

Guangdong Provincial Expressway Development Co., Ltd.

The Semi-Annual Financial Report 2019

I. Audit report

Has this semi-annual report been audited?

Yes No

The semi-annual report was not audited.

II. Financial statements

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

1. Consolidated balance sheet

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

June 30,2019

In RMB

Items	June 30,2019	December 31,2018
Current asset:		
Monetary fund	2,038,024,951.05	2,124,524,996.32
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable	103,117,760.85	91,076,995.07
Financing of receivables		
Prepayments	2,863,265.25	1,912,943.40
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	52,775,962.28	16,487,256.02
Including: Interest receivable		

Items	June 30,2019	December 31,2018
Dividend receivable	34,145,770.80	1,205,472.90
Repurchasing of financial assets		
Inventories	110,142.49	81,017.91
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	51,745.32	51,745.32
Other current asset		
Total of current assets	2,196,943,827.24	2,234,134,954.04
Non-current assets :		
Loans and payment on other' s behalf disbursed		
Debt investment		
Available for sale of financial assets		1,668,791,594.53
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,237,607,137.38	3,145,644,970.07
Other equity instruments investment	1,694,669,638.37	
Other non-current financial assets		
Property investment	3,442,059.61	3,579,007.54
Fixed assets	7,911,433,640.97	7,600,046,319.91
Construction in progress	835,875,363.36	1,089,473,425.63
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	4,554,091.05	5,739,020.48
Development expenses		
Goodwill		
Long-germ expenses to be amortized	1,168,273.16	1,221,781.88
Deferred income tax asset	403,367,030.48	447,485,034.79
Other non-current asset	115,709,087.82	99,794,665.58
Total of non-current assets	14,207,826,322.20	14,061,775,820.41
Total of assets	16,404,770,149.44	16,295,910,774.45
Current liabilities		

Items	June 30,2019	December 31,2018
Short-term loans		
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	215,439,814.83	203,779,190.74
Advance receipts	11,725,138.96	12,039,708.01
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	18,123,397.10	13,122,437.17
Tax payable	95,207,898.65	104,198,746.06
Other account payable	284,563,651.27	191,254,464.84
Including: Interest payable	17,157,289.56	8,971,576.57
Dividend payable	21,150,413.70	17,191,142.23
Fees and commissions payable		
Reinsurance fee payable		
Contract Liabilities		
Liabilities held for sales		
Non-current liability due within 1 year	2,041,365,000.00	2,498,480,000.00
Other current liability		
Total of current liability	2,666,424,900.81	3,022,874,546.82
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	3,281,725,000.00	2,983,040,000.00
Bond payable	677,902,761.25	
Including: preferred stock		
Sustainable debt		
Lease liability		

Items	June 30,2019	December 31,2018
Long-term payable	39,625,983.68	38,022,210.11
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability	203,179,299.45	205,672,389.59
Other non-current liabilities		
Total non-current liabilities	4,202,433,044.38	3,226,734,599.70
Total of liability	6,868,857,945.19	6,249,609,146.52
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,562,570,465.31	2,536,774,965.31
Less: Shares in stock		
Other comprehensive income	275,111,548.84	245,109,114.81
Special reserve		
Surplus reserves	775,402,561.35	775,402,561.35
Common risk provision		
Retained profit	3,488,708,792.60	3,938,609,136.59
Total of owner' s equity belong to the parent company	9,192,599,494.10	9,586,701,904.06
Minority shareholders' equity	343,312,710.15	459,599,723.87
Total of owners' equity	9,535,912,204.25	10,046,301,627.93
Total of liabilities and owners' equity	16,404,770,149.44	16,295,910,774.45

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	June 30,2019	December 31,2018
Current asset:		
Monetary fund	2,015,944,877.34	2,096,597,568.04
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable	17,585,263.17	18,405,847.15
Financing of receivables		
Prepayments	2,266,509.88	1,532,057.82
Other account receivable	72,684,121.08	9,323,782.66
Including: Interest receivable	32,460,868.78	1,880,148.12
Dividend receivable	34,145,770.80	1,205,472.90
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	100,000,000.00	100,000,000.00
Other current asset		
Total of current assets	2,208,480,771.47	2,225,859,255.67
Non-current assets:		
Debt investment	692,903,684.98	
Available for sale of financial assets		1,668,791,594.53
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	4,771,272,146.19	4,679,309,978.88
Other equity instruments investment	1,694,669,638.37	
Other non-current financial assets		
Property investment	3,189,921.36	3,326,869.29
Fixed assets	5,728,126,768.64	5,292,898,635.00

Items	June 30,2019	December 31,2018
Construction in progress	795,576,474.85	1,060,230,773.10
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	1,454,457.72	1,741,277.53
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	403,245,352.12	447,328,530.77
Other non-current asset	115,094,875.40	790,720,727.48
Total of non-current assets	14,205,533,319.63	13,944,348,386.58
Total of assets	16,414,014,091.10	16,170,207,642.25
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	173,643,504.46	124,833,335.72
Advance receipts		
Contract Liabilities		
Employees' wage payable	5,271,471.25	5,669,203.37
Tax payable	6,636,136.81	10,297,144.52
Other account payable	241,188,208.02	142,457,135.79
Including: Interest payable	16,683,582.06	8,373,096.36
Dividend payable	21,150,413.70	17,191,142.23
Liabilities held for sales		
Non-current liability due within 1 year	2,002,685,000.00	2,327,180,000.00
Other current liability	566,301,158.49	977,236,252.44
Total of current liability	2,995,725,479.03	3,587,673,071.84
Non-current liabilities:		
Long-term loan	2,933,705,000.00	2,731,990,000.00

Items	June 30,2019	December 31,2018
Bond payable	677,902,761.25	
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	39,625,983.68	38,022,210.11
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability	94,690,114.96	88,220,604.00
Other non-current liabilities		
Total non-current liabilities	3,745,923,859.89	2,858,232,814.11
Total of liability	6,741,649,338.92	6,445,905,885.95
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,974,458,696.93	2,948,663,196.93
Less: Shares in stock		
Other comprehensive income	275,111,548.84	245,109,114.81
Special reserve		
Surplus reserves	759,558,277.70	759,558,277.70
Retained profit	3,572,430,102.71	3,680,165,040.86
Total of owners' equity	9,672,364,752.18	9,724,301,756.30
Total of liabilities and owners' equity	16,414,014,091.10	16,170,207,642.25

3.Consolidated Income statement

In RMB

Items	Semi-annual of 2019	Semi-annual of 2018
I. Income from the key business	1,483,673,245.21	1,535,864,145.14
Incl: Business income	1,483,673,245.21	1,535,864,145.14
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	736,685,807.33	728,964,530.78
Incl: Business cost	549,623,810.49	533,736,566.35
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	6,557,023.97	6,853,114.99
Sales expense		
Administrative expense	76,975,210.47	73,109,460.94
R & D expense		2,485,173.03
Financial expenses	103,529,762.40	112,780,215.47
Including: Interest expense	115,040,857.71	125,752,286.60
Interest income	15,761,707.69	18,076,236.30
Add: Other income	420,227.62	
Investment gain ("-" for loss)	276,241,866.32	259,358,302.20
Including: investment gains from affiliates	237,712,998.09	216,777,157.34
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		57,890.35

Items	Semi-annual of 2019	Semi-annual of 2018
Assets disposal income	13,129,094.29	44,860,186.67
III. Operational profit (“-” for loss)	1,036,778,626.11	1,111,175,993.58
Add : Non-operational income	735,359.76	2,687,560.58
Less: Non-operating expense	4,231,407.95	2,007,967.43
IV. Total profit(“-” for loss)	1,033,282,577.92	1,111,855,586.73
Less: Income tax expenses	189,696,774.05	213,221,718.85
V. Net profit	843,585,803.87	898,633,867.88
(I) Classification by business continuity		
1.Net continuing operating profit	843,585,803.87	898,633,867.88
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	736,486,112.30	779,002,246.98
2.Minority shareholders’ equity	107,099,691.57	119,631,620.90
VI. Net after-tax of other comprehensive income	18,938,083.74	-73,795,549.55
Net of profit of other comprehensive income attributable to owners of the parent company.	18,938,083.74	-73,795,549.55
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	19,408,532.88	
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.		
3. Changes in the fair value of investments in other equity instruments	19,408,532.88	
4. Changes in the fair value of the company’ s credit risks		
5.Other		
(II)		
Other comprehensive income that will be reclassified into profit or loss.	-470,449.14	-73,795,549.55
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-470,449.14	-4,983,478.43
2. Changes in the fair value of investments in other debt obligations		
3.Gains and losses from changes in fair value available for sale finan		-68,812,071.12

Items	Semi-annual of 2019	Semi-annual of 2018
cial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	862,523,887.61	824,838,318.33
Total comprehensive income attributable to the owner of the parent company	755,424,196.04	705,206,697.43
Total comprehensive income attributable minority shareholders	107,099,691.57	119,631,620.90
VIII. Earnings per share		
(I) Basic earnings per share	0.35	0.37
(II)Diluted earnings per share	0.35	0.37

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

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	Semi-annual of 2019	Semi-annual of 2018
I. Income from the key business	623,126,517.35	675,894,267.74
Incl: Business cost	329,190,674.52	310,310,687.32
Business tax and surcharge	3,486,292.37	3,493,775.90
Sales expense		
Administrative expense	46,996,060.64	42,233,003.03
R & D expense		
Financial expenses	96,377,160.24	104,206,424.94
Including: Interest expenses	109,559,414.30	118,866,427.75
Interest income	15,652,128.26	17,806,734.11
Add: Other income	70,758.72	
Investment gain ("-" for loss)	975,659,501.70	880,579,568.71
Including: investment gains from affiliates	237,712,998.09	216,777,157.34
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income		138,427.18
II. Operational profit ("-" for loss)	1,122,806,590.00	1,096,368,372.44
Add : Non-operational income	298,935.96	916,331.99
Less: Non -operational expenses	370,829.17	485,826.09
III. Total profit("-" for loss)	1,122,734,696.79	1,096,798,878.34
Less: Income tax expenses	44,083,178.65	54,054,827.41
IV. Net profit	1,078,651,518.14	1,042,744,050.93
1.Net continuing operating profit	1,078,651,518.14	1,042,744,050.93
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	18,938,083.74	-73,795,549.55
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	19,408,532.88	

Items	Semi-annual of 2019	Semi-annual of 2018
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method in vestee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	19,408,532.88	
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.	-470,449.14	-73,795,549.55
1.Other comprehensive income under the equity method in vestee can be reclassified into profit or loss.	-470,449.14	-4,983,478.43
2. Changes in the fair value of investments in other debt obligations		
3.Gains and losses from changes in fair value available for sale financial assets		-68,812,071.12
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8.Translation differences in currency financial statements		
9.Other		
VI. Total comprehensive income	1,097,589,601.88	968,948,501.38
VII. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	Semi-annual of 2019	Semi-annual of 2018
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,509,571,069.40	1,567,523,150.21
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned		
Other cash received from business operation	25,618,718.28	41,946,329.98
Sub-total of cash inflow	1,535,189,787.68	1,609,469,480.19
Cash paid for purchasing of merchandise and services	92,703,135.93	96,705,259.73
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	143,256,732.77	138,291,293.37
Taxes paid	210,497,035.66	532,821,606.22
Other cash paid for business activities	37,921,786.09	21,871,732.77
Sub-total of cash outflow from business activities	484,378,690.45	789,689,892.09
Net cash generated from /used in operating activities	1,050,811,097.23	819,779,588.10
II. Cash flow generated by investing		
Cash received from investment retrieving		

Items	Semi-annual of 2019	Semi-annual of 2018
Cash received as investment gains	176,375,388.78	84,683,907.47
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	13,961,500.00	100,573,025.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	190,336,888.78	185,256,932.47
Cash paid for construction of fixed assets, intangible assets and other long-term assets	414,305,542.74	323,881,627.90
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	414,305,542.74	323,881,627.90
Net cash flow generated by investment	-223,968,653.96	-138,624,695.43
III. Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	2,231,700,000.00	800,000,000.00
Cash received from bond placing		
Other financing - related cash received		
Sub-total of cash inflow from financing activities	2,231,700,000.00	800,000,000.00
Cash to repay debts	1,620,130,000.00	637,830,000.00
Cash paid as dividend, profit, or interests	1,522,586,583.81	1,382,633,569.09
Including: Dividend and profit paid by subsidiaries to minor shareholders	220,140,964.92	179,899,173.50
Other cash paid for financing activities	791,384.00	
Sub-total of cash outflow due to financing activities	3,143,507,967.81	2,020,463,569.09
Net cash flow generated by financing	-911,807,967.81	-1,220,463,569.09
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,534,520.73	-2,267,884.63
V. Net increase of cash and cash equivalents	-86,500,045.27	-541,576,561.05
Add: balance of cash and cash equivalents at the beginning of term	2,123,303,796.32	2,363,042,700.42
VI ..Balance of cash and cash equivalents at the end of term	2,036,803,751.05	1,821,466,139.37

6. Cash Flow Statement of the Parent Company

In RMB

Items	Semi-annual of 2019	Semi-annual of 2018
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	641,027,153.33	661,994,572.24
Tax returned		
Other cash received from business operation	24,885,810.30	48,829,459.08
Sub-total of cash inflow	665,912,963.63	710,824,031.32
Cash paid for purchasing of merchandise and services	24,226,244.52	39,912,969.27
Cash paid to staffs or paid for staffs	56,174,438.87	55,205,264.99
Taxes paid	24,543,436.06	25,922,199.03
Other cash paid for business activities	444,674,884.91	402,529,977.62
Sub-total of cash outflow from business activities	549,619,004.36	523,570,410.91
Net cash generated from /used in operating activities	116,293,959.27	187,253,620.41
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	846,967,754.67	580,905,173.98
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,700.00	195,540.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		432,250.00
Sub-total of cash inflow due to investment activities	846,971,454.67	581,532,963.98
Cash paid for construction of fixed assets, intangible assets and other long-term assets	399,081,697.08	312,406,878.23
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	399,081,697.08	312,406,878.23
Net cash flow generated by investment	447,889,757.59	269,126,085.75
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,845,000,000.00	400,000,000.00

Items	Semi-annual of 2019	Semi-annual of 2018
Cash received from bond placing		
Other financing - related ash received		291,000,000.00
Sub-total of cash inflow from financing activities	1,845,000,000.00	691,000,000.00
Cash to repay debts	1,197,780,000.00	50,100,000.00
Cash paid as dividend, profit, or interests	1,289,730,502.83	1,142,614,308.52
Other cash paid for financing activities	791,384.00	374,200,000.00
Sub-total of cash outflow due to financing activities	2,488,301,886.83	1,566,914,308.52
Net cash flow generated by financing	-643,301,886.83	-875,914,308.52
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,534,520.73	-2,267,884.63
V.Net increase of cash and cash equivalents	-80,652,690.70	-421,802,486.99
Add: balance of cash and cash equivalents at the beginning of term	2,095,376,368.04	2,130,475,892.67
VI ..Balance of cash and cash equivalents at the end of term	2,014,723,677.34	1,708,673,405.68

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Semi-annual of 2019														Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company															
	share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal			
		preferred stock	Sustainable debt	Other												
I. Balance at the end of last year	2,090,806,126.00			2,536,774,965.31		245,109,114.81		775,402,561.35		3,938,609,136.59		9,586,701,904.06	459,599,723.87	10,046,301,627.93		
Add: Change of accounting policy						11,064,350.29				-11,353,413.48		-289,063.19		-289,063.19		
Correcting of previous errors																
Merger of entities under common control																
Other																
II. Balance at the beginning of current year	2,090,806,126.00			2,536,774,965.31		256,173,465.10		775,402,561.35		3,927,255,723.11		9,586,412,840.87	459,599,723.87	10,046,012,564.74		
III. Changed in the current year				25,795,500.00		18,938,083.74				-438,546,930.51		-393,813,346.77	-116,287,013.72	-510,100,360.49		
(1) Total comprehensive income						18,938,083.74				736,486,112.30		755,424,196.04	107,099,691.57	862,523,887.61		
(II) Investment or decreasing of capital by owners																

Items	Semi-annual of 2019														
	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	Retained profit	Other	Subtotal		
		preferred stock	Sustainable debt	Other											
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											-1,175,033,042.81		-1,175,033,042.81	-223,386,705.29	-1,398,419,748.10
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3. Allotment to the owners (or shareholders)											-1,175,033,042.81		-1,175,033,042.81	-223,386,705.29	-1,398,419,748.10
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															

Items	Semi-annual of 2019														
	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	Retained profit	Other	Subtotal		
preferred stock		Sustai nable debt	Other												
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves															
1. Provided this year															
2. Used this term															
(VI) Other					25,795,500.00								25,795,500.00		25,795,500.00
IV. Balance at the end of this term	2,090,806,126.00				2,562,570,465.31		275,111,548.84		775,402,561.35		3,488,708,792.60		9,192,599,494.10	343,312,710.15	9,535,912,204.25

Amount in last year

In RMB

Items	Semi -annual of 2018														Minor shareholders' equity	Total of owners' equity
	Owner' s equity Attributable to the Parent Company															
	share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal			
		preferred stock	Sustainab le debt	Other												
I.Balance at the end of last year	2,090,806,126.00				2,510,069,749.76		327,263,824.17		544,821,130.03		3,550,110,288.49		9,023,071,118.45	431,039,563.00	9,454,110,681.45	
Add: Change of accounting policy																
Correcting of previous errors																
Merger of entities under common control																
Other																
II.Balance at the beginning of current year	2,090,806,126.00				2,510,069,749.76		327,263,824.17		544,821,130.03		3,550,110,288.49		9,023,071,118.45	431,039,563.00	9,454,110,681.45	
III.Changed in the current year					3,946,375.55		-73,795,549.55				-278,945,652.78		-348,794,826.78	-78,120,441.76	-426,915,268.54	
(I) Total comprehensive income							-73,795,549.55				779,002,246.98		705,206,697.43	119,631,620.90	824,838,318.33	
(II) Investment or decreasing of capital by owners																
1. Ordinary Shares invested by shareh																

Items	Semi -annual of 2018														
	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	Retained profit	Other	Subtotal		
		preferred stock	Sustainable debt	Other											
olders															
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners' equity															
4. Other															
(III) Profit allotment										-1,057,947,899.76		-1,057,947,899.76	-197,752,062.66	-1,255,699,962.42	
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3. Allotment to the owners (or shareholders)										-1,057,947,899.76		-1,057,947,899.76	-197,752,062.66	-1,255,699,962.42	
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or															

Items	Semi -annual of 2018														
	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	Retained profit	Other	Subtotal		
		preferred stock	Sustainable debt	Other											
to capital shares)															
3. Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves															
1. Provided this year															
2. Used this term															
(VI) Other					3,946,375.55								3,946,375.55		3,946,375.55
IV. Balance at the end of this term	2,090,806,126.00				2,514,016,125.31		253,468,274.62		544,821,130.03		3,271,164,635.71		8,674,276,291.67	352,919,121.24	9,027,195,412.91

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

Amount in this period

In RMB

Items	Semi-annual of 2019											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
I.Balance at the end of last year	2,090,806,126.00				2,948,663,196.93		245,109,114.81		759,558,277.70	3,680,165,040.86		9,724,301,756.30
Add: Change of accounting policy							11,064,350.29			-11,353,413.48		-289,063.19
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	2,090,806,126.00				2,948,663,196.93		256,173,465.10		759,558,277.70	3,668,811,627.38		9,724,012,693.11
III.Changed in the current year					25,795,500.00		18,938,083.74			-96,381,524.67		-51,647,940.93
(I) Total comprehensive income							18,938,083.74			1,078,651,518.14		1,097,589,601.88
(II) Investment or decreasing of capital by owners												
1. Ordinary Shares invested by shareholders												
2. Holders of other equity instruments invested capital												

Items	Semi-annual of 2019											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
3.Amount of shares paid and accounted as owners' equity												
4. Other												
(III) Profit allotment										-1,175,033,042.81		-1,175,033,042.81
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)										-1,175,033,042.81		-1,175,033,042.81
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.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income												

Items	Semi-annual of 2019											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other					25,795,500.00							25,795,500.00
IV. Balance at the end of this term	2,090,806,126.00				2,974,458,696.93		275,111,548.84		759,558,277.70	3,572,430,102.71		9,672,364,752.18

Amount in last year

In RMB

Items	Semi-annual of 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
I.Balance at the end of last year	2,090,806,126.00				2,921,957,981.38		327,263,824.17		528,976,846.38	2,662,880,058.78		8,531,884,836.71
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	2,090,806,126.00				2,921,957,981.38		327,263,824.17		528,976,846.38	2,662,880,058.78		8,531,884,836.71
III.Changed in the current year					3,946,375.55		-73,795,549.55			-15,203,848.83		-85,053,022.83
(I) Total comprehensive income							-73,795,549.55			1,042,744,050.93		968,948,501.38
(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												

Items	Semi-annual of 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
accounted as owners' equity												
4. Other												
(III) Profit allotment										-1,057,947,899.76		-1,057,947,899.76
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)										-1,057,947,899.76		-1,057,947,899.76
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.Change amount of defined benefit plans that carry												

Items	Semi-annual of 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		preferred stock	Sustainable debt	Other								
forward												
Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other					3,946,375.55							3,946,375.55
IV. Balance at the end of this term	2,090,806,126.00				2,925,904,356.93		253,468,274.62		528,976,846.38	2,647,676,209.95		8,446,831,813.88

III .Company Profile

(1)History

1.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., 418.2136 million yuan, was converted into 155.025 million shares. Guangdong Expressway Co. invested cash of 115 million yuan to subscribe for 35.9375 million shares. Other legal persons invested cash of 286.992 million yuan to subscribe for 89.685 million shares. Staff of the Company invested 87.008 million yuan to subscribe for 27.19 million shares. The total is 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 3.8 yuan) with the par value of each share being 1 yuan 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.<0}

5. The Company distributed dividends and capitalized capital common reserve for the year 1996 in the following manner: The Company paid 1.7 bonus shares for each 10 shares and capitalized capital common reserve on 3.3-for-10 basis.<0}

22,250 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.

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 June 30, 2019, 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 District, 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 June 30, 2019,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. The State-owned assets Supervision and Administration Committee of the Guangdong Provincial people's Government shall be the final controlling shareholder of the company.

(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 and Jingzhu Expressway Guangzhou Section, investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Jingzhu Expressway Guangzhou Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhaohao Expressway Co., Ltd., Ganzhou Kangda Expressway, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd., Guangdong Guangle Expressway Co., Ltd. and Guoyuan Securities Co., Ltd.

The financial statements have been authorized for issuance by the Board of Directors of the Group on August 28, 2019.

As of June 30, 2019, a total of 5 subsidiaries of the Company that were included in the scope of consolidation are listed in Note 9 "The equity in other entities". The scope of consolidation of the Company for the current year was reduced by one subsidiary from the previous year. Refer to Note 8 "Changes of the scope of consolidated financial statements" for details.

IV. Basis for the preparation of financial statements

1. Preparation basis

The financial statements of the Company have been prepared on basis of going concern in conformity with Chinese Accounting Standards for Business Enterprises and the Accounting Systems for Business Enterprises issued by the Ministry of Finance of People's Republic of China (Ministry of Finance issued order No.33, the Ministry of Finance revised order No.76) on February 15, 2006, and revised Accounting Standards (order 42 of the Ministry of Finance) and Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reports (2014 Revision) issued by the China Securities Regulatory Commission (CSRC).

According to the relevant accounting regulations in Chinese Accounting Standards for Business Enterprises, the Company has adopted the accrual basis of accounting. Held-for-sale non-current assets are measured at the lower of its book value at its classification date and fair value minus expected disposal costs. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements

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

Specific accounting policies and accounting estimates are indicated as follows:

The Company and subsidiaries are mainly engaged in highway investment and operation management. The Company formulates the specific accounting policies and accounting estimates for revenue recognition and other transactions and events in accordance with the actual business operation characteristics of the Company and subsidiaries, and provisions of the relevant accounting standard for business enterprises, please see Note 5.24 “Revenue” for details. The description of significant account judgment and estimates made by management, please see Note 5.28 “Significant accounting judgment and estimates.”

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

The financial statements of the Company are recognized and measured in accordance with the regulations in the Chinese Accounting Standards for Business Enterprises and they give a true and fair view of the financial position, business result and cash flow of the Company as of June 30, 2019. In addition, the financial statements of the Company comply, in all material respects, with the revised disclosing requirements for financial statements and the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15—General Provisions on Financial Reports (2014 Revision) issued by China Securities Regulatory Commission (CSRC) in 2014.

2. Accounting period

The accounting period of the Company is classified as interim period and annual period. Interim period refers to the reporting period shorter than a complete annual period. The accounting period of the Company is the calendar year from January 1 to December 31.

3. Operating cycle

The normal business cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The Company takes 12 months as a business cycle and uses it as a criterion for liquidity classification of assets and liabilities.

4. Standard currency for bookkeeping

Yuan (CNY) is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose CNY as their functional currency. The Company adopts CNY to prepare its functional statements.

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

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

1. Business Combinations under the Same Control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

For a business combination involving enterprises under common control, the party that, on the combination date, obtains control of another enterprise participating in the combination is the absorbing party, while that other enterprise participating in the combination is a party being absorbed. Combination date is the date on which the absorbing party effectively obtains control of the party being absorbed.

The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to the capital premium (or share premium) in the capital reserve. If the balance of the capital premium (or share premium) is insufficient, any excess is adjusted to retained earnings.

The cost of a combination incurred by the absorbing party includes any costs directly attributable to the combination shall be recognized as an expense through profit or loss for the current period when incurred.

2. Business Combinations not under the Same Control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination.

For a business combination not involving enterprises under common control, the party that, on the acquisition date, obtains control of another enterprise participating in the combination is the acquirer, while that other enterprise participating in the combination is the acquiree. Acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

For a business combination not involving enterprise under common control, the combined cost including the sum of fair value, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The transaction cost arose from issuing of equity securities, or liability securities shall be initially recognized as equity securities or liability securities. The contingent consideration related to the combination shall be booked as combination cost at the fair value at the acquisition date. If within the 12 months after the acquisition, additional information can prove the existence of related information at the acquisition date and the contingent consideration need to be adjusted, goodwill can be adjusted.

Combination cost of the acquirer's interest and identifiable net assets of the acquirer acquired through the business combination shall be measured by the fair value at the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be recognized as goodwill. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be accounted for according to the following requirements: (i) the acquirer shall reassess the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination; (ii) if after that reassessment, the cost of combination is still less than the acquirer's interest in the fair values of the acquiree's identifiable net assets, the acquirer shall recognize the remaining difference immediately in profit or loss for the current period.

Where the temporary difference obtained by the acquirer was not recognized due to conformity with the conditions applied for recognition of deferred income tax, if, within the 12 months after acquisition, additional

information can prove the existence of related information at acquisition date and the expected economic benefits on the acquisition date arose from temporary deductible difference by the acquiree can be achieved, relevant income tax assets can be recognized, and goodwill offset. If the goodwill is not sufficient, the difference shall be recognized as the profit of the current period.

Apart from above, the differences shall be taken into profit or loss of the current period if the recognition of deferred income tax assets is related to the combination.

For a business combination not involving enterprise under common control, which achieved in stages that involves multiple exchange transactions, according to “The notice of the Ministry of Finance on the issuance of Accounting Standards Interpretation No. 5” (CaiKuai [2012] No. 19) and Article 51 of “Accounting Standards for Business Enterprises No.33 - Consolidated Financial Statements” on the “package deal” criterion (see Note 4.5.2), to judge the multiple exchange transactions whether they are the "package deal". If it belongs to the “package deal” in reference to the preceding paragraphs of this section and the Notes described in 4.13 “long-term investment” accounting treatment, if it does not belong to the “package deal” to distinguish the individual financial statements and the consolidated financial statements related to the accounting treatment:

In the individual financial statements, the total value of the book value of the acquiree's equity investment before the acquisition date and the cost of new investment at the acquisition date, as the initial cost of the investment, the acquiree's equity investment before the acquisition date involved in other comprehensive income, in the disposal of the investment will be in other comprehensive income associated with the use of infrastructure and the acquiree directly related to the disposal of assets or liabilities of the same accounting treatment (that is, except in accordance with the equity method of accounting in the defined benefit plan acquiree is remeasured net changes in net assets or liabilities other than in the corresponding share of the lead, and the rest into the current investment income).

In the combination financial statements, the equity interest in the acquiree previously held before the acquisition date re-assessed at the fair value at the acquisition date, with any difference between its fair value and its carrying amount is recorded as investment income. The previously-held equity interest in the acquiree involved in other comprehensive income and other comprehensive income associated with the purchase of the foundation should be used party directly related to the disposal of assets or liabilities of the same accounting treatment (that is, except in accordance with the equity method of accounting in the acquiree is remeasured defined benefit plans other than changes in net liabilities or net assets due to a corresponding share of the rest of the acquisition date into current investment income).

6.Methods for Preparing the Consolidated Financial Statements

(1) The scope of consolidation

The scope of consolidation for the consolidated financial statements is determined on the basis of control. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities. The scope of consolidation includes the Company and all of the subsidiaries. The subsidiary is an enterprise or entity under the control of the Company.

Once the change in the relevant facts and circumstances leading to the definition of the relevant elements involved in the control of the change, the Company will be re-evaluated.

(2) Preparation of the consolidated financial statements

The subsidiary of the Company is included in the consolidated financial statements from the date when the control over the net assets and business decisions of the subsidiary is effectively obtained and excluded from the date when the control ceases.

For a subsidiary disposed of by the Company, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated

statement of cash flows, as appropriate. For a subsidiary disposed of during the period, no adjustment is made to the opening balance of the consolidated financial statements. For a subsidiary acquired through a business combination not under common control, the operating results and cash flows from the acquisition (the date when the control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate; no adjustment is made to the opening balance and comparative figures in the consolidated financial statements.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements. The results of operations and cash flow are included in the consolidated balance sheet and the consolidated income statement, respectively, based on their carrying amounts, from the date that common control was established, and the opening balances and the comparative figures of the consolidated financial statements are restated.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Where a subsidiary was acquired during the reporting period through a business combination not under common control, the financial statements were reconciled on the basis of the fair value of identifiable net assets at the date of acquisition. Intra-Group balances and transactions and any unrealized profit or loss arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

Minority interest and the portion of the net profit or loss not attributable to the Company are presented separately in the consolidated balance sheet within shareholders' / owners' equity and net profit. Net profit or loss attributable to minority shareholders in the subsidiaries is presented separately as minority interest in the consolidated income statement below the net profit line item.

When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' / equity of the subsidiary, the excess is allocated against the minority interests.

When the Company loses control of a subsidiary due to the disposal of a portion of an equity investment or other reasons, the remaining equity investment is re-measured at its fair value at the date when control is lost. The difference between 1) the total amount of consideration received from the transaction that resulted in the loss of control and the fair value of the remaining equity investment and 2) the carrying amounts of the interest in the former subsidiary's net assets immediately before the loss of the control is recognized as investment income for the current period when control is lost. Other comprehensive income related to the former subsidiary's equity investment, using the foundation and the acquiree directly related to the disposal of the same assets or liabilities are accounted when the control is lost (i.e., in addition to the former subsidiary, which is remeasured at the net defined benefit plan or changes in net assets and liabilities resulting from, the rest subsidiaries are transferred to the current investment income). The retained interest is subsequently measured according to the rules stipulated in the - "Chinese Accounting Standards for Business Enterprises No.2 - Long-term equity investment" or "Chinese Accounting Standards for Business Enterprises No.22 - Determination and measurement of financial instruments". See Note 5.14 Long-term equity investments and Note 5.10 Financial instruments for details.

Where loss of control over a subsidiary result from multiple transactions (agreements), the assessment shall be made as to whether the multiple agreements shall be viewed as a whole as a single transaction. Multiple agreements giving rise to loss of control over a subsidiary is generally viewed as a whole as a single transaction if the terms, conditions and economic implications of the multiple agreements satisfy one or more of the following

conditions: 1) the agreements are entered into simultaneously or taking into account the implication of each other; 2) the business objective cannot be achieved without successful completion of all the agreements; 3) the occurrence of one agreement is dependent on the result of at least another one agreement; and/or 4) any one single agreement is not recognized as economic, and the agreements as a whole is economic. Where multiple agreements do not satisfy the conditions of being viewed as a single transaction, each agreement shall be treated and accounted for in accordance with the provisions of disposal of long-term equity investments not resulting loss of control (see Note 5.14.2.4) or loss of control due to disposal of shares or other events (see the previous paragraph). Where multiple agreements satisfy the conditions of being viewed as a single transaction, each agreement shall be treated and accounted for as a transaction which results in loss of control; differences between the consideration for disposals prior to loss of control and the net assets proportionate to the shares disposed prior to loss of control are recognized as other comprehensive income in the consolidated financial statements and transferred to profit or loss at the time of loss of control.

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

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is either a joint operation or a joint venture, depending on the rights and obligation of the Company in the joint arrangement. A joint operation is a joint arrangement whereby the Company has rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the Company has rights to the net assets of the arrangement.

The Company accounts for joint ventures using the equity method, see Note 5.14.2.2 for details.

The Company, a joint operator, recognizes in relation to its interest in a joint operation: (a) its assets, including its share of any assets held jointly; (b) its liabilities, including its share of any liabilities incurred jointly; (c) its revenue from the sale of its share of the output arising from the joint operation; (d) its share of the revenue from the sale of the output by the joint operation; and (e) its expenses, including its share of any expenses incurred jointly.

When the Company enters into a transaction with a joint operation in which it is a joint operator, such as a sale or contribution of assets, the Company, prior to disposal of the assets to a third party by the joint operation, recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When there is evidence of a reduction in the net realizable value of the assets to be sold or contributed to the joint operation, or of an impairment loss of those assets which is in line with provision stipulated by CAS 8, those losses are recognized fully by the Company. When there is evidence of a reduction in the net realizable value of the assets to be purchased or of an impairment loss of those assets, the Company shall recognize its share of those losses.

8. Recognition Standard of Cash & Cash Equivalents

Cash and cash equivalents of the Company include cash on hand, ready usable deposits and investments having short holding term (normally will be due within three months from the day of purchase), with strong liquidity and easy to be exchanged into certain amount of cash that can be measured reliably and have low risks of change.

9. Foreign Currency Transaction

1 Translation in foreign exchange transactions

Transactions denominated in foreign currencies are translated into the functional currency using the transaction-date spot exchange rates. Where a transaction is conducted purely for the purpose of exchange one currency into another currency, the exchange rate used to translate the foreign currency into the functional currency is the exchange rate that is actually used for the currency exchange.

2 Translation of foreign monetary currency and non-monetary foreign currency

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. All the exchange differences thus resulted are taken to profit or loss, except for ①those relating to foreign currency borrowings specifically for construction and acquisition of qualifying assets, which are capitalized in accordance with the principle of capitalization of borrowing costs, ②hedging accounting, the exchange difference related to hedging instruments for the purpose of net overseas operating investment is recorded in the comprehensive income till the date of disposal and recognized in profit or loss of the period; exchange difference from changes of other account balance of foreign currency monetary items, ③available-for-trade is recorded into profit or loss except for amortized cost.

Non-monetary foreign currency items measured at historical cost shall still be translated at the spot exchange rate prevailing on the transaction date, and the amount denominated in the functional currency is not changed. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing at the date when the fair values are determined. The exchange difference thus resulted are recognized in profit or loss for the current period or as capital reserve.

(3) Conversion method of Foreign currency Financial statements

Where the preparation of consolidated financial statements involves overseas operations, if any foreign currency monetary item constitutes a net investment in overseas operations in essence, the exchange difference resulting from the change of exchange rate shall be recognized as other comprehensive gains as the "conversion difference of foreign currency statements"; when dealing with overseas operations, it shall be included in the profits and losses of the current period of disposal.

Foreign currency financial statements operated abroad are converted into RMB statements by the following methods: assets and liabilities in the balance sheet are converted at the spot exchange rate on the balance sheet date; shareholder equity items are converted at the spot exchange rate at the time of occurrence, except for "undistributed profit" items. The revenues and expenses in the income statement are converted with the spot exchange rate on the transaction day. The undistributed profit at the beginning of the year is the undistributed profit at the end of the year after the conversion of the previous year; the undistributed profit at the end of the year is calculated and shown according to the items of the profit distribution after the conversion; the difference between the total amount of assets and liabilities and shareholders' equity after the conversion is recognized as the conversion difference of foreign currency statements and as other comprehensive income. When the foreign operation is disposed and the control right is lost, the conversion balance which is presented under the shareholders' equities item in the balance sheet and arises from the conversion of foreign currency financial statements related to this foreign operation will be transferred into the current profit and loss fully or in the foreign operation proportion.

Cash flow of foreign currency shall be converted into spot exchange rate on the date of occurrence of cash flow. The influence of exchange rate fluctuation on cash will be separately presented as an adjustment item in the Cash Flow Statement.

The account at the beginning of current year and the actual amount of previous year shall be listed in accordance with the translation differences statements of the previous year.

During the management of the entire owner's equity of the Company's operations abroad or the loss of control over overseas operations due to the disposal of part of the equity investment or other reasons, the converted balance of the foreign currency statements related to the overseas operations, which are attributable to the owner's rights and interests of the parent Company, as shown below in the balance sheet, shall be transferred to the current profit and loss.

During the management of part of the equity investment or other reasons leading to the reduction of the

proportion of holding overseas operating rights and interests but not losing control over overseas operations, the balance of foreign currency statement conversion related to the part of overseas operation and disposal will be attributed to the rights and interests of minority shareholders and shall not be transferred to current profits and losses. During the management of part of the equity of an overseas joint venture or joint venture, the difference in the conversion of foreign currency statements related to the overseas operation shall be transferred to the profits and losses of the current period according to the proportion of disposing of the overseas operation.

10. Financial instruments

The Company recognizes the financial assets or liabilities when involved in financial instruments' agreements.

(1) Classification, recognition and measurement of financial assets

In accordance with the characteristics of business model for managing financial assets and the contractual cash flow of financial assets, the Company classifies financial assets into: financial assets measured in amortized cost; financial assets measured at fair value and their's changes are included in other comprehensive income; financial assets measured at fair value and their's changes are included in current profits and losses.

The initial measurement of financial assets is calculated by using fair value. For financial assets measured at fair value, whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses; For other types of financial assets, relevant transaction costs are included in the initial recognition amount. Accounts receivable or notes receivable arising from the sale of products or the provision of labor services that do not include or take into account significant financing components are initially recognized by the Company in accordance with the amount of consideration that the Company is expected to be entitled to receive.

① Financial assets measured at amortized cost

The business model of the Company's management of financial assets measured by amortized cost is aimed at collecting the contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements, that is, the cash flow generated on a specific date is only the payment of principal and interest based on the amount of outstanding principal. For such financial assets, the Company adopts the method of real interest rate and makes subsequent measurement according to the cost of amortization. The profits or losses resulting from amortization or impairment are included in current profits and losses.

② Financial assets measured at fair value and changes included in other comprehensive income

The Company's business model for managing such financial assets is to collect the contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. The Company measures such financial assets at fair value and their changes are included in other comprehensive gains, but impairment losses or gains, exchange gains and losses and interest income calculated according to the actual interest rate method are included in current profits and losses.

In addition, the Company designated some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income. The Company includes the relevant dividend income of such financial assets in current profits and losses, and the changes in fair value in other comprehensive gains. When the financial asset ceases to be recognized, the accumulated gains or losses previously included in other comprehensive gains shall be transferred into retained income from other comprehensive income, and not be included in current profit and loss.

③ Financial assets measured at fair value and changes included in current profits and losses

The Company includes the above-mentioned financial assets measured at amortized cost and those measured

at fair value and their's changes in financial assets other than financial assets of comprehensive income and classifies them as financial assets measured at fair value and their's changes that are included in current profits and losses. In addition, the Company designates some financial assets as financial assets measured at fair value and includes their changes in current profits and losses in order to eliminate or significantly reduce accounting mismatches during initial recognition. In regard with such financial assets, the Company adopts fair value for subsequent measurement, and includes changes in fair value into current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are immediately recognized in profit or loss for the current period, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

.1 Financial liabilities measured by the fair value and the changes recorded in profit or loss

The classification by which financial liabilities held-for-trade and financial liabilities designed at the initial recognition to be measured by the fair value follows the same criteria as the classification by which financial assets held-for-trade and financial assets designed at the initial recognition to be measured by the fair value and their changes are recorded in the current profit or loss

Transactional financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured according to fair value. Except for hedging accounting, changes in fair value are included in current profits and losses.

Financial liabilities designated as financial liabilities that are measured at fair value and their's changes are included in current profits and losses. The liabilities are included in other comprehensive gains due to changes in fair value caused by changes in the Company's own credit risk, and when the liabilities are terminated, the changes in fair value caused by changes in its own credit risk of other comprehensive gains are included in the cumulative changes in its fair value caused by changes in its own credit risk of other comprehensive gains. The amount is transferred to retained earnings. The remaining changes in fair value are included in current profits and losses. If the above-mentioned way of dealing with the impact of the changes in the credit risk of such financial liabilities will result in or expand the accounting mismatch in the profits and losses, the Company shall include all the profits or losses of such financial liabilities (including the amount of the impact of the changes in the credit risk of the enterprise itself) into the current profits and losses.

② Other financial liabilities

In addition to the transfer of a financial asset is not in conformity with the conditions to stop the recognition or formed by its continuous involvement in the transferred financial asset, financial liabilities and financial guarantee contract of other financial liabilities classified as financial liabilities measured at the amortized cost, measured at the amortized cost for subsequent measurement, recognition has been stopped or amortization of the profit or loss is included in the current profits and losses.

(3) Recognition basis and measurement methods for transfer of financial assets

Financial assets satisfying one of the following conditions shall be terminated and recognized: ①The contractual right to collect the cash flow of the financial asset is terminated; ②The financial asset has been transferred, and almost all the risks and rewards in the ownership of the financial asset have been transferred to the transferee; ③The financial asset has been transferred, although the enterprise neither transfers nor retains almost all the risks and rewards in the ownership of the financial asset, but it abandoned control of the financial assets.

In case that the enterprise does not transfer or retain almost all risks and rewards on financial assets ownership nor waive to control these assets, relevant financial assets shall be recognized in accordance with the

degree for continued involvement of financial assets transferred and relevant liabilities shall be recognized correspondingly. westbank The term "continuous involvement in the transferred financial asset" shall refer to the risk level that the enterprise faces resulting from the change of the value of the financial asset.

If the overall transfer of the financial assets satisfies the derecognition criteria, the difference between the book value of the transferred financial assets and the sum of the consideration received from transfer and cumulative change in fair value previously recognized in other comprehensive income is accounted into the current profit or loss.

In case that the partial transfer of financial assets meets de-recognition conditions, the book value of financial assets transferred shall be allocated as per respective fair value between de-recognized or not de-recognized parts, and the difference between the sum of the consideration received due to transfer with the accumulated amount of fair value changes that is previously included in other comprehensive income and shall be allocated to de-recognized parts and the aforesaid book amount allocated shall be included in the current profit or loss.

The Company shall determine whether almost all the risks and rewards of the ownership of the financial assets sold by means of recourse or endorsed to transfer the financial assets it holds have been transferred. If almost all the risks and rewards in the ownership of the financial asset have been transferred to the transferee, the confirmation of the financial asset shall be terminated; if almost all the risks and rewards in the ownership of the financial asset have been retained, the confirmation of the financial asset shall not be terminated; if neither the transfer nor the retention of almost all the risks and rewards in the ownership of the financial asset has been made. In case of remuneration, it shall continue to determine whether the enterprise has retained control over the assets and conduct accounting treatment in accordance with the principles described in the preceding paragraphs.

(4) Termination confirmation of financial liabilities

If the current obligation of a financial liability (or part thereof) has been discharged, the Company shall terminate the recognition of the financial liability (or part thereof). If the Company (the debtor) signs an agreement with the lender to replace the original financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities are substantially different from those of the original financial liabilities, it shall terminate the recognition of the original financial liabilities and at the same time confirm a new financial liabilities. If the Company substantially amends the contract terms of the original financial liabilities (or part thereof), it shall terminate the confirmation of the original financial liabilities and at the same time confirm a new financial liabilities in accordance with the revised terms.

If the financial liabilities (or part thereof) are terminated, the difference between their book value and the consideration paid (including the transferred non-cash assets or liabilities assumed) shall be included in the profits and losses of the current period.

(5) Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

(6) Method for determining the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant must pay to sell or transfer a liability in an orderly transaction that occurs on the measurement date. The fair value of financial instruments existing in an active market is determined by the Company according to its quoted price in this market. westbank The quoted prices in the active market refer to the prices, which are easily available from the stock exchanges, brokers, industry

associations, pricing service institutions and etc. at a fixed term, and which represent the prices at which actually occurred market transactions are made under fair conditions. If a financial instrument does not exist in active markets, its fair value shall be determined by the Company with assessment techniques. The value appraisal techniques mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, the cash flow capitalization method and the option pricing model, etc. In valuation, the Company adopts valuation techniques that are applicable in the current situation and supported by sufficient data and other information to select input values consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and give priority to the use of relevant observable input values as far as possible. Unallowable values are used if the relevant observable input values are not available or are not practicable.

(7) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The consideration received from issuing equity instruments, net of transaction costs, are added to shareholders' equity. All types of distribution (excluding stock dividends) made by the Company to holders of equity instruments are deducted from shareholders' equity.

The dividends (including "interest" generated by the tools classified as equity instruments) distributed by the Company's equity instruments during the period of their existence shall be treated as profit distribution.

11. Impairment provision for financial assets

The Company requires to confirm that the financial assets lost by impairment are financial assets measured by amortized cost, investment in debt instruments and lease receivables which are measured at fair value and whose changes are included in other comprehensive gains, mainly including notes receivable, accounts receivable, other receivables, creditor's rights investment, other creditor's rights investment and long-term receivables and etc. In addition, provision for impairment and confirmation of credit impairment losses are also made for contract assets and some financial guarantee contracts in accordance with the accounting policies described in this section.

(1) Method of confirming impairment provision

Based on anticipated credit loss, the Company calculates impairment preparation and confirms credit impairment loss according to the applicable anticipated credit loss measurement method (general method or simplified method).

Credit loss refers to the difference between the cash flow of all contracts discounted according to the original real interest rate and the expected cash flow of all contracts receivable according to the contract, that is, the present value of all cash shortages. Among them, the Company discounts the financial assets purchased or originated with credit impairment at the actual interest rate adjusted by credit.

The general method of measuring anticipated credit loss is whether the credit risk of the Company's financial assets (including other applicable items such as contract assets, similarly hereinafter) has increased significantly since the initial recognition on each balance sheet day. If the credit risk has increased significantly since the initial recognition, the Company shall measure the loss preparation according to the amount equivalent to the expected credit loss in the whole duration. If the credit risk has not increased significantly since the initial recognition, the Company shall measure the loss preparation according to the amount equivalent to the expected credit loss in the next 12 months. The Company shall consider all reasonable and evidenced information, including forward-looking information, when evaluating expected credit losses.

Assuming that their credit risk has not increased significantly since the initial recognition, the Company may

choose to measure the loss reserve according to the expected credit loss in the next 12 months for financial instruments with low credit risk on the balance sheet date.

(2) Criteria for judging whether credit risk has increased significantly since the initial recognition

If the probability of default of a financial asset on the estimated duration of the balance sheet is significantly higher than the probability of default during the estimated duration of the initial recognition, the credit risk of the financial asset is significantly increased. Except for special circumstances, the Company uses the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in the entire duration to determine whether the credit risk has increased significantly since the initial recognition.

(3) A portfolio-based approach to assessing expected credit risk

The Company shall evaluate the credit risk of financial assets with distinct differences in credit risk, such as the receivables in dispute with the other party or involving litigation and arbitration, and receivables that has been proved that the debtor may not be able to fulfill the obligation of repayment, etc.

In addition to the financial assets that assess credit risk individually, the Company shall divide financial assets into different groups based on common risk characteristics, and assess credit risk on the basis of portfolio.

(4) Accounting treatment of impairment of financial assets

At the end of the duration, the Company shall calculate the anticipated credit losses of various financial assets. If the anticipated credit losses are greater than the book value of its current impairment provision, the difference is deemed as impairment loss. If the balance is less than the book value of the current impairment provision, the difference is deemed as impairment profit.

(5) Method of determining credit losses of various financial assets

① Receivable

In regard to receivables without significant financing components, the Company shall measure loss preparation according to the amount of anticipated credit loss equivalent to the entire duration.

In regard to accounts receivable with significant financing components, the Company shall choose to measure loss preparation according to the amount equivalent to the expected credit loss within the duration all the time.

In addition to the accounts receivable that assesses the credit risk individually, receivables are divided into different portfolios based on their credit risk characteristics:

Items	Basis for determining combination:
Portfolio 1	This portfolio is characterized by the aging of receivables as a credit risk.

For the above portfolio 1, the measurement method of bad debts reserve is the aging analysis method, specifically as follows

Aging	Proportion (%)	Other receivable proportion (%)
Within 1 year (Including 1 year)	0	0
1-2 years	10	10
2-3 years	30	30
3-4 years	50	50
4-5 years	90	90
Over 5 years	100	100

② Other receivable

The Company has measured the impairment loss based on the amount of expected credit losses in the next 12 months or the entire duration, based on whether the credit risk of other receivables has increased significantly since the initial recognition. In addition to the other accounts receivable which assesses the credit risk individually,

they are divided into different portfolios based on their credit risk characteristics:

Items	Basis for determining combination:
Portfolio 1	This portfolio is a collection of various deposits, advances, pledges and other receivables in daily activities.
Portfolio 2	This portfolio is a reserve fund borrowed by employees in their daily business activities.
Portfolio 3	Other receivables other than the above portfolio.

For portfolios 1 and 2 above, no provision for bad debts is generally made unless there is evidence of loss of assets. For portfolio 3 above, the provision for bad debts is the same as portfolio 1 for receivables.

③ Creditor's rights investment

Creditor's rights investment mainly accounts for bond investment measured by amortized cost, etc. The Company has measured the impairment loss based on the amount of expected credit losses in the next 12 months or the entire duration, based on whether the credit risk has increased significantly since the initial recognition. The Company adopts the method of evaluating credit risk with individual assets for creditor's rights investment.

12.Inventory

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

No

1. Inventories class: The company's stocks can be classified as: raw 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. Determination of net realizable value of inventories and impairment allowance for inventories

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained and takes into consideration the purpose of holding inventories and effect of post balance sheet events.

At the balance sheet date, inventories are measured at the lower of the cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. The provision for inventories decline in value is normally determined by the difference of the cost of the individual item less its realizable value. For large quantity and low-value items of inventories, provision for decline in value is made based on categories of inventories.

For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end users or purposes, and cannot be practicably evaluated separately from other items in that product line provision for decline in value is determined on an aggregate basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

4. Physical inventories are managed by the perpetual inventory taking system.

5. Amortization of low-value consumables and packaging materials.

Low-value consumables and packaging materials are fully amortized at the time of issuance.

13. Held-for-sale assets and disposal group

The Company classify a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the following conditions shall be met: a) the asset (or disposal group) must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets or disposal groups; b) the Company has made the resolution on the disposal plan and must be committed to a plan to sell the asset (or disposal group); c) the sale is expected to be completed within one year from the date of classification. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. The group shall include goodwill acquired in a business combination if the group is a cash-generating unit to which goodwill has been allocated in accordance with the requirements of Accounting Standard for Business Enterprises No. 8 – Impairment of assets.

The Company measure a non-current asset or disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell on initial recognition and subsequent remeasurement on the balance sheet date. An impairment loss is recognized when the carrying amount is higher than the fair value less costs to sell, and allowance for impairment is recognized accordingly. For the disposal group, the recognized impairment loss on assets is offset against the carrying amount of the goodwill in the disposal group, and then reduced in proportion of the book value of the non-current assets applicable to "Accounting Standard for Business Enterprises No. 42 - Non-current Assets Held for Sale, Disposal Group and Discontinued Operations (hereinafter referred to as "held for sale accounting principle") measurement requirements. The Company shall recognize a gain during the period for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been recognized after the reclassification to non-current assets held for sale. The book value of assets in the disposal group is increased proportionately according to the proportion of the book value of each non-current asset except for goodwill. Impairment loss recognized before the reclassification to non-current assets held for sell shall not be recovered.

Non-current asset or non-current asset in the disposal group classified as held for sale are not subject to depreciation or amortization. The interest and other expenses on liabilities held in the disposal group for sale are continuously recognized.

Non-current assets or disposal group that no longer meet the conditions of non-current asset held for sell shall be removed from the category, and shall be measured at the lower of the following: (a) The carrying amount before classification as held for sale after adjustment of depreciation, amortization or impairment that should be recognized if it is not classified as non-current assets held for sell; (b) recoverable amount.

.14. Long-term equity investments

Long-term equity investments in this section refer to the long-term investment through which the Company has control, joint control, or material influence on the investee. Long-term equity investments through which the Company does not have control, joint control or material influence on the investee shall be recognized as available-for-sale financial assets or financial assets measured by fair value with changes in fair value recognized in profit or loss. See 10 for details.

Joint control is the contractually agreed sharing of control over economic activity and exists when the

strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

(1) Determination of Investment cost

Long-term equity investment acquired through business combination under common control are measured at the acquirer's share of the combination date book value of the acquiree's net equity in the ultimate controller's consolidated financial statements. The difference between the initial cost and cash paid, non-monetary assets transferred, and liabilities assumed by is adjusted to capital reserves, and to retained earnings if capital reserves are insufficient. If the consideration is paid by issuing equity instruments, the initial cost is measured at the acquirer's share of the combination date book value of the acquiree's net equity in the ultimate controller's consolidated financial statements, with the face value of the equity instruments issued recognized as share capital and the difference between the initial cost and the face value of the equity instruments issued adjusted to capital reserves, and to retained earnings if capital reserves is insufficient. For business combination involving entities under common control achieved through multiple transactions (acquisition in stages), the multiple agreements are assessed to determine whether they should be viewed as a lump-sum purchase. Where multiple agreements of an acquisition in stages are viewed as a lump-sum purchase, the transactions are viewed as one transaction that acquires the control power. Where multiple agreements of an acquisition fail the conditions of a lump-sum purchase, long-term equity investment acquired through business combination under common control are measured at the acquirer's share of the combination date book value of the acquiree's net equity in the ultimate controller's consolidated financial statements. The difference between the initial cost, and the book value of the long-term equity investment before combination date and considerations paid to acquire new shares on the combination date, is adjusted to capital reserves, and to retained earnings if capital reserves are insufficient.

Long-term equity investment acquired through business combination not under common control is measured at combination cost on the combination date. The combination cost includes assets contributed by the purchaser, liabilities incurred or assumed by, and fair value of the equity instruments issued by the acquirer. For business combination involving entities not under common control achieved through multiple transactions (acquisition in stages), the multiple agreements are assessed to determine whether they should be viewed as a lump-sum purchase. Where multiple agreements of an acquisition in stages are viewed as a lump-sum purchase, the transactions are viewed as one transaction that acquires the control power. Where multiple agreements of an acquisition fail the conditions of a lump-sum purchase, long-term equity investment acquired through business combination not under common control are measured at the sum of the original book value of the equity investment on the investee and the new investment cost, which is regarded as the new initial cost of the long-term investment when transferred to cost method. If the original equity is measured by the equity method, not accounting treatment is applied to relevant other comprehensive income temporarily.

The audit, legal services, valuation, and other directly associated administrative expenses incurred by the acquirer are recognized in profit or loss on the transaction dates.

Long-term equity investments acquired not through business combination are measured at cost on initial recognition. Depending on the way of acquisition, the cost of acquisition can be the total cash paid, the fair value of equity instrument issued, the contract price, the fair value or book value of the assets given away in the case of non-monetary asset exchange, or the fair value of the relevant long-term equity investments. The cost of acquisition of a long-term equity investment acquired not through business combination also includes all directly associated expenses, applicable taxes and fees, and other necessary expenses. When the Company increase investment to have material influence or joint control, but not control over the investee, long-term investments are measured at the sum of the fair value of initial equity investment and cost of new investment as defined in

CAS22-Recognition and Measurement of Financial Assets.

(2) Subsequent measurement and recognition and measurement of gain or loss

Where a long-term equity investment gives the Company either joint control or significant influence over the respective investee, the investment is subsequently measured using the equity method. Where a long-term equity investment gives the Company control over the respective investee, the investment is subsequently measured at cost.

① Long-term equity investments measured at cost

A long-term equity investment is measured at the cost of investment, excluding declared cash dividends or profit pending distribution included in the consideration paid. Investment income for the relevant period from a long-term equity investment measured at cost is recognized as the Company's share of the cash dividends or profit declared for distribution by the investee.

② Long-term equity investments measured using the equity method

When the cost of a long-term equity investment measured using the equity method on initial recognition exceeds the Company's share of the fair value of the respective investee's net identifiable assets, no adjustment is made to the cost of the investment for the excess. When the Company's share of the fair value of an investee's net identifiable assets exceeds the cost of the respective long-term equity investment measured using the equity method on initial recognition, adjustment is made to the cost of the investment for the difference and the difference is carried to profit or loss for the period during which the investment is recognized.

Investment income or loss and other comprehensive income for the relevant period from a long-term equity investment measured using the equity method is measured at the Company's share of the net profit or loss and other comprehensive income of the respective investee for the relevant period, and the book value of long-term equity investments is adjusted accordingly. If the investee declares profit distribution or cash dividends, long-term equity investments are reduced by the Company's share of declared profit distribution or cash dividends in the investee. Long-term equity investments will be adjusted, and capital reserves are recognized with variations other than net profit or loss, other comprehensive income, and profit distribution. When computing the Company's share of the net profit or loss of the investee for the relevant period, net profit or loss of the investee for the relevant period is adjusted, if necessary, for the fair value of the investee's identifiable assets and identifiable liabilities on acquisition and the Company's accounting policies and accounting period. Investment income and other comprehensive income is recognized accordingly. The computation of the Company's share of the net profit or loss of the investee for the relevant period also eliminates unrealized profit and loss arising from transactions between the Company and the investee (a joint venture or associate, whichever is applicable) and contributing or selling assets to the investee which forms an operation, to the extent of the Company's share calculated by the Company's shareholding in the investee for the relevant period, except for the unrealized loss resulted from impairment of transferred assets. When contributing assets to the joint venture or associate by the Company forms an operation, and the investor acquires the long-term equity investment without control, long-term equity investments are measured at fair value of the contributed operations, with the difference between initial investment cost and book value of the contributed operation fully recognized in profit or loss for the period. When selling assets to the joint venture or associate by the Company forms an operation, the difference between considerations received and book value of the operation is fully recognized in profit and loss for the period. When purchasing assets from the joint venture or associate by the Company belongs to an operation, income and losses are fully recognized as specified in CAS20-Business Combination. When the Company's share of an investee's net loss exceeds the sum of the carrying amount of the respective long-term equity investment measured using the equity method and other investments in the investee, the carrying amount of the long-term equity investment and other investments in the investee is reduced to zero. If the Company is obliged to share loss of the investee after

its long-term equity investment and other investments have been reduced to zero, an investment loss and provision is recognized to the extent of the estimated obligation. If the investee reports profits in subsequent periods, the Company only recognizes its share of profit after its share of profit equals the share of loss not recognized.

For long-term equity investments in associates and joint ventures which had been held by the Company before its first time adoption of new accounting standards, where the initial investment cost of a long-term equity investment exceeds the Company's share in the investee's net assets at the time of acquisition, the excess is amortized and is recognized in profit or loss on a straight-line basis over the original remaining life.

③ Acquisition of minority interests

If minority interests in an investee is acquired by the Company, during the Company's preparation of the consolidated financial statements, the difference between the Company's cumulative share of the investee's net assets calculated on the basis of the new shareholding in the investee from the acquisition date (or combination date) and the Company's investment in the investee following the minority interest acquisition is adjusted to capital reserves, and to retained earnings if capital reserves is insufficient.

④ Disposal of long-term equity investments

On the consolidated financial statements, when partly disposal of a long-term equity investment in a subsidiary which does not cause loss of control over the subsidiary, the difference between the consideration for disposal and the net identifiable asset given away proportionate to the disposed shares in the subsidiary is recognized in equity; partly disposal of a long-term equity investment in a subsidiary which causes loss of control over the subsidiary is accounted for in accordance with Note 5.6.2.

The difference between the consideration for disposal of long-term equity investments and the carrying amount of the long-term equity investments disposed of is recognized in profit or loss for the period during which the investments are disposed of.

When a long-term equity investment measured using the equity method is disposed, and the residual equity after disposal is still measured using equity method, the respective cumulative other comprehensive income recognized in equity proportionate to the disposed of investment shall adopt the same accounting treatment as the investee disposes of relevant assets or liabilities directly. Movement in investee's equity other than changes in net profit or loss, other comprehensive income, and profit distribution is recognized in profit or loss proportionally.

When a long-term equity investment measured using the cost method is disposed and the residual equity after disposal is still measured using cost method, other comprehensive income, which is recognized by equity method or recognition and measurement applicable to financial instruments prior to the Company's acquisition of control over the investee, shall adopt the same accounting treatment as the investee disposes relevant assets or liabilities directly on the date of loss of control, and profit or loss is recognized proportionally. Movement in investee's equity other than changes in net profit or loss, other comprehensive income, and profit distribution is recognized in profit or loss proportionally. Where the Company's control over an investee is lost due to partial disposal of investment in the investee and the Company continues to have significant influence over the investee after the partial disposal, the investment is measured by equity method in the Company's separate financial statements; where the Company's control over an investee is lost due to partial disposal of investment in the investee and the Company ceases to have significant influence over the investee after the partial disposal, the investment is measured in accordance with the recognition and measurement principles applicable to financial instruments in the Company's separate financial statements and the difference between the fair value and book value of the remaining investment at the date of loss of control is recognized in profit or loss. Cumulative other comprehensive income relevant to the investment, which is recognized by equity method or recognition and measurement principles applicable to financial instruments prior to the Company's acquisition of control over the investee, shall adopt the same accounting treatment as the investee disposes relevant assets or liabilities directly

on the date of loss of control, The investee's equity movement other than changes in net profit or loss, other comprehensive income and profit distribution, as a result of accounting by equity method, is recognized in profit or loss when control is lost. Where the remaining investment is measured by equity method, the afore-mentioned other comprehensive income and other equity movement are recognized in profit or loss proportionate to the disposal; Where the remaining investment is measured in accordance with the recognition and measurement principles applicable to financial instruments, the afore-mentioned other comprehensive income and other equity movement are fully recognized in profit or loss.

Where the Company's joint control or significant influence over an investee is lost due to partial disposal of investment in the investee, the remaining investment in the investee is measured in accordance with the recognition and measurement principles applicable to financial instruments, the difference between the fair value and the book value of the remaining investment at the date of loss of joint control or significant influence is recognized in profit or loss. Cumulative other comprehensive income relevant to the investment, which is recognized by equity method or recognition and measurement principles applicable to financial instruments prior to the Company's acquisition of control over the investee, shall adopt the same accounting treatment as the investee disposes relevant assets or liabilities directly on the date of loss of control, The investee's equity movement other than changes in net profit or loss, other comprehensive income and profit distribution, as a result of accounting by equity method, is recognized in profit or loss when control is lost.

Where the Company's control over an investee is lost through multiple disposals and the multiple disposals can be viewed as a lump-sum transaction, the multiple disposals are accounted for one single transaction which results in the Company's loss of control over the investee. Difference between the consideration received and the book value of the investment disposed at each time of disposal is recognized in other comprehensive income and reclassified in full to profit or loss at the period when control over the investee is lost.

15..Investment Property

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

Investment property is held to earn rentals or for capital appreciation or for both. Investment property includes leased or ready to transfer after capital appreciation land use rights and leased buildings. Investment property is initially measured at cost. Subsequent expenditures related to an investment real estate are likely to flow about the economic benefits of the asset, and its cost can be measured reliably, is included in the cost of investment real estate. Other subsequent expenditure in the profit or loss when it incurred.

The Group uses the cost model for subsequent measurement of investment property, and in accordance with the depreciation or amortization of buildings or land use rights policy.

Investment property impairment test method and impairment accrual method described in Note 20 "Non-current and non-financial assets impairment."

Occupied real estate for investment property or investment property is transferred to the owner-occupied real estate or stock conversion as the recorded value after the conversion, according to the book value before the conversion.

Investment property change into the Owner-occupied real estate, since the change of date for the investment property, is transferred to fixed assets or intangible assets. Change the owner-occupied property held to earn rentals or for capital appreciation, since the change of date, the fixed assets or intangible assets to investment property. Conversion occurs when converted to investment property using the cost model, as the book value

before the conversion of the recorded value after the conversion; converted to investment property measured at fair value model, the fair value of the conversion date as the recorded value after conversion.

Derecognized, when the investment property is disposed of or permanently withdrawn from use and the expected economic benefits, cannot be obtained from the disposal of investment property. Proceeds on disposal of investment property is sold, transferred, retired or damaged through profit or loss after deducting the book value and related taxes.

16.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.

The fixed assets are recognized only after relevant economic interests probably flow into the Company and costs are reliably measured. The initial calculation will be made for the fixed assets based on the cost and the influence of expected disposal cost.

Type	Depreciation method	Expected useful life(Year)	Residual rate (%)	Annual depreciation rate(%)
Guangfo Expressway	Working flow basis	28 years	0%	
Fokai Expressway-Xiebian to Sanbao Section	Working flow basis	40 years	0%	
Fokai Expressway-Sanbao to Shuikou Section	Working flow basis	30 years	0%	
Jingzhu Expressway Guangzhu Section	Working flow basis	30 years	0%	
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%

(2) Depreciation method

The Company's fixed assets of highways and bridges are depreciated within the approved charging period by workload method from the next month after reaching the intended usable state. The specific method is as follows: calculate the depreciation amount of each standard traffic flow based on the predicted total standard traffic flow or book value of roads and bridges within the tolling period, and then calculate and withdraw depreciation amount according to the actual standard traffic flow during each accounting period. Fixed assets other than highways and bridges are depreciated within the service life by the method of average life from the next month when they reach the intended usable state.

Expected net residual value of fixed assets is the balance of the Company currently obtained from the

disposal of the asset less the estimated costs of disposal amount, assuming the asset is out of useful life and state the expected service life in the end.

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

For the impairment test method and the impairment provision withdrawing method of the Fixed assets, please refer to “Long-term Assets Impairment in Article 21 of Important Accounting Policies and Accounting Estimates in Notes 5 of Financial Statements”.

(4) Recognition and measurement of fixed assets held under financial lease

A finance lease is a lease that transfers in substance all the risks and rewards incident to ownership of an asset. The title may or may not eventually be transferred. Fixed assets that are held under finance leases shall be depreciated by applying the same policy as that for the fixed assets owned by the Company. If it can be reasonably determined that the ownership of the leased assets can be obtained at the end of the lease period, the leased assets are depreciated over their useful lives; otherwise, the leased assets are depreciated over the shorter of the lease terms and the useful lives of the leased assets.

(5) Other notes

A fixed asset is recognized only when the economic benefits associated with the asset will probably flow to the Company and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditure shall be recognized in profit or loss in the period in which they are incurred.

The revenue from selling or transferring or disposing of a fixed asset is booked into profit and loss after deduction of carrying value and related tax.

The Company conducts a review of useful life, expected net realizable value and depreciation methods of the fixed asset at least on an annual base. Any change is regarded as a change in accounting estimates.

17. Construction-in process

The cost of construction in progress is measured at the actual expenditure incurred, including construction expenditure and capitalization of borrowing costs and other applicable costs incurred prior to the completion. An item of construction in progress is reclassified to fixed asset upon completion.

See Note 5.21 for details of assessment for impairment of construction in progress and impairment allowance for construction in progress.

18. Borrowing cost

Borrowing costs include interests on loans, amortization of discount or premium, ancillary expenses, and foreign exchange difference on loans denominated in foreign currencies. Borrowing costs directly associated with the acquisition of construction of a qualifying asset are eligible for capitalization. Capitalization starts when expenditure on the qualifying asset is incurred, borrowing costs are incurred, or production or construction of the qualifying asset for its intended use or sales is started, whichever is later. Capitalization stops when the qualifying assets reach the condition of its intended use or sales. All other borrowing costs are recognized in profit or loss for

the period during which they are incurred.

When a loan is taken out specifically for the construction of a particular qualifying asset, the interest expense capitalized for a particular period is the residual amount after deducting interest income from unused facilities for the period and/or income from temporary investment of the unused facilities for the period from the interest expense incurred for the period. Borrowing costs on general purpose financing are calculated by multiplying the weighted average of the excess of cumulative capital expenditure over the designated financing facilities with the capitalization rate of general purpose financing. The capitalisation rate of general purpose financing is calculated as the weighted average of the interest rates of general purpose financing.

Foreign exchange difference on designated financing denominated in foreign currencies incurred during the capitalization period is wholly capitalized. Foreign exchange difference on general purpose financing denominated in foreign currencies is recognized in profit or loss for the period during which it is incurred.

A qualifying asset is an item of fixed assets, investment property, inventories, etc. which requires a substantial period of time for the construction or production for its intended use of sales.

If the construction or production of a qualifying asset stops for a period longer than three months, capitalization of borrowing costs is suspended until the construction or production is resumed.

19.Intangible assets

(1) Pricing method, useful life and impairment test

An intangible asset is an identifiable non-monetary asset without a physical form which is owned or control by the Company. Intangible assets are measured at cost on initial recognition. If it is probable that economic benefits associated with expenditure directly associated with an item of intangible assets will flow to the Company and the cost of the expenditure can be reliably measured, the expenditure is measured as part of the intangible asset's initial cost; all other expenditure is recognized in profit or loss for the period during which it is incurred.

Land use rights acquired are generally recognized as intangible assets. In the case of a self-constructed building, the costs of acquiring the respective land use right(s) and the costs of building construction are separately recognized and measured as intangible assets and fixed assets respectively. In the case of a purchased building, the costs of acquisition are allocated to land useright(s) and building; if the reasonable allocation is impossible, the costs of acquisition as a whole are recognized and measured as fixed assets. For an item of intangible assets which is with a finite useful life, the residual amount after deducting its estimated residual value and previously recognized impairment from its cost is amortized over its estimated remaining useful life using the straight-line method starting from the month in which it reaches the conditions of its intended use of sales. Intangible assets with infinite useful life are not amortized.

Useful lives of intangible assets are a review on each balance sheet date. If circumstances indicate that there is a change in the useful life of an item of intangible assets with a finite useful life, a change in accounting estimates is carried out. If circumstances indicate that the useful life of an item of intangible assets with infinite useful life becomes finite, the useful life of the intangible asset is estimated, and the intangible asset is amortized accordingly.

See Note 5.21 for details of assessment for impairment of intangible assets and impairment allowance for intangible assets.

(2) Research and development expenditure

A research and development project is divided into research stage and development stage. Expenditure

incurred during the research stage is recognized in profit or loss for the period during which it is incurred.

Expenditure incurred during the development stage is recognized as intangible assets if all of the following conditions are satisfied:

- a. it is technically feasible to complete the intangible asset so that it can be used or sold;
- and b. the Company has clear intention to complete the intangible asset and to use it or sell it;
- and c. it is evidential that the intangible asset will generate economic benefits either by selling the intangible asset itself or the goods produced by the intangible asset or by using it internally;
- and d. there are sufficient technical, financial and other resources to complete the intangible asset and the Company is able to use it or sell it,
- and e. expenditure incurred in the development stage of the intangible asset can be reliably measured.

Where a research and development project cannot be separated into the research stage and development stage, all expenditure incurred for the project is recognized in profit or loss for the period during which it is incurred.

20. Long-term amortizable expenses

An item of deferred charges is an expense incurred which brings economic benefits to the Company for a period exceeding one year starting from the transaction date. An item of deferred charges is amortized over its estimated useful life using the straight-line method.

21. Impairment of Long-term assets

Non-current non-monetary assets, such as fixed assets, construction in progress, intangible assets with finite useful life, investment property measured by cost, and long-term equity investments in subsidiaries, joint ventures, and associates, are assessed for impairment on each balance sheet date. If circumstances on a balance-sheet date indicate that a non-current non-monetary asset is impaired, the recoverable amount of the asset is estimated. The recoverable amounts of goodwill, intangible assets with infinite useful live and intangible assets which have not yet reached the conditions of their intended use or sales are estimated at least once a year regardless of whether there is an indication of impairment.

If the carrying amount of a non-current non-monetary asset exceeds its estimated recoverable amount, the excess of the carrying amount over the estimated recoverable amount is recognized as impairment allowance, and an impairment loss of the same amount is recognized. The estimated recoverable amount of an asset is the higher of the residual amount after deducting disposal expense of the asset from its fair value and the present value of its future cash flows. Where there is a sales contract for an asset, and the contract is entered into for an arm's length transaction, the fair value of the asset is the contract price; where there isn't a sales contract for an asset, but there is an active market for it, the fair value of the asset is price offered by the buyer; where there is neither a sales contract nor an active market for an asset, the fair value of the asset is the best estimate based on all available information. The disposal cost of an asset includes legal expenses, applicable taxes and fees and transportation costs directly associated with the asset's disposal and all direct costs necessary to bring the asset to its sellable condition. The present value of an asset's future cash flows is calculated by multiplying the cash flows arising from the continual use of the asset and its disposal at an appropriate discount rate. An impairment allowance is generally calculated on the basis of individual assets. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a cash-generating unit to which the asset belongs is estimated. A cash-generating unit is the smallest combination of assets that are capable of cash flow generation. Goodwill separately presented on the (consolidated) financial statements is allocated to cash-generating units or groups of units that are expected to benefit from the synergy of business combination for impairment testing. Where the recoverable amount a cash-generating unit (or group of units) is lower than its carrying amount, an impairment

loss is recognized.

The impairment loss is firstly allocated to the goodwill allocated to the unit (or group of units) and then to individual assets pro rata on the basis of the carrying amount of each asset in the unit (or group of units) The impairment loss recognized in accordance with this section is irreversible in subsequent periods.

22. Employee Benefits

(1) Accounting methods of short-term benefits

Short-term employee benefits include wages, bonuses, allowances and subsidies, welfare, health insurance, maternity insurance, work injury insurance, housing funds, labor union funds, employee education funds, non-monetary benefits etc. Short-term employee benefits are recognized as liabilities and profit or loss account or the costs associated with the asset during the accounting period when employees actually provide services. The non-monetary benefits are measured at fair value.

(2) Accounting methods for post-employment benefits Post-employment benefits include defined contribution plans and defined benefit plans. Defined contribution plan which includes the basic pension, unemployment insurance and annuities shall be recognized as cost of related assets or profit or loss.

(3) Accounting Treatment Method of Demission Welfare

When the Company terminates the labor relationship with employees prior to the employment contracts, or encourages employees to accept voluntary redundancy compensation proposals in this company, a provision shall be recognized for the compensation arising from the termination of employment relationship with employees at the time when the Company cannot unilaterally withdraw layoff proposal termination benefits provided due to termination of employment or the Company ensures the costs related to the payment for termination benefits related to the restructuring, which one is early to confirm employee benefits liabilities, and recorded as profit or loss. However, if termination benefits cannot be fully paid within twelve months of the reporting date the liability shall be processed in accordance with other long-term employee benefits.

Retirement plan adopts the same principles as the termination benefits. The salaries and insurance to be paid from the date when employees stop providing services to the date of normal retirement shall be recognized in profit or loss (termination benefits) when satisfying the requirements of a provision.

(4) Other long-term employee benefits

Other long-term employee benefits provided by the Company to employees that are in line with defined contribution plans shall adopt the accounting treatment in accordance with defined contribution plans, otherwise the accounting treatment of defined benefit plans.

23. Estimated liabilities

A contingent liability is recognized as provision if all or the following conditions are satisfied:

- a. it is a present obligation assumed by the Company;
- and b. it is probable that the fulfillment of the obligation will cause economic benefit flows from the Company;
- and c. the amount of the obligation can be reliably measured.

A provision is measured on a balance-sheet date as the best estimate of the amount that is required for the

fulfillment of the present obligation after considering of the risks and uncertainty associated with the respective contingent events and the time value of money.

If the amount required for settlement of a provision is wholly or partly reimbursed by a third party, the reimbursement is recognized separately as an asset to the extent of the carrying amount of the provision if it is probable that the reimbursement becomes receivable.

(1) Loss contract

Loss contract is a contract in which the cost of performing contractual obligations inevitably exceeds the expected economic benefits. Where the pending contract becomes a loss contract, and the obligations arising from the loss contract meet the recognition conditions of the above-mentioned expected liabilities, the part of the expected loss of the contract exceeding the recognized impairment loss of the underlying asset of the contract (if any) shall be recognized as the expected liability.

(2) Restructuring obligations

For a restructuring plan with detailed, formal and public announcement, the amount of the estimated liabilities is determined according to the direct expenditure related to the restructuring, subject to the above conditions for confirmation of the estimated liabilities.

24. Revenues

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

No

Whether implemented new revenue guidelines?

Yes No

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

(1) Toll service fee income

The toll income of roads and bridges is determined according to the amount collected and receivable by vehicles when passing through.

(2) Provision of labor service

Incomes from labors services that start and complete within the same fiscal year shall be recognized when the services are finished. If the beginning and completion of labor services belong to different fiscal years, the Company shall, on the balance sheet date, recognize the related labor income by the percentage of completion method, provided that the result of the labor service transaction can be reliably estimated. When the following conditions can be satisfied, the results of the transaction can be reliably estimated: ① the total income and total cost of labor services can be reliably measured; ② the economic benefits related to the transaction can flow into the enterprise; ③ the degree of completion of labor services can be reliably determined.

The income from provision of labor services shall be determined as follows in case the result of the provided labor service transaction cannot be reliably estimated on the date of the Balance Sheet:

① If the labor cost already incurred is expected to be compensated, the income from the service shall be recognized according to the amount of the labor cost already incurred, and the labor cost shall be carried over at the same amount.

If the incurred labor cost is not expected to be compensated, the incurred labor cost shall be included in the profits and losses of the current period, and the income from the provision of labor service shall not be recognized.

If a contract entered into by the Company and a counterparty involves both sales of goods and rendering of services and revenue arising from goods sold and services rendered can be distinguished, revenue from sales of

goods and rendering of services are separately accounted for; if, however, revenue arising from goods sold and services rendered cannot be distinguished or can be distinguished but cannot be separately measured, all revenue is accounted for as revenue arising from sales of goods.

25. Government Grants

A government grant is a transfer of monetary and non-monetary assets from the government to the Company for no consideration, excluding resources transferred to the Company by the government in the capacity of the shareholder. Government grants include grants related to assets and grants related to income.

Government grants obtained by the Company which is relevant to construction or acquisition of long-term assets are classified as asset-related government grants; all other government grants are classified as revenue-related government grants. For government grants without a specified beneficiary, the Company performs classification in accordance with the following criteria.

a. Where a grant is obtained for a specified project, the grant is split into asset-related and revenue related portions proportionate to the project's investment to expense ratio; the classification is reviewed on each balance sheet date and revised if necessary.

b. Where a grant is obtained for general purpose, the grant as a whole is classified as a revenue-related government grant. If a government grant is in the form of monetary assets, it is measured at the amount received or receivable.

If a government grant is in the form of non-monetary assets, it is measured by the fair value of the assets; if the fair value of the assets granted cannot be reliably measured, the grant is measured by the nominal value of the assets and is recognized immediately in profit or loss for the relevant period.

In general, the Company recognizes a government grant when it is actually received, and measures at the amount actually received. However, a government grant may be recognized as receivable if it is objectively evidential on the reporting date that conditions for the grant receipt are satisfied and that the grant is receivable. A government grant is recognized as receivable if all following conditions are satisfied:

a. the amount of the grant is expressly stipulated in an official publication by the authorized governmental agency or can be reasonably estimated in accordance with fiscal pronouncement issued by the authorized governmental agency, and the estimate is not subject to significant uncertainty;

b. the grant is officially disclosed as part of publicly disclosed fiscal subsidized projects by the local fiscal government bodies in accordance with the Government Information Disclosure Directives and is managed in accordance with the fiscal plan published and the management of the grant if not entity-specific, i.e., every eligible entity is entitled to apply;

c. the term for payment is expressly stipulated in the official pronouncement, and the payment is backed by fiscal planning so that it is reasonable to expect receipt within the term of the payment;

and d. other conditions (inapplicable) need to be satisfied taking into account the Company's circumstances.

Grants related to assets are recognized as deferred income and amortized over the useful life of the relevant assets using the straight-line method. A grant related to income is recognized as deferred income if it is related to expenses or loss to be incurred in the future and is carried to profit or loss for the period during which the relevant expenses or loss are recognized; it is recognized in profit or loss for the period during which it is received or becomes receivable if it is related to expenses or loss already incurred. When assets are sold, transferred, disposed or scrapped before the end of useful life, the remaining deferred income will be transferred to profit or loss in the current period of asset disposal.

The government grants related to the daily activities of the Company are included in other income or offsetting the related costs according to the substance of the economic business. The government grants unrelated

to the daily activities are included in the non-operating income and expenses. Where a recognized grant becomes repayable, the amount repayable is firstly charged to the remaining deferred income (if any); the remaining amount after charge to deferred income is recognized in profit or loss for the period during which it becomes repayable

26. Deferred income tax assets and deferred income tax liabilities

(1) Current income tax

The current income tax liability (asset) on a balance-sheet date is measured at the amount of current income tax payable (receivable) computed in accordance with the relevant tax law. Current income tax expense is computed on the basis of taxable profit (loss) which is the amount after the adjustment of the relevant accounting profit (loss) in accordance with the relevant tax law.

(2) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognized on an accrual basis for the temporary difference between the carrying amounts of assets and liabilities and their tax bases and the temporary difference arising from the difference in recognition criteria for assets and liabilities between CAS and relevant tax provisions.

No deferred tax liability is recognized for the temporary taxable difference arising from the initial recognition of goodwill and the initial recognition of assets and liabilities acquired or assumed resulting from transactions which are not business combination, and which do not have impact on both accounting profit and taxable profit (deductible tax loss) at the time of their occurrence. Similarly, the deferred tax liability is not recognized for temporary taxable difference associated with investments in subsidiaries, associates, and joint ventures if the Company can control the reverse of the temporary difference and it is probable that the temporary difference is not expected to reverse in the foreseeable future. Except for the circumstances described hereabove, the deferred tax liability is recognized for all other taxable temporary difference.

No deferred tax asset is recognized for the temporary deductible difference arising from the initial recognition of assets and liabilities acquired or assumed resulting from transactions which are not a business combination, and which do not have an impact on both accounting profit and taxable profit (deductible tax loss) at the time of their occurrence. Similarly, deferred tax asset is not recognized for temporary deductible difference associated with investments in subsidiaries, associates, and joint ventures if the Company can control the reverse of the temporary difference and it is probable that the temporary difference is not expected to reverse in the foreseeable future. Except for the circumstances described hereabove, deferred tax asset is recognized for all other deductible temporary difference to the extent that it is probable that taxable profit will be available against which the temporary deductible difference can be utilized.

Deferred tax asset is recognized for deductible tax loss and tax credit carrying forward to the extent that it is probable that taxable profit will be available against which the deductible tax loss and tax credit carryforward can be utilized.

Deferred tax assets and deferred tax liabilities are measured on a balance-sheet date on the basis of tax rates expected to be applicable in accordance with relevant tax law at the time when the relevant assets are recovered, or relevant liabilities settled.

The carrying amount of deferred tax assets is reviewed on each balance sheet date. If it is probable that insufficient taxable profit is available to utilize the deferred tax assets, the carrying amount of deferred tax assets is reduced. When it is probable that sufficient taxable profit becomes available after the carrying amount of deferred tax assets has been reduced, the reduction is reversed.

(3) Income tax expenses

Income tax expenses include current income tax expenses and deferred income tax expenses.

All current income tax expenses (credit) and deferred income tax expenses (gains) are recognized in profit or loss for the relevant period except for a. current income tax and deferred income tax on transactions and events which are accounted for in other comprehensive income or directly in equity, which are included in other comprehensive income or directly recognized in equity depending on the treatment of its underlying transactions and events, and b. deferred income tax arising from business combination, which is accounted for as an adjustment to the carrying amount of the respective goodwill.

(4) Offsetting of income tax

A current income tax liability and current income tax asset are presented on (consolidated) financial statements after netting only if the Company is permitted by law to settle the asset and liability net in cash and is planning to do so or to recover the asset and settle the liability simultaneously.

A deferred tax asset and deferred tax liability are presented on (consolidated) financial statements after netting only if all of the following conditions are satisfied: the Company is permitted by law to settle the current asset and liability related to an income tax net in cash; and the deferred tax asset and deferred tax liability arising from that income tax is levied by the same tax authority on the same entity or on different entities but the relevant entities are planning to settle the underlying income tax net in cash or simultaneously recover the relevant assets and settle the relevant liabilities during each future period during which significant deferred tax assets and deferred tax liabilities are reversed.

27. Change of main accounting policies and estimations

(1) Change of accounting policies

Applicable Not applicable

① Changes in accounting policies resulting from the implementation of the new financial instrument guidelines

The Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments (Revised in 2017), the Accounting Standards for Enterprises No. 23 - Transfer of Financial Assets (Revised in 2017), and the Accounting Standards for Enterprises No. 24 - Hedge Accounting Standards for Enterprises (Revised in 2017) (Accounting [2017] No. 9) promulgated by the Ministry of Finance on March 31, 2017, as well as the Accounting Standards for Enterprises No. 37 - Financial Instruments Presentation (Revised in 2017) (Accounting [2017] No. 14) (collectively referred to as "New Financial Instruments Standards") issued on May 2, 2017 requires domestic listed enterprises to implement the new standards from January 1, 2019. Guidelines for financial instruments.

Through the resolution of the 25th (provisional) meeting of the eighth board of directors of the Company on April 26, 2019, the Company began to implement the aforementioned new financial instrument guidelines on January 1, 2019.

All recognized financial assets under the new financial instrument standards are subsequently measured at the amortized cost or fair value. On the date of implementation of the new financial instrument standards, the business model of managing financial assets is evaluated on the basis of the existing facts and circumstances of the Company on that day, and the characteristics of contractual cash flow on the financial assets are evaluated on the basis of facts and circumstances at the time of initial recognition of financial assets. The financial assets are divided into three categories: measured according to the amortized cost and measured according to the public value. Value is measured and its changes are included in other comprehensive income and fair value, and its

changes are included in current profits and losses. Among them, when the financial asset terminates recognition, the accumulated gains or losses previously included in other comprehensive gains will be transferred from other comprehensive gains to retained gains, not into current profits and losses.

Under the new financial instrument standards, based on the expected credit loss, the Company makes provision for impairment of financial assets measured by amortized cost, investment in debt instruments measured by fair value and its changes included in other comprehensive gains, lease receivables, contractual assets and financial guarantee contracts, and confirms the loss of credit impairment.

The Company retrospectively applies the new financial instrument standards, but for classification and measurement (including impairment) involving the inconsistency between the previous comparative financial statement data and the new financial instrument standards, the Company chooses not to repeat. Therefore, for the cumulative impact of the first implementation of this standard, the Company adjusted the retained earnings or other comprehensive earnings at the beginning of 2019 and the amount of other related items in the financial statements, which were not restated in the financial statements of 2018.

The main changes and impacts of the implementation of the new financial instrument guidelines on our Company are as follows:

- On January 1, 2019 and beyond, the Company designated some non-tradable equity investments held as financial assets measured at fair value and included their changes in other comprehensive income, and reported them as investments in other equity instruments.

- For the long-term equity investment of associates, the Company re-classified and measured the financial instruments according to the new financial instrument standards, and the Company adjusted accordingly according to the equity method.

- The Company holds part of the debt instruments, whose cash flow generated on a specific date is only the payment of principal and interest based on the amount of unpaid principal, and the business model of the Company's management of the financial assets is to collect the cash flow of the contract. The Company will take it from other sources on January 1, 2019 and beyond. Non-current assets are reclassified to creditor's rights investment.

A. Comparison of financial assets classification and measurement before and after the first implementation date

a. Impact on the consolidated financial statements

December 31, 2018 (before change)			January 1, 2019 (after the change)		
Items	Measurement category	Book value	Items	Measurement category	Book value
Available-for-sales financial assets	Measured at fair value and included in other comprehensive benefits (equity instruments)	1,668,791,594.53	Investment in other equity instruments	Measured at fair value and included in other comprehensive earnings	1,668,791,594.53
long-term equity investments	Cost method/equity method	3,145,644,970.07	long-term equity investments	Cost method/equity method	3,145,355,906.88

b. Impact on the financial statement

December 31, 2018 (before change)			January 1, 2019 (after the change)		
Items	Measurement category	Book value	Items	Measurement category	Book value
Available-for-sales financial assets	Measured at fair value and included in	1,668,791,594.53	Investment in other equity	Measured at fair value and included in other	1,668,791,594.53

	other comprehensive benefits (equity instruments)		instruments	comprehensive earnings	
long-term equity investments	Cost method/equity method	4,679,309,978.88	long-term equity investments	Cost method/equity method	4,679,020,915.69
Other non-current assets	amortized cost	692,903,684.98	Creditor's right investment	amortized cost	692,903,684.98

B. On the first execution date, the book value of the original financial assets shall be adjusted to a new adjustment table for the book value of the financial assets classified and measured in accordance with the provisions of the new financial instrument standards.

a. Impact on consolidated statements

Items	December 31, 2018 (before change)	Re-Class	Re-measurement	January 1, 2019 (after change)
Measured at fair value and included in other comprehensive earnings:				
Available-for-sale financial assets (original guidelines)	1,668,791,594.53			
Less transfer to other creditor's rights investment				
Less: transfer to other non-current financial assets				
Less: transfer to other equity instruments		1,668,791,594.53		
Balances shown in accordance with the new financial instrument guidelines				
Investment in other equity instruments				
Add: transfer from available-for-sale financial assets (original criteria)		1,668,791,594.53		
Re-measurement: re-measurement at fair value				
Balances shown in accordance with the new financial instrument guidelines				1,668,791,594.53

b. Impact on the Company's financial statements

Items	December 31, 2018 (before change)	Re-Class	Re-measurement	January 1, 2019 (after change)
Amortized cost				
Other non-current assets (original criteria)	692,903,684.98			
Less: transfer to creditor's rights investment		692,903,684.98		
Balances shown in accordance with the new financial instrument guidelines				
Creditor's rights investment				
Add: transfer from other non-current assets (original criteria)		692,903,684.98		
Re-measurement: expected credit loss preparation				
Balances shown in accordance with the new financial instrument guidelines				692,903,684.98
Measured at fair value and included in other				

comprehensive earnings:				
Available-for-sale financial assets (original guidelines)	1,668,791,594.53			
Less: transfer to other creditor's rights investment				
Less: transfer to other non-current financial assets				
Less: transfer to other equity instruments		1,668,791,594.53		
Balances shown in accordance with the new financial instrument guidelines				
Investment in other equity instruments				
Add : transfer from available-for-sale financial assets (original criteria)		1,668,791,594.53		
Re-measurement: re-measurement at fair value				
Balances shown in accordance with the new financial instrument guidelines				1,668,791,594.53

C. Financial assets impairment provision adjustment table on the first implementation date

a. Impact on consolidated statements

Measurement category	December 31, 2018 (before change)	Re-Class	Re-measurement	January 1, 2019 (after change)
Measured at fair value and included in other comprehensive benefits (debt instruments)				
Provision for impairment of available-for-sale financial assets	37,020,000.00	37,020,000.00		
Investment in other equity instruments		37,020,000.00		37,020,000.00

b. Impact on the Company's financial statements

Measurement category	December 31, 2018 (before change)	Re-Class	Re-measu rement	January 1, 2019 (after change)
Measured at fair value and included in other comprehensive benefits (debt instruments)				
Provision for impairment of available-for-sale financial assets	7,020,000.00	7,020,000.00		
Investment in other equity instruments		7,020,000.00		7,020,000.00

D. Impact on retained earnings and other comprehensive earnings as of January 1, 2019

December 31, 2018	Consolidated retained earnings	Consolidated surplus reserve	Consolidation of other comprehensive benefits
December 31,2018	3,938,609,136.59		245,109,114.81
1. Re-measurement of long-term equity investment	-11,353,413.48		11,064,350.29
January 1, 2019	3,927,255,723.11		256,173,465.10

②Other accounting policy changes

E. On April 30, 2019, the Notice of the Ministry of Finance on Revising and Issuing the Format of Financial

Statements of General Enterprises (No. 6 Finance and Accounting [2019]) issued by the Ministry of Finance adjusts the format of financial statements of enterprises accordingly, and regulates that the detailed items of "management expenses" and "R&D expenses" should be separated from the items of "management expenses" in the profit statement; it also indicates that the actual government subsidies received should be listed in the item "cash received from other business activities". In response to such change of accounting policy, the Company adopts the retroactive adjustment method to retroactively adjust the items reported in the financial statements from January to June in 2018, as follows:

a. Impact on consolidated statements

January - June 2018	Before adjustment	After Adjustment	Change
Administrative Fees	75,594,633.97	73,109,460.94	-2,485,173.03
R&D expense		2,485,173.03	2,485,173.03
Other cash receipts relating to operating activities	39,446,329.98	41,946,329.98	2,500,000.00
Receipt of other cash related to fund-raising activities	2,500,000.00		-2,500,000.00

b. Impact on the Company's financial statements

January - June 2018	Before adjustment	After Adjustment	Change
Other cash receipts relating to operating activities	46,329,459.08	48,829,459.08	2,500,000.00
Receipt of other cash related to fund-raising activities	293,500,000.00	291,000,000.00	-2,500,000.00

(2) Change of accounting estimations

Applicable Not applicable

(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Applicable Not applicable

Items	December 31,2018	Jan 1,2019	Adjustment
Current asset:			
Monetary fund	2,124,524,996.32	2,124,524,996.32	
Settlement provision			
Outgoing call loan			
Transactional financial assets			
Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Notes receivable			
Account receivable	91,076,995.07	91,076,995.07	

Items	December 31,2018	Jan 1,2019	Adjustment
Financing of receivables			
Prepayments	1,912,943.40	1,912,943.40	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other account receivable	16,487,256.02	16,487,256.02	
Including: Interest receivable			
Dividend receivable	1,205,472.90	1,205,472.90	
Repurchasing of financial assets			
Inventories	81,017.91	81,017.91	
Contract assets			
Assets held for sales			
Non-current asset due within 1 year	51,745.32	51,745.32	
Other current asset			
Total of current assets	2,234,134,954.04	2,234,134,954.04	
Non-current assets:			
Loans and payment on other' s behalf disbursed			
Debt investment			
Available for sale of financial assets	1,668,791,594.53		-1,668,791,594.53
Other investment on bonds			
Expired investment in possess			
Long-term receivable			
Long term share equity investment	3,145,644,970.07	3,145,355,906.88	-289,063.19
Other equity instruments investment		1,668,791,594.53	1,668,791,594.53
Other non-current financial assets			
Property investment	3,579,007.54	3,579,007.54	
Fixed assets	7,600,046,319.91	7,600,046,319.91	
Construction in progress	1,089,473,425.63	1,089,473,425.63	
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	5,739,020.48	5,739,020.48	
Development expenses			

Items	December 31,2018	Jan 1,2019	Adjustment
Goodwill			
Long-germ expenses to be amortized	1,221,781.88	1,221,781.88	
Deferred income tax asset	447,485,034.79	447,485,034.79	
Other non-current asset	99,794,665.58	99,794,665.58	
Total of non-current assets	14,061,775,820.41	14,061,486,757.22	-289,063.19
Total of assets	16,295,910,774.45	16,295,621,711.26	-289,063.19
Current liabilities			
Short-term loans			
Loan from Central Bank			
Borrowing funds			
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable			
Account payable	203,779,190.74	203,779,190.74	
Advance receipts	12,039,708.01	12,039,708.01	
Selling of repurchased financial assets			
Deposit taking and interbank deposit			
Entrusted trading of securities			
Entrusted selling of securities			
Employees' wage payable	13,122,437.17	13,122,437.17	
Tax payable	104,198,746.06	104,198,746.06	
Other account payable	191,254,464.84	191,254,464.84	
Including: Interest payable	8,971,576.57	8,971,576.57	
Dividend payable	17,191,142.23	17,191,142.23	
Fees and commissions payable			
Reinsurance fee payable			
Contract Liabilities			
Liabilities held for sales			
Non-current liability due within 1 year	2,498,480,000.00	2,498,480,000.00	
Other current liability			
Total of current liability	3,022,874,546.82	3,022,874,546.82	

Items	December 31,2018	Jan 1,2019	Adjustment
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term loan	2,983,040,000.00	2,983,040,000.00	
Bond payable			
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable	38,022,210.11	38,022,210.11	
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability	205,672,389.59	205,672,389.59	
Other non-current liabilities			
Total non-current liabilities	3,226,734,599.70	3,226,734,599.70	
Total of liability	6,249,609,146.52	6,249,609,146.52	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	2,536,774,965.31	2,536,774,965.31	
Less: Shares in stock			
Other comprehensive income	245,109,114.81	256,173,465.10	11,064,350.29
Special reserve			
Surplus reserves	775,402,561.35	775,402,561.35	
Common risk provision			
Retained profit	3,938,609,136.59	3,927,255,723.11	-11,353,413.48
Total of owner' s equity belong to the parent company	9,586,701,904.06	9,586,412,840.87	-289,063.19
Minority shareholders' equity	459,599,723.87	459,599,723.87	
Total of owners' equity	10,046,301,627.93	10,046,012,564.74	-289,063.19
Total of liabilities and owners' equity	16,295,910,774.45	16,295,621,711.26	-289,063.19

Statement of adjustment

Balance sheet of parent company

In RMB

Items	December 31,2018	Jan 1,2019	Adjustment
Current asset:			
Monetary fund	2,096,597,568.04	2,096,597,568.04	
Transactional financial assets			
Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Notes receivable			
Account receivable	18,405,847.15	18,405,847.15	
Financing of receivables			
Prepayments	1,532,057.82	1,532,057.82	
Other account receivable	9,323,782.66	9,323,782.66	
Including: Interest receivable	1,880,148.12	1,880,148.12	
Dividend receivable	1,205,472.90	1,205,472.90	
Inventories			
Contract assets			
Assets held for sales			
Non-current asset due within 1 year	100,000,000.00	100,000,000.00	
Other current asset			
Total of current assets	2,225,859,255.67	2,225,859,255.67	
Non-current assets:			
Debt investment		692,903,684.98	692,903,684.98
Available for sale of financial assets	1,668,791,594.53		-1,668,791,594.53
Other investment on bonds			
Expired investment in possess			
Long-term receivable			
Long term share equity investment	4,679,309,978.88	4,679,020,915.69	-289,063.19
Other equity instruments investment		1,668,791,594.53	1,668,791,594.53
Other non-current financial assets			
Property investment	3,326,869.29	3,326,869.29	
Fixed assets	5,292,898,635.00	5,292,898,635.00	
Construction in progress	1,060,230,773.10	1,060,230,773.10	
Production physical assets			

Oil & gas assets			
Use right assets			
Intangible assets	1,741,277.53	1,741,277.53	
Development expenses			
Goodwill			
Long-germ expenses to be amortized			
Deferred income tax asset	447,328,530.77	447,328,530.77	
Other non-current asset	790,720,727.48	97,817,042.50	-692,903,684.98
Total of non-current assets	13,944,348,386.58	13,944,059,323.39	-289,063.19
Total of assets	16,170,207,642.25	16,169,918,579.06	-289,063.19
Current liabilities			
Short-term loans			
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable			
Account payable	124,833,335.72	124,833,335.72	
Advance receipts			
Contract Liabilities			
Employees' wage payable	5,669,203.37	5,669,203.37	
Tax payable	10,297,144.52	10,297,144.52	
Other account payable	142,457,135.79	142,457,135.79	
Including: Interest payable	8,373,096.36	8,373,096.36	
Dividend payable	17,191,142.23	17,191,142.23	
Liabilities held for sales			
Non-current liability due within 1 year	2,327,180,000.00	2,327,180,000.00	
Other current liability	977,236,252.44	977,236,252.44	
Total of current liability	3,587,673,071.84	3,587,673,071.84	
Non-current liabilities:			
Long-term loan	2,731,990,000.00	2,731,990,000.00	
Bond payable			
Including: preferred stock			
Sustainable debt			

Lease liability			
Long-term payable	38,022,210.11	38,022,210.11	
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability	88,220,604.00	88,220,604.00	
Other non-current liabilities			
Total non-current liabilities	2,858,232,814.11	2,858,232,814.11	
Total of liability	6,445,905,885.95	6,445,905,885.95	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	2,948,663,196.93	2,948,663,196.93	
Less: Shares in stock			
Other comprehensive income	245,109,114.81	256,173,465.10	11,064,350.29
Special reserve			
Surplus reserves	759,558,277.70	759,558,277.70	
Retained profit	3,680,165,040.86	3,668,811,627.38	-11,353,413.48
Total of owners' equity	9,724,301,756.30	9,724,012,693.11	-289,063.19
Total of liabilities and owners' equity	16,170,207,642.25	16,169,918,579.06	-289,063.19

Statement of adjustment

(4) Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

Applicable Not applicable

28. Significant account judgment and estimates

During the application of accounting policies, judgements, estimates, and presumption need to be made for elements of financial statements, which cannot be precisely measured due to inherent uncertainty existing in operating activities. The judgments, estimates, and presumption are made on the basis of the Company's past experience and other relevant factors. The exercise of judgements, estimates, and presumption has an impact on the measurement of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities on the balance sheet date. However, the inherent uncertainty of the judgments, estimates, and presumption may result in future significant adjustments to be made to the measurement of the affected assets and liabilities.

The judgments, estimates, and presumption are regularly reviewed on the basis of going concern. Where a change in accounting estimates is applicable, its impact on financial statements is recognized in the period during which the change occurs if the change has an impact on the financial statements for that period only; and in subsequent periods if the change also has an impact on the financial statements for subsequent periods.

Significant elements of financial statements and areas that are subject to judgements, estimates and presumption on the balance-sheet date include the following.

(1) Impairment of financial assets

The Company adopts the anticipated credit loss model to evaluate the impairment of financial instruments, which requires that significant judgments and estimates should be made and all reasonable and reliable information, including forward-looking information should be taken into account. In making such judgment and estimate, the Company deduces the expected change of debtor's credit risk based on historical data and macroeconomic indicators of economic policies, industrial risks, external market environment, technical environment, changes of customer conditions and other factors.

(2) Provision for impairment of long-term assets.

Non-current assets are assessed for indicators of impairment on each balance sheet date. In addition, intangible assets with infinite useful life are subject to impairment testing on each balance-sheet date and whenever there is evidence indicating impairment; other non-financial non-current assets are subject to impairment testing only if their evidence indicating that the carrying amount becomes non-collectible.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is higher of the residual amount after deducting necessary expenses for disposal from its fair value and the present value of its future cash flows. An asset's residual amount after deducting necessary expenses for disposal is determined by reference to the residual amount after deducting the incremental costs to dispose the asset from the selling price provided by contracts for sales of similar assets or the observable market price of similar assets.

When estimating the present value of future cash flows of an asset or cash-generating unit, significant judgments must be made regarding the production capacity, selling price, relevant operating costs of the asset or cash-generating unit and relevant discount rates for discounting the cash flows. The Company considers all available relevant information when determining the recoverable amount, including estimates regarding future production capacity, selling price and relevant operating costs made on the basis of reasonable and supportive presumption.

Goodwill is assessed for impairment at least annually. The assessment involves an estimate of the present value of the future cash flows associated with the assets or groups of assets to which goodwill has been allocated. The estimate considers the future cash flows associated with the assets or groups of assets to which goodwill has been allocated and the applicable discount rates for cash flow discounting.

(3) Depreciation and amortization

Investment property, fixed assets, and intangible assets are depreciated (amortized) over their useful lives using the straight-line method after considering of their residual value. Useful lives of these assets are regularly reviewed for the purpose of determining the depreciation and amortization recognized for each period. Useful lives are determined on the basis of the Company's past experience on similar assets and expected new technology development. If existing estimates change significantly, the adjustment is made to the depreciation and amortization for future periods.

(4) Deferred tax assets

All unutilized tax loss is recognized as deferred tax assets to the extent it is probable that taxable profit will be available against which the deductible tax loss can be utilized. Significant judgments are required to estimate

the timing and amount of future taxable profit and to consider tax planning strategy so as to determine the number of deferred tax assets to be recognized.

VI. Taxation

1. Major category of taxes and tax rates

Tax category	Tax basis	Tax rate
VAT	Sales by Sales of Goods or Tax Services	3%、5%、6%、9%、10%、11%、13%
City maintenance and construction tax	The actual payment of turnover tax	5%、7%
Enterprise income tax	Taxable income	25%

The applicable tax rates for VAT sales or imported goods in our company during the period from January to March 2019 are 16% and 10%. According to the Announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on the Policies for Deepening the Reform of VAT (Announcement [2019] No. 39 of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs), the applicable tax rate has been adjusted to 13% and 9% since April 1, 2019.

Where there are tax payers of different enterprise income tax rates, the disclosure information indicates that there is no tax payer.

2. Preferential tax

Nil

3. Other

Nil

VII. Notes to the major items of consolidated financial statement

1. Monetary Capital

In RMB

Items	Amount in year-end	Balance Year-beginning
Cash	91,690.76	53,211.49
Bank deposit	2,037,418,254.12	2,123,807,010.07
Other	515,006.17	664,774.76
Total	2,038,024,951.05	2,124,524,996.32

Other note

On June 30, 2019, The balance of restricted bank deposits at the end of the period was 1,221,200.00 yuan, which was the land reclamation fund deposited into the fund custody account for the reconstruction and expansion project of Sanbao to Shuikou section of Fokai Expressway.

2. Account receivable

1. Classification account receivables.

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single item										
Of which:										
Accrual of bad debt provision by portfolio	104,294,640.84	100.00%	1,176,879.99	1.13%	103,117,760.85	92,253,875.06	100.00%	1,176,879.99	1.28%	91,076,995.07
Of which:										
Portfolio	104,294,640.84	100.00%	1,176,879.99	1.13%	103,117,760.85	92,253,875.06	100.00%	1,176,879.99	1.28%	91,076,995.07
Total	104,294,640.84	100.00%	1,176,879.99		103,117,760.85	92,253,875.06	100.00%	1,176,879.99		91,076,995.07

Accrual of bad debt provision by single item: Nil

Accrual of bad debt provision by single item: Nil

Accrual of bad debt provision by portfolio:

In RMB

Name	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Within 1 year	101,225,645.16		
1-2 years	752,716.49	75,087.85	9.98%
2-3 years	849,193.27	254,757.98	30.00%
3-4 years	1,128,781.92	564,390.96	50.00%
4-5 years	278,304.00	222,643.20	80.00%
Over 5 years	60,000.00	60,000.00	100.00%
Total	104,294,640.84	1,176,879.99	--

Notes of the basis of recognizing the portfolio:

Provision for bad debts according to the age portfolio

Notes of the basis of recognizing the group:

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year (Including 1 year)	101,225,645.16
Within 1 year	101,225,645.16
1-2 years	752,716.49
2-3 years	849,193.27
Over 3 years	1,467,085.92
3-4 years	1,128,781.92
4-5 years	278,304.00
Over 5 years	60,000.00
Total	104,294,640.84

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Reversed or collected amount	Write-off	
Portfolio 1	1,176,879.99				1,176,879.99
Total	1,176,879.99				1,176,879.99

Of which the significant amount of the reversed or collected part during the reporting period :Nil

(3) The current accounts receivable write-offs situation

Nil

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

Name	Amount	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	47,675,526.05	45.71	
Guangdong Humen Bridge Co., Ltd.	23,560,330.99	22.59	
Shandong Boan Intelligent Technology Co., Ltd	7,409,966.25	7.10	
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	4,819,475.01	4.62	
Zhongyuan Shipping Technology Co., Ltd.	3,932,168.05	3.77	
Total	87,397,466.35	83.79	

(5) Account receivable which terminate the recognition owing 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

3. Prepayments

(1) Age analysis

In RMB

Age	Balance in year-end		Balance Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,658,527.25	92.85%	1,708,205.40	89.30%

Over 3 years	204,738.00	7.15%	204,738.00	10.70%
Total	2,863,265.25	--	1,912,943.40	--

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 collected according to the prepayment target

Name	Amount	Aging	Proportion(%)
Guangdong Litong Real estate Investment Co., Ltd.	735,092.38	Within 1 year	25.67
Guangdong power transmission & transformation engineering company	235,695.00	Within 1 year	8.23
Guangdong south educational science and technology research institute	152,800.00	Within 1 year	5.34
Tianjing Kechang Huitong Information Technology Co., Ltd.	134,339.62	Within 1 year	4.69
Foshan Yingya Advertising Co., Ltd.	35,000.00	Over 3 years	1.22
Total	1,292,927.00		45.15

Other notes: Nil

4. Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	34,145,770.80	1,205,472.90
Other receivable	18,630,191.48	15,281,783.12
Total	52,775,962.28	16,487,256.02

(1) Interest receivable

Nil

(2) Dividend receivable

1) Dividend receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	1,205,472.90
Ganzhou Kangda Expressway Co., Ltd.	21,000,000.00	

Gluoyuan Securities Co., Ltd.	11,940,297.90	
Total	34,145,770.80	1,205,472.90

(2) Significant dividend receivable aged over 1 year

Nil

3) Bad-debt provision

Applicable Not applicable

Other notes: Nil

(3) Other accounts receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Balance of settlement funds for securities transactions	47,528,056.18	47,528,056.18
Cash deposit	8,230,858.96	7,813,222.94
Gelin Enze Account	4,007,679.91	4,007,679.91
Petty cash	4,554,632.19	3,800,100.00
Advertising and labor costs	1,023,421.29	924,266.65
Other	4,837,508.03	2,760,422.52
Total	70,182,156.56	66,833,748.20

2) Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2019	16,228.99		51,535,736.09	51,551,965.08
Balance as at January 1, 2019 in current	---	---	---	---
Balance as at June 30, 2019	16,228.99		51,535,736.09	51,551,965.08

Loss provision changes in current period, change in book balance with significant amount

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year)	10,683,833.96
Within 1 year	10,683,833.96
1-2 years	3,143,087.25
2-3 years	1,534,307.90
Over 3 years	54,820,927.45
3-4 years	579,262.98
4-5 years	772,029.18
Over 5 years	53,469,635.29
Total	70,182,156.56

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period		Closing balance
		Accrual	Reversed or collected amount	
Financial assets with significantly different credit risks	51,535,736.09			51,535,736.09
Portfolio 3	16,228.99			16,228.99
Total	51,551,965.08			51,551,965.08

Notes 1: The parent company once paid 33,683,774.79 yuan into Kunlun Securities Co., Ltd, Guangdong Expressway technology investment Co., Ltd once paid 18,000,000.00 yuan into Kunlun Securities Co., Ltd. Qinghai Province Xining City's intermediate people's court made a adjudication under law declared that Kunlun Securities Co., Ltd went bankrupt and repaid debt in November 11, 2006. On March 2007, The Company and Guangdong Expressway Technology Investment Co., Ltd had switched the money that paid into Kunlun Securities Co., Ltd to other account receivable, and follow the careful principle to doubtful debts provision. The 710,349.92 yuan Credit was Recovered in 2008, The 977,527.77 yuan credit was recovered in 2011, The 652,012.00 yuan Credit was recovered in 2014, The 1,815,828.92 yuan Credit was recovered in 2018, and the provision for had deb

Notes2: Guangdong Expressway Technology investment Co., Ltd .should charge Beijing Gelin Enze Organic Fertilizer Co., Ltd.for 12,220,079.91 yuan. Eight millions of it was entrust loan, three million was temporary borrowing 12,400.00 yuan 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 12,220,079.91yuan provision. The company in 2014 recovered arrears of 8,000,000.00 yuan, rushed back to the provision for bad debts and write off uncollected interest entrusted loans according to tTh

e settlement agreement of 212,400.00 yuan.

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

4) The actual write-off other accounts receivable: Nil

5) Top 5 of the closing balance of the other accounts receivable collected 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 settlement funds	47,528,056.18	Over 5 years	67.72%	47,528,056.18
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	5.71%	4,007,679.91
Shandong Boan Intelligent Technology Co., Ltd.	Deposit	1,725,155.40	Within 1 year	2.46%	
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,515,077.22	2-3 years	2.16%	
Guangdong Guanghui Expressway Co., Ltd.	Deposit	1,462,587.90	Over 4 years	2.08%	
Total	--	56,238,556.61	--	80.13%	51,535,736.09

(6) Accounts receivable involved with government subsidies

Nil

(7) Other account receivable which terminate the recognition owing 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

9. Inventories

Whether implemented new revenue guidelines?

Yes No

(1) Category of Inventory

In RMB

Items	Closing book balance	Opening book balance
-------	----------------------	----------------------

	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials	110,142.49		110,142.49	81,017.91		81,017.91
Total	110,142.49		110,142.49	81,017.91		81,017.91

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

No

(2) Inventory depreciation reserve

Nil

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

Nil

6. Non-current asset due within 1 year

In RMB

Items	Year-end balance	Year-beginning balance
Advance business tax	51,745.32	51,745.32
Total	51,745.32	51,745.32

Other note:

Debt investments and other debt investments due within one important year of the end of the period: Nil

7. Available-for-sale financial assets

Items	Amount in year-end		
	Book balance	Bad debt provision	Book value
Available-for-sale debt Instruments			
Available-for-sale equity Instruments	1,705,811,594.53	37,020,000.00	1,668,791,594.53
Measured by fair value	870,443,292.80		870,443,292.80
Measured by cost	835,368,301.73	37,020,000.00	798,348,301.73
Other			
Total	1,705,811,594.53	37,020,000.00	1,668,791,594.53

8. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additi onal invest ment	Negat ive invest ment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensi ve income	Changes of other equity	Cash bonus or profits announced to issue	Withd rawal of impair ment provis ion	Ot her		
I. Joint venture											
Guangdong Guanghui Expressway Co., Ltd.	992,521,223.58			143,481,952.02		25,795,500.00	84,638,655.14			1,077,160,020.46	
Zhaoqing Yuezhao Highway Co., Ltd.	307,172,338.10			27,819,228.16			53,207,865.41			281,783,700.85	
Subtotal	1,299,693,561.68			171,301,180.18		25,795,500.00	137,846,520.55			1,358,943,721.31	
2. Affiliated Company											
Shenzhen Huiyan Expressway	230,553,756.87			16,104,358.08						246,658,114.95	
Guangdong Jiangzhong Expressway Co., Ltd.	175,324,643.76			10,932,203.70						186,256,847.46	
Ganzhou Kangda Expressway	219,985,018.52			17,339,428.35			21,000,000.00			216,324,446.87	
Gan Ganzhou Gankang Expressway	209,995,910.71			4,937,249.59						214,933,160.30	
Guangdong Yueke Technology Petty Loan Co., Ltd.	219,693,558.27			7,188,376.76						226,881,935.03	

Guoyuan Securities Co., Ltd.	790,109,457.07			9,910,201.43	-470,449.14		11,940,297.90			787,608,911.46	
Subtotal	1,845,662,345.20			66,411,817.91	-470,449.14		32,940,297.90			1,878,663,416.07	
Total	3,145,355,906.88			237,712,998.09	-470,449.14	25,795,500.00	170,786,818.45			3,237,607,137.38	

9. Other Equity instrument investment

In RMB

Items	Closing balance	Opening balance
Guangle Expressway Co., Ltd.	748,348,301.73	748,348,301.73
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00	50,000,000.00
China Everbright Bank Co., Ltd.	896,321,336.64	870,443,292.80
Huaxia Securities Co., Ltd. (Notes1)	0.00	0.00
Huazheng Asset Management Co., Ltd. (Notes2)	0.00	0.00
Kunlun Securities Co., Ltd. (Notes3)	0.00	0.00
Total	1,694,669,638.37	1,668,791,594.53

Note 1: 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.

Note 2: 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 279.132 million yuan and the appraised value was - 2299.5486 million yuan ,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 42 million yuan 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 1.3932 million yuan for impairment in respect of this long-term equity investment of 1.62 million yuan.

Note 3. 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 30 million yuan.

Breakdown disclosure of investment in non-tradable equity instruments in the current period

In RMB

Items	Dividend income recognized	Cumulative gain	Cumulative loss	Amount of other consolidated income transferred to retained earnings	Reasons for designation as measured at fair value and changes included in other comprehensive income	Reasons for other consolidated income transferred to retained earnings
Guangle Expressway Co., Ltd.					Non-transactional purpose for	

					shareholding	
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	652,822.25				Non-transactional purpose for shareholding	
China Everbright Bank Co., Ltd.	37,876,045.98	378,760,459.84			Non-transactional purpose for shareholding	
Huaxia Securities Co., Ltd.					Non-transactional purpose for shareholding	
Huazheng Asset Management Co., Ltd.					Non-transactional purpose for shareholding	
Kunlun Securities Co., Ltd.					Non-transactional purpose for shareholding	

Other notes: Nil

10. 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	2,971,831.10		15,636,529.35
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	2,971,831.10		15,636,529.35
II. Accumulated depreciation accumulated amortization				
1. Opening balance	10,373,153.97	1,684,367.84		12,057,521.81
2. Increased amount of the period	100,163.25	36,784.68		136,947.93
(1) Withdrawal or amortization	100,163.25	36,784.68		136,947.93
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance	10,473,317.22	1,721,152.52		12,194,469.74
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	2,191,381.03	1,250,678.58		3,442,059.61
2.Opening book	2,291,544.28	1,287,463.26		3,579,007.54

(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 balance	Reason
Transportation and other ancillary facilities	1,514,070.42	Transportation and other ancillary facilities, Not accreditation

(4) Real estate conversion:

Nil.

11. Fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	7,911,422,302.11	7,600,046,319.91
liquidation of fixed assets	11,338.86	
Total	7,911,433,640.97	7,600,046,319.91

(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	8,988,726,518.80	4,798,270,209.11	342,597,957.59	122,698,641.11	48,745,472.07	659,423,683.35	16,420,732,672.69
2. Increased amount of the period		677,371,219.45		453,016.00	24,456,055.29	606,062.20	13,570,262.33	716,456,615.27
(1) Purchase						606,062.20	472,154.38	1,078,216.58
(2) Transfer of project under construction		677,371,219.45		453,016.00	24,456,055.29		13,098,107.95	715,378,398.69
(3) Increased of Enterprise consolidation								
3. Decreased amount of the period					1,241,560.00	558,232.00	25,704,639.81	27,504,431.81

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
(1) Disposal or scrap					1,241,560.00	558,232.00	25,704,639.81	27,504,431.81
4.Closing balance	1,460,270,190.66	9,666,097,738.25	4,798,270,209.11	343,050,973.59	145,913,136.40	48,793,302.27	647,289,305.87	17,109,684,856.15
II. Accumulated depreciation								
1.Opening balance	1,460,270,190.66	3,940,158,837.04	2,625,645,410.16	232,333,164.38	71,147,743.72	38,419,504.01	452,711,502.81	8,820,686,352.78
2.Increased amount of the period		258,648,669.85	110,175,156.27	6,740,911.11	6,561,004.35	1,343,196.17	18,970,099.01	402,439,036.76
(1) Withdrawal		258,648,669.85	110,175,156.27	6,740,911.11	6,561,004.35	1,343,196.17	18,970,099.01	402,439,036.76
3.Decreased amount of the period					1,179,482.00	502,408.80	23,180,944.70	24,862,835.50
(1) Disposal or scrap					1,179,482.00	502,408.80	23,180,944.70	24,862,835.50
4.Closing balance	1,460,270,190.66	4,198,807,506.89	2,735,820,566.43	239,074,075.49	76,529,266.07	39,260,291.38	448,500,657.12	9,198,262,554.04
II. Accumulated depreciation								
1.Opening balance								
2.Increased amount of the period								

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
(1) Withdrawal								
3. Decreased amount of the period								
(1) Disposal or scrap								
4. Closing balance								
IV. Book value								
1. Closing book value		5,467,290,231.36	2,062,449,642.68	103,976,898.10	69,383,870.33	9,533,010.89	198,788,648.75	7,911,422,302.11
2. Opening book		5,048,567,681.76	2,172,624,798.95	110,264,793.21	51,550,897.39	10,325,968.06	206,712,180.54	7,600,046,319.91

(2)Temporarily idle fixed assets

Nil

(3)Fixed assets through financial leasing

Nil

(4)Tenancy of fixed assets through operating lease

Nil

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

In RMB

Items	Book value	Reason
House and buildings	78,592,579.67	Transportation and other ancillary facilities, Not accreditation

(6) Liquidation of fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Other equipment scrap cleaning	11,338.86	
Total	11,338.86	

Other notes

12. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	834,325,807.36	1,087,923,869.63
Engineering material	1,549,556.00	1,549,556.00
Total	835,875,363.36	1,089,473,425.63

(1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provisi on for devalu ation	Book value	Book balance	Provisi on for devalu ation	Book value
Sanbao - Shuikou Expansion project	788,231,558.91		788,231,558.91	1,052,834,193.16		1,052,834,193.16
Bridge deck pavement project of hailong Bridge	1,382,928.49		1,382,928.49	1,382,928.49		1,382,928.49
Minzhong Service area reconstruction project	29,178,686.23		29,178,686.23	18,210,698.73		18,210,698.73
Urban toll station project	5,053,672.53		5,053,672.53	5,008,642.53		5,008,642.53
Odd project	10,478,961.20		10,478,961.20	10,487,406.72		10,487,406.72
Total	834,325,807.36		834,325,807.36	1,087,923,869.63		1,087,923,869.63

(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
Sanbao - Shuikou Expansion project	3,426,206,700.00	1,052,834,193.16	450,266,164.45	714,868,798.70		788,231,558.91	58.87%	58.87	56,941,383.47	12,717,031.46	2.75%	Self-financing and Loans from financial institutions
Total	3,426,206,700.00	1,052,834,193.16	450,266,164.45	714,868,798.70		788,231,558.91	--	--	56,941,383.47	12,717,031.46	2.75%	--

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

Nil

(4) Engineering material

In RMB

Items	Balance in year-end			Balance Year-beginning		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Signpost	1,549,556.00		1,549,556.00	1,549,556.00		1,549,556.00
Total	1,549,556.00		1,549,556.00	1,549,556.00		1,549,556.00

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			28,619,133.57	29,930,791.57
2. Increased amount of the period					
(1) Purchase					
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,311,658.00			28,619,133.57	29,930,791.57
II. Accumulated amortization					
1. Opening balance	1,311,658.00			22,880,113.09	24,191,771.09
2. Increased amount of the period				1,184,929.43	1,184,929.43
(1) Withdrawal				1,184,929.43	1,184,929.43
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,311,658.00			24,065,042.52	25,376,700.52

Items	Land use right	Patent right	Non-patent right	Software	Total
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				4,554,091.05	4,554,091.05
2. Opening book value				5,739,020.48	5,739,020.48

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

(2) Details of Land use right failed to accomplish certification of property

Nil

(3) intangible assets with uncertain service life

Nil

(4) Important individual intangible assets

Nil

(5) Conditions of intangible assets subject to restrictions on ownership or right of use

Nil

14. Long-term amortize expenses

In RMB

Items	Balance in year-begin	<u>Increase in this period</u>	Amortized expenses	Other loss	Balance in year-end

Rental fee for Guangzhu North Section sport ground	1,221,781.88		53,508.72		1,168,273.16
Total	1,221,781.88		53,508.72		1,168,273.16

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 Year-beginning	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deductible loss	1,126,696,090.04	281,674,022.51	1,281,389,685.73	320,347,421.43
Fixed assets	486,210,744.68	121,552,686.17	506,674,347.73	126,668,586.93
Intangible assets	561,287.20	140,321.80	1,876,105.71	469,026.43
Total	1,613,468,121.92	403,367,030.48	1,789,940,139.17	447,485,034.79

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

In RMB

Items	Balance in year-end		Balance Year-beginning	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes in the fair value of other equity instruments	378,760,459.84	94,690,114.96	352,882,416.00	88,220,604.00
Fixed assets	433,956,737.96	108,489,184.49	469,807,142.34	117,451,785.59
Total	812,717,197.80	203,179,299.45	822,689,558.34	205,672,389.59

(3) Deferred tax assets of Liabilities that are presented at the net amount after offsetting

Nil

(4) Details of unrecognized deferred tax assets

In RMB

Items	Balance in year-end	Balance Year-beginning
Deductible temporary differences	89,748,845.07	89,748,845.07
Deductible losses	5,781,345.15	8,796,952.44
Total	95,530,190.22	98,545,797.51

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

In RMB

Year	Balance in year-end	Balance Year-beginning	Remark
2019		3,456,570.30	
2020			
2021			
2022	1,133,109.04	2,121,083.91	
2023	3,137,842.72	3,219,298.23	
2024	1,510,393.39		
Total	5,781,345.15	8,796,952.44	--

Other notes:

16. Other Non-current assets

Whether implemented new revenue guidelines?

Yes No

In RMB

Items	Balance in year-end	Balance Year-beginning
Prepaid Project fee	29,790,591.16	49,890,408.41
Prepaid business tax	492,900.42	518,773.08
Deductible import tax	85,425,596.24	49,385,484.09
Less: Part due within 1 year		
Total	115,709,087.82	99,794,665.58

Other notes:

17. Account payable

(1) List of account payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	79,648,896.66	84,200,629.90
1-2 years (including 2 years)	18,724,164.80	8,911,247.40
2-3 years (including 3 years)	7,471,269.20	84,119,053.06
Over 3 years	109,595,484.17	26,548,260.38
Total	215,439,814.83	203,779,190.74

(2) Significant payable aging more than 1 year

In RMB

Items	Balance in year-end	Reason
Heshan Land and resources Bureau	38,186,893.60	Unsettled
Foshan Land and resources Bureau.Chancheng Branch	13,700,178.00	Unsettled
Foshan Land and resources Bureau.	11,335,478.40	Unsettled
Guangdong Highway Construction Co., Ltd.	25,630,651.00	Unsettled
Guangdong Expressway Co., Ltd.	8,746,491.18	Unsettled
Guangdong Xinyue Traffic Investment Co., Ltd.	1,829,141.32	Unsettled
The third Research Institute of the Ministryof Public Security	6,424,475.20	Unsettled
Dongguan Yongyao Photoelectricity Technology Co., Ltd.	2,388,817.70	Unsettled
Total	108,242,126.40	--

Other notes:

18. Prepayment received

Whether implemented new revenue guidelines?

Yes No

(1) List of Prepayment received

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	215,840.47	516,610.46
1-2 years (Including 2 years)		
2-3 years (Including 3 years)		419,601.44
Over 3 years	11,509,298.49	11,103,496.11
Total	11,725,138.96	12,039,708.01

(2) Significant advance from customers aging over one year

In RMB

Items	Balance in year-end	Unpaid/ Uncarry over reason
Guangzhou Huanlong Expressway Co.,	9,229,313.18	Land rent is not in the settlement period

Ltd.		
Guangdong Xinle Technology Development Co., Ltd.	1,757,170.13	The Rental is not in the settlement period
Total	10,986,483.31	--

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	13,122,437.17	131,540,765.12	127,852,673.86	16,810,528.43
II. Post-employment benefits - defined contribution plans		20,234,926.19	18,922,057.52	1,312,868.67
Total	13,122,437.17	151,775,691.31	146,774,731.38	18,123,397.10

(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	628,563.49	96,560,819.61	92,603,286.95	4,586,096.15
2. Employee welfare		8,294,025.59	8,268,433.50	25,592.09
3. Social insurance premiums		9,030,523.22	9,024,732.34	5,790.88
Including : Medical insurance		5,950,272.65	5,945,195.29	5,077.36
Work injury insurance		151,140.26	151,079.52	60.74
Maternity insurance		823,534.50	822,881.72	652.78
Supplementary medical insurance		2,105,575.81	2,105,575.81	
4. Public reserves for housing		13,332,834.00	13,322,552.00	10,282.00
5. Union funds and staff education fee	11,817,868.74	3,248,185.04	3,560,531.41	11,505,522.37
6. Other Short-term remuneration		3,600.00	3,600.00	
8. Other	676,004.94	1,070,777.66	1,069,537.66	677,244.94

Total	13,122,437.17	131,540,765.12	127,852,673.86	16,810,528.43
-------	---------------	----------------	----------------	---------------

(3) Defined contribution plans listed

In RMB

Items	Balance Year-beginning	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums		11,350,594.44	11,341,888.96	8,705.48
2. Unemployment insurance		433,378.99	433,010.35	368.64
3. Enterprise annuity payment		8,450,952.76	7,147,158.21	1,303,794.55
Total		20,234,926.19	18,922,057.52	1,312,868.67

Other notes:

20. Tax Payable

In RMB

Items	Balance in year-end	Balance Year-beginning
VAT	9,558,893.25	13,473,944.70
Enterprise Income tax	83,409,953.90	85,375,209.49
Individual Income tax	95,911.15	3,551,727.77
City Construction tax	510,507.83	793,960.96
Land use tax	607,742.40	200,454.00
Property tax	619,943.82	155,413.34
Education subjoin	247,654.02	371,885.57
Locality Education subjoin	151,087.55	233,892.04
Stamp tax	3,744.73	26,304.47
Other	2,460.00	15,953.72
Total	95,207,898.65	104,198,746.06

Other notes:

21. Other accounts payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Interest payable	17,157,289.56	8,971,576.57

Dividend payable	21,150,413.70	17,191,142.23
Other account payable	246,255,948.01	165,091,746.04
Total	284,563,651.27	191,254,464.84

(1) Interest payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Pay the interest for long-term loans by installments.	6,702,057.71	7,832,311.57
Interest on medium-term bills	9,091,506.85	
Interest payable on entrusted loans	1,363,725.00	1,139,265.00
Total	17,157,289.56	8,971,576.57

- Particulars of significant overdue unpaid interest

Nil

(2) Dividends payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Common stock dividends	21,150,413.70	17,191,142.23
Total	21,150,413.70	17,191,142.23

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

Final dividend payable 16,962,838.73yuan for more than a year in unpaid dividends to shareholders over the year was mainly due to non-payment of shareholder dividends did not provide information on interest-bearing bank, did not share reform of shareholders to receive dividends or provide application to receive dividends the bank information is incorrect, resulting in failure to pay a dividend or refund.

(3) 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	69,503,074.61	67,696,625.43
Deposit	3,598,824.65	1,876,467.00
Other	38,154,048.75	50,518,653.61

Borrowing	135,000,000.00	45,000,000.00
Total	246,255,948.01	165,091,746.04

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

In RMB

Items	Closing balance	Unpaid/un-carry over reason
China Railway Tunnel Group Co., Ltd.	5,514,979.86	Project Quality guarantees
China Railway 18 Bureau Group Co., Ltd.	7,134,981.40	Project Quality Guarantees, Contractual penalty, Wage deposit
Baoli Changda Highway Engineering Co., Ltd.	8,106,409.63	Project Quality Guarantees, Project performance fund
Dongguan Yueyu Optoelectronic Technology Co., Ltd.	1,534,850.00	Project Quality guarantee
Total	22,291,220.89	--

Other notes

22. Non-current liabilities due within 1 year

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	2,041,365,000.00	2,498,480,000.00
Total	2,041,365,000.00	2,498,480,000.00

Other notes

23. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loan	386,700,000.00	422,350,000.00
Guaranteed loan	750,000,000.00	1,125,000,000.00
Credit loan	4,186,390,000.00	3,934,170,000.00
Long-term loans due within one year	-2,041,365,000.00	-2,498,480,000.00
Total	3,281,725,000.00	2,983,040,000.00

Other notes including interest rate range:

The Pledge loan rate is 4.41%; the guaranteed loan interest rate is 5.6%; the credit interest rate is 4.20%-4.41%.

Notes:

See Section VII, 48 for the types and amounts of mortgaged assets of pledged loans.

24. Bond payable

(1) Bond payable

In RMB

Items	Balance year-end	Year-beginning balance
Medium-term note	677,902,761.25	
Total	677,902,761.25	

(2) Changes of bonds payable(Not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability)

In RMB

Name of the bond	Book value	Issue date	Period	Issue amount	Open ing balan ce	The current issue	Withdraw interest at par	Overflow discount amount	Pay in curre nt perio d	Closing balance
Guangdong ExpresswayMTN001	680,000,000.00	2019.3.1	2019.3.1-2024.3.1	680,000,000.00		680,000,000.00		-2,097,238.75		677,902,761.25

(3) Note to conditions and time of share transfer of convertible bonds

Nil

(4) Other financial instruments that are classified as financial liabilities

Nil

25. Long-term payable

In RMB

Items	Balance year-end	Year-beginning balance
Long-term payable	39,625,983.68	38,022,210.11
Total	39,625,983.68	38,022,210.11

(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 Jiangzhong Expressway Co., Ltd. Entrusted loan	36,000,000.00	36,000,000.00
Medium term bill underwriting fee	1,603,773.57	
Part due within a year		

Other notes:

(2) Special payable

Nil

26. Deferred income

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Cause
Government subsidy		2,500,000.00	2,500,000.00		
Total		2,500,000.00	2,500,000.00		--

Details of government subsidies:

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other income recorded in the current period	Amount of cost deducted in the current period	Other changes	End of term	Asset-related or income-related
Financial discount		2,500,000.00			2,500,000.00			Related to income

27. Stock capital

In RMB

	Balance Year-beginning	Changed (+, -)					Balance in year-end
		Issuance of new share	Bonus shares	Capitalizatio n of public reserve	Other	Subtotal	
Total of capital shares	2,090,806,126.00						2,090,806,126.00

28. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	2,508,408,342.99			2,508,408,342.99
Other capital reserves	28,366,622.32	25,795,500.00		54,162,122.32
Total	2,536,774,965.31	25,795,500.00		2,562,570,465.31

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

The capital reserve in this period was increased 25,795,500.00 yuan due to the change of the owner's equity of the joint-stock company

29. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period						Year-end balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
Other comprehensive income will be reclassified into income or loss in the future	264,661,812.00	25,878,043.84			6,469,510.96	19,408,532.88		284,070,344.88
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	264,661,812.00	25,878,043.84			6,469,510.96	19,408,532.88		284,070,344.88
Other comprehensive income reclassifiable to profit or loss in subsequent periods	-8,488,346.90	-470,449.14				-470,449.14		-8,958,796.04
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	-8,488,346.90	-470,449.14				-470,449.14		-8,958,796.04
Total of other comprehensive income	256,173,465.10	25,407,594.70			6,469,510.96	18,938,083.74		275,111,548.84

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

Nil

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	775,402,561.35			775,402,561.35
Total	775,402,561.35			775,402,561.35

Notes: Nil

31. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	3,938,609,136.59	3,550,110,288.49
Adjust the total undistributed profits at the beginning of the period	-11,353,413.48	
After adjustments: Retained profits at the period beginning	3,927,255,723.11	3,550,110,288.49
Add: Net profit belonging to the owner of the parent company	736,486,112.30	1,677,028,179.18
Less: Statutory surplus reserve		230,581,431.32
Common stock dividend payable	1,175,033,042.81	1,057,947,899.76
Retained profit at the end of this term	3,488,708,792.60	3,938,609,136.59

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 -11,353,413.48

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB -11,353,413.48

(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	1,465,140,817.31	536,808,262.05	1,518,875,852.56	522,317,994.54
Other operation	18,532,427.90	12,815,548.44	16,988,292.58	11,418,571.81
Total	1,483,673,245.21	549,623,810.49	1,535,864,145.14	533,736,566.35

Whether implemented new revenue guidelines?

Yes No

Other notes

33. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	2,826,207.50	2,938,753.34
Education surcharge	1,334,286.59	1,380,805.75
Property tax	653,603.50	661,486.13
Land use tax	607,742.40	603,977.11
Vehicle use tax	27,413.99	38,698.53
Stamp tax	151,645.56	242,575.38
Business tax	25,872.66	25,872.66
Locality Education surcharge	889,523.37	920,536.09
Other	40,728.40	40,410.00
Total	6,557,023.97	6,853,114.99

Other notes:

The various taxes and additional payment criteria are detailed in the Section VI, tax.

34. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	51,876,703.42	49,712,683.56
Depreciation and Amortization	5,426,970.90	5,428,661.13
Low consumables amortization	270,716.05	279,304.70

Travel expenses	425,060.93	384,417.28
Office expenses	4,046,634.57	2,828,218.57
Leased expenses	5,621,607.68	5,606,396.14
The fee for hiring agency	4,459,697.91	2,202,760.36
Consultation expenses	1,186,300.00	853,466.98
Listing fee	11,320.75	11,320.76
Information cost and maintenance fee	180,975.14	48,300.00
Other	3,469,223.12	5,753,931.46
Total	76,975,210.47	73,109,460.94

35. R & D cost

In RMB

Items	Amount of this period	Amount of last period
Labor cost		2,306,179.75
Depreciation expenses		52,214.75
Other		126,778.53
Total		2,485,173.03

36. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	115,040,857.71	125,752,286.60
Deposit interest income (-)	-15,761,707.69	-18,076,236.30
Exchange Income and loss (Gain-)	1,590,432.88	2,348,188.17
Bank commission charge	904,728.33	2,755,977.00
Other	1,755,451.17	
Total	103,529,762.40	112,780,215.47

37. Other gains

In RMB

Items	Amount of this period	Amount of last period
Maternity allowance	377,218.29	
Return of income tax procedures	40,043.40	

A 10% deduction for input tax	2,965.93	
Total	420,227.62	

38. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	237,712,998.09	216,777,157.34
Dividends eamed during the holding period on investments in other equity instrument	38,528,868.23	
Hold the investment income during from available-for-sale financial assets		42,581,144.86
Total	276,241,866.32	259,358,302.20

39. Asset impairment loss

Whether implemented new revenue guidelines?

Yes No

In RMB

Items	Amount of this period	Amount of last period
I. Bad debt loss		57,890.35
Total		57,890.35

Other note:

40. Assets disposal income

In RMB

Source	Amount of this period	Amount of last period
Income from disposal of Fixed assets		44,860,186.67
Income from disposal of Intellectual property right	13,129,094.29	

Notes: According to the overall plan of upgrading and renovation of Guangdong expressway toll collection system. In April 2019, Guangdong Gaosu Science and Technology Investment Co., Ltd. transferred the related rights of "Blue Channel" which had not been completed as an asset group to the related party, Guangdong Unitoll Collection Inc. The transaction was based on the evaluation value of the underlying asset group of China Federation International Assessment Consulting Co., Ltd. (Assessment Report No. WIGPD0664, CIFIC International Commentary [2018]).

41. 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
Loss & abandonment of non-current assets		110,018.02	
Road property claim income	543,754.07	736,148.53	543,754.07
Other income	191,605.69	1,841,394.03	191,605.69
Total	735,359.76	2,687,560.58	735,359.76

- Government subsidy reckoned into current gains/losses: Nil

42. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Loss & abandonment of non-current assets	2,591,350.52	505,483.87	2,591,350.52
Fine	207.98	357,855.32	207.98
Other	1,639,849.45	1,144,628.24	1,639,849.45
Total	4,231,407.95	2,007,967.43	4,231,407.95

43. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	154,541,370.84	179,094,084.83
Deferred income tax expense	35,155,403.21	34,127,634.02
Total	189,696,774.05	213,221,718.85

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

In RMB

Items	Amount of current period
Total profits	1,033,282,577.92
Current income tax expense accounted by tax and relevant regulations	258,320,644.48
Influence of non taxable income	-69,151,826.00
Impact of non-deductible costs, expenses and losses	1,297,869.31
Affect the use of deferred tax assets early unconfirmed deductible losses	-1,111,136.29
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	387,306.91
other	-46,084.36
Income tax expense	189,696,774.05

44. Other comprehensive income

Refer to the notes 7.29

45. Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Interest income	15,761,707.69	18,076,236.30
Unit current account	9,857,010.59	23,870,093.68
Total	25,618,718.28	41,946,329.98

(2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	16,677,364.01	18,068,478.74
Network received toll income	6,999,980.83	3,803,254.03
Unit current account	14,244,441.25	
Total	37,921,786.09	21,871,732.77

(3)Cash received related to other investment activities

Nil

(4)Cash paid related to other investment activities

Nil

(5) Other cash received in relation to financing activities

Nil

(6) Cash paid related with financing activities

In RMB

Items	Amount of current period	Amount of previous period
Medium-term bill issuance fee	791,384.00	
Total	791,384.00	

46. 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	843,585,803.87	898,633,867.88
Add: Impairment loss provision of assets		-57,890.35
Depreciation of fixed assets, oil and gas assets and consumable biological assets	402,575,984.69	398,876,127.65
Amortization of intangible assets	1,184,929.43	1,318,922.34
Amortization of Long-term deferred expenses	53,508.72	55,661.40
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-13,129,094.29	-44,860,186.67
Fixed assets scrap loss	2,591,350.52	395,465.85
Financial cost	116,631,290.59	130,600,474.77

Supplement Information	Amount of current period	Amount of previous period
Loss on investment	-276,241,866.32	-259,358,302.20
Decrease of deferred income tax assets	44,118,004.31	54,102,320.89
Increased of deferred income tax liabilities	-8,962,601.10	-42,912,043.91
Decrease of inventories	-29,124.58	-139,076.49
Decease of operating receivables	-16,566,898.76	-4,522,183.33
Increased of operating Payable	-45,000,189.85	-312,353,569.73
Net cash flows arising from operating activities	1,050,811,097.23	819,779,588.10
II. Significant investment and financing activities that without cash flows:	--	--
3. Movement of cash and cash equivalents:	--	--
Ending balance of cash	2,036,803,751.05	1,821,466,139.37
Less: Beginning balance of cash equivalents	2,123,303,796.32	2,363,042,700.42
Net increase of cash and cash equivalents	-86,500,045.27	-541,576,561.05

(2) Net Cash paid of obtaining the subsidiary

Nil

(3) Net Cash receive of disposal of the subsidiary

Nil

(4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
Cash	2,036,803,751.05	2,123,303,796.32
Of which: Cash in stock	91,690.76	53,211.49
Bank savings could be used at any time	2,036,197,054.12	2,122,585,810.07
Other monetary capital could be used at any time	515,006.17	664,774.76
Balance of cash and cash equivalents at the period end	2,036,803,751.05	2,123,303,796.32

Other note:

Cash and cash equivalents exclude restricted cash and cash equivalents used by parent companies or subsidiaries within a group.

47. 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

48. The assets with the ownership or use right restricted

In RMB

Items	Book value at the end of the period	Restricted reason
Monetary fund	1,221,200.00	Land reclamation funds in the fund escrow account
Total	1,221,200.00	--

Other notes:

Up to June 30, 2019, Jingzhu Expressway Guangzhu Section Co., Ltd., the controlling grandchildren company of the Company, with the toll collection right 19.20% of Panyu Tangkeng-Zhuhai Jinding section project in Jingzhu expressway, asked for 386,700,000.00 yuan of loan from Guangzhou Wuyang Branch of ICBC to provide pledge guarantee (of which the non-current debt balance with 1-year expiration was 38,680,000.00 yuan and the long-term loan balance was 348,020,000.00 yuan).

49. Foreign currency monetary items

Nil

50. Hedging

Nil

51. Government subsidies

(1) Government subsidies confirmed in current period

In RMB

Items	Amount	Project	Amount included in current profit and loss
Financial discount	2,500,000.00	Financial expenses	2,500,000.00
Maternity allowance	377,218.29	Other income	377,218.29
Return of income tax procedures	40,043.40	Other income	40,043.40
A 10% deduction for input tax	2,965.93	Other income	2,965.93

(2) Government subsidy return

Nil

52.Other

Nil

VIII. Changes of merge scope

1. Business merger not under same control

Nil

2. Business combination under the same control

Nil

3. Counter purchase

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

In August 2018, Guangdong Fokai Expressway Co., Ltd. completed the industrial and commercial cancellation, and obtained the “Notice of Approval for Cancellation Registration” and the “Notice of Permit for Cancellation Registration”. From August 2018, Guangdong Fokai Expressway Co., Ltd. was no longer included in the scope of consolidated statements.

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	
Guangfo Expressway Co., Ltd.	Guangzhou	Guangzhou	Expressway Management	75.00%		Under the same control business combination
Guangdong Expressway Technology Investment Co., Ltd.	Guangzhou	Guangzhou	Investment in technical industries and provision of relevant	100.00%		Investment
Guangzhuo Guangzhu 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
Yuegao Capital Investment(Hengqin)Co., Ltd.	Guangzhou	Zhuhai	Investment management	100.00%		Investment

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.

Guangzhou Guangzhu Traffic Investment Management Co., Ltd. holds 55% equity in Guangzhu Section Co., Ltd. of Beijing-Zhuhai Expressway.

(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%	35,631,805.76	64,914,807.35	110,721,305.45

Jingzhu Expressway Guangzhu Section Co.,Ltd.	25.00%	71,467,885.81	158,471,897.94	232,591,404.70
---	--------	---------------	----------------	----------------

Holding proportion of minority shareholder in subsidiary different from voting proportion

Nil

(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.	478,939,446.36	24,093,537.24	503,032,983.60	60,147,761.80		60,147,761.80	590,663,709.13	27,675,485.80	618,339,194.93	58,321,966.77		58,321,966.77
Jingzhu Expressway Guangzhou Section Co.,Ltd.	144,135,264.47	2,191,608,535.63	2,335,743,800.10	280,965,311.82	1,124,412,869.47	1,405,378,181.29	432,281,073.29	2,301,876,076.48	2,734,157,149.77	419,370,011.85	1,036,405,470.57	1,455,775,482.42

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.	231,359,875.86	142,527,223.05	142,527,223.05	146,829,390.44	226,325,833.32	142,435,343.71	142,435,343.71	145,431,353.01
Jingzhu Expressway Guangzhou Section Co.,Ltd.	613,528,787.18	285,871,543.23	285,871,543.23	390,248,834.50	645,871,184.09	336,091,139.89	336,091,139.89	433,240,710.71

Other notes:

(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

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

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	Gangzhou, Jiangxi	Gangzhou, Jiangxi	Expressway Management	30.00%		Equity method

Co., Ltd.					
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00%	Equity method
Guangyuan Securities Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Security business	2.37%	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 Guangyuan Securities Co., Ltd... holds 20% of the voting rights, but has the power to participate in making decisions on their financial and operating decisions, and therefore deemed to be able to exert significant influence over the investee.

(2) Main financial information of significant joint venture

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	1,037,374,944.35	223,190,616.84	886,631,849.70	196,254,075.84
Including: Cash and cash equivalent	649,776,493.58	203,757,595.19	621,540,000.54	180,784,827.23
Non-current assets	3,684,003,696.57	1,503,858,440.11	3,813,612,927.86	1,565,557,770.89
Total assets	4,721,378,640.92	1,727,049,056.95	4,700,244,777.56	1,761,811,846.73
Current liabilities	380,259,354.55	170,743,108.11	544,082,765.04	151,065,956.20
Non-current liabilities	750,585,884.83	429,171,145.43	847,757,933.94	382,056,538.13
Total liabilities	1,130,845,239.38	599,914,253.54	1,391,840,698.98	533,122,494.33
Attributable to shareholders of the parent company	3,590,533,401.54	1,127,134,803.41	3,308,404,078.58	1,228,689,352.40
Share of net assets calculated by stake	1,077,160,020.46	281,783,700.85	992,521,223.58	307,172,338.10
Book value of equity investment in joint	1,077,160,020.46	281,783,700.85	992,521,223.58	307,172,338.10

ventures				
Operating income	917,898,192.73	271,809,006.27	878,931,209.54	264,667,911.36
Financial expenses	10,890,126.55	8,018,895.83	18,892,654.01	11,944,947.35
Income tax expenses	159,573,250.38	36,249,025.63	152,535,401.50	39,485,100.11
Net profit	478,273,173.41	111,276,912.65	447,126,957.50	114,543,781.53
Total comprehensive income	478,273,173.41	111,276,912.65	447,126,957.50	114,543,781.53
Dividends received from joint ventures this year	84,638,655.14	53,207,865.41	37,805,847.20	43,088,859.48

Other notes

(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	Guoyuan Securities 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	Guoyuan Securities Co., Ltd.
Current assets	203,740,250.60	197,428,062.33	55,202,301.36	291,779,329.73	1,435,055,907.93	61,855,277,205.05	153,631,998.00	86,313,236.14	35,495,996.32	270,093,954.27	1,394,967,072.45	42,721,180,653.50
Non-current assets	579,942,539.84	1,616,367,531.02	1,442,449,120.81	1,326,869,593.48	8,497,468.27	23,466,136,337.81	569,633,252.71	1,701,322,494.90	1,463,543,288.08	1,372,121,014.40	8,047,674.82	35,374,232,070.51
Total assets	783,682,790.44	1,813,795,593.35	1,497,651,422.17	1,618,648,923.21	1,443,553,376.20	85,321,413,542.86	723,265,250.71	1,787,635,731.04	1,499,039,284.40	1,642,214,968.67	1,403,014,747.27	78,095,412,724.01
Current liabilities	31,708,445.60	210,083,276.93	112,133,062.29	81,897,874.17	73,463,278.19	47,675,073,040.50	31,603,980.10	170,304,772.67	72,629,731.89	109,921,418.26	40,797,858.70	46,417,460,063.63
Non-current Liabilities	12,000,000.00	362,000,000.00	664,436,870.32	820,307,181.39	553,525.66	13,076,057,576.44		448,500,000.00	693,126,157.44	832,307,181.39	636,518.58	6,989,817,868.77
Total liabilities	43,708,445.60	572,083,276.93	776,569,932.61	902,205,055.56	74,016,803.85	60,751,130,616.94	31,603,980.10	618,804,772.67	765,755,889.33	942,228,599.65	41,434,377.28	53,407,277,932.40
Minorit					235,126,897.17	11,457,327.58					263,112,578.63	11,368,910.62

	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	Guoyuan Securities 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	Guoyuan Securities Co., Ltd.
y Shareholders' Equity												
Shareholders' equity attributable to shareholders of the parent	739,974,344.84	1,241,712,316.42	721,081,489.56	716,443,867.65	1,134,409,675.18	24,558,825,598.34	691,661,270.61	1,168,830,958.37	733,283,395.07	699,986,369.02	1,098,467,791.36	24,676,765,880.99
Pro rata share of the net assets calculated	246,658,114.95	186,256,847.46	216,324,446.87	214,933,160.30	226,881,935.03	580,883,093.44	230,553,756.87	175,324,643.76	219,985,018.52	209,995,910.71	219,693,558.27	583,672,702.24
--Goodwill						206,725,818.02						206,725,818.02

	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	Guoyuan Securities 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	Guoyuan Securities Co., Ltd.
The book value of equity investments in joint ventures	246,658,114.95	186,256,847.46	216,324,446.87	214,933,160.30	226,881,935.03	787,608,911.46	230,553,756.87	175,324,643.76	219,985,018.52	209,995,910.71	219,693,558.27	790,398,520.26
Fair value of equity investment of associated enterprises with open quotation						896,321,336.64						555,621,862.28
Buinses s incme	117,304,847.55	242,978,582.04	120,016,044.66	86,684,080.43	71,544,176.43	1,616,521,271.21	121,958,669.64	238,655,329.27	113,055,381.54	78,967,126.91	91,160,960.52	1,109,717,564.95
Net	48,313,07	72,881,358.05	57,798,094.49	16,457,498.63	43,992,902.36	432,745,658.33	53,441,605.08	45,984,003.63	46,129,129.35	10,167,378.44	36,989,232.30	211,597,500.90

	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	Guoyuan Securities 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	Guoyuan Securities Co., Ltd.
profit	4.35											
Other comprehensive income						6,888,669.24						-210,693,647.23
Total comprehensive income	48,313,074.35	72,881,358.05	57,798,094.49	16,457,498.63	43,992,902.36	439,634,327.57	53,441,605.08	45,984,003.63	46,129,129.35	10,167,378.44	36,989,232.30	903,853.67
Dividends received from associates during the year								3,789,200.79				11,940,297.90

Other notes

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

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

4. Significant common operation

Nil

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

Notes:

Nil

X. Risks Related to Financial Instruments

The main financial instruments of the Company include equity investments, financial products, trust investments, accounts receivable, accounts payable etc., please refer to Note 6 for detail of related items. The risk associated with financial instruments, and risk management policies which the Company uses to reduce these risks are described below. The management of the Company manages and supervises the risks to ensure that the risks can be controlled within a limited range.

The Company uses sensitivity analysis techniques to analyze the impact of reasonable and possible changes in risk variables on current profit and loss or shareholders' equity. Since any risk variable seldom changes in isolation, and the correlation between variables will have a significant impact on the final amount of change in a risk variable, the following is assumed to be independent of each variable.

(I) The targets and policies of risk management

The target of risk management is to obtain the proper balance between the risk and benefit, to reduce the negative impact that is caused by the risk of the Company to the lowest level, and to maximize the benefits of shareholders and other equity investors. Based on the targets of risk management, the basic strategy of the Company's risk management is to identify and analyze the risks which are faced by the Company, establish suitable risk tolerance baseline and proceed the risk management, and supervise a variety of risks timely and reliably, and control the risks within a limited range.

1. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate fluctuations generally. Our foreign exchange risk is mainly related to Hong Kong Dollar. Besides annual distribution of B-share shareholder dividends, other major business activities of our Company are settled in RMB. During the reporting period, due to the short credit period of the Company's income and expenditure related to foreign currency, it was not affected by foreign exchange risk.

(2) Interest rate risk

The Company's risk of cash flow changes in financial instruments caused by interest rate changes is mainly related to floating rate bank borrowings (see this Section VII 23). The Company's policy is to maintain the floating interest rate of these borrowings, and at the same time to reasonably reduce the risk of interest rate fluctuation by shortening the term of a single loan and specifically agreeing on prepayment terms.

(3) Other price risk

The investments held by the Company are classified as financial assets measured at fair value and whose changes are included in other comprehensive income (financial assets available for sale on or before December 31, 2018) and are measured at fair value on the balance sheet date. Therefore, the Company bears the risk of changes in the securities market.

2. Credit risk

On June 30, 2019, the largest credit risk exposure that may cause financial losses of the Company mainly comes from the loss of financial assets of the Company caused by the failure of the other party to perform its obligations.

In order to reduce credit risk, the Company only deals with recognized and reputable customers. In addition, the Company reviews the recovery of each single receivables on each balance sheet date to ensure that adequate bad debt provisions are made for unrecoverable amounts. Consequently, the Company's management believes that the Company's credit risk has been greatly reduced.

3. Liquidity risk

When managing liquidity risks, the Company maintains sufficient cash and cash equivalents as deemed by the management and monitor them to meet the Company's operational needs and reduce the impact of cash flow fluctuations. The management of the Company monitors the use of bank loans and ensures compliance with the loan agreement.

(II) Transfer of financial assets

Nil

(III) Offsetting of financial assets and financial liabilities

Nil

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				
(3) Other equity instrument investment	896,321,336.64			896,321,336.64
Total assets continuously measured at fair value	896,321,336.64			896,321,336.64
II. Non - persistent measure	--	--	--	--

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

As at the end of the period, the company holds shares 235,254,944 shares of China Everbright Bank According to the closing price of June 30, 2019 of 3.81 yuan, the final calculation of fair value was 896,321,336.64 yuan.

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

closing book value of consistent 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

At the end of the period, the fair value of financial assets and financial liabilities held by the Company that are not measured at fair value is as follows:

Items	Book value	Fair values			Remark
		Balance at Beginning of the Year	Ending amount	Affiliated hierarchy	

Financial assets not measured at fair value	798,348,301.73	798,348,301.73	798,348,301.73		
Investment in other equity instruments	798,348,301.73	798,348,301.73	798,348,301.73		
Financial liabilities not measured at fair value					

9. The valuation method and relevant information description of the fair value change caused by the enterprise's own credit risk of financial assets and financial liabilities designated as fair value measurement and whose changes are included in current profits and losses

Nil

XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Name	Registered address	Nature	Redistricted capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Guangdong communication Group Co., Ltd	Guangzhou	Equity management, traffic infrastructure construction and railway project operation	26.8 billion	24.55%	50.12%

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 June 30, 2019, Registered capital: 26.8 billion yuan. 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.

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

2. Subsidiaries of the Company

Subsidiaries of this enterprise, see Note IX(1) the rights of other entity

3. Information on the joint ventures and associated enterprises 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:

Nil

4. Other Related parties

Name	Relation with the Company
Guangdong Litong Real Estate Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guanghui 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 Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jiangzhong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Union Electron Service Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Humen Bridge Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tongyi Expressway Service Area Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Media Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu Traffic Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Two Guang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hehui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jiangzhao Expressway Management Center	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lluoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Meihe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Ninghua Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuedong Expressway Industry Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangshenzhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Heyuan Helong Expressway Co., Ltd.	Fully owned subsidiary of the parent company

Name	<u>Relation with the Company</u>
Yunfu Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Industry Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Road & Bridge Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Baomao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Taishan Coastal Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Chaohui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangfo Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Pingxing Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinyue Asphalt Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Guangzhu West Line Expressway Co., Ltd.	Controlled by the same parent company and equity participation unit
Baoli Changda Engineering Co., Ltd.	Shareholding unit of parent company
Guangdong Shenshan Expressway Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangzhongjiang Expressway Project Management Center	Managed by the parent company
Hongkong- Zhuhai-Macao Connection line management center	Managed by the parent company
Guangdong Nanyue Traffic Renbo Expressway Management Center	Managed by the parent company
Guangdong Nanyue Traffic Shaogan Expressway Management Center	Managed by the parent company
Guangdong Nanyue Traffic Yunzhang Expressway Management Center	Managed by the parent company
Guangdong Nanyue Traffic Renhui Expressway Management Center	Managed by the parent company

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

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
Baoli Changda Engineering Co., Ltd.	Service charge	2,440.62			
Guangdong Litong Technology Investment Co., Ltd.	Project fund				784,739.50
Guangdong Humen Bridge Co., Ltd.	Project fund, service				539,307.09
Guangdong Tongyi Expressway Service Area Co., Ltd	Service	103,076.37			259,399.97
Guangdong Lulutong Co., Ltd.	Maintenance charges	715,406.99			25,393.54
Guangdong Union electronic services co., Ltd.	Service	3,767,825.78			8,075,494.51
Guangdong Expressway Media Co., Ltd.	Electric charge	6,431.59			
Guangdong Guanghui Expressway Co., Ltd.	Interest	2,014,593.75			1,349,043.75
Guangdong Jiangzhong Expressway Co., Ltd.	Interest	708,615.00			
Ganzhou Gankang Expressway Co., Ltd.	Interest				765,623.34
Guangdong Expressway Media Co., Ltd.	Service				606,132.08
Guangdong East Thinking Management Technology Development Co., Ltd.	Service	60,000.00			60,000.00
Baoli Changda Engineering Co., Ltd.	Purchase assets	183,277,074.35			34,838,755.49
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets	459,346.00			1,548,686.53
Guangdong Xinyue traffic Investment Co., Ltd.	Purchase assets	6,688,119.43			

Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	9,516,226.40	8,092,547.17
Guangdong Expressway Co., Ltd.	Project fund	2,052,036.80	2,192,131.13

Related party	Content	Amount of current period	Amount of previous period
Guangdong Highway Construction Co., Ltd.	Project fund	603,570.34	212,264.16
Guangdong Road & Bridge Construction Development Co., Ltd.	Project fund	120,550.07	267,452.83
Guangshenzhu Expressway Co., Ltd.	Project fund	114,655.17	
Guangdong Boda Expressway Co., Ltd.	Project fund	107,547.17	117,452.83
Guangdong Kaiyang Expressway Co., Ltd.	Project fund	89,142.85	134,035.68
Yunfu Guangyun Expressway Co., Ltd.	Project fund	69,535.81	35,377.36
Guangdong Traffic Industry Investment Co., Ltd.	Project fund	59,433.96	
Guangdong Xinyue Traffic Investment Co., Ltd.	Project fund	32,212.39	
Guangdong West Line Expressway Co., Ltd.	Project fund		234,905.66
Guangdong Humen Bridge Co., Ltd.	Project fund	29,716.98	26,886.79
Guangdong Chaohui Expressway Co., Ltd.	Project fund		192,452.83
Guangdong Guangfo Expressway Co., Ltd.	Project fund		154,245.28
Guangdong Guanghui Expressway Co., Ltd.	Project fund		144,339.62
Guangdong Guangle Expressway Co., Ltd.	Project fund		142,924.53
Zhaoqing Yuezhao Highway Co., Ltd.	Project fund	123,113.21	101,886.79
Guangdong Zhongjiang Expressway Project Management Dept	Project fund		89,622.64
Guangdong Jiangzhong Expressway Co., Ltd.	Project fund	169,001.14	82,075.47
Guangdong Taishan Coastal Expressway Co., Ltd.	Project fund		59,433.96
Guangdong Litong Technology Investment Co., Ltd.	Project fund		35,384.62
Shezhen Huiyan Expressway Co., Ltd.	Project fund	663,319.81	26,886.79
Guangdong Yueyun Triffic Co., Ltd.	Project fund		21,226.42

Notes

(2) Related trusteeship/contract

Nil

(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 Expressway Media Co., Ltd.	Advertising lease	195,542.86	1,748.41

- The company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Litong Real Estate Investment Co., Ltd	Office space	4,469,957.38	4,406,113.37
Guangdong Guanghui Expressway Co., Ltd.	Advertising column lease		884,200.00
Zhaoqing Yuezhao Highway Co., Ltd.	Advertising column lease		124,031.25
Guangzhou Yueyun Traffic Co., Ltd.	Car rental fee	42,400.00	97,530.00
Guangdong Gaoda Property Development Co., Ltd.	Office space	52,686.57	7,230.00

Notes

(4) Related-party guarantee

The Company was Guarantor

Nil

The Company was secured party

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Guangdong Communication Group Co., Ltd.	1,725,000,000.00	September 25,2012	March 25,2020	No

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

In RMB

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				

Guangdong Guanghui Expressway Co., Ltd.	30,000,000.00	April 1,2019	March 31,2020	
Guangdong Guanghui Expressway Co., Ltd.	105,000,000.00	April 2,2019	April 1,2020	
Guangdong Guanghui Expressway Co., Ltd.	45,000,000.00	May 22,2018	May 21,2019	
Guangdong Jiangzhong Expressway Co Loaned., Ltd.	36,000,000.00	November 14,2018	November 13,2023	
Loaned				

(6) Related party asset transfer and debt restructuring

Nil

(7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	2,417,800.00	2,415,100.00

(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	189,879,309.18	381,881,836.28
Interest Income	6,226,669.02	3,752,689.53
Pricing Principle	Reference to the deposit rate of the people's Bank of China for the same period	

On December 25, 2017 and December 22, 2017, the Company signed the Cash Management Business Cooperation Agreement with Guangdong Communications Group Finance Co., Ltd. and Industrial and Commercial Bank of China Guangdong Branch and signed the Cash Management Business Cooperation Agreement with Guangdong Communications Group Finance Co., Ltd. and China Construction Bank Corporation. Guangdong Branch respectively, to join in the cash pool of Guangdong Communications Group Finance Co., Ltd.

-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.

③The subsidiary Guangdong Gaosu Science and Technology Investment Co., Ltd. signed the Blue Channel Related Asset Transfer Contract with the affiliated party Guangdong Unitoll Collection Inc, transferring the rights related to the Blue Channel that have not been developed and completed as an asset group to the affiliated party Guangdong Unitoll Collection Inc at a transfer price of RMB 19,881,200.00, see Note VII, 40 for details.

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 Humen Bridge Co., Ltd.	23,560,330.99		12,579,159.31	
Account receivable	Guangdong Union electron Service Co., Ltd.	47,675,526.05		45,159,424.41	
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	4,819,475.01		5,280,850.02	
Account receivable	Guangdong Expressway Co., Ltd.	2,579,058.00		873,408.00	
Account receivable	Guangdong Highway Construction Co., Ltd.	699,980.00		358,484.00	109,152.00
Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	532,703.53	188,155.61	1,828,273.53	202,508.01
Account receivable	Guangdong Kaiyang Expressway Co., Ltd.	267,300.00		178,157.15	
Account receivable	Guangdong Boda Expressway Co., Ltd.	114,000.00			
Account receivable	Guangdong Road & Bridge Construction Development Co., Ltd.	108,000.00			
Account receivable	Guangdong Zhongjiang Expressway Piject Management Dept	95,000.00		95,000.00	

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 Jiangzhao Expressway Management Center	78,000.00		156,000.00	
Account receivable	Yunfu Guangyun Expressway Co., Ltd.	76,000.00			
Account receivable	Guangdong Litong Technology Investment Co., Ltd.			68,542.00	6,854.20
Account receivable	Tuangdong Taishan Coastal Expressway Co., Ltd.	63,000.00		63,000.00	
Account receivable	Guangdong Traffic Industry Investment Co., Ltd.	63,000.00			
Account receivable	Guangdong Guanghui Expressway Co., Ltd.	21,125.65		901,822.65	
Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.			294,260.00	
Account receivable	Guangdong Yueyun Traffic Co., Ltd.			45,000.00	
Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	135,329.98		4,829.98	
Advanced payment	Guangdong Litong Real Estate Investment Co., Ltd.	735,092.38		735,092.38	
Advanced payment	Zhaoqing Yuezhao Highway Co., Ltd.	20,671.75		144,702.50	
Other Account receivable	Guangdong Litong Real Estate Investment Co., Ltd.	1,515,077.22		1,505,864.00	
Other Account receivable	Guangdong Guanghui Expressway Co., Ltd.	1,462,587.90		1,478,904.68	
Other Account receivable	Guangdong Expressway Co., Ltd.	607,620.98		630,778.47	
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	429,558.65		437,463.87	
Other Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	423,767.60		415,442.60	
Other Account receivable	Guangshenzhu Expressway Co., Ltd.	185,014.40		187,533.46	
Other Account	Guangdong Tongyi Expressway Service	160,191.20			

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
receivable	Area Co., Ltd.				
Other Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	104,727.60		186,371.32	
Other Account receivable	Guangdong Expressway Media Co., Ltd.	126,660.80		275,166.57	
Other Account receivable	Guangdong Highway Construction Co., Ltd.	133,083.25		129,529.29	
Other Account receivable	Guangdong Road & Bridge Construction Development Co., Ltd.	73,773.60		121,948.14	
Other Account receivable	Guangdong Boda Expressway Co., Ltd.	51,808.80		52,467.45	
Other Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	28,120.00		28,474.26	
Other Account receivable	Guangdong Gaoda Property Development Co., Ltd.	15,906.00		11,748.00	
Other Account receivable	Guangdong Shenshan Expressway East Section Co., Ltd.	12,000.00		12,081.56	
Other Account receivable	Guangdong Humen Bridge Co., Ltd.	11,306.50		9,141.89	
Other Account receivable	Guangdong Maozhan Expressway Co., Ltd.	8,747.20		14,074.11	
Other Account receivable	Guangdong Shanfen Expressway Co., Ltd.	8,028.80		8,028.80	
Other Account receivable	Guangdong Baomao Expressway Co., Ltd.	7,633.60		7,633.60	
Other Account receivable	Guangdong Yuedong Expressway Industry Development Co., Ltd.	7,367.20		7,367.20	
Other Account receivable	Guangdong Guangle Expressway Co., Ltd.	7,248.00		29,832.90	
Other Account receivable	Guangdong Yangmao Expressway Co., Ltd.	6,004.80		29,265.49	
Other Account receivable	Guangdong Zhaoyang Expressway Co., Ltd.	4,304.00		4,304.00	
Other Account receivable	Guangdong Yueyun Traffic Co., Ltd.	3,032.00		3,032.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Other Account receivable	Guangdong Kaiyang Expressway Co., Ltd.			45,999.77	
Other Account receivable	Guangdong Jingzhu Expressway Guangzhu Section Co., Ltd.	6,064.00		6,202.46	
Other Account receivable	Yunfu Guangyun Expressway Co., Ltd.			5,831.32	
Other Account receivable	Guangdong Litong Technology Investment Co., Ltd.	5,273.00		5,273.00	
Other Account receivable	Guangdong Guangfo Expressway Co., Ltd.			3,619.10	
Other Account receivable	Hongkong Zhuhai Macao Bridge Connection line management center	3,000.00		3,000.00	
Other Account receivable	Guangdong Chaohui Expressway Co., Ltd.			2,819.90	
Other Account receivable	Guangdong Two Guang Expressway Co., Ltd.			1,656.69	
Other Account receivable	Guangdong Meihe Expressway Co., Ltd.			574.17	
Other Account receivable	Heyuan Helong Expressway Co., Ltd.			467.14	
Other Account receivable	Guangdong Ninghua Expressway Co., Ltd.			271.81	
Other Account receivable	Guangdong Hehui Expressway Co., Ltd.			90.20	
Dividend receivable	Ganzhou Kangda Expressway Co., Ltd.	21,000,000.00			
Dividend receivable	Guiyuan Securities Co., Ltd.	11,940,297.90			
Other Non-Current Assets	Baoli Changda Engineering Co., Ltd.	18,380,900.94		4,216,292.57	
Other Non-Current Assets	Guangdong Xinyue Traffic Investment Co., Ltd.			823,423.25	
Other	Guangdong Hualu Traffic Technology			796,711.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Non-Current Assets	Co., Ltd.				
Long-term amortization costs	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,168,273.16		1,221,781.88	

(2) Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Baoli Changda Engineering Co., Ltd.	25,350,090.00	12,166,883.00
Account payable	Guangdong Highway Construction Co., Ltd.	25,630,651.00	25,630,651.00
Account payable	Guangdong Expressway Co., Ltd.	8,746,491.18	8,746,491.18
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd.	1,829,141.32	1,829,141.32
Account payable	Guangdong Union Electron Service Co.,Ltd.	914,439.52	
Account payable	Guangdong Litong Technology Investment Co., Ltd.	772,350.00	1,631,800.00
Account payable	Guangdong Guanghui Expressway Co., Ltd.	551,400.00	551,400.00
Account payable	Guangdong Hualu Traffic Technology Co., Ltd.	89,540.00	2,913,206.00
Account payable	Guangzhou Xinyue Asphalt Co., Ltd.		2,537,848.10
Account payable	Guangdong Maozhen Expressway Co., Ltd.	124,012.02	120,000.00
Interest payable	Guangdong Guanghui Expressway Co., Ltd.	1,324,575.00	1,096,200.00
Interest payable	Guangdong Jiangzhong Expressway Co., Ltd.	39,150.00	43,065.00
Other Payable account	Guangdong Guanghui Expressway Co., Ltd.	134,979,941.98	45,000,000.00
Other Payable account	Guangdong Zhongjiang Expressway Project Management Dept	28,200,000.00	200,491.55
Other Payable account	Baoli Changda Engineering Co., Ltd.	14,612,208.16	11,346,061.22
Other Payable account	Guangdong Union Electron Service Co.,Ltd.	5,033,004.70	3,800,226.36
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,679,918.51	1,779,918.51
Other Payable account	Guangdong LHualu Traffic Technology Co., Ltd.	370,887.88	786,185.88
Other Payable account	Guangdong Kaiyang Expressway Co., Ltd.	264,132.19	
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	232,127.70	203,655.20
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	210,188.00	531,573.69

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Jiangzhong Expressway Co., Ltd.	149,269.03	
Other Payable account	Guangdong Maozhan Expressway Co., Ltd.	124,012.02	
Other Payable account	Guangdong Xintai Expressway Co., Ltd.	122,659.13	
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00
Other Payable account	Guangdong Expressway Media Co., Ltd.	70,000.00	70,000.00
Other Payable account	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	68,454.90	9,327.00
Other Payable account	Guangdong Jiangzhao Expressway Management Center	59,092.11	7,217.12
Other Payable account	Guangdong Lulutong Co., Ltd.	48,000.00	165,249.80
Other Payable account	Guangdong Zhaoyang Expressway Co., Ltd.	32,513.24	2,145.78
Other Payable account	Guangdong Traffic Industry Investment Co., Ltd.	23,026.67	2,347.68
Other Payable account	Guangdong Yangmao Expressway Co., Ltd.	21,402.56	
Other Payable account	Guangdong Guangzhu West Line Expressway Co., Ltd.	16,226.72	
Other Payable account	Guangdong Expressway Co., Ltd.	257,336.62	15,342.09
Other Payable account	Guangdong Shenfen Expressway Co., Ltd.	2,660.62	751.35
Other Payable account	Guangshenzhu Expressway Co., Ltd.	2,395.56	
Other Payable account	Guangdong Yuedong Expressway Industry Development Co., Ltd.	1,838.56	1,018.37
Other Payable account	Guangdong Yunwu Expressway Co., Ltd.	1,497.93	
Other Payable account	Guangdong Tianshan Expressway Co., Ltd.	640.96	
Other Payable account	Guangdong Lluoyang Expressway Co., Ltd.	500.75	319.21
Other Payable account	Heyuan Helong Expressway Co., Ltd.	352.54	
Other Payable account	Guangdong Boda Expressway Co., Ltd.	219.13	100.97
Other Payable account	Guangdong Hehui Expressway Co., Ltd.	32.93	
Other Payable account	Guangdong Road & Bridge Construction Development Co., Ltd.	5,572.94	551.99
Other Payable account	Guangdong Highway Construction Co., Ltd.	20,973.36	689.83
Other Payable account	Guangdong Baomao Expressway Co., Ltd.		3,206.11
Other Payable account	Guangdong Nanyue Traffic Yunzhan Expressway Management Center		821.38
Other Payable account	Guangdong Nanyue Traffic Shaogan Expressway Management Center		546.89
Other Payable account	Shenzhen Huiyan Expressway Co., Ltd.		391.36

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Nanyue Traffic Chaozhang Expressway Management Center		282.67
Other Payable account	Guangdong Nanyue Traffic Renbo Expressway Management Center		225.79
Other Payable account	Guangdong Pingxing Expressway Co., LTD.		45.41
Other Payable account	Guangdong Jiangzhong Expressway Co., Ltd.	36,000,000.00	36,000,000.00

7. Related party commitment

Nil

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

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 Commission about the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project(NO.1874-2016-NDRC Infrastructure Document)from Guangdong Provincial 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 3.513 billion yuan(the static investment is about 3.289 billion yuan), of which the project capital is 1.23 billion yuan 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 2,283 billion yuan will be solved by using bank loans. According to the "Official Reply to the preliminary design of reconstruction and extension project of Guangdong Sanbao to Shuikou Road by Ministry of Transport" (No.73-2017 Transport Road Document) issued by Guangdong Provincial Department of Transport, the Ministry of Transport checked and ratified that the general estimate of the preliminary design of reconstruction and extension project of Guangdong Sanbao to Shuikou Road is RMB 3.426 billion. As of June 30,2019, The accumulated expenses occurred of Sanboto Shuikou Highway extension project was 1.945 billion yuan.

No	Contract Counterparty	Economic Content	Contract Amount	Fulfilled as of June 30, 2019
1	China Railway Tunnel Group Co., Ltd.	Civil Engineering	251,026,485.00	220,694,631.00
2	Boli Changda Engineering Co., Ltd.	Civil Engineering	624,878,240.00	422,197,236.40
3	China Railway 18th Bureau Group Co., Ltd.	Civil Engineering	219,974,609.00	174,338,854.20
4	CCCC First Navigation Engineering Bureau Co., Ltd	Civil Engineering	355,014,108.00	256,524,868.12

2. Contingency

(1) Significant contingency at balance sheet date

Nil

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

Nil

(3) Contingent liabilities relating to investments in joint ventures or associated enterprises

See Section 9, Rights and Interests in Other Subjects.

(4) Other contingent liabilities and their financial impact

As of June 30,2019,The company does not disclose the pension plan undisclosed matter should exist.

XV. Events after balance sheet date

1. Significant events had not adjusted

Nil

2. Profit distribution

Nil

3. Sales return

Nil

4. Notes of other significant event after balance sheet date

Nil

XVI. Other significant events

1. The accounting errors correction in previous period

Nil

2. Debt restructuring

Nil

3. Replacement of assets

Nil

4. Pension plan

Nil

5. Discontinuing operation

Nil

6. Segment information

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.

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

8. Other

(1) 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 collapse of part of the Jiujiang bridge. The accident was an unilateral

On July 19, 2007, Fokai Company applied preservation of property to Guangzhou Maritime Court. On August 22, 2007, Fokai Company officially prosecuted to Guangzhou Maritime Court, asking Foshan South Sea Shipping Company Limited and Yang Xiong to undertake the compensation 25,587,684 yuan for the loss caused by collapsing 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 proceed 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 19,357,500.96 yuan; 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. By the end of the report period, the abatement of action causes are already removed and the provincial higher court restores the hearing and conducts the investigation on April 21, 2017.

(2) 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 1.5 billion yuan. Floating interest rate plus guaranteed

base interest rate applies as the interest rate. The Floating interest rate shall not exceed the basic interest rate of RMB loan with a term of over five years on the day when the investment fund of the insurance company is transferred into the Company's account and the corresponding days of the future years, which shall be adjusted once each year. The guaranteed base interest rate is 5.6%. The concrete amount of raised proceeds shall be within maximum limit of investment fund filed with CIRC. The actual amount wholly transferred to the Company shall apply. The final interest rate is subject to investment Contract for Bond Investment Plan between Pacific and Guangdong Expressway Filed with CIRC. It was approved to authorize the management of the Company to implement the above-mentioned matters.

The Company was approved to provide counter guarantee to Guangdong Communication Group Co.,Ltd.with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it . as of December 31, 2016, the company has borrowed 1.5 billion yuan.

(3) The 19th (Provisional)Meeting of the Eighth board of directors of Guangdong Provincial Expressway Development Co., Ltd. was held of August 7, 2018. The meeting examined and approved the Proposal on Issuing Medium-Term Notes, Agree that the company intends to register in the China Interbank Market Dealers Association with a quota of not more than 3.4 billion yuan (inclusive), which is within 40% of the company's latest audited net assets. Apply for a one-time or installment in a timely manner, with a term of no less than 5 years (including 5 years), and raise funds to repay the loan and replenish working capital; The matter has been passed by the resolution of the first interim shareholders' meeting in 2018.

On January 4, 2019, the dealers association issued a Notice of Acceptance of Registration (ZSXZ [2019] MTN 9). The amount of acceptance of the company's medium-term notes is 3.4 billion yuan, and the amount of registration is valid for 2 years from the date of receipt of the notice of acceptance, and it is jointly underwritten by Industrial and Commercial Bank of China Limited and China Construction Bank Limited. The company borrowed 680 million yuan on March 1, 2019.

(4) According to the Implementation Plan for Accelerating the Electronic Non-stop Quick Toll Application Services on Expressways (Development and Reform Foundation [2019] No. 935) issued by the National Development and Reform Commission and the Ministry of Transport and the Notice on Vigorously Promoting the Development and Application of ETC on Expressways issued by the General Office of the Ministry of Transport, ETC users of expressway traffic vehicles shall strictly implement the basic preferential policies of not less than 5% of the vehicle tolls since July 1, 2019, and at the same time, from January 1, 2020, adjust the mode of freight toll charging, and uniformly charge by vehicle (axle) type.

The above policies are expected to have an adverse impact on the Company's operating income, but the specific impact has not yet determined.

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

1. Account receivable

1.Classification account receivables.

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single item										
Of which:										
Accrual of bad debt provision by portfolio	17,585,263.17				17,585,263.17	18,405,847.15	100.00%			18,405,847.15
Of which:										
Total	17,585,263.17				17,585,263.17	18,405,847.15	100.00%			18,405,847.15

Accrual of bad debt provision by single item: Nil

Accrual of bad debt provision by portfolio:

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

In RMB

Name	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Within 1 year	17,585,263.17		
Total	17,585,263.17		-

Notes of the basis of recognizing the portfolio:

Provision for bad debts according to the age portfolio .

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year (Including 1 year)	17,585,263.17
Within 1 year	17,585,263.17
Total	17,585,263.17

(2) Accounts receivable withdraw, reversed or collected during the reporting period

Nil

(3) The current accounts receivable write-offs situation

Nil

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

Name	Amount	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	17,585,263.17	100.00	
Total	17,585,263.17	100.00	

(5) Account receivable which terminate the recognition owing 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

2.Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Interest receivable	32,460,868.78	1,880,148.12
Dividend receivable	34,145,770.80	1,205,472.90
Other receivable	6,077,481.50	6,238,161.64
Total	72,684,121.08	9,323,782.66

(1) Interest receivable

1) Interest receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Entrusted loan	32,460,868.78	1,880,148.12
Total	32,460,868.78	1,880,148.12

2) Significant dividend receivable aged over 1 year

Nil

3) Bad-debt provision

Applicable Not applicable

(2) Dividend receivable

1)Dividend receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	1,205,472.90
Ganzhou Kangda Expressway Co., Ltd.	21,000,000.00	
Gluoyuan Securities Co., Ltd.	11,940,297.90	
Total	34,145,770.80	1,205,472.90

(2) Significant dividend receivable aged over 1 year

Nil

3) Bad-debt provision

Applicable Not applicable

(3) Other accounts receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Balance of settlement funds for securities transactions	30,844,110.43	30,844,110.43
Cash deposit	1,953,995.00	1,930,943.00
Petty cash	1,581,352.00	1,605,100.00
Other	2,542,134.50	2,051,718.64
Current account		650,400.00
Total	36,921,591.93	37,082,272.07

2) Bad-debt provision

In RMB

Bad Debt Reserves	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as at January 1, 2019			30,844,110.43	30,844,110.43
Balance as at January 1, 2019 in current	---	---	---	---
Balance as at June 30, 2019			30,844,110.43	30,844,110.43

Loss provision changes in current period, change in book balance with significant amount

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year(Including 1 year)	3,277,275.23

Within 1 year	3,277,275.23
1-2 years	1,045,544.39
2-3 years	897,839.00
Over 3 years	31,700,933.31
4-5 years	463,491.88
Over 5 years	31,237,441.43
Total	36,921,591.93

3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period		Closing balance
		Accrual	Reversed or collected amount	
Account receivable with single major amount and withdrawal bad debt provision for single item	30,844,110.43			30,844,110.43
Total	30,844,110.43			30,844,110.43

Of which the significant amount of the reversed or collected part during the reporting period :Nil

4)The actual write-off other accounts receivable: Nil

5) Top 5 of the closing balance of the other accounts receivable collected 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 settlement funds	30,844,110.43	Over 5 years	83.54%	30,844,110.43
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,505,864.00	2-3 years	4.08%	
Petty cash	Petty cash	1,340,000.00	Within 1	3.63%	

			year		
Guangdong Expressway Co.,Ltd.	Entrustment management fee	463,491.88	4-5 years	1.26%	
Beijing Shibang Weilishi Property Management Service Co., Ltd. Guangzhou Branch	Deposit	393,331.00	Over 5 years	1.07%	
Total	--	34,546,797.31	--	93.57%	30,844,110.43

(6) Accounts receivable involved with government subsidies

Nil

(7) Other account receivable which terminate the recognition owing 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:

3. Long-term equity investment

In RMB

Items	End of term			Beginning of term		
	Book Balance	Impairment provision	Book value	Book Balance	Impairment provision	Book value
Investment in subsidiaries	1,533,665,008.81		1,533,665,008.81	1,533,665,008.81		1,533,665,008.81
Investment in joint ventures and associates	3,237,607,137.38		3,237,607,137.38	3,145,355,906.88		3,145,355,906.88
Total	4,771,272,146.19		4,771,272,146.19	4,679,020,915.69		4,679,020,915.69

(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
Guangfo Expressway Co., Ltd.	154,982,475.25			154,982,475.25		
Guangdong Expressway Technology Investment Co., Ltd.	95,731,882.42			95,731,882.42		
Guangzhou Guangzhou Traffic Investment Management Co., Ltd.	859,345,204.26			859,345,204.26		
Jingzhu Expressway Guangzhou Section Co., Ltd.	419,105,446.88			419,105,446.88		
Yuegao Capital Investment (Hengqin) Co., Ltd.	4,500,000.00			4,500,000.00		
Total	1,533,665,008.81			1,533,665,008.81		

(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	Decreased investment	Gain/loss of 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.	992,521,223.58			143,481,952.02		25,795,500.00	84,638,655.14			1,077,160,020.46	
ZhaoqingYuezhao Highway Co., Ltd.	307,172,338.10			27,819,228.16			53,207,865.41			281,783,700.85	
Subtotal	1,299,693,561.68			171,301,180.18		25,795,500.00	137,846,520.55			1,358,943,721.31	
II. Associated enterprises											
ShenzhenHuiyan Expressway Co., Ltd.	230,553,756.87			16,104,358.08						246,658,114.95	
Guangdong Jiangzhong Expressway Co., Ltd.	175,324,643.76			10,932,203.70						186,256,847.46	
Ganzhou Kangda Expressway Co., Ltd.	219,985,018.52			17,339,428.35			21,000,000.00			216,324,446.87	
Ganzhou Gankang Expressway Co., Ltd.	209,995,910.71			4,937,249.59						214,933,160.30	
Guangdong Yueke Technology Petty Loan Co., Ltd.	219,693,558.27			7,188,376.76						226,881,935.03	
Guoyuan Securities Co.,Ltd.	790,109,457.07			9,910,201.43	-470,449.14		11,940,297.90			787,608,911.46	
Subtotal	1,845,662,345.20			66,411,817.91	-470,449.14		32,940,297.90			1,878,663,416.07	
Total	3,145,355,906.88			237,712,998.09	-470,449.14	25,795,500.00	170,786,818.45			3,237,607,137.38	

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	617,314,121.48	325,665,097.11	638,591,636.62	306,898,726.06
Other	5,812,395.87	3,525,577.41	37,302,631.12	3,411,961.26
Total	623,126,517.35	329,190,674.52	675,894,267.74	310,310,687.32

Whether implemented new revenue guidelines?

Yes No

Other notes:

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	670,160,115.89	621,221,266.51
Long-term equity investment income accounted by equity method	237,712,998.09	216,777,157.34
Dividend income from investments in other equity instruments during the holding period	38,528,868.23	
Investment return on investments held to maturity during the holding period		42,581,144.86
Interest income from debt investment during holding period.	29,257,519.49	
Total	975,659,501.70	880,579,568.71

XVIII. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Items	Amount	Notes
Gains/Losses on the disposal of non-current assets	10,537,743.77	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	420,227.62	

Net amount of non-operating income and expense except the aforesaid items	-904,697.67	
Less: .Amount of influence of income tax	-796,580.71	
Amount of influence of minority interests	-597,222.81	
Total	11,447,077.24	--

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	7.53%	0.35	0.35
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	7.41%	0.35	0.35

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

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.