

Guangdong Provincial Expressway Development Co., Ltd.

2019 Annual Report

April 2020

I. Important Notice, Table of Contents and Definitions

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

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

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

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

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: 2,090,806,126 for the base, the Company would distribute cash dividend to all the shareholders at the rate of CNY4.22 for every 10 shares (with tax inclusive) , 0 bonus shares (including tax) and no reserve would be converted into share capital.

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Definition

Terms to be defined	Refers to	Definition
Reporting period, This year	Refers to	January 1, 2019 to December 31, 2019
Reporting date	Refers to	The annual report of the company was approved by the board of directors on 2019, that is April 3, 2020
YOY	Refers to	Compared with 2018
The Company /This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Communication Group	Refers to	Guangdong Communication Group Co., Ltd.
Guangdong Expressway	Refers to	Guangdong Expressway Co.,Ltd.
Construction Company	Refers to	Guangdong Highway Construction Co., Ltd.
Technology Company/Guangdong Expressway Technology	Refers to	Guangdong Expressway Technology Investment Co., Ltd
Fokai Company	Refers to	Guangdong Fokai Expressway Co., Ltd.
Fokai Branch	Refers to	Guangdong Fokai Expressway Co., Ltd. Fokai Branch
Reconstruction and extension Project of the South Section of Fokai Expressway	Refers to	Reconstruction and Expansion Project of Sanbao-Shuikou Section of Fukai Expressway.
Guangfo Company	Refers to	Guangdong Guangfo Expressway Co., Ltd.
Guangdong Expressway Capital	Refers to	Yuegao Capital Investment (Hengqin) Co., Ltd.
Guangzhu East Company	Refers to	Jingzhu Expressway Guangzhu Section Co., Ltd.
Major assets restructuring	Refers to	Guangdong Provincial Expressway Development Co.,Ltd. issues shares and uses cash to purchase assets and raise counterpart funds and Related transaction

II. Basic Information of the Company and Financial index

1. Company Information

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

2. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Yang Hanming	Liang Jirong
Contact address	46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tianhe District , Guangzhou	45/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tianhe District , Guangzhou
Tel	020-29004619	020-29004523
Fax	020-38787002	020-38787002
E-mail	Hmy69@126.com	139221590@qq.com

3. Information disclosure and placed

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

4.Changes in Registration

Organization Code	91440000190352102M
Changes in principal business activities since listing (if any)	No change
Changes is the controlling shareholder in the past (is any)	On November 2000, In accordance with Cai Guan Zi (2008) No. 109 Document of Ministry of Finance and Yue Ban Han (2000) No. 574 Document of General Office of Guangdong People's Government, the state-owned shares of Guangdong Expressway originally entrusted to Guangdong Expressway Company (now renamed as "Guangdong Provincial Expressway Co., Ltd.") for management were transferred to Guangdong Communication Group Co., Ltd. for holding and management. After the transfer of state-owned shares, Guangdong Communication Group Co., Ltd. became the largest shareholder of the Company. The nature of equity was defined as state-owned shares.

5. Other Relevant Information

CPAs engaged

Name of the CPAs	Ruihua Cerified Public Accountants(Special General Partnership)
Office address:	11F, West Tower, China Overseas Property Plaza, Yongding Men, Dongcheng District, Beijing
Names of the Certified Public Accountants as the signatories	Qin Yanlin, Huang Zhiyan

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

Applicable Not applicable

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

Applicable Not applicable

6.Summary of Accounting data and Financial index

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	2019	2018	Changed over last year (%)	2017
Operating income (RMB)	3,057,935,584.43	3,218,694,083.94	-4.99%	3,089,055,399.21
Net profit attributable to the shareholders of the listed company (RMB)	1,258,628,101.71	1,677,028,179.18	-24.95%	1,509,922,398.70
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	1,249,576,930.75	1,395,441,391.82	-10.45%	1,271,993,450.05
Cash flow generated by business operation, net (RMB)	1,988,551,897.83	1,915,985,578.04	3.79%	2,194,989,925.35

	2019	2018	Changed over last year (%)	2017
Basic earning per share(RMB/Share)	0.60	0.80	-25.00%	0.72
Diluted gains per share(RMB/Share)(RMB/Share)	0.60	0.80	-25.00%	0.72
Weighted average ROE(%)	13.09%	18.37%	-5.28%	17.69%
	End of 2019	End of 2018	Changed over last year (%)	End of 2017
Gross assets (RMB)	17,674,545,340.78	16,295,910,774.45	8.46%	16,523,315,093.72
Net assets attributable to shareholders of the listed company (RMB)	9,823,426,849.75	9,586,701,904.06	2.47%	9,023,071,118.45

7.The differences between domestic and international accounting standards

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

Applicable Not applicable

Nil

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

Applicable Not applicable

Nil

8.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	736,437,257.60	747,235,987.61	796,831,081.45	777,431,257.77
Net profit attributable to the shareholders of the listed company	354,064,646.18	382,421,466.12	371,244,455.76	150,897,533.65
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	353,871,455.69	371,167,579.37	372,502,498.79	152,035,396.90
Net Cash flow generated by business operation	518,337,607.13	532,473,490.10	583,972,506.76	353,768,293.84

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

Yes No

9.Items and amount of non-current gains and losses√Applicable Not applicable

In RMB

Items	Amount (2019)	Amount (2018)	Amount (2017)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	7,607,268.21	63,173,138.25	-2,745,683.68	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company' s business and granted under the state' s policies)	87,937.00	1,113,228.32	385,932.17	
Net amount of non-operating income and expense except the aforesaid items	-1,393,149.65	-1,545,368.05	61,458,075.96	
Other non-recurring Gains/loss items	1,652,603.05			
Less :Influenced amount of income tax	1,130,270.54	-230,679,518.30	-178,668,186.37	
Influenced amount of minor shareholders' equity (after tax)	-2,226,782.89	11,833,729.46	-162,437.83	
Total	9,051,170.96	281,586,787.36	237,928,948.65	--

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

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non-recurring gain/loss in the report period.

III. Business Profile

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

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

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway and Jingzhu Expressway Guangzhu Section investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd., Ganzhou Kangda Expressway, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Petty Loan Co., Ltd., Guangdong Guangle Expressway Co., Ltd. and Guoyuan Securities Co., Ltd. As of the end of the reporting period, the company's share-controlled expressway is 153.71 km, and the share-participation expressway is 263.41 km.

II .Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	An increased by 109.65 million yuan and 3.49% over the beginning of the year, Mainly due to the combined influence of the operation accumulation and profit distribution of the participating units.
Fixed assets	An increased by 1325.65 million yuan and 17.44% over the beginning of the year, It was mainly influenced by the completion and opening of the expansion project of southern section of Fokai Expressway and carry-forward of fixed assets. Fixed assets increased by 2.121 billion yuan, while fixed assets decreased by 787 million yuan due to increased depreciation of road property of Fokai Expressway and Guangzhu East Company.
Intangible assets	No significant change.
Construction in process	A decreased by 860.37 million yuan and 78.97% over the beginning of the year, mainly due to the completion and opening of the main line of the reconstruction and expansion project of southern section of Fokai Expressway and the carry-forward of fixed assets.
Monetary funds	An increased by 693.4 million yuan and 32.641% over the beginning of the year, mainly due to increased borrowing in fund-raising activities.
Other equity instrument Investment	An increased by 167.03 million yuan and 10.01% over the beginning of the year, mainly due to the increase in the company's share price of Everbright Bank and the increase in the value of other equity instruments measured at fair value.
Deferred income tax assets	A decreased by 61.99 million yuan and 13.85% over the beginning of the year, mainly due to that after the absorption and merger of the original wholly-owned subsidiary company as a branch Company, the income of the branch Company this year made up part of the Company's deductible losses in previous years.

2. Main Conditions of Overseas Assets

Applicable Not applicable

III. Analysis On core Competitiveness

The toll revenue of expressway industry mainly depends on the regional economic development. The regional economy is the critical factor that influences the traffic volume. The Guangfo expressway and the Fokai expressway, controlled by the company, are part of the National Expressway Network Planning-“Five vertical and seven horizontal”, The share-controlled Beijing-Zhuhai Guangzhu Section Expressway is a fast and convenient expressway. And many of the company’s equity-participation expressways that are part of the main skeleton of the Guangdong Provincial Expressway Planning-“Ten vertical and five horizontal”, which provides a strong guarantee for stable traffic volume. Meanwhile, the regional economy is the critical factor that influences the traffic volume, as Guangdong province is the economically developed region, with years’ continuous high growth of GDP, so that provides the stable rising demand for the company.

IV. Discussion and Analysis of Operation

I. General

In 2019, the board of directors of the company actively implemented the resolutions of the shareholders' meeting, conscientiously performed its duties, led the company's management team, made solid progress in key work, continuously optimized the structure of the core main business, achieved phased results and better completed various tasks.

1. In 2019, the company's main road production was affected by the diversion of the surrounding road network and ETC preferential policies. The company realized operating income of 3.058 billion yuan, reaching 94.91% of the target of 3.222 billion yuan and operating cost at 1.356 billion yuan, and completed the target value of "controlled within 1.422 billion yuan."

2. It completed the task of canceling the construction of expressway provincial toll station. According to the Ministry of Communications's plan to cancel the overall work of the provincial boundary stations of expressways, the company successfully completed the construction of ETC portal system, ETC special lanes, ETC mixed lanes, entrance overload control system, and the construction and renovation of toll station level systems.

3. The reconstruction and expansion project for the southern section of Fokai Expressway was completed and opened to traffic ahead of schedule. Under the scientific construction organization and schedule management, the entire reconstruction and expansion project in the southern section of Fokai Expressway was completed and opened to traffic on November 7, 2019, one and a half years ahead of the approved construction deadline, marking the successful completion of the first reconstruction and expansion project after the implementation of the development planning outline for the Great Bay Area of Guangdong, Hong Kong, Macao and Taiwan. The reconstruction and expansion project for the southern section of Fokai Expressway was successfully completed and opened to traffic, further optimizing and expanding the company's core business. The reconstruction and expansion project of Shenzhen Huiyan Expressway invested by the company is also progressing steadily as planned.

4. The land resources along the line are optimized and revitalized. The company insisted on the comprehensive development of land resources along the line as the main direction, and paid close attention to the preliminary work of the project in 2019. The land resources along the Fokai Expressway, including Zhishan, Chenshan, Xinjitian and Yanshan service areas, have made phased progress in their revitalization.

5. The fee adjustment for the reconstruction and expansion project in the southern section of Fokai Expressway was completed and the re-verification of the fee operation period was promoted. From zero o'clock on November 8, 2019, the southern section of Fokai Expressway implemented the adjusted charging standard approved by the government; Meanwhile, the company promptly organized materials to report to the relevant government departments for re-approval of the operation period, and strived to obtain the approval of the provincial government for implementation as soon as possible.

6. The screening of high-quality project sources was strengthened. Firstly, the company actively seized the development opportunities and investment opportunities of the main business. The company's investment team was focusing on following up a number of expressway projects in and outside the province, collecting, analyzing and calculating relevant data through a wide range of channels, and accumulating experience for accurately

selecting expressway investment targets; Secondly, it concentrated on mining the group's five major industry-related projects, actively reserved projects, and carried out in-depth research and investigation on key projects to lay the foundation for further promotion.

II. Main business analysis

1. General

	Volume of vehicle traffic in 2019 (Ten thousands vehicles)	Increase /Decrease(%)	Toll income in 2019 (Ten thousands)	Increase /Decrease(%)
Guangfo Expressway	7,596.92	15.60%	47,134.57	-0.68%
Fokai Expressway	7,668.46	1.72%	127,661.44	-3.84%
Jingzhu Expressway Guangzhu East Section	7,330.12	-9.84%	118,742.52	-9.65%
Huiyan Expressway	4,234.94	2.42%	24,667.08	0.56%
Guangzhao Expressway	3,506.46	7.62%	55,550.74	0.86%
Guanghui Expressway	7,033.28	12.38%	191,770.96	4.71%
Jiangzhong Expressway	6,134.67	6.67%	45,633.10	-4.82%
Kangda Expressway	324.21	7.20%	25,677.24	7.05%
Gangkang Expressway	517.41	29.38%	18,438.04	10.97%
Guangle Expressway	3,039.42	13.20%	318,505.70	2.74%

1. Guangfo Expressway: The increase in traffic volume is higher than the increase in toll revenue, which is mainly affected by the following factors: (1) From July 1, 2018, traffic restrictions was imposed on trucks with a capacity of more than 15 tons (7:00-22:00) towards Guangzhou (Yayao-Hengsha section), so as to guide trucks to adjust the time period for running in Guangfo section; (2) Foshan First Ring Road completed high-speed renovation and opened to traffic at the beginning of the year. Restriction on goods was cancelled and free passage was allowed, resulting in a decrease in the proportion of trucks traveling in Guangzhou-Foshan Expressway; (3) From July 2019, a new preferential policy for Guangdong Pass Card was implemented (from a discount of 2% to a discount of 5%), resulting in a drop in tolls. (4) Guangfo Area featured a intensive transportation of personnel and materials, complete supporting of surrounding buildings, and continuous growth of cars flow.

2. Fokai Expressway: Toll revenue fell year on year mainly due to the following factors: (1) Foshan First Ring Road completed high-speed renovation and opened to traffic at the beginning of the year; Restriction on goods was cancelled and free passage was allowed, which diverted some traffic; (2) From July 2019, a new preferential policy for Guangdong Pass Card was implemented (from a discount of 2% to a discount of 5%), resulting in a drop in tolls. (3) After the opening of Yuzhan Expressway Phase II, the diversion effect appeared.

3. Guangzhu Section of Jingzhu Expressway: Main reasons for decrease of traffic flow and toll revenue year on year: (1) Nansha Bridge and Dongguan-Panyu Expressway Phase II completed and opened to traffic, resulting in divergence of vehicles. (2) From August 2019, Humen Bridge was closed to trucks and buses with more than 40 seats for 24 hours, resulting in diversion effect on trucks and buses. (3) From July 2019, a new preferential policy for Guangdong Pass Card was implemented (from a discount of 2% to a discount of 5%), resulting in a drop in tolls.

4. Huiyan Expressway: The continuous increase in traffic volume of small passenger cars, strict enforcement

of truck overload control, and the change of original overloaded vehicles to multi-vehicle transportation offset the adverse impact on road traffic during the construction of reconstruction and expansion project of Huizhou-Shenzhen Expressway, and toll revenue was even.

5. Guanghui Expressway: The growth of traffic volume and toll revenue is mainly due to the natural growth of traffic volume on the road section and the additional traffic volume brought about by the opening of Fenghuangshan Tunnel on the adjacent road section.

6. Guangle Expressway: It was the main reason for the year-on-year growth in traffic volume and toll revenue. Toll revenue in the first half of 2019 was basically the same as that of last year. The newly opened Renhua-Shenzhen Expressway diverted some car traffic volume during the Spring Festival, but it had little impact after the Spring Festival; Toll revenue increased slightly in the second half of the year. The larger increase in toll revenue in November was mainly due to the return of vehicles diverted from airport high-speed construction to Jingzhou South Expressway in the same period last year; The relatively large increase in toll revenue in December was due to the early start of the spring festival transportation in 2020 and the relatively large demand for freight logistics and the relatively large increase in truck toll revenue at the end of the year under the marketing stimulus of major e-commerce companies; In the second half of the year, toll revenue increased slightly year on year driven by toll revenue growth.

7. Gankang Expressway: The year-on-year increase in traffic volume and toll revenue was mainly due to the combined effects of multiple factors such as drainage of fruit and vegetable markets in East China City, poor condition of national roads and over-regulation of national roads, restriction on the passage of some trucks, and backflow of vehicles.

8. Kangda Expressway: The main reasons for the increase in traffic volume and toll revenue were: (1) Traffic volume on Nankang-Dayu Expressway increased due to traffic restrictions in Nankang region and the construction of Qinglong and Xincheng sections of National Highway 323. (2) Traffic volume on road sections kept growing naturally, and the logistics industry was steadily improving, which stimulated the growth of freight vehicles. (3) The opening of the Wuhan-Shenzhen Expressway and Shantou-Kunming Expressway in Guangdong has narrowed the distance between Ganzhou and Shenzhen, Dongguan and the eastern part of Guangzhou, attracting a large number of small buses for the kangda Expressway.

2. Revenue and cost

(1) Component of Business Income

In RMB

	2019		2018		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	3,057,935,584.43	100%	3,218,694,083.94	100%	-4.99%
Industry					
Highway transportations	2,935,385,249.67	95.99%	3,116,441,804.18	96.82%	-5.81%
Other	122,550,334.76	4.01%	102,252,279.76	3.18%	19.85%
Product					

	2019		2018		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Highway transportations	2,935,385,249.67	95.99%	3,116,441,804.18	96.82%	-5.81%
Other	122,550,334.76	4.01%	102,252,279.76	3.18%	19.85%
Area					
Guangfo Expressway	471,345,653.88	15.41%	474,591,734.35	14.74%	-0.68%
Fokai Expressway	1,276,614,430.61	41.75%	1,327,567,186.19	41.25%	-3.84%
Jingzhu Expressway Guangzhu Section	1,187,425,165.18	38.83%	1,314,282,883.64	40.83%	-9.65%
Other	122,550,334.76	4.01%	102,252,279.76	3.18%	19.85%

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

√ Applicable □ Not applicable

In RMB

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Highway transportations	2,935,385,249.67	1,258,716,527.73	57.12%	-5.81%	4.69%	-4.30%
Product						
Highway transportations	2,935,385,249.67	1,258,716,527.73	57.12%	-5.81%	4.69%	-4.30%
Area						
Guangfo Expressway	471,345,653.88	113,805,926.37	75.86%	-0.68%	11.34%	-2.60%
Fokai Expressway	1,276,614,430.61	779,246,352.00	38.96%	-3.84%	10.69%	-8.01%
Jingzhu Expressway Guangzhu Section	1,187,425,165.18	365,664,249.36	69.21%	-9.65%	-7.69%	-0.65%

business based on latest on year' s scope of period-end.

Applicable Not applicable

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

Yes No

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

Applicable Not applicable

(5)Component of business cost

Industry category

In RMB

Industry category	Items	2019		2018		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Highway transportations	Depreciation and Amortized	827,637,925.95	61.02%	795,052,567.72	62.16%	4.10%
Highway transportations	Out of pocket expenses	431,078,601.78	31.78%	407,293,840.94	31.84%	5.84%
Other	Other	97,696,326.04	7.20%	76,748,662.66	6.00%	27.29%

Note

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

Yes No

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

Applicable Not applicable

(8)Situation of Main Customers and Main Supplier

Applicable Not applicable

3.Expenses

In RMB

	2019	2018	Increase/Decrease(%)	Notes
Administrative expenses	192,182,962.68	183,392,148.68	4.79%	
Financial expenses	213,705,131.87	212,592,783.74	0.52%	

R & d expenses		1,318,344.01	-100.00%	In 2018, Yuegaoke incurred research and development costs for the "Blue Channel" project, but not in 2019.
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4. Research and Development

Applicable Not applicable

No R & D projects in 2019 .

R & D investment

	2019	2018	Increase /decrease
Number of Research and Development persons (persons)	0	17	-100.00%
Proportion of Research and Development persons	0.00%	0.77%	-0.77%
Amount of Research and Development Investment (In RMB)	0.00	1,318,344.01	-100.00%
Proportion of Research and Development Investment of Operation Revenue	0.00%	0.04%	-0.04%
Amount of Research and Development Investment Capitalization (In RMB)	0.00	0.00	0.00%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	0.00%	0.00%	0.00%

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

Applicable Not applicable

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

Applicable Not applicable

5. Cash Flow

In RMB

Items	2019	2018	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	3,169,520,869.81	3,384,347,808.21	-6.35%
Subtotal of cash outflow received from operation activities	1,180,968,971.98	1,468,362,230.17	-19.57%
Net cash flow arising from operating activities	1,988,551,897.83	1,915,985,578.04	3.79%
Subtotal of cash inflow received from investing activities	440,203,871.09	642,611,742.49	-31.50%
Subtotal of cash outflow for investment activities	823,074,417.73	845,371,278.92	-2.64%
Net cash flow arising from investment activities	-382,870,546.64	-202,759,536.43	88.83%
Subtotal cash inflow received from financing activities	3,756,700,000.00	1,385,000,000.00	171.24%
Subtotal cash outflow for financing activities	4,667,450,932.28	3,335,697,061.08	39.92%
Net cash flow arising from financing activities	-910,750,932.28	-1,950,697,061.08	-53.31%
Net increase in cash and cash equivalents	693,395,898.18	-239,738,904.10	-389.23%

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

√Applicable □ Not applicable

1. Cash inflow from investment activities was 440 million yuan, of which 420 million yuan was received as cash dividends from equity investments and 20 million yuan was received from the disposal of intellectual property rights related to "Blue Channel"; The year-on-year decrease of 202 million yuan was mainly due to the disposal of the Zhuhai section of Guangzhou-Macao Expressway by 227 million yuan in the same period last year.

2. Cash inflow from fund-raising activities was 3.757 billion yuan, which was loans obtained; The year-on-year increase of 2.372 billion yuan was due to increased borrowing.

3. Cash outflow from fund-raising activities amounted to 4.667 billion yuan, of which 3.017 billion yuan was paid for debt, 1.649 billion yuan was paid for dividends and interest; The year-on-year increase of 1.332 billion yuan was

Reasons of major difference between the cash flow of operation activity in report period and net profit of the Company

□ Applicable √ Not applicable

III. Analysis of Non-core Business

√ Applicable □ Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment Income	508,416,135.27	28.43%	It is due to the operation accumulation of participant companies	Sustainable
Asset impairment	-7,238,195.84	-0.40%	Fokai Expressway Branch accrued impairment reserve for fixed assets	Not sustainable
Non-operating income	2,965,674.12	0.17%	Mainly the compensation income of road property	Not sustainable
Non-operating expenses	15,783,456.02	0.88%	Mainly non-current asset disposal losses and road property repair expenses	Not sustainable
Assets disposal earnings	19,031,900.46	1.06%	The subsidiary Yuegaoke disposed the intellectual property rights related to "Blue Channel" and confirmed the income from asset disposal	Not sustainable

IV. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of 2019		End of 2018		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	2,817,920,894.50	15.94%	2,124,524,996.32	13.04%	2.90%	It was mainly due to increased borrowing in investment activities.
Accounts receivable	125,343,724.66	0.71%	91,076,995.07	0.56%	0.15%	It was mainly due to the increase in tolls to be split.
Inventories	111,683.22	0.00%	81,017.91	0.00%	0.00%	
Investment real estate	3,331,500.37	0.02%	3,579,007.54	0.02%	0.00%	
Long-term equity investment	3,255,739,898.36	18.42%	3,146,092,065.25	19.31%	-0.89%	
Fixed assets	8,925,700,473.65	50.50%	7,600,046,319.91	46.64%	3.86%	It was mainly due to the completion and opening of the main line of the reconstruction and expansion project from the southern section of the Fokai Expressway and the carry-forward of fixed assets.
Construction in process	229,098,299.48	1.30%	1,089,473,425.63	6.69%	-5.39%	It was mainly due to the completion and opening of the main line of the reconstruction and expansion project from the southern section of the Fokai Expressway and the carry-forward of fixed assets.
Long-term loans	4,640,425,000.00	26.25%	2,983,040,000.00	18.30%	7.95%	Borrowing increased in the current period.

2.Asset and Liabilities Measured by Fair Value√Applicable Not applicable

In RMB

Items	Opening amount	Gain/Loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Other changes	Closing amount
Financial assets								
4.Other equity instrument investment	1,668,791,594.53		519,913,426.24					1,835,822,604.77
Subtotal of financial assets	1,668,791,594.53		519,913,426.24					1,835,822,604.77
Total of the above	1,668,791,594.53		519,913,426.24					1,835,822,604.77
Financial liabilities	0.00							0.00

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

 Yes No**3. Assets right restriction till end of reporting period**

The balance of restricted bank deposits at the end of the period was RMB 1,221,200.00, 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.

V. Investment situation**1. General**√Applicable Not applicable

Investment Amount in 2019(Yuan)	Investment Amount in 2018(Yuan)	Change rate
1,140,508,126.36	824,811,091.23	38.28%

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

√Applicable □Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure	Disclosure Index
Shenzhen Huiyan Express way Co., Ltd.	Express way	Increase capital	56,717,650.00	33.33%	Huiyan Co., Ltd. Unallocated profit conversion Capital	Yantian Port Co., ltd.	On the basis of the term of operation approved by the government	Limited Company	Completed	0.00	0.00	No	October 31,2017	Announcement of Resolutions of the 13 th (Provisional) Meeting of the Eighth Board of Directors, Announcement of External Investment
Total	--	--	56,717,650.00	--	--	--	--	--	--	0.00	0.00	--	--	--

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

√Applicable □Not applicable

In RMB

Name	Form of investment	Fixed assets investment or not	Industry in which the investment project operates	Investment amount during the reporting period	Accumulated actual amount invested as of the end of reporting period	Source of fund	Progress	Estimated return	Accumulated realized return as of the end of the reporting period	Reasons for failure in meeting scheduled progress and estimated return	Date of Disclosure(If any)	Disclosure index (If any)
Fokai Expressway southern section Extension project	Self	Yes	Expressway	1,083,790,476.36	2,582,255,320.52	Self and Borrowing	75.37%	0.00	0.00	Not applicable	June 17,2016	Announcement of the 19th (Provisional) Meeting of the Seventh Board of Directors, Announcement of External Investment
Total	--	--	--	1,083,790,476.36	2,582,255,320.52	--	--	0.00	0.00	--	--	--

4. Investment of Financial Asset

(1) Securities investment

√ Applicable □ Not applicable

In RMB

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Sauce of the shares
Domestic and foreign stocks	601818	Everbright Bank	517,560,876.80	FVM	870,443,292.80	0.00	519,913,426.24	0.00	0.00	37,876,045.98	1,037,474,303.04	Other equity instrument investment	Self
Total			517,560,876.80	--	870,443,292.80	0.00	519,913,426.24	0.00	0.00	37,876,045.98	1,037,474,303.04	--	--
Disclosure Date of Announcement on Securities Investment Approved by the Board of Directors			July 22,2009										
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting(If any)			August 7,2009										

(2) Investment in Derivatives

Applicable Not applicable

The Company had no investment in derivatives in the reporting period.

5.Application of the raised capital

Applicable Not applicable

The Company had no application of the raised capital in the reporting period.

VI. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

2.Sales of major equity

Applicable Not applicable

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

√ Applicable □ Not applicable

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

In RMB

Company Name	Company type	Leading products and services	Registered capital	Total assets	Net assets	Operating Income	Operating profit	Net Profit
Guangfo Expressway	Subsidiary	Operating Guangfo Expressway Co., Ltd.(starts from Hengsha, Guangzhou, ends in Xiebian, Foshan. Total length 15.7 kilometers	RMB 200 million	608,138,986.47	551,120,287.05	475,502,565.03	334,196,250.90	250,762,288.30
Jingzhu Expressway Guangzhu Section Co., Ltd.	Subsidiary	The operation and management of Guangzhu Expressway and provision of supporting services including fueling, salvage and supply of parts and components	RMB 580 million	2,558,550,808.94	1,157,559,905.51	1,218,734,018.60	715,153,192.22	513,065,829.93
Guangdong Guanghui Expressway Co., Ltd.	Sharing company	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and maintenance management of Guanghui Expressway, The Guanghui Expressway's supporting gas station, salvation, vehicle maintenance, vehicle transport, catering, warehousing investment and development	RMB 2.352 million	4,228,022,472.12	3,494,911,911.72	1,943,745,753.48	1,333,700,987.33	1,002,651,683.59
Guangzhu Traffic Investment Management Co., Ltd.	Subsidiary	Highway investment management and consultation; highway maintenance	RMB 3 million	2,563,460,714.81	641,567,853.91	1,218,734,018.60	715,103,887.59	282,136,901.83

Subsidiaries obtained or disposed in the reporting period

Applicable Not applicable

Particulars about the Mutual holding companies

1. Guangfo Expressway Co., Ltd., a subsidiary of the company, the company owns 75% of Guangfo Expressway's equity. It builds and operates Guangzhou-Foshan Expressway. Its management includes road maintenance, toll collection, signs, marking and other transportation facilities maintenance, vehicle rescue and other business. The net profit of the current period decreased by 14.1911 million yuan, 5.36% decrease compared with the same period last year. The main reasons for the decrease are: the diversion of surrounding roads and the implementation of new preferential policies of Yuetong card since July 2019 (from 2% discount to 5% discount)

2. Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd., a subsidiary of the company, the company owns 75% of Guangzhu Section's equity directly and indirectly. It operates Guangzhou-Zhuhai Expressway and provides the service of refueling, rescuing and spare parts supplying with the expressway. The net profit of this period decreased by 127.2247 million yuan, 19.87% decrease compared with the same period last year, mainly due to the diversion of surrounding roads; from August 2019, Humen Bridge will be banned from trucks and more than 40 passenger cars for 24 hours, which will affect the diversion of trucks and buses.; the implementation of new preferential policies of Yuetong card since July 2019 (from 2% discount to 5% discount)

3. Guangdong Guanghui Expressway Co., Ltd. is a joint-stock company of the company. The company holds 30% of Guanghui Expressway's equity, invests in and builds Guanghui Expressway and its supporting facilities; charges and maintenance management of Guanghui Expressway; invests and develops gas stations, rescues, automobile maintenance, automobile transportation, catering and warehousing for Guanghui Expressway. Net profit for the period increased by RMB 36,361,600, or 3.47% increase compared with the same period last year, mainly due to the natural increase in traffic flow on road sections and the increase in toll income due to the increase in traffic flow caused by the opening of the Phoenix Mountain Tunnel on adjacent road sections.

VIII. Special purpose vehicle controlled by the Company

Applicable Not applicable

IX. Prospect for future development of the Company

In order to better serve the New Coronavirus Pneumonia epidemic, promote the resumption of production and production of enterprises, and ensure the sustainable and healthy development of the economy. With the consent of the State Council, the Ministry of Transport issued the Notice of the Ministry of Transport on Toll Free Highway Vehicle Tolls During the New Crown Epidemic Prevention and Control Period (hereinafter referred to as the "Notice") on February 15, 2020. According to the requirements of the Notice, from 00: 00 on February 17, 2020 until the end of the epidemic prevention and control, all expressways controlled and shared by the company will be free of vehicle tolls for all vehicles that pass through these sections according to law, and the specific deadline will be notified separately. Suspension of vehicle tolls is expected to adversely affect the company's short-term operating results. As of the disclosure date of this report, the time for resuming the collection of vehicle tolls has not yet been determined, and the company has not been able to estimate the specific impact on the company's operating performance in 2020, nor is it able to set an operating target for the whole year.

The company will actively respond and do its best to mitigate the adverse impact of the epidemic on the company. On the basis of strict epidemic prevention and control and ensuring smooth traffic flow, the company strictly controlled the cost and actively strived for reasonable policy support. In fact, the company has done the following work well to make sufficient preparations for restarting the charging business and accelerating the development after the epidemic prevention and control work is completed.

1. Stabilize and expand the main business of expressway. It continued to push forward the phase inspection of Southern Section of Fokai Expressway Project, and strive to get the approval of the government as soon as possible; Assisted in accelerating the reconstruction and expansion of Huiyan Expressway; Through various channels such as property rights trading platforms and other intermediary organizations inside and outside the province, it widely collected the information on expressway projects inside and outside the system, steadily promoted investment and merger of expressway quality projects, integrated resources for participating in expressway projects, optimized asset structure, and made efforts to increase the number of expressway projects controlled.

2. Accelerate the development of stock resources along the expressway. To build innovative service areas . It fully promoted the implementation of the pilot project of the innovative service area in Zhushan; Continued to revitalize the plots of land in Chenshan, Xinjitian, Nanzhuang and Hengsha to obtain incremental benefits through land transfer, development and construction, and investment promotion.

3. Explore and study the layout of intelligent transportation industry. In order to better grasp the opportunity of intelligent transportation development, accelerate the research on the development planning of the company's intelligent transportation industry, and expand the company's intelligent transportation business and market.

4. It strived to give full play to the platform advantages of listed companies. It paid close attention to the development trend of the domestic capital market, actively research in the planning of the company's capital operation plan, gave full play to the role of investment and financing platform.

5. It broadened financing channels and optimized financial management. It continued to maintain close ties with banks, securities dealers and other financial institutions, strived for favorable financing conditions and low financing costs, and ensured all aspects of the company's capital needs during the special period of epidemic prevention and control.

6. It accelerated the implementation of optimization plans for market-based incentives and assessment mechanisms, focused on the decomposition of high-quality development assessment indicators, and formed a quantitative assessment indicator system to ensure the smooth implementation of salary assessment optimization plans.

X. List of the received researches, visits and interviews

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

√ Applicable □ Not applicable

Reception time	Way of reception	Types of visitors	Basic index
January 9,2019	Onsite investigation	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
January 16,2019	Onsite investigation	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
March 29,2019	By Phone	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
May 8,2019	By Phone	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
July 9,2019	Onsite investigation	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
August 30,2019	By Phone	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
November 5,2019	By Phone	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
Reception times			7
Reception agency amount			66
Reception personal number			0
Others			0
Whether to disclose, reveal or disclose non-public material information			No

V. Important Events

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

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

Applicable Not applicable

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

1.The Company's profit distribution plan for 2017 is as follows:

(1).10% of the net profit of the company, i.e. 177,864,580.14 yuan, is to be allocated for statutory common reserve fund.

(2).The profit for 2017 is to be distributed as follows:1,057,947,899.76 yuan. is to be allocated as the fund for dividend distribution for 2017. with the total shares at the end of 2017, i.e., 2,090,806,126 shares, as the base, cash dividend of 5.06 yuan (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank' s Middle rate quoted by People' s Bank of China on the first working day after 2017 annual shareholders' general meeting makes resolution on dividend distribution.

2. The Company's profit distribution plan for 2018 is as follows:

(1) 10% of the net profit of the company, i.e. 230,581,431.32 yuan, is to be allocated for statutory common reserve fund.

(2) The profit for 2018 is to be distributed as follows:1,175,033,042.81 yuan. is to be allocated as the fund for dividend distribution for 2018. with the total shares at the end of 2018, i.e., 2,090,806,126 shares, as the base, cash dividend of 5.62 yuan (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank' s Middle rate quoted by People' s Bank of China on the first working day after 2018 annual shareholders' general meeting makes resolution on dividend distribution.

3. The Company's profit distribution preplan for 2019 is as follows:

(1) 10% of the net profit of the company, i.e. 135,022,507.55 yuan, is to be allocated for statutory common reserve fund.

(2) The profit for 2019 is to be distributed as follows: 882,320,185.17 yuan. is to be allocated as the fund for dividend distribution for 2018. with the total shares at the end of 2019, i.e., 2,090,806,126 shares, as the base, cash dividend of 4.22 yuan (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2019 annual shareholders' general meeting makes

resolution on dividend distribution.

Dividend distribution of the latest three years

In RMB

Year for bonus shares	Amount for cash bonus (tax included)	Net profit attributable to common stock shareholders of listed company in consolidation statement for bonus year	Ratio of the cash bonus in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Proportion for cash bonus by other ways (i.e. share buy-backs)	Ratio of the cash bonus by other ways in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Total cash bonus (other ways included)	Ratio of the total cash bonus (other ways included) in net profit attributable to common stock shareholders of listed company contained in consolidation statement
2019	882,320,185.17	1,258,628,101.71	70.10%	0.00	0.00%	882,320,185.17	70.10%
2018	1,175,033,042.81	1,677,028,179.18	70.07%	0.00	0.00%	1,175,033,042.81	70.07%
2017	1,057,947,899.76	1,509,922,398.70	70.07%	0.00	0.00%	1,057,947,899.76	70.07%

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

Applicable Not applicable

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

Applicable Not applicable

Bonus shares for every ten shares (Shares)	0
Cash dividend for every ten shares (Yuan) (Tax-included)	4.22
Distribute additional (shares) for 10 shares	0
A total number of shares as the distribution basis (shares)	2,090,806,126
Cash dividend amount (yuan, including tax)	882,320,185.17
Other means (such as repurchase of shares) cash dividend amount (yuan)	0.00
Total cash dividend (yuan, including tax)	882,320,185.17
Distributable profit (yuan)	3,710,584,722.68
Proportion of cash dividend in the distributable profit	100%
Cash dividend distribution policy	
The Company is in a fast growth stage, therefore, the cash dividend will reach 80% of the profit distribution at least. Cash dividend distribution policy.	

Details of profit distribution or reserve capitalization Preplan

1. 10% of the net profit of the company, i.e. 135,022,507.55 yuan, is to be allocated for statutory common reserve fund.
2. The profit for 2019 is to be distributed as follows: 882,320,185.17 yuan. is to be allocated as the fund for dividend distribution for 2018. with the total shares at the end of 2019, i.e., 2,090,806,126 shares, as the base, cash dividend of 4.22 yuan (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank' s Middle rate quoted by People' s Bank of China on the first working day after 2019 annual shareholders' general meeting makes resolution on dividend distribution.

III. Commitments to fulfill the situation

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

√Applicable □Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement	Guangfa Securities Co., Ltd., Tibet Yingyue Investment Management Co., Ltd., Yadong Fuxing Yalian Investment Co., Ltd.	Share limited commitment	Guangdong Expressway A shares acquired by the Company through subscription in this major asset reorganization cannot be transferred or listed for transaction within thirty-six months from the date of the completion of the shares issuance in this major asset reorganization. Upon the expiry of the lock-up period, the transfer and transaction of these shares will be made in accordance with the effective laws and regulations, and relevant provisions of CSRS and Shenzhen Stock Exchange (SSE).	June 18,2015	The date of the expiration of the share lock.	Completed

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Guangdong Expressway Co., Ltd., Guangdong Highway Construction Co., Ltd., Guangdong Communication Group Co., Ltd.	Share limited commitment	Guangdong Expressway A shares acquired by the Company through subscription in this major asset reorganization cannot be transferred or listed for transaction within thirty-six months from the date of the completion of the shares issuance in this major asset reorganization. Upon the expiry of the lock-up period, the transfer and transaction of these shares will be made in accordance with the effective laws and regulations, and relevant provisions of CSRS and Shenzhen Stock Exchange (SSE). Upon the completion of this major asset reorganization, if the closing price of the A-share of Guangdong Expressway is below the issue price for 20 consecutive trading days within six months, or at the end of six months after the completion of the transaction the closing price is below the issue price, the lock-up period of the A-share of Guangdong Expressway acquired by the Company through this major asset reorganization will be automatically extended for six months.	June 26, 2015	The date of the expiration of the share lock.	Completed

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Guangdong Expressway Co., Ltd., Guangdong Highway Construction Co., Ltd., Guangdong Communication Group Co., Ltd.	Commitments on horizontal competition, related transaction and capital occupation	<p>The commitment to avoid horizontal competition: 1. the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, will not use the controlling shareholders to damage the legitimate interests of the business activities of Guangdong Expressway and its medium and small shareholders and its subsidiaries. 2. The Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, will not use the information acquired from Guangdong Expressway and its subsidiaries to engage in core business which competes with Guangdong Expressway and its subsidiaries and will not conduct any activity that damages or may damage the legitimate interests of Guangdong Expressway and its medium and small shareholders and its subsidiaries. 3. As for the transfer of toll roads, bridges, tunnels and related ancillary facilities or equity invested, constructed or managed by the Company or companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries to the Company or any company that is under direct or indirect control of the company, unless it is a transferee expressly designated by the relevant government departments, to the extent permitted by relevant laws and regulations, Guangdong Expressway has the right of preemption under the same conditions. 4. In the future, if the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, invest and construct a parallel highway or a highway in the same direction on either side of the Highway within 20 km, to the extent permitted by relevant laws and regulations, except in the project whose investors have been expressly specified by the relevant government departments, Guangdong Expressway has the priority right to invest ahead of the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries,. This commitment, when signed, constitutes the irrevocable legal obligations of the Company. If the circumstances arise that cause damage to Guangdong Expressway because of the Company's breach of the commitment, the Company will bear the corresponding liability according to laws. The commitment to reduce and regulate the connected transactions: 1. After the completion of this major asset reorganization, the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, and other related parties will try to avoid the connected transaction with Guangdong Expressway and its subsidiaries; the necessary and unavoidable connected transactions shall be conducted in accordance with the principles of fairness and compensation of equal value, the transaction prices shall be determined according to the reasonable market price, the transaction approval procedures and the disclosure obligations should be conducted in accordance with relevant laws, regulations and regulatory documents, to effectively protect the interests of medium and small shareholders of Guangdong Expressway . 2. The Company guarantees to be in strict accordance with relevant laws and regulations, the regulations and regulatory documents promulgated by CSRC, the</p>	June 26,2015	This commitment is valid from the date of signing this letter of commitment to the date on which the shares of Company is no longer controlled by the controlling shareholder of the Guangdong Expressway.	Fulfill the commitment normally

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

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Guangdong Highway Construction Co., Ltd., Guangdong Expressway Co., Ltd.	Other commitment	<p>(1) The commitment to the authenticity, accuracy and completeness of the information provided: The Company guarantees that there is no false, misleading statement or major omission in the information disclosure and application documents for the major asset reorganization. If it is suspected that there is false, misleading statement or major omission in the information disclosed or provided for the major asset reorganization and it is investigated by the judiciary authorities or by CSRC, before the clear conclusion of the case is reached, the Company will suspend the transfer of shares of Guangdong Expressway held by the Company, and within two business days upon receipt of the notice of filing a case and inspection, the written application for suspending the transfer and the stock account should be submitted to the Board of Directors of Guangdong Expressway, and the Board of Directors of Guangdong Expressway, shall, on behalf of the Company, apply for the lockout towards Shenzhen Securities Exchange (SSE) and Registration and Clearing Company; if the application for the lockout is not submitted within two business days after verification the Board of Directors authorized by the Company will directly submits the Company's identity and account information to the Registration and Clearing Company and apply for the lockout; if the Board of Directors fails to do so, the Securities Exchange and the Registration and Clearing Company will be authorized to directly lock the related shares. If it is found that the Company has illegal circumstances, the Company promises that the lockout shares should be automatically used for the compensation for the relevant investors. (2) The commitment to maintain the independence of the listed company. The Company and the companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, have increased their shares of Guangdong Expressway after the completion of the major asset reorganization; however they will not damage the independence of Guangdong Expressway. They will continue to be separated from Guangdong Expressway in assets, personnel, finance, organization and business and strictly abide by the relevant provisions on the independence of listed companies of CSRC. They will not illegally use Guangdong Expressway to provide guarantee, or occupy its capital, and they will keep and maintain the its independence and safeguard the legitimate rights and interests of other shareholders of it. (3)The company confirmed and guaranteed: 1, the company set up and effectively exist in accordance with the law of the enterprise, the company has an independent legal personality, independent of the ability to assume legal responsibility. 2, as the commitment letter issued by the Japanese, the company does not exist in the listed company acquisition management approach "the provisions of Article 6 of the acquisition of a listed company may not be under any of the following circumstances: (1) bears a relatively large amount of debt, due and outstanding, and in persistent state; (2) in recent 3 years have major violations or suspected of major violations; (3) in recent 3 years, have severe stock market acts of dishonesty; (4) the laws, administrative regulations and recognized by the CSRC shall not purchase of Listed Companies in other circumstances. This commitment is issued to the completion of the reorganization before, if the company does not conform to the fact that these commitments, the company that will</p>	June 26,2015	<p>(1) a promise without a commitment period. (2) the date of the validity of the term commitment from the date of this letter of commitment to the date of the company no longer is the date of the controlling shareholder of Guangdong. (3) the date of the validity of the term commitment to the completion of the completion of the completion of the major asset restructuring.</p>	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Guangdong Communication Group Co., Ltd.	Other commitment	<p>In order to promote the smooth progress of the issue of shares, the cash purchase of assets and the raising of matching funds (hereinafter referred to as "the major asset restructuring") approved by Guangdong Expressway Development Co., Ltd. at its second extraordinary shareholders' meeting in 2015, with regard to all the land and real estate (hereinafter referred to as "relevant land and real estate") owned by Guangdong Fokai Expressway Co., Ltd. (hereinafter referred to as "Fokai Company") and Jingzhu Expressway Guangzhu Section Co., Ltd. (hereinafter referred to as "Guangzhu East Company") without ownership certificates (hereinafter referred to as "relevant land and real estate") disclosed in the report of Guangdong Expressway Development Co., Ltd. on issuing shares and paying cash to purchase assets and raising matching funds and related transactions, the company undertook to urge Fokai Company and Guangzhu East Company to go through the ownership registration formalities according to the following plan under the condition that it is conducive to safeguarding the rights and interests of listed companies; Continued to push forward the progress of accreditation, and completed the registration procedures of relevant land and real estate ownership within three years after the relevant policies were clear and the relevant land and real estate met the conditions for handling the registration procedures of ownership, in accordance with the relevant laws and regulations and the requirements of the competent government departments.</p>	April 27, 2019	It continued to push forward the progress of accreditation, and completed the registration procedures of relevant land and real estate ownership within three years after the relevant policies were clear and the relevant land and real estate met the conditions for handling the registration procedures of ownership, in accordance with the relevant laws and regulations and the requirements of the competent government departments.	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitments made upon first issuance or refinance						
Equity incentive commitment						
Other commitments made to minority shareholders						
Completed on time(Y/N)	Yes					

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

Applicable Not applicable

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

Applicable Not applicable

Nil

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

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

Applicable Not applicable

The Ministry of Finance issued the "New Financial Instrument Guidelines" in 2017, requiring domestic listed enterprises to implement the new financial instrument guidelines from January 1, 2019. Through the resolution of the 25th (provisional) meeting of the eighth board of directors of the Company on April 26, 2019, the Group began to implement the aforementioned new financial instrument guidelines on January 1, 2019. The Group retroactively applied the new financial instrument standard. For the cumulative impact of the first implementation of the standard, the Group adjusted the amount of retained earnings or other comprehensive income at the beginning of 2019 and other related items in the financial statements. The 2018 financial statements were not restated.

In April and September 2019, the Ministry of Finance respectively issued the Notice on Revising and Issuing the Format of General Enterprise Financial Statements for 2019 (CK [2019] No.6) and the Notice on Revising and Issuing the Format of Consolidated Financial Statements (2019 Edition) (CK [2019] No.16), revising the format of general enterprise financial statements and consolidated financial statements. The Group has prepared financial statements in accordance with the format of general enterprise financial statements and consolidated financial statements according to its requirements.

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

Applicable Not applicable

Nil

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

Applicable Not applicable

Nil

IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	Ruihua Certified Public Accountants (Special General Partnership)
Remuneration for domestic accounting firm (Ten thousands yuan)	120
Successive years of the domestic CPAs offering auditing services	1
Name of domestic CPA	Qin Yanlin, Huang Zhiyan
Continuous fixed number of year for the auditing service provided by CPA in domestic CPA Firms	1

Has the CPAs been changed in the current period

Yes No

Whether to change the employment of accounting firm during the audit period

Yes No

Whether to perform the examination and approval procedures for change of accounting firm

Yes No

A detailed explanation of the change of employment and accounting firm

In order to better meet the needs of the company's future business development, after comprehensive evaluation, the company plans to employ Ruihua Certified Public Accountants (Special General Partnership) as the company's 2019 audit institution to be responsible for the audit of the company's financial report.

The 27th meeting of the 8th Board of Directors held on June 6, 2019 deliberated and passed the Proposal on Hiring Audit Institution for Financial Report in 2019, agreeing that the Company would hire Ruihua Certified Public Accountants (Special General Partnership) as the audit institution for the Company's financial report in 2019. It is estimated that the audit fee for the annual financial report will be controlled within 1.2 million yuan. On June 25, 2019, the company's first extraordinary shareholders' meeting in 2019 deliberated and passed the *Proposal on Hiring Audit Institution for Financial Report in 2019*.

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

Applicable Not applicable

On June 6, 2019, the 27th meeting of the 8th board of directors reviewed and passed the proposal on hiring the internal control audit institution in 2019, and agreed to hire Ruihua Certified Public Accountants (special general partnership) as the audit institution of the company's internal control in 2019. It is estimated that the audit cost of the annual financial report shall be controlled within 1.2 million yuan. On June 25, 2019, the company's first extraordinary general meeting of shareholders deliberated and passed the proposal on hiring an internal control audit institution in 2019.

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

Applicable Not applicable

XI. Relevant Matters of Bankruptcy Reorganization

Applicable Not applicable

Nil

XII. Matters of Important Lawsuit and Arbitration

Applicable Not applicable

Nil

XIII. Situation of Punishment and Rectification

Applicable Not applicable

Nil

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

Applicable Not applicable

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

Other Employee Incentive Measures

Applicable Not applicable

Nil

XVI. Material related transactions

1. Related transactions in connection with daily operation

Applicable Not applicable

Nil

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

Applicable Not applicable

Nil

3. Related-party transitions with joint investments

Applicable Not applicable

Nil

4. Credits and liabilities with related parties

Applicable Not applicable

Nil

5. Other significant related-party transactions

Applicable Not applicable

1. The 23th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal on Transferring the Intellectual Property Assets Group of the “Blue Channel” by Guangdong Expressway Technology Investment Co., Ltd., a wholly-owned subsidiary. It is agreed that Guangdong Expressway Technology Investment Co., Ltd., a wholly-owned subsidiary of the Company, will transfer the “Blue Channel” related intellectual property asset group to Guangdong Union Electronic Service Co., Ltd. by way of agreement transfer, with the assessed value of RMB 19,881,200.00 as the transfer price.

2. The 24th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal Concerning the Company Daily Associated Transactions Predicted of 2019 . Agree on the predicted daily associated transactions for the company headquarters, wholly-owned and holding subsidiaries of 2019, whose amount in total is RMB 49.4265 million .

3. The 28th (provisional) meeting of the Eighth Board of Directors deliberated and passed the Proposal on Renewal of Entrusted Loan from Guangdong Guanghui Expressway Co., Ltd. It agreed that the company should renew the entrusted loan from Guangdong Guanghui Expressway Co., Ltd., with a total loan amount of 180 million yuan, which would be withdrawn according to the actual needs of the company for a period of 1 year with an interest rate reduced by 10% according to the benchmark lending rate of the People's Bank of China for the same period, and which would be used to supplement the working capital. After the expiration of the entrusted loan, it could be renewed according to the original conditions.

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

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of related party transaction	January 23,2019	www.cninfo.com.cn
Estimates announcement of the Daily Related Party Transaction of 2019	March 29,2019	www.cninfo.com.cn
Announcement of related party transaction	August 29.2019	www.cninfo.com.cn

XVII. Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

Applicable Not applicable

Nil

(2) Contract

Applicable Not applicable

Nil

(3) Lease

Applicable Not applicable

Nil

2. Guarantees

√ Applicable □ Not applicable

(1) Guarantees

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guangdong Communication Group Co.,Ltd	May 11,2012	172,500	May 31,2013	172,500	Pledge	2012.9.25-2020.3.25	No	Yes
Total of external guarantee approved at Period-end(A3)		172,500		Total balance of actual external guarantee at Period-end(A4)		172,500		
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening(Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening(Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Total of Company' s guarantee (namely total of the large three aforementioned)								
Total of guarantee at Period-end (A3+B3+C3)		172,500		Total of actual guarantee at Period-end (A4+B4+C4)		172,500		
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)				17.56%				
Including								

Amount of guarantee for shareholders, actual controller and its associated parties (D)	172,500
Total guarantee Amount of the abovementioned guarantees (D+E+F)	172,500

Note

(2) Illegal external guarantee

Applicable Not applicable

Nil

3. Situation of Entrusting Others for Managing Spot Asset

(1) Situation of Entrusted Finance

Applicable Not applicable

Nil

(2) Situation of Entrusted Loans

Applicable Not applicable

Nil

4. Other significant contract

Applicable Not applicable

Nil

XVIII. Social responsibility

1. Execution of social responsibility of targeted poverty alleviation

In 2019, the expressway toll-free policy for small-sized passenger cars with less than 7 seats for main holidays, intermittent free-charge release and green-channel preferential policy were still executed, Guangfo company, Fokai company and Guangzhudong company have completed each safety and smooth traffic task successfully based on the thorough understanding, complete personnel dispatching, duties performance and measures implementation.

1. Several measures are implemented synchronously to provide drivers and the public with the smooth, convenient, comfortable and safe driving environment and build the harmonious relationship between vehicles and roads jointly. The company is located in Guangfo and Fokai sections among Pearl River Delta developed zone, in which, the traffic flow is large and the charging squares and lanes resources are limited due to the limitation of the previous infrastructure construction scale. Then, with the influence of the north-ring expressway as well as Gonghe-Siqian bottleneck-type section, the congestion and slow traffic become normal. The traffic flow peak in holidays lasts long with strong directionality and plenty of emergencies and therefore the vehicle free toll in

holidays catches high social attention. Each toll-station lanes are reconstructed with the whole-weighing-platform weighing equipment, which results in the larger pressure of the smooth traffic guarantee by stations. In light of such condition, the company motivated through organization the section companies to perfect and detail the smooth traffic guarantee working schemes continuously, summarize previous experience, conduct emergency exercises and make the production line exercise various smooth-traffic measures skillfully on one hand; on the other hand strengthen the service consciousness and conduct the business and civilized service trainings. Through efforts of all parties, the section for the company is free from artificial vehicle congestion and mass incidents for the whole year with the complaints limited to zero, through which, the safety and reliability of the expressway traffic environment were guaranteed.

2. Respond positively to the governmental policies, provide preferential, deduction and exemption policies per laws and reduce the cost of enterprise transportation and the masses travel.

3. It earnestly implemented the government's tasks and completed the transformation and switching of ETC toll collection system at provincial toll stations on time.

4. The South Section Reconstruction and Extension Project of Fokai Expressway opened to traffic. On November 7, 2019, the reconstruction and expansion project of the southern section of Fokai Expressway opened to traffic. The project officially started construction on May 7, 2017. Under the condition of opening to traffic while construction is in progress, the reconstruction and expansion management office of the southern section of Fokai Expressway overcame all difficulties, and completed the project about one and a half years ahead of the approved construction period (four years), with remarkable results, setting a both fast and good benchmark for the expansion project in the province. The opening of the project has realized the two-way and 8-lane operation of the entire Fokai Expressway, reduced the transportation time cost and economic cost, eased the traffic pressure to the west of Guangdong, further promoted the function of Fokai Expressway as a major transportation artery between the west of Guangdong and the core area of the Pearl River Delta, promoted the economic development of the areas along the line, provided strong support for the construction of the Great Bay Area of Guangdong, Hong Kong and Macao, and better met the people's demand for a better life brought by transportation.

2.Overview of the targeted poverty alleviation

The company has no precise social responsibility for poverty alleviation in the period and has no follow-up plan either.

3.Major environmental protection

The Listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

No

XIX. Explanation on other significant events

Applicable Not applicable

Nil

XX. Significant event of subsidiary of the Company√ Applicable Not applicable

1. The 23th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal on Transferring the Intellectual Property Assets Group of the “Blue Channel” by Guangdong Expressway Technology Investment Co., Ltd., a wholly-owned subsidiary. It is agreed that Guangdong Expressway Technology Investment Co., Ltd., a wholly-owned subsidiary of the Company, will transfer the “Blue Channel” related intellectual property asset group to Guangdong Union Electronic Service Co., Ltd. by way of agreement transfer, with the assessed value of RMB 19,881,200.00 as the transfer price.

The website to disclose the interim announcements

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of Resolutions of the 23 th (Provisional) Meeting of the Eighth Board of Directors	January 23, 2019	www.cninfo.com.cn
Announcement of related party transaction	January 23, 2019	www.cninfo.com.cn

VI. Change of share capital and shareholding of Principal Shareholders

I. Changes in share capital

1. Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1. Shares with conditional subscription	1,273,271,627	60.90%				-833,886,969	-833,886,969	439,384,658	21.02%
1. State-owned shares	410,002,853	19.61%				29,912	29,912	410,032,765	19.61%
2. State-owned legal person shares	652,971,967	31.23%				-631,259,229	-631,259,229	21,712,738	1.04%
3. Other domestic shares	210,293,994	10.06%				-202,654,839	-202,654,839	7,639,155	0.37%
Including : Domestic Legal person shares	209,498,275	10.02%				-202,469,920	-202,469,920	7,028,355	0.34%
Domestic natural person shares	795,719	0.04%				-184,919	-184,919	610,800	0.03%
4. Foreign shares	2,813	0.00%				-2,813	-2,813	0	0.00%
Including: Foreign legal person shares	0	0.00%				0	0	0	0.00%
Foreign natural person shares	2,813	0.00%				-2,813	-2,813	0	0.00%
II. Shares with unconditional subscription	817,534,499	39.10%				833,886,969	833,886,969	1,651,421,468	78.98%
1. Common shares in RMB	468,885,824	22.43%				833,886,969	833,886,969	1,302,772,793	62.31%
2. Foreign shares in domestic market	348,648,675	16.67%				0	0	348,648,675	16.68%
3. Foreign shares in foreign market	0	0.00%				0	0	0	0.00%

4.Other	0	0.00%				0	0	0	0.00%
III. Total of capital shares	2,090,806,126	100.00%				0	0	2,090,806,126	100.00%

Reasons for share changed

Applicable Not applicable

1. During the report period, 65 shareholders reimbursed 29,912 shares of Guangdong Provincial Communication Group Company Limited, which were converted from 29,534 shares of "shareholding of domestic natural person" and 378 shares of "shareholding of overseas natural person" to "national shareholding".

2. During the reporting period, 631,259,229 shares were "held by state-owned legal persons", 202,429,149 shares were "held by domestic legal persons", 190,381 shares were "held by domestic natural persons", and 2,435 shares were "held by overseas natural persons" and changed to "unlimited conditional shares".

3. During the report period, 5,775 shares of limited conditional shares held by Li Mei, the outgoing supervisor, were converted into limited conditional shares.

Approval of Change of Shares

Applicable Not applicable

Ownership transfer of share changes

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

Applicable Not applicable

Progress on any share repurchase:

Applicable Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Change of shares with limited sales condition

Applicable Not applicable

In shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Guangdong Communication Group Co., Ltd.	410,002,853	29,912		410,032,765	The shares for restricted sales by share reform has not yet be subject to the procedures for lifting the restriction.	Unknown
Zhang Xiuling and other 65 shareholders	222,728		192,816	0	Release of restrictions on sales	April 26,2019
Total	410,225,581	29,912	192,816	410,032,765	--	--

II. Securities issue and listing

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

Applicable Not applicable

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

Applicable Not applicable

3.About the existing employees' shares

Applicable Not applicable

III. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period	53,746	Total shareholders at the end of the month from the date of disclosing the annual report	54,195	The total number of preferred shareholders voting rights restored at period-end (if any)(Note 8)	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed(if any)(Note8)	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period-end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Guangdong Communication Group Co.,Ltd	State-owned legal person	24.56%	513,412,507	29,912	410,032,765	103,379,742		
Guangdong Highway Construction Co., Ltd,	State-owned legal person	22.30%	466,325,020			466,325,020		
Yadong Fuxing Yalian Investment Co., Ltd.	Domestic non State-owned Legal person	9.68%	202,429,149			202,429,149		
Tibet Yingyue Investment Management Co., Ltd.	State-owned legal person	4.84%	101,214,574			101,214,574		
Guangdong Expressway Co., Ltd.	State-owned legal person	2.53%	52,937,491		19,582,228	33,355,263		
China Life Insurance Co., Ltd. — Dividend — Personal dividend -005L-FH002 Shen	Other	1.66%	34,775,553			34,775,553		
China Life Insurance Co., Ltd. — Traditional — Common insurance products-005L-CT001Shen	Other	1.50%	31,312,620			31,312,620		
Guangfa Securities Co., Ltd.	State-owned legal person	1.45%	30,364,372			30,364,372		
Orient Securities Co., Ltd.	State-owned legal person	1.05%	21,915,393			21,915,393		
Feng Wuchu	Domestic natural person shares	0.79%	16,464,447			16,464,447		
Strategic investor or general legal person becoming top-10 ordinary shareholder due to rights issue (if any)	None							
Related or acting-in-concert parties among shareholders above	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Highway Construction Co., Ltd. and Guangdong Expressway Co., Ltd., It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.							

Shareholding of top 10 shareholders of unrestricted shares

Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type	
		Share type	Quantity
Guangdong Highway Construction Co., Ltd,	466,325,020	RMB Common shares	
Yadong Fuxing Yalian Investment Co., Ltd.	202,429,149	RMB Common shares	
Guangdong Communication Group Co.,Ltd	103,379,742	RMB Common shares	
Tibet Yingyue Investment Management Co., Ltd.	101,214,574	RMB Common shares	
China Life Insurance Co., Ltd. — Dividend — Personal dividend -005L-FH002 Shen	34,775,553	RMB Common shares	
Guangdong Expressway Co., Ltd.	33,355,263	RMB Common shares	
China Life Insurance Co., Ltd. — Traditional — Common insurance products-005L-CT001 Shen	31,312,620	RMB Common shares	
Guangfa Securities Co., Ltd.	30,364,372	RMB Common shares	
Orient Securities Co., Ltd.	21,915,393	RMB Common shares	
Feng Wuchu	16,464,447	RMB Common shares	14,363,984
		Foreign shares placed in domestic exchange	2,100,463
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Highway Construction Co., Ltd. and Guangdong Expressway Co., Ltd. ,It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.		
Top 10 ordinary shareholders conducting securities margin trading (if any) (see note 4)	Nil		

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

Yes No

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

2. Controlling shareholder

Nature of Controlling Shareholders: Local state holding

Name of the Controlling shareholder	Legal representative/ Leader	Date of incorporation	Organization code	Principal business activities
Guangdong Communication Group Co., Ltd.	Deng Xiaohua	June 23,2000	91440000723838552J	Equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; Value added telecommunication services.
Equity in other domestic and foreign listed companies held by the controlling shareholder by means of control and mutual shareholding in the reporting period	Guangdong Communication Group Co., Ltd. holds 74.12% equity of Guangdong Nanyue Logistics Co., Ltd., a company listing H shares.			

Type of Controlling Shareholders: Legal person

Changes of controlling shareholder in reporting period

Applicable Not applicable

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

3. Information about the controlling shareholder of the Company

Actual controller nature: Local state owned assets management

Actual controller type: Legal person

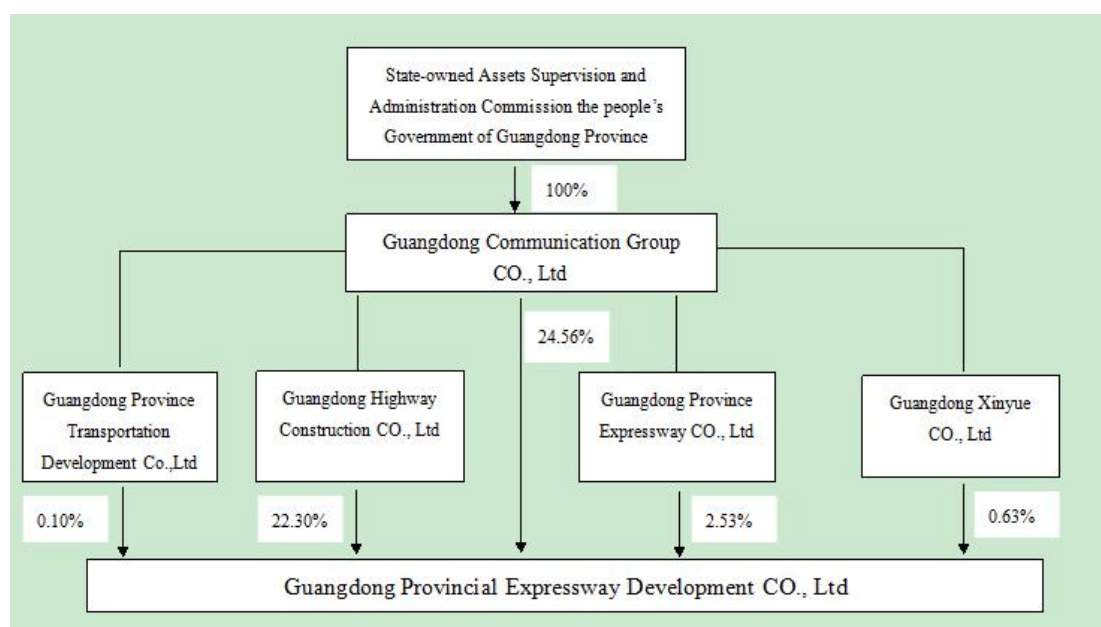
Name of the actual controller	Legal representative /Leader	Date of incorporation	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People' s Government	Li Cheng	June 26,2004	114400007583361658	As an ad hoc body directly under the Guangdong Provincial People's Government, commissioned by the provincial government to fulfill the State-owned asset investor, regulatory enterprises to implement the rights, obligations and responsibilities, pipe asset control and people management.
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	As an ad hoc body directly under the Guangdong Provincial People's Government, commissioned by the provincial government to fulfill the State-owned asset investor, regulatory enterprises to implement the rights, obligations and responsibilities, pipe asset control and people management.			

Changes of controlling shareholder in reporting period

Applicable Not applicable

No changes of controlling shareholder for the Company in reporting period

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



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

Applicable Not applicable

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

√ Applicable □ Not applicable

Legal person shareholder	Legal person/person in charge of the unit	Date of foundation	Register capital	Main operation business or management activities
Guangdong Highway Construction Co., Ltd.	Wang Kangchen	April 16, 1987	8,827.36846696 million yuan	Highway, bridge, tunnel bridge, traffic infrastructure construction, investment and management, technical consulting, leasing of road construction machinery; sales of construction materials, construction machinery equipment; vehicle rescue services (operated by the branch). (for projects subject to approval according to law, business activities can only be carried out with the approval of relevant departments.)

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

□ Applicable √ Not applicable

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period.

VIII Information about convertible corporate bonds

Applicable Not applicable

During the reporting period, the company did not have convertible corporate bonds.

IX. Information about Directors, Supervisors and Senior Executives

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

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase/decrease	Shares held at the year-begin(share)
Zheng Renfa	Board Chairman	In office	Male	50	January 4,2017	September 20,2022					
Wang Chunhua	Director General Manager	In office	Male	55	October 19,2015	September 20,2022	135,100				135,100
Wang Ping	Director, Chief Engineer	In office	Female	55	April 21,2014	January 8,2020	3,500				3,500
Fang Zhi	Director, CFO	In office	Male	56	December 31,2015	September 20,2022					
Chen Min	Director	In office	Male	56	July 19,2017	September 20,2022					
Zeng Zhijun	Director	In office	Male	49	December 4,2017	September 20,2022					
Du Jun	Director	In office	Male	54	July 21,2016	September 20,2022					
Zhuo Weiheng	Director	In office	Male	48	December 4,2017	September 20,2022					
Cao Yu	Director	In office	Male	34	July 21,2016	September 20,2022	150,000				150,000
Huang Hai	Director	In office	Male	44	July 21,2016	September 20,2022					
Gu Nai kang	Independent director	In office	Male	54	July 21,2016	September 20,2022					
Bao Fangzhou	Independent director	In office	Male	41	July 21,2016	September 20,2022					

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase/decrease	Shares held at the year-begin(share)
Zhang Hua	Independent director	In office	Male	54	December 4,2017	September 20,2022					
Liu Zhonghua	Independent director	In office	Male	54	December 4,2017	September 20,2022					
Zeng Xiaoping	Independent director	In office	Female	50	May 20,2019	September 20,2022					
Jiang Changwen	Chairman of the Supervisory Committee	In office	Male	52	May 20,2019	September 20,2022					
Li Haihong	Supervisor	In office	Female	48	July 21,2016	September 20,2022					
Ke Lin	Supervisor	In office	Female	50	September 15,2017	September 20,2022					
Feng Yuan	Supervisor	In office	Male	55	September 9,2019	September 20,2022					
Zhou Yisan	Supervisor	In office	Male	39	September 9,2019	September 20,2022					
Zuo Jiang	Deputy General Manager	In office	Female	47	October 19,2015	September 20,2022					
Cheng Rui	Deputy General Manager	In office	Male	45	August 28,2017	September 20,2022					
He Bing	legal counsel	In office	Female	52	July 23,2012	September 20,2022					
Yang Hanming	Secretary to the Board	In office	Male	50	August 28,2017	September 20,2022					
Xiao Duan	Independent director	Dismission	Female	61	April 16,2013	May 20,2019					

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase/decrease	Shares held at the year-begin(share)
Ling Ping	Chairman of the Supervisory Committee	Dimission	Female	56	March 23,2015	April 26,2019					
Cao Xiaoyi	Supervisor	Dimission	Female	51	July 21,2016	September 8,2019					
Yang Tianshu	Supervisor	Dimission	Male	37	March 30,2018	September 8,2019					
Total	--	--	--	--	--	--	288,600	0	0	0	288,600

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

Applicable Not applicable

Name	Positions	Types	Date	Reason
Xiao Duan	Independent director	The term of office expires.	May 19,2019	The term of office expires.
Ling Ping	Chairman of the Supervisory Committee	Dimission	April 8,2019	Retired
Cao Xiaoying	Supervisor	Dimission	September 8,2019	Job change
Yang Tianshu	Supervisor	Dimission	September 8,2019	Job change

III. Posts holding

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

Mr. Zheng Renfa, He served as Chairman, Master Degree, Senior economic engineer. Since December 2005, He served as Deputy Minister of Investment Management Department of Guangdong Communication Group, Since April 21, 2014, He served as director, Since August 15, 2016, the implementation of the duties of the Board of Directors and the legal representative of the duties. Since January 4, 2017, he was the chairman of the board of directors of the Company and hold a concurrent post of vice chairman of Guangdong Guanghui Expressway Co., Ltd.

Mr. Wang Chunhua, He served as Director and General Manager of the Company, Master Degree, senior engineer and senior economic engineer, Since September 2006, he served as Deputy General Manager of the Company. From March 2013 to October 2015, He served as director and Deputy General Manager of the Company, Since October 2015, He served as Director and General director of the Company, and hold a concurrent post of

vice chairman of Gankang Expressway Co., Ltd , Ganzhou Kangda Expressway Co., Ltd.and Shenzhen Huiyan Expressway Co., Ltd.

Ms. Wang Ping, She served as Director and Chief Engineer of the Company, bachelor's degree, professor of Engineering, National registered cost engineer, Senior Economist. From February 2001 to April 2012, she served as Minister of Infrastructure Management Department. From April 2012 , she served as chief engineer of the Company, Since April 21, 2014, She served as Director of the Company, and hold a concurrent post of Chairman of Zhaoqing Highway Co., Ltd.and Vice Chairman of Guangdong Jiangzhong Expressway Co., Ltd. Ms. Wang Ping resigned as a director and chief engineer on January 8, 2020 and did not hold any other positions in the Company.

Mr. Fangzhi , He serves as Director , Master Degree and Senior Accountant, He served as associate director and Deputy General Manager of Finance Center of Guangdong Communication Group, Since May 2015, He served as Chief accountant of the Company, Since December 2015, He served as director and chief accountant of the Company, and hold a concurrent post of Chairman of the board of supervisors of Guanghui Expressway Co., Ltd, and Direcotr of Yueke Technology Petty Loan Co., Ltd

Mr. Chin Min , He serves as Director , undergraduate degree, senior economist, corporate legal adviser, cost engineer. From September 2001 to August 2009, He served as Senior economist , Director and General Manager of Guangdong Jingtong Highway Engineering Construction Group Co., Ltd.,From August 2009 to April 2011, He served as Deputy General Manager of Guangdong Nanyue Logistics Co., Ltd.,Form April 2011 to December 2014, He served as Duputy Minister of Legal Affairs of Guangdong Communications Group Co., Ltd., Since December 2014, He served as Minister of Legal Affairs of Guangdong Communications Group Co., Ltd.,Since July ,19, 2017, He served as Director of the Company.

Mr. Zeng Zhijun, economist, is a director of the Company, with master degree. Since June 2010, he has served as the deputy chief economist of Guangdong Provincial Expressway Co., Ltd. From January 2015 to September 2015, he served as Minister of Investment Planning Department of Guangdong Provincial Expressway Co., Ltd; since September 2015, he has served as Minister of Legal Affairs Department of Guangdong Provincial Expressway Co., Ltd. Since December 4, 2017, he serves as Director of the Company.

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

Mr. Zhuo Weiheng, is a senior accountant, with bachelor degree. From January 2008 to May 2009, he served as the minister of the financial audit department of Guangdong Provincial Highway Construction Co., Ltd. Since May 2009, he has served as the Minister of Finance Management Department of Guangdong Provincial Highway Construction Co., Ltd.,Since December 4, 2017, he served as Director of the Company.

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

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

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

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

Mr. Liu Zhonghua, professor of accounting, is an independent director of the Company, with master degree. In September 2005, he was transferred to the School of Management of Guangdong University of Foreign Studies to teach. He is currently a professor at the School of Accounting of Guangdong University of Foreign Studies, he is a master tutor, concurrently serves as member of Accounting Society of China, executive member of China Association of Foreign Trade and Economic Accounting, vice chairman of Guangdong Province Management Accounting Association, executive member of Guangdong Provincial Accounting Association and member of Guangdong Audit Society. Since December 4, 2017, he is an independent director of the Company.

Mr. Zhang Hua, economist, is an independent director of the Company, with Master Degree. From May 2006 to May 2012, he served as deputy general manager and chief investment director of Guangzhou Yingzhi Caihua Investment Co., Ltd. From June 2012 to September 2016, he served as the deputy general manager of Guangzhou De' rui Investment Co., Ltd and concurrently served as Deputy General Manager of Shenzhen Dongying Ruitong Investment Management Partnership (Limited Partnership); since October 2016, he has served as general manager of Shanghai Er Luo Investment Management Service Center (General Partnership). From November 2010 to January 2017, he served as an independent director of Guangzhou Yu Yin Technology Co., Ltd. From December 2011 to September 2017, he served as an independent director of Guangdong Electric Power Development Co., Ltd. In September 2017, he was an independent director of Zhuhai Taichuan Cloud Community Technology Co., Ltd., Since December 4, 2017, he is an independent director of the Company.

Ms. Zeng Xiaoqing, an independent director of the Company, with doctor's degrees. She began to work in Tongji University in 1993. From February 2000 to October 2002, she conducted post-doctoral research and study in Tokyo Institute of Technology, Japan. She began to work in Tongji University in 1993, served as assistant director of Shanghai Municipal Government's Expo Science and Technology Promotion Center from 2005 to 2012, and served as vice-chairman and secretary-general of Shanghai Creative Studies Institute from 2012; She is currently the director of Tongji University's Joint Experimental Center for Traffic Information Control, professor and doctoral supervisor of Tongji University's School of Transportation Engineering. From May 20, 2019, she served as the independent director of the Company.

Mr. Jiang Changwen, male, is 52 years old, master of management, senior accountant, senior economist. From July 1999 to November 2006, he worked in Guangshenzhu Expressway Co., Ltd., and served as the supervisor, deputy manager and manager of the accounting department. From November 2006 to January 2009, he worked in the Jiangzhong Expressway Company, and served as the finance department manager; since January 2009, he has worked in the Guangdong Provincial Transportation Group Co., Ltd, and has served as a supervisor. From May 20, 2019, he is the assigned chairman of the supervisory board of Guangdong Communication Group Co., Ltd.

Ms. Li Haihong, Supervisors of the Company, bachelor degree, senior economist and road and bridge engineer. Since October 2008, she has been working as a supervisory and auditing department of the Guangdong

Provincial Communications Group. From October 2008 to September 2012, she was appointed full-time supervisor of Guangdong Expressway Co., Ltd., From October 2012 to March 2016, she was appointed full-time supervisor of Guangdong Yueyun Traffic Co., Ltd. and Guangdong Communications Industrial Investment Co., Ltd., From March 2016 to December 2017, she was appointed full-time supervisor of Guangdong Litong Real Estate Investment Co., Ltd., Since December 2017, she was appointed full-time supervisor of Guangdong Nanyue Traffic Investment Construction Co., Ltd., Since March 2016, she was appointed full-time supervisor of Guangdong Traffic Industry Investment Co., Ltd., from December 2018 to present, is the first secretary of the party organization of Guangdong Kaiyang Expressway Co., Ltd. From July 21, 2016, she has served as supervisor of the Supervisory Committee of the Company.

Ms. Ke Lin, bachelor degree, Bachelor of Science, assistant researcher. She began to take a job in July 1991. She had successively served as cadre of personnel department, deputy head, head of the personnel department, section chief rank cadre of discipline inspection and supervision department, director of the commission for discipline inspection (deputy-director level). In November 2008, she was transferred to work in Provincial Transportation Group, successively served as member of party committee, union chairman and discipline inspection commission secretary. From January 2013 to August 2017, she has served as party committee member, discipline inspection commission secretary and chairman of the union in Yueyun Transportation. Since September 15, 2017, She served as supervisor of Board of supervisor of the Company.

Mr. Feng Yuan, supervisor of the Company, bachelor of science, associate professor. From October 2009 to October 2014, he served as deputy general manager of Guangdong Jiangzhong Expressway Co., Ltd. and director and deputy general manager of Beijing-Zhuhai Expressway Guangzhou Section Co., Ltd. From October 2014 to December 2018, he served as director, general manager and deputy secretary of the Party Committee of Guangdong-Foshan Expressway Co., Ltd. and he has been deputy economist of the Company since December 2018. From September 9, 2019, he served as the employee supervisor of the 9th Supervisory Committee of the Company.

Mr. Zhou Yisan, supervisor of the Company, postgraduate degree, master of law, enterprise legal consultant, with national legal professional qualification, board secretary qualification, and securities, fund and futures practitioner qualification. From February 2014 to April 2016, he was the deputy supervisor of the Legal Affairs Department of Guangdong Transportation Group Co., Ltd. From April 2016 to September 2017, he was the deputy head of the Investment Development Department and Legal Affairs Department of the Company, and he has been the head of Legal Affairs Department of the Company since September 2017. From September 9, 2019, he served as the employee supervisor of the 9th Supervisory Committee of the Company.

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

Mr. Cheng Rui, On-job postgraduate, master of business administration, with a lawyer qualification. He began to take a job in July 1997. He had successively served as development department staff, deputy manager of investment management department and manager of investment management department in Xinyue Co., Ltd, served as Deputy General Manager of Xinyue Company in August 2015, and served as deputy minister of

strategic development department from April 2016 to August 2017. Since August 2017, he served as Deputy General Manager of the Company. During this period, starting from May 2019, she was assigned as the first secretary of the Party organization in Shanhu Village, Jinhe Town, Jiexi County, Jieyang City.

Ms. He Bing , general counsel, master's degree in law, enterprise legal adviser, from August 2005 to July 2012, she served as Deputy chief economic engineer of the Company, Since July 2012, she served as Chief legal adviser of the Company. and hold a concurrent post of Director of Huiyan Expressway Co., Ltd., and supervisor of Jiangzhong Expressway Co., Ltd.

Mr. Yang Hanming, he has been the Secretary of the Board , bachelor's degree, senior economist, corporate legal adviser, with the board secretary qualifications. Since March 2000, he has been successively served as deputy minister of investment planning and minister of legal affairs in Guangdong Provincial Expressway Development Co., Ltd. Since August 2014, he has been concurrently served as minister of investment and development. Since August 2017, he has been the Secretary of the Board of the Company, and hold a concurrent post of Supervisor of Yueke Technology Petty Loan Co., Ltd., and supervisor of Ganzhou Kangda Expressway Co., Ltd., Director of Guangdong Jiangzhong Expressway Co., Ltd. Since September 2019, he served as Minister of Development Dept of the Company.

Office taking in shareholder companies

√Applicable □Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Chen Min	Guangdong Communication Group	Minister of Investment Management Dept.	December 1,2014		Yes
Du Jun	Guangdong Highway Construction Co., Ltd.	Deputy General Manager	March 8,2016		Yes
Zhuo Weiheng	Guangdong Highway Construction Co., Ltd.	Deputy Chief Accountant	March 26,2018		Yes
Zeng Zhijun	Guangdong Expressway Co., Ltd	Minister of legal affairs Dept	September 1,2015		Yes
Huang Hai	Tibet Yinyue Investment Management Co., Ltd.	Executive director	June 1,2015		No
Jiang Changwen	Guangdong Communication Group Co., Ltd.	Dispatched chairman of the supervisory committee	January 1,2009		Yes
Li Haihong	Guangdong Communication Group Co., Ltd.	Full-time field supervisors	July 21,2016		Yes

Offices taken in other organizations

√Applicable □Not applicable

Name of the persons in office	Name of other organizations	Titles engaged in the other organizations	Starting date of office term	Expiry date of office term	Does he/she receive remuneration or allowance from other organization
Bao Fangzhou	Shanghai Allbright law firm	Lawyer, Senior partner	January 1,2000		Yes
Bao Fangzhou	Laurel Power Co., Ltd.	Independent director	Jne 1,2016		Yes
Gu Naikang	Finance and Investment ,School of Business Sun YAT-SEN University	Professor, doctoral supervisor	January 1,2004		Yes
Gu Naikang	Guangzhou Zhujiang Industry Development Co., Ltd.	Independent director	May 1,2014		Yes
Gu Naikang	Mingyang Intelligent Energy Group Co., Ltd.	Independent director	July 1,2017		Yes
Gu Naikang	Zhubo Design Co., Ltd.	Independent director	December 1,2019		Yes
Gu Naikang	Guangfa Securities Co., Ltd.	Supervisor	July 1,2016		Yes
Zhang Hua	Shanghai Erro Investment Management Service Centre(General partnership)	General Manager	October 1,2016		Yes
Zhang Hua	Zhuhai Taichuan Community Technology Co., Ltd .	Independent director	September 1,2017		Yes
Zhang Hua	Guangzhou Yuyin Technology Co., Ltd.	Independent director	November 1,2018		Yes
Liu Zhonghua	College of Accounting, Guangdong University of Foreign Studies	Professor, Master' s supervisor	September 1, 2005		Yes
Liu Zhonghua	Gelinmei Co., Ltd.	Independent Director	March 20,2019		Yes
Liu Zhonghua	Guangdong Shaogang Songshan Co., Ltd.	Independent Director	June 25,2019		Yes
Cao Yu	Shanghai Fuxin high-tech (Group) Co., Ltd.	ECD	May 1,2008		Yes
Cao Yu	Zhongshan Public Utilities Group Co., Ltd.	Director	July 8,2019		No
Huang Hai	Poly Developments and Holdings Group Co., Ltd.	Secretary to the Board	April 26,2012		Yes
Huang Hai	Poly Property Development Co., Ltd.	Board chairman	April 22,2019		No
Zeng Xiaoqing	Tongji University's School of Transportation Engineering	Professor and doctoral supervisor	June 1,2007		Yes
Zeng Xiaoqing	Tongji University's Joint Experimental Center for Traffic Information Control	Director	June 30,2003		No

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

Applicable Not applicable

IV. Remuneration to directors, supervisors and senior executives

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

The remuneration of members of the Eighth board of directors and supervisory committee was examined and determined at the second provisional shareholders' general meeting in 2019. The remuneration of the senior executives is determined by the assets operation responsibility system in that year.

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

2. Directors who have not held other positions in the Company and the controlling shareholder of the Company and its related parties are remunerated by the directors of the Company, and the standard is RMB 6,000 (tax included) per person per month. In addition, the expenses incurred by the independent directors at the board of directors and the shareholders' general meeting and the expenses incurred in exercising their functions and powers in accordance with the articles of association may be reimbursed in the company.

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

Ten Thousands yuan

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Zheng Renfa	Board Chairman	Male	50	In Office	68.66	No
Wang Chunhua	Director, General Manager	Male	55	In Office	65.11	No
Wang Ping	Director, Chief Engineer	Female	55	In Office	60.89	No
Fang Zhi	Director, Chief Accountant	Male	56	In Office	61.05	No
Chen Min	Director	Male	56	In Office	0	Yes
Zeng Zhijun	Director	Male	49	In Office	0	Yes
Du Jun	Director	Male	54	In Office	0	Yes
Zhuo Weiheng	Director	Male	48	In Office	0	Yes
Cao Yu	Director	Male	34	In Office	6.3	No
Huang Hai	Director	Male	44	In Office	6.3	No
Xiao Duan	Independent director	Female	61	Dimission	3	No
Gu Naikang	Independent director	Male	54	In Office	6.3	No
Bao Fangzhou	Independent director	Male	41	In Office	6.3	No
Zhang Hua	Independent director	Male	54	In Office	6.3	No
Liu Zhonghua	Independent director	Male	54	In Office	6.3	No
Zeng Xiaoqing	Independent director	Female	50	In Office	3.3	No
Jiang Changwen	Chairman of the Supervisory Committee	Male	52	In Office	0	Yes

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Ling Ping	Chairman of the Supervisory Committee	Female	56	Dimission	0	Yes
Li Haihong	Supervisor	Female	48	In Office	0	Yes
Ke Lin	Supervisor	Female	50	In Office	61.22	No
Cao Xiaoying	Supervisor	Female	51	Dimission	47.8	No
Yang Tianshu	Supervisor	Male	37	Dimission	34.89	No
Feng Yuan	Supervisor	Male	55	In Office	47.35	No
Zhou Yisan	Supervisor	Male	39	In Office	46.12	No
Zuo Jiang	Deputy General Manager	Female	47	In Office	61.22	No
Cheng Rui	Deputy General Manager	Male	45	In Office	62.34	No
He Bing	Chief legal adviser	Female	52	In Office	49.12	No
Yang Hanming	Secretary to the Board	Male	50	In Office	50.54	No
Total	--	--	--	--	760.41	--

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

Applicable Not applicable

V. Particulars about employees.

1.Number of staff, professional structure and educational background

Number of in-service staff of the parent company(person)	99
Number of in-service staff of the main subsidiaries(person)	2,055
The total number of the in-service staff(person)	2,154
The total number of staff receiving remuneration in the current period(person)	2,154
Retired staff with charges paid by the parent company and main subsidiaries (person)	98
Professional	
Category	Number of persons (person)
Management personnel	462
Toll collectors	1,280
Road service personnedl	131
Logistical personnedl	281
Total	2,154

Education	
Category	Number of persons (person)
Holders of master' s degree or above	50
Graduates of regular university	421
Graduates of junior colleges	1,407
Other	276
Total	2,154

2. Remuneration policies

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

3. Training plan

Nil

4. Outsourcing situation

Applicable No Applicable

X. Administrative structure

I. General situation

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

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

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

Yes No

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

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

1. Independent business

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

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

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

2. Complete assets

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

3. Independent personnel

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

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

4. Independent finance

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

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

5. Independent organization

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

III. Horizontal Competitions

Applicable Not applicable

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

1. Annual General Meeting

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
2018 Shareholders' general meeting	Annual Shareholders' General Meeting	67.59%	May 20,2019	May 21,2019	Announcement of Resolutions of the shareholders' general meeting in 2018. www.cninfo.com.cn
The First provisional shareholders' General meeting of 2019	Provisional shareholders' General meeting	66.75%	June 25,2019	June 26,2019	Announcement of Resolutions of the First provisional shareholders' general meeting of 2019. www.cninfo.com.cn

The Second provisional shareholders' General meeting of 2019	Provisional shareholders' General meeting	67.02%	September 20, 2019	September 21, 2019	Announcement of Resolutions of the Second provisional shareholders' general meeting of 2019. www.cninfo.com.cn
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2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

V. Responsibility performance of independent directors in report period

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

The attending of independent directors							
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)	Attendance of the shareholders' general meeting
Gu Naikang	9	3	6	0	0	No	3
Gao Fangzhou	9	3	6	0	0	No	3
Liu Zhonghua	9	3	6	0	0	No	3
Zhang Hua	9	3	6	0	0	No	3
Zeng Xiaoqing	6	2	4	0	0	No	3
Xiao Duan	3	1	2	0	0	No	3

Notes to failure to personally attend Board Meetings Successively Twice

Nil

2. Objection for relevant events from independent directors

Independent directors come up with objection about Company's relevant matters

Yes No

No objections arising from the independent directors on relevant events of the Company during the Period

3. Other notes to duty performance of independent directors

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

Yes No

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

Independent directors seriously exercise the rights conferred by law, keep abreast of the company's production and management information, concerned about the company's comprehensive development, actively attend relevant

meetings held by the company in 2019, published an independent and objective advice on relevant matters for consideration by the Board of Directors of the Company. Faithfully perform their duties, give full play to the independent role of the independent directors, to safeguard the interests of the company as a whole, and to safeguard the legitimate rights and interests of all shareholders, especially minority shareholders. The advices on business development and corporate governance given by independent directors can be adopted.

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

1. The board of directors has an audit committee composed of three directors. i.e., Mr. Liu Zhonghua , Mr.Zhang Hua and Mr.Fang Zhi. The particulars of the work of the audit committee in the report period are as follows:

According to the Rules of Procedure of Audit Committee of the Board of Directors and Working Regulations of Audit Committee of the Board of Directors on Annual Report and the work requirements of CSRC and Shenzhen Stock Exchange on annual report for 2018 the audit committee carried out a series of work for the annual audit of the Company for 2018, including deciding the working schedule for the audit of financial report for the report year after consultation with the certified public accountants in charge, reviewing the financial report prepared by the Company and forming written opinions, issuing the Urging Letter for Audit to certified public accountants and requiring certified public accountants to carry out overall work plan for audit and submit relevant progress report to the audit committee, reviewing the financial report for 2018 submitted by the Finance Dept. of the Company (on which the certified public accountants in charge of annual audit issued standard unqualified opinions) and giving written auditing opinions.

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

According to the Company's Regulations on Performance Appraisal and Remuneration Management of Senior Executives, the remuneration and appraisal committee audited the remuneration disclosed by the Company's directors and senior executives for 2018 and expressed auditing opinions and examined and adopted the remuneration scheme and appraisal scheme for senior executives of the Company for 2018.

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

4. The board of directors has set up a Risk Management Committee composed of three directors, including chairman Mr. Zheng Renfa, members Mr. Gu Naikang and Mr. Bao Fangzhou.

The Risk Management Committee will work in accordance with the Company's Measures for the Management of Risk Management and Internal Control and the Rules of Procedure of the Risk Management Committee of the Board of Directors.

VII. Work of the supervisory Committee

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

Yes No

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

VIII. Assessment and incentive Mechanism for Senior executives

The Company implemented position responsibility to every senior management, and made clear regulations on job standards, appraisal standards. The senior management staff shall report to worker representatives and accept comments.

IX. Internal Control

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

Yes No

II. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control		April 7,2020
Disclosure index of appraisal report on internal control		www.cninfo.com.cn
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements		100.00%
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements		100.00%
Standards of Defects Evaluation		
Type	Financial Report	Non-financial Report

<p>Qualitative standard</p>	<p>The qualitative criteria for the evaluation of internal control deficiencies in financial reports confirmed by the Company is as follows: The following situations (including but not limited to) shall be deemed as “material deficiencies” in the internal control of the financial report. (1) There are major frauds made by the directors, or supervisors, or senior management personnel in the company’s management activities; (2) There are material misstatements in the current financial report but the internal control failed to find the misstatements during its operation; (3) The supervisions made by the company’s audit committee and the internal audit organization on the internal control are invalid; (4) The control environment is invalid; (5) The material deficiencies found and reported to the management but are not corrected within a reasonable time; (6) There is an administrative punishment from the securities regulatory institution due to accounting errors.</p> <p>The following situations (including but not limited to) shall be deemed as “significant deficiencies” in the internal control of the financial report and there are intense signs for the situations becoming “material deficiencies” : (1) Frauds made by staff in key positions; (2) The supervisory function on compliance is invalid, and the violations of regulations may have a significant impact on the reliability of the financial report; (3) The significant deficiencies reported to the management but are not corrected within a reasonable period.</p> <p>The following situations (including but not limited to) shall be deemed as “general deficiencies” in the internal control of the financial report. (1) Frauds made by staff in non key positions, or business operators execute the implementation procedures not strictly conforming to the company’s policy but resulted in no significant impact on the reliability of the financial report. (2) The supervisory function on compliance is invalid, and the violations of regulations may not have a significant impact on the reliability of the financial report; (3) The general deficiencies reported to the management but are not corrected within a reasonable period.</p>	<p>The qualitative criteria for the evaluation of internal control deficiencies in non-financial reports confirmed by the Company is as follows: Material deficiencies: serious violations and being sentenced to heavy fines or need taking criminal responsibility; utterly disregard the rules of law, illegal behaviors in the operation and management are particularly severe and the circumstance is very bad, which leads to the suspension or cessation to the company's daily operation and management activities, and leads to the audit report with a disclaimer of opinion or a negative opinion issued by the CPA; the negative news spread all over the country, which caused severe damage to the company’s reputation; resulted in decease of a number of workers or citizens, or resulted in damages that are unable to recover to workers or citizens; reached the circumstance(grade II) of major environmental event. Significant deficiencies: illegal and being punished; disregard the requirements of the company’s management system and the relevant rules of law, there are illegal acts of using the authority to seek illegal interests in the work, which significantly affect the efficiency and the result of daily operation and management activities and lead to the audit report with qualified opinion issued by the CPA; the negative news spread in a region, which caused the large-extent damage to the company’s reputation; resulted in decease of a worker or a citizen, or resulted in damages that need long time to recover to workers or citizens; reached the circumstance(grade III) of big environmental event. General deficiencies: minor violations; the awareness of management under in compliance with laws and regulations is weak, lacking of business and management knowledge, and there are phenomena such as being slack in performing management duties, being passive and poorly execute the institution in the work, which shall affect the efficiency and the result of daily operation and management activities and lead to small effects to the company’s management goal; the negative news spread within the company, which caused the little-extent damage to the company’s reputation; shortly affected the health of the workers or citizens and the workers or citizens can be recovered in a short time; reached the circumstance(grade IV) of general environmental event.</p>
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Standards of Quantization	<p>The qualitative criteria for the evaluation of internal control deficiencies in financial reports confirmed by the Company is as follows: Material deficiencies: potential misstatement $\geq 1\%$ of the total amount of the owner's equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner's equity or RMB 100 million \leq potential misstatement $< 1\%$ of the total amount of the owner's equity or RMB 200 million; general deficiencies: potential misstatement $< 0.5\%$ of the total amount of the owner's equity or RMB 100 million Standards of Quantization</p>	<p>The qualitative criteria for the evaluation of internal control deficiencies in financial reports confirmed by the Company is as follows: Material deficiencies: potential misstatement $\geq 1\%$ of the total amount of the owner's equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner's equity or RMB 100 million \leq potential misstatement $< 1\%$ of the total amount of the owner's equity or RMB 200 million; general deficiencies: potential misstatement $< 0.5\%$ of the total amount of the owner's equity or RMB 100 million Standards of Quantization</p>
Number of major defects in financial reporting (a)	0	
Number of major defects in non financial reporting (a)	0	
Number of important defects in financial reporting (a)	0	
Number of important defects in non financial reporting (a)	0	

X. Internal Control audit report√ Applicable Not applicable

Review opinions in the internal control audit report	
In our opinion, Guangdong Expressway has maintained effective financial report internal control in all material aspects according to the basic standards for Enterprise internal control and relevant regulations ended December 31, 2019.	
Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	April 7,2020
Disclosure index of audit report of internal control (full-text)	www.cninfo.com.cn
Internal audit report' s opinion	Unqualified audit opinion
Non-financial reporting the existence of significant deficiencies	No

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

 Yes No

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

 Yes No**XI. Corporation bonds**

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

No

XII. Financial Report

I. Audit report

Type of audit opinion	Standard Unqualified audit opinion
Type of audit opinion	April 3,2020
Name of audit firm	Ruihua Certified Public Accountants (special general partnership)
Audit report NO.	Ruihua 【2020】 4402001
Name of Certified public Accountant	Qin Yanlin, Huang Zhiyan

Auditors' Report

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

I. Opinion

We have audited the financial statements of Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "the Company"), which comprise the balance sheet as at December 31, 2019, and the income statement, the statement of cash flows and the statement of changes in owners' equity for the year then ended and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the Company as at December 31, 2019 and its operating results and cash flows for the year then ended.

II. Basis for Our Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. According to the Code of Ethics for Chinese CPA, we are independent of the Company in accordance with the Code of Ethics for Chinese CPA and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified the following items as key audit items that need to be communicated in the audit report.

(I) Depreciation of fixed assets toll roads

1. Item description

As mentioned in "Section 5.15, Fixed Assets" and "Section 7.10, Fixed Assets", the book value of the Guangdong Expressway at the end of 2019 was RMB8,415,370,425.02, accounting for 47.61% of the

consolidated total assets; the depreciation provided for the toll road in 2019 was RMB770,040,553.89, accounting for 56.77% of the consolidated operating costs. GX toll roads are depreciated according to the traffic flow method, which calculates depreciation for the current period based on the ratio of the actual traffic flow to the expected total remaining traffic flow during the operating period. Total traffic volume over the operating period is the forecast of total traffic volume over the operating period of GDHC and is a significant accounting estimate.

Therefore, we determine the pricing and depreciation of toll roads of Guangdong Expressway Company as the key audit items.

2. Audit response

In response to the above key audit matter, we have implemented the following main audit procedures:

(1) Understand, evaluate and test the internal control of the management of the Company on the daily management and accounting treatment of toll roads;

(2) Check whether the actual traffic flow data applied by Guangdong Expressway Company in the depreciation calculation of toll roads is consistent with the actual traffic flow data obtained by Guangdong Expressway Company from external service units;

(3) Evaluate the independence and professional competence of the third-party organization employed by the Company that carries out traffic flow forecast;

(4) Understand the methods used in traffic flow forecast reports issued by third-party organizations to forecast the traffic flow in the future, and evaluate the reliability of traffic flow forecast reports by comparing the predicted traffic flow for the past year with the actual traffic flow for that period;

(5) Recalculate the depreciation of roads and bridges to verify the accuracy of the depreciation amount of roads and bridges in the financial statements.

(II) Equity investment

1. Item description

As described in "Section 7-7, Long-term equity investments", "Section 7-8, Investments in other equity instruments" and "Section 7-37, Investment income", the total year-end equity investments of Yuehighway Company in 2019 amounted to RMB5,091,562,503.13, of which RMB3,255,739,898.36 in long-term equity investments and RMB1,835,822,604.77 in other equity instruments accounted for 28.81% of the total consolidated assets, of which RMB508,416,135.27 in total investment income from equity investments in 2019 accounted for 35.07% of the consolidated net profit in 2019. Equity investments have a significant impact on the 2019 financial statements.

Therefore, we have determined the recognition and measurement of equity investment of Guangdong Expressway Company as the key audit matter.

2. Audit response

In response to the above key audit matter, we have implemented the following main audit procedures:

(1) Obtain investment agreement, articles of association and other documents of equity investment, and understand the purpose, business model and cash flow characteristics of investment contract of Guangdong Expressway Company;

(2) Through examination of relevant documents and records, understand the joint control or major impact of Guangdong Expressway Company on the joint venture company, including appointing representatives to the board of directors of the joint venture company to participate in the formulation of financial and operating policies;

(3) Communicate and discuss with the management of Guangdong Expressway Company to evaluate the actual impact of Guangdong Expressway Company on the major decisions of the joint venture company and related operations, and to evaluate whether there has been any significant change compared with the previous year;

(4) Check the audit report of the important joint venture and associate company, and implement on-site audit procedures for the important financial statement items of the important joint venture and associate company that have influence on the equity method accounting of Guangdong Expressway Company; implement review procedures for the financial statements of other joint venture and associate company;

(5) Pay attention to whether there are differences between the accounting policies of joint venture and affiliated company and Guangdong Expressway Company, and check whether the accounting policies of equity method of Guangdong Expressway Company have been adjusted;

(6) Recalculate the accuracy of equity measurement;

I. Other Matter

The consolidated and company balance sheet on December 31, 2018, the consolidated and company income statement, the consolidated and company cash flow statement, the consolidated and company shareholders' equity statement and the notes to the relevant financial statements were audited by other accounting firms, and an unqualified opinion was issued on March 28, 2019.

II. Other information

The management of Guangdong Expressway Company is responsible for other information. Other information includes the information covered in the 2019 annual report of Guangdong Expressway Company, but does not include the financial statement and our audit report.

Our audit opinion on the financial statements does not cover other information, and we do not issue any form of verification conclusion on other information.

In combination with our audit of the financial statements, our responsibility is to read other information, and consider in such process whether other information is materially inconsistent with the financial statements or the information we learned during the audit, or whether there appears to be a material misstatement.

Based on the work that we have already performed, if we determine that other information contains material misstatements, we should report such fact. In this regard, we have nothing to report.

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

IV. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.

(4) Conclude on the appropriateness of using the going concern assumption by the management of the Company, and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements and bear all liability for the opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit matters, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ruihua Certified Public Accountants Co., Ltd.(Special General Partnership)

Certified Public Accountant of China:

(project partner)

Qin Yanlin

Certified Public Accountant of China:

Huang Zhiyan

Beijing China

April 3, 2020

II. Financial Statement

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

1. Consolidated balance sheet

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

December 31, 2019

In RMB

Items	December 31, 2019	December 31, 2018
Current asset:		
Monetary fund	2,817,920,894.50	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	125,343,724.66	91,076,995.07
Financing of receivables		
Prepayments	10,894,246.41	1,912,943.40
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	26,618,178.57	16,487,256.02
Including: Interest receivable		
Dividend receivable	7,205,472.90	1,205,472.90
Repurchasing of financial assets		
Inventories	111,683.22	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		

Items	December 31,2019	December 31,2018
Total of current assets	2,980,940,472.68	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	3,255,739,898.36	3,145,644,970.07
Other equity instruments investment	1,835,822,604.77	
Other non-current financial assets		
Property investment	3,331,500.37	3,579,007.54
Fixed assets	8,925,700,473.65	7,600,046,319.91
Construction in progress	229,098,299.48	1,089,473,425.63
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	6,393,895.17	5,739,020.48
Development expenses		
Goodwill		
Long-germ expenses to be amortized	1,114,764.44	1,221,781.88
Deferred income tax asset	385,494,106.13	447,485,034.79
Other non-current asset	50,909,325.73	99,794,665.58
Total of non-current assets	14,693,604,868.10	14,061,775,820.41
Total of assets	17,674,545,340.78	16,295,910,774.45
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		

Items	December 31,2019	December 31,2018
Derivative financial liabilities		
Notes payable		
Account payable	290,657,734.31	203,779,190.74
Advance receipts	15,605,094.69	12,039,708.01
Contract liabilities		
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	14,822,524.70	13,122,437.17
Tax payable	84,257,586.94	104,198,746.06
Other account payable	626,180,586.92	191,254,464.84
Including: Interest payable		8,971,576.57
Dividend payable	20,020,119.31	17,191,142.23
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	795,861,958.07	2,498,480,000.00
Other current liability	189,628.17	
Total of current liability	1,827,575,113.80	3,022,874,546.82
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	4,640,425,000.00	2,983,040,000.00
Bond payable	678,124,972.89	
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	39,369,379.91	38,022,210.11
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability	238,453,976.29	205,672,389.59
Other non-current liabilities		

Items	December 31,2019	December 31,2018
Total non-current liabilities	5,596,373,329.09	3,226,734,599.70
Total of liability	7,423,948,442.89	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	382,193,344.90	245,109,114.81
Special reserve		
Surplus reserves	910,425,068.90	775,402,561.35
Common risk provision		
Retained profit	3,877,431,844.64	3,938,609,136.59
Total of owner's equity belong to the parent company	9,823,426,849.75	9,586,701,904.06
Minority shareholders' equity	427,170,048.14	459,599,723.87
Total of owners' equity	10,250,596,897.89	10,046,301,627.93
Total of liabilities and owners' equity	17,674,545,340.78	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	December 31,2019	December 31,2018
Current asset:		
Monetary fund	2,791,384,501.78	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	21,864,051.27	18,405,847.15
Financing of receivables		
Prepayments	1,737,598.88	1,532,057.82
Other account receivable	13,435,651.19	9,323,782.66
Including: Interest receivable		1,880,148.12
Dividend receivable	7,205,472.90	1,205,472.90
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	151,637,139.08	100,000,000.00
Other current asset		
Total of current assets	2,980,058,942.20	2,225,859,255.67
Non-current assets:		
Debt investment	537,903,684.98	
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	4,789,404,907.17	4,679,309,978.88
Other equity instruments investment	1,835,822,604.77	
Other non-current financial assets		
Property investment	3,079,362.12	3,326,869.29
Fixed assets	6,818,701,482.08	5,292,898,635.00

Items	December 31,2019	December 31,2018
Construction in progress	46,952,925.08	1,060,230,773.10
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	2,533,878.12	1,741,277.53
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	385,296,935.33	447,328,530.77
Other non-current asset	36,901,029.57	790,720,727.48
Total of non-current assets	14,456,596,809.22	13,944,348,386.58
Total of assets	17,436,655,751.42	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	129,930,285.56	124,833,335.72
Advance receipts		
Contract Liabilities		
Employees' wage payable	6,340,740.61	5,669,203.37
Tax payable	8,704,510.83	10,297,144.52
Other account payable	582,131,356.01	142,457,135.79
Including: Interest payable		8,373,096.36
Dividend payable	20,020,119.31	17,191,142.23
Liabilities held for sales		
Non-current liability due within 1 year	744,589,133.72	2,327,180,000.00
Other current liability	821,133,339.57	977,236,252.44
Total of current liability	2,292,829,366.30	3,587,673,071.84
Non-current liabilities:		
Long-term loan	4,243,730,000.00	2,731,990,000.00

Items	December 31,2019	December 31,2018
Bond payable	678,124,972.89	
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	39,369,379.91	38,022,210.11
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability	129,978,356.56	88,220,604.00
Other non-current liabilities		
Total non-current liabilities	5,091,202,709.36	2,858,232,814.11
Total of liability	7,384,032,075.66	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	382,193,344.90	245,109,114.81
Special reserve		
Surplus reserves	894,580,785.25	759,558,277.70
Retained profit	3,710,584,722.68	3,680,165,040.86
Total of owners' equity	10,052,623,675.76	9,724,301,756.30
Total of liabilities and owners' equity	17,436,655,751.42	16,170,207,642.25

Legal Representative :Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

3. Consolidated Income statement

In RMB

Items	Year 2019	Year 2018
I. Income from the key business	3,057,935,584.43	3,218,694,083.94
Incl: Business income	3,057,935,584.43	3,218,694,083.94
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,778,450,564.64	1,692,385,614.14
Incl: Business cost	1,356,412,853.77	1,279,095,071.32
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	16,149,616.32	15,987,266.39
Sales expense		
Administrative expense	192,182,962.68	183,392,148.68
R & D costs		1,318,344.01
Financial expenses	213,705,131.87	212,592,783.74
Including: Interest expense	236,273,431.67	237,334,325.27
Interest income	28,663,756.79	31,889,543.71
Add: Other income	1,740,540.05	1,113,228.32
Investment gain ("-" for loss)	508,416,135.27	507,659,683.96
Incl: investment gains from affiliates	469,503,736.12	463,873,066.20
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		

Items	Year 2019	Year 2018
Credit impairment loss	-191,096.49	
Impairment loss of assets	-7,238,195.84	1,006,155.42
Assets disposal income	19,031,900.46	66,431,966.75
III. Operational profit (“-” for loss)	1,801,244,303.24	2,102,519,504.25
Add : Non-operational income	2,965,674.12	4,175,801.94
Less: Non-operating expense	15,783,456.02	8,979,998.49
IV. Total profit(“-” for loss)	1,788,426,521.34	2,097,715,307.70
Less: Income tax expenses	338,841,390.07	194,374,904.99
V. Net profit	1,449,585,131.27	1,903,340,402.71
(I) Classification by business continuity		
1. Net continuing operating profit	1,449,585,131.27	1,903,340,402.71
2. Termination of operating net profit		
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	1,258,628,101.71	1,677,028,179.18
2. Minority shareholders’ equity	190,957,029.56	226,312,223.53
VI. Net after-tax of other comprehensive income	126,887,291.61	-82,154,709.36
Net of profit of other comprehensive income attributable to owners of the parent company.	126,887,291.61	-82,154,709.36
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	125,273,257.68	
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	125,273,257.68	
4. Changes in the fair value of the company’ s credit risks		

Items	Year 2019	Year 2018
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.	1,614,033.93	-82,154,709.36
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	1,614,033.93	-20,400,286.56
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		-61,754,422.80
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	1,576,472,422.88	1,821,185,693.35
Total comprehensive income attributable to the owner of the parent company	1,385,515,393.32	1,594,873,469.82
Total comprehensive income attributable minority shareholders	190,957,029.56	226,312,223.53
VIII. Earnings per share		
(I) Basic earnings per share	0.60	0.80
(II) Diluted earnings per share	0.60	0.80

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	Year 2019	Year 2018
I. Income from the key business	1,290,289,841.76	1,407,552,753.41
Incl: Business cost	783,821,932.19	715,167,422.95
Business tax and surcharge	7,618,743.78	7,835,359.08
Sales expense		
Administrative expense	118,364,771.13	110,081,131.38
R & D expense		
Financial expenses	198,989,995.09	195,110,213.09
Including: Interest expenses	224,948,208.12	223,418,837.71
Interest income	28,519,844.52	31,556,863.82
Add: Other income	483,367.72	396,608.55
Investment gain ("-" for loss)	1,236,812,045.82	1,814,856,174.83
Including: investment gains from affiliates	469,503,736.12	463,873,066.20
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	-7,238,195.84	1,013,982.92
Assets disposal income	276,051.47	200,494.75
II. Operational profit ("-" for loss)	1,411,827,668.74	2,195,825,887.96
Add : Non-operational income	1,856,765.81	1,131,640.33
Less: Non -operational expenses	1,427,763.63	3,421,654.59
III. Total profit("-" for loss)	1,412,256,670.92	2,193,535,873.70
Less: Income tax expenses	62,031,595.44	-112,278,439.46
IV. Net profit	1,350,225,075.48	2,305,814,313.16
1. Net continuing operating profit		
2. Termination of operating net profit		
V. Net after-tax of other comprehensive income	126,887,291.61	-82,154,709.36

Items	Year 2019	Year 2018
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	125,273,257.68	
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	125,273,257.68	
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.	1,614,033.93	-82,154,709.36
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	1,614,033.93	-20,400,286.56
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		-61,754,422.80
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		

Items	Year 2019	Year 2018
9.Other		
VI. Total comprehensive income	1,477,112,367.09	2,223,659,603.80
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

5. Consolidated Cash flow statement

In RMB

Items	Year 2019	Year 2018
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	3,106,889,139.80	3,287,727,513.56
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		

Items	Year 2019	Year 2018
Other cash received from business operation	62,631,730.01	96,620,294.65
Sub-total of cash inflow	3,169,520,869.81	3,384,347,808.21
Cash paid for purchasing of merchandise and services	337,822,067.09	282,911,012.21
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 to staffs or paid for staffs	353,578,371.44	331,709,871.16
Taxes paid	417,125,959.47	778,835,419.88
Other cash paid for business activities	72,442,573.98	74,905,926.92
Sub-total of cash outflow from business activities	1,180,968,971.98	1,468,362,230.17
Net cash generated from /used in operating activities	1,988,551,897.83	1,915,985,578.04
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	420,177,836.09	414,389,169.98
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	20,026,035.00	228,222,572.51
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	440,203,871.09	642,611,742.49

Items	Year 2019	Year 2018
Cash paid for construction of fixed assets, intangible assets and other long-term assets	823,074,417.73	845,371,278.92
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	823,074,417.73	845,371,278.92
Net cash flow generated by investment	-382,870,546.64	-202,759,536.43
III. Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	3,756,700,000.00	1,385,000,000.00
Other financing - related cash received		
Sub-total of cash inflow from financing activities	3,756,700,000.00	1,385,000,000.00
Cash to repay debts	3,017,350,000.00	1,785,260,000.00
Cash paid as dividend, profit, or interests	1,649,309,548.28	1,550,437,061.08
Including: Dividend and profit paid by subsidiaries to minor shareholders	223,386,705.29	210,252,062.66
Other cash paid for financing activities	791,384.00	
Sub-total of cash outflow due to financing activities	4,667,450,932.28	3,335,697,061.08
Net cash flow generated by financing	-910,750,932.28	-1,950,697,061.08
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	693,395,898.18	-239,738,904.10

Items	Year 2019	Year 2018
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	2,816,699,694.50	2,123,303,796.32

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

6. Cash Flow Statement of the Parent Company

In RMB

Items	Year 2019	Year 2018
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,319,322,493.90	1,376,638,206.96
Tax returned		
Other cash received from business operation	77,128,413.98	451,033,420.59
Sub-total of cash inflow	1,396,450,907.88	1,827,671,627.55
Cash paid for purchasing of merchandise and services	127,357,495.28	129,341,285.43
Cash paid to staffs or paid for staffs	147,473,541.71	140,700,012.09
Taxes paid	49,562,069.12	51,584,160.49
Other cash paid for business activities	235,160,213.53	380,472,347.82
Sub-total of cash outflow from business activities	559,553,319.64	702,097,805.83
Net cash generated from /used in operating activities	836,897,588.24	1,125,573,821.72
II. Cash flow generated by investing		
Cash received from investment retrieving	105,000,000.00	
Cash received as investment gains	1,152,310,903.36	1,045,610,436.49
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,900.00	313,375.00

Items	Year 2019	Year 2018
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		148,330,950.62
Sub-total of cash inflow due to investment activities	1,257,315,803.36	1,194,254,762.11
Cash paid for construction of fixed assets, intangible assets and other long-term assets	704,297,796.17	803,184,034.08
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		5,000,000.00
Sub-total of cash outflow due to investment activities	704,297,796.17	808,184,034.08
Net cash flow generated by investment	553,018,007.19	386,070,728.03
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	3,290,000,000.00	636,000,000.00
Other financing - related cash received		291,000,000.00
Sub-total of cash inflow from financing activities	3,290,000,000.00	927,000,000.00
Cash to repay debts	2,575,665,000.00	821,880,000.00
Cash paid as dividend, profit, or interests	1,407,137,756.96	1,275,396,189.75
Other cash paid for financing activities	791,384.00	374,200,000.00
Sub-total of cash outflow due to financing activities	3,983,594,140.96	2,471,476,189.75
Net cash flow generated by financing	-693,594,140.96	-1,544,476,189.75
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,534,520.73	-2,267,884.63

Items	Year 2019	Year 2018
V.Net increase of cash and cash equivalents	694,786,933.74	-35,099,524.63
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	2,790,163,301.78	2,095,376,368.04

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Year 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	Comm on risk provis ion	Retained profit	Ot her	Subtotal		
	preferre d 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							10,196,938.48				-9,749,843.30		447,095.18		447,095.18
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		255,306,053.29		775,402,561.35		3,928,859,293.29		9,587,148,999.24	459,599,723.87	10,046,748,723.11
III. Changed in the current year					25,795,500.00		126,887,291.61		135,022,507.55		-51,427,448.65		236,277,850.51	-32,429,675.73	203,848,174.78
(1) Total comprehensive income							126,887,291.61				1,258,628,101.71		1,385,515,393.32	190,957,029.56	1,576,472,422.88

Items	Year 2019														Minor shareholders' equity	Total of owners' equity	
	Owner's equity Attributable to the Parent Company												Subtotal				
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Comm on risk provis ion	Retained profit	Ot her					
		preferre d stock	Sustainable debt	Other													
(II) Investment or decreasing of capital by owners																	
1 Ordinary Shares invested by shareholders																	
2 Holders of other equity instruments invested capital																	
3. Amount of shares paid and accounted as owners' equity																	
4. Other																	
(III) Profit allotment									135,022,507.55		-1,310,055,550.36		-1,175,033,042.81	-223,386,705.29		-1,398,419,748.10	
1. Providing of surplus reserves									135,022,507.55		-135,022,507.55						
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	

Items	Year 2019														Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company												Subtotal			
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Comm on risk provis ion	Retained profit	Ot her				
		preferre d stock	Sustainable debt	Other												
4. Other																
(IV) Internal transferring of owners' equity																
1. Capitalizing of capital reserves (or to capital shares)																
2. Capitalizing of surplus reserves (or to capital shares)																
3. Making up losses by surplus reserves.																
4. Change amount of defined benefit plans that carry forward Retained earnings																
5. Other comprehensive income carry-over retained earnings																
6. Other																
(V). Special reserves																

Items	Year 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	Comm on risk provis ion	Retained profit	Ot her			Subtotal
		preferre d stock	Sustainable debt	Other											
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		382,193,344.90		910,425,068.90		3,877,431,844.64		9,823,426,849.75	427,170,048.14	10,250,596,897.89	

Amount in last year

In RMB

Items	Year 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	Speci alized reserv e	Surplus reserves	Comm on risk provis ion	Retained profit	Ot her	Subtotal		
	preferre d stock	Sustainab le debt	Ot her												
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					26,705,215.55		-82,154,709.36		230,581,431.32		388,498,848.10		563,630,785.61	28,560,160.87	592,190,946.48
(1) Total comprehensive income							-82,154,709.36				1,677,028,179.18		1,594,873,469.82	226,312,223.53	1,821,185,693.35
(II) Investment or decreasing of capital by owners															
I Ordinary Shares invested by shareholders															

Items	Year 2018														Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company												Subtotal			
	share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other				
	preferred stock	Sustainable debt	Other													
2 Holders of other equity instruments invested capital																
3. Amount of shares paid and accounted as owners' equity																
4. Other																
(III) Profit allotment									230,581,431.32		-1,288,529,331.08		-1,057,947,899.76	-197,752,062.66	-1,255,699,962.42	
1. Providing of surplus reserves									230,581,431.32		-230,581,431.32					
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 to capital shares)																

Items	Year 2018														Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company												Subtotal			
	share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other				
	preferred stock	Sustainable debt	Other													
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					26,705,215.55								26,705,215.55			26,705,215.55
IV. Balance at the end of this term	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

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

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

Amount in this period

In RMB

Items	Year 2019											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensiv e Income	Specializ ed reserve	Surplus reserves	Retained profit	Othe r	Total of owners' equity
		preferred stock	Sustainabl e debt	Othe r								
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							10,196,938.48			-9,749,843.30		447,095.18
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	2,090,806,126.00				2,948,663,196.93		255,306,053.29		759,558,277.70	3,670,415,197.56		9,724,748,851.48
III.Changed in the current year					25,795,500.00		126,887,291.61		135,022,507.55	40,169,525.12		327,874,824.28
(I) Total comprehensive income							126,887,291.61			1,350,225,075.48		1,477,112,367.09
(II) Investment or decreasing of capital by owners												
1. Ordinary Shares invested by shareholders												
2.Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4. Other												
(III) Profit allotment									135,022,507.55	-1,310,055,550.36		-1,175,033,042.81

Items	Year 2019											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensiv e Income	Specializ ed reserve	Surplus reserves	Retained profit	Othe r	Total of owners' equity
		preferred stock	Sustainabl e debt	Othe r								
1. Providing of surplus reserves								135,022,507.55	-135,022,507.55			
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 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		382,193,344.90	894,580,785.25	3,710,584,722.68			10,052,623,675.76

Amount in last year

In RMB

Items	Year 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specia lized reserv e	Surplus reserves	Retained profit	Other	Total of owners' equity
		prefer red stock	Sustai nable debt	Other								
I.Balance at the end of last year	2,090,806,126				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				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					26,705,215.55		-82,154,709.36		230,581,431.32	1,017,284,982.08		1,192,416,919.59
(I) Total comprehensive income							-82,154,709.36			2,305,814,313.16		2,223,659,603.80
(II) Investment or decreasing of capital by owners												
1 Ordinary Shares invested by shareholders												
2 Holders of other equity instruments invested capital												
3. Amount of shares paid and accounted as owners' equity												
4. Other												

Items	Year 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specia lized reserv e	Surplus reserves	Retained profit	Other	Total of owners' equity
		prefer red stock	Sustai nable debt	Other								
(III) Profit allotment								230,581,431.32	-1,288,529,331.08		-1,057,947,899.76	
1. Providing of surplus reserves								230,581,431.32	-230,581,431.32			
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 forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												

Items	Year 2018											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specia lized reserv e	Surplus reserves	Retained profit	Other	Total of owners' equity
		prefer red stock	Sustai nable debt	Other								
1. Provided this year												
2. Used this term												
(VI) Other				26,705,215.55								26,705,215.55
IV. Balance at the end of this term	2,090,806,126			2,948,663,196.93		245,109,114.81		759,558,277.70	3,680,165,040.86			9,724,301,756.30

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

III. Company Profile

(I) 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., RMB 418.2136 million, was converted into 155.025 million shares. Guangdong Expressway Co. invested cash of RMB 115 million to subscribe for 35.9375 million shares. Other legal persons invested cash of RMB 286.992 million to subscribe for 89.685 million shares. Staff of the Company invested RMB 87.008 million to subscribe for 27.19 million shares. The total is RMB 307.8375 million shares.

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

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

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

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

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

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

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

9. Pursuant to the approval of Shenzhen Stock Exchange, 53.0205 million staff shares of the Company (132,722 shares held by directors, supervisors and senior executives are temporarily frozen) were listed on February 5, 2001.

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.

As of December 31, 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 December 31, 2018, 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.

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

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

(III) 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 Guangzhu 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 Yuezhao 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 April 3, 2020.

As of December 31, 2019, The company's consolidated subsidiaries of total 5 companies, Refer to financial statements VIII, Equity in other entities for more 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:

According to the actual production and operation characteristics and the provisions of relevant accounting standards for enterprises, the Group has formulated a number of specific accounting policies and accounting estimates for revenue recognition and other transactions and events. For details, see "24, Revenue" in V of this section. Please refer to "29, Significant Accounting Judgments and Estimates" in V of this section for explanations of significant accounting judgements and estimates made by management.

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 operating cycle refers to the period from the time when the Group purchases assets for processing to the time when cash or cash equivalents are realized. 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 ① those 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, ② hedging 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, ③ available-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.

If there are foreign currency monetary items that constitute a net investment in overseas operations, the exchange differences arising from exchange rate changes in the consolidated financial statements shall be recognized as other comprehensive income as "translation differences in foreign currency statements"; The disposal of overseas operations shall be included in the profits and losses of the current period.

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: ① The contractual right to collect the cash flow of the financial asset is terminated; ② The 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; ③ The 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. west bank 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. 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 related party's receivables, 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 Account 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 (%)
Within 1 year (Including 1 year)	0
1-2 years	10
2-3 years	30
3-4 years	50
4-5 years	90
Over 5 years	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.

Combination of deposit, quality assurance fund and deposit and reserve fund combination except for objective evidence that the Group will not be able to recover the amount according to the original terms of receivables, will not normally be accrued for bad debt reserves. The measurement method of bad debt reserves for other combinations is aging analysis, and the accrual proportion is the same as accounts receivable.

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 classifies 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 measures 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 sale 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 sale 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 sale; (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(%)
Highway and bridge:				
Including: 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%
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(2) 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 20 of Important Accounting Policies and Accounting Estimates in Notes 5 of Financial Statements”.

(3) 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.

(4) 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 5.20 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.

See Note 5.20 for details of assessment for impairment of construction in progress and impairment allowance for construction in progress.

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 5.20 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.

(3) Provision for the depreciation of value of the intangible assets

For the impairment test method and the impairment provision withdrawing method of the Intangible assets, please refer to “Long-term Assets Impairment of Important Accounting Policies and Accounting Estimates in Notes V(20)” .

20. 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.

21. 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.

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.

(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 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 spat 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 scraped 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 here above, 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 here above, 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. Lease

(1) Accounting methods for operating leases

The Group records the operation lease business as a lessee

Rental expenditures for operating leases are included in the relevant asset costs or current profits and losses on a straight-line basis in each period of the lease term. Initial direct expenses are included in current profits and losses. Contingent rentals are included in current profits and losses when they actually occur.

The Group records the operation lease business as a lessor

Rental income from operating leases is recognized as current profits and losses on a straight-line basis during each period of the lease term. The initial direct expenses with large amount shall be capitalized when incurred, and shall be included in the current profits and losses during the whole lease period on the same basis as the recognized rental income; Other initial direct expenses with smaller amount shall be included in current profits and losses when incurred. Contingent rentals are included in current profits and losses when they actually occur.

(2) Accounting methods for financial leasing

The Group records the financial lease business as a lessee

On the start date of the lease period, the lower of the fair value of the leased asset and the present value of the minimum lease payment on the lease start date is taken as the recorded value of the leased asset, the minimum lease payment is taken as the recorded value of the long-term payables, and the difference is taken as the unrecognized financing expense. In addition, the initial direct expenses that can be attributed to the lease items incurred during the lease negotiation and signing of the lease contract are also included in the value of the leased assets. The balance of the minimum lease payment after deducting unrecognized financing expenses is listed as long-term liabilities and long-term liabilities due within one year respectively.

Unrecognized financing expenses shall be calculated and recognized by the effective interest rate method during the lease period. Contingent rentals are included in current profits and losses when they actually occur.

The Group records the financial lease business as a lessor②

On the starting date of the lease period, the sum of the minimum lease receipts and the initial direct expenses on the lease start date shall be taken as the entry value of the finance lease receivables, and the unsecured residual value shall be recorded at the same time; The difference between the sum of the minimum lease receipts, initial direct expenses and unsecured residual value and its present value shall be recognized as unrealized financing income. The balance of finance lease receivables after deducting unrealized finance income is listed as long-term creditor's rights and long-term creditor's rights due within one year respectively.

Unrealized financing income is calculated and recognized by the effective interest rate method during the lease period. Contingent rentals are included in current profits and losses when they actually occur.

28.Change of main accounting policies and estimations

(1)Change of main accounting policies

√ Applicable □ Not applicable

Contents and causes for changes of accounting policy	Approval procedures	Remarks
<p>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.</p>	<p>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.</p>	<p>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.</p> <p>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.</p>

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	3,146,092,065.25

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 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	4,679,309,978.88	long-term equity investments	Cost method/equity method	4,679,757,074.06
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				1,668,791,594.53

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				692,903,684.98
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				1,668,791,594.53
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				
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-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	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	-9,749,843.30		10,196,938.48
January 1, 2019	3,928,859,293.29		255,306,053.29

(1) Other accounting policy changes

In April and September 2019, the Ministry of Finance respectively issued the Notice on Revising and Issuing the Format of General Enterprise Financial Statements for 2019 (CK [2019] No.6) and the Notice on Revising and Issuing the Format of Consolidated Financial Statements (2019 Edition) (CK [2019] No.16), revising the format of general enterprise financial statements and consolidated financial statements. The Group has prepared financial statements in accordance with the format of general enterprise financial statements and consolidated financial statements according to its requirements, and restated the comparative statements retroactively according to the above presentation requirements.

A. Impact on consolidated statements

Items	December 31, 2018 (before change)	Re-Class	January 1, 2019 (after change)
Other payables	191,254,464.84	-7,875,376.57	183,379,088.27
Including: interest payable	8,971,576.57	-8,971,576.57	

Non current liabilities due within one year	2,498,480,000.00	7,875,376.57	2,506,355,376.57
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B. Impact on the company's financial statements

Items	December 31, 2018 (before change)	Re-Class	January 1,2019 (after change)
Other receivables	9,323,782.66	-1,880,148.12	7,443,634.54
Including: interest receivable	1,880,148.12	-1,880,148.12	
Non current assets due within one year	100,000,000.00	1,880,148.12	101,880,148.12
Other payables	142,457,135.79	-7,276,896.36	135,180,239.43
Including: interest payable	8,373,096.36	-8,373,096.36	
Non current liabilities due within one year	2,327,180,000.00	7,276,896.36	2,334,456,896.36

(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 from year 2019

Applicable Not applicable

Consolidated balance sheet

In RMB

Items	December 31,2018	January 1,2019	Amount involved in the 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			

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Derivative financial assets			
Notes receivable			
Account receivable	91,076,995.07	91,076,995.07	
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	3,146,092,065.25	447,095.18

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
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			
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	14,062,222,915.59	447,095.18
Total of assets	16,295,910,774.45	16,296,357,869.63	447,095.18
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	

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Contract liabilities			
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	183,379,088.27	-7,875,376.57
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			
Liabilities held for sales			
Non-current liability due within 1 year	2,498,480,000.00	2,506,355,376.57	7,875,376.57
Other current liability			
Total of current liability	3,022,874,546.82	3,022,874,546.82	
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	

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
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	255,306,053.29	10,196,938.48
Special reserve			
Surplus reserves	775,402,561.35	775,402,561.35	
Common risk provision			
Retained profit	3,938,609,136.59	3,928,859,293.29	-9,749,843.30
Total of owner' s equity belong to the parent company	9,586,701,904.06	9,587,148,999.24	447,095.18
Minority shareholders' equity	459,599,723.87	459,599,723.87	
Total of owners' equity	10,046,301,627.93	10,046,748,723.11	447,095.18
Total of liabilities and owners' equity	16,295,910,774.45	16,296,357,869.63	447,095.18

Adjustment statement

Parent Company Balance Sheet

In RMB

Items	December 31,2018	January 1,2019	Amount involved in the 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	7,443,634.54	-1,880,148.12
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	101,880,148.12	1,880,148.12
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			

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Long term share equity investment	4,679,309,978.88	4,679,757,074.06	447,095.18
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	13,944,795,481.76	447,095.18
Total of assets	16,170,207,642.25	16,170,654,737.43	447,095.18
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			

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
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	135,180,239.43	7,276,896.36
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	2,334,456,896.36	7,276,896.36
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			

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
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	255,306,053.29	10,196,938.48
Special reserve			
Surplus reserves	759,558,277.70	759,558,277.70	
Retained profit	3,680,165,040.86	3,670,415,197.56	-9,749,843.30
Total of owners' equity	9,724,301,756.30	9,724,748,851.48	447,095.18
Total of liabilities and owners' equity	16,170,207,642.25	16,170,654,737.43	447,095.18

Note

(4) Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases from year 2019

Applicable Not applicable

29. 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) Fair value of financial instruments

For financial instruments with no active trading markets, the Group determines their fair values through various valuation methods. These valuation methods include discounted cash flow model analysis, etc. During the valuation, the Group needs to estimate the future cash flow, credit risk, market volatility and correlation, and select an appropriate discount rate. These related assumptions are uncertain, and their changes will affect the fair value of financial instruments. If there is a public quotation for equity instrument investment or contract, the Group does not use cost as the best estimate of its fair value.

(3) 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.

(4) 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.

(5) 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	Taxable income	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%

2. Preferential tax

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Fully Opening the Pilot of Changing Business Tax to VAT (CS [2016] No.36), the qualified contract energy management services of the subsidiary Guangdong High-speed Technology Investment Co., Ltd. are exempt from VAT.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Promoting the Development of Value-added Tax, Business Tax and Enterprise Income Tax Policies for Energy-Saving Service Industries (CK [2010] No.110), if the contract energy management project implemented by the subsidiary Guangdong Expressway Technology Investment Co., Ltd. complies with the relevant provisions of the enterprise income tax law, the enterprise income tax shall be exempted from the first to the third year from the tax year in which the project obtains the first production and operation income, and the enterprise income tax shall be halved from the fourth to the sixth year according to the statutory tax rate of 25%. This year is the sixth year for the entitlement of tax concessions.

3. Other

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, 1919.

VII. Notes to the major items of consolidated financial statement

1. Monetary Capital

In RMB

Items	Amount in year-end	Balance Year-beginning
Cash	20,587.32	53,211.49
Bank deposit	2,817,384,626.65	2,123,807,010.07
Other	515,680.53	664,774.76
Total	2,817,920,894.50	2,124,524,996.32

Other note

Note: On December 31,2019,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 Proportion(%)	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Amount		Amount	Proportion(%)	Amount	Proportion(%)	
Of which:										
Accrual of bad debt provision by portfolio	126,698,717.95	100.00%	1,354,993.29	1.07%	125,343,724.66	92,253,875.06	100.00%	1,176,879.99	1.28%	91,076,995.07
Of which:										
Aging portfolio	126,698,717.95	100.00%	1,354,993.29	1.07%	125,343,724.66	92,253,875.06	100.00%	1,176,879.99	1.28%	91,076,995.07
Total	126,698,717.95	100.00%	1,354,993.29	1.07%	125,343,724.66	92,253,875.06	100.00%	1,176,879.99	1.28%	91,076,995.07

Accrual of bad debt provision by portfolio: Accrual of bad debt provision by aging portfolio

In RMB 元

Name	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Within 1 year	116,958,715.56		
1-2 years	8,993,839.40	899,383.94	10.00%
2-3 years	75,000.00	22,500.00	30.00%
3-4 years	439,843.39	219,921.70	50.00%
4-5 years	181,319.60	163,187.65	90.00%
Over 5 years	50,000.00	50,000.00	100.00%
Total	126,698,717.95	1,354,993.29	--

Disclosure by aging

In RMB

Aging	Book balance
Within 1 year (Including 1 year)	116,958,715.56
1-2 years	8,993,839.40
2-3 years	75,000.00
Over 3 years	671,162.99
3-4 years	439,843.39
4-5 years	181,319.60
Over 5 years	50,000.00
Total	126,698,717.95

(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	
Aging portfolio	1,176,879.99	178,113.30			1,354,993.29
Total	1,176,879.99	178,113.30			1,354,993.29

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

In RMB

Name	Amount	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	57,172,014.20	45.12%	
Guangdong Humen Bridge Co., Ltd.	16,693,904.73	13.18%	
Guangzhou Lingte Electronic cO., ITD.	8,505,000.00	6.71%	
Shandong Boan Intelligent Technology Co., Ltd	7,409,966.25	5.85%	740,996.63
Guangdong Jingzhu Expressway Guangzhou North Section Co., Ltd.	6,168,200.00	4.87%	
Total	95,949,085.18	75.73%	

3. Prepayments

(1) Age analysis

In RMB

Age	Balance in year-end		Balance Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	10,724,508.41	98.44%	1,708,205.40	89.30%
Over 3 years	169,738.00	1.56%	204,738.00	10.70%
Total	10,894,246.41	--	1,912,943.40	--

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

Name	Amount	Proportion %
Third Institute of Public Security	8,230,088.50	75.55
Guangdong Litong Real estate Investment Co., Ltd.	735,092.38	6.75
China Pacific Property Insurance Co. Ltd. Guangdong Branch	598,831.50	5.50
China Ping An Property Insurance Co. Ltd. Guangdong Branch	534,184.50	4.90
Guangdong Transmission & Transformation Engineering Company	235,695.00	2.16
Total	10,333,891.88	94.86

4. Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	7,205,472.90	1,205,472.90

Other receivable	19,412,705.67	15,281,783.12
Total	26,618,178.57	16,487,256.02

(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
Guangdong Yueke Technology Petty Loan Co., Ltd.	6,000,000.00	
Total	7,205,472.90	1,205,472.90

(2) Significant dividend receivable aged over 1 year

Nil

3) Bad-debt provision

□ Applicable √ Not applicable

Other note:

(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	10,881,564.39	7,813,222.94
Gelin Enze Account	4,007,679.91	4,007,679.91
Petty cash	3,580,634.57	3,800,100.00
Transfer of long-term assets receivable	935,820.00	
Other	4,043,898.89	3,684,689.17
Less: Bad-debt provision	-51,564,948.27	-51,551,965.08
Total	19,412,705.67	15,281,783.12

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year	10,848,432.72
1-2 years	3,059,557.82
2-3 years	2,325,969.50
3-4 years	978,158.33
4-5 years	540,755.98
Over 5 years	53,224,779.59
Subtotal	70,977,653.94
Less: Bad-debt provision	51,564,948.27
Total	19,412,705.67

3) The withdrawal amount of the 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	---	---	---	---
Provision in the current period	12,983.19			12,983.19
Balance as at December 31, 2019	29,212.18		51,535,736.09	51,564,948.27

Changes in significant book balances for loss preparation current period

 Applicable Not applicable

4) 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	

Category	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Reversed or collected amount	Write - off	
Financial assets with significantly different credit risks	51,535,736.09				51,535,736.09
Other Portfolio	16,228.99	12,983.19			29,212.18
Total	51,551,965.08	12,983.19			51,564,948.27

Note 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 debt is deducted.

Note2: 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 tThe settlement agreement of 212,400.00 yuan.

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	66.96%	47,528,056.18
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	5.65%	4,007,679.91
Shandong Boan Intelligent Technology Co., Ltd.	Deposit	1,725,155.40	1-2 years	2.43%	

Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,505,864.00	2-3 years	2.12%	
Guangdong Guanghui Expressway Co., Ltd.	Deposit	1,462,587.90	1-5 years	2.06%	
Total	--	56,229,343.39	--	79.22%	51,535,736.09

5. 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	111,683.22		111,683.22	81,017.91		81,017.91
Total	111,683.22		111,683.22	81,017.91		81,017.91

(2) 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
Pre-payment of business tax before replacing business tax with VAT	51,745.32	51,745.32
Total	51,745.32	51,745.32

7. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addit ional invest ment	Negative investmen t	Investment profit and loss recognized under the equity method	Adjustme nt of other comprehe nsive income	Changes of other equity	Cash bonus or profits announced to issue	Withdraw al of impairme nt provision	O th er		
I. Joint venture											
Guangdong Guanghui Expressway Co., Ltd.	992,521,223.58			300,795,505.08		25,795,500.00	270,638,655.14			1,048,473,573.52	
Subtotal	992,521,223.58			300,795,505.08		25,795,500.00	270,638,655.14			1,048,473,573.52	
2. Affiliated Company											
Zhaoqing Yuezhao Highway Co., Ltd.	307,172,338.10			54,157,587.00			53,207,865.41			308,122,059.69	
Shenzhen Huiyan Expressway	230,553,756.87			32,128,670.57						262,682,427.44	
Guangdong Jiangzhong Expressway Co., Ltd.	175,324,643.76			17,985,293.11			13,818,419.89			179,491,516.98	
Ganzhou Kangda Expressway	219,985,018.52			35,748,508.34			21,000,000.00			234,733,526.86	
Gan Ganzhou Gankang Expressway	209,995,910.71			6,376,740.19			2,700,000.00			213,672,650.90	
Guangdong Yueke Technology Petty Loan Co., Ltd.	219,693,558.27			943,777.18			6,000,000.00			214,637,335.45	
Guoyuan Securities Co., Ltd.	790,845,615.44			21,367,654.65	1,614,033.93		19,900,496.50			793,926,807.52	
Subtotal	2,153,570,841.67			168,708,231.04	1,614,033.93		116,626,781.80			2,207,266,324.84	
Total	3,146,092,065.25			469,503,736.12	1,614,033.93	25,795,500.00	387,265,436.94			3,255,739,898.36	

Other note

8. Other Equity instrument investment

In RMB

Items	Closing balance	Opening balance
Guangle Expressway Co., Ltd.	748,348,301.73	748,348,301.73
China Everbright Bank Co., Ltd.	50,000,000.00	50,000,000.00
Huaxia Securities Co., Ltd. (Notes1)	1,037,474,303.04	870,443,292.80
Huazheng Asset Management Co., Ltd. (Notes2)		
Kunlun Securities Co., Ltd. (Notes3)		
Total	1,835,822,604.77	1,668,791,594.53

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	1,036,353.17	7,362,129.13			Non-transactional purpose for shareholding	
China Everbright Bank Co., Ltd.	37,876,045.98	519,913,426.24			Non-transactional purpose for shareholding	
Huaxia Securities Co., Ltd.			5,400,000.00		Non-transactional purpose for shareholding	
Huazheng Asset Management Co., Ltd.			1,620,000.00		Non-transactional purpose for shareholding	

Kunlun Securities Co., Ltd.			30,000,000.00		Non-transactional purpose for shareholding	
Total	38,912,399.15	527,275,555.37	37,020,000.00			

Other note:

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.

9. Investment property

(1) Investment property adopted the cost measurement mode

Applicable Not applicable

In RMB

Items	Houses and buildings	Land use right	Construction in progress	Total
I. Original value				
1. Opening balance	12,664,698.25	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) Increased of Enterprise consolidation				
3. Decreased amount of the period				

Items	Houses and buildings	Land use right	Construction in progress	Total
(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	173,937.81	73,569.36		247,507.17
(1)Withdrawal or amortization	173,937.81	73,569.36		247,507.17
3.Deceased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	10,547,091.78	1,757,937.20		12,305,028.98
III. Impairment provision				
1.Opening balance				
2.Increased amount of the period				
(1) Withdrawal				
3.Deceased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance				
IV. Book value				
1.Closing book value	2,117,606.47	1,213,893.90		3,331,500.37
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
Houses and Building	1,440,295.86	Transportation and other ancillary facilities, Not accreditation
Total	1,440,295.86	

Other note

10. Fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	8,925,700,473.65	7,600,046,319.91
Total	8,925,700,473.65	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		1,946,332,090.86	17,886,407.34	22,600,884.86	139,103,522.87	2,018,560.77	57,478,635.10	2,185,420,101.80
(1) Purchase					189,000.00	2,018,560.77	14,665,709.97	16,873,270.74
(2) Transfer of project under construction		1,946,327,170.86	17,886,407.34	12,127,161.89	138,641,218.60		48,198,313.24	2,163,180,271.93
(3) Increased of Enterprise consolidation								
(4) Other		4,920.00		10,473,722.97	273,304.27		-5,385,388.11	5,366,559.13
3. Decreased amount of the period				3,005,947.81	1,241,560.00	2,120,018.00	58,789,027.81	65,156,553.62
(1) Disposal or scrap				3,005,947.81	1,241,560.00	2,120,018.00	56,517,622.81	62,885,148.62
(2) Other Out							2,271,405.00	2,271,405.00
4. Closing balance	1,460,270,190.66	10,935,058,609.66	4,816,156,616.45	362,192,894.64	260,560,603.98	48,644,014.84	658,113,290.64	18,540,996,220.87
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		554,046,378.54	215,994,175.35	22,593,138.77	14,846,035.69	2,679,865.44	30,106,584.89	840,266,178.68
(1) Withdrawal		554,046,378.54	215,994,175.35	14,107,525.37	14,773,299.92	2,679,865.44	38,664,934.06	840,266,178.68
(2) Other				8,485,613.40	72,735.77		-8,558,349.17	

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
3. Decreased amount of the period				2,042,517.39	1,179,482.00	1,924,922.05	47,748,058.64	52,894,980.08
(1) Disposal or scrap				2,042,517.39	1,179,482.00	1,924,922.05	47,748,058.64	52,894,980.08
4. Closing balance	1,460,270,190.66	4,494,205,215.58	2,841,639,585.51	252,883,785.76	84,814,297.41	39,174,447.40	435,070,029.06	9,608,057,551.38
II. Accumulated depreciation								
1. Opening balance								
2. Increased amount of the period							7,238,195.84	7,238,195.84
(1) Withdrawal							7,238,195.84	7,238,195.84
3. Decreased amount of the period								
(1) Disposal or scrap								
4. Closing balance							7,238,195.84	7,238,195.84
IV. Book value								
1. Closing book value		6,440,853,394.08	1,974,517,030.94	109,309,108.88	175,746,306.57	9,469,567.44	215,805,065.74	8,925,700,473.65
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) Details of fixed assets failed to accomplish certification of property

In RMB

Items	Book value	Reason
House and buildings	89,891,573.85	Transportation and other ancillary facilities, Not accreditation
House and buildings	685,270.80	Change procedures are in process
Total	90,576,844.65	

Other note

(4) Provision for impairment of fixed assets

The Group determines the recoverable amount of the electronic equipment to be disposed of based on the net of its fair value minus disposal expenses and sets aside the corresponding asset impairment reserve. Its fair value is determined based on the quoted price of such assets in the secondary trading market.

11. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	229,098,299.48	1,087,923,869.63
Engineering material		1,549,556.00
Total	229,098,299.48	1,089,473,425.63

(1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Cancellation of Expressway Provincial Toll Station Project	66,534,825.51		66,534,825.51			
Reconstruction and Expansion of Sanbao to Shuikou	15,943,015.38		15,943,015.38	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

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Minzhong Service area reconstruction project				18,210,698.73		18,210,698.73
Urban toll station project	9,013,081.45		9,013,081.45	5,008,642.53		5,008,642.53
Pavement Treatment Project	46,573,355.85		46,573,355.85			
Bridge Deck Treatment Project of Dayong Viaduct	67,204,790.39		67,204,790.39			
Improvement Project of Drainage Pipes Across River Reach of Bridge	5,933,146.00		5,933,146.00			
Bridge Drainage Improvement Project Across Centralized Drinking Water Sources	7,000,000.00		7,000,000.00			
Monitoring Hall Migration Project	7,167,718.98		7,167,718.98			
Odd project	2,345,437.43		2,345,437.43	10,487,406.72		10,487,406.72
Total	229,098,299.48		229,098,299.48	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
Cancellation of Expressway Provincial Toll Station Project	85,000,000.00		66,534,825.51			66,534,825.51	78.28%	78.28%				Other
Reconstruction and Expansion of Sanbao to Shuikou	3,426,210,000.00	1,052,834,193.16	1,083,790,476.36	2,120,681,654.14		15,943,015.38	75.37%	75.37%	72,779,504.82	28,555,152.81	4.49%	Other
Minzhong Service area reconstruction project	34,332,800.00	18,210,698.73	11,028,092.50	29,238,791.23			85.16%	100.00%				Other
Pavement Treatment Project	93,000,000.00		46,573,355.85			46,573,355.85	50.08%	50.08%	178,190.49	178,190.49	4.41%	Financial institution Loans
Bridge Deck Treatment Project of Dayong Viaduct	133,000,000.00		67,204,790.39			67,204,790.39	50.53%	50.53%	687,589.39	687,589.39	4.41%	Financial institution Loans
Total	3,771,542,800.00	1,071,044,891.89	1,275,131,540.61	2,149,920,445.37		196,255,987.13	--	--	73,645,284.70	29,420,932.69		--

(3) 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
Total				1,549,556.00		1,549,556.00

Other note:

12. 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				2,709,706.24	2,709,706.24
(1) Purchase				2,709,706.24	2,709,706.24
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,311,658.00			31,328,839.81	32,640,497.81
II. Accumulated amortization					
1. Opening balance	1,311,658.00			22,880,113.09	24,191,771.09
2. Increased amount of the period				2,054,831.55	2,054,831.55
(1) Withdrawal				2,054,831.55	2,054,831.55
3. Decreased amount of the period					

Items	Land use right	Patent right	Non-patent right	Software	Total
(1) Disposal					
4.Closing balance	1,311,658.00			24,934,944.64	26,246,602.64
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				6,393,895.17	6,393,895.17
2.Opening book value				5,739,020.48	5,739,020.48

The proportion of intangible assets formed through internal R&D of the company at the end of this period in the balance of intangible assets is 0.00。

13. Long-term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Rental fee for plant	1,221,781.88		107,017.44		1,114,764.44
Total	1,221,781.88		107,017.44		1,114,764.44

Other note

14. 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
Assets impairment provisions	7,238,195.84	1,809,548.96		
Deductible loss	1,054,468,552.04	263,617,138.01	1,281,389,685.73	320,347,421.43
Amortization of intangible assets	100,250,984.24	25,062,746.06	66,852,925.03	16,713,231.26
Asset valuation appreciation	380,018,692.41	95,004,673.10	441,697,528.41	110,424,382.10
Total	1,541,976,424.53	385,494,106.13	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	519,913,426.24	129,978,356.56	352,882,416.00	88,220,604.00
Deductible temporary differences in the formation of asset impairment	433,902,478.92	108,475,619.73	469,807,142.34	117,451,785.59
Total	953,815,905.16	238,453,976.29	822,689,558.34	205,672,389.59

(3) Details of unrecognized deferred tax assets

In RMB

Items	Balance in year-end	Balance Year-beginning
Deductible loss	8,013,102.87	8,796,952.44
Assets impairment provisions	89,939,941.56	89,748,845.07
Cost of outstanding invoices	1,941,115.68	
Total	99,894,160.11	98,545,797.51

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

In RMB

Year	Balance in year-end	Balance Year-beginning	Remark
2019		3,456,570.30	

Year	Balance in year-end	Balance Year-beginning	Remark
2020			
2021			
2022	1,133,109.04	2,121,083.91	
2023	3,210,991.23	3,219,298.23	
2024	3,669,002.60		
Total	8,013,102.87	8,796,952.44	--

Other note:

15. Other Non-current assets

Whether implemented new revenue guidelines?

Yes No

In RMB

Items	Balance in year-end	Balance Year-beginning
Deductible import tax		49,385,484.09
Prepaid fixed assets engineering fees	50,442,297.97	49,890,408.41
Prepaid business tax	518,773.08	570,518.40
Less: Part due within 1 year	-51,745.32	-51,745.32
Total	50,909,325.73	99,794,665.58

Other note:

16.Account payable

(1) List of account payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	177,823,526.35	84,200,629.90
1-2 years (including 2 years)	11,710,703.48	8,911,247.40
2-3 years (including 3 years)	2,468,424.00	84,119,053.06
Over 3 years	98,655,080.48	26,548,260.38
Total	290,657,734.31	203,779,190.74

(2) Significant payable aging more than 1 year

In RMB

Items	Balance in year-end	Reason
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Items	Balance in year-end	Reason
Heshan Land and resources Bureau	27,186,893.60	Unsettled
Guangdong Highway Construction Co., Ltd.	25,630,651.00	Unsettled
Foshan Land and resources Bureau.	30,507,598.21	Unsettled
Guangdong Expressway Co., Ltd.	8,746,491.18	Unsettled
Foshan Chancheng Zhancha Street Office	4,626,817.32	Unsettled
Total	96,698,451.31	--

Other note:

17. 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)	4,653,396.85	516,610.46
1-2 years (Including 2 years)	198.41	
2-3 years (Including 3 years)		419,601.44
Over 3 years	10,951,499.43	11,103,496.11
Total	15,605,094.69	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., Ltd.	8,806,596.50	Land rent is not in the settlement period
Guangdong Xinle Technology Development Co., Ltd.	1,647,346.97	The Rental is not in the settlement period
Total	10,453,943.47	--

18. 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	331,254,614.36	329,554,526.83	14,822,524.70

II. Post-employment benefits - defined contribution plans		43,321,707.31	43,321,707.31	
Total	13,122,437.17	374,576,321.67	372,876,234.14	14,822,524.70

(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	251,560,541.09	251,546,641.09	642,463.49
2. Employee welfare		22,667,111.10	22,667,111.10	
3. Social insurance premiums		17,992,083.36	17,992,083.36	
Including : Medical insurance		11,402,270.98	11,402,270.98	
Work injury insurance		244,229.07	244,229.07	
Maternity insurance		1,701,690.99	1,701,690.99	
Supplementary medical insurance		4,643,892.32	4,643,892.32	
4. Public reserves for housing		27,782,966.00	27,782,966.00	
5. Union funds and staff education fee	11,817,868.74	8,836,861.72	7,789,322.82	12,865,407.64
8. Other	676,004.94	2,415,051.09	1,776,402.46	1,314,653.57
Total	13,122,437.17	331,254,614.36	329,554,526.83	14,822,524.70

(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		23,282,285.36	23,282,285.36	
2. Unemployment insurance		835,489.43	835,489.43	
3. Enterprise annuity payment		19,203,932.52	19,203,932.52	
Total		43,321,707.31	43,321,707.31	

Other note:

Note : The Group participates in pension and unemployment insurance schemes set up by government agencies according to regulations. In addition to the above monthly payment, the Group will not undertake any further payment obligations. The corresponding expenditures are included in the current profits and losses or the cost of related assets when incurred.

19. Tax Payable

In RMB

Items	Balance in year-end	Balance Year-beginning
VAT	14,195,480.90	13,473,944.70
Enterprise Income tax	65,145,885.17	85,375,209.49
Individual Income tax	2,866,768.16	3,551,727.77
City Construction tax	957,991.34	793,960.96
Education subjoin	431,482.48	371,885.57
Locality Education subjoin	273,333.04	233,892.04
Land use tax		200,454.00
Property tax	17,061.15	155,413.34
Stamp tax	218,722.91	26,304.47
Construction costs for cultural undertaking	31,200.00	12,000.00
Other	119,661.79	3,953.72
Total	84,257,586.94	104,198,746.06

Other note:

20. Other accounts payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend payable	20,020,119.31	17,191,142.23
Other account payable	606,160,467.61	166,187,946.04
Total	626,180,586.92	183,379,088.27

(1) Dividends payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Common stock dividends	20,020,119.31	17,191,142.23
Total	20,020,119.31	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.

(2) 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	55,789,027.50	69,573,092.43
Borrowing	184,505,512.50	46,096,200.00
Provisional estimate of project cost	305,588,291.39	
Other	60,277,636.22	50,518,653.61
Total	606,160,467.61	166,187,946.04

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

In RMB

Items	Closing balance	Unpaid/un-carry over reason
Yayao to Xiebian extension	12,499,448.48	Outstanding
Baoli Changda Highway Engineering Co., Ltd.	8,098,915.63	Project Quality guarantees
CCCC First Harbor Engineering Co., Ltd.	7,576,165.47	Project Quality guarantees, construct liquidated damages
China Railway 18 Bureau Group Co., Ltd.	7,134,981.40	Project Quality guarantees, construct liquidated damages, Wage margin for migrant workers
China Railway Tunnel Group Co., Ltd.	6,406,779.86	Project Quality guarantees
Total	41,716,290.84	--

Other note

21. Non-current liabilities due within 1 year

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	765,445,000.00	2,498,480,000.00
Long-term payable due within 1 year	256,603.77	
Interest payable due within 1 year	30,160,354.30	7,875,376.57
Total	795,861,958.07	2,506,355,376.57

Other note:

22. Other current liabilities

Whether implemented new revenue guidelines?

Yes No

In RMB

Items	Balance year-end	Year-beginning balance
Tax to be rewritten	189,628.17	
Total	189,628.17	

23. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loan	447,365,000.00	422,350,000.00
Guaranteed loan	375,000,000.00	1,125,000,000.00
Credit loan	4,583,505,000.00	3,934,170,000.00
Long-term loans due within one year	-765,445,000.00	-2,498,480,000.00
Total	4,640,425,000.00	2,983,040,000.00

Other notes including interest rate range:

24. Bond payable

(1) Bond payable

In RMB

Items	Balance year-end	Year-beginning balance
Medium-term note	678,124,972.89	
Total	678,124,972.89	

(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	Opening balance	The current issue	Withdraw interest at par	Overflow discount amount	Pay in current period	Closing balance
19 Guangdong Expressway MTN001	680,000,000.00	2019.2.27	2019.3.1-2024.3.1	680,000,000.00		680,000,000.00		-1,875,027.11		678,124,972.89
Total	--	--	--	680,000,000.00		680,000,000.00		-1,875,027.11		678,124,972.89

25. Long-term payable

In RMB

Items	Balance year-end	Year-beginning balance
Long-term payable	39,369,379.91	38,022,210.11
Total	39,369,379.91	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
Entrust loans	36,000,000.00	36,000,000.00
Medium term bill underwriting fee	1,603,773.57	
Less: Part due within 1 year	256,603.77	
Total	39,369,379.91	38,022,210.11

Other note:

26. Stock capital

In RMB

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

Other note:

27. 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

28. 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	
1. Other comprehensive income will be reclassified into income or loss in the future	264,661,812.00	167,031,010.24			41,757,752.56	125,273,257.68		389,935,069.68
Changes in fair value of investments in other equity instruments	264,661,812.00	167,031,010.24			41,757,752.56	125,273,257.68		389,935,069.68
2. Other comprehensive income reclassifiable to profit or loss in subsequent periods	-9,355,758.71	1,614,033.93				1,614,033.93		-7,741,724.78
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	-9,355,758.71	1,614,033.93				1,614,033.93		-7,741,724.78
Total of other comprehensive income	255,306,053.29	168,645,044.17			41,757,752.56	126,887,291.61		382,193,344.90

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:

29. 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	135,022,507.55		910,425,068.90
Total	775,402,561.35	135,022,507.55		910,425,068.90

Note:

According to the Company Law and the Articles of Association of the Company, the Company draws legal surplus reserve at 10% of net profit.

30. 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	-9,749,843.30	
After adjustments: Retained profits at the period beginning	3,928,859,293.29	3,550,110,288.49
Add: Net profit belonging to the owner of the parent company	1,258,628,101.71	1,677,028,179.18
Less: Statutory surplus reserve	135,022,507.55	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	3,877,431,844.64	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 0.00.

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

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

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

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

31. Operation income and operation cost

In RMB

Items	Amount of this period	Amount of last period
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	Income	Cost	Income	Cost
Main operation	3,012,240,940.41	1,327,031,747.83	3,174,342,835.65	1,250,876,481.00
Other operation	45,694,644.02	29,381,105.94	44,351,248.29	28,218,590.32
Total	3,057,935,584.43	1,356,412,853.77	3,218,694,083.94	1,279,095,071.32

Whether implemented new revenue guidelines?

Yes No

Other note

32. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	6,225,239.58	6,257,072.93
Education surcharge	2,907,484.31	2,943,233.19
Property tax	2,399,365.40	2,510,760.22
Land use tax	1,671,920.58	1,744,091.50
Vehicle use tax	52,670.21	62,306.65
Stamp tax	674,931.71	370,956.91
Business tax	51,745.32	62,845.97
Locality Education surcharge	1,938,007.20	1,961,948.53
Construction costs for cultural undertakings	84,510.00	53,046.83
Other	143,742.01	21,003.66
Total	16,149,616.32	15,987,266.39

Other notes:

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

33. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	131,128,908.75	124,523,644.86
Depreciation and Amortization	11,015,511.37	10,846,662.10
Low consumables amortization	1,608,243.88	669,751.05
Rental fee	11,677,765.22	11,350,401.58
Travel expenses	1,280,863.53	951,373.50
Office expenses	6,961,912.80	7,113,887.43

The fee for hiring agency	5,233,578.38	3,700,667.16
Consultation expenses	3,290,750.94	4,243,970.38
Listing fee	869,876.63	903,551.56
Information cost and maintenance fee	2,018,023.40	1,254,978.71
Other	17,097,527.78	17,833,260.35
Total	192,182,962.68	183,392,148.68

Other notes:

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

34. R & D cost

In RMB

Items	Amount of this period	Amount of last period
Labor cost		1,236,840.49
Depreciation expenses		26,107.33
Other		55,396.19
Total		1,318,344.01

Other note:

35. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	236,273,431.67	237,334,325.27
Deposit interest income (-)	-28,663,756.79	-31,889,543.71
Exchange Income and loss (Gain-)	1,590,432.88	2,348,188.17
Bank commission charge	4,505,024.11	4,799,814.01
Total	213,705,131.87	212,592,783.74

Other note:

36. Other gains

In RMB

Items	Amount of this period	Amount of last period
Government subsidy	87,937.00	
Maternity allowance	642,489.29	599,573.55
Return of personal tax handing fee	414,891.18	295,702.41
Stable job subsidies		217,952.36

Fees for withholding enterprise income tax in advance	575,813.38	
Input tax plus deduction	19,409.20	
Total	1,740,540.05	1,113,228.32

37. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	469,503,736.12	463,873,066.20
Dividends earned during the holding period on investments in other equity instrument	38,912,399.15	
Hold the investment income during from available-for-sale financial assets		43,786,617.76
Total	508,416,135.27	507,659,683.96

Other note:

38. Credit impairment losses

In RMB

Items	Amount of this period	Amount of last period
Loss of bad debts in other receivables	-12,983.19	
Loss of bad accounts receivable	-178,113.30	
Total	-191,096.49	

Other note:

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		1,232,955.42
Loss on impairment of financial assets available for sale		-226,800.00
Loss on impairment of fixed assets	-7,238,195.84	
Total	-7,238,195.84	1,006,155.42

Other note:

40. Assets disposal income

In RMB		
Source	Amount of this period	Amount of last period
Non-current assets disposal gains	276,051.47	66,431,966.75
Including: Income from disposal of Fixed assets	276,051.47	66,431,966.75
Income from disposal of Intangible assets		
Income from disposal of Intellectual property right	18,755,848.99	
Total	19,031,900.46	66,431,966.75

Note: According to the approval of Guangdong Provincial Highway Enterprise Restructuring and Reform Plan in "Guangdong Provincial Letter [2017] No. 273" of Guangdong Provincial Government, and the Notice of Pre-Work on Developing Blue Channel Assets and Business Integration of Guangdong Transportation Group, and the principle of "One Platform, One System, One Operating Team", "Blue Channel" assets and business are integrated to Guangdong Unitoll Collection Inc. 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
Road property claim income	2,283,577.02	1,646,322.85	2,283,577.02
Other income	682,097.10	2,529,479.09	682,097.10
Total	2,965,674.12	4,175,801.94	2,965,674.12

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	11,424,632.25	3,368,846.52	11,424,632.25
Including: Fixed assets	11,424,632.25	3,368,846.52	11,424,632.25
Intangible assets			
Fine	2,216.57	382,973.69	2,216.57
Road rehabilitation expenditure	4,310,540.20	5,153,376.72	4,310,540.20
Other	46,067.00	74,801.56	46,067.00
Total	15,783,456.02	8,979,998.49	15,783,456.02

Other note:

43. Income tax expense

(1) Lists of income tax expense

Items	In RMB	
	Amount of current period	Amount of previous period
Current income tax expense	285,826,627.27	340,935,816.06
Deferred income tax expense	53,014,762.80	-146,560,911.07
Total	338,841,390.07	194,374,904.99

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

Items	In RMB	
	Amount of current period	
Total	1,788,426,521.34	
Current income tax expense accounted by tax and relevant regulations	447,106,630.34	
Influence of income tax before adjustment	7,668,106.50	
Influence of non taxable income	-126,844,945.53	
Impact of non-deductible costs, expenses and losses	10,297,268.66	
Affect the use of deferred tax assets early unconfirmed deductible losses	-1,303,011.29	
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	312,229.18	
Other	1,605,112.21	
Income tax expense	338,841,390.07	

Other note

44. Other comprehensive income

Refer to the notes 7.28

45. Items of Cash flow statement

(1) Other cash received from business operation

Items	In RMB	
	Amount of current period	Amount of previous period
Interest income	28,663,756.79	31,889,543.71
Unit current account	33,967,973.22	63,672,701.77
Network received toll income		1,058,049.17
Total	62,631,730.01	96,620,294.65

Note:

(2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	50,634,832.65	45,920,848.02
Unit current account	11,097,795.91	28,708,531.18
Network received toll income	10,709,945.42	276,547.72
Total	72,442,573.98	74,905,926.92

Note:

(3) 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	

Note:

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	1,449,585,131.27	1,903,340,402.71
Add: Impairment loss provision of assets	7,238,195.84	-1,006,155.42
Credit impairment losses	191,096.49	
Depreciation of fixed assets, oil and gas assets and consumable biological assets	840,513,685.85	807,609,480.04
Amortization of intangible assets	2,054,831.55	2,526,983.05
Amortization of Long-term deferred expenses	107,017.44	101,686.95
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-19,031,900.46	-66,431,966.75
Fixed assets scrap loss	11,424,632.25	3,258,828.50
Financial cost	245,363,864.55	249,543,624.55
Loss on investment	-508,416,135.27	-507,659,683.96
Decrease of deferred income tax assets	61,990,928.66	-112,186,009.51

Supplement Information	Amount of current period	Amount of previous period
Increased of deferred income tax liabilities	-8,976,165.86	-34,374,901.56
Decrease of inventories	-30,665.31	-81,017.91
Decrease of operating receivables	6,373,720.49	245,477,300.99
Increased of operating Payable	-99,836,339.66	-574,132,993.64
Net cash flows arising from operating activities	1,988,551,897.83	1,915,985,578.04
II. Significant investment and financing activities that without cash flows:	--	--
3. Movement of cash and cash equivalents:	--	--
Ending balance of cash	2,816,699,694.50	2,123,303,796.32
Less: Beginning balance of cash equivalents	2,123,303,796.32	2,363,042,700.42
Net increase of cash and cash equivalents	693,395,898.18	-239,738,904.10

(2) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
Cash	2,816,699,694.50	2,123,303,796.32
Of which: Cash in stock	20,587.32	53,211.49
Bank savings could be used at any time	2,816,163,426.65	2,122,585,810.07
Other monetary capital could be used at any time	515,680.53	664,774.76
Balance of cash and cash equivalents at the period end	2,816,699,694.50	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. 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 note:

As of December 31, 2019, the Group borrowed 447,365,000.00 yuan from Wuyang Sub-branch of Industrial and Commercial Bank of China (including 50,670,000.00 yuan in non-current liabilities due within one year and 396,695,000.00 yuan in long-term loans), and provided a pledge guarantee of 19.2% of the project's toll interest (the right to collect tolls for vehicles traveling on the Guangzhou-Zhuhai section of Beijing-Zhuhai Expressway and the revenue generated by owning such right).

VIII. 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

Other note:

Guangzhou Guangzhu Traffic Investment Management Co., Ltd. holds 55% equity in Guangzhu Section Co., Ltd. of Jingzhu 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%	62,690,572.08	64,914,807.35	137,780,071.77
Jingzhu Expressway Guangzhu Section Co.,Ltd.	25.00%	128,266,457.48	158,471,897.94	289,389,976.37

Note:

(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.	560,965,221.56	47,173,764.91	608,138,986.47	57,018,699.42		57,018,699.42	590,663,709.13	27,675,485.80	618,339,194.93	58,321,966.77		58,321,966.77
Jingzhu Expressway Guangzhu Section Co.,Ltd.	301,043,906.12	2,257,506,902.82	2,558,550,808.94	377,916,598.72	1,023,074,304.71	1,400,990,903.43	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

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.	475,502,565.03	250,762,288.30	250,762,288.30	244,313,182.32	478,698,151.01	264,958,397.35	264,958,397.35	269,630,338.75
Jingzhu Expressway Guangzhu Section Co.,Ltd.	1,218,734,018.60	513,065,829.93	513,065,829.93	772,968,519.31	1,340,650,149.26	640,290,496.74	640,290,496.74	890,454,604.43

Other note:

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

Nil

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

Nil

Other note:

2. 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.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Expressway Management	30.00%		Equity method
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00%		Equity method
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 GuangyuanSecuritiesCo.,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.	Guangdong Guanghui Expressway Co., Ltd.
Current assets	676,535,557.27	886,631,849.70
Including: Cash and cash equivalent	236,277,469.65	621,540,000.54
Non-current assets	3,551,486,914.85	3,813,612,927.86
Total assets	4,228,022,472.12	4,700,244,777.56
Current liabilities	212,427,396.61	544,082,765.04
Non-current liabilities	520,683,163.79	847,757,933.94
Total liabilities	733,110,560.40	1,391,840,698.98
Attributable to shareholders of the parent company	3,494,911,911.72	3,308,404,078.58
Share of net assets calculated by stake	1,048,473,573.52	992,521,223.58
Book value of equity investment in joint ventures	1,048,473,573.52	992,521,223.58
Operating income	1,943,745,753.48	1,855,658,219.29
Financial expenses	15,373,529.34	33,863,147.93
Income tax expenses	334,943,632.73	323,116,545.35
Net profit	1,002,651,683.59	969,032,056.06
Total comprehensive income	1,002,651,683.59	969,032,056.06
Dividends received from joint ventures this year	270,638,655.14	274,805,847.20

Other note

(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.	Zhaoqing Yuezhao Highway 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.	Zhaoqing Yuezhao Highway Co., Ltd.
Current assets	209,139,152.55	166,062,286.05	51,220,910.08	332,805,593.66	1,361,568,837.83	57,918,624,287.41	214,674,038.72	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	196,254,075.84
Non-current assets	745,836,911.95	1,565,194,583.12	1,421,468,958.16	1,282,668,160.31	29,480,303.62	26,015,472,537.63	1,453,888,135.31	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	1,565,557,770.89
Total assets	954,976,064.50	1,731,256,869.17	1,472,689,868.24	1,615,473,753.97	1,391,049,141.45	83,934,096,825.04	1,668,562,174.03	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	1,761,811,846.73
Current liabilities	136,928,782.17	284,146,755.99	85,725,138.63	96,316,661.38	93,651,010.16	46,206,352,399.19	106,514,632.05	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	151,065,956.20
Non-current Liabilities	30,000,000.00	250,500,000.00	604,519,640.08	806,914,922.91	475,532.74	12,890,023,021.47	329,559,303.21		448,500,000.00	693,126,157.44	832,307,181.39	636,518.58	6,989,817,868.77	382,056,538.13
Total liabilities	166,928,782.17	534,646,755.99	690,244,778.71	903,231,584.29	94,126,542.90	59,096,375,420.66	436,073,935.26	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	533,122,494.33
Minority Shareholders' Equity					223,735,921.31	11,785,075.26						263,112,578.63	11,368,910.62	
Shareholders' equity attributable to shareholders of the parent	788,047,282.33	1,196,610,113.18	782,445,089.53	712,242,169.68	1,073,186,677.24	24,825,936,329.12	1,232,488,238.77	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	1,228,689,352.40
Pro rata share of the net assets calculated	262,682,427.44	179,491,516.98	234,733,526.86	213,672,650.90	214,637,335.45	587,200,989.50	308,122,059.69	230,553,756.87	175,324,643.76	219,985,018.52	209,995,910.71	219,693,558.27	583,672,702.24	307,172,338.10

	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.	Zhaoqing Yuezhao Highway 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.	Zhaoqing Yuezhao Highway Co., Ltd.
--Goodwill						206,725,818.02							206,725,818.02	
The book value of equity investments in joint ventures	262,682,427.44	179,491,516.98	234,733,526.86	213,672,650.90	214,637,335.45	793,926,807.52	308,122,059.69	230,553,756.87	175,324,643.76	219,985,018.52	209,995,910.71	219,693,558.27	790,398,520.26	307,172,338.10
Fair value of equity investment of associated enterprises with open quotation						737,910,410.22							555,621,862.28	
Business income	246,670,783.03	492,139,509.21	261,253,295.40	187,468,413.15	131,857,238.51	3,302,720,958.61	560,630,583.95	246,387,205.44	511,026,031.42	244,708,403.60	169,762,652.79	181,963,049.20	2,569,814,200.00	555,636,181.75
Net profit	100,651,048.27	119,901,954.09	124,414,900.02	21,255,800.66	20,084,911.58	917,476,547.45	219,532,873.97	103,069,675.97	78,708,231.50	107,386,985.55	18,637,357.87	75,671,754.19	663,937,167.17	233,420,321.62
Other comprehensive income						95,017,342.59							-862,492,101.21	
Total comprehensive income	100,651,048.27	119,901,954.09	124,414,900.02	21,255,800.66	20,084,911.58	1,012,493,890.04	219,532,873.97	103,069,675.97	78,708,231.50	107,386,985.55	18,637,357.87	75,671,754.19	-198,554,934.04	233,420,321.62
Dividends received from associates during the year		13,818,419.89	21,000,000.00	2,700,000.00		19,900,496.50	53,207,865.41	53,000,000.00	9,983,895.07	21,000,000.00		10,989,125.47	11,940,297.90	43,088,859.48

Other note

IX. 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 December 31, 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.

The Group's working capital is deposited in banks with higher credit rating, so the credit risk of working capital is relatively low.

Financial assets overdue or impaired;

(1) Aging analysis of financial assets with overdue impairment: Not existed

(2) Analysis of financial assets that have suffered single impairment: Refer to "4, Other Receivables" in VII and "8, Investment in Other Equity Instruments" in VII of this section for details.

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.

X. 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	1,037,474,303.04			1,037,474,303.04
Total assets continuously measured at fair value	1,037,474,303.04			1,037,474,303.04
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 December 31, 2019 of 4.41 yuan, the final calculation of fair value was 1,037,474,303.04 yuan.

3. 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			Remarks
		Balance at Beginning of the Year	Ending amount	Affiliated hierarchy	
Financial assets not measured at fair value					
Other equity instrument investment	798,348,301.73	798,348,301.73	798,348,301.73		

XI. 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 yuan	24.56%	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 December 31, 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.

Other note:

2. Subsidiaries of the Company

Subsidiaries of this enterprise, see Note VIII(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:

Name	Relation with the Company
Guangdong Guanghui Expressway Co., Ltd.	Associated enterprises of the Company
Guangdong Jiangzhong Expressway Co., Ltd.	Associated enterprises of the Company
Shenzhen Huiyan Expressway Co., Ltd.	Associated enterprises of the Company
Zhaoqing Yuezhao Highway Co., Ltd.	Associated enterprises of the Company
Ganzhou Gankang Expressway Co., Ltd.	Associated enterprises of the Company
Guangdong Yueke Technology Petty Loan Co., Ltd.	Associated enterprises of the Company

Other note

4. Other Related parties

Name	Relation with the Company
Guangdong East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong 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 Union Electron Service Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Technology Inspection Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu Traffic Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Humen Bridge Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Asphalt Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Road & Bridge Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangzhu West Line Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Chaohui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guang-fo-Zhao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Yunfu Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangshenzhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Luoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Industry Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoen 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 Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuedong Expressway Industry Development Co., Ltd.	Fully owned subsidiary of the parent company

Name	Relation with the Company
Guangdong Pingxing Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Real Estate Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Heyuan Helong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Ninghua Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Meihe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jiangzhao Expressway Management Center	Managed by the parent company
Guangzhongjiang Expressway Project Management Dept	Managed by the parent company
Guangdong Nanyue Traffic Yunzhan Expressway Management Dept	Managed by the parent company
Guangdong Nanyue Traffic Renbo Expressway Management Center	Managed by the parent company
Guangdong Nanyue Traffic Chaozhang Expressway Management Center	Managed by the parent company
Guangdong Nanyue Traffic Shaogan Expressway Management Center	Managed by the parent company
Hongkong- Zhuhai-Macao Connection line management center	Managed by the parent company
Poly Changda Engineering Co., Ltd.	Sharing Company
Guangdong Feida Traffic Engineering Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Controlled by the same parent company and equity participation unit
Foshan Guangsan Expressway Co., Ltd.	Controlled by the same parent company and equity participation unit
Jiangmen Jianghe Expressway Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Shanshan Expressway East Section Co., Ltd.	Controlled by the same parent company and equity participation unit

Other note

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
1.Business cost					
Guangdong Union electronic services co., Ltd.	Service	15,266,915.03		No	15,478,247.27

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Guangdong Traffic Technology Inspection Co., Ltd.	Project funds	5,690,112.92		No	5,380,171.92
Guangdong Feida Traffic Engineering Co., Ltd.	Project funds	3,807,139.23		No	
Guangdong Litong Technology Investment Co., Ltd.	Project funds	3,605,631.86		No	3,517,587.00
Guangzhou Xinyue Traffic Technology Co., Ltd.	Project funds	3,377,412.00		No	
Guangdong Lulutong Co., Ltd.	Project funds	2,389,297.99		No	1,985,356.36
Boly Changda Engineering Co., Ltd.	Project fund, service	2,201,322.00		No	29,662,147.00
Guangdong Hualu Traffic Technology Co., Ltd.	Project funds	1,781,263.00		No	6,084,009.00
Guangdong Humen Bridge Co., Ltd.	Project fund, service	1,047,385.24		No	1,470,696.80
Guangdong Xinyue Asphalt Co., Ltd.	Service	376,434.90		No	
Guangdong Tongyi Expressway Service Area Co., Ltd.	Service	225,055.47		No	747,966.07
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Service	107,017.44		No	
Guangdong East Thinking Management Technology Development Co., Ltd.	Service	105,850.00			369,650.00
Guangdong Guanghui Expressway Co., Ltd.	Service	49,480.49		No	
Guangdong Xinyue Traffic Investment Co., Ltd.	Project funds	9,416.88		No	770,454.00
Subtotal		40,039,734.45			65,466,285.42
2. Financial expenses					
Guangdong Gufanghui Expressway Co., Ltd.	Interest	5,195,531.25		No	3,231,506.25
Guangdong Jiangzhong Expressway Co., Ltd.	Interest	1,428,975.00		No	187,920.00
Ganzhou Gankang Expressway Co., Ltd.	Interest			No	765,623.34
Subtotal		6,624,506.25			4,185,049.59
3. Management expenses					
Guangdong East Thinking Management Technology Development Co., Ltd.	Service	236,500.00		No	404,091.29
Guangdong Tongyi Expressway Service Area Co., Ltd.	Service	87,189.00		No	
Guangdong Lulutong Co., Ltd.	Service	48,000.00		No	
Guangdong Expressway Media Co., Ltd.				No	606,132.08
Subtotal		371,689.00			1,010,223.37
4. Construction in process					

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Boly Changda Engineering Co., Ltd.	Purchase assets	353,181,578.97		No	181,773,095.95
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets	26,225,312.00		No	859,450.00
Guangdong Xinyue Traffic Investment Co., Ltd.	Purchase assets	10,173,639.28		No	1,136,466.97
Guangdong Feida Traffic Engineering Co., Ltd.	Purchase assets	7,547,509.00		No	
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets	6,724,808.26		No	5,156,328.48
Guangdong Lulutong Co., Ltd.	Purchase assets	363,747.00		No	
Guangdong Traffic Technology Inspection Co., Ltd.	Purchase assets	45,030.00		No	
Subtotal		404,261,624.51			188,925,341.40
5.Fixed assets					
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchase assets	358,440.98		No	
Guangdong Feida Traffic Engineering Co., Ltd.	Purchase assets	108,300.00		No	
Guangdong Lulutong Co., Ltd.	Purchase assets			No	56,680.00
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets			No	427,500.00
Subtotal		466,740.98			484,180.00
6.Intangible Assets					
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchase assets	462,500.00		No	297,950.00
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets	301,800.00		No	185,000.00
Subtotal		764,300.00			482,950.00

Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
1.Business income			
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	20,047,032.07	17,120,754.74
Guangdong Expressway Co., Ltd.	Project fund	4,310,630.18	5,812,437.52
Guangdong Xinyue Traffic Investment Co., Ltd.	Project fund	2,208,097.34	1,883,038.06
Zhaoqing Yuezhaoh Highway Co., Ltd.	Project fund	2,155,810.23	856,469.13

Related party	Content	Amount of current period	Amount of previous period
Guangdong Road & Bridge Construction Development Co., Ltd.	Project fund	2,144,812.90	2,543,533.92
Guangdong Guanghui Expressway Co., Ltd.	Project fund	2,009,735.59	2,437,801.44
Guangdong Highway Construction Co., Ltd.	Project fund	1,574,566.33	594,659.08
Shezhen Huiyan Expressway Co., Ltd.	Project fund	1,121,184.34	53,773.58
Guangdong Feida Traffic Engineering Co., Ltd.	Project fund	871,473.15	
Guangdong Guangzhu West line Expressway Co., Ltd.	Project fund	751,475.04	729,132.79
Ganzhou Gankang Expressway Co., Ltd.	Project fund	737,114.13	
Guangdong Boda Expressway Co., Ltd.	Project fund	730,270.82	520,924.53
Guangdong Jiangzhong Expressway Co., Ltd.	Project fund	635,673.34	276,415.10
Ganzhou Kangda Expressway Co., Ltd.	Project fund	513,990.93	
Guangdong Chaohui Expressway Co., Ltd.	Project fund	425,905.66	384,835.85
Guangdong Maozhan Expressway Co., Ltd.	Project fund	418,867.92	206,603.77
Guangdong Kaiyang Expressway Co., Ltd.	Project fund	380,652.28	507,128.03
Guangdong Guangfozhao Expressway Co., Ltd.	Project fund	331,283.02	342,452.84
Guangdong Guangle Expressway Co., Ltd.	Project fund	300,849.06	290,094.34
Guangdong Zhaoyang Expressway Co., Ltd.	Project fund	236,460.18	172,641.51
Guangdong Yangmao Expressway Co., Ltd.	Project fund	166,981.13	166,981.13
Yunfu Guangyun Expressway Co., Ltd.	Project fund	164,469.85	94,622.64
Guangdong Jiangzhao Expressway Co., Ltd.	Project fund	130,188.68	147,169.81
Foshan Guangsan Expressway Co., Ltd.	Project fund	120,283.02	
Guangshenzhu Expressway Co., Ltd.	Project fund	114,655.17	
Jiangmen Jianghe Expressway Co., Ltd.	Project fund	110,377.36	
Guangdong Luoyang Expressway Co., Ltd.	Project fund	107,547.17	107,547.17
Guangdong Traffic Industry Investment Co., Ltd.	Project fund	90,566.04	118,867.92
Guangdong Gaoen Expressway Co., Ltd.	Project fund	79,245.28	
Guangdong Humen Bridge Co., Ltd.	Project fund	60,849.06	133,435.27
Guangdong Expressway Media Co., Ltd.	Project fund	44,213.00	
Guangdong Yueyun Traffic Co., Ltd.	Project fund	42,452.83	42,452.83
Guangdong Union Electron Service Co., Ltd.	Project fund	10,471.70	
Guangdong Litong Technology Investment Co., Ltd.	Project fund		35,384.62
Guangdong Taishan Coastal Expressway Co., Ltd.	Project fund	-59,433.96	59,433.96
Guangzhongjiang Expressway Project Management Dept	Project fund	-89,622.64	197,169.81

Related party	Content	Amount of current period	Amount of previous period
Subtotal		42,999,128.20	35,835,761.39
2.Non-operating income			
Guangdong Xinyue Traffic Investment Co., Ltd.	Tenter		862.07
Guangdong Lulutong Co., Ltd.	Tenter		862.07
Subtotal			1,724.14
3.Assets disposal income			
Guangdong Union electronic services co., Ltd.	Transfer of intellectual property	18,755,848.99	
Subtotal		18,755,848.99	

Note

(2) 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	3,556,249.10	3,436,468.80
Guangdong Tongyi Expressway Service Area Co., Ltd.	Service area lease	2,297,830.86	5,859,573.97
Subtotal		5,854,079.96	9,296,042.77

- 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	8,876,387.85	9,254,826.21
Guangdong Guanghui Expressway Co., Ltd.	Advertising column lease	692,571.43	551,400.00
Zhaoqing Yuezhao Highway Co., Ltd.	Advertising column lease	248,061.50	248,062.50
Zhaoqing Yuezhao Highway Co., Ltd.	Equipment lease	116,504.86	116,504.85
Guangzhou Yueyun Traffic Co., Ltd.	Car rental fee	190,640.78	
Guangdong Kaiyang Expressway Co., Ltd.	Equipment lease	106,194.69	116,504.85
Guangdong Maozhan Expressway Co., Ltd.	Equipment lease	106,194.69	103,448.28
Guangdong Gaoda Property Development Co., Ltd.	Office space	95,436.00	60,999.64
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Equipment lease		8,918.12
Subtotal		10,431,991.80	10,460,664.45

Note

(3) 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

Note: Guangdong Communications Group Co., Ltd., the controlling shareholder of the company, provides the company with an unconditional and irrevocable joint and several liability guarantee in full amount of principal and interest for accepting the insurance creditor's rights investment plan of Pacific Asset Management Co., Ltd. To this end, the company provided counter guarantee to Guangdong Communication Group with 75% equity of Guangzhou Guangzhu Traffic Investment Management Co., Ltd.

(4) 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 Guanghui Expressway Co., Ltd.	45,000,000.00	September 25,2019	September 24,2020	
Guangdong Jiangzhong Expressway Co Loaned., Ltd.	36,000,000.00	November 14,2018	November 13,2023	
Loaned				

(5) Related party asset transfer and debt restructuring

Nil

(6) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	7,604,100.00	6,638,600.00

(7) Other related-party transactions

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

In RMB

Items	Amount of current period	Amount of previous period
Balance of Deposit	813,272,070.75	640,041,849.19
Interest Income	8,705,455.79	5,695,294.50
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 Union electron Service Co., Ltd.	57,172,014.20		45,159,424.41	
Account receivable	Guangdong Humen Bridge Co., Ltd.	16,693,904.73		12,579,159.31	
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	6,168,200.00	4,450.00	5,280,850.02	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	2,076,440.10	160,715.94	1,828,273.53	202,508.01
Account receivable	Guangdong Expressway Media Co., Ltd.	1,909,300.00			
Account receivable	Guangdong Feida Traffic Engineering Co., Ltd.	1,332,954.50	103,072.45		
Account receivable	Guangdong Road & Bridge Construction Development Co., Ltd.	564,194.77			
Account receivable	Guangdong Boda Expressway Co., Ltd.	515,108.00			
Account receivable	Guangdong Guanghui Expressway Co., Ltd.	501,765.65	2,112.57	901,822.65	
Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	318,280.00		294,260.00	
Account receivable	Guangdong Highway Construction Co., Ltd.	256,484.00	3,818.00	358,484.00	109,152.00
Account receivable	Guangdong Litong Technology Investment Co., Ltd.	68,542.00		68,542.00	6,854.20
Account receivable	Guangdong Expressway Co., Ltd.	60,000.00		873,408.00	
Account receivable	Guangdong Yueyun Traffic Co., Ltd.			45,000.00	
Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.			4,829.98	
Account receivable	Guangzhongjiang Expressway Project Management Dept			95,000.00	
Account receivable	Guangdong Taishan Coastal Expressway Co., Ltd.			63,000.00	
Account receivable	Guangdong Kaiyang Expressway Co., Ltd.			178,157.15	
Account receivable	Guangdong Jiangzhao Expressway Co., Ltd.			156,000.00	
	Total	87,637,187.95	274,168.96	67,886,211.05	318,514.21
Advanced payment	Guangdong Litong Real Estate Investment Co., Ltd.	735,092.38		735,092.38	
Advanced payment	Zhaoqing Yuezhao Highway Co., Ltd.	144,703.00		144,702.50	
	Total	879,795.38		879,794.88	
Dividend receivable	Guangdong Yueke Technology Petty Loan Co., Ltd.	6,000,000.00			
	Total	6,000,000.00			
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	

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 Expressway Media Co., Ltd.	896,321.01		275,166.57	
Other Account receivable	Guangdong Expressway Co., Ltd.	620,117.78		638,502.27	
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	431,442.48		437,463.87	
Other Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	385,810.10		415,442.60	
Other Account receivable	Guangshenzhu Expressway Co., Ltd.	185,014.40		187,533.46	
Other Account receivable	Guangdong Feida Traffic Engineering Co., Ltd.	139,150.75			
Other Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	104,727.60		186,371.32	
Other Account receivable	Guangdong Highway Construction Co., Ltd.	87,662.45		129,529.29	
Other Account receivable	Guangdong Road & Bridge Construction Development Co., Ltd.	87,153.75		123,604.83	
Other Account receivable	Guangdong Boda Expressway Co., Ltd.	50,011.00		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 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 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 Humen Bridge Co., Ltd.	6,869.00		9,141.89	
Other Account receivable	Guangdong Jingzhu Expressway Guangzhu Section Co., Ltd.	6,064.00		6,202.46	
Other Account receivable	Guangdong Litong Technology Investment Co., Ltd.	5,273.00		5,273.00	
Other Account receivable	Guangdong Yueyun Traffic Co., Ltd.	3,032.00		3,032.00	
Other Account receivable	Hongkong Zhuhai Macao Bridge Connection line management center	3,000.00		3,000.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Other Account receivable	Jiangmen Jianghe Expressway Co., Ltd.	2,539.20			
Other Account receivable	Heyuan Helong Expressway Co., Ltd.			467.14	
Other Account receivable	Guangdong Zhaoyang Expressway Co., Ltd.			4,304.00	
Other Account receivable	Yunfu Guangyun Expressway Co., Ltd.			5,831.32	
Other Account receivable	Guangdong Chaohui Expressway Co., Ltd.			2,819.90	
Other Account receivable	Guangdong Ninghua Expressway Co., Ltd.			271.81	
Other Account receivable	Guangdong Meihe Expressway Co., Ltd.			574.17	
Other Account receivable	Guangdong Kaiyang Expressway Co., Ltd.			45,999.77	
Other Account receivable	Guangdong Guangfozhao Expressway Co., Ltd.			3,619.10	
Other Account receivable	Guangdong Yangmao Expressway Co., Ltd.			29,265.49	
	Total	6,079,270.84		5,662,259.22	
Other Non-Current Assets	Boly Changda Engineering Co., Ltd.	48,400,293.16		4,216,292.57	
Other Non-Current Assets	Guangdong Hualu Traffic Technology Co., Ltd.	277,117.00		796,711.00	
Other Non-Current Assets	Guangdong Xinyue Traffic Investment Co., Ltd.			823,423.25	
	Total	48,677,410.16		5,836,426.82	
Long-term amortization costs	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,114,764.44		1,221,781.88	
	Total	1,114,764.44		1,221,781.88	

(2) Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Guangzhongjiang Expressway Project Management Dept	28,000,000.00	
Account payable	Guangdong Highway Construction Co., Ltd.	25,630,651.00	25,630,651.00
Account payable	Poly Changda Engineering Co., Ltd.	16,685,096.00	12,166,883.00
Account payable	Guangdong Expressway Co., Ltd.	8,746,491.18	8,746,491.18
Account payable	Guangdong Feida Traffic Engineering Co., Ltd.	7,588,881.23	
Account payable	Guangdong Litong Technology Investment Co., Ltd.	2,663,010.00	1,631,800.00
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd.	1,237,761.42	1,829,141.32
Account payable	Guangdong Lulutong Co., Ltd.	852,623.59	
Account payable	Guangdong Guanghui Expressway Co., Ltd.	742,051.92	551,400.00
Account payable	Guangdong Hualu Traffic Technology Co., Ltd.	276,371.00	2,913,206.00
Account payable	Guangzhou Xinyue Asphalt Co., Ltd.		2,537,848.10
Account payable	Guangdong Maozhen Expressway Co., Ltd.		120,000.00
	Total	92,422,937.34	56,127,420.60
Other Payable account	Guangdong Guanghui Expressway Co., Ltd.	184,505,512.50	46,096,200.00
Other Payable account	Poly Changda Engineering Co., Ltd.	19,879,471.19	11,346,061.22
Other Payable account	Guangdong Feida Traffic Engineering Co., Ltd.	2,092,641.20	
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,331,893.22	1,779,918.51
Other Payable account	Guangdong Hualu Traffic Technology Co., Ltd.	1,077,965.88	786,185.88
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	416,398.40	531,573.69
Other Payable account	Guangdong Union Electron Service Co., Ltd.	367,300.00	3,800,226.36
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	247,070.50	203,655.20
Other Payable account	Guangzhongjiang Expressway Project Management Dept	200,000.00	200,491.55
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00
Other Payable account	Guangzhou Xinyue Traffic Technology Co., Ltd.	101,323.00	
Other Payable account	Guangdong Maozhen Expressway Co., Ltd.	70,000.00	70,000.00
Other Payable account	Guangdong Lulutong Co., Ltd.	10,912.41	165,249.80
Other Payable account	Guangdong Nanyue Yunzhan Expressway Management Center		821.38
Other Payable account	Guangdong Zhaoyang Expressway Co., Ltd.		2,145.78

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Jingzhu Expressway Guangzhou North Section Co., Ltd.		9,327.00
Other Payable account	Guangdong Nanyue Traffic Renbo Expressway Management Center		225.79
Other Payable account	Guangdong Nanyue Traffic Chaozhang Expressway Management Center		282.67
Other Payable account	Shenzhen Huiyan Expressway Co., Ltd.		391.36
Other Payable account	Guangdong Nanyue Shaogan Expressway Management Center		546.89
Other Payable account	Guangdong Boda Expressway Co., Ltd.		100.97
Other Payable account	Guangdong Jiangzhao Expressway Management Center		7,217.12
Other Payable account	Guangdong Shanfen Expressway Co., Ltd.		751.35
Other Payable account	Guangdong Yuedong Expressway Industry Development Co., Ltd.		1,018.37
Other Payable account	Guangdong Expressway Co., Ltd.		18,548.20
Other Payable account	Guangdong Traffic Industry Investment Co., Ltd.		2,347.68
Other Payable account	Guangdong Highway Construction Co., Ltd.		689.83
Other Payable account	Guangdong Road & Bridge Construction Development Co., Ltd.		551.99
Other Payable account	Guangdong Pingxing Expressway Co., Ltd.		45.41
Other Payable account	Guangdong Luoyang Expressway Co., Ltd.		319.21
	Total	210,420,488.30	65,144,893.21
Non-current liabilities due 1 year	Guangdong Jiangzhong Expressway Co., Ltd.	43,065.00	43,065.00
	Total	43,065.00	43,065.00
Long-term payable	Guangdong Jiangzhong Expressway Co., Ltd.	36,000,000.00	36,000,000.00
	Total	36,000,000.00	36,000,000.00

XII. 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 December 31,2019, The accumulated expenses occurred of Sanboto Shuikou Highway extension project was 2.582 billion yuan.

No	Contract Counterparty	Economic Content	Contract Amount	Fulfilled as of December 31, 2019
1	China Railway Tunnel Group Co., Ltd.	Civil Engineering	251,026,485.00	231,556,089.00
2	Boli Changda Engineering Co., Ltd.	Civil Engineering	624,878,240.00	531,858,267.92
3	China Railway 18th Bureau Group Co., Ltd.	Civil Engineering	219,974,609.00	191,897,525.38
4	CCCC First Navigation Engineering Bureau Co., Ltd	Civil Engineering	355,014,108.00	28,837,1367.24

2. Contingency

(1) Significant contingency at balance sheet date

Nil

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

XIII. Events after balance sheet date

1. Significant events had not adjusted

In RMB

Items	Contents	Number of impacts on financial status and operating results	Cause of the impact cannot be estimated
Other	(1) The third (extraordinary) meeting of the ninth board of directors of the company deliberated and passed the Proposal on Changes in Accounting Estimates and agreed to adopt the Report on Traffic Volume Forecast and Toll Revenue of Foshan-Kaiping Expressway, Report on Traffic Volume Forecast and Toll Revenue of Guangzhou Section of Beijing-Zhuhai Expressway Co., Ltd." (hereinafter referred to as "2019 Forecast Traffic Volume") issued by Guangdong Communication Planning and Design Institute Co., Ltd. for Guangdong Expressway Development Co., Ltd. in 2019 as depreciation basis from January 1, 2020.	According to the relevant provisions of the Accounting Standards for Business Enterprises No.28 - Accounting Policies, Changes in Accounting Estimates and Error Correction, the above adjustments are changes in accounting estimates, and will be subject to accounting treatment by future applicable method, with no affect on the financial status and operating results of previous years.	
Other	(2) Affected by the new coronavirus pneumonia epidemic, with the consent of the State Council, the Ministry of Transport has notified that toll roads across the country will be free of tolls from zero o'clock on February 17, 2020 until the end of the epidemic prevention and control approved by the State Council. The specific deadline will be notified separately.		The above policies will have a negative impact on the Group's operating income in 2020., the specific impact is still uncertain.

2.Profit distribution

In RMB

Profit or dividend to be distributed	882,320,185.17
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XIV. Other significant events

1. 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.

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

(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. On 27 February 2020, the company received a court decision of second instance, which rejected the appeal and upheld the original sentence.

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

XV. 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 (%)	
Of which										
Accrual of bad debt provision by portfolio	21,864,051.27	100.00%			21,864,051.27	18,405,847.15	100.00%			18,405,847.15
Of which:										
Aging portfolio	21,864,051.27	100.00%			21,864,051.27	18,405,847.15	100.00%			18,405,847.15
Total	21,864,051.27	100.00%			21,864,051.27	18,405,847.15	100.00%			18,405,847.15

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)	21,864,051.27
Total	21,864,051.27

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

In RMB

Name	Amount	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	21,864,051.27	100.00%	
Total	21,864,051.27	100.00%	

2. Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	7,205,472.90	1,205,472.90
Other receivable	6,230,178.29	6,238,161.64
Total	13,435,651.19	7,443,634.54

(1) 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
Guangdong Yueke Technology Petty Loan Co., Ltd.	6,000,000.00	
Total	7,205,472.90	1,205,472.90

(2) Significant dividend receivable aged over 1 year

Nil

(2) 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	1,935,101.00	1,930,943.00
Petty cash	1,700,634.57	1,605,100.00
Other	2,594,442.72	2,702,118.64
Less: Bad debt provision	-30,844,110.43	-30,844,110.43
Total	6,230,178.29	6,238,161.64

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 December 31, 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	3,381,367.15
1-2 years	443,715.70
2-3 years	1,490,184.00
Over 3 years	31,759,021.87
3-4 years	463,491.88
Over 5 years	31,295,529.99
Total	37,074,288.72

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	write - off	
Financial assets with significantly different credit risk	30,844,110.43				30,844,110.43
Total	30,844,110.43				30,844,110.43

4) 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	83.20%	30,844,110.43
Petty cash	Petty cash	1,700,634.57	Within 1 year	4.59%	
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,505,864.00	2-3 years	4.06%	
Foshan Hezhan Yinghui Property Management Co., Ltd.	Disposal of fixed assets	935,820.00	Within 1 year	2.52%	
Guangdong Expressway Co.,Ltd.	Entrustment management fee	463,491.88	3-4 years	1.25%	
Total	--	35,449,920.88	--	95.62%	30,844,110.43

3. Long-term equity investment

In RMB

Items	End of term	Beginning of term
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	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	3,255,739,898.36		3,255,739,898.36	3,146,092,065.25		3,146,092,065.25
Total	4,789,404,907.17		4,789,404,907.17	4,679,757,074.06		4,679,757,074.06

(2) Investment to the subsidiary

In RMB

Name	Opening balance	Increase /decrease in reporting period				Closing balance	Closing balance of impairment provision
		Add investment			Other		
Jingzhu Expressway Guangzhu Section Co., Ltd.	419,105,446.88					419,105,446.88	
Guangzhou Guangzhu Traffic Investment Management Co., Ltd.	859,345,204.26					859,345,204.26	
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	
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			300,795,505.08		25,795,500.00	270,638,655.14			1,048,473,573.52	
Subtotal	992,521,223.58			300,795,505.08		25,795,500.00	270,638,655.14			1,048,473,573.52	
II. Associated enterprises											
ZhaoqingYuezhao Highway Co., Ltd.	307,172,338.10			54,157,587.00			53,207,865.41			308,122,059.69	
ShenzhenHuiyan Expressway Co., Ltd.	230,553,756.87			32,128,670.57						262,682,427.44	
Guangdong Jiangzhong Expressway Co., Ltd.	175,324,643.76			17,985,293.11			13,818,419.89			179,491,516.98	
Ganzhou Kangda Expressway Co., Ltd.	219,985,018.52			35,748,508.34			21,000,000.00			234,733,526.86	
Ganzhou Gankang Expressway Co., Ltd.	209,995,910.71			6,376,740.19			2,700,000.00			213,672,650.90	
Guangdong Yueke Technology Petty Loan Co., Ltd.	219,693,558.27			943,777.18			6,000,000.00			214,637,335.45	
Guoyuan Securities Co.,Ltd.	790,845,615.44			21,367,654.65	1,614,033.93		19,900,496.50			793,926,807.52	
Subtotal	2,153,570,841.67			168,708,231.04	1,614,033.93		116,626,781.80			2,207,266,324.84	
Total	3,146,092,065.25			469,503,736.12	1,614,033.93	25,795,500.00	387,265,436.94			3,255,739,898.36	

(3) Other note

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	1,276,614,430.61	779,246,352.00	1,327,567,186.19	707,219,409.98
Other	13,675,411.15	4,575,580.19	79,985,567.22	7,948,012.97
Total	1,290,289,841.76	783,821,932.19	1,407,552,753.41	715,167,422.95

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	469,503,736.12	463,873,066.20
Investment loss through disposal of long-term equity investment		685,975,224.36
Dividend income from investments in other equity instruments during the holding period	38,912,399.15	
Investment return on investments held to maturity during the holding period		43,786,617.76
Interest income from debt investment during holding period.	58,235,794.66	
Total	1,236,812,045.82	1,814,856,174.83

6. Other**XVI. 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	7,607,268.21	

Items	Amount	Notes
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	87,937.00	
Net amount of non-operating income and expense except the aforesaid items	-1,393,149.65	
Other non-recurring Gains/loss items	1,652,603.05	
Less :Influenced amount of income tax	1,130,270.54	
Influenced amount of minor shareholders' equity (after tax)	-2,226,782.89	
Total	9,051,170.96	--

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	13.09%	0.60	0.60
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	13.00%	0.60	0.60

XIII. 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.