

Guangdong Provincial Expressway Development Co., Ltd.

The Semi-Annual Report 2020

August 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, Company principal , Mr. Wang Chunhua, General Manager ,Mr.Fang Zhi, Chief of the accounting work, Ms.Zhou Fang, Chief of the accounting organ (chief of accounting) hereby confirm the authenticity and completeness of the financial report enclosed in this Semi-annual report.

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

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

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Definition

Terms to be defined	Refers to	Definition
Reporting period	Refers to	January 1, 2020 to June 30,2020
Reporting date	Refers to	The semi annual report of the company was approved by the board of directors of 2020, that is, August 25, 2020
YOY	Refers to	Compared with January-June 2019
The Company /This Company	Refers to	Guangdong Provincial Expressway Development 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 Fokai Expressway.

II. Corporate Profile and Key Financial Indicators

1. Company Information

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

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, Tihe District, Guangzhou	45/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe District, Guangzhou
Tel	020-29004619	020-29004523
Fax	020-38787002	020-38787002
E-mail	Hmy69@126.com	139221590@qq.com

3. Other

1. Way of contact

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

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in annual report 2019.

2. Information inquiry

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2019.

4. Summary of Accounting Data and Financial Indicators

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (yuan)	660,898,961.79	1,483,673,245.21	-55.46%
Net profit attributable to the shareholders of the listed company (yuan)	-5,830,257.18	736,486,112.30	-100.79%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (yuan)	-9,514,717.42	725,039,035.06	-101.31%
Cash flow generated by business operation, net (yuan)	417,906,104.34	1,050,811,097.23	-60.23%
Basic earning per share(yuan/Share)	-0.0028	0.35	-100.80%
Diluted gains per share(yuan/Share)	-0.0028	0.35	-100.80%
Weighted average income/asset ratio (%)	-0.06%	7.53%	-7.59%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (yuan)	17,473,461,012.92	17,674,545,340.78	-1.14%
Shareholders' equity attributable to shareholders of the listed company (yuan)	8,795,317,662.87	9,823,426,849.75	-10.47%

5. Differences between accounting data under domestic and overseas 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

None

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

Applicable Not applicable

None

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

Applicable Not applicable

In RMB

Items	Amount	Note
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-184,874.06	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	3,535,546.41	
Net amount of non-operating income and expense except the aforesaid items	2,070,546.90	
Other non-recurring Gains/loss items	335,742.79	
Less :Influenced amount of income tax	1,440,123.12	
Influenced amount of minor shareholders' equity (after tax)	632,378.68	
Total	3,684,460.24	--

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

Applicable Not applicable

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

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

No

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 Higyway Co., Ltd., Ganzhou Kangda Expressway , Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd., Guangdong Guangle Expressway Co.,Ltd., Guoyuan Securities Co., Ltd.and Hunan Lianzhi Technology Co., Ltd.,As of the end of the reporting period, the company ' s share-controlled expressway is 153.71 km, and according to the equity ratio, after the conversion calculation, the total mileage is 264.41 km.

II .Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	The increase of 1.72% by the end of the period compared with that of the beginning, Mainly due to the combined influence of the operation accumulation and profit distribution of the participating units.
Fixed assets	The decrease of 2.43% by the end of the period compared with that of the beginning, Mainly due to the impact of retirement and fixed asset depreciation in the current period.
Intangible assets	The decrease of 15.63% by the end of the period compared with that of the beginning, Mainly due to the impact of amortization of intangible assets.
Construction in process	The decrease of 25.97% by the end of the period compared with that of the beginning, Mainly due to the cancelation the impact of the transfer of fixed assets of the provincial toll station project
Moonetary funds	The increase of 8.57% by the end of the period compared with that of the beginning, Mainly due to the current operating accumulation and the comprehensive impact of investment and financing.
Other equity instrument	The decrease of 10.64% by the end of the period compared with that of the beginning, Mainly due to the changes in fair value of equity instruments.
Other non -current assets	The decrease of 31.40% by the end of the period compared with that of the beginning,

	Mainly due to the prepayment settlement of the reconstruction and expansion of the southern section of the Fokai Expressway, which led to the reduction of the prepayment.
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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 Jingzhu Expressway Guangzhu Section Co., Ltd. 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. Performance Discussion and Analysis

I. General

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

In the first half of 2020, affected by the COVID-19 epidemic, according to the notification requirements of the Ministry of Transport, from February 15, 2020 to May 5, 2020, all highways controlled and participated by the company waived vehicle tolls for all vehicles passing through these sections according to law. Affected by this policy, In the report period, the vehicle traffic and toll income of the controlled subsidiaries and joint ventures of the Company are as follows:

	Toll income in the first half year of 2020 (Ten thousand)	Increase /Decrease(%)
Guangfo Expressway	10,118.98	-56.04%
Fokai Expressway	28,802.15	-53.34%
Jingzhu Expressway Guangzhu East Section	21,943.09	-63.54%
Huiyan Expressway	5,571.51	-52.50%

Guanghui Expressway	44,716.78	-50.67%
Yuezhao Expressway	13,169.31	-51.43%
Jiangzhong Expressway	8,711.84	-61.33%
Kangda Expressway	5,872.95	-51.07%
Gankang Expressway	3,880.08	-55.19%
Guangle Expressway	64,411.57	-58.46%

II. Main business analysis

Refer to relevant contents of “1.Summarization” in “Discussion and Analysis of Management”

Year-on-year change of main financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	660,898,961.79	1,483,673,245.21	-55.46%	Mainly due to the sharp decrease in toll income caused by the influence of the Ministry of Transport's policy of exempting tolls from national toll roads during the COVID-19 epidemic.
Operating cost	524,175,125.06	549,623,810.49	-4.63%	
Administrative expenses	67,990,919.48	76,975,210.47	-11.67%	
Financial expenses	118,613,780.29	103,529,762.40	14.57%	
Income tax expenses	43,240,151.04	189,696,774.05	-77.21%	Mainly due to the decrease in income tax expenses caused by the sharp decline in taxable toll income during the reporting period.
Cash flow generated by business operation, net	417,906,104.34	1,050,811,097.23	-60.23%	Mainly due to the sharp decrease in toll income caused by the influence of the Ministry of Transport's policy of exempting tolls from national toll roads during the COVID-19 epidemic.

Net cash flow generated by investment	-138,276,203.58	-223,968,653.96	38.26%	Mainly due to the comprehensive impact of the decrease and increase in the payment of engineering measurement funds on the equity investment of Hunan Lianzhi Technology Co., Ltd., a joint venture during the reporting period resulted from the completion and opening to traffic of the main line of the reconstruction and expansion project of the south section of Fokai Expressway.
Net cash flow generated by financing	-38,054,052.80	-911,807,967.81	95.83%	Mainly due to the decrease in dividend distribution and interest repayment in this period compared with the same period of last year.
Net increasing of cash and cash equivalents	241,575,847.96	-86,500,045.27	379.28%	It was mainly affected by the net inflow of operating activities, the net outflow of investment activities and the net outflow of financing activities.

Major changes to the profit structure or sources of the Company in the reporting period

Applicable Not applicable

Component of Business Income

In RMB

	This report period		Same period last year		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	660,898,961.79	100%	1,483,673,245.21	100%	-55.46%
Industry					
Highway transportations	608,642,208.79	92.09%	1,449,330,681.59	97.69%	-58.01%
Other	52,256,753.00	7.91%	34,342,563.62	2.31%	52.16%
Product					
Highway transportations	608,642,208.79	92.09%	1,449,330,681.59	97.69%	-58.01%
Other	52,256,753.00	7.91%	34,342,563.62	2.31%	52.16%
Area					
Guangfo Expressway	101,189,814.78	15.31%	230,170,928.97	15.51%	-56.04%

Fokai Expressway	288,021,522.60	43.58%	617,314,121.48	41.61%	-53.34%
Jingzhu Expressway Guangzhu Section	219,430,871.41	33.20%	601,845,631.14	40.57%	-63.54%
Other	52,256,753.00	7.91%	34,342,563.62	2.31%	52.16%

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

Applicable Not applicable

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Highway transportations	608,642,208.79	484,079,794.34	20.47%	-58.01%	-7.16%	-43.55%
Product						
Highway transportations	608,642,208.79	484,079,794.34	20.47%	-58.01%	-7.16%	-43.55%
Area						
Guangfo Expressway	101,189,814.78	38,415,584.17	62.04%	-56.04%	20.86%	-24.15%
Fokai Expressway	288,021,522.60	326,536,944.51	-13.37%	-53.34%	0.27%	-60.61%
Jingzhu Expressway Guangzhu Section	219,430,871.41	119,127,265.66	45.71%	-63.54%	-27.36%	-27.04%

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

Applicable Not applicable

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

Yes No

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

Applicable Not applicable

Any over 30% YoY Movements in the data above and why

Applicable Not applicable

During the epidemic period, affected by the policy of exempting tolls of national toll roads by the Ministry of Communications, the operating income, operating profit and net profit of Guangfo Expressway Co., Ltd., Fokai Expressway Co., Ltd. and Jingzhu Expressway Guangzhu Section Co., Ltd. decreased significantly year on year.

III. Non-core business analysis

√ Applicable □ Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable
Investment income	106,638,564.53	181.96%	It is due to the operation accumulation of participant companies	Yes
Non-operating income	4,077,676.95	6.96%	Mainly due to the decrease in dividend distribution and interest repayment in this period compared with the same period of last year.	No
Non-operating expenses	2,192,008.48	3.74%	It was mainly the expenditure for repairing damaged highway property facilities	No
Other income	<u>3,871,289.20</u>	<u>6.61%</u>	Governmental subsidy	<u>No</u>

IV. Analysis of assets and liabilities

1. Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Monetary fund	3,059,496,742.46	17.51%	2,038,024,951.05	12.42%	5.09%	Mainly due to undistributed cash dividends
Accounts receivable	134,069,638.15	0.77%	103,117,760.85	0.63%	0.14%	
Inventories	111,683.22	0.001%	110,142.49	0.001%	0.00%	
Real estate Investment	3,220,941.13	0.02%	3,442,059.61	0.02%	0.00%	
Long-term equity investment	3,311,674,455.49	18.95%	3,237,607,137.38	19.74%	-0.79%	
Fixed assets	8,709,189,223.95	49.84%	7,911,433,640.97	48.23%	1.61%	It was mainly caused by the completion

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
						and opening of the main line of the reconstruction and expansion project of the southern section of Fokai Expressway and the cancellation of the provincial boundary station project and the transfer of fixed assets
Construction in process	169,594,866.22	0.97%	835,875,363.36	5.10%	-4.13%	Opening to traffic of the main line of the reconstruction and expansion project of the south section of Fokai Expressway and the transfer of fixed assets
Long-term borrowing	4,704,892,500.00	26.93%	3,281,725,000.00	20.00%	6.93%	Increase in borrowing

2.Asset and Liabilities Measured by Fair Value

√Applicable □Not applicable

In RMB

Items	Opening amount	Gain/Loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Closing amount	End of term
Financial assets								
4. Other Equity Instrument Investment	1,668,791,594.53		324,651,822.72					1,640,561,001.25
Subtotal of financial assets	1,835,822,604.77		324,651,822.72					1,640,561,001.25
Total of the above	1,835,822,604.77		324,651,822.72					1,640,561,001.25
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

Current Investment Amount(Yuan)	Same period of last year (Yuan)	Change rate
80,000,000.00	489,183,814.45	-83.65%

The 7th (temporary) meeting of the 9th board of directors of the company deliberated and passed the proposal on increasing capital and investing in Hunan Lianzhi Technology Co., Ltd. to Yuegao capital investment (Hengqin) Co., Ltd., which agreed to increase capital by 80 million yuan to Yuegao capital investment (Hengqin) Co., Ltd, Yuegao capital investment (Hengqin) Co., Ltd. subscribes 10,867,941 additional shares issued by Hunan Lianzhi Technology Co., Ltd. based on the asset appraisal results not higher than the record, with a total investment of no more than 80 million yuan.

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

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

4. Financial assets at fair value

√ Applicable □ Not applicable

In RMB

Type of assets	Initial investment cost	Gain/loss on fair value changes in the reporting period	Accumulated fair value changes recorded in equity	Purchased in the reporting period	Sold in the reporting period	Accumulated return on investment	Ending amount	Funding source
Stock	517,560,876.80		324,651,822.72			352,339,207.77	842,212,699.52	Self funds
Total	517,560,876.80	0.00	324,651,822.72	0.00	0.00	352,339,207.77	842,212,699.52	--

5. Investment of Financial Asset

(1) Securities investment

√ Applicable □ Not applicable

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	Funding source
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Domestic and foreign stocks	601818	Everbright Bank	517,560,876.80	FVM	1,037,474,303.04		324,651,822.72			50,344,558.02	842,212,699.52	Other equity Instrument Investment	Self funds
Total			517,560,876.80	--	1,037,474,303.04	0.00	324,651,822.72	0.00	0.00	50,344,558.02	842,212,699.52	--	--
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.

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	678,991,512.15	595,425,092.21	102,043,817.63	55,909,359.00	44,304,805.16
Jingzhu Expressway Guangzhou 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	2,332,885,951.24	690,097,056.29	232,123,838.11	57,490,033.93	40,472,322.41
Guangzhu Traffic Investment Management Co., Ltd.	Subsidiary	Highway investment management and consultation; highway maintenance	RMB 3 million	2,337,743,507.22	384,382,507.57	232,123,838.11	57,409,254.66	22,178,998.06
Guangdong Guanghui	Sharing company	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and	RMB 2.352 billion	4,302,564,173.64	3,570,690,200.96	457,060,461.67	194,683,584.98	144,984,204.47

Company Name	Company type	Leading products and services	Registered capital	Total assets	Net assets	Operating Income	Operating profit	Net Profit
Expressway Co., Ltd.		maintenance management of Guanghui Expressway, The Guanghui Expressway's supporting gas station, salvation, vehicle maintenance, vehicle transport, catering, warehousing investment and development						
Guangdong Jiangzhong Expressway Co., Ltd.	Sharing company	Investment in the construction, operation and management of the development of Jiangzhong Expressway and Jianghe Expressway Phase II and its supporting projects	RMB 1.11 billion	1,712,107,930.15	1,180,113,111.24	104,710,532.41	-14,280,664.11	-16,497,001.94
Ganzhou Gankang Expressway Co., Ltd.	Sharing company	Investment, construction, operation and management of Ganzhou-Dayu Expressway (Maodian-Sanyi Section) project; Earthwork mining and sales; Road maintenance; Advertising release; Operation of service facilities; Wholesale and retail of building materials, decoration materials, metal materials, construction machinery and equipment and accessories	RMB 755 million	1,584,331,167.78	762,641,803.35	38,800,809.52	-59,590,324.77	-59,444,071.66
Ganzhou Kangda Expressway Co., Ltd.	Sharing company	Investment, construction, operation and management of expressway projects; Road maintenance; Advertising release; Wholesale and retail of construction machinery equipment and accessories	RMB 600 million	1,426,658,448.78	805,832,691.99	58,743,355.98	17,026,337.18	14,779,384.01
Shenzhen Huiyan Expressway Co., Ltd.	Sharing company	Organization and management of the construction of the main line of Huiyan Expressway Shenzhen Section and the operation, maintenance, service, toll collection and road administration after the completion of the main line of Shenzhen Section; Construction management and engineering consultation of roads, bridges and culverts.	RMB 36 million	959,785,075.73	784,035,673.87	56,468,411.60	9,569,598.44	6,569,273.73
Zhaoqing	Sharing	Construction, operation, maintenance and management of	RMB 818 million	1,503,744,063.32	1,030,785,749.81	133,395,780.21	37,946,901.58	28,904,360.90

Company Name	Company type	Leading products and services	Registered capital	Total assets	Net assets	Operating Income	Operating profit	Net Profit
Yuezhao Highway Co., Ltd.	company	Guangzhao Expressway and old roads and their supporting facilities						
Guoyuan Securities Co., Ltd.	Sharing company	Securities brokerage; Securities investment consultation; Financial consultation related to securities trading and securities investment activities; Securities underwriting and sponsorship; Securities self-employment; Securities asset management; Margin trading; Securities investment fund consignment; Provision of intermediate introduction services for futures companies; Consignment of financial products; Insurance concurrent agency business	RMB3.365 billion	88,100,851,539.35	25,046,713,823.04	2,115,128,481.79	783,723,726.93	617,686,456.03
Yueke Technology Petty Loan Co., Ltd	Sharing company	Handling of various small loans; Provision of financing services to microfinance companies in the province; Bill discount business; Financing consultation, accounting consultation and management training business for small and medium-sized science and technology enterprises	RMB 1 billion	1,245,392,724.83	1,094,777,267.19	47,461,378.61	34,937,820.96	27,712,439.29

Subsidiaries obtained or disposed in the reporting period

Applicable Not applicable

Particulars about the Mutual holding companies

During the epidemic period, affected by the policy of exempting tolls of national toll roads by the Ministry of Communications, the operating income, operating profit and net profit of Guangfo Expressway Co., Ltd., Jingzhu Expressway Guangzhu Section Co., Ltd., Guangzhu Transportation Investment Management Co., Ltd., Guangdong Guanghui Expressway Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Ganzhou Gankang Expressway Co., Ltd., Ganzhou kangda Expressway Co., Ltd., Shenzhen Huiyan Expressway Co., Ltd. and Zhaoqing Yuezhao Highway Co., Ltd. decreased significantly year on year.

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Prediction of business performance for January -September 2020

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable Not applicable

X.Risks facing the Company and countermeasures

The company's profits mainly come from the expressway tolls revenue and the toll charging standards shall be examined by the traffic authority of the provincial, autonomous region and the direct-controlled municipality people's governments together with the same-level pricing authority and then submitted to the same-level people's government for approval. Therefore, the charging price adjustment trend and the possibility of the charging price adjustment upon rising of the commodity price and the company cost in the future are still subject to relevant national policies and the approval of the governmental department. And the company can't adjust the charging standards promptly based on its own operation cost or the market supply-demand changes. In conclusion, the charging policies change and the charging standards adjustment have the influence on the expressway business of the company to some extent.

V. Important Events

I. Annual General Meeting and Provisional Shareholders' Meetings in the Reporting Period

1. Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
2019 Shareholders' general meeting	Annual Shareholders' General Meeting	67.90%	June 29,2020	June 30,2020	www.cninfo.com.cn

2. Preferred stockholders restored voting rights to request to convene Provisional Shareholders' Meeting.

Applicable Not applicable

II. Proposal for profit distribution and converting capital Reserve into share actual for the reporting period

Applicable Not applicable

For the reporting period, the Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

III. 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 parties.

Applicable Not applicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

IV. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes No

Not been audited.

V. Explanations given by board of directors and supervisory board regarding “ Modified auditor ’ s ” Issued by CPAs firm for the reporting period

Applicable Not applicable

VI. Explanations given by Board of Directors regarding “ Modified auditor’s Report” Issued for last year

Applicable Not applicable

VII. Bankruptcy and restructuring

Applicable Not applicable

No such cases in the reporting period.

VIII. Legal matters

Significant lawsuits or arbitrations

□ Applicable √ Not applicable

No such cases in the reporting period.

Other legal matters

√ Applicable □ Not applicable

Basic conditions of litigation (arbitration)	Amount involved (Ten thousand yuan)	Forming of the predicted debt	Litigation (arbitration) progress	Litigation (arbitration) judgement result and influence	Litigation (arbitration) judgement execution condition	Date of disclosure	Index of disclosure
<p>On August 22, 2007, Guangdong Fokai Expressway Co., Ltd. filed a lawsuit with Guangzhou Maritime Court officially requiring Foshan Nanhai Yuhang Shipping Co., Ltd. and Yang Xiong to undertake the joint and several liabilities for the toll losses of Fokai company due to the Jiujiang collapse. On March 7, 2014, the court made the first instance judgement requiring the defendants Foshan Nanhai Yuhang Shipping Co., Ltd. and Yang Xiong to compensate the defendant Guangdong Fokai Expressway Co., Ltd. jointly for the vehicle toll revenue loss totaling 19,357,500.96 yuan. Guangdong Higher People's Court entered a judgement on June 5, 2014 and the lawsuit terminated.</p> <p>In April 2017, the reason for suspending the lawsuit was eliminated, and the provincial high court resumed the trial and conducted court investigation. On February 27, 2020, the company received the second-instance judgment of the court, which rejected the appeal and upheld the original judgment. Because the defendant failed to perform the effective judgment, the company applied to Guangzhou Maritime Court for compulsory execution. On July 27, 2020, the company received the enforcement ruling of Guangzhou Maritime Court ([2020] Y 72 Z No.247 - 3rd); A total execution payment of RMB 657,219.33 was transferred to our company by the court, and the execution</p>	1,935.75	No	The judgment of the second instance came into effect	No major influence on the company asset conditions and the operation results.	Upheld the original judgment. After receiving the execution payment of RMB 657,219.33, the court terminated the execution procedure according to law.		

procedure was terminated according to law.							
<p>On June 12, 2009, the 6.15 accident-causing boat owner Yang Xiong filed a lawsuit with Guangzhou Maritime Court requiring Fokai company to compensate for the boat loss and interest totaling 7.28 million yuan. On December 20, 2013, the court made the first instance judgement rejecting all litigation claims of Yang Xiong. He filed a lawsuit with Guangdong Higher People's Court against such sentence above, and the second instance terminated the lawsuit in May 2014. In April 2017, the reason for suspending the lawsuit was eliminated, and the provincial high court resumed the trial and conducted court investigation. On February 27, 2020, the company received the second-instance judgment of the court, which rejected the appeal and upheld the original judgment.</p>	728	No	The judgment of the second instance came into effect	No major influence on the company asset conditions and the operation results.	No execution is involved.		

IX. Doubts from media

Applicable Not applicable

The Company had no issues about which media generally raised doubts in the reporting period.

X. Punishments and rectifications

Applicable Not applicable

No such cases in the reporting period.

XI. Credit conditions of the Company as well as its Controlling shareholder and actual Controller

Applicable Not applicable

XII. Equity incentive plans, employee stock ownership plans or other incentive measures for employees

Applicable Not applicable

No such cases in the reporting period.

XIII. Material related transactions

1. Related transactions in connection with daily operation

Applicable Not applicable

No such cases in the reporting period.

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

Applicable Not applicable

No such cases in the reporting period.

3. Related-party transitions with joint investments

Applicable Not applicable

No such cases in the reporting period.

4. Amounts due to and from related parties

Applicable Not applicable

Does there exist non-operating current associated rights of credit and liabilities

Yes No

No such cases in the reporting period.

5. Other significant related-party transactions

√ Applicable □ Not applicable

The 3rd (Provisional) Meeting of the Ninth Board of Directors of the Company reviewed and approved the Proposal on Borrowing Entrusted Loans from Guangdong Jiangzhong Expressway Co., Ltd. according to the procedure for reviewing related party transactions, involving an amount of RMB 18 million, accounting for 0.19% of the owner's equity of RMB 9,586,701,900 attributable to shareholders of the company at the end of 2018.

2.The 4th meeting of the Ninth board of directors of the Company examined and adopted the Proposal Concerning the Company Daily Associated Transactions Predicted of 2020 , Agree on the predicted daily associated transactions for the company headquarters, wholly-owned and holding subsidiaries of 2020, whose amount in total is RMB 60.0912 million .

3.The 5th meeting of the Ninth board of directors of the Company examined and adopted the Proposal for Renewing the Lease of Litong Plaza as Office Building, 1. Agree that the company continues leasing all units in the 44th and 43rd floors (all units of the self-numbered 46th and 45th floors) among planned floors in Litong Square from Guangdong Litong Properties Investment Co., Ltd. as offices for three years from May 5, 2020 to May 4, 2023. The standard rent per month is 815,233.68 yuan for the period from May 5, 2020 to May 4, 2021 , 839,690.69 yuan for the period from May 5, 2021 to May 4, 2022 and 864,884.64 yuan for the period from May 5, 2022 to May 4, 2023.

4.The 6th meeting of the Ninth board of directors of the Company examined and adopted the Proposal on agreeing to the signing of the Supplementary Contract for the Contract for Period 2018 to 2020 Entrusted Operation and Management of the Guangdong Jingzhu Expressway Guangzhu North Section, Agreed that the Jingzhu Expressway Guangzhu Section Co., Ltd. and Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd. signed the "Supplementary Contract for the 'Contract for Period 2018 to 2020 Entrusted Operation and Management of the Guangdong Jingzhu Expressway Guangzhu North Section' ", which adds a transaction amount of 2.5 million yuan in the base of the total contract value of the " Contract for Period 2018 to 2020 Entrusted Operation and Management of the Guangdong Jingzhu Expressway Guangzhu North Section "-and the contract amount does not exceed 62.5 million yuan after this increase.

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 (Announcement No.:2020-004)	January 2,2020	www.cninfo.com.cn
Estimates announcement of the Daily (Announcement No.:2020-012)	April 7,2020	www.cninfo.com.cn
Announcement of related party transaction (Announcement No.:2020-017)	April 29,2020	www.cninfo.com.cn
Announcement on affiliated transactions of entrusted operations of subsidiaries (Announcement No.:2020-020)	June 9,2020	www.cninfo.com.cn

XIV. Particulars about the non-operating occupation of funds by the Controlling shareholder and other related parties of the Company

Applicable Not applicable

The company was not involved in the non-operating occupation of funds by the controlling shareholder and other related parties during the reporting period.

XV. Significant contracts and execution

1. Entrustments, contracting and leasing

(1) Entrustment

Applicable Not applicable

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

No such cases in the reporting period.

2. Significant Guarantees

Applicable Not applicable

No such cases in the reporting period.

3. Finance management on commission

Applicable Not applicable

No such cases in the reporting period.

4. Other significant contract

Applicable Not applicable

No such cases in the reporting period.

XVI. Social responsibilities

1. Major environmental protection

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

No

The Company's main business is highway operation and management, which does not belong to the key pollutant discharge units announced by the environmental protection department.

2. Measures Taken for Targeted Poverty Alleviation

(1) Targeted poverty alleviation plans

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

(2) Summary of related work done in the reporting period

None

(3) Results of Targeted measures

None

(4) Subsequent plans

None

XVI. Other material events

Applicable Not applicable

XVIII. Material events of subsidiaries

Applicable Not applicable

VI. Change of share capital and shareholding of Principal Shareholders

I.Changes in share capital

1. Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1.Shares with conditional subscription	439,384,658	21.02%				-136,866	-136,866	439,247,792	21.01%
1.State-owned shares	410,032,765	19.61%				7,931	7,931	410,040,696	19.61%
2.State-owned legal person shares	21,712,738	1.04%					0	21,712,738	1.04%
3.Other domestic shares	7,639,155	0.37%				-144,797	-144,797	7,494,358	0.36%
Including : Domestic Legal person shares	7,028,355	0.34%					0	7,028,355	0.34%
Domestic natural person shares	610,800	0.03%				-144,797	-144,797	466,003	0.02%
4.Foreign shares	0	0.00%				0	0	0	0.00%
Including: Foreign Legal person shares	0	0.00%					0	0	0.00%
Foreign natural person shares	0	0.00%					0	0	0.00%
II.Shares with unconditional subscription	1,651,421,468	78.98%				136,866	136,866	1,651,558,334	78.99%
1.Common shares in RMB	1,302,772,793	62.31%				137,741	137,741	1,302,910,534	62.32%

2.Foreign shares in domestic market	348,648,675	16.68%					-875	-875	348,647,800	16.68%
3.Foreign shares in Overseas 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. Within the reporting period, 17 shareholders reimbursed 7,931 shares of Guangdong Provincial Communication Group Company Limited, which were converted from domestic natural person to "national shareholding".

2.During the reporting period, 137,741 shares held by domestic natural persons with limited sales conditions were converted into shares with unlimited sales conditions.

3.During the reporting period, Ms. Wang Ping, the outgoing director, held 875 "unrestricted shares" and changed them into "restricted shares".

4.During the reporting period, Ms. Li Mei, the outgoing supervisor, held 86,629 restricted shares and changed them into unrestricted shares.

Approval of Change of Shares

Applicable Not applicable

Ownership transfer of share changes

Applicable Not applicable

Progress of implementation of the stock repurchase

Applicable Not applicable

Progress of implementation of reduction of the holding size of the shares repurchased by 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

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.	410,032,765		7,931	410,040,696	The shares for restricted sales by share reform has not yet be subject to the procedures for lifting the restriction.	Unknown
17 shareholders	59,043	51,112		0	Release of restrictions on sales	June 24,2020

Wang Ping	2,625		875	3,500	Top management locking shares	Unknown
Li Mei	86,629	86,629		0	Deletion of top management locking shares	January 2020
Total	410,181,062	137,741	8,806	410,044,196	--	--

II. Issuing and listing

Applicable Not applicable

III. Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period			55,107	Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)			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%	513,420,438	7931	410,040,696	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 Provincial Freeway Co.,Ltd.	State-owned legal person	2.53%	52,937,491		19,582,228	33,355,263		
China Life Insurance Co., Ltd.Traditional – Common insurance products-005L-CT001Shen	Other	1.78%	37,225,847	5913227		37,225,847		
China Life Insurance Co., Ltd. – Dividend – Personal dividend -005L-FH002 Shen	Other	1.74%	36,330,529	1554976		36,330,529		
Orient Securities Co., Ltd.	State-owned legal person	1.08%	22,508,593	593200		22,508,593		
Feng Wuchu	Domestic natural person shares	0.93%	19,542,552	3078105		19,542,552		
Guangfa Securities Co., Ltd.	Domestic non State-owned Legal person	0.73%	15,364,426	-14999946		15,364,426		
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	466,325,020
Yadong Fuxing Yalian Investment Co., Ltd.	202,429,149	RMB Common shares	202,429,149
Guangdong Communication Group Co.,Ltd	103,379,742	RMB Common shares	103,379,742
Tibet Yingyue Investment Management Co., Ltd.	101,214,574	RMB Common shares	101,214,574
China Life Insurance Co., Ltd.—Traditional—Common insurance products-005L-CT001Shen	37,225,847	RMB Common shares	37,225,847
China Life Insurance Co., Ltd.—Traditional—Common insurance products-005L-CT001Shen	36,330,529	RMB Common shares	36,330,529
Guangdong Provincial Freeway Co.,Ltd.	33,355,263	RMB Common shares	33,355,263
Orient Securities Co., Ltd.	22,508,593	RMB Common shares	22,508,593
Feng Wuchu	19,542,552	RMB Common shares	17,457,489
		Foreign shares placed in domestic exchange	2,085,063
Guangfa Securities Co., Ltd.	15,364,426	RMB Common shares	15,364,426
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)	None

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.

IV. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not Applicable

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

Change of the actual controller in the reporting period

Applicable Not applicable

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

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

Applicable Not applicable

There was no change in shareholding of directors, supervisors and senior management staffs, for the specific information please refer to the 2019 Annual Report

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

Applicable Not applicable

Name	Positions	Types	Date	Reason
Wang Ping	Director	Left	January 8,2020	Retiree
Du Jun	Director	Left	June 24,2020	Resign

X. Corporate Bond

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

No

XI. Financial Report

I. Audit report

Has this semi-annual report been audited?

Yes No

The semi-annual report was not audited.

II. Financial statements

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

1. Consolidated balance sheet

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

June 30,2020

In RMB

Items	June 30,2020	December 30,2019
Current asset:		
Monetary fund	3,059,496,742.46	2,817,920,894.50
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	134,069,638.15	125,343,724.66
Financing of receivables		
Prepayments	3,072,462.33	10,894,246.41
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	22,983,175.46	26,618,178.57
Including: Interest receivable		
Dividend receivable	10,955,472.90	7,205,472.90

Items	June 30,2020	December 30,2019
Repurchasing of financial assets		
Inventories	111,683.22	111,683.22
Contract assets	5,246,547.77	
Assets held for sales		
Non-current asset due within 1 year	51,745.32	51,745.32
Other current asset	310,673.32	
Total of current assets	3,225,342,668.03	2,980,940,472.68
Non-current assets:		
Loans and payment on other' s behalf disbursed		
Creditor's right investment		
Other investment on bonds		
Long-term receivable		
Long term share equity investment	3,311,674,455.49	3,255,739,898.36
Other equity instruments investment	1,640,561,001.25	1,835,822,604.77
Other non-current financial assets		
Property investment	3,220,941.13	3,331,500.37
Fixed assets	8,709,189,223.95	8,925,700,473.65
Construction in progress	169,594,866.22	229,098,299.48
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	5,394,247.13	6,393,895.17
Development expenses		
Goodwill		
Long-germ expenses to be amortized	1,061,255.72	1,114,764.44
Deferred income tax asset	372,498,584.43	385,494,106.13
Other non-current asset	34,923,769.57	50,909,325.73
Total of non-current assets	14,248,118,344.89	14,693,604,868.10
Total of assets	17,473,461,012.92	17,674,545,340.78
Current liabilities		
Short-term loans		
Loan from Central Bank		

Items	June 30,2020	December 30,2019
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	304,813,240.45	290,657,734.31
Advance receipts	11,199,716.35	15,605,094.69
Contract liabilities	108,100.88	
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	20,189,767.97	14,822,524.70
Tax payable	37,853,454.17	84,257,586.94
Other account payable	1,425,833,813.99	626,180,586.92
Including: Interest payable		
Dividend payable	954,302,889.90	20,020,119.31
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	159,172,771.75	795,861,958.07
Other current liability	1,603,872.74	189,628.17
Total of current liability	1,960,774,738.30	1,827,575,113.80
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	4,704,892,500.00	4,640,425,000.00
Bond payable	1,426,014,144.87	678,124,972.89
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	40,406,172.36	39,369,379.91
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	32,279,824.81	

Items	June 30,2020	December 30,2019
Deferred income tax liability	192,395,432.59	238,453,976.29
Other non-current liabilities		
Total non-current liabilities	6,395,988,074.63	5,596,373,329.09
Total of liability	8,356,762,812.93	7,423,948,442.89
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,566,524,645.31	2,562,570,465.31
Less: Shares in stock		
Other comprehensive income	238,280,420.37	382,193,344.90
Special reserve		
Surplus reserves	910,425,068.90	910,425,068.90
Common risk provision		
Retained profit	2,989,281,402.29	3,877,431,844.64
Total of owner's equity belong to the parent company	8,795,317,662.87	9,823,426,849.75
Minority shareholders' equity	321,380,537.12	427,170,048.14
Total of owners' equity	9,116,698,199.99	10,250,596,897.89
Total of liabilities and owners' equity	17,473,461,012.92	17,674,545,340.78

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

2.Parent Company Balance Sheet

In RMB

Items	June 30,2020	December 31,2019
Current asset:		
Monetary fund	3,009,059,379.39	2,791,384,501.78
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	21,134,758.62	21,864,051.27
Financing of receivables		
Prepayments	1,477,900.00	1,737,598.88
Other account receivable	173,590,519.85	13,435,651.19
Including: Interest receivable		
Dividend receivable	166,906,851.62	7,205,472.90
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	178,335,084.79	151,637,139.08
Other current asset	310,673.32	
Total of current assets	3,383,908,315.97	2,980,058,942.20
Non-current assets:		
Debt investment	539,903,684.98	537,903,684.98
Other investment on bonds		
Long-term receivable		
Long term share equity investment	4,845,339,464.30	4,789,404,907.17
Other equity instruments investment	1,640,561,001.25	1,835,822,604.77
Other non-current financial assets		
Property investment	2,968,802.88	3,079,362.12
Fixed assets	6,600,491,692.05	6,818,701,482.08
Construction in progress	21,047,579.91	46,952,925.08
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	2,151,767.67	2,533,878.12

Items	June 30,2020	December 31,2019
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	372,284,373.89	385,296,935.33
Other non-current asset	20,941,346.07	36,901,029.57
Total of non-current assets	14,045,689,713.00	14,456,596,809.22
Total of assets	17,429,598,028.97	17,436,655,751.42
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	176,971,650.64	129,930,285.56
Advance receipts		
Contract Liabilities		
Employees' wage payable	5,941,810.21	6,340,740.61
Tax payable	5,063,328.85	8,704,510.83
Other account payable	1,330,815,068.94	582,131,356.01
Including: Interest payable		
Dividend payable	902,319,096.99	20,020,119.31
Liabilities held for sales		
Non-current liability due within 1 year	121,198,409.74	744,589,133.72
Other current liability	660,427,825.56	821,133,339.57
Total of current liability	2,300,418,093.94	2,292,829,366.30
Non-current liabilities:		
Long-term loan	4,223,862,500.00	4,243,730,000.00
Bond payable	1,426,014,144.87	678,124,972.89
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	40,406,172.36	39,369,379.91
Long-term remuneration payable to staff		

Items	June 30,2020	December 31,2019
Expected liabilities		
Deferred income	15,044,550.85	
Deferred income tax liability	81,162,955.68	129,978,356.56
Other non-current liabilities		
Total non-current liabilities	5,786,490,323.76	5,091,202,709.36
Total of liability	8,086,908,417.70	7,384,032,075.66
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,978,412,876.93	2,974,458,696.93
Less: Shares in stock		
Other comprehensive income	238,280,420.37	382,193,344.90
Special reserve		
Surplus reserves	894,580,785.25	894,580,785.25
Retained profit	3,140,609,402.72	3,710,584,722.68
Total of owners' equity	9,342,689,611.27	10,052,623,675.76
Total of liabilities and owners' equity	17,429,598,028.97	17,436,655,751.42

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	The first half year of 2020	The first half year of 2019
I. Income from the key business	660,898,961.79	1,483,673,245.21
Incl: Business income	660,898,961.79	1,483,673,245.21
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	714,453,628.80	736,685,807.33
Incl: Business cost	524,175,125.06	549,623,810.49
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	3,673,803.97	6,557,023.97
Sales expense		
Administrative expense	67,990,919.48	76,975,210.47
R & D costs		
Financial expenses	118,613,780.29	103,529,762.40
Including: Interest expense	131,774,768.90	115,040,857.71
Interest income	14,760,756.18	15,761,707.69
Add: Other income	3,871,289.20	420,227.62
Investment gain ("-" for loss)	106,638,564.53	276,241,866.32
Incl: investment gains from affiliates	55,853,351.49	237,712,998.09
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	The first half year of 2020	The first half year of 2019
Credit impairment loss	-236,683.81	
Impairment loss of assets		
Assets disposal income	4.37	13,129,094.29
III. Operational profit (“-” for loss)	56,718,507.28	1,036,778,626.11
Add : Non-operational income	4,077,676.95	735,359.76
Less: Non-operating expense	2,192,008.48	4,231,407.95
IV. Total profit(“-” for loss)	58,604,175.75	1,033,282,577.92
Less: Income tax expenses	43,240,151.04	189,696,774.05
V. Net profit	15,364,024.71	843,585,803.87
(I) Classification by business continuity		
1. Net continuing operating profit		
2. Termination of operating net profit		
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	-5,830,257.18	736,486,112.30
2. Minority shareholders’ equity	21,194,281.89	107,099,691.57
VI. Net after-tax of other comprehensive income	-143,912,924.53	18,938,083.74
Net of profit of other comprehensive income attributable to owners of the parent company.	-143,912,924.53	18,938,083.74
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-146,446,202.64	19,408,532.88
1. Re-measurement of defined benefit plans of changes in net debt or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	-146,446,202.64	19,408,532.88
4. Changes in the fair value of the company’ s credit risks		

Items	The first half year of 2020	The first half year of 2019
5.Other		
(II)		
Other comprehensive income that will be reclassified into profit or loss.	2,533,278.11	-470,449.14
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	2,533,278.11	-470,449.14
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-128,548,899.82	862,523,887.61
Total comprehensive income attributable to the owner of the parent company	-149,743,181.71	755,424,196.04
Total comprehensive income attributable minority shareholders	21,194,281.89	107,099,691.57
VIII. Earnings per share		
(I) Basic earnings per share	-0.0028	0.35
(II)Diluted earnings per share	-0.0028	0.35

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	The first half year of 2020	The first half year of 2019
I. Income from the key business	293,579,730.04	623,126,517.35
Incl: Business cost	328,657,958.84	329,190,674.52
Business tax and surcharge	2,414,928.72	3,486,292.37
Sales expense		
Administrative expense	40,263,656.49	46,996,060.64
R & D expense		
Financial expenses	111,941,828.19	96,377,160.24
Including: Interest expenses	126,623,134.06	109,559,414.30
Interest income	14,718,213.69	15,652,128.26
Add: Other income	1,348,815.87	70,758.72
Investment gain ("-" for loss)	513,084,202.15	975,659,501.70
Including: investment gains from affiliates	55,853,351.49	237,712,998.09
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income	4.37	
II. Operational profit ("-" for loss)	324,734,380.19	1,122,806,590.00
Add : Non-operational income	1,033,092.43	298,935.96
Less: Non -operational expenses	410,045.97	370,829.17
III. Total profit("-" for loss)	325,357,426.65	1,122,734,696.79
Less: Income tax expenses	13,012,561.44	44,083,178.65
IV. Net profit	312,344,865.21	1,078,651,518.14
1. Net continuing operating profit	312,344,865.21	1,078,651,518.14
2. Termination of operating net profit		
V. Net after-tax of other comprehensive income	-143,912,924.53	18,938,083.74
(I) Other comprehensive income	-146,446,202.64	19,408,532.88

Items	The first half year of 2020	The first half year of 2019
items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	-146,446,202.64	19,408,532.88
4. Changes in the fair value of the company' s credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified into profit or loss	2,533,278.11	-470,449.14
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	2,533,278.11	-470,449.14
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	168,431,940.68	1,097,589,601.88
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	The first half year of 2020	The first half year of 2019
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	663,862,643.34	1,509,571,069.40
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	77,578.62	
Other cash received from business operation	72,322,240.45	25,618,718.28
Sub-total of cash inflow	736,262,462.41	1,535,189,787.68
Cash paid for purchasing of merchandise and services	67,174,129.05	92,703,135.93
Net increase of client trade and advance		

Items	The first half year of 2020	The first half year of 2019
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	131,184,471.77	143,256,732.77
Taxes paid	99,376,789.76	210,497,035.66
Other cash paid for business activities	20,620,967.49	37,921,786.09
Sub-total of cash outflow from business activities	318,356,358.07	484,378,690.45
Net cash generated from /used in operating activities	417,906,104.34	1,050,811,097.23
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	133,441,465.51	176,375,388.78
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	17,625.00	13,961,500.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	133,459,090.51	190,336,888.78
Cash paid for construction of fixed assets, intangible assets and other long-term assets	191,735,294.09	414,305,542.74
Cash paid as investment	80,000,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment		

Items	The first half year of 2020	The first half year of 2019
activities		
Sub-total of cash outflow due to investment activities	271,735,294.09	414,305,542.74
Net cash flow generated by investment	-138,276,203.58	-223,968,653.96
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	1,195,000,000.00	2,231,700,000.00
Other financing - related cash received		
Sub-total of cash inflow from financing activities	1,195,000,000.00	2,231,700,000.00
Cash to repay debts	1,083,917,500.00	1,620,130,000.00
Cash paid as dividend, profit, or interests	148,014,375.80	1,522,586,583.81
Including: Dividend and profit paid by subsidiaries to minor shareholders	75,000,000.00	220,140,964.92
Other cash paid for financing activities	1,122,177.00	791,384.00
Sub-total of cash outflow due to financing activities	1,233,054,052.80	3,143,507,967.81
Net cash flow generated by financing	-38,054,052.80	-911,807,967.81
IV. Influence of exchange rate alternation on cash and cash equivalents		-1,534,520.73
V.Net increase of cash and cash equivalents	241,575,847.96	-86,500,045.27
Add: balance of cash and cash equivalents at the beginning of term	2,816,699,694.50	2,123,303,796.32
VI ..Balance of cash and cash equivalents at the end of term	3,058,275,542.46	2,036,803,751.05

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	The first half year of 2020	The first half year of 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	302,123,119.55	641,027,153.33
Tax returned		
Other cash received from business operation	63,304,430.86	24,885,810.30
Sub-total of cash inflow	365,427,550.41	665,912,963.63
Cash paid for purchasing of merchandise and services	15,346,627.62	24,226,244.52
Cash paid to staffs or paid for staffs	52,390,979.85	56,174,438.87
Taxes paid	13,428,897.71	24,543,436.06
Other cash paid for business activities	201,770,756.58	444,674,884.91
Sub-total of cash outflow from business activities	282,937,261.76	549,619,004.36
Net cash generated from /used in operating activities	82,490,288.65	116,293,959.27
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	358,767,434.26	846,967,754.67
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	6,300.00	3,700.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	358,773,734.26	846,971,454.67
Cash paid for construction of fixed assets, intangible assets and other long-term assets	118,535,092.50	399,081,697.08

Items	The first half year of 2020	The first half year of 2019
Cash paid as investment	82,000,000.00	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	200,535,092.50	399,081,697.08
Net cash flow generated by investment	158,238,641.76	447,889,757.59
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,135,000,000.00	1,845,000,000.00
Other financing - related cash received		
Sub-total of cash inflow from financing activities	1,135,000,000.00	1,845,000,000.00
Cash to repay debts	1,083,917,500.00	1,197,780,000.00
Cash paid as dividend, profit, or interests	73,014,375.80	1,289,730,502.83
Other cash paid for financing activities	1,122,177.00	791,384.00
Sub-total of cash outflow due to financing activities	1,158,054,052.80	2,488,301,886.83
Net cash flow generated by financing	-23,054,052.80	-643,301,886.83
IV. Influence of exchange rate alternation on cash and cash equivalents		-1,534,520.73
V. Net increase of cash and cash equivalents	217,674,877.61	-80,652,690.70
Add: balance of cash and cash equivalents at the beginning of term	2,790,163,301.78	2,095,376,368.04
VI. Balance of cash and cash equivalents at the end of term	3,007,838,179.39	2,014,723,677.34

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	The first half year of 2020														Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company															
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal			
		Preferred stock	Sustainable debt	Other												
I. Balance at the end of last year	2,090,806,126.00				2,562,570,465.31		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	
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				2,562,570,465.31		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	
III. Changed in the current year					3,954,180.00		-143,912,924.53				-888,150,442.35		-1,028,109,186.88	-105,789,511.02	-1,133,898,697.90	

Items	The first half year of 2020														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
		Preferred stock	Sustainable debt	Other											
(1) Total comprehensive income						-143,912,924.53					-5,830,257.18		-149,743,181.71	21,194,281.89	-128,548,899.82
(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											-882,320,185.17		-882,320,185.17	-126,983,792.91	-1,009,303,978.08
1. Providing of surplus reserves															

Items	The first half year of 2020															
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity	
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal			
		Preferred stock	Sustainable debt	Other												
2. Providing of common risk provisions																
3. Allotment to the owners (or shareholders)													-882,320,185.17	-882,320,185.17	-126,983,792.91	-1,009,303,978.08
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																

Items	The first half year of 2020														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														
5. Other comprehensive income carry-over retained earnings																	
6. Other																	
(V). Special reserves																	
1. Provided this year																	
2. Used this term																	
(VI) Other					3,954,180.00									3,954,180.00			3,954,180.00
IV. Balance at the end of this term	2,090,806,126.00				2,566,524,645.31		238,280,420.37		910,425,068.90		2,989,281,402.29		8,795,317,662.87	321,380,537.12			9,116,698,199.99

Amount in last year

In RMB

Items	The first half year of 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	Common risk provision	Retained profit	Other					
		Prefer red stock	Sustai nable debt	Other													
I. Balance at the end of last year	2,090,806,126.00				2,536,774,965.31			245,109,114.81			775,402,561.35			3,938,609,136.59	9,586,701,904.06	459,599,723.87	10,046,301,627.93
Add: Change of accounting policy								11,064,350.29						-11,353,413.48	-289,063.19		-289,063.19
Correcting of previous errors																	
Merger of entities under common control																	
Other																	
II. Balance at the beginning of current year	2,090,806,126.00				2,536,774,965.31			256,173,465.10			775,402,561.35			3,927,255,723.11	9,586,412,840.87	459,599,723.87	10,046,012,564.74
III. Changed in the current year					25,795,500.00			18,938,083.74						-438,546,930.51	-393,813,346.77	-116,287,013.72	-510,100,360.49
(1) Total comprehensive income								18,938,083.74						736,486,112.30	755,424,196.04	107,099,691.57	862,523,887.61

Items	The first half year of 2019														Minor shareholders' equity	Total of owners' equity				
	Owner' s equity Attributable to the Parent Company												Subtotal	Minor shareholders' equity			Total of owners' equity			
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other						Subtotal	Minor shareholders' equity	Total of owners' equity
		Prefer red stock	Sustai nable 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											-1,175,033,042.81		-1,175,033,042.81			-223,386,705.29	-1,398,419,748.10			
1. Providing of surplus reserves																				
2. Providing of common																				

Items	The first half year of 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	Common risk provision	Retained profit	Other					
		Prefer red stock	Sustai nable debt	Other													
risk provisions																	
3. Allotment to the owners (or shareholders)										-1,175,033,042.81			-1,175,033,042.81		-223,386,705.29	-1,398,419,748.10	
4. Other																	
(IV) Internal transferring of owners' equity																	
1. Capitalizing of capital reserves (or to capital shares)																	
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																	

Items	The first half year of 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	Common risk provision	Retained profit	Other				
	Prefer red stock	Sustai nable debt	Other													
Retained earnings																
5. Other comprehensive income carry-over retained earnings																
6. Other																
(V). Special reserves																
1. Provided this year																
2. Used this term																
(VI) Other					25,795,500.00								25,795,500.00			25,795,500.00
IV. Balance at the end of this term	2,090,806,126.00				2,562,570,465.31		275,111,548.84		775,402,561.35		3,488,708,792.60		9,192,599,494.10	343,312,710.15		9,535,912,204.25

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	The first half year of 2020											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Prefe rred stock	Sustain able debt	Other								
I.Balance at the end of last year	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
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	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
III.Changed in the current year					3,954,180.00		-143,912,924.53			-569,975,319.96		-709,934,064.49
(I) Total comprehensive income							-143,912,924.53			312,344,865.21		168,431,940.68
(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												

Items	The first half year of 2020											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable debt	Other								
4. Other												
(III) Profit allotment										-882,320,185.17		-882,320,185.17
1. Providing of surplus reserves												
2. Allotment to the owners (or shareholders)												
3. Other										-882,320,185.17		-882,320,185.17
(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												

Items	The first half year of 2020											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable debt	Other								
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other					3,954,180.00							3,954,180.00
IV. Balance at the end of this term	2,090,806,126.00				2,978,412,876.93		238,280,420.37		894,580,785.25	3,140,609,402.72		9,342,689,611.27

Amount in last year

In RMB

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

Items	The first half year of 2019											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable debt	Other								
3.Amount of shares paid and accounted as owners' equity												
4. Other												
(III) Profit allotment										-1,175,033,042.81		-1,175,033,042.81
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)												
3. Other										-1,175,033,042.81		-1,175,033,042.81
(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												

Items	The first half year of 2019											
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable debt	Other								
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		275,111,548.84		759,558,277.70	3,572,430,102.71		9,672,364,752.18

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

III. Company Profile

1. Basic information of the IPO and share capital of the company

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 764,256,249 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.

2. Company's registered place and headquarters address

Company name: Guangdong Provincial Expressway Development Co., Ltd.

Registration place No.85, Baiyun Road, Yuexiu District, Guangzhou.

Headquarters Office : 45-46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe District , Guangzhou

3. Business nature and main business activities

Industry and main products of the company: highway management and maintenance.

General business items: investment, construction, charging, maintenance and service management of expressways, grade roads and bridges; Automobile rescue service, maintenance and cleaning; Parking lot charges; Design, production, release and agency of all kinds of advertisements at home and abroad; Land development along the highway; Warehousing business; Intelligent transportation technology research and development and service; Equity investment, management and consultation. (Projects that must be approved according to law can be operated only after being approved by relevant departments).

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 Guangzhu Co., Ltd.,Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd.,Ganzhou Kangda Expressway , Ganzhou Gankang Expressway Co., Ltd.,Guangdong Yueke Technology Micro Loan Co., Ltd.,Guangdong Guangle Expressway Co.,Ltd., Guoyuan Securities Co., Ltd.and Hunan Lianzhi Technology Co., Ltd.

4. Scope and changes of consolidated financial statements in the current period

(1) Scope of current consolidated financial statements

The consolidated scope of the current financial statements involves Guangdong Expressway Technology Investment Co., Ltd., Guangzhou Guangzhu Transportation Investment Management Co., Ltd., Yuegao Capital Investment (Hengqin) Co., Ltd., its holding subsidiaries Guangfo Expressway Co., Ltd. and Jingzhu Expressway Guangzhu Section Co., Ltd..

(2) Changes in the scope of consolidated financial statements in the current period

None

5. Approval and submission date of financial report

The financial statements have been authorized for issuance by the Board of Directors of the Group on August 25, 2020.

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

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, 2020 and from January to June 2020,. 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

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

1. Business Combinations under the Same Control

If business participating in the combination are ultimately controlled by the same party or parties before and after the combination, and the control is not temporary, it is an business combination under the same control. Usually, business combination under the same control refers to the combination between business within the same business, except which it is generally not regarded as business combination under the same control.

The assets and liabilities obtained by the Company as the combining party in the business combination shall be measured according to the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the combination date. For the long-term equity investment formed by holding combination under the same control, the company takes the share of the book owner's equity of the combined party on the combination date as the initial investment cost for forming the long-term equity investment. See the long-term equity investment for relevant accounting treatment; The assets and liabilities obtained by absorption and combination under the same control shall be recorded by the Company according to the original book value of the related assets and liabilities in the combined party. The company adjusts the capital reserve according to the difference between the book value of the net assets obtained and the book value of the combination consideration paid (or the total par value of the issued shares); If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

All directly related expenses incurred by the Company as a combining party for business combination, including audit fees, evaluation fees, legal service fees, etc., are included in the current profits and losses when incurred.

Fees and commissions paid for bonds issued by enterprises or other debts shall be included in the initial measurement amount of bonds and other debts issued. Fees, commissions and other expenses incurred in issuing equity securities in business combination shall be offset against the premium income of equity securities, and if the premium income is insufficient to offset, the retained earnings shall be offset.

If the holding under the same control is combined to form a parent-subsidary relationship, the parent company shall prepare consolidated financial statements on the consolidation date, including consolidated balance sheet, consolidated income statement and consolidated cash flow statement.

For the consolidated balance sheet, the book value of the combined party in the consolidated financial statements of the ultimate controlling party shall be incorporated into the consolidated financial statements, and the transactions between the combining party and the combined party on the consolidation date and the previous period shall be regarded as internal transactions and offset according to the relevant principles of "Consolidated Financial Statements"; The consolidated income statement and cash flow statement include the net profit and cash flow realized by the combining party and the combined party from the beginning of the current consolidation period to the consolidation date, and involve the cash flow generated by the transactions and internal transactions between the two parties in the current period, which shall be offset according to the relevant principles of the consolidated financial statements.

2. If the parties involved in the combination are not ultimately controlled by the same party or parties before and after the combination, it is a business combination not under the same control.

Business Combinations not under the Same Control

Determine the cost of business combination: the cost of business combination includes the fair value of cash or non-cash assets paid by the purchaser for business combination, debts issued or assumed, and equity securities issued on the purchase date.

In the business combination not under the same control, the intermediary expenses such as auditing, legal services, evaluation and consultation and other related management expenses incurred by the purchaser for the business combination shall be included in the current profits and losses when they occur; Transaction costs of equity securities or debt securities issued by the purchaser as combination consideration shall be included in the initial recognized amount of equity securities or debt securities.

For the long-term equity investment obtained by holding combination not under the same control, the company takes the combination cost determined on the purchase date (excluding cash dividends and profits that should be collected from the investee) as the initial investment cost for the long-term equity investment of the purchaser; All identifiable assets and liabilities obtained by absorption and combination under different control that meet the recognition conditions shall be recognized as assets and liabilities of the enterprise at fair value on the date of purchase. If the Company takes non-monetary assets as consideration to obtain the control right of the purchaser or various identifiable assets and liabilities, the difference between the fair value of the relevant non-monetary assets on the purchase date and their book value shall be taken as the disposal profit and loss of the assets and recorded in the income statement of the current consolidation period.

In a business combination not under the same control, the difference between the cost of business combination and the fair value share of identifiable net assets of the purchaser obtained in the combination is recognized as goodwill; In the case of absorption and combination, the difference is recognized as goodwill in the individual financial statements of the parent company; In the case of holding combination, the difference is listed as goodwill in the consolidated financial statements.

The cost of business combination is less than the difference between the fair value share of identifiable net assets acquired during the combination, which is included in the profits and losses (non-operating income) of the current combination period after review by the Company. In the case of absorption and combination, the difference is included in the individual income statement of the parent company in the current combination period; In the case of holding combination, the difference is included in the consolidated income statement of the current combination period.

If the business combination not under the same control realized step by step through multiple exchange

transactions is a package transaction, each transaction will be treated as a transaction to obtain control rights; If it is not a package transaction, the equity of the purchased party held before the purchase date shall be re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value shall be included in the current investment income; If the equity of the purchased party held before the purchase date involves other comprehensive income, other comprehensive income related to it shall be converted into the investment income of the current period on the purchase date, except for other comprehensive income arising from the re-measurement of net liabilities or changes in net assets of the defined benefit plans by the invested party.

6. Compilation method of consolidated financial statements

(1) Consolidation scope

The consolidation scope of consolidated financial statements is determined on the basis of control. Control means that the Company has the power over the investee, is entitled to variable returns by participating in the related activities of the investee, and has the ability to use the power over the investee to influence its return amount. Subsidiaries refer to subjects controlled by the Company (including enterprises, divisible parts of investee(s), structured subjects, etc.).

(2) Compilation method of consolidated financial statements

The consolidated financial statements of the Company are based on the financial statements of the parent company and its subsidiaries, and are prepared according to other relevant information. When compiling, the important internal transactions between the parent company and its subsidiaries, such as investment, transactions, purchase and sale of inventories and their unrealized profits, are offset and combined item by item, and the minority shareholders' rights and interests and the current income of minority shareholders are calculated. If the accounting policies and accounting periods of subsidiaries are inconsistent with those of the parent company, the accounting statements of subsidiaries shall be adjusted according to the accounting policies and accounting periods of the parent company before combination.

(3) Increase and decrease the consolidated report processing of subsidiaries during the reporting period

During the reporting period, when preparing the consolidated balance sheet, the balance at the beginning of the consolidated balance sheet is adjusted for the subsidiaries added due to business combination under the same control. When preparing the consolidated balance sheet, the balance at the beginning of the year of the consolidated balance sheet is not adjusted for the subsidiaries added due to business combination not under the same control. During the reporting period, the subsidiaries are disposed of and the balance at the beginning of the consolidated balance sheet is not adjusted when the consolidated balance sheet is prepared.

During the reporting period, the income, expenses and profits of subsidiaries added by business combination under the same control from the beginning to the end of the reporting period are included in the consolidated income statement, and the cash flows from the beginning to the end of the reporting period are included in the consolidated cash flow statement. For subsidiaries added due to business combination not under the same control, the income, expenses and profits of such subsidiaries from the purchase date to the end of the reporting period are included in the consolidated income statement, and their cash flow from the purchase date to the end of the reporting period is included in the consolidated cash flow statement. During the reporting period, the subsidiary is disposed of, and the income, expenses and profits from the beginning of the period to the disposal date are included in the consolidated income statement, and the cash flow from the beginning of the period to the disposal date is included in the consolidated cash flow statement.

When the control right of the original subsidiary is lost due to the disposal of part of the equity investment or

other reasons, the remaining equity investment after disposal shall be re-measured according to its fair value on the date of loss of control right. The sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the difference between the share of the original subsidiary's net assets calculated continuously from the purchase date and the sum of goodwill calculated according to the original shareholding ratio, is included in the investment income in the current period when the control right is lost. Other comprehensive income related to the original subsidiary's equity investment is converted into current investment income when the control right is lost, except for other comprehensive income generated by the investee's re-measurement of net liabilities or changes in net assets of the set income plan.

The difference between the newly acquired long-term equity investment due to the purchase of minority shares and the identifiable net assets share of subsidiaries calculated according to the increased shareholding ratio, and the difference between the disposal price obtained from partial disposal of equity investment in subsidiaries and the net assets share of subsidiaries corresponding to the disposal of long-term equity investment are used to adjust the equity premium in the capital reserve in the consolidated balance sheet. If the equity premium in the capital reserve is insufficient to offset, the retained earnings will be adjusted.

(4) Processing of consolidated statements from step-by-step disposal of equity to loss of control rights

If the transactions that dispose of the equity investment in subsidiaries until the loss of control rights are of a package transaction, the transactions shall be treated as transactions that dispose of subsidiaries and lose control rights; However, the difference between the disposal price and the share of the subsidiary's net assets related to the disposal investment before the loss of control right is recognized as other comprehensive income in the consolidated financial statements, which will be transferred to the current profit and loss when the control right is lost, except for other comprehensive income arising from the re-measurement of the net liabilities or changes in net assets of the set income plan by the investee. If it is not a package transaction, before the loss of control, the difference between the disposal price and the corresponding net assets continuously calculated by the subsidiary from the purchase date will be adjusted to the capital reserve, and if the capital reserve is insufficient to offset, the retained earnings will be adjusted; In case of loss of control right, the accounting treatment shall be carried out according to the above accounting policy when the control right over the original subsidiary is lost.

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.

(1) Identification of joint venture arrangement

As long as two or more participants exercise joint control over an arrangement, such arrangement can be regarded as a joint venture arrangement, and all participants are not required to be entitled to joint control over the arrangement.

(2) Reassessment

If the legal form, contract terms and other relevant facts and circumstances change, the participants in the joint venture arrangement shall reassess the joint venture arrangement: First, assess whether the original joint venture party still has joint control over the arrangement; Second, assess whether the type of joint venture arrangement has changed.

(3) Accounting treatment of participants in joint operation

① Accounting treatment of the joint venture in joint operation

A. General accounting principles

The joint venture shall recognize the following items related to its share of interests in the joint operation and carry out accounting treatment in accordance with the relevant accounting standards for enterprises: Firstly, recognize the assets held separately and recognize the assets held jointly according to their share; Secondly, recognize the liabilities undertaken separately and recognize the liabilities jointly undertaken according to their share; Thirdly, recognize the income generated from the sale of its share of joint operating output; Fourthly, recognize the income generated by the joint operation due to the sale of output according to its share; Fifthly, recognize the expenses incurred separately, and recognize the expenses incurred in joint operation according to its share.

The joint venture may use its own assets for joint operations. If the joint venture retains all ownership or control over these assets, the accounting treatment of these assets is no different from the accounting treatment of the joint venture's own assets.

The joint venture may also purchase assets together with other joint ventures to invest in joint operations, and jointly bear the liabilities of joint operations. In this case, the joint venture shall recognize the interest share in these assets and liabilities in accordance with the relevant provisions of the Accounting Standards for Business Enterprises. For example, according to the *Accounting Standards for Business Enterprises No.4-Fixed Assets*, the interest share in related fixed assets is recognized, and the share in related financial assets and financial liabilities is recognized according to the financial instrument recognition and measurement standards.

When the joint operation is achieved through a separate entity, the joint venture shall recognize the liabilities undertaken separately according to the above principles, and recognize the liabilities jointly undertaken according to the share of the enterprise. However, if the joint venture is jointly and severally liable in accordance with the relevant laws of China or the relevant contractual stipulations due to the failure of other shareholders to provide funds to the joint venture arrangement as agreed, its accounting treatment shall be subject to the Accounting Standards for Business Enterprises No.13-Contingencies.

B. Accounting treatment for the joint venture to invest or sell assets that do not constitute business.

When the joint venture invests or sells assets for joint operation (except that the assets constitute business), before the joint operation sells the related assets to a third party or the related assets are consumed (i.e. the unrealized internal profits are still included in the book value of the assets held by the joint venture), only the gains or losses attributable to other participants in the joint venture shall be recognized. If the transaction shows that the assets invested or sold meet the asset impairment losses specified in Accounting Standards for Business Enterprises No.8-Asset Impairment (hereinafter referred to as "Asset Impairment Loss Standards"), the joint venture shall fully recognize the losses.

C. Accounting treatment of assets purchased by the joint venture from joint operation that do not constitute business

Before the joint venture buys assets from joint operation (except that the assets constitute business) and sells the assets to a third party (i.e., when unrealized internal profits are still included in the book value of assets held by the joint venture), the share of profits and losses arising from the transaction that the joint venture is entitled to shall not be recognized. That is, at this time, only the part of the profit and loss arising from the transaction that belongs to other participants in the joint operation shall be recognized.

D. Accounting treatment of the joint venture's share of the interests of the joint operation that constitutes the business

When the joint venture obtains the share of interests in the joint operation, and the joint operation constitutes business, the corresponding accounting treatment shall be carried out in accordance with the relevant standards such as business combination standards, however the provisions of other relevant standards cannot conflict with the provisions of the joint venture arrangement standards. The enterprise shall judge whether the joint operation

constitutes a business in accordance with the relevant provisions of the business combination standards. This treatment principle is not only applicable to the acquisition of the share of interests in the existing joint operation that constitutes business, but also to the establishment of joint operation with other participants, and because other participants introduce the existing business, the joint operation constitutes business when it is established.

② Accounting principles for participants who do not enjoy joint control over joint operations

Participants (non-joint ventures) who are not entitled to joint control of the joint operation shall be treated as the joint ventures if they are entitled to the assets related to the joint operation and bear the liabilities related to the joint operation. That is, the participants in the joint operation, regardless of whether they are entitled to joint control or not, will be subject to the same accounting treatment as the joint ventures as long as they are entitled to the right to jointly operate related assets and undertake the liabilities obligation related to joint operation. Otherwise, its profit share shall be accounted for in accordance with the relevant accounting standards for enterprises.

((4) Accounting treatment of participants in a joint venture

In a joint venture, the participants shall account for their investment in the joint venture in accordance with the Accounting Standards for Business Enterprises No.2-Long-term Equity Investment.

Participants (non-parties) who are not entitled to joint control over the joint venture shall carry out relevant accounting treatment according to their influence on the joint venture: if they have significant influence on the joint venture, their investment in the joint venture shall be accounted for in accordance with the provisions of the long-term equity investment standards; If it has no significant impact on the joint venture, its investment in the joint venture shall be accounted for in accordance with the provisions of the Standards for Recognition and Measurement of Financial Instruments.

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) Foreign currency business

Foreign currency transactions of the Company are converted into the amount of bookkeeping base currency according to the spot rate on the transaction date.

On the balance sheet date, foreign currency monetary items and foreign currency non-monetary items shall be treated according to the following provisions: foreign currency monetary items shall be converted at the spot rate on the balance sheet date. Exchange differences arising from the difference between the spot rate on the balance sheet date and the spot rate at the time of initial recognition or the previous balance sheet date are included in the current profits and losses; Foreign currency non-monetary items measured at historical cost are still converted at the spot rate on the transaction date, without changing their bookkeeping base currency amount; Foreign currency non-monetary items measured at fair value shall be converted at the spot rate on the fair value determination date, and the difference between the converted bookkeeping base currency amount and the original bookkeeping base currency amount shall be treated as changes in fair value (including exchange rate changes) and included in the current profits and losses; During the capitalization period, the exchange difference between the principal and interest of foreign currency special loans is capitalized and included in the cost of assets that meet the capitalization conditions.

(2) Translation of foreign currency financial statements

When converting foreign currency financial statements, the Company shall comply with the following regulations: assets and liabilities in the balance sheet shall be converted at the spot rate on the balance sheet date, and other items of owner's equity except "undistributed profits" shall be converted at the spot rate at the time of occurrence; The income and expense items in the income statement shall be converted at the spot rate on the transaction date (or at the exchange rate determined by a systematic and reasonable method and similar to the spot rate on the transaction date). The translation difference of foreign currency financial statements generated according to the above translation is recognized as other comprehensive income. The conversion of comparative financial statements shall be handled according to the above provisions.

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.

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. westbank The quoted prices in the active market refer to the prices, which are easily available from the stock exchanges, brokers, industry

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

(7) Equity instruments

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

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

11. Impairment of financial instruments

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 Receivable Account and Contract assets

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: Aging portfolio	This portfolio is characterized by the aging of receivables as a credit risk.
Portfolio 2 : Quality Guarantee portfolio	This portfolio is the contract quality guarantee fund and other funds

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

For the guarantee fund portfolio of portfolio 2, no provision for bad debts shall be made unless there is objective evidence that the money cannot be recovered according to the original terms of accounts receivable and

contract assets.

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

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) Measurement of ending inventory

On the balance sheet date, inventory shall be measured at the lower of cost and net realizable value. If the cost of inventory is higher than its net realizable value, provision for inventory depreciation shall be accrued and recorded into the current profits and losses.

If the difference between the cost calculated by a single inventory item and its net realizable value is higher, the inventory depreciation reserve shall be accrued and recorded into the current profits and losses. Net realizable value refers to the estimated selling price of inventory in daily activities minus the estimated costs to be incurred upon completion, estimated sales expenses and related taxes and fees.

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

13. Contract assets

The Company lists the customer's unpaid contract consideration for which the Company has fulfilled its performance obligations according to the contract, and which is not the right to collect money from customers unconditionally (that is, only depending on the passage of time) as a contract asset in the balance sheet. Contract assets and liabilities under the same contract are listed in net amount, while contract assets and liabilities under

different contracts are not offset.

See Note III. 11, Impairment of Financial Instruments for the determination method and accounting treatment method of expected credit loss of contract assets.

14. Long-term equity investments

(1) Initial measurement

The Company makes initial measurement of long-term equity investment in the following two situations:

① The initial investment cost of long-term equity investment formed by business combination shall be determined in accordance with the following provisions:

A. In a business combination under the same control, if the combining party pays cash, transfers non-cash assets or assumes debts as the combination consideration, the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the final controlling party shall be taken as the initial investment cost of long-term equity investment on the combination date. The difference between the initial investment cost of long-term equity investment and the cash paid, the transferred non-cash assets and the book value of the debts undertaken is adopted to adjust the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. All directly related expenses incurred for business combination, including audit fees, evaluation fees, legal service fees, etc., are included in the current profits and losses when they occur.

B. In the business combination not under the same control, the Company determines the combination cost by distinguishing the following situations:

a) For business combination realized by one exchange transaction, the cost of combination is the fair value of assets paid, liabilities incurred or assumed in order to gain control over the purchased party on the purchase date;

b) For business combination realized step by step through multiple exchange transactions, the sum of the book value of the equity investment of the purchased party held before the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment;

c) Intermediary expenses such as auditing, legal services, evaluation and consultation, and other related management expenses incurred for business combination are included in the current profits and losses when they occur;

d) If future events that may affect the combination cost are agreed in the combination contract or agreement, if it is estimated that the future events are likely to occur on the purchase date and the amount of impact on the combination cost can be reliably measured, they will be included in the combination cost.

② Except for the long-term equity investment formed by business combination, the initial investment cost of long-term equity investment obtained by other means shall be determined in accordance with the following provisions:

A. For the long-term equity investment obtained by cash payment, the actual purchase price shall be taken as the initial investment cost. Initial investment cost includes expenses, taxes and other necessary expenditures directly related to obtaining long-term equity investment.

B. For long-term equity investment obtained through exchange of non-monetary assets, the initial investment cost shall be determined according to Accounting Standards for Business Enterprises No.7-Exchange of Non-monetary Assets.

C. For long-term equity investment obtained through debt restructuring, the initial investment cost shall be determined according to *Accounting Standards for Business Enterprises No.12-Debt Restructuring*.

③ No matter how the long-term equity investment is obtained, when the investment is obtained, the cash dividends or profits included in the paid consideration that have been declared but not yet issued by the investee are separately accounted as receivable items, which does not constitute the initial investment cost of obtaining the

long-term equity investment.

(2) Subsequent measurement

Long-term equity investment that can be controlled by the investee shall be accounted by the cost method in individual financial statements. Long-term equity investments that have joint control or significant influence on the investee shall be accounted by equity method.

① Long-term equity investment accounted by cost method is priced according to the initial investment cost. Adjust the cost of long-term equity investment by adding or recovering investment. Cash dividends or profits declared and distributed by the investee shall be recognized as current investment income.

If the initial investment cost of long-term equity investment accounted by equity method is greater than the fair value share of identifiable net assets of the investee, the initial investment cost of long-term equity investment shall not be adjusted; If the initial investment cost of long-term equity investment is less than the fair value share of the identifiable net assets of the investee at the time of investment, the difference shall be included in the current profits and losses, and the cost of long-term equity investment shall be adjusted at the same time.

After obtaining the long-term equity investment, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profit and loss and other comprehensive income realized by the invested unit, and the book value of the long-term equity investment shall be adjusted at the same time; According to the profit or cash dividend declared and distributed by the investee, the book value of long-term equity investment shall be reduced accordingly; The book value of the long-term equity investment is adjusted and included in the owner's equity for other changes in the owner's equity of the investee except net profit and loss, other comprehensive income and profit distribution. When recognizing the share of the net profit and loss of the investee, the net profit of the investee is recognized after adjustment based on the fair value of the identifiable net assets of the investee at the time of obtaining the investment. If the accounting policies and accounting periods adopted by the investee are inconsistent with those of the Company, the financial statements of the investee shall be adjusted according to the accounting policies and accounting periods of the Company, and the investment income and other comprehensive income shall be recognized accordingly. The net loss incurred by the investee is recognized to be written down to zero by the book value of long-term equity investment and other long-term interests that substantially constitute the net investment of the investee, unless the Company is obligated to bear additional losses. If the investee achieves net profit in the future, the Company will resume the recognition of the revenue sharing amount after its revenue sharing amount compensates for the unrecognized loss sharing amount.

When calculating and recognizing the net profit and loss that should be enjoyed or shared by the investee, the unrealized internal transaction profit and loss with the affiliated enterprise and the joint venture shall be calculated according to the proportion that should be enjoyed, and the part attributable to the Company shall be offset, and the investment income shall be recognized on this basis. Unrealized internal transaction losses between the Company and the investee are asset impairment losses, which shall be fully recognized.

Part of the company's equity investment in affiliated enterprises is indirectly held through venture capital institutions, mutual funds, trust companies or similar entities including investment-linked insurance funds. Regardless of whether the above entities have a significant impact on this part of investment, the Company chooses to measure this part of indirect investment at fair value and its change is included in profit or loss in accordance with the relevant provisions of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, and the rest is accounted for by equity method.

③ When the Company disposes of long-term equity investment, the difference between its book value and the actual purchase price shall be included in the current profits and losses. For long-term equity investment accounted by equity method, when disposing of the investment, it adopts the same basis as the investee's direct

disposal of related assets or liabilities, and accounts for the part originally included in other comprehensive income according to the corresponding proportion.

(3) Basis to determine joint control over and significant influence on the investee

Joint control refers to the common control of an arrangement in accordance with the relevant agreement, and the relevant activities of such arrangement must be unanimously agreed by the participants who share the control rights before making decisions. Significant influence means that the investor has the right to participate in the decision-making on the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. When determining whether the investee can be controlled or exert significant influence, the potential voting rights factors such as current convertible bonds and current executable warrants of the investee held by the Company and other parties shall be considered at the same time.

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.

(1) The measurement mode of investment property

① Depreciation or amortization method

The estimated service life, net salvage value rate and annual depreciation (amortization) rate of investment real estate are listed as follows:

Type	Estimated service life (years)	Estimated net salvage value rate	Annual depreciation (amortization) rate
Land use right	Remaining useful life		
Houses and buildings	20-30 years	3%-10%	3%-4.85%

② Impairment test method and accounting treatment method

See "30. Asset Impairment" for details of impairment test methods and impairment provision accrual methods of investment real estate.

(2) Conversion of investment real estate

The Company has conclusive evidence that the use of real estate has changed. When converting investment real estate into self-use real estate or inventory, the fair value on the day of conversion is taken as the book value of self-use real estate, and the difference between fair value and original book value is included in current profits and losses. When self-use real estate or inventory is converted into investment real estate measured by fair value model, the investment real estate is priced according to the fair value on the conversion day. If the fair value on the conversion day is less than the original book value, the difference is included in the current profits and losses; If the fair value on the conversion date is greater than the original book value, the difference shall be included in other comprehensive income.

16. Fixed assets

(1) Confirmation conditions

The Company's fixed assets refer to tangible assets held for the production of commodities, provision of labor services, leasing or operation management, which have a service life of more than one year, and whose economic benefits are likely to be included into the Company and whose costs can be reliably measured.

The Company's fixed assets include roads and bridges, houses and buildings, machinery and equipment, electronic equipment, transportation tools and other equipment.

(2) Depreciation method

Type	Depreciation method	Expected useful life(Year)	Residual rate (%)	Annual depreciation rate(%)
Guangfo Expressway	Working flow basis	28 years	0%	
Fokai Expressway-Xiebian to Sanbao Section	Working flow basis	40 years	0%	
Fokai Expressway-Sanbao to Shuikou Section	Working flow basis	30 years	0%	
Jingzhu Expressway Guangzhu Section	Working flow basis	30 years	0%	
House Building	The straight-line method	20-30 years	3%-10%	3%-4.85%
Machine Equipment	The straight-line method	10 years	3%-10%	9%-9.7%
Electric Equipment	The straight-line method	5-15 years	3%-10%	6%-19.4%
Transportation Equipment	The straight-line method	5-8 years	3%-10%	11.25%-19.4%
Other	The straight-line method	5-15 years	3%-10%	6%-19.4%

Except for the fixed assets that have been fully depreciated and continue to be used, the depreciation of fixed assets is classified and accrued by the life average method and workload method, and the depreciation rate is determined according to the category of fixed assets, estimated service life and estimated net salvage value rate.

For the fixed assets formed by special reserve expenditure, the special reserve shall be offset according to the cost to form the fixed assets, and the accumulated depreciation of the same amount shall be recognized. The fixed assets will not be depreciated in future periods.

According to the nature and usage of fixed assets, the Company determines the service life and estimated net salvage value of fixed assets. At the end of the year, the service life, estimated net salvage value and depreciation method of fixed assets shall be rechecked, and if there is any difference with the original estimate, corresponding adjustments shall be made.

(3) Identification basis, valuation and depreciation method of fixed assets leased by financing

When the leased fixed assets have substantially transferred all risks and rewards related to the assets, the Company recognizes that the lease of the fixed assets is a financial lease.

The cost of fixed assets acquired by finance lease shall be determined according to the lower of the fair value of the leased assets on the lease start date and the present value of the minimum lease payment.

The depreciation policy consistent with their own depreciated assets is adopted for fixed assets leased by

financing. If it can be reasonably determined that the ownership of the leased asset is acquired at the expiration of the lease term, depreciation shall be accrued within the serviceable life of the leased asset; If it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued within the shorter period of the lease term and the serviceable life of the leased asset.

17. Construction-in process

The construction in progress of the Company refers to the plant, equipment and other fixed assets under construction, which are accounted for in detail according to the project and recorded according to the actual cost, including direct construction and installation costs and borrowing costs that meet the capitalization conditions. When the construction in progress reaches the scheduled usable state, it will be carried over to fixed assets by temporary estimation, stop interest capitalization, and start to accrue depreciation according to the determined depreciation method of fixed assets. After the project is completed and final accounts are made, the original estimated amount will be adjusted according to the amount of final accounts, but the original accrued depreciation amount will not be adjusted.

18. Borrowing cost

(1) Recognition principle and capitalization period of borrowing cost capitalization

Borrowing costs incurred by the Company can be directly attributed to the purchase, construction or production of assets that meet the capitalization conditions, and shall be capitalized when the following conditions are met at the same time and included in the relevant asset costs:

- ① Production and expenditure have occurred;
- ② Borrowing costs have already occurred;
- ③ The purchase, construction or production activities required to make the assets reach the intended usable or saleable state have started.

Capitalization of borrowing costs shall be suspended if the assets that meet the capitalization conditions are abnormally interrupted in the process of purchase, construction or production, and the interruption time continuously exceeds 3 months. Borrowing costs incurred during the interruption period are recognized as expenses and included in the current profits and losses until the purchase and construction of assets or the resumption of production activities. If the interruption is a necessary procedure for the purchased, built or produced assets that meet the capitalization conditions to reach the intended usable or saleable state, the capitalization of borrowing costs will continue.

Capitalization of borrowing costs shall be stopped when assets eligible for capitalization are purchased, built or produced to the intended usable or saleable state. Borrowing costs incurred in the future are recognized as expenses in the current period.

(2) Calculation method of capitalization amount of borrowing costs

Where a special loan is borrowed for the purpose of purchasing, building or producing assets that meet the capitalization conditions, it shall be determined by deducting the interest income obtained by depositing unused loan funds into the bank from the interest expenses actually incurred in the current period of special loan or by the investment income obtained by temporary investment.

If the general loan is occupied for the purpose of purchasing, building or producing assets that meet the capitalization conditions, the interest amount of the general loan that should be capitalized shall be calculated and determined according to the weighted average of the accumulated asset expenditure exceeding the special loan portion multiplied by the capitalization rate of the occupied general loan. Capitalization rate is calculated and

determined according to the weighted average interest rate of general borrowings.

19. Intangible assets

(1) Pricing method, useful life and impairment test

The Company recognizes the identifiable non-monetary assets owned or controlled by the enterprise as intangible assets, which have no physical form, and the estimated future economic benefits related to the assets are likely to flow into the enterprise and the cost of the assets can be reliably measured.

The intangible assets of the Company are recorded according to the amount actually paid or the determined value.

(1) If the purchase price of intangible assets exceeds the normal credit conditions, which is of financing nature in essence, the cost of intangible assets is determined based on the present value of the purchase price. The difference between the actual paid price and the present value of the purchase price shall be included in the current profits and losses within the credit period, except that it should be capitalized according to the regulations.

(2) The intangible assets invested by investors shall be taken as the cost according to the value agreed in the investment contract or agreement, unless the value agreed in the contract or agreement is unfair.

(3) The expenditure of internal research and development projects of the Company is divided into research stage expenditure and development stage expenditure. Research refers to an original and planned investigation to acquire and understand new scientific or technical knowledge. Development refers to the application of research results or other knowledge to a plan or design to produce new or substantially improved materials, devices and products before commercial production or use.

Expenditures during the research phase of internal research and development projects are included in the current profits and losses when they occur. Expenditures in the development stage of internal research and development projects that meet the following conditions are recognized as intangible assets: it is technically feasible to complete the intangible assets so that they can be used or sold; Have the intention to complete the intangible assets and use or sell them; The ways in which intangible assets generate economic benefits, including those that can prove that there is a market for products produced by using the intangible assets or that the intangible assets themselves exist in the market, and that the intangible assets will be used internally, should prove their usefulness; Have sufficient technical, financial and other resources to complete the development of the intangible assets and have the ability to use or sell the intangible assets; Expenditures attributable to the development stage of the intangible assets can be measured reliably.

Intangible assets with limited service life of the Company shall be amortized on average within the service life since the intangible assets are available for use. Intangible assets with uncertain service life are not amortized. The amortization amount of intangible assets is the amount after deducting the estimated salvage value from its cost. For intangible assets for which impairment provision has been made, the accumulated amount of impairment provision for intangible assets has to be deducted.

The amortization period of intangible assets with limited service life is as follows:

Type	Amortization period
Land use right	Remaining useful life
Software	3-5 years

20. Long-term amortizable expenses

Long-term deferred expenses are recorded according to the actual amount incurred, and are amortized equally in installments during the benefit period or within the prescribed period. If the long-term prepaid expense item cannot benefit the future accounting period, the amortized value of the item that has not been amortized will

be transferred to the current profits and losses.

21. Contract liabilities

Contract liabilities refer to the obligation of the Group to transfer goods to customers for the received or receivable consideration from customers. If the customer has paid the contract consideration or the Group has obtained the unconditional collection right before the Group transfers the goods to the customer, the Group will list the received or receivable amount as the contract liability at the earlier of the actual payment made by the customer and the due date for payment. Contract assets and liabilities under the same contract are listed in net amount, while contract assets and liabilities under different contracts are not offset.

22. Employee Benefits

Employee compensation refers to various forms of remuneration or compensation given by the Company for obtaining services provided by employees or dissolving labor relations. Employee compensation includes short-term salary, post-employment benefits, dismissal benefits and other long-term employee benefits. Benefits provided by the Company to spouses, children, dependents, survivors of deceased employees and other beneficiaries of employees are also employee compensation.

(1) Accounting methods of short-term benefits

During the accounting period when employees provide services, the Company recognizes the actual short-term salary as a liability, which is included in the current profits and losses, except that other accounting standards require or allow it to be included in the cost of assets.

(2) Accounting methods for post-employment benefits

The Company classifies the post-employment benefit plan into defined contribution plan and defined benefit plans. Post-employment benefit plan refers to the agreement reached between the Company and employees on post-employment benefits, or the rules or measures formulated by the Company to provide post-employment benefits to employees, among which the set deposit plan refers to the post-employment welfare plan in which the Company no longer undertakes further payment obligations after paying a fixed fee to an independent fund; Defined benefit plans refers to the post-employment benefit plan except the set-up deposit plan.

(3) Accounting Treatment Method of Demission Welfare

If the Company provides dismissal benefits to employees, the employee compensation liabilities arising from the dismissal benefits shall be recognized as soon as possible and included in the current profits and losses: when the company cannot unnaturally withdraw the dismissal benefits provided by the termination of labor relations plan or reduction proposal; when the Company recognizes the costs or expenses related to the reorganization involving the payment of dismissal benefits.

(4) Other long-term employee benefits

If other long-term employee benefits provided by the Company to employees meet the conditions of the set deposit plan, they shall be handled according to the accounting policies of the set deposit plan mentioned above; Otherwise, the net liabilities or net assets of other long-term employee benefits shall be recognized and measured in accordance with the accounting policies of defined benefit plans mentioned above.

23. Estimated liabilities

(1) Recognition criteria of estimated liabilities

If the obligations related to contingencies stipulated by the Company meet the following conditions at the

same time, they are recognized as estimated liabilities:

- ① The obligations are the current obligations undertaken by the enterprise;
- ② Fulfilling the obligations is likely to cause economic benefits to flow out of the enterprise;
- ③ The amount of the obligations can be measured reliably.

(2) Measurement method of estimated liabilities

Estimated liabilities are initially measured according to the best estimate of expenditure required to fulfill relevant current obligations. There is a continuous range of required expenditure, and the possibility of occurrence of various results in this range is the same, and the best estimate is determined according to the intermediate value in this range. In other cases, the best estimates are treated as follows:

- ① Contingencies involving a single item shall be determined according to the most probable amount.
- ② Contingencies involving multiple items shall be calculated and determined according to various possible results and relevant probabilities.

When determining the best estimate, the risk, uncertainty and time value of money related to contingencies shall be considered comprehensively. If the time value of money has great influence, the best estimate is determined by discounting the related future cash outflow.

If all or part of the expenses required by the Company to pay off the estimated liabilities are expected to be compensated by a third party, the compensation amount can be recognized as an asset only when it is basically confirmed that it can be received. The recognized compensation amount shall not exceed the book value of the estimated liabilities.

The Company rechecks the book value of the estimated liabilities on the balance sheet date. If there is conclusive evidence that the book value cannot truly reflect the current best estimate, the book value shall be adjusted according to the current best estimate.

24. Revenues

Accounting policies adopted for income recognition and measurement

Income is the total inflow of economic benefits formed in the daily activities of the Company, which will lead to the increase of shareholders' equity and has nothing to do with the capital invested by shareholders. Revenue is recognized when its amount and related costs can be reliably measured, the related economic benefits are likely to flow into the company, and other recognition conditions of the following different types of income are met at the same time.

The Company's main income includes: income from traffic service fees and provision of labor services.

(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) Income from providing labor services

For services started and completed in the same fiscal year, income is recognized when the services are completed. 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.

For services started and completed in the same fiscal year, income is recognized when the services are completed. 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;

If the transaction result of providing labor services on the balance sheet date cannot be estimated reliably, the following situations shall be dealt with respectively:

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.

② 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.

When the contracts or agreements signed between the Company and other enterprises include selling goods and providing services, if the part for selling goods and the part for providing services can be distinguished and measured separately, the part for selling goods will be treated as goods sales and the part for providing services will be treated as service provision. Sales of goods and services can not be distinguished, or although they can be distinguished, they can not be measured separately. All parts for the selling goods and providing services will be treated as sales of goods.

The adoption of different business models in similar businesses leads to differences in accounting policies for income recognition

25.Contract cost

If the incremental cost incurred by the Company for obtaining the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost. However, if the amortization period of the asset does not exceed one year, it will be included in the current profits and losses when it occurs.

If the cost incurred for the performance of the contract does not fall within the scope of other accounting standards for business enterprises other than Accounting Standards for Business Enterprises No.14-Revenue (Revised in 2017) and meets the following conditions at the same time, it will be recognized as an asset for contract performance cost: ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly borne by customers, and other costs incurred only because of the contract; ② This cost increases the resources of the Company for fulfilling its performance obligations in the future; ③ The cost is expected to be recovered.

Assets related to the contract cost are amortized on the same basis as the recognition of commodity income related to the assets, and are included in the current profits and losses.

26. Government Grants

Government subsidies are recognized when they meet the conditions attached to government subsidies and can be received.

Government subsidies for monetary assets shall be measured according to the amount received or receivable. Government subsidies for non-monetary assets are measured at fair value; If the fair value cannot be obtained reliably, it shall be measured according to the nominal amount of 1 yuan.

Government subsidies related to assets refer to government subsidies obtained by the Company for purchasing and building or forming long-term assets in other ways; Otherwise, as a government subsidy related to

income.

Where the government documents do not specify the object of the subsidy, and the subsidy can form long-term assets, the part of the government subsidy corresponding to the value of the assets shall be regarded as the government subsidy related to the assets, and the rest shall be regarded as the government subsidy related to the income; Where it is difficult to be distinguished, government subsidies as a whole are treated as income-related government subsidies.

Government subsidies related to assets offset the book value of related assets, or are recognized as deferred revenue and included in profits and losses by stages according to a reasonable and systematic method within the service life of related assets. Government subsidies related to income, which are used to compensate related costs or losses that have occurred, shall be included in current profits and losses or offset related costs; If they are used to compensate related costs or losses in later periods, they will be included in the deferred revenue, and they will be included in the current profits and losses or offset related costs during the recognition period of related costs or losses. Government subsidies measured in nominal amount are directly included in current profits and losses. The Company adopts a consistent approach to the same or similar government subsidy business.

Government subsidies related to daily activities, according to the essence of economic business, are included in other income or offset related costs. Government subsidies irrelevant to routine activities shall be included into the non-operating receipt and disbursement.

When the recognized government subsidy needs to be returned, if the book value of related assets is offset during initial recognition, the book value of assets will be adjusted; If there is a relevant deferred revenue balance, the book balance of the relevant deferred revenue will be offset, and the excess will be included in the current profits and losses; In other cases, it is directly included in the current profits and losses.

For the discount interest of preferential policy loans, if the finance allocates the discount interest funds to the lending bank, the actually received loan amount is taken as the recorded value of the loan, and the borrowing cost is calculated according to the loan principal and preferential policy interest rate. If the finance directly allocates the discount interest funds to the Company, the discount interest will offset the borrowing costs.

27. Deferred income tax assets and deferred income tax liabilities

The Company adopts the balance sheet liability method for income tax accounting treatment.

(1) Deferred tax assets

① If there is a deductible temporary difference between the book value of an asset or liability and its tax basis, the deferred income tax assets generated by the deductible temporary difference shall be calculated and confirmed according to the applicable tax rate during the expected period of recovering the asset or paying off the liability.

② On the balance sheet date, if there is conclusive evidence that sufficient taxable income is likely to be obtained in the future period to offset the deductible temporary difference, the unrecognized deferred income tax assets in the previous period shall be recognized.

③ On the balance sheet date, the book value of deferred income tax assets shall be reviewed. If it is unlikely that enough taxable income will be obtained in the future period to offset the benefits of deferred income tax assets, the book value of deferred income tax assets will be written down. When sufficient taxable income is likely to be obtained, the written-down amount will be reversed.

(2) Deferred income tax liabilities

If there is a taxable temporary difference between the book value of assets and liabilities and their tax basis, the deferred income tax liabilities arising from the taxable temporary difference shall be recognized according to the applicable tax rate during the expected period of recovering the assets or paying off the liabilities.

28. Lease

(1) Accounting methods for operating leases

As the lessee, the Company's operating lease rent is included in the relevant asset cost or current profit and loss according to the straight-line method in each period of the lease term; The initial direct expenses incurred are included in the current profits and losses; Contingent rents are included in current profits and losses when they actually occur.

As the lessor, the Company includes the assets used as operating leases in the relevant items in the balance sheet according to the nature of the assets; For the rent of operating lease, it is recognized as the current profit and loss according to the straight-line method in each period of the lease term; The initial direct expenses incurred are included in the current profits and losses; For the fixed assets in the operating lease assets, the depreciation policy of similar assets is adopted for depreciation; For other operating lease assets, a systematic and reasonable method is adopted for amortization; Contingent rents are included in current profits and losses when they actually occur.

(2) Accounting methods for financial leasing

① As the lessee

On the start date of the lease term, the Company takes the lower of the fair value of the leased assets on the lease start date and the present value of the minimum lease payment as the recorded value of the leased assets, and the minimum lease payment as the recorded value of the long-term payables, with the difference as the unrecognized financing expenses; Initial direct expenses such as handling fees, attorney fees, travel expenses, stamp duty, etc., which occur during the lease negotiation and signing of the lease contract, are included in the value of the leased assets; Unrecognized financing expenses are allocated in each period of the lease term, and the current financing expenses are calculated and recognized by the effective interest rate method; Contingent rents are included in current profits and losses when they actually occur.

When calculating the present value of the minimum lease payment, if the lessor's lease inclusive interest rate can be obtained, the lease inclusive interest rate shall be used as the discount rate; Otherwise, the interest rate stipulated in the lease contract shall be used as the discount rate. If the lessor's lease interest rate cannot be obtained and the lease contract does not stipulate the interest rate, the bank loan interest rate of the same period shall be used as the discount rate.

The Company adopts the depreciation policy consistent with that of the self-owned fixed assets to withdraw the depreciation of the leased assets. If it can be reasonably determined that the ownership of the leased asset is acquired at the expiration of the lease term, depreciation shall be accrued within the service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued within the shorter period of the lease term and the service life of the leased asset.

② As the lessor

On the start date of the lease term, the Company shall take the sum of the minimum lease receipt amount and the initial direct expenses on the lease start date as the recorded value of the financial lease receivable, and records the unsecured residual value; Recognize the difference between the sum of the minimum lease payment amount, initial direct expenses and unsecured residual value and its present value as unrealized financing income; Distribute unrealized financing income in each period of the lease term; Calculate and confirm the financing income of the current period by using the effective interest rate method; And include contingent rents in current profits and losses when they actually occur.

29. Held-for-sale non-current assets, disposal group and termination of operation

(1) Classification and measurement of held-for-sale non-current assets or disposal groups

When the book value is recovered mainly by selling (including the exchange of non-monetary assets with commercial substance) rather than continuously using a non-current asset or disposal group, the non-current asset or disposal group is classified as held for sale.

The above-mentioned non-current assets do not include investment real estate measured by fair value model, biological assets measured by net amount of fair value minus selling expenses, assets formed by employee compensation, financial assets, deferred income tax assets and rights arising from insurance contracts.

The disposal group refers to a group of assets disposed of together by sale or other means in a transaction as a whole, and liabilities directly related to these assets transferred in the transaction. Under certain circumstances, the disposal group includes goodwill obtained in business combination, etc.

At the same time, non-current assets or disposal groups that meet the following conditions are classified as held for sale: according to the practice of selling such assets or disposal groups in similar transactions, the non-current assets or disposal groups can be sold immediately under the current situation; The sale is very likely to happen, that is, a resolution has been made on a sale plan and a firm purchase commitment has been obtained, and it is expected that the sale will be completed within one year. If the control over subsidiaries is lost due to the sale of investments in subsidiaries, whether or not the Company retains part of the equity investments after the sale, when the investment in subsidiaries to be sold meets the classification conditions of held-for-sale, the investment in subsidiaries will be classified as held-for-sale as a whole in individual financial statements, and all assets and liabilities of subsidiaries will be classified as held-for-sale in consolidated financial statements.

When the non-current assets or disposal groups held for sale are initially measured or re-measured on the balance sheet date, the difference between the book value and the net amount after deducting the selling expenses from the fair value is recognized as the asset impairment loss. For the amount of asset impairment loss recognized for the held-for-sale disposal group, the book value of goodwill in the disposal group is offset first, and then the book value of non-current assets in the disposal group is offset proportionally.

If the net amount of non-current assets held for sale or disposal group's fair value minus selling expenses increases on the subsequent balance sheet date, the previously written-down amount will be restored and reversed within the amount of asset impairment loss recognized after being classified as held-for-sale, and the reversed amount will be included in the current profits and losses. The book value of offset goodwill shall not be reversed.

Non-current assets held for sale and assets in disposal group held for sale are not depreciated or amortized; Interest and other expenses of liabilities in disposal group held for sale continue to be recognized. All or part of the investments of affiliated enterprises or joint ventures classified as held-for-sale shall be accounted for by the equity method for those classified as held for sale, while those retained (not classified as held-for-sale) shall continue to be accounted for by the equity method; When the Company loses significant influence on the affiliated enterprise and joint venture due to the sale, it shall stop using the equity method.

If a certain non-current asset or disposal group is classified as held for sale, but the classification conditions of held for sale are no longer met, the Company will stop classifying it as held for sale and measure it according to the lower of the following two amounts:

① For the book value of the asset or disposal group before it is classified as held for sale, the amount adjusted according to the depreciation, amortization or impairment which should have been recognized without being classified as held for sale;

② Recoverable amount.

(2) Termination of operation

Termination of operation refers to the components that have been disposed of by the Company or classified as held for sale by the Company and can be distinguished separately, which meet one of the following conditions:

- ① This component represents an independent main business or a separate main business area.
- ② This component is part of an associated plan to dispose of an independent main business or a separate main business area.
- ③ This component is a subsidiary acquired for resale.

(3) Presentation

In the balance sheet, the Company lists the non-current assets held for sale or the assets in the disposal group held for sale as "assets held for sale", and lists the liabilities in the disposal group held for sale as "liabilities held for sale".

The Company separately lists the profit and loss from continuing operations and the profit and loss from termination of operations in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of termination of operation, the impairment loss, reversal amount and disposal profit and loss are listed as the profit and loss of continuing operations. Operating profit and loss and disposal profit and loss such as impairment loss and reversal amount of discontinued operation are listed as discontinued operation profit and loss.

A disposal group that intends to terminate its use instead of selling and meets the conditions of relevant components in the definition of operation termination shall be listed as operation termination from the date when it ceases to use.

For the discontinued operations listed in the current period, in the current financial statements, the information originally listed as the profit and loss of continuing operations is re-listed as the profit and loss of discontinued operations in the comparable accounting period. If the termination of operation no longer meets the classification conditions for held-for-sale, the information originally listed as the profit and loss of operation termination in the current financial statements will be listed again as the profit and loss of continuing operation in the comparable accounting period.

30. Impairment of assets

The following signs indicate that the assets may be impaired:

(1) The market price of assets fell sharply in the current period, which was significantly higher than the expected decline due to the passage of time or normal use.

(2) The economic, technical or legal environment in which the Company operates and the market in which the assets are located have undergone major changes in the current period or in the near future, which will have adverse effects on the Company.

(3) The market interest rate or other market return on investment has increased in the current period, which affects the discount rate used by enterprises to calculate the present value of the estimated future cash flow of assets, resulting in a significant decrease in the recoverable amount of assets.

(4) There is evidence that the assets are outdated or their entities have been damaged.

(5) Assets have been or will be idle, terminated or planned to be disposed of in advance.

(6) The evidence reported by the company shows that the economic performance of assets has been or will be lower than expected, such as the net cash flow created by assets or the realized operating profit (or loss) is far lower than the expected amount.

(7) Other indications that assets may have been impaired.

On the balance sheet date, the Company judges various assets that are applicable to the *Accounting Standards for Business Enterprises No.8-Impairment of Assets*, such as long-term equity investment, fixed assets,

engineering materials, construction in progress, intangible assets (except those with uncertain service life), and conducts impairment test when there are signs of impairment-estimating their recoverable amount. The recoverable amount is determined by the higher of the net amount of the fair value of the asset minus the disposal expenses and the present value of the estimated future cash flow of the asset. If the recoverable amount of an asset is lower than its book value, the book value of the asset shall be written down to the recoverable amount, and the written-down amount shall be recognized as the asset impairment loss, which shall be included in the current profits and losses, and the corresponding asset impairment reserve shall be accrued at the same time.

If there are signs that an asset may be impaired, the Company usually estimates its recoverable amount on the basis of individual assets. When it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group is determined based on the asset group to which the asset belongs.

Asset group is the smallest asset portfolio that can be recognized by the Company, and its cash inflow is basically independent of other assets or asset groups. The asset group consists of assets related to cash inflow. The identification of asset group is based on whether the main cash inflow generated by asset group is independent of other assets or cash inflow of asset group.

The Company conducts impairment test every year for intangible assets with uncertain goodwill and service life formed by business combination and not yet in serviceable condition, regardless of whether there is any sign of impairment. The impairment test of goodwill is carried out in combination with its related asset group or combination of asset groups.

Once the asset impairment loss is confirmed, it will not be reversed in the following accounting period.

31.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
On July 5, 2017, the Ministry of Finance issued the <i>Accounting Standards for Business Enterprises No.14-Income (Revised in 2017)</i> (CK [2017] No.22) (hereinafter referred to as the "New Income Standards").	It was adopted at the 4th meeting of the 9th Board of Directors of the Company on April 3, 2020	The Company began to implement the aforementioned new income standards from January 1, 2020

On July 5, 2017, the Ministry of Finance issued the Accounting Standards for Business Enterprises No.14-Income (Revised in 2017) (CK [2017] No.22) (hereinafter referred to as the "New Income Standards"). After the fourth meeting of the ninth board of directors of the company approved the resolution on April 3, 2020, the company will implement the aforesaid New Income Standards from January 1, 2020.

The New Income Standards establish a new income recognition model for regulating the income generated by contracts with customers. In order to implement the new revenue standard, the Company re-evaluated the recognition, measurement, accounting and presentation of main contract income. According to the new income standards, only the cumulative impact of unfinished contracts on January 1, 2020 are adjusted. The accumulated impact amount of the first implementation is adjusted. The amount of retained earnings at the beginning of the first implementation period (i.e. January 1, 2020) and other related items in the financial statements will not be adjusted for the information of comparable periods.

Influence of implementing new income standards on financial statements on January 1, 2020:

Items	December 31, 2019 (Before change)		January 1, 2020 (After change)	
	Consolidated statements	Parent statement	Consolidated statements	Parent statement
Account receivable	125,343,724.66	21,864,051.27	127,694,377.99	21,864,051.27
Other account receivable	26,618,178.57	13,435,651.19	19,172,247.47	13,435,651.19
Contract assets			5,095,277.77	
Inventories	111,683.22		111,683.22	
Other Non-current assets	50,909,325.73	36,901,029.57	50,909,325.73	36,901,029.57
Advance receipts	15,605,094.69		12,817,484.06	
Contract liabilities			2,787,610.63	
Retained profit	3,877,431,844.64	3,710,584,722.68	3,877,431,844.64	3,710,584,722.68
Surplus reserves	910,425,068.90	894,580,785.25	910,425,068.90	894,580,785.25

(2) Significant accounting policy changes

√ Applicable □ Not applicable

Contents and causes of changes in accounting estimates	Approval procedure	Time point at which the application begins	Remarks
From January 1, 2020, the Traffic Volume Forecast and Charge Revenue Report of Foshan-Kaiping Expressway and the Traffic Volume Forecast and Charge Revenue Report of Guangzhou Section of Jiangzhu Expressway issued by Guangdong Transportation Planning and Design Institute Co., Ltd. in 2019 for the Fokai Branch of Guangdong Expressway Development Co., Ltd., a branch of the Company, and Jingzhu Expressway Guangzhou Section Co., Ltd., a holding subsidiary are used as depreciation basis	On December 31, 2019, the third (temporary) meeting of the ninth board of directors was held, and the meeting passed the <i>Proposal on Changes in Accounting Estimates</i>	January 1, 2020	

On December 31, 2019, the Company held the 3rd (provisional) meeting of the ninth board of directors, which passed the Proposal on Changes in Accounting Estimates, and agreed to adopt the Traffic Volume Forecast and Charge Revenue Report of Foshan-Kaiping Expressway and the Traffic Volume Forecast and Charge Revenue Report of Guangzhou-Zhuhai Section of Beijing-Zhuhai Expressway issued by Guangdong Transportation Planning and Design Institute Co., Ltd. in 2019 for the Fokai Branch of Guangdong Expressway Development Co., Ltd., a branch of the Company, and Jingzhu Expressway Guangzhou Section Co., Ltd., a holding subsidiary from January 1, 2020. The Company adopts the future applicable method for this item. This change in accounting estimate results in a decrease of RMB 84,060,742.83 in depreciation of fixed assets in the current period than the original accounting estimate, a decrease of RMB 84,060,742.83 in operating cost, an increase of RMB 63,045,557.12 in net profit attributable to the shareholders of the parent company, and an increase of RMB 60,150,595.41 in net profit attributable to the minority shareholders of the parent company.

Contents and causes of changes in accounting estimates	Approval procedure	Time point at which the application begins	Affected report items	Impact amount
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Forecast traffic volume of expressway	Resolution of the board of directors	January 1, 2020	Fixed assets	84,060,742.83
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(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 2020

Applicable

Whether need to adjust the balance sheet account at the beginning of the year

Yes No

Consolidated balance sheet

In RMB

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Current asset:			
Monetary fund	2,817,920,894.50	2,817,920,894.50	
Settlement provision			
Outgoing call loan			
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Account receivable	125,343,724.66	127,694,377.99	2,350,653.33
Financing of receivables			
Prepayments	10,894,246.41	10,894,246.41	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other account receivable	26,618,178.57	19,172,247.47	-7,445,931.10
Including: Interest receivable			
Dividend receivable	7,205,472.90	7,205,472.90	
Repurchasing of financial assets			
Inventories	111,683.22	111,683.22	
Contract assets		5,095,277.77	5,095,277.77
Assets held for sales			

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Non-current asset due within 1 year	51,745.32	51,745.32	
Other current asset			
Total of current assets	2,980,940,472.68	2,980,940,472.68	
Non-current assets			
Loans and payment on other's behalf disbursed			
Debt investment			
Other investment on bonds			
Long-term receivable			
Long term share equity investment	3,255,739,898.36	3,255,739,898.36	
Other equity instruments investment	1,835,822,604.77	1,835,822,604.77	
Other non-current financial assets			
Property investment	3,331,500.37	3,331,500.37	
Fixed assets	8,925,700,473.65	8,925,700,473.65	
Construction in progress	229,098,299.48	229,098,299.48	
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	6,393,895.17	6,393,895.17	
Development expenses			
Goodwill			
Long-germ expenses to be amortized	1,114,764.44	1,114,764.44	
Deferred income tax asset	385,494,106.13	385,494,106.13	
Other non-current asset	50,909,325.73	50,909,325.73	
Total of non-current assets	14,693,604,868.10	14,693,604,868.10	
Total of assets	17,674,545,340.78	17,674,545,340.78	
Current liabilities			
Short-term loans			
Loan from Central Bank			
Borrowing funds			

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable	290,657,734.31	290,657,734.31	
Advance receipts	15,605,094.69	12,817,484.06	-2,787,610.63
Contract liabilities		2,787,610.63	2,787,610.63
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	14,822,524.70	
Tax payable	84,257,586.94	84,257,586.94	
Other account payable	626,180,586.92	626,180,586.92	
Including: Interest payable			
Dividend payable	20,020,119.31	20,020,119.31	
Fees and commissions payable			
Reinsurance fee payable			
Liabilities held for sales			
Non-current liability due within 1 year	795,861,958.07	795,861,958.07	
Other current liability	189,628.17	189,628.17	
Total of current liability	1,827,575,113.80	1,827,575,113.80	
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term loan	4,640,425,000.00	4,640,425,000.00	
Bond payable	678,124,972.89	678,124,972.89	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable	39,369,379.91	39,369,379.91	
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability	238,453,976.29	238,453,976.29	
Other non-current liabilities			
Total non-current liabilities	5,596,373,329.09	5,596,373,329.09	
Total of liability	7,423,948,442.89	7,423,948,442.89	
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	2,562,570,465.31	
Less: Shares in stock			
Other comprehensive income	382,193,344.90	382,193,344.90	
Special reserve			
Surplus reserves	910,425,068.90	910,425,068.90	
Common risk provision			
Retained profit	3,877,431,844.64	3,877,431,844.64	
Total of owner' s equity belong to the parent company	9,823,426,849.75	9,823,426,849.75	
Minority shareholders' equity	427,170,048.14	427,170,048.14	
Total of owners' equity	10,250,596,897.89	10,250,596,897.89	
Total of liabilities and	17,674,545,340.78	17,674,545,340.78	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
owners' equity			

Adjustment statement

Parent Company Balance Sheet

In RMB

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Current asset:			
Monetary fund	2,791,384,501.78	2,791,384,501.78	
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Account receivable	21,864,051.27	21,864,051.27	
Financing of receivables			
Prepayments	1,737,598.88	1,737,598.88	
Other account receivable	13,435,651.19	13,435,651.19	
Including: Interest receivable			
Dividend receivable	7,205,472.90	7,205,472.90	
Inventories			
Contract assets			
Assets held for sales			
Non-current asset due within 1 year	151,637,139.08	151,637,139.08	
Other current asset			
Total of current assets	2,980,058,942.20	2,980,058,942.20	
Non-current assets:			
Debt investment	537,903,684.98	537,903,684.98	
Other investment on bonds			
Long-term receivable			
Long term share equity	4,789,404,907.17	4,789,404,907.17	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
investment			
Other equity instruments investment	1,835,822,604.77	1,835,822,604.77	
Other non-current financial assets			
Property investment	3,079,362.12	3,079,362.12	
Fixed assets	6,818,701,482.08	6,818,701,482.08	
Construction in progress	46,952,925.08	46,952,925.08	
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	2,533,878.12	2,533,878.12	
Development expenses			
Goodwill			
Long-germ expenses to be amortized			
Deferred income tax asset	385,296,935.33	385,296,935.33	
Other non-current asset	36,901,029.57	36,901,029.57	
Total of non-current assets	14,456,596,809.22	14,456,596,809.22	
Total of assets	17,436,655,751.42	17,436,655,751.42	
Current liabilities			
Short-term loans			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable	129,930,285.56	129,930,285.56	
Advance receipts			
Contract Liabilities			
Employees' wage payable	6,340,740.61	6,340,740.61	
Tax payable	8,704,510.83	8,704,510.83	
Other account payable	582,131,356.01	582,131,356.01	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Including: Interest payable			
Dividend payable	20,020,119.31	20,020,119.31	
Liabilities held for sales			
Non-current liability due within 1 year	744,589,133.72	744,589,133.72	
Other current liability	821,133,339.57	821,133,339.57	
Total of current liability	2,292,829,366.30	2,292,829,366.30	
Non-current liabilities:			
Long-term loan	4,243,730,000.00	4,243,730,000.00	
Bond payable	678,124,972.89	678,124,972.89	
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable	39,369,379.91	39,369,379.91	
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability	129,978,356.56	129,978,356.56	
Other non-current liabilities			
Total non-current liabilities	5,091,202,709.36	5,091,202,709.36	
Total of liability	7,384,032,075.66	7,384,032,075.66	
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	2,974,458,696.93	
Less: Shares in stock			
Other comprehensive income	382,193,344.90	382,193,344.90	
Special reserve			

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Surplus reserves	894,580,785.25	894,580,785.25	
Retained profit	3,710,584,722.68	3,710,584,722.68	
Total of owners' equity	10,052,623,675.76	10,052,623,675.76	
Total of liabilities and owners' equity	17,436,655,751.42	17,436,655,751.42	

Note

(4) Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases from year 2020

Applicable Not applicable

32. Fair value measurement

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 Company measures related assets or liabilities at fair value, assuming that the orderly transaction of selling assets or transferring liabilities is conducted in the main market of related assets or liabilities; If there is no major market, the Company assumes that the transaction will be conducted in the most favorable market of related assets or liabilities. The main market (or the most favorable market) is the trading market that the Company can enter on the measurement day. The Company adopts the assumptions used by market participants to maximize their economic benefits when pricing the assets or liabilities.

When measuring non-financial assets at fair value, the ability of market participants to use the assets for the best purpose to generate economic benefits or the ability to sell the assets to other market participants for the best purpose to generate economic benefits shall be considered.

The Company adopts the valuation technology which is applicable in the current situation and supported by sufficient available data and other information, and gives priority to the relevant observable input values, and only uses the unobservable input values when the observable input values are unavailable or impractical.

For assets and liabilities measured or disclosed at fair value in financial statements, it shall determine the fair value level according to the lowest level input value which is of great significance to fair value measurement as a whole: the first-level input value is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in an active market; The second-level input value is directly or indirectly observable input values of related assets or liabilities except the first-level input value; The third level input value is the unobservable input value of related assets or liabilities.

On each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that are continuously measured at fair value to determine whether there is a conversion between the fair value measurement levels.

VI. Taxation

1. Major category of taxes and tax rates

Tax category	Tax basis	Tax rate
VAT	Taxable income	3%、5%、6%、9%、13%
City maintenance and construction tax	The actual payment of turnover tax	7%、5%
Enterprise income tax	Taxable income	25%
Education Fee Surcharge	The actual payment of turnover tax	3%
Local education surcharge	The actual payment of turnover tax	2%

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.

VII. Notes to the major items of consolidated financial statement

Unless otherwise specified, in the following notes (including the notes to main items in the financial statements of the parent company) "the beginning of the period" refers to January 1, 2020, "the end of the period" refers to June 30, 2020, "current period" refers to January-June, 2020, and "last period" refers to January-June, 2019.(unless otherwise specified)

1.Monetary Capital

In RMB

Items	Amount in year-end	Balance Year-beginning
Cash	92,943.37	20,587.32
Bank deposit	3,058,886,322.31	2,817,384,626.65
Other	517,476.78	515,680.53
Total	3,059,496,742.46	2,817,920,894.50

Other note

On January 30,2020,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					Amount
	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	135,661,315.25	100%	1,591,677.10	1.17%	134,069,638.15	129,049,371.28	100%	1,354,993.29	1.05%	127,694,377.99	
Of which:											
Aging portfolio	133,863,918.46	98.68%	1,591,677.10	1.19%	132,272,241.36	126,698,717.95	98.18%	1,354,993.29	1.07%	125,343,724.66	
Quality guarantee portfolio	1,797,396.79	1.32%			1,797,396.79	2,350,653.33	1.82%			2,350,653.33	
Total	135,661,315.25	100%	1,591,677.10	1.17%	134,069,638.15	129,049,371.28		1,354,993.29		127,694,377.99	

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

In RMB

Name	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Within 1 year	124,471,086.67		0.00%
1-2 years	8,465,399.40	846,539.95	10.00%
2-3 years	75,000.00	22,500.00	30.00%
3-4 years	123,880.00	61,940.00	50.00%
4-5 years	678,552.39	610,697.15	90.00%
Over 5 years	50,000.00	50,000.00	100.00%
Total	133,863,918.46	1,591,677.10	--

Note of the basis of recognizing the portfolio:

Provision for bad debts according to the age portfolio

Accrual of bad debt provision by portfolio: Notes of the basis of Quality guarantee the group

In RMB

Name	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Quality guarantee	1,797,396.79		
Total	1,797,396.79		--

Notes of the basis of recognizing the portfolio:

Provision for bad debts according to Quality guarantee portfolio

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

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year (Including 1 year)	124,471,086.67
1-2 years	8,590,178.95
2-3 years	116,508.25
Over 3 years	2,483,541.38
3-4 years	638,877.60
4-5 years	1,093,218.84
Over 5 years	751,444.94

Aging	Closing balance
Total	135,661,315.25

(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	Other	
Aging portfolio	1,354,993.29	236,683.81				1,591,677.10
Total	1,354,993.29	236,683.81				1,591,677.10

Of which the significant amount of the reversed or collected part during the reporting period :None

(3) The current accounts receivable write-offs situation

None

(4) 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.	51,964,979.29	38.30%	
Guangzhou Lingte Electronic Co.,Ltd.	19,955,000.00	14.71%	
Guangdong Humen Bridge Co., Ltd.	16,318,549.64	12.03%	
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	10,324,414.00	7.61%	
Shandong Boan Intelligent Technology Co., Ltd	7,409,966.25	5.46%	740,996.63
Total	105,972,909.18	78.11%	

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

None

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

None

3. Prepayments

(1) Age analysis

In RMB

Age	Balance in year-end		Balance Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,902,724.33	94.48%	10,724,508.41	98.44%
Over 3 years	169,738.00	5.52%	169,738.00	1.56%
Total	3,072,462.33	--	10,894,246.41	--

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

None

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

In RMB

Name	Relations with the Company	Amount	Aging	Reasons for non-settlement	Proportion %
China Pacific Property Insurance Co. Ltd. Guangdong Branch	Non- Related party	838,016.00	Within 1 year	Prepaid insurance	27.28
Xingning Hongda Subcontracting Co., Ltd.	Non- Related party	648,970.00	Within 1 year	Outstanding period	21.12
Guangdong Feida Traffic Engineering Co., Ltd.	Non- Related party	595,546.00	Within 1 year	Prepaid Engineering funds	19.38
China Ping An Property Insurance Co. Ltd. Guangdong Branch	Non- Related party	300,247.50	1 Within 1 year	Prepaid insurance	9.77
Guangzhou ITS Communications Equipment Co., Ltd.	Non- Related party	226,200.00	Within 1 year	Unfinished works, outstanding	7.36
Total	/	2,608,979.50	/	/	84.91

4. Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	10,955,472.90	7,205,472.90
Other receivable	12,027,702.56	11,966,774.57
Total	22,983,175.46	19,172,247.47

(1) Dividend receivable

1) Dividend receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Guangdong Radio and Television Networks investment	1,205,472.90	1,205,472.90

Items	Balance in year-end	Balance Year-beginning
No.1 Limited partnership enterprise		
Guangdong Yueke Technology Petty Loan Co., Ltd.		6,000,000.00
Zhaoqing Yuezhao Highway Co., Ltd.	9,750,000.00	
Total	10,955,472.90	7,205,472.90

2) Significant dividend receivable aged over 1 year

None

3) Bad-debt provision

Applicable Not applicable

(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	47,528,056.18	47,528,056.18
Cash deposit	2,401,147.29	3,435,633.29
Gelin Enze Account	4,007,679.91	4,007,679.91
Petty cash	4,206,145.37	3,580,634.57
Tran Other safer of long-term assets receivable	935,820.00	935,820.00
Other	4,513,802.08	4,043,898.89
Total	63,592,650.83	63,531,722.84

2) 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, 2020	29,212.18		51,535,736.09	51,564,948.27
Balance as at January 1, 2020 in current	---	---	---	---
Balance as at January 30, 2020	29,212.18		51,535,736.09	51,564,948.27

Of which the significant amount of the reversed or collected part during the reporting period :None

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 deb

Note 2: 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 12,220,079.91 yuan 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.

Changes in significant book balances for loss preparation current period

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Closing balance
Within 1 year (Including 1 year)	6,692,782.19
1-2 years	1,401,091.99
2-3 years	446,715.70
Over 3 years	55,052,060.95
3-4 years	1,492,984.00
4-5 years	503,491.88
Over 5 years	53,055,585.07
Total	63,592,650.83

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

The withdrawal amount of the bad debt provision:

In RMB

Category		Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of single item	51,535,736.09					51,535,736.09

Accrual of portfolio-Aging portfolio	29,212.18					29,212.18
Accrual of portfolio-Other portfolio						
Total	51,564,948.27					51,564,948.27

Where the current bad debts back or recover significant amounts:None

4)The actual write-off other accounts receivable:None

5) Top 5 of the closing balance of the other accounts receivable collated 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	74.74%	47,528,056.18
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	6.30%	4,007,679.91
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,505,864.00	3-4 years	2.37%	
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	9,213.22	1-2 years	0.01%	
Foshan Hezhan Yinghui Property Management Co., Ltd.	Disposal of fixed assets	935,820.00	Within 1 year	1.47%	
Guangdong Guanghui Expressway Co., Ltd.	Deposit	560,000.00	Over 5 years	0.88%	
Total	--	54,546,633.31	--	85.77%	51,535,736.09

(6) Accounts receivable involved with government subsidies

None

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets None

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

None

5. Inventories

Whether the company need to comply with the disclosure requirements of the real estate industry

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	111,683.22		111,683.22
Total	111,683.22		111,683.22	111,683.22		111,683.22

(2) Inventory depreciation reserve

None

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

None

(4) Description of amortization amount of contract performance cost in the current period

None

6.Contract assets

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Quality guarantee	5,246,547.77		5,246,547.77	5,095,277.77		5,095,277.77
Total	5,246,547.77		5,246,547.77	5,095,277.77		5,095,277.77

Amount and reason of material change of book value of contract assets in the current period::None

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 contract assets is accrued according to the general model of expected credit loss:

Provision for impairment of contract assets in the current period

Applicable Not applicable

None

7.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
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Important creditor's rights Investment/other creditor's rights investment:

8.Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Income tax to be deducted	204,007.47	
Income tax to be certified	106,665.85	
Total	310,673.32	

9. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment			Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint venture											
Guangdong Guanghui Expressway Co., Ltd.	1,048,473,573.52			43,495,261.34		3,954,180.00	24,715,954.57			1,071,207,060.29	
Subtotal	1,048,473,573.52			43,495,261.34		3,954,180.00	24,715,954.57			1,071,207,060.29	
2. Affiliated Company											
Guangdong Jiangzhong Expressway Co., Ltd.	179,491,516.98			-2,474,550.29						177,016,966.69	
Ganzhou Gankang Expressway Co., Ltd.	213,672,650.90			-18,334,081.49						195,338,569.41	
Ganzhou Kangda Expressway Co.,	234,733,526.86			5,693,920.94						240,427,447.80	

Investees	Opening balance	Increase/decrease							Closing balance	Closing balance of impairment provision
		Additional investment			Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision		
Ltd.										
Shenzhen Huiyan Expressway Co., Ltd.	262,682,427.44			916,998.38						263,599,425.82
Guoyuan Securities Co., Ltd.	793,926,807.52			14,629,008.65	2,533,278.11		11,940,297.90			799,148,796.38
Guangdong Yueke Technology Petty Loan Co., Ltd.	214,637,335.45			4,318,117.99						218,955,453.44
Hunan Lianzhi Technology Co., Ltd.		80,000,000.00								80,000,000.00
Zhaoqing Yuezhao Highway Co., Ltd.	308,122,059.69			7,608,675.97			49,750,000.00			265,980,735.66
Subtotal	2,207,266,324.84	80,000,000.00		12,358,090.15	2,533,278.11		61,690,297.90			2,240,467,395.20
Total	3,255,739,898.36	80,000,000.00		55,853,351.49	2,533,278.11	3,954,180.00	86,406,252.47			3,311,674,455.49

Other note

10. Other Equity instrument investment

In RMB

Items	Closing balance	Opening balance
Guangle Expressway Co., Ltd.	748,348,301.73	748,348,301.73
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00	50,000,000.00
China Everbright Bank Co., Ltd.	842,212,699.52	1,037,474,303.04
Huaxia Securities Co., Ltd. (Notes1)		
Huazheng Asset Management Co., Ltd. (Notes2)		
Kunlun Securities Co., Ltd. (Notes3)		
Total	1,640,561,001.25	1,835,822,604.77

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	440,655.02	7,802,784.15				Non-transactional purpose for shareholding
China Everbright Bank Co., Ltd.	50,344,558.02	324,651,822.72				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
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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.

11. 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				
(1) Disposal				
(2) Other Out				
4. Closing balance	12,664,698.25	2,971,831.10		15,636,529.35

Items	Houses and buildings	Land use right	Construction in progress	Total
II. Accumulated depreciation accumulated amortization				
1. Opening balance	10,547,091.78	1,757,937.20		12,305,028.98
2. Increased amount of the period	73,774.56	36,784.68		110,559.24
(1) Withdrawal or amortization	73,774.56	36,784.68		110,559.24
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance	10,620,866.34	1,794,721.88		12,415,588.22
III. Impairment provision				
1. Opening balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance				
IV. Book value				
1. Closing book value	2,043,831.91	1,177,109.22		3,220,941.13
2. Opening book	2,117,606.47	1,213,893.90		3,331,500.37

(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	1,366,521.30	Transportation and other ancillary facilities, Not accreditation
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Other note

12. Fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	8,709,189,223.95	8,925,700,473.65
Total	8,709,189,223.95	8,925,700,473.65

(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	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
2. Increased amount of the period				774,778.00			165,231,518.56	166,006,296.56
(1) Purchase							584,179.63	584,179.63
(2) Transfer of project under construction				774,778.00			164,647,338.93	165,422,116.93
(3) Increased of Enterprise consolidation								
3. Decreased amount of the period					16,205.00	864,000.00	3,321,533.40	4,201,738.40
(1) Disposal or scrap					16,205.00	864,000.00	3,321,533.40	4,201,738.40
(2) Government subsidy offset								
4. Closing balance	1,460,270,190.66	10,935,058,609.66	4,816,156,616.45	362,967,672.64	260,544,398.98	47,780,014.84	820,023,275.80	18,702,800,779.03
II. Accumulated depreciation								
1. Opening 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

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
2.Increased amount of the period		252,003,690.67	69,596,901.68	6,505,633.72	15,628,796.47	1,231,400.55	37,350,892.55	382,317,315.64
(1) Withdrawal		252,003,690.67	69,596,901.68	6,505,633.72	15,628,796.47	1,231,400.55	37,350,892.55	382,317,315.64
3.Decreased amount of the period					15,556.80	777,600.00	3,208,350.98	4,001,507.78
(1) Disposal or scrap					15,556.80	777,600.00	3,208,350.98	4,001,507.78
4.Closing balance	1,460,270,190.66	4,746,208,906.25	2,911,236,487.19	259,389,419.48	100,427,537.08	39,628,247.95	469,212,570.63	9,986,373,359.24
II. Accumulated depreciation								
1.Opening balance							7,238,195.84	7,238,195.84
2.Increased amount of the period								
(1) Withdrawal								
3.Decreased amount of the period								
(1) Disposal or scrap								
4.Closing balance							7,238,195.84	7,238,195.84

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
IV. Book value								
1. Closing book value		6,188,849,703.41	1,904,920,129.26	103,578,253.16	160,116,861.90	8,151,766.89	343,572,509.33	8,709,189,223.95
2. Opening book		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)Temporarily idle fixed assets

None

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

In RMB

Items	Book value	Reason
Transportation and other ancillary facilities	86,957,266.64	Not accreditation

Other note

13. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	169,594,866.22	229,098,299.48
Total	169,594,866.22	229,098,299.48

(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	20,812,651.91		20,812,651.91	15,943,015.38		15,943,015.38
Bridge deck pavement project of hailong Bridge	1,382,928.49		1,382,928.49	1,382,928.49		1,382,928.49
Urban toll station project	9,013,081.45		9,013,081.45	9,013,081.45		9,013,081.45
Pavement Treatment Project	47,513,858.97		47,513,858.97	46,573,355.85		46,573,355.85
Bridge Deck Treatment Project of Dayong Viaduct	69,200,820.99		69,200,820.99	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	5,933,146.00		5,933,146.00

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Bridge Drainage Improvement Project Across Centralized Drinking Water Sources	7,000,000.00		7,000,000.00	7,000,000.00		7,000,000.00
Monitoring Hall Migration Project	7,167,718.98		7,167,718.98	7,167,718.98		7,167,718.98
Odd project	1,570,659.43		1,570,659.43	2,345,437.43		2,345,437.43
Total	169,594,866.22		169,594,866.22	229,098,299.48		229,098,299.48

(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	178,291,911.00	66,534,825.51	98,112,513.42	164,647,338.93			93.59%	100.00%				Others
Reconstruction and Expansion of Sanbao to Shuikou	3,426,210,000.00	15,943,015.38	4,869,636.53			20,812,651.91	75.51%	75.51%	72,779,504.82			Others
Pavement Treatment Project	186,809,600.00	46,573,355.85	940,503.12			47,513,858.97	25.43%	25.43%	1,118,693.61	940,503.12	4.31%	Others
Bridge Deck Treatment Project of Dayong Viaduct	122,940,000.00	67,204,790.39	1,996,030.60			69,200,820.99	56.29%	56.29%	2,683,619.99	1,996,030.60	4.31%	Others
Total	3,914,251,511.00	196,255,987.13	105,918,683.67	164,647,338.93		137,527,331.87	--	--	76,581,818.42	2,936,533.72		--

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

None

14. 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			31,328,839.81	32,640,497.81
2. Increased amount of the period				62,517.57	62,517.57
(1) Purchase				62,517.57	62,517.57
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	1,311,658.00			31,391,357.38	32,703,015.38
II. Accumulated amortization					
1. Opening balance	1,311,658.00			24,934,944.64	26,246,602.64
2. Increased amount of the period				1,062,165.61	1,062,165.61
(1) Withdrawal				1,062,165.61	1,062,165.61
3. Decreased amount of the period					
(1) Disposal					

Items	Land use right	Patent right	Non-patent right	Software	Total
4.Closing balance	1,311,658.00			25,997,110.25	27,308,768.25
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				5,394,247.13	5,394,247.13
2.Opening book value				6,393,895.17	6,393,895.17

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

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

None

15. Long-term amortize expenses

In RMB

Items	Balance in year-begin	<u>Increase in this period</u>	Amortized expenses	Other loss	Balance in year-end
Rental fee for plant	1,114,764.44		53,508.72		1,061,255.72
Total	1,114,764.44		53,508.72		1,061,255.72

16. 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	7,238,195.84	1,809,548.96
Deductible loss	1,120,134,827.88	280,033,706.98	1,054,468,552.04	263,617,138.01
Amortization of intangible assets	16,370,675.77	4,092,668.94	100,250,984.24	25,062,746.06
Asset valuation appreciation	346,250,638.18	86,562,659.55	380,018,692.41	95,004,673.10
Total	1,489,994,337.67	372,498,584.43	1,541,976,424.53	385,494,106.13

(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	324,651,822.72	81,162,955.68	519,913,426.24	129,978,356.56
Deductible temporary differences in the formation of asset impairment	444,929,907.64	111,232,476.91	433,902,478.92	108,475,619.73
Total	769,581,730.36	192,395,432.59	953,815,905.16	238,453,976.29

(3) Details of unrecognized deferred tax assets

In RMB

Items	Balance in year-end	Balance Year-beginning
Deductible loss	9,751,378.66	8,013,102.87
Assets impairment provisions	90,176,625.37	89,939,941.56
Cost of outstanding invoices		1,941,115.68
Total	99,928,004.03	99,894,160.11

(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
2020			

2021			
2022	1,133,109.04	1,133,109.04	
2023	3,210,991.23	3,210,991.23	
2024	3,669,002.60	3,669,002.60	
2025	1,738,275.79		
Total	9,751,378.66	8,013,102.87	--

Other note:

17. Other Non-current assets

In RMB

Items	Balance in year-end			Balance Year-beginning		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Prepaid fixed assets engineering fees	34,482,614.47		34,482,614.47	50,442,297.97		50,442,297.97
Prepaid business tax	492,900.42		492,900.42	518,773.08		518,773.08
Less: Part due within 1 year	-51,745.32		-51,745.32	-51,745.32		-51,745.32
Total	34,923,769.57		34,923,769.57	50,909,325.73		50,909,325.73

Other note:

18.Account payable

(1) List of account payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	162,774,472.04	177,823,526.35
1-2 years (including 2 years)	34,995,823.93	11,710,703.48
2-3 years (including 3 years)	8,648,550.00	2,468,424.00
Over 3 years	98,394,394.48	98,655,080.48
Total	304,813,240.45	290,657,734.31

(2) Significant payable aging more than 1 year

In RMB

Items	Balance in year-end	Reason
Foshan Land and resources Bureau.	30,507,598.21	Unsettled
Guang Zhongjiang Expressway project Management Dept	28,000,000.00	Unsettled
Heshan Land and resources Bureau	27,186,893.60	Unsettled
Guangdong Highway Construction Co., Ltd.	25,630,651.00	Unsettled
Guangdong Provincial Freeway Co.,Ltd.	8,746,491.18	Unsettled
Total	120,071,633.99	--

19. Prepayment received

(1) List of Prepayment received

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	806,015.98	1,865,984.63
1-2 years (Including 2 years)		
2-3 years (Including 3 years)		
Over 3 years	10,393,700.37	10,951,499.43
Total	11,199,716.35	12,817,484.06

(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.	8,383,879.82	The Rental is not in the settlement period
Guangdong Xinle Technology Development Co., Ltd.	1,537,523.81	The Rental is not in the settlement period
Total	9,921,403.63	--

20. 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	14,822,524.70	128,500,655.48	124,544,037.99	18,779,142.19

II. Post-employment benefits - defined contribution plans		11,175,489.25	9,764,863.47	1,410,625.78
III. Dismissal benefits		80,117.63	80,117.63	
Total	14,822,524.70	139,756,262.36	134,389,019.09	20,189,767.97

(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	642,463.49	94,813,014.04	90,952,413.30	4,503,064.23
2. Employee welfare		9,303,364.42	9,211,545.43	91,818.99
3. Social insurance premiums		6,471,924.55	6,468,331.84	3,592.71
Including : Medical insurance		3,725,818.90	3,722,909.27	2,909.63
Work injury insurance		19,532.24	19,532.24	
Maternity insurance		873,658.04	872,974.96	683.08
Other		1,852,915.37	1,852,915.37	
4. Public reserves for housing		14,000,113.00	13,989,322.00	10,791.00
5. Union funds and staff education fee	12,865,407.64	3,381,179.63	3,284,605.58	12,961,981.69
8. Other	1,314,653.57	531,059.84	637,819.84	1,207,893.57
Total	14,822,524.70	128,500,655.48	124,544,037.99	18,779,142.19

(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		2,003,693.48	2,003,693.48	
2. Unemployment insurance		56,693.56	56,693.56	
3. Enterprise annuity payment		9,115,102.21	7,704,476.43	1,410,625.78
Total		11,175,489.25	9,764,863.47	1,410,625.78

Other notes:

21. Tax Payable

In RMB

Items	Balance in year-end	Balance Year-beginning
VAT	12,245,948.76	14,195,480.90
Enterprise Income tax	23,310,669.09	65,145,885.17
Individual Income tax	108,161.34	2,866,768.16
City Construction tax	480,762.03	957,991.34
Education subjoin	234,125.43	431,482.48
Locality Education subjoin	142,025.15	273,333.04
Land use tax	606,620.40	
Property tax	680,454.25	17,061.15
Stamp tax	44,687.72	218,722.91
Construction costs for cultural undertaking		31,200.00
Other		119,661.79
Total	37,853,454.17	84,257,586.94

Other note:

22. Other accounts payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend payable	954,302,889.90	20,020,119.31
Other account payable	471,530,924.09	606,160,467.61
Total	1,425,833,813.99	626,180,586.92

(1) Dividends payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Common stock dividends	954,302,889.90	20,020,119.31
Total	954,302,889.90	20,020,119.31

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

Final dividend payable 19,998,911.82yuan 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	42,938,220.28	55,789,027.50
Borrowing	182,161,406.25	184,505,512.50
Provisional estimate of project cost	199,761,484.19	305,588,291.39
Other	46,669,813.37	60,277,636.22
Total	471,530,924.09	606,160,467.61

(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
CCCC First Harbor Engineering Co., Ltd.	8,339,501.22	Project Quality guarantees, contract liquidated damages
Poly Changda Highway Engineering Co., Ltd.	4,103,645.00	Contract liquidated damages, project withholding
Guangdong Longda Superhighway Maintenance Co., Ltd.	3,184,244.10	Project Quality guarantees, contract liquidated damages, Wage margin for migrant workers
China Railway 18 Bureau Group Co., Ltd.	2,501,500.00	Contract liquidated damages, Wage margin for migrant workers
Total	30,628,338.80	--

23. Contract liabilities

(1) Contract liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Advances on sale	108,100.88	2,787,610.63
Less: Other non-current liabilities		
Total	108,100.88	2,787,610.63

24. Non-current liabilities due within 1 year

In RMB

Long-term loans due within 1 year	Balance year-end	Year-beginning balance
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Long-term payable due within 1 year	62,060,000.00	765,445,000.00
Interest payable due within 1 year	732,075.47	256,603.77
Total	96,380,696.28	30,160,354.30
Long-term loans due within 1 year	159,172,771.75	795,861,958.07

Other note:

25. Other current liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Tax to be rewritten	1,603,872.74	189,628.17
Total	1,603,872.74	189,628.17

26. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loan	507,365,000.00	447,365,000.00
Guaranteed loan		375,000,000.00
Credit loan	4,259,587,500.00	4,583,505,000.00
Long-term loans due within one year	-62,060,000.00	-765,445,000.00
Total	4,704,892,500.00	4,640,425,000.00

Other notes including interest rate range:

The Pledge loan rate is 4.15%-4.41%; the guaranteed loan interest rate is 5.6%; the credit interest rate is 3.95%-4.41%.

27. Bond payable

(1) Bond payable

In RMB

Items	Balance year-end	Year-beginning balance
Medium-term note	1,426,014,144.87	678,124,972.89
Total	1,426,014,144.87	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	678,124,972.89			-223,241.92		678,348,214.81
20 Guangdong Expressway MTN001	750,000,000.00	2020.3.13	2020.3.17-2025.3.17	750,000,000.00		750,000,000.00		2,334,069.94		747,665,930.06
Total	--	--	--	1,430,000,000.00	678,124,972.89	750,000,000.00		2,110,828.02		1,426,014,144.87

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

None

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

None

28. Long-term payable

In RMB

Items	Balance year-end	Year-beginning balance
Long-term payable	40,406,172.36	39,369,379.91
Total	40,406,172.36	39,369,379.91

(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	3,116,037.72	1,603,773.57
Less: Part due within 1 year	732,075.47	256,603.77
Total	40,406,172.36	39,369,379.91

Other note:

29. Deferred income

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Cause
Government subsidy		37,916,900.00	5,637,075.19	32,279,824.81	
Total		37,916,900.00	5,637,075.19	32,279,824.81	--

Details of government subsidies:

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other income recorded in the current period	Amount of cost deducted in the current period	Other changes	End of term	Asset-related or income-related
Cancellation of Expressway Provincial		35,416,900.00		3,137,075.19			32,279,824.81	Asset-related

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

30. 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

31. 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	54,162,122.32	3,954,180.00		58,116,302.32
Total	2,562,570,465.31	3,954,180.00		2,566,524,645.31

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

The capital reserve in this period was increased 3,954,180.00 yuan due to the change of the owner's equity of the joint-stock company

32. 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	389,935,069.68	-195,261,603.52			-48,815,400.88	-146,446,202.64		243,488,867.04
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	389,935,069.68	-195,261,603.52			-48,815,400.88	-146,446,202.64		243,488,867.04
2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	-7,741,724.78	2,533,278.11				2,533,278.11		-5,208,446.67
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	-7,741,724.78	2,533,278.11				2,533,278.11		-5,208,446.67

Total of other comprehensive income	382,193,344.90	-192,728,325.41			-48,815,400.88	-143,912,924.53		238,280,420.37
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33. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	910,425,068.90			910,425,068.90
Total	910,425,068.90			910,425,068.90

Note

34. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	3,877,431,844.64	3,938,609,136.59
Adjust the total undistributed profits at the beginning of the period		-9,749,843.30
After adjustments: Retained profits at the period beginning	3,877,431,844.64	3,928,859,293.29
Add: Net profit belonging to the owner of the parent company	-5,830,257.18	1,258,628,101.71
Less: Statutory surplus reserve		135,022,507.55
Common stock dividend payable	882,320,185.17	1,175,033,042.81
Retained profit at the end of this term	2,989,281,402.29	3,877,431,844.64

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.

35. Operation income and operation cost

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	642,155,230.52	514,556,931.18	1,465,140,817.31	536,808,262.05
Other operation	18,743,731.27	9,618,193.88	18,532,427.90	12,815,548.44
Total	660,898,961.79	524,175,125.06	1,483,673,245.21	549,623,810.49

36. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	1,233,837.65	2,826,207.50
Education surcharge	582,429.79	1,334,286.59
Property tax	712,301.65	653,603.50
Land use tax	606,620.40	607,742.40
Vehicle use tax	27,905.63	27,413.99
Stamp tax	96,237.31	151,645.56
Business tax	25,872.66	25,872.66
Locality Education surcharge	388,598.88	889,523.37
Other		40,728.40
Total	3,673,803.97	6,557,023.97

Other note

37. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	47,810,529.06	51,876,703.42
Depreciation and Amortization	4,677,507.48	5,426,970.90
Low consumables amortization	234,921.36	270,716.05
Travel expenses	83,119.53	425,060.93
Office expenses	2,457,800.02	4,046,634.57
Leased expenses	5,183,189.17	5,621,607.68
The fee for hiring agency	3,113,424.31	4,459,697.91

Consultation expenses	63,000.00	1,186,300.00
Listing fee	11,320.75	11,320.75
Information cost and maintenance fee	247,597.56	180,975.14
Other	4,108,510.24	3,469,223.12
Total	67,990,919.48	76,975,210.47

Other note:

38. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	131,774,768.90	115,040,857.71
Deposit interest income (-)	-14,760,756.18	-15,761,707.69
Exchange Income and loss (Gain-)		1,590,432.88
Bank commission charge	65,706.01	904,728.33
Other	1,534,061.56	1,755,451.17
Total	118,613,780.29	103,529,762.40

39. Other gains

In RMB

Items	Amount of this period	Amount of last period
Government subsidy- Cancellation of Expressway Provincial Toll Station Project	3,137,075.19	
Government subsidy- Stable job subsidies	398,471.22	
Return of personal tax handing fee	173,223.75	40,043.40
Maternity allowance	149,747.43	377,218.29
Input tax plus deduction	12,771.61	2,965.93
Total	3,871,289.20	420,227.62

40. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity	55,853,351.49	237,712,998.09

method		
Dividends earned during the holding period on investments in other equity instrument	50,785,213.04	38,528,868.23
Total	106,638,564.53	276,241,866.32

41. Credit impairment losses

In RMB

Items	Amount of this period	Amount of last period
Impairment losses on accounts receivable	-236,683.81	
Total	-236,683.81	

Other note:

42. Assets disposal income

In RMB

Source	Amount of this period	Amount of last period
Non-current assets disposal gains		13,129,094.29
Including: Income from disposal of Fixed assets		
Income from disposal of Intangible assets		13,129,094.29
Other	4.37	
Total	4.37	13,129,094.29

43. 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
Charges	1,493.01	14,676.65	1,493.01
Relocation compensation income	1,549,865.12		1,549,865.12
Insurance indemnity income	1,824,272.37	133,339.72	1,824,272.37
Road property claim income	416,820.42	543,754.07	416,820.42
Other income	285,226.03	43,589.32	285,226.03
Total	4,077,676.95	735,359.76	4,077,676.95

- Government subsidy reckoned into current gains/losses: None

44. 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	184,878.43	2,591,350.52	184,878.43
Fine	25,472.76	207.98	25,472.76
Road property claim expenses	1,411,624.28	1,633,084.45	1,411,624.28
Other income(570,033.01	6,765.00	570,033.01
Total	2,192,008.48	4,231,407.95	2,192,008.48

45. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	27,487,772.16	154,541,370.84
Deferred income tax expense	15,752,378.88	35,155,403.21
Total	43,240,151.04	189,696,774.05

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

In RMB

Items	Amount of current period
Total	58,604,175.75
Current income tax expense accounted by tax and relevant regulations	14,651,043.94
Influence of income tax before adjustment	19,910.76
Influence of non taxable income	-27,333,746.18
Impact of non-deductible costs, expenses and losses	4,097,052.91
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	-744,912.67
Other	52,550,802.28

Income tax expense	43,240,151.04
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46. Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Interest income	14,760,756.18	15,761,707.69
Unit current account	22,144,584.27	9,857,010.59
Cancellation of Expressway Provincial Toll Station Project	35,416,900.00	
Total	72,322,240.45	25,618,718.28

(2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	15,271,520.58	16,677,364.01
Network received toll income		6,999,980.83
Unit current account	5,349,446.91	14,244,441.25
Total	20,620,967.49	37,921,786.09

(3) Cash received related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Medium-term bill issuance fee	1,122,177.00	791,384.00
Total	1,122,177.00	791,384.00

47. 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	--	--

Supplement Information	Amount of current period	Amount of previous period
Net profit	15,364,024.71	843,585,803.87
Depreciation of fixed assets, oil and gas assets and consumable biological assets	382,391,090.20	402,575,984.69
Amortization of intangible assets	1,098,950.29	1,184,929.43
Amortization of Long-term deferred expenses	53,508.72	53,508.72
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets		-13,129,094.29
Fixed assets scrap loss	184,878.43	2,591,350.52
Financial cost	134,274,768.90	116,631,290.59
Loss on investment	-106,638,564.53	-276,241,866.32
Decrease of deferred income tax assets	12,995,521.70	44,118,004.31
Increased of deferred income tax liabilities	2,756,857.18	-8,962,601.10
Decrease of inventories		-29,124.58
Decease of operating receivables	-37,061,244.28	-16,566,898.76
Increased of operating Payable	12,249,629.21	-45,000,189.85
Other	236,683.81	
Net cash flows arising from operating activities	417,906,104.34	1,050,811,097.23
II. Significant investment and financing activities that without cash flows:	--	--
3 . Movement of cash and cash equivalents:	--	--
Ending balance of cash	3,058,275,542.46	2,036,803,751.05
Less: Beginning balance of cash equivalents	2,816,699,694.50	2,123,303,796.32
Net increase of cash and cash equivalents	241,575,847.96	-86,500,045.27

(2) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
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Items	Balance in year-end	Balance in year-Beginning
Cash	3,058,275,542.46	2,816,699,694.50
Of which: Cash in stock	92,943.37	20,587.32
Bank savings could be used at any time	3,057,665,122.31	2,816,163,426.65
Other monetary capital could be used at any time	517,476.78	515,680.53
Balance of cash and cash equivalents at the period end	3,058,275,542.46	2,816,699,694.50

Other note:

48. The assets with the ownership or use right restricted

In RMB

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

Other note:

As of June 30, 2020, the Company's subsidiary Jingzhu Expressway Guangzhu Section Co., Ltd borrowed 507,365,000.00 yuan from Wuyang Sub-branch of Industrial and Commercial Bank of China (including 26,335,000.00 yuan in non-current liabilities due within one year and 481,030,000.00 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 Guangzhu section of Jingzhu Expressway and the revenue generated by owning such right).

VIII. Changes of merge scope

None

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
Guangfo Expressway Co., Ltd.	Guangz	Guan	Expressway Management	75.00%		Under the same control business

	hou	gzhou				combination
Guangdong Expressway Technology Investment Co., Ltd.	Guangzhou	Guanzhou	Investment in technical industries and provision of relevant	100.00%		Investment
Guangzhou Guangzhou Traffic Investment Management Co., Ltd.	Guangzhou	Guanzhou	Investment management	100.00%		Under the same control business combination
Jingzhu Expressway Guangzhou Section Co.,Ltd.	Zhongshan	Guanzhou	Expressway Management	20.00%	55.00%	Under the same control business combination
Yuegao Capital Investment(Hengqin)Co., Ltd.	Guangzhou	Zhuhai	Investment management	100.00%		Investment

Notes: holding proportion in subsidiary different from voting proportion:None

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:None

Significant structure entities and controlling basis in the scope of combination:None

Basis of determine whether the Company is the agent or the principal: None

Other notes:

Guangzhou Guangzhou Traffic Investment Management Co., Ltd. holds 55% equity in Guangzhou 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%	11,076,201.29		148,856,273.05
Jingzhu Expressway Guangzhou Section Co.,Ltd.	25.00%	10,118,080.60	126,983,792.91	172,524,264.07

Holding proportion of minority shareholder in subsidiary different from voting proportion

None

(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.	617,279,005.86	61,712,506.29	678,991,512.15	78,285,629.03	5,280,790.91	83,566,419.94	560,965,221.56	47,173,764.91	608,138,986.47	57,018,699.42		57,018,699.42
Jingzhu Expressway Guangzhu Section Co.,Ltd.	120,244,803.02	2,212,641,148.22	2,332,885,951.24	520,668,250.01	1,122,120,644.94	1,642,788,894.95	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

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Guangfo Expressway Co., Ltd.	102,043,817.63	44,304,805.16	44,304,805.16	59,016,009.03	231,359,875.86	142,527,223.05	142,527,223.05	146,829,390.44
Jingzhu Expressway Guangzhu Section Co.,Ltd.	232,123,838.11	40,472,322.41	40,472,322.41	136,327,743.66	613,528,787.18	285,871,543.23	285,871,543.23	390,248,834.50

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

None

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

None

Other note:

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

(1) Significant joint venture arrangement or associated enterprise

None

(2) Affect of the transaction on the minority equity and owner's equity attributable to the parent company

None

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Guangdong Guanghui Expressway Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Expressway Management	30.00%		Equity method
Zhaoqing Yuezhao Highway Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Expressway Management	25.00%		Equity method
Shenzhen Huiyan Expressway Co., Ltd.	Shenzhen Guangdong	Shenzhen Guangdong	Expressway Management	33.33%		Equity method
Guangdong Jiangzhong Expressway Co., Ltd.	Zhongshan, Guangdong	Guangzhou, Guangdong	Expressway Management	15.00%		Equity method
Ganzhou kangda Expressway Co., Ltd.	Ganzhou,	Ganzhou	Expressway	30.00%		Equity method

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
	Jiangxi	ou, Jiangxi	Management			
Ganzhou Gankang Expressway Co., Ltd.	Ganzhou, Jiangxi	Gangzhou, Jiangxi	Expressway Management	30.00%		Equity method
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00%		Equity method
Guangyuan Securities Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Security business	2.37%		Equity method
Hunan Lianzhi Technology Co., Ltd.	Changsha	Changsha	Research and experimental development		11.45%	Equity method

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

None

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

(2) Main financial information of significant joint venture

In RMB

	Year-end balance/ Amount of current period	Year-beginning balance/ Amount of previous period
	Guangdong Guanghui Expressway Co., Ltd.	Guangdong Guanghui Expressway Co., Ltd.
Current assets	894,836,795.76	676,535,557.27
Including: Cash and cash equivalent	434,237,396.95	236,277,469.65
Non-current assets	3,407,727,377.88	3,551,486,914.85
Total assets	4,302,564,173.64	4,228,022,472.12
Current liabilities	246,407,371.86	212,427,396.61

Non-current liabilities	485,466,600.82	520,683,163.79
Total liabilities	731,873,972.68	733,110,560.40
Attributable to shareholders of the parent company	3,570,690,200.96	3,494,911,911.72
Share of net assets calculated by stake	1,071,207,060.29	1,048,473,573.52
Book value of equity investment in joint ventures	1,071,207,060.29	1,048,473,573.52
Operating income	457,060,461.67	917,898,192.73
Financial expenses	4,947,161.57	10,890,126.55
Income tax expenses	50,887,862.70	159,573,250.38
Net profit	144,984,204.47	478,273,173.41
Total comprehensive income	144,984,204.47	478,273,173.41
Dividends received from joint ventures this year	24,715,954.57	84,638,655.14

(3) Main financial information of significant associated enterprise

In RMB

	Year-end balance/ Amount of current period	Year-beginning balance/ Amount of previous period
	Guoyuan Securities Co., Ltd.	Guoyuan Securities Co., Ltd.
Current assets	45,654,244,848.74	57,918,624,287.41
Non-current assets	42,446,606,690.61	26,015,472,537.63
Total assets	88,100,851,539.35	83,934,096,825.04
Current liabilities	47,226,615,144.21	46,206,352,399.19
Non-current Liabilities	15,815,525,400.14	12,890,023,021.47
Total liabilities	63,042,140,544.35	59,096,375,420.66
Minority Shareholders' Equity	11,997,171.96	11,785,075.26
Shareholders' equity attributable to shareholders of the parent	25,046,713,823.04	24,825,936,329.12
Pro rata share of the net assets calculated	592,422,978.36	587,200,989.50
--Goodwill	206,725,818.02	206,725,818.02
The book value of equity investments in joint ventures	799,148,796.38	793,926,807.52
Fair value of equity investment of associated enterprises with open quotation	668,656,682.40	737,910,410.22

	Year-end balance/ Amount of current period	Year-beginning balance/ Amount of previous period
	Guoyuan Securities Co., Ltd.	Guoyuan Securities Co., Ltd.
Business income	2,115,128,481.79	1,616,521,271.21
Net profit	617,902,373.05	432,745,658.33
Other comprehensive income	99,219,704.73	6,888,669.24
Total comprehensive income	717,122,077.78	439,634,327.57
Dividends received from associates during the year	11,940,297.90	

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

In RMB

	Year-end balance/ Amount of current period	Year-beginning balance/ Amount of previous period
Joint venture:	--	--
Total amount of the pro rata calculation of the following items	--	--
Associated enterprise:	--	--
Total book value of the investment	1,441,318,598.82	1,413,339,517.32
Total amount of the pro rata calculation of the following items--Net profit	--	--
	-2,270,918.50	84,320,844.64
--Total comprehensive income	-2,270,918.50	84,320,844.64

Other note

As the book value of long-term equity investment in joint ventures and joint ventures other than those listed in (2) and (3) in the current period and in 2018 and 2019 are not higher than 5% of the total owner's equity of the Company attributable to the parent company. The company considers that except for the important joint ventures and associated enterprises listed in (2) and (3), other joint ventures and associated enterprises are non important joint ventures and associates Business.

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

None

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

None

(7) The unrecognized commitment related to joint venture investment

None

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

None

4. Significant common operation

None

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

None

X. Risks Related to Financial Instruments

The company has the main financial instruments, such as bank deposits, receivables and payables, investments, loans and so on. Please refer to the relevant disclosure in Notes for the details. The risks associated with these financial instruments mainly include credit risk, market risk and liquidity risk. The company's management shall manage and monitor these risks and ensure above risks to be controlled within certain scope.

(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 January 30, 2020, 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 "10, 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.

XI. The disclosure of the fair value

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

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(3) Other equity instrument investment	842,212,699.52			842,212,699.52
Total assets continuously measured at fair value	842,212,699.52			842,212,699.52
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 January 30, 2020 of 3.58 yuan, the final calculation of fair value was 842,212,699.52 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	Remark
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		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		

XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Name	Registered address	Nature	Redistricted capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Guangdong communication Group Co., Ltd	Guangzhou	Equity management, traffic infrastructure construction and railway project operation	26.8 billion 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 January 30, 2020, Registered capital: 26.8 billion yuan. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; The value-added communication business.

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

2. Subsidiaries of the Company

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

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

Details refer to the Note IX-3, Interests in joint ventures or associates

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
Shenzhen Huiyan Expressway Co., Ltd.	Associated enterprises of the Company

Zhaoqing Yuezhao Highway Co., Ltd.	Associated enterprises of the Company
Ganzhou Kangda Expressway Co., Ltd.	Associated enterprises of the Company
Guangdong Jiangzhong Expressway Co., Ltd.	Associated enterprises of the Company
Guangdong Yueke Technology Petty Loan Co., Ltd.	Associated enterprises of the Company
Guangdong Guanghui Expressway Co., Ltd.	Joint ventures of the Company

4. Other Related parties

Name	<u>Relation with the Company</u>
Poly Changda Engineering Co., Ltd.	Controlled by the same parent company and equity participation unit
Hongkong- Zhuhai-Macao Connection line management center	Managed by the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Feida Traffic Engineering Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Media Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangzhu West Line Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Humen Bridge Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu Traffic Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Industry Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Real Estate Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Union Electron Service Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shenshan Expressway East Section Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Provincial Freeway Co., Ltd.	Fully owned subsidiary of the parent company

Name	Relation with the Company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Communication Planning & Design Institute Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Road & Bridge Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tongyi Expressway Service Area Co., Ltd. 公司	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuedong Expressway Industry Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangshenzhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhongjiang Expressway Project Management Dept	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Jiangmen Jianghe Expressway Co., Ltd.	Controlled by the same parent company and equity participation unit
Xinyue Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Guangdong Union electronic services co., Ltd.	Service	3,066,900.10			3,767,825.78
Guangdong Feida Traffic Engineering Co., Ltd.	Electrical and mechanical maintenance	494,467.97			

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 Humen Bridge Co., Ltd.	Electric charge	20,981.64			
Guangdong Guanghui Expressway Co., Ltd.	Advertising Electricity	3,937.74			
Guangdong Lulutong Co., Ltd.	Maintenance charges				715,406.99
Guangdong Tongyi Expressway Service Area Co., Ltd	Service				103,076.37
Guangdong Expressway Media Co., Ltd.	Electric charge				6,431.59
Poly Changda Engineering Co., Ltd.	Service charge				2,440.62
Guangdong Guanghui Expressway Co., Ltd.	Interest	3,029,231.25			2,014,593.75
Guangdong Jiangzhong Expressway Co., Ltd.	Interest	712,530.00			708,615.00
Guangdong East Thinking Management Technology Development Co., Ltd.	Service	60,000.00			60,000.00
Guangdong Union electronic services co., Ltd.	OA system maintenance	17,094.71			
Poly Changda Engineering Co., Ltd.	Purchase assets	47,564,260.01			183,277,074.35
Guangdong Xinyue traffic Investment Co., Ltd.	Purchase assets	1,908,423.62			6,688,119.43
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets				459,346.00

Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	9,734,292.46	9,516,226.40
Guangdong Provincial Freeway Co.,Ltd.	Project fund	1,773,900.00	2,052,036.80
Guangdong Union electronic services co.,	Promotion fees	1,525,613.18	

Related party	Content	Amount of current period	Amount of previous period
Ltd.			
Guangdong Guanghui Expressway Co., Ltd.	Revenue from heavy maintenance services	522,123.89	
Guangdong Tongyi Expressway Service Area Co., Ltd	water and electricity	427,637.49	
Guangdong Feida Traffic Engineering Co., Ltd	CPC card sales revenue	138,053.09	
Poly Changda Engineering Co., Ltd.	water and electricity	16,894.60	
Guangdong Xinyue traffic Investment Co., Ltd.	Purchase assets	15,840.71	32,212.39
Guangzhenzhu Expressway Co., Ltd.	Project fund	8,407.08	114,655.17
Guangdong Highway Construction Co., Ltd.	Project fund		603,570.34
Guangdong Road & Bridge Construction Development Co., Ltd.	Project fund		120,550.07
Guangdong Boda Expressway Co., Ltd.	Project fund		107,547.17
Guangdong Kaiyang Expressway Co., Ltd.	Project fund		89,142.85
Yunfo Guangyun Expressway Co., Ltd.	Project fund		69,535.81
Guangdong Traffic Industry Investment Co., Ltd.	Project fund		59,433.96
Guangdong Humen Bridge Co., Ltd.	Project fund		29,716.98
Zhaoqing Yuezhao Highway Co., Ltd.	Project fund		123,113.21
Guangdong Jiangzhong Expressway Co., Ltd.	Project fund		169,001.14
Shenzhen Huiyan Expressway Co., Ltd.	Project fund		663,319.81

(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 Litong Technology Investment Co., Ltd.	Land lease	37,690.80	
Guangdong Expressway Media Co., Ltd.	Advertising lease	12,905.92	195,542.86

Total		50,596.72	195,542.86
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- The company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Litong Real Estate Investment Co., Ltd	Office space	4,450,575.83	4,469,957.38
Zhaoqing Yuezhaoh Highway Co., Ltd.	Advertising column lease	124,031.00	
Guangzhou Yueyun Traffic Co., Ltd.	Car rental fee	59,601.00	42,400.00
Guangdong Gaoda Property Development Co., Ltd.	Office space	49,582.73	52,686.57
Total		4,683,790.56	4,565,043.95

Note

(3) 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 2,2019	April 1,2020	
Guangdong Guanghui Expressway Co., Ltd.	105,000,000.00	April 1,2019	March 31,2020	
Guangdong Guanghui Expressway Co., Ltd.	45,000,000.00	September 25,2019	September 24,2020	
Guangdong Guanghui Expressway Co., Ltd.	105,000,000.00	May 13,2020	May 12,2021	
Guangdong Guanghui Expressway Co., Ltd.	30,000,000.00	April 21,2020	April 20,2021	
Guangdong Jiangzhong Expressway Co Loaned., Ltd.	36,000,000.00	November 14,2018	November 13,2023	
Loaned				

(4) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	218.30	241.78

(5) 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	680,793,735.15	189,879,309.18
Interest Income	3,962,970.38	6,226,669.02
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.

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
Contract assets	Guangdong Xinyue Traffic Investment Co., Ltd.	127,567.50		127,567.50	
Contract assets	Guangdong Road & Bridge Construction Development Co., Ltd.	83,391.05		83,391.05	
Contract assets	Guangdong Guanghui Expressway Co.,	48,880.00		48,880.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
	Ltd.				
Contract assets	Guangdong Feida Traffic Engineering Co.,Ltd.	48,230.00		48,230.00	
Contract assets	Zhaoqing Yuezhao Highway Co., Ltd.	41,442.48		41,442.48	
Contract assets	Guangdong Provincial Freeway Co.,Ltd.	21,232.00		41,377.00	
Contract assets	Guangdong Guangzhu West Line Expressway Co., Ltd.	18,781.60		18,781.60	
Contract assets	Guangshenzhu Expressway Co., Ltd.	9,096.00		9,096.00	
Contract assets	Guangdong Jiangzhong Expressway Co., Ltd.	8,412.00		8,412.00	
Contract assets	Guangdong Highway Construction Co., Ltd.	7,200.00		7,200.00	
Contract assets	Guangdong Boda Expressway Co., Ltd.	4,531.00		4,531.00	
Contract assets	Guangdong Humen Bridge Co., Ltd.	2,700.00		2,700.00	
Contract assets	Guangdong Shenshan Expressway East Section Co., Ltd.			12,000.00	
Contract assets	Guangdong Litong Technology Investment Co., ltd.			5,273.00	
Account receivable	Guangdong Union electron Service Co., Ltd.	51,964,979.29		57,172,014.20	
Account receivable	Guangdong Humen Bridge Co., Ltd.	16,318,549.64		16,698,073.73	
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	10,324,414.00		6,174,264.00	4,450.00
Account receivable	Guangdong Provincial Freeway Co.,Ltd.	1,834,743.30		175,248.90	
Account receivable	Guangdong Guanghui Expressway Co., Ltd.	1,490,227.95	2,112.57	1,355,473.55	2,112.57
Account receivable	Guangdong Feida Traffic Engineering Co., Ltd.	1,166,085.25	115,108.90	1,423,875.25	103,072.45
Account receivable	Guangdong Xinyue Traffic Investment Co., ltd.	680,652.70	220,555.94	2,334,682.70	160,715.94
Account receivable	Guangdong Road & Bridge Construction Development Co., Ltd.	567,957.47		567,957.47	

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 Boda Expressway Co., Ltd.	537,848.00		463,491.88	
Account receivable	Guangdong Highway Construction Co., Ltd.	287,020.85	166,960.46	336,946.45	3,818.00
Account receivable	Guangzhenzhu Expressway Co., Ltd.	79,236.00	950.00	115,278.40	
Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	65,946.00	65,946.00	384,226.00	
Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	19,708.00		19,708.00	
Account receivable	Guangdong Shenshan Expressway Co., Ltd.	12,000.00			
Account receivable	Guangdong Yuedong Expressway Industry Development Co., Ltd.	7,367.20	736.72	7,367.20	
Account receivable	Guangdong Guangle Expressway Co., Ltd.	7,248.00		7,248.00	
Account receivable	Guangdong Yueyun Traffic Co., Ltd.	3,032.00		3,032.00	
Account receivable	Guangdong Expressway Media Co., Ltd.			1,909,300.00	
Account receivable	Guangdong Litong Technology Co., Ltd.			68,542.00	
Account receivable	Guangdong Maozhan Expressway Co., Ltd.			8,747.20	
Account receivable	Guangdong Shanfen Expressway Co., Ltd.			8,028.80	
Account receivable	Jiangmen Jianghe Expressway Co., Ltd.			2,539.20	
Advanced payment	Guangdong Feida Traffic Engineering Co., Ltd.	595,546.00			
Advanced payment	Zhaoqing Yuezhao Highway Co., Ltd.	20,672.00		144,703.00	
Advanced payment	Guangdong Litong Real Estate Investment Co., Ltd.			735,092.38	
Dividend	Zhaoqing Yuezhao Highway Co., Ltd.	9,750,000.00			

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Receivable					
Dividend Receivable	Guangdong Yueke Technology Petty Loan Co., Ltd.			6,000,000.00	
Other Account receivable	Guangdong Litong Real Estate Investment Co., Ltd.	1,515,077.22		1,515,077.22	
Other Account receivable	Guangdong Guanghui Expressway Co., Ltd.	560,000.00		560,000.00	
Other Account receivable	Guangdong Provincial Freeway Co.,Ltd.	463,491.88		566,447.18	
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	390,000.00		390,000.00	
Other Account receivable	Guangdong Expressway Media Co., Ltd.	120,655.99		896,321.01	
Other Account receivable	Guangdong Tongyi Expressway Service Area Co., Ltd.	94,029.95			
Other Account receivable	Gaungshenzhu Expressway Co., Ltd.	60,640.00		60,640.00	
Other Account receivable	Guangdong Gaoda Property Development Co., ltd.	29,462.00		15,906.00	
Other Account receivable	Guangdong Boda Expressway Co., Ltd.	22,740.00		22,740.00	
Other Account receivable	Guangdong Gufangzhu West Line Expressway Co., Ltd.	20,000.00		20,000.00	
Other Account receivable	Poly Changda Engineering Co., Ltd.	8,346.18			
Other Account receivable	Hongkong Zhuhai Macao Bridge Connection line management center	3,000.00		3,000.00	
Other Non-Current Assets	Poly Changda Engineering Co., Ltd.	34,218,249.49		48,400,293.16	
Other Non-Current Assets	Guangdong Hualu Traffic Technology Co., Ltd.			277,117.00	
Long-term amortization costs	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,061,255.72		1,114,764.44	

(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	28,000,000.00
Account payable	Guangdong Highway Construction Co., Ltd.	25,630,651.00	25,630,651.00
Account payable	Guangdong Provincial Freeway Co.,Ltd.	8,746,491.18	8,746,491.18
Account payable	Guangdong Feida Traffic Engineering Co., Ltd.	5,054,211.99	7,588,881.23
Account payable	Guangdong Litong Technology Investment Co., Ltd.	2,663,010.00	2,663,010.00
Account payable	Guangdong Litong Real Estate Investment Co., Ltd.	1,481,776.94	
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd.	1,237,761.42	1,237,761.42
Account payable	Guangdong Union Electron Service Co.,Ltd.	859,831.41	
Account payable	Guangdong Guanghui Expressway Co., Ltd.	727,200.00	742,051.92
Account payable	Poly Changda Engineering Co., Ltd.		16,685,096.00
Account payable	Guangdong Lulutong Co., ltd.		852,623.59
Account payable	Guangdong Hualu Traffic Technology Co., Ltd.		276,371.00
Other Payable account	Guangdong Guanghui Expressway Co., Ltd.	182,161,406.25	184,505,512.50
Other Payable account	Poly Changda Engineering Co., Ltd.	4,665,296.00	19,879,471.19
Other Payable account	Guangdong Union Electron Service Co.,Ltd.	3,071,938.39	367,300.00
Other Payable account	Guangdong Feida Traffic Engineering Co., Ltd.	1,758,080.11	2,092,641.20
Other Payable account	Guangdong Hualu Traffic Technology Co., Ltd.	1,156,567.00	1,077,965.88
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	986,279.22	1,331,893.22
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	439,523.40	416,398.40
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	247,070.50	247,070.50
Other Payable account	Guangzhongjiang Expressway Project	200,000.00	200,000.00

Name	Related party	Amount at year end	Amount at year beginning
	Management Dept		
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00
Other Payable account	Guangdong Communication Planning & Design Institute Co., Ltd.	158,049.70	158,049.70
Other Payable account	Guangzhou Xinyue Traffic Technology Co., Ltd.	101,323.00	101,323.00
Other Payable account	Guangdong Expressway Media Co., Ltd.	70,000.00	70,000.00
Other Payable account	Ganzhou Kangda Expressway Co., Ltd.	72,121.23	
Other Payable account	Guangdong Litong Real Estate Investment Co., Ltd.	28,429.38	
Other Payable account	Guangdong Lulutong Co., Ltd.	10,912.41	10,912.41
Dividend payable	Guangdong Communication Group Co., Ltd.	216,663,424.84	
Dividend Payable	Guangdong Highway Construction Co., Ltd.	196,789,158.44	
Dividend payable	Guangdong Provincial Freeway Co.,Ltd.	22,339,621.20	
Dividend payable	Xinyue Co., Ltd.	5,570,858.29	
Dividend Payable	Guangdong Traffic Development Co., Ltd.	899,075.22	
Contract Liabilities	Guangdong Xinyue Traffic Investment Co., Ltd.	22,300.88	
Non-current liabilities due 1 year	Guangdong Jiangzhong Expressway Co., Ltd.	39,150.00	43,065.00
Long-term payable	Guangdong Jiangzhong Expressway Co., Ltd.	36,000,000.00	36,000,000.00

7. Related party commitment

None

XIII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

None

5. Other

None

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

(1) Capital commitment

On June 15, 2016, the Company's 29th meeting (Provisional) of the seventh board of directors was convened. In the meeting, the Proposal on Increasing Funding for Guangdong Fokai Expressway Co., Ltd pertaining to the Renovation and Expansion Project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway was examined and approved, agreed that based on the approved total investment amount by relevant government department, then the company's subsidiary- Guangdong Fokai Expressway Co., Ltd carries out the investment and construction of the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway; the company increases funding for Guangdong Provincial Fokai Expressway Co., Ltd pertaining to the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway, with the contributed funds as a proportion of 35% of the total investment amount approved by relevant government department. The afore-said item had been examined and approved in the first extraordinary general shareholder meeting, The Company had received the approval of the National Development and Reform Commission about the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project (NO.1874-2016-NDRC Infrastructure Document) from Guangdong Provincial Development and Reform Commission. On October 11, 2016, agreed with the implementation of the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project. It's estimated that the total investment of this project is about 3.513 billion yuan (the static investment is about 3.289 billion yuan), of which the project capital is 1.23 billion yuan that accounts for 35% of the total investment and such amount of the project capital will be provided by Guangdong Provincial Fokai Expressway Co., Ltd, and the rest amount of 2,283 billion yuan will be solved by using bank loans. According to the "Official Reply to the preliminary design of reconstruction and extension project of Guangdong Sanbao to Shuikou Road by Ministry of Transport" (No.73-2017 Transport Road Document) issued by Guangdong Provincial Department of Transport, the Ministry of Transport checked and ratified that the general estimate of the preliminary design of reconstruction and extension project of Guangdong Sanbao to Shuikou Road is RMB 3.426 billion. As of June 30, 2020, The accumulated expenses occurred of Sanbao to Shuikou Highway extension project was 2.587 billion yuan.

No	Contract Counterparty	Economic Content	Contract Amount	Fulfilled as of June 30, 2020
1	China Railway Tunnel Group Co., Ltd.	Civil Engineering	251,026,485.00	247,327,027.72
2	Boli Changda Engineering Co., Ltd.	Civil Engineering	624,878,240.00	579,422,527.93
3	China Railway 18th Bureau Group Co., Ltd.	Civil Engineering	219,974,609.00	205,366,454.48
4	CCCC First Navigation Engineering Bureau Co., Ltd	Civil Engineering	355,014,108.00	300,078,345.44

2. Contingency

(1) Significant contingency at balance sheet date

As of June 30, 2020, The company does not disclose the pension plan undisclosed matter should exist.

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

None

XV. Events after balance sheet date

1. Profit distribution

On April 3, 2020, the ninth board of directors of the Company held its fourth meeting, approved the profit distribution plan for 2019, and distributed cash dividends of RMB 882,320,185.17. On June 29, 2020, the Company convened the 2019 Annual General Meeting of Shareholders, reviewed and approved the profit distribution plan, and distributed cash dividends of RMB 882,320,185.17.

On August 6, 2020, the cash dividend of A shareholders entrusted by the Company to China Clearing Shenzhen Branch will be directly transferred to its capital account through the shareholder custody securities company (or other custodian institutions); Dividends of restricted shares before the initial offering of A shares and cash dividends of Guangdong Provincial Freeway Co., Ltd., a shareholder of A shares, are distributed by the Company itself. On August 10, 2020, the cash dividends of B shareholders were directly transferred to their capital accounts through the custodian securities companies or custodian banks through shareholders.

In RMB

Profits or dividends declared upon examination and approval	882,320,185.17
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XVI. Other significant events

1. Segment information

The company's business for the Guangfo Expressway, the Fokai Expressway and Jingzhu Expressway Guangzhou

Section toll collection and maintenance work, the technology industry and provide investment advice, no other nature of the business, no reportable segment.

2. Government Subsidy

(1) Government subsidies included in deferred revenue are subsequently measured by the total amount method

Subsidy item	Category	Open ing balanc e	New subsidy amount in current period	The carry-over in current period is included in profit and loss amount	Other change	Closing balance	Presentation items carried over into profit or loss in the current period	Asset-related/re venue-related
Cancel the special subsidy for the expressway provincial toll station project	Financial appropriation		35,416,900.00	3,137,075.19		32,279,824.81	Other income	Assets related
Discount interest fund	Discount interest fund		2,500,000.00	2,500,000.00			Financial Expenses	Income related

(2) Government subsidies included in current profits and losses using the total amount method

Subsidy item	Category	Amount included in profit or loss in the current period	Presentation items included in profit or loss in the current period	Asset-related/revenue-related
Subsidy for post stabilization	Subsidy for post stabilization	398,471.22	Other income	Income related

3. 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 unnatural

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. Because the defendant failed to perform the effective judgment, the company applied to Guangzhou Maritime Court for compulsory execution. On July 27, 2020, the company received the enforcement ruling of Guangzhou Maritime Court ([2020] Y 72 Z No.247 - 3rd); A total execution payment of RMB 657,219.33 was transferred to our company by the court, and the execution procedure was terminated according to law.

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

The Company was approved to provide counter guarantee to Guangdong Communication Group Co.,Ltd.with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it . As of the end of this period, the company has returned all the raised funds to Pacific Asset Management Co., Ltd. On May 22, 2020, the company completed the cancellation registration of equity pledge of Guangzhou Guangzhu Transportation Investment Management Co., Ltd.

(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.

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

1. Account receivable

1.Classification account receivables.

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Of which										
Accrual of bad debt provision by portfolio	21,134,758.62	100.00%			21,134,758.62	21,864,051.27	100.00%			21,864,051.27
Of which:										
Aging portfolio	21,134,758.62	100.00%			21,134,758.62	21,864,051.27	100.00%			21,864,051.27
Total	21,134,758.62	100.00%			21,134,758.62	21,864,051.27	100.00%			21,864,051.27

Accrual of bad debt provision by single item: None

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)	21,134,758.62
Total	21,134,758.62

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

None

(3) The current accounts receivable write-offs situation

None

(4) 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.	21,134,758.62	100.00%	
Total	21,134,758.62	100.00%	

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

None

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

None

Other note:

2.Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	166,906,851.62	7,205,472.90
Other receivable	6,683,668.23	6,230,178.29
Total	173,590,519.85	13,435,651.19

(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
Jingzhu Expressway Guangzhu Section Co., Ltd.	41,587,034.32	
Guangzhou Guangzhu Traffic Investment Mangement Co., Ltd.	114,364,344.40	
Zhaoqing Yuezhao Highway Co., Ltd.	9,750,000.00	
Total	166,906,851.62	7,205,472.90

2) Significant dividend receivable aged over 1 year

None

(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	1,953,995.00	1,935,101.00
Petty cash	2,582,145.37	1,700,634.57
Other	2,147,527.86	2,594,442.72
Total	37,527,778.66	37,074,288.72

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, 2020			30,844,110.43	30,844,110.43

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, 2020 in current	---	---	---	---
Balance as at June 30, 2020			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	2,846,525.95
1-2 years	1,010,739.70
2-3 years	443,715.70
Over 3 years	33,226,797.31
3-4 years	1,490,184.00
4-5 years	463,491.88
Over 5 years	31,273,121.43
Total	37,527,778.66

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	Other	
Accrual of bad debt provision by single item:	30,844,110.43					30,844,110.43
Total	30,844,110.43					30,844,110.43

Of which the significant amount of the reversed or collected part during the reporting period :None

4)The actual write-off other accounts receivable: None

5) Top 5 of the closing balance of the other accounts receivable collated 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	82.19%	30,844,110.43
Petty cash	Petty cash	2,429,631.37	Within 1 year	6.47%	
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,505,864.00	3-4 years	4.01%	
Foshan Hezhan Yinghui Property Management Co., Ltd.	Disposal of fixed assets	935,820.00	Within 1 year	2.49%	
Guangdong Provincial Freeway Co.,Ltd.	Entrustment management fee	463,491.88	4-5 year	1.24%	
Total	--	36,178,917.68	--	96.40%	30,844,110.43

(6) Accounts receivable involved with government subsidies

None

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets None

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

None

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	1,613,665,008.81		1,613,665,008.81	1,533,665,008.81		1,533,665,008.81
Investment in joint ventures and associates	3,231,674,455.49		3,231,674,455.49	3,255,739,898.36		3,255,739,898.36
Total	4,845,339,464.30		4,845,339,464.30	4,789,404,907.17		4,789,404,907.17

(1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase /decrease in reporting period				Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Withdrawn impairment provision	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	80,000,000.00				84,500,000.00	
Total	1,533,665,008.81	80,000,000.00				1,613,665,008.81	

(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.	1,048,473,573.52			43,495,261.34		3,954,180.00	24,715,954.57			1,071,207,060.29	
Subtotal	1,048,473,573.52			43,495,261.34		3,954,180.00	24,715,954.57			1,071,207,060.29	
II. Associated enterprises											
Guangdong Jiangzhong Expressway Co., Ltd.	179,491,516.98			-2,474,550.29						177,016,966.69	
Ganzhou Gankang Expressway Co., Ltd.	213,672,650.90			-18,334,081.49						195,338,569.41	
Ganzhou Kangda Expressway Co., Ltd.	234,733,526.86			5,693,920.94						240,427,447.80	

ShenzhenHuiyan Expressway Co., Ltd.	262,682,427.44			916,998.38						263,599,425.82	
Guoyuan Securities Co.,Ltd.	793,926,807.52			14,629,008.65	2,533,278.11		11,940,297.90			799,148,796.38	
Guangdong Yueke Technology Petty Loan Co., Ltd.	214,637,335.45			4,318,117.99						218,955,453.44	
Zhaoqing Yuezhaohighway Co., Ltd.	308,122,059.69			7,608,675.97			49,750,000.00			265,980,735.66	
Subtotal	2,207,266,324.84			12,358,090.15	2,533,278.11		61,690,297.90			2,160,467,395.20	
Total	3,255,739,898.36			55,853,351.49	2,533,278.11	3,954,180.00	86,406,252.47			3,231,674,455.49	

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	288,021,522.60	326,653,026.85	617,314,121.48	325,665,097.11
Other	5,558,207.44	2,004,931.99	5,812,395.87	3,525,577.41
Total	293,579,730.04	328,657,958.84	623,126,517.35	329,190,674.52

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	380,951,378.72	670,160,115.89
Long-term equity investment income accounted by equity method	55,853,351.49	237,712,998.09
Investment return on investments held to maturity during the holding period	50,785,213.04	38,528,868.23
Interest income from debt investment during holding period.	25,494,258.90	29,257,519.49
Total	513,084,202.15	975,659,501.70

XVIII. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Items	Amount	Notes
Gains/Losses on the disposal of non-current assets	-184,874.06	
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	3,535,546.41	
Net amount of non-operating income and expense except the aforesaid items	2,070,546.90	
Other non-recurring Gains/loss items	335,742.79	

Items	Amount	Notes
Less :Influenced amount of income tax	1,440,123.12	
Influenced amount of minor shareholders' equity (after tax)	632,378.68	
Total	3,684,460.24	--

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

Applicable Not applicable

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

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	-0.06%	-0.0028	-0.0028
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	-0.10%	-0.0046	-0.0046

3.Other

XII. Documents Available for Inspection

1. Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.
2. Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.
3. The texts of all the Company's documents publicly disclosed on the newspapers and periodicals designated by China Securities Regulatory Commission in the report period.