%	
Beijing Shibang Weilishi Property Managerment Servises Co., Ltd.	Deposit	393,331.00	2-4 years	1.09%	

Name	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Huizhou Huaxu Industry Company	Current accounts	63,987.26	Over 5 years	0.18%	63,987.26
Total	--	35,448,067.61	--	98.55%	33,618,880.61

（6）Account receivable involving government subsidies

Nil

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

Nil

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

Nil

Other notes：

2. Long- term s equity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	5,165,162,219.66		5,165,162,219.66	2,418,436,569.52		2,418,436,569.52
Investment to joint ventures and associated enterprises	2,220,805,130.31		2,220,805,130.31	2,635,251,969.72		2,635,251,969.72
Total	7,385,967,349.97		7,385,967,349.97	5,053,688,539.24		5,053,688,539.24

（1）Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Guangdong Guangfo Expressway Co., Ltd.	154,982,475.25			154,982,475.25		

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Guangdong Expressway Technology Investment Co., Ltd.	95,731,882.42			95,731,882.42		
Guangdong Fokai Expressway Co., Ltd.	2,167,722,211.85	1,468,274,999.00		3,635,997,210.85		
Guangzhou Guangzhu Communication Investment Management Co., Ltd.		859,345,204.26		859,345,204.26		
Jingzhu Expressway Guangzhu Section Co., Ltd.		419,105,446.88		419,105,446.88		
Total	2,418,436,569.52	2,746,725,650.14		5,165,162,219.66		

（2）Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment			Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
Guangdong Guanghui Expressway Co., Ltd.	1,069,914,970.39			253,891,739.97			360,000,000.00			963,806,710.36	
Zhaoqing Yuezhao Highway Co., Ltd.	274,277,246.91			61,447,132.56			37,376,405.10			298,347,974.37	
Subtotal	1,344,192,217.30			315,338,872.53			397,376,405.10			1,262,154,684.73	
II. Associated enterprises											
Shenzhen Huiyan Expressway Co., Ltd.	133,060,103.06			29,375,381.63						162,435,484.69	
Jingzhu Expressway Guangzhu	384,937,391.83			34,168,055.05					-419,105,446.88		

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment			Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
Guangdong Jiangzhong Expressway Co., Ltd.	175,416,968.11			5,287,455.26			7,198,500.00			173,505,923.37	
Ganzhou Kangda Expressway Co., Ltd.	187,783,489.51			26,853,776.35			10,500,000.00			204,137,265.86	
Ganzhou Gankang Expressway Co., Ltd.	204,765,919.28			11,241,269.61			6,000,000.00			210,007,188.89	
Guangdong Yueke Technology Petty Loan Co., Ltd.	205,095,880.63			7,561,937.39			4,093,235.25			208,564,582.77	
Subtotal	1,291,059,752.42			114,487,875.29			27,791,735.25		-419,105,446.88	958,650,445.58	
Total	2,635,251,969.72			429,826,747.82			425,168,140.35		-419,105,446.88	2,220,805,130.31	

（3）Other

Nil

3. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Other business	51,258,350.04	464,213.40	17,259,744.96	464,213.40
Total	51,258,350.04	464,213.40	17,259,744.96	464,213.40

Other notes：

Nil

4.Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	406,678,366.43	17,297,673.29
Long-term equity investment income accounted by equity method	429,826,747.82	436,624,090.84
Investment income received from holding of available-for –sale financial assets	45,878,955.51	43,757,419.58
Other		1,865,048.24
Total	882,384,069.76	499,544,231.95

5.Other

Nil

XVIII. Supplement information

1. Particulars about current non-recurring gains and loss

√ Applicable □Not applicable

In RMB

Items	Amount	Notes
Gains/losses from the disposal of non-current asset	8,644,766.55	The net profit or loss of the surrounding land of Guangzhu Dong
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）	704,645.87	Stable post subsidies, special funds for energy saving
Capital occupancy expense, collected from non-financial enterprises and recorded in current gains and losses.	102,025,476.76	Current net gains and losses increased from Guangzhu Traffic 1-5 months of 2016 by subsidiaries resulting from business combination under common control,due to major assets restructure in 2016.
Other non-business income and expenditures other than the above	62,762,574.05	The received compensation for Jiujiang Bridge was increased by RMB 60,770,000.00.
Less ： Influenced amount of income tax	17,954,525.92	
Amount of influence of minority interests	1,958,069.44	

Total	154,224,867.87	--

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

□ Applicable √Not applicable

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

Profit as of reporting period	Weighted average ROE (%)	EPS（Yuan/share）	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	14.18%	0.52	0.52
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	12.47%	0.49	0.49

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

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

□ Applicable √Not applicable

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

□ Applicable √Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

Nil

4.Other

Nil

XII. Documents Available for Inspection

1. Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.

2. Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.

3. The texts of all the Company's documents publicly disclosed on the newspapers and periodicals designated by China Securities Regulatory Commission in the report period.