

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

## **2020 Annual Report**

**March 2021**

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

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

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

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

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

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: 2,090,806,126 for the base, the Company would distribute cash dividend to all the shareholders at the rate of CNY 2.91 for every 10 shares (with tax inclusive) , 0 bonus shares (including tax) and no reserve would be converted into share capital.

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## Definition

Terms to be defined	Refers to	Definition
Reporting period, This year	Refers to	January 1, 2020 to December 31, 2020
Reporting date	Refers to	The annual report of the company was approved by the board of directors on 2020, that is March 25, 2021
YOY	Refers to	Compared with 2019
The Company /This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Communication Group	Refers to	Guangdong Communication Group Co., Ltd.
Provincial Expressway	Refers to	Guangdong Provincial Freeway Co.,Ltd.
Construction Company	Refers to	Guangdong Highway Construction Co., Ltd.
Technology Company/Guangdong Expressway Technology	Refers to	Guangdong Expressway Technology Investment Co., Ltd
Fokai Company	Refers to	Guangdong Fokai Expressway Co., Ltd.
Reconstruction and extension Project of the South Section of Fokai Expressway	Refers to	Reconstruction and Expansion Project of Sanbao-Shuikou Section of Fokai Expressway.
Guangfo Company	Refers to	Guangdong Guangfo Expressway Co., Ltd.
Guangzhu TransportationI	Refers to	Guangzhou Guangzhu Transportation Investment Management Co., Ltd.
Guangdong Expressway Capital	Refers to	Yuegao Capital Investment (Hengqin) Co., Ltd.
Guangzhu East Company	Refers to	Jingzhu Expressway Guangzhu Section Co., Ltd.
Guanghui Company	Refers to	Guangdong Guanghui Expressway Co., Ltd.
Major assets restructuring	Refers to	Guangdong Provincial Expressway Development Co., Ltd. acquired 21% equity of Guangdong Guanghui Expressway Co., Ltd. held by Guangdong Provincial Expressway Co., Ltd. by paying cash in 2020

## II. Basic Information of the Company and Financial index

### 1. Company Information

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

### 2. Contact person and contact manner

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

### 3. Information disclosure and placed

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

#### 4.Changes in Registration

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

#### 5. Other Relevant Information

##### CPAs engaged

Name of the CPAs	Yong Tuo Cerified Public Accountants(Special General Partnership)
Office address:	13/F, 2 Building, No.1 North Street , Guandongdian, Chaoyang District, Beijing
Names of the Certified Public Accountants as the signatories	Shi Shaoyu, Li Junjie

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

Applicable  Not applicable

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

Applicable  Not applicable

Name	Office address	Name of sponsor	Consitent supervision period
China International Capital Corporation Limited	27-28/F, 2 Black, No1. Guomao Building, Jianguomen Wai Street, Chaoyang District, Beijing	Xie Yi, Long Hai	2020-2021

## 6.Summary of Accounting data and Financial index

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

Yes  No

Retroactive adjustment or restatement of causes: Merger of enterprises under the same control

	2020	2019		Changes of this period over same period of Last year(%)	2018	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Operating income (RMB)	3,790,348,876.26	3,057,935,584.43	4,999,016,766.74	-24.18%	3,218,694,083.94	5,074,352,303.23
Net profit attributable to the shareholders of the listed company (RMB)	867,842,774.78	1,258,628,101.71	1,469,187,067.83	-40.93%	1,677,028,179.18	1,880,524,910.95
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	704,821,643.20	1,249,576,930.75	1,249,579,043.32	-43.60%	1,395,441,391.82	1,395,441,391.82
Cash flow generated by business operation, net (RMB)	2,636,187,241.05	1,988,551,897.83	3,222,681,187.05	-18.20%	1,915,985,578.04	3,300,975,145.20
Basic earning per share(RMB/Share)	0.42	0.60	0.70	-40.00%	0.80	0.90
Diluted gains per share(RMB/Share)	0.42	0.60	0.70	-40.00%	0.80	0.90
Weighted average ROE(%)	8.27%	13.09%	14.18%	-5.91%	18.37%	19.10%
	End of 2020	End of 2019		Changed over last year	End of 2018	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Gross assets (RMB)	19,748,578,658.11	17,674,545,340.78	20,666,939,285.90	-4.44%	16,295,910,774.45	19,998,135,903.61
Net assets attributable to shareholders of the listed company (RMB)	7,933,136,499.11	9,823,426,849.75	10,557,360,463.78	-24.86%	9,586,701,904.06	10,281,913,855.74

The lower of the company's net profit before and after the deduction of non-recurring gains and losses in the last three fiscal years is negative, and the auditor's report of the previous year shows that the Company's going concern ability is uncertain.

Yes  No

The lower of the net profit before and after the deduction of the non-recurring gains and losses is negative.

Yes  No



## 7.The differences between domestic and international accounting standards

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

Applicable  Not applicable

None

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

Applicable  Not applicable

None

## 8.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	354,885,621.22	763,073,802.24	1,361,154,456.80	1,311,234,996.00
Net profit attributable to the shareholders of the listed company	-65,790,927.23	90,407,352.98	416,728,710.01	426,497,639.02
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	-71,989,487.82	62,474,770.40	348,606,597.62	365,729,763.00
Net Cash flow generated by business operation	163,886,674.37	545,776,621.44	1,035,210,364.11	891,313,581.13

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

Yes  No

In 2020, the Company implemented a major asset restructuring through purchasing 21% equity of Guanghui Expressway by cash shares, which was completed on December 25, 2020, realizing the merger under the same control, and adjusting the quarterly and semi-annual financial report data accordingly.



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

√Applicable □Not applicable

In RMB

Items	Amount (2020)	Amount (2019)	Amount (2018)	Notes
Gains/Losses on the disposal of non-current assets	-8,261,533.18	7,607,268.21	63,173,138.25	
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	8,359,291.82	87,937.00	1,113,228.32	
Current net gains and losses occurred from period-begin to combination day by subsidiaries resulting from business combination under common control	546,213,524.55	701,856,178.51	678,322,439.24	The Company originally held 30% equity of Guanghui Expressway, In 2020, the Company purchased 21% equity of Guanghui Expressway in cash, and the merger date under the same control was December 31,2020, which was 70% of the net profit and loss realized by Guanghui Expressway in 2020 from the beginning of merger to the date of merger.
Net amount of non-operating income and expense except the aforesaid items	-1,069,827.30	-1,393,149.65	-1,545,368.05	
Other non-recurring Gains/loss items	974,321.89	1,652,603.05		
Less :Influenced amount of income tax	2,214.32	1,130,270.54	-230,679,518.30	
Influenced amount of minor shareholders' equity (after tax)	383,192,431.88	489,072,542.07	486,659,436.93	In 2020, the Company purchased 21% equity of Guanghui Expressway in cash, and the merger date under the same control was December 31, increasing the net profit and loss realized by Guanghui Expressway in 2020 which was attributable to minority shareholders by RMB 382,722,793.66.
Total	163,021,131.58	219,608,024.51	485,083,519.13	--

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 recorgnized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non - recurring gain/loss in the report period.

### III. Business Profile

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

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

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway and Jingzhu Expressway Guangzhu Section investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd., Ganzhou Kangda Expressway, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Petty Loan Co., Ltd., Guangdong Guangle Expressway Co., Ltd., 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 306.78 km, and the share-participation expressway is 295.88 km.

#### II .Major Changes in Main Assets

##### 1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	Compared with the beginning of the year, it increased by RMB 175.11 million, and 7.93%, which was mainly due to the increase of long-term equity investment by RMB 130 million yuan for the subscription of Guoyuan Securities, and increase of long-term equity investment by RMB 80 million for the investment in Hunan Lianzhi; and due to the capital reduction of Ganzhou Gankang Expressway Co., Ltd., to reduce the long-term equity investment by RMB 45 million.
Fixed assets	Compared with the beginning of the year, it decreased by RMB 920.11 million, and 7.38%, which was mainly due to the comprehensive impact of depreciation of expressway sections and cancellation of temporary estimation and conversion to fixed assets of expressway toll station projects at provincial boundaries.
Intangible assets	Compared with the beginning of the year, it increased by RMB 293.62 million, and 3351.04%, mainly because according to the relevant government documents, the holding expressway company included the relevant operating expenses incurred during the epidemic prevention and control period from February 17, 2020 to May 5, 2020 into the book value of the intangible asset-toll road franchise
Construction in process	Compared with the beginning of the year, it increased by RMB 99.34 million, and 41.17%, which was mainly due to the comprehensive impact of the increased pavement treatment works and bridge deck treatment works of Dayong Viaduct by Guangzhu East Company, and the increased Gualvhu Interchange Project, and cancellation of temporary estimation and conversion to fixed assets of expressway toll station project by Guanghui Company.
Other current assets	Compared with the beginning of the year, it decreased by RMB 196.55 million, and 99.99%, It was mainly because that Guanghui Expressway recovered all external loans at the end of the year.

## 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 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. Management's Discussion and Analysis

### I. General

In 2020, the Company actively fulfilled its social responsibilities, strove to overcome the adverse effects of the epidemic, worked hard and overcame difficulties. While strictly implementing various epidemic prevention and control measures to achieve zero infection in the company's system, it also adhered to the front line of epidemic prevention, ensured smooth traffic, made overall plans to promote the prevention and control of the normalized epidemic and all tasks, and effectively promoted the stabilization and improvement of economic operation.

1. Major asset restructuring of the Company was completed on time. On July 16, 2020, the Company started major asset restructuring, and acquired 21% equity of Guanghui Company held by Provincial Expressway in cash to realize holding. Through the injection of high-quality road assets, the mileage of expressway controlled by the Company has nearly doubled, and the sustainable profitability of expressway, the main business, and the financing ability of the Company have been further improved.

2. The first intelligent transportation foreign investment project was implemented smoothly. In June 2020, the Company completed the project investment of RMB 80 million in Hunan Lianzhi Technology Co., Ltd. by increasing capital to Yuegao Capital, and the members of Yuegao Capital Project Team implemented the follow-up investment simultaneously. This project is the Company's first overseas investment project in smart transportation, and it is also the first project for the project team members to make follow-up investment, which is a new breakthrough for the Company to explore and innovate the investment mechanism under the new situation.

3. The crucial task of canceling the provincial boundary station was successfully completed. After the toll collection was resumed on May 6, 2020, the toll stations of the Company's holding sections are with smooth traffic, the service points of Unitoll Expressway in Guangdong operated orderly, the toll display and data transmission of toll lanes were correct, the lane configuration was continuously optimized, and the ETC system was generally stable.

4. The revitalization of land resources along the route was accelerated. The Company insisted on the comprehensive development of land resources along the line as the main direction. The land resources along the Fokai Expressway, including Zhishan, Chenshan, Xinjitian and Yanshan service areas, have made phased progress in their revitalization.

5. The additional investment of the original financial equity projects was completed in an orderly manner. In November 2020, the Company invested about RMB 130 million and subscribed for 23.88 million shares of Guoyuan Securities in full at RMB 5.44 per share, which well safeguarded the rights and interests of the Company.

6. The preparation of strategic planning was started in time. In 2020, the Company started the preparation of the "14th Five-Year Plan", set up a leading group and a working group, and combined with internal interviews and external research, with consideration of the current and long-term situation, and based on a comprehensive summary of the implementation of the "13th Five-Year Plan", prepared the "14th Five-Year" Strategy Plan (first draft), which will be further revised and improved.

7. Guangzhu Transportation Company was successfully consolidated by merge. The Company started to consolidate by merge Guangzhu Transportation in May 2020, and successively completed the preparatory work, assets verification, special audit, agreement signing, internal decision-making, tax settlement and other work. Through the efforts of all parties, the cancellation approval notice was obtained on December 18, and the task of

reducing the hierarchy was successfully completed.

8. The application for re-approval of the operation period of the reconstruction and expansion project of the south section of Fokai Expressway was closely followed up. According to the requirements of the audit unit, the Company has supplemented the relevant information for re-approval of the operation period for many times and made explanations, striving to obtain the government's approval as soon as possible.

## II. Main business analysis

### 1. General

	Volume of vehicle traffic in 2020 (Ten thousands vehicles)	Increase /Decrease(%)	Toll income in 2020 (Ten thousands)	Increase /Decrease(%)
Guangfo Expressway	7,269.75	-4.25%	32,971.09	-30.05%
Fokai Expressway	7,718.23	0.65%	96,148.43	-24.68%
Jingzhu Expressway Guangzhu East Section	6,189.52	-15.56%	78,237.88	-34.11%
Guanghui Expressway	7,487.22	6.45%	159,235.27	-16.97%
Huiyan Expressway	4,349.60	-3.57%	18,593.50	-24.62%
Guangzhao Expressway	2,892.08	-17.52%	43,561.59	-21.58%
Jiangzhong Expressway	6,095.58	-0.82%	33,867.12	-25.79%
Kangda Expressway	147.82	-54.41%	21,190.46	-17.47%
Gankang Expressway	440.48	-14.87%	12,833.68	-30.40%
Guangle Expressway	3,467.39	14.00%	248,409.48	-22.01%

Note: The traffic volume in the above table includes the traffic volume during toll-free period due to the impact of the epidemic.

In 2020, due to the impact of the epidemic, and the first-level emergency response was activated nationwide. The toll-free period of the original statutory Spring Festival holiday (January 24-January 30, 2020) was extended to February 8; Meanwhile, according to the relevant policies of the Ministry of Transport, with the approval of the State Council, from 0:00 on February 17, 2020 to 24:00 on May 5, 2020, the tolls of toll roads nationwide will be exempted. This policy led to a significant year-on-year decline in the toll revenue of the Company's participating companies. Moreover:

(1) Guangzhu section of Jingzhu Expressway: ① Affected by the closure of Humen Bridge for 9 days, the toll income decreased; ② In September, the one-way maintenance of the section from the Minzhong to Xinlong Interchange lasted for 21 days, which led to a decrease in vehicle traffic and a decrease in toll revenue; ③ The impact of the opening of Nansha Bridge in 2019 and the goods restriction of Humen Bridge tended to be stable in the fourth quarter of 2020; Under the same road network conditions, the fourth quarter achieved a year-on-year growth trend.

(2) Gankang Expressway: ① The national highway G323 was cancelled and some national highways were repaired and restored, which diverted some traffic; ② Some sections of national highways G236 and G319 were



restricted, and some vehicles were diverted to other expressways.

(3) Kangda Expressway: ① Due to the cancellation of the provincial boundary system, the calculated traffic volume is different from previous years in statistical caliber; ② After the recovery of charges, the public's road trip increased compared with the past, and the passenger car traffic increased year-on-year; Logistics vehicles such as transportation cold chain, fresh food and express delivery vehicles have grown rapidly, and the traffic volume of trucks has also increased.

## 2. Revenue and cost

### (1) Component of Business Income

In RMB

	2020		2019		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	3,790,348,876.26	100%	4,999,016,766.74	100%	-24.18%
Industry					
Highway transportations	3,665,926,709.10	96.72%	4,853,094,808.04	97.08%	-24.46%
Other	124,422,167.16	3.28%	145,921,958.70	2.92%	-14.73%
Product					
Highway transportations	3,665,926,709.10	96.72%	4,853,094,808.04	97.08%	-24.46%
Other	124,422,167.16	3.28%	145,921,958.70	2.92%	-14.73%
Area					
Guangfo Expressway	329,710,947.81	8.70%	471,345,653.88	9.43%	-30.05%
Fokai Expressway	961,484,310.59	25.37%	1,276,614,430.61	25.54%	-24.68%
Jingzhu Expressway Guangzhu Section	782,378,756.64	20.64%	1,187,425,165.18	23.75%	-34.11%
Guanghui Expressway	1,592,352,694.06	42.01%	1,917,709,558.37	38.36%	-16.97%
Other	124,422,167.16	3.28%	145,921,958.70	2.92%	-14.73%

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

√ Applicable □ Not applicable

In RMB

	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	3,665,926,709.10	1,585,926,446.48	56.74%	-24.46%	-13.08%	-5.66%

transportations						
Product						
Highway transportations	3,665,926,709.10	1,585,926,446.48	56.74%	-24.46%	-13.08%	-5.66%
Area						
Guangfo Expressway	329,710,947.81	112,789,778.87	65.79%	-30.05%	-0.89%	-10.07%
Fokai Expressway	961,484,310.59	650,430,454.36	32.35%	-24.68%	-16.53%	-6.61%
Jingzhu Expressway Guangzhu Section	782,378,756.64	279,884,229.56	64.23%	-34.11%	-23.46%	-4.98%
Guanghui Expressway	1,592,352,694.06	542,821,983.69	65.91%	-16.97%	-4.08%	-4.58%

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

Applicable  Not applicable

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

Yes  No

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

Applicable  Not applicable

(5) Component of business cost

Industry category

In RMB

Industry category	Items	2020		2019		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Highway transportations	Depreciation and Amortized	1,020,703,974.74	61.41%	1,188,983,865.18	61.78%	-14.15%
Highway transportations	Out of pocket expenses	565,222,471.74	34.00%	635,659,655.25	33.03%	-11.08%
Other	Other	76,297,249.65	4.59%	99,834,413.47	5.19%	-23.58%

Note

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

Yes  No

Compared with 2019, the scope of consolidation in this year was reduced to Guangzhou Guangzhu Transportation Investment Management Co., Ltd., which was due to the internal consolidation by merger of the

Company.

Compared with 2019, Guangdong Guanghui Expressway Co., Ltd. was added to the scope of consolidation this year, because the Company acquired its 21% equity and held 51% equity of Guanghui Expressway, and Guanghui Expressway was changed from an affiliated company to a subsidiary.

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

Applicable  Not applicable

(8) Situation of Main Customers and Main Supplier

Applicable  Not applicable

### 3. Expenses

In RMB

	2020	2019	Increase /Decrease	Notes
Administrative expenses	203,945,119.58	218,914,654.80	-6.84%	
Financial expenses	216,182,374.88	224,177,216.66	-3.57%	
R & D expenses	404,303.70		100.00%	In 2020, Yuegao Technology incurred the expenditure of "R&D of Automatic Card Checking Machine for Expressway Composite Pass Cards".

### 4. Research and Development

Applicable  Not applicable

Since January 1, 2020, the 5.8GHz CPC card has been uniformly used in the toll collection media of MTC vehicles across the country, and the national unified CPC card management platform has been enabled, and all cards have been uniformly managed, which requires the card checking and warehousing operation for each allocated card. According to the feedback from some road sections with large traffic volume, in the process of card allocation, the work of card reading and sorting is tedious and dull, and manual operation is prone to errors. Therefore, it is expected that such manual operation can be replaced by automatic card reading and sorting machines. The Company actively seeks automation equipment manufacturers to jointly develop automatic checking machine products for composite pass cards. This project is mainly to develop an automatic card checking equipment, which enables ticket managers in toll stations and CPC card dispatching center to complete automatic card checking, arrange whole cards in an orderly manner and sort out defective cards only by putting the scattered cards into the card bin without manual card swiping and testing. The location of each card is recorded, which is convenient for locating the cards, and reduces the unnecessary card locating work caused by the sealing failure due to the register of a defective card in a different place. And each detected card can be automatically disinfected, thus ensuring the health of people contacting the card.

R & D investment

	2020	2019	Increase /decrease

Number of Research and Development persons (persons)	2	0	100.00%
Proportion of Research and Development persons	0.07%	0.00%	0.07%
Amount of Research and Development Investment (In RMB)	404,303.70	0.00	100.00%
Proportion of Research and Development Investment of Operation Revenue	0.01%	0.00%	0.01%
Amount of Research and Development Investment Capitalization (In RMB)	0.00	0.00	0.00%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	0.00%	0.00%	0.00%

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

Applicable  Not applicable

In 2020, Yuegao Technology incurred an expenditure of RMB 404,303.7 on "R&D of Automatic Card Checking Machine for Expressway Composite Pass Cards", which is not incurred in 2019.

Reasons for the drastic change of capitalization rate of R&D investment and its rationality explanation

Applicable  Not applicable

## 5. Cash Flow

In RMB

Items	2020	2019	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	4,051,493,610.08	5,167,390,664.45	-21.59%
Subtotal of cash outflow received from operation activities	1,415,306,369.03	1,944,709,477.40	-27.22%
Net cash flow arising from operating activities	2,636,187,241.05	3,222,681,187.05	-18.20%
Subtotal of cash inflow received from investing activities	372,548,657.83	369,542,087.83	0.81%
Subtotal of cash outflow for investment activities	884,922,836.28	1,164,320,280.23	-24.00%
Net cash flow arising from investment activities	-512,374,178.45	-794,778,192.40	-35.53%
Subtotal cash inflow received from financing activities	2,258,963,500.00	3,662,685,000.00	-38.32%
Subtotal cash outflow for financing activities	4,591,305,613.77	5,780,920,106.63	-20.58%
Net cash flow arising from financing activities	-2,332,342,113.77	-2,118,235,106.63	10.11%
Net increase in cash and cash equivalents	-206,800,360.26	308,133,367.29	-167.11%

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

Applicable  Not applicable

The cash inflow of fund-raising activities is RMB 2.259 billion, which is the subsidy fund for obtaining loans and the Gualvhu Interchange Project received by Guanghui Company; Compared with the same period of last year, it decreased by RMB 1.404 billion, mainly due to the decrease in loans.

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

Applicable  Not applicable

In RMB

	Year 2020
Adjusting net profit to cash flow from operating activities	
Net profit	1,364,385,006.07
Credit loss provision	2,457,808.51
Impairment loss provision of assets	1,231,918.94
Depreciation of fixed assets, oil and gas assets and consumable biological assets	1,009,578,943.06
Amortization of intangible assets	26,319,338.62
Amortization of Long-term deferred expenses	457,642.44
Fixed assets scrap loss	13,637,658.30
Financial cost	265,092,013.47
Loss on investment	-171,366,835.55
Decrease of deferred income tax assets	54,738,687.74
Increased of deferred income tax liabilities	-41,819,079.34
Decrease of inventories	57,922.16
Decrease of operating receivables	136,745,935.47
Increased of operating Payable	-25,329,718.84
Net cash flows arising from operating activities	2,636,187,241.05

### III. Analysis of Non-core Business

Applicable  Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment Income	171,366,835.55	9.23%	It is due to the operation accumulation of participant companies	Sustainable

Asset impairment	-1,231,918.94	-0.07%	Guanghui Company accrued impairment reserve for fixed assets	Not sustainable
Non-operating income	11,749,841.36	0.63%	Mainly insurance claims, road property claims, and compensation income for demolition	Not sustainable
Non-operating expenses	20,642,932.77	1.11%	Mainly non-current asset disposal losses and road property repair expenses	Not sustainable
Credit impairment losses	-2,457,808.51	-0.13%	Impairment provision of accounts receivable and other receivables accrual	Not sustainable

#### IV. Condition of Asset and Liabilities

##### 1. Condition of Asset Causing Significant Change

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

In RMB

	End of 2020		End of 2019		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	2,847,398,003.89	14.42%	3,054,198,364.15	14.78%	-0.36%	
Accounts receivable	168,907,517.56	0.86%	179,449,777.42	0.87%	-0.01%	
Inventories	53,761.06	0.00%	111,683.22	0.00%	0.00%	
Investment real estate	3,110,381.89	0.02%	3,331,500.37	0.02%	0.00%	
Long-term equity investment	2,382,381,165.60	12.06%	2,207,266,324.84	10.68%	1.38%	
Fixed assets	11,540,075,929.69	58.43%	12,460,188,469.66	60.29%	-1.86%	
Construction in process	340,611,095.47	1.72%	241,274,698.97	1.17%	0.55%	
Shore-term loans	200,192,500.00	1.01%		0.00%	1.01%	
Long-term loans	4,977,438,800.00	25.20%	4,926,015,000.00	23.84%	1.36%	

## 2.Asset and Liabilities Measured by Fair Value

√Applicable □ Not applicable

In RMB

Items	Opening amount	Gain/Loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Other changes	Closing amount
Financial assets								
4.Other equity instrument investment	1,835,822,604.77		421,106,349.76					1,737,015,528.29
Subtotal of financial assets	1,835,822,604.77		421,106,349.76					1,737,015,528.29
Total of the above	1,835,822,604.77		421,106,349.76					1,737,015,528.29
Financial liabilities	0.00							0.00

Other

None

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.

## III. Investment situation

### 1. General

Applicable  Not applicable

Investment Amount in 2020(Yuan)	Investment Amount in 2019(Yuan)	Change rate
2,703,460,018.24	1,140,508,126.36	137.04%



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

√Applicable □Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure	Disclosure Index
Guanghui Expressway	Expressway	Purchase	2,493,549,576.00	51.00%	Self and loans	Guangdong Provincial Freeway Co.,Ltd.	On the basis of the term of operation approved by the government	Limited Company	Completed	0.00	0.00	No	November 24, 2020	Announcement of Resolutions of the 13 <sup>th</sup> (Provisional) Meeting of the Ninth Board of Directors
Hunan Lianzhi Technology Co., Ltd.	Identification & testing	Purchase	80,000,000.00	11.45%	Self	None	On the basis of the term of operation approved by the government	Limited Company	Completed	0.00	0.00	No	June 24, 2020	Announcement of Resolutions of the 7 <sup>th</sup> (Provisional) Meeting of the Ninth Board of Directors
Guoyuan Securities Co., Ltd.	Securities	Increase capital	129,910,442.24	2.37%	Self	None	Until reduction is complete	Marketable securities	Completed	0.00	0.00	No	September 30, 2020	Announcement of Resolutions of the 10 <sup>th</sup> (Provisional) Meeting of the Ninth Board of Directors
Total	--	--	2,703,460,018.24	--	--	--	--	--	--	0.00	0.00	--	--	--

3.Situation of the Significant Non-equity Investment Undergoing in the Report Period  **Applicable**  **Not applicable**

## 4.Investment of Financial Asset

(1) Securities investment  **Applicable**  **Not applicable**

In RMB

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Sources of funds
Domestic and foreign stocks	601818	Everbright Bank	517,560,876.80	FVM	1,037,474,303.04	0.00	421,106,349.76	0.00	0.00	50,344,558.02	938,667,226.56	Other equity instrument investment	Self
Total			517,560,876.80	--	1,037,474,303.04	0.00	421,106,349.76	0.00	0.00	50,344,558.02	938,667,226.56	--	--
Disclosure Date of Announcement on Securities Investment Approved by the Board of Directors			July 22,2009										
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting(If any)			August 7,2009										

(2) Investment in Derivatives  **Applicable**  **Not applicable**

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

5.Application of the raised capital

Applicable  Not applicable

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

**VI. Sales of major assets and equity**

1. Sales of major assets

Applicable  Not applicable

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

2.Sales of major equity

Applicable  Not applicable

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

√ Applicable    □ Not applicable

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

In RMB

Company Name	Company type	Leading products and services	Registered capital	Total assets	Net assets	Operating Income	Operating profit	Net Profit
Guangfo Expressway	Subsidiary	Operating Guangfo Expressway Co., Ltd.(starts from Hengsha, Guangzhou, ends in Xiebian, Foshan. Total length 15.7 kilometers	RMB 200 million	531,194,012.93	460,405,493.14	333,647,719.92	202,903,321.04	155,032,248.63
Jingzhu Expressway Guangzhu Section Co., Ltd.	Subsidiary	The operation and management of Guangzhu Expressway and provision of supporting services including fueling, salvage and supply of parts and components	RMB 580 million	2,390,811,046.60	951,363,541.68	812,354,042.82	413,718,175.77	301,738,807.80
Guangdong Guanghui Expressway Co., Ltd.	Sharing company	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and maintenance management of Guanghui Expressway, The Guanghui Expressway's supporting gas station, salvation, vehicle maintenance, vehicle transport, catering, warehousing investment and development	RMB 2.352 million	4,518,271,534.85	3,971,913,931.56	1,616,980,738.55	1,046,966,245.16	780,305,035.07

## Subsidiaries obtained or disposed in the reporting period

√Applicable □ Not applicable

Name	Ways to acquire and dispose of subsidiaries during the reporting period	Impact on overall production, operation and performance
Guangdong Guanghui Expressway Co., Ltd.	Combination under the same control	Increase of the net profit attributable to listed companies by RMB 163.86 million in 2020
Guangzhou Guangzhu Transportation Investment Management Co., Ltd.	Absorption merges	None

## Particulars about the Mutual holding companies

1. Guangfo Expressway Co., Ltd. (the Company holds 75% equity) builds and operates Guangfo Expressway, and its operation and management includes road maintenance, toll collection, maintenance of traffic facilities such as signs and markings, and vehicle rescue. The net profit of the current period decreased by RMB 95.73 million year on year, or 38.18%. The main reason for the decrease was that the toll revenue decreased due to the toll-free policy of the epidemic situation.

2. Jingzhu Expressway Guangzhu Section Co., Ltd. (the company holds 75% equity) operates Guangzhou-Zhuhai Expressway and provides the supporting refueling, rescue and spare parts supply services of expressway. The net profit of the current period decreased by RMB 211,327,000 year-on-year, or 41.19%. The main reason for the decrease was that the toll revenue decreased due to the toll-free policy of the epidemic situation.

3. Guangdong Guanghui Expressway Co., Ltd. (the company holds 51% equity) invests in and builds Guanghui Expressway and supporting facilities; Toll collection and maintenance management of Guanghui Expressway; Investment and development of gas stations, rescue, automobile maintenance, automobile transportation, catering and warehousing for Guanghui Expressway. The net profit of the current period decreased by RMB 222,346,600 year-on-year, or 22.18%. The main reason for the decrease was that the toll revenue decreased due to the toll-free policy of the epidemic situation.

**VIII. Special purpose vehicle controlled by the Company**

□ Applicable √ Not applicable

**IX. Prospect for future development of the Company**

2021 is the first year of the 14th Five-Year Plan. The general requirements of the work in 2021 are as follows: adhere to the general tone of striving for stability, consolidate and expand the main business of expressways, focus on economic benefits, take market-oriented reform as the driving force, strengthen innovation drive, promote the intelligent upgrade of transportation industry, emphasize on improving capital operation capability, resolutely guard against major risks of enterprises, and achieve a good start in the 14th Five-Year Plan.

1. Persist in stabilizing the expressway industry and provide a solid foundation for high-quality development. Firstly, appropriately increase the shareholding ratio of existing high-quality road property projects, accelerate the integration of superior resources, and strive to increase the number of expressway holding projects. Secondly, promote the reconstruction and expansion of the bottleneck expressway and verify the operation period. Thirdly, based on the main business application scenario and combined with the industrial chain ecosystem, increase the popularization and application of new technologies, promote the digitalization and intelligent upgrading of

operation and management, and gradually apply modern information technologies such as cloud computing, big data and AI to all sections of management, so as to realize the transformation of scientific and technological production capacity and empower the development of the main business.

2. Grasp the strategic layout and capital operation, promote transformation, and develop business development and innovation

According to the company's "14th Five-Year Plan" development plan and the Group's work requirements, the strategic plan should be launched as soon as possible, so as to make a good start for the integration of smart transportation and other emerging industries. Firstly, learn from and benchmark the practical experience of first-class management enterprises, and actively explore cooperation models by using technical forces such as industry R&D centers and research institutes to lay a good scientific and technological foundation for the development of the industry; Secondly, seize the opportunity of state-owned enterprise reform, leverage the capital market, promote mergers and acquisitions of strategic emerging industries related to smart transportation, obtain high-end products in the industrial chain, strive for the implementation of a project, and realize the development of superior main business empowerment; Thirdly, actively participate in the research on asset restructuring of the smart transportation technology sector, explore the feasible mode of implementing the integration of emerging industry resources within the Group, and accelerate the cultivation of new kinetic energy for the Company's development;

3. Continue to promote and support the development of land resources along the route, intensify the revitalization and utilization of land parcels such as Xinjitian, Chenshan, Dayanshan and Hengsha, and fully push forward the upgrading and reconstruction project of Zhishan Service Area to ensure the smooth implementation of the development, construction and operation of the service area.

4. Deepen reform, lay a solid foundation, and accomplish key special tasks in a solid manner

Promote the upgrading of operational management. According to the deployment requirements of the Provincial Department of Transportation and the Provincial Transportation Group to alleviate congestion and ensure smoothness, implement the specific work of linkage and smooth work in small areas, strengthen the monitoring of road network operation, optimize relevant processes, and strengthen early warning and dispatching mechanisms; Perform systematic transformation of Guangfo Expressway toll stations, implement the expansion project of Guangfo Expressway Michong and Shayong toll stations, and upgrade and transform peripheral urban roads to alleviate traffic congestion at the entrances and exits of the two toll stations; Constantly strengthen the inspection of overloading supervision at the expressway entrance, service area supervision, supervision for space under bridge and pavement, enhance the ability of scientific and technological transformation, and continuously promote the upgrading of service area and the promotion of brand image.

5. Strengthen the construction of modern enterprise system. Under the overall strategic framework of the Company, improve the connection between internal business assessment and strategy, formulate quantitative and qualitative indicators of business plan, comprehensively cover all business activities of the Company and the platform, and enhance comprehensive service capabilities. Steadily promote the market-oriented operation mechanism, complete the tenure system and contractual management of managers, explore and continuously optimize the talent introduction mechanism, further strengthen the construction of talent echelon, promote the extension of the reform pilot work results integrating "incentive, restraint and fault tolerance" to the grassroots level, strengthen the cooperation of production, education and research and independent innovation capabilities, and strive to break the human resources barriers that restrict the Company's development, thus providing guarantee for the Company's development kinetic energy transformation and industrial upgrading.

## X. List of the received researches, visits and interviews

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

√ Applicable □ Not applicable

Reception time	Place of reception	Way of reception	Types of visitors	Visitors received	Main contents discussed and information provided	Basic index
April 7, 2020	Meeting Room of the Company	By Phone	Organization	1.Feng Siqi Sheshang Securities.2.Xu Senzhou BOCOM SCHRODERS.3. Guo Shuaitong New China Fund.4.Guan Panlong Jiashi Fund.5.Guo Zhaoyang ICBCCS.6. Ren Yilin BROAD fund. 7.Peng Ke Efund. 8. Mao Wei, Yi Li Southern Asset Management 9. Hao Xudong Nuode Fund 10.Niu Yongtao Yimin Fund.11.Yao Shuang China Merchants fund. 12.Zhang Chicheng Baank of China investment Management. 13.Zhang Yixin, Li Shoufeng Fuanda Fund 14.Zhang Ke Yinhua Fund. 15. Dongkaili Boser Fund 16.Li Zhechao Dacheng Fund.	1. The main content of research: 1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports	(2020001) www.cninfo.com.cn
April 7, 2020	Meeting Room of the Company	By Phone	Organization	1.Huatai Securities Shen Xiaofeng , Lin Xiaying 2.Zhejiang Shanyuan Investment Management Co., Ltd. Tang Cong, Liu Mingxia 3.China Innovation Capital Carol Chen 4.Elevation Capital Ben Zhang 5.Prime Capital Lu Peijie 6 .Yunying Asset Teresa Lei 7.BooCommLife Wang Yaoyong 8.Kaishi Fund Management Co., Ltd. Zhao Chenkai 9.Huabao Fund Management Co., Ltd. Lu Yi 10.Guosen Securities Wang Chengqi 11.China Merchants Life Insurance Wang Kangjian 12.CMB Wealth Management	1. The main content of research: 1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports	(2020002) www.cninfo.com.cn

Reception time	Place of reception	Way of reception	Types of visitors	Visitors received	Main contents discussed and information provided	Basic index
				Zhang Ying 13.Morgen Taowei 14.Invesco Great Wall Fund He Jinyang. 15.Biyun Asset Fan Jia 16.Jin Chong Investment Mario Fei		
April 29,2020	Meeting Room of the Company	By Phone	Organization	1.Guotai Junan Securities Institute Zheng Wu, Huangpu Xiaohan, Yue Xin 2.Danshuiquan( Beijing) Investment Management Co., Ltd. Qian Yueqiang 3.Southern Asset Management Co., Ltd. Yi Li 4.Shanghai Dazheng Investment Wang Zhitong 5.BOC International (China) Co., Ltd.Lu Shasha 6.Bosera Funds Liu Xiaolong 7. Shenzhen Ximengbei Asset Management Co., Ltd. Sun Yuanjia 8.UBS SDIC Tang Haibo 9.Invesco Great Wall Fund Management Co., Ltd. He Jinyang 10. BoComm Life Wang Yaoyong 11.Taiping Fund Management Co., ltd. Li Teng 12.Guotuo Anxin Futures Co., Ltd. Wang Jianing 13. Qianhai Taihang Asset Management(Shenzhen) Co., Ltd. Xu Longping	1. The main content of research: 1. the daily operation; 2. the company's financial data analysis; 3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports	www.cninfo.com.cn
August 27,2020	Meeting Room of the Company	By Phone	Organization	1.Guotai Junan Securities Institute Zheng Wu, Huangpu Xiaohan 2.Shanghai Dazheng Investment Co., Ltd. Wang Zhitong 3. Tibet Yuancheng Investment Management Co., Ltd. Zeng Shang 4.Shenzhen Ximengbei Asset Management Co., Ltd. Zhang Gang 5.BOSC ASSET Yan Feng 6.Shenzhen Qianhai Dingye Investment Development Co., Ltd. Chen Zhixiong	1. The main content of research: 1. the daily operation; 2. the company's financial data analysis; 3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports	www.cninfo.com.cn



Reception time	Place of reception	Way of reception	Types of visitors	Visitors received	Main contents discussed and information provided	Basic index
October 29,2020	Meeting Room of the Company	By Phone	Organization	1.Huatai Securities Lin Xiaying 2.Guotai Junan Secuties Huangpu Xiaohan 3.Tianfeng Securities Zeng Fanzhe 4.Zheshang Securities Li Xiang, 5. Northerst Securities Zhang Yunkai 6.Dacheng Fund Zheng Xin 7.Shenghai Trust Liu Bai 8.China Life AMP Asset Management Co., Ltd. Yan Kun 9.Chengzhou Asset Zhu Yeting 10.Morgan Vivian Tao 11.Green Corut Jia Fan	1. The main content of research: 1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports	www.cninfo.com.cn
Reception times						5
Reception agency amount						62
Reception personal number						0
Others						0
Whether to disclose, reveal or disclose non-public material information		No				

## V. Important Events

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

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

Applicable  Not applicable

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

(1) The Company's profit distribution plan for 2018 is as follows:

1.10% of the net profit of the company, i.e. 230,581,431.32 yuan, is to be allocated for statutory common reserve fund.

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

(2) The Company's profit distribution plan for 2019 is as follows:

1.10% of the net profit of the company, i.e. 135,022,507.55 yuan, is to be allocated for statutory common reserve fund.

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

(3) The Company's profit distribution preplan for 2020 is as follows:

1.10% of the net profit of the company, i.e. 93,232,912.82 yuan, is to be allocated for statutory common reserve fund.

2.The profit for 2020 is to be distributed as follows: 608,424,582.67 yuan. is to be allocated as the fund for dividend distribution for 2020. with the total shares at the end of 2020, i.e., 2,090,806,126 shares, as the base, cash dividend of 2.91 yuan (including tax) is to be distributed for every 10 shares .The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2020 annual shareholders' general meeting makes

resolution on dividend distribution.

### Dividend distribution of the latest three years

In RMB

Year for bonus shares	Amount for cash bonus(tax included)	Net profit attributable to common stock shareholders of listed company in consolidation statement for bonus year	Ratio of the cash bonus in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Proportion for cash bonus by other ways(i.e. share buy-backs)	Ratio of the cash bonus by other ways in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Total cash bonus(other ways included)	Ratio of the total cash bonus (other ways included) in net profit attributable to common stock shareholders of listed company contained in consolidation statement
2020	608,424,582.67	867,842,774.78	70.11%	0.00	0.00%	608,424,582.67	70.11%
2019	882,320,185.17	1,258,628,101.71	70.07%	0.00	0.00%	882,320,185.17	70.10%
2018	1,175,033,042.81	1,677,028,179.18	70.07%	0.00	0.00%	1,175,033,042.81	70.07%

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

Applicable  Not applicable

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

Applicable  Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for every ten shares (Yuan)(Tax-included)	2.91
Distribute additional (shares)for 10 shares	
A total number of shares as the distribution basis(shares)	2,090,806,126
Cash dividend amount (yuan, including tax)	608,424,582.67
Other means (such as repurchase of shares) cash dividend amount (yuan)	0.00
Total cash dividend (yuan, including tax)	608,424,582.67
Distributable profit (yuan)	3,667,543,163.36
Proportion of cash dividend in the distributable profit	100%
Cash dividend distribution policy	
The Company is in a fast growth stage, there fore, the cash dividend will reach 80% of the profit distribution at least. Cash dividend distribution policy.	
Details of profit distribution or reserve capitalization Preplan	

1. 10% of the net profit of the company, i.e. 93,232,912.82 yuan, is to be allocated for statutory common reserve fund.

2. The profit for 2020 is to be distributed as follows: 608,424,582.67 yuan. is to be allocated as the fund for dividend distribution for 2020. with the total shares at the end of 2020, i.e., 2,090,806,126 shares, as the base, cash dividend of 2.91 yuan (including tax) is to be distributed for every 10 shares. The remaining undistributed profits are to be carried forward to the next year. The foreign exchange translation of the cash dividends for shareholders holding B share and overseas corporate shares will be determined according to HKD:RMB bank's Middle rate quoted by People's Bank of China on the first working day after 2020 annual shareholders' general meeting makes resolution on dividend distribution.

### III. Commitments to fulfill the situation

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

√Applicable □Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement	Guangdong Provincial Freeway Co.,Ltd.	Performance commitment	The predicted net profit of Guangdong Guanghui Expressway Co., Ltd. after deducting non-recurring gains and losses in 2020, 2021 and 2022 (hereinafter referred to as "predicted net profit") is RMB 652,477,500, RMB 1,112,587,300 and RMB 1,234,200,900 respectively. According to the special audit opinion issued by the accounting firm, if the accumulated realized net profit of Guangdong Guangzhou-Huizhou Expressway Co., Ltd. at the end of any fiscal year does not reach the accumulated predicted net profit within the compensation period, Guangdong Provincial Freeway Co.,Ltd. will compensate in cash as agreed.	November 25, 2020	2020-2022	Normal performance
	Guangdong Expressway	Commitment on authenticity, accuracy and completeness of the information provided	1. The explanations, commitment and information provided by the Company for this transaction are authentic, accurate and complete, and there are no false records, misleading statements or major omissions. 2. The information provided by the Company to the intermediaries that provide professional services such as auditing, evaluation, legal and financial consulting for this transaction is authentic, accurate and complete original written information or duplicate information, and the duplicate or photocopy of the information is consistent with its original information or original copy; The signatures and seals of all documents are authentic, and the legal procedures required for	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>signing and sealing have been fulfilled and legal authorization has been obtained; There are no false records, misleading statements or major omissions. 3. The Company guarantees that it will provide timely information about this transaction in accordance with relevant laws and regulations, relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange, ensure the authenticity, accuracy and completeness of such information, and guarantee that there are no false records, misleading statements or major omissions. 4. The Company shall bear individual and joint legal responsibilities for the authenticity, accuracy and completeness of the information provided or disclosed for this exchange. In case of any loss caused to investors due to violation of the above commitments, the Company will bear corresponding liability for compensation according to law.</p>			
	All directors, supervisors and senior management personnel of Guangdong Expressway	Commitment on authenticity, accuracy and completeness of the information provided	<p>1. The explanations, commitment and information provided by the Promisee for this transaction are authentic, accurate and complete, and there are no false records, misleading statements or major omissions. 2. The information provided by the Promisee to the intermediaries that provide professional services such as auditing, evaluation, legal and financial consulting for this transaction is authentic, accurate and complete original written information or duplicate information, and the duplicate or photocopy of the information is consistent with its original information or original copy; The signatures and seals of all documents are authentic, and the legal procedures required for signing and sealing have been fulfilled and legal authorization has been obtained; There are no false records, misleading statements or major omissions. 3. The Promisee guarantees that it will provide timely information about this transaction in accordance with relevant laws and regulations, relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange, ensure the authenticity, accuracy and completeness of such information, and guarantee that there are no false records, misleading statements or major omissions. 4. If this transaction is suspected of false</p>	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			records, misleading statements or major omissions in the information provided or disclosed, and is put on file for investigation by judicial organs or by China Securities Regulatory Commission, the transfer of its shares with interests in the listed company will be suspended until the investigation conclusion of the case is obtained. 5. The Promisee shall bear individual and joint legal responsibilities for the authenticity, accuracy and completeness of the information provided or disclosed for this exchange. In case of any loss caused to investors due to violation of the above commitments, the Promisee will bear corresponding liability for compensation according to law.			
	All directors, supervisors and senior management personnel of Guangdong Expressway	About the share reduction plan from the date of disclosure of the announcement of this reorganization to the completion of implementation	From the date when the listed company disclosed this trading indicative announcement to the completion of this transaction, I will not reduce the shares of the listed company directly or indirectly. If China Securities Regulatory Commission and Shenzhen Stock Exchange have new regulations on reduction, I will also strictly abide by such regulations. If the above commitments are violated, thus causing losses to the listed company or other investors, I promise that I will be liable for compensation to the listed company or other investors according to law	November 25, 2020	Completion of this transaction	Completion of performance
	All directors, supervisors and senior management	Commitment on filling measures to dilute	1. I promise not to transfer benefits to other units or individuals without compensation or under unfair conditions, nor to damage the interests of the Company by other means. 2. I promise to restrain my job consumption behavior. 3. I promise not to use the assets of the Company to engage in any investment and consumption activities unrelated to my	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	personnel of Guangdong Expressway	immediate reward	duties. 4. I promise that the salary system formulated by the Board of Directors or the Remuneration Committee of Guangdong Expressway will be linked with the implementation of the reward filling measures of Guangdong Expressway. 5. If Guangdong Expressway plans to implement equity incentive, I promise that the exercise conditions of equity incentive of Guangdong Expressway to be announced will be linked with the implementation of the reward filling measures. 6. In case of any loss caused to Guangdong Expressway or its shareholders due to violation of the above commitments or refusal to perform the above commitments, I will bear corresponding compensation responsibilities according to law.			
	Guangdong Provincial Freeway Co.,Ltd.	Commitment on avoiding horizontal competition	1. The Company and its holding subsidiaries will not use the controlling shareholder's holding relationship with Guangdong Expressway to conduct business activities that harm the legitimate rights and interests of Guangdong Expressway, its minority shareholders and its holding subsidiaries. 2. The Company and its holding subsidiaries will not use the information obtained from Guangdong Expressway and its holding subsidiaries to engage in the main business competing with Guangdong Expressway or its holding subsidiaries, and will not engage in any acts or activities that damage or may damage the legitimate rights and interests of Guangdong Expressway, its minority shareholders and its holding subsidiaries. 3. If the Company and its holding subsidiaries transfer any toll roads, bridges, tunnels and related ancillary facilities or rights invested or managed by the Company to a company other than Guangdong Communications Group Co., Ltd. and the company directly or indirectly controlled by it, Guangdong Expressway will be entitled to the preemptive right under the same conditions, unless the transferee is explicitly designated by the relevant government authorities under the premise permitted by relevant laws and regulations. 4. In the future, if the Company and its holding subsidiaries invest in the construction of expressways parallel to or in the same direction within 20 km from each side of the expressway controlled by Guangdong	June 26,2015	This letter of commitment is valid from the date of signing to the date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong Expressway	Normal performance



Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			Expressway, Guangdong Expressway will enjoy the priority of investment over Guangdong Communications Group Co., Ltd. and its directly or indirectly controlled companies except Guangdong Expressway and its holding subsidiaries, except for the projects whose investment entities are clearly designated by the relevant government authorities under the premise permitted by relevant laws and regulations.			
	Guangdong Provincial Freeway Co.,Ltd.	Commitment on maintaining the independence of listed companies	The Company will not damage the independence of Guangdong Expressway due to the increase of shares held by the Company after the completion of this major asset restructuring, and will continue to maintain the principle of separation from Guangdong Expressway in terms of assets, personnel, finance, organization and business, and strictly abide by the relevant regulations of China Securities Regulatory Commission on the independence of listed companies, and will not use Guangdong Expressway to provide guarantees, nor occupy Guangdong Expressway funds illegally, so as to maintain and protect the independence of Guangdong Expressway and protect the legitimate rights and interests of other shareholders of Guangdong Expressway.	June 26,2015	This letter of commitment is valid from the date of signing to the date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong Expressway	Normal performance
	Guangdong Provincial Freeway Co.,Ltd.	Commitment on reducing and standardizing related	1. After the completion of this major asset restructuring, the Company and the companies directly or indirectly controlled by the Company and other related parties will try to avoid related transactions with Guangdong Expressway and its holding subsidiaries; Related transactions that are really necessary and unavoidable are carried out in accordance with the principles of fairness, equity and compensation of equal	June 26, 2015	This letter of commitment is valid from the date of signing to the	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
		transactions	value. The transaction price is determined at a reasonable price recognized by the market. The transaction approval procedures and information disclosure obligations are performed in accordance with relevant laws, regulations and normative documents, and the interests of Guangdong Expressway and its minority shareholders are effectively protected. 2. The Company guarantees to exercise shareholders' rights and fulfill shareholders' obligations in strict accordance with relevant laws and regulations, rules and normative documents promulgated by China Securities Regulatory Commission, business rules promulgated by Shenzhen Stock Exchange and Articles of Association of Guangdong Provincial Expressway Development Co., Ltd., and it will not use the controlling position of Guangdong Expressway's controlling shareholders to seek improper benefits or damage the legitimate rights and interests of Guangdong Expressway and its minority shareholders.		date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong Expressway	
	Guangdong Provincial Freeway Co.,Ltd.	Commitment on authenticity, accuracy and completeness of the information provided	1. The information involved in the explanations and commitment provided by the Company for this transaction are authentic, accurate and complete, and there are no false records, misleading statements or major omissions. 2. The information provided by the Company to the intermediaries that provide professional services such as auditing, evaluation, legal and financial consulting for this transaction is authentic, accurate and complete original written information or duplicate information, and the duplicate or photocopy of the information is consistent with its original information or original copy; The signatures and seals of all documents are authentic, and the legal procedures required for signing and sealing have been fulfilled and legal authorization has been obtained; There are no false records, misleading statements or major omissions. 3. The Company guarantees that it will provide timely information about this transaction in accordance with relevant laws and regulations, relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange, ensure the authenticity, accuracy and completeness of such information, and guarantee that there are no false	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			records, misleading statements or major omissions.			
	Guangdong Communications Group Co., Ltd., Guangdong Provincial Freeway Co.,Ltd., Guangdong Highway Construction Co., Ltd., Guangdong Communications Development Co., Ltd. and Xinyue Co., Ltd.	Statement and commitment on share reduction plan	From the date when the listed company disclosed this trading indicative announcement to the completion of this transaction, the Company will not reduce the shares of the listed company directly or indirectly. If China Securities Regulatory Commission and Shenzhen Stock Exchange have new regulations on reduction, the Company will also strictly abide by such regulations. If the above commitments are violated, thus causing losses to the listed company or other investors, the Company promise that it will be liable for compensation to the listed company or other investors according to law. For the Company's increased holdings of shares of listed companies due to issues such as share offering by listed companies and conversion of capital reserve into share capital, the above commitment of not reducing its holdings will also be observed.	November 25, 2020	Completion of this transaction	Completion of performance
	Guangdong Provincial Freeway Co.,Ltd.	Commitment on maintaining the independence	The Company and the companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries will not damage the independence of Guangdong Expressway due to the increase in the shares of Guangdong Expressway held by the Company and the companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries	June 18, 2015	This letter of commitment is valid from the date of signing to the	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
		of listed companies	after the completion of this major asset restructuring, and will continue to maintain the principle of separation from Guangdong Expressway in terms of assets, personnel, finance, organization and business, and strictly abide by the relevant regulations of China Securities Regulatory Commission on the independence of listed companies, and will not use Guangdong Expressway to provide guarantees, nor occupy Guangdong Expressway funds illegally, so as to maintain and protect the independence of Guangdong Expressway and protect the legitimate rights and interests of other shareholders of Guangdong Expressway.		date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong Expressway	
	Guangdong Communication Group Co., Ltd	Commitment on avoiding horizontal competition	1. The Company and the companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries will not use the controlling shareholder's holding relationship with Guangdong Expressway to conduct business activities that harm the legitimate rights and interests of Guangdong Expressway, its minority shareholders and its holding subsidiaries. 2. The Company and the companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries will not use the information obtained from Guangdong Expressway and its holding subsidiaries to engage in the main business competing with Guangdong Expressway or its holding subsidiaries, and will not engage in any acts or activities that damage or may damage the legitimate rights and interests of Guangdong Expressway, its minority shareholders and its holding subsidiaries. 3. If the Company and other companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries transfer any toll roads, bridges, tunnels and related ancillary facilities or interests invested or managed by the Company to companies other than the Company directly or indirectly controlled by the Company, Guangdong Expressway shall be entitled to the preemptive right under the same	June 26,2015	This letter of commitment is valid from the date of signing to the date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong Expressway	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>conditions, unless the transferee is explicitly designated by the relevant government authorities under the premise permitted by relevant laws and regulations. 4. In the future, if the Company and the companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries invest in the construction of expressways parallel to or in the same direction within 20 km from each side of the expressway controlled by Guangdong Expressway, Guangdong Expressway will be entitled to the priority investment right compared with the Company and the companies directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries, except for the projects whose investment entities are clearly designated by the relevant government authorities under the premise permitted by relevant laws and regulations.</p>			
	Guangdong Communication Group Co., Ltd	Commitment on reducing and standardizing related transactions	<p>1. After the completion of this major asset restructuring, the Company and other companies and other related parties directly or indirectly controlled by the Company except Guangdong Expressway and its holding subsidiaries will try to avoid related transactions with Guangdong Expressway and its holding subsidiaries; Related transactions that are really necessary and unavoidable are carried out in accordance with the principles of fairness, equity and compensation of equal value. The transaction price is determined at a reasonable price recognized by the market. The transaction approval procedures and information disclosure obligations are performed in accordance with relevant laws, regulations and normative documents, and the interests of Guangdong Expressway and its minority shareholders are effectively protected. 2. The Company guarantees to exercise shareholders' rights and fulfill shareholders' obligations in strict accordance with relevant laws and regulations, rules and normative documents promulgated by China Securities Regulatory Commission, business rules promulgated by Shenzhen Stock Exchange and Articles of Association of Guangdong Provincial Expressway Development Co., Ltd., and it will not use the controlling position of</p>	June 18,2015	This letter of commitment is valid from the date of signing to the date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			controlling shareholders to seek improper benefits or damage the legitimate rights and interests of Guangdong Expressway and its minority shareholders.		Expressway	
	Guangdong Communication Group Co., Ltd	Commitment on authenticity, accuracy and completeness of the information provided	1. The explanations, commitment and information provided by the Company for this transaction are authentic, accurate and complete, and there are no false records, misleading statements or major omissions. 2. The information provided by the Company to the intermediaries that provide professional services such as auditing, evaluation, legal and financial consulting for this transaction is authentic, accurate and complete original written information or duplicate information, and the duplicate or photocopy of the information is consistent with its original information or original copy; The signatures and seals of all documents are authentic, and the legal procedures required for signing and sealing have been fulfilled and legal authorization has been obtained; The validity of the originals of each document has not been revoked within its validity period, and such originals are held by their respective legal holders up to now; There are no false records, misleading statements or major omissions. 3. The Company guarantees that if there are false records, misleading statements or major omissions in the information provided or disclosed for this transaction, which are filed for investigation by judicial organs or filed for investigation by China Securities Regulatory Commission, before the investigation conclusion is revealed, the Company promises to suspend the transfer of shares with interests in Guangdong Expressway, and submit the written application for suspension of transfer and the stock account to the Board of Directors of Guangdong Expressway within two trading days after receiving the notice of filing inspection, and the Board of Directors of Guangdong Expressway will apply for locking on behalf of the Company to the stock exchange and the registration and clearing company; If the application for locking is not submitted within two trading days, the	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>Board of Directors of Guangdong Expressway is authorized to directly submit the identity information and account information of the Company to the stock exchange and the registration and clearing company after verification and apply for locking; If the Board of Directors of Guangdong Expressway fails to submit the Company's identity information and account information to the stock exchange and the registration and clearing company, the stock exchange and the registration and clearing company are authorized to directly lock the relevant shares. If the investigation results show that there are violations of laws and regulations, the Company promises to lock in shares and use them voluntarily for compensation arrangements of relevant investors. 4. The Company shall bear individual and joint legal responsibilities for the authenticity, accuracy and completeness of the information provided or disclosed for this exchange. In case of any loss caused to Guangdong Expressway or investors due to violation of the above commitments, the Company will bear corresponding liability for compensation according to law.</p>			
	Guangdong Communication Group Co., Ltd	Commitment on fulfilling measures to dilute immediate reward	<p>1. It will not interfere with the business activities of Guangdong Expressway beyond authority, and will not encroach on the interests of Guangdong Expressway. 2. In case of any loss caused to Guangdong Expressway or investors due to violation of the above commitments, the Company will bear corresponding liability for compensation according to law.</p>	November 25, 2020	Permanently effective	Normal performance
		Commitment on land and real estate of Guanghui	<p>1. The land occupied and used by Guangzhou-Huizhou Expressway with a total area of 3,732,185.08 square meters has not yet obtained the ownership certificate. The Company undertakes that: (1) The ownership of the land use right of the above-mentioned land is clear with no dispute, and Guangzhou-Huizhou Expressway</p>	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
		Expressway	<p>can legally occupy and use the above-mentioned land; (2) Guangzhou-Huizhou Expressway will continue to effectively occupy and use the relevant land before the ownership certificate is obtained, and will not be materially adversely affected thereby; (3) After the completion of this transaction, if Guangdong Expressway suffers losses as a shareholder of Guangzhou-Huizhou Expressway, for losses suffered because Guangzhou-Huizhou Expressway occupies and uses the above-mentioned land without ownership certificate, or engages in engineering construction on such land, the Company will bear the actual losses suffered by Guangdong Expressway. 2. The land occupied and used by Guangzhou-Huizhou Expressway with a total area of 12,324,867.92 square meters is currently registered under the name of Guangdong Changda Highway Engineering Co., Ltd. (now renamed as "Poly Changda Engineering Co., Ltd.", hereinafter referred to as "Changda Company"), of which 8,799,336.79 square meters of land has obtained the ownership certificate, and the other 3,525,531.13 square meters of land has not yet obtained the ownership certificate. The Company promises that after the completion of this transaction, if Guangdong Expressway suffers losses as a shareholder of Guangzhou-Huizhou Expressway and because Guanghui Expressway occupies and uses the land registered under the name of Changda Company, the Company will bear the actual losses suffered by Guangdong Expressway. 3. The property ownership certificate has not been obtained for the property with a total area of 72,364.655 square meters occupied and used by Guangzhou-Huizhou Expressway. The Company promises that: (1) The ownership of the above-mentioned property without ownership certificate currently used by Guanghui Expressway is clear with no dispute, and Guangzhou-Huizhou Expressway can legally occupy and use the above-mentioned property; (2) Guangzhou-Huizhou Expressway will continue to effectively occupy and use the above-mentioned property before the property ownership certificate is obtained, and will not be materially adversely affected; (3) After the completion of this</p>			



Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			transaction, if Guangdong Expressway suffers losses as a shareholder of Guangzhou-Huizhou Expressway and because Guangzhou-Huizhou Expressway occupies and uses the above-mentioned property without relevant property ownership certificate, the Company will bear the actual losses suffered by Guangdong Expressway.			
	Guangdong Guanghui Expressway Co., Ltd.	Commitment on authenticity, accuracy and completeness of the information provided	1. The explanations, commitment and information provided by the Company for this transaction are authentic, accurate and complete, and there are no false records, misleading statements or major omissions. 2. The information provided by the Company to the intermediaries that provide professional services such as auditing, evaluation, legal and financial consulting for this transaction is authentic, accurate and complete original written information or duplicate information, and the duplicate or photocopy of the information is consistent with its original information or original copy; The signatures and seals of all documents are authentic, and the legal procedures required for signing and sealing have been fulfilled and legal authorization has been obtained; There are no false records, misleading statements or major omissions. 3. The Company guarantees that it will provide timely information about this transaction in accordance with relevant laws and regulations, relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange, ensure the authenticity, accuracy and completeness of such information, and guarantee that there are no false records, misleading statements or major omissions. 4. The Company shall bear individual and joint legal responsibilities for the authenticity, accuracy and completeness of the information provided or disclosed for this exchange. In case of any loss caused to investors due to violation of the above commitments, the Company will bear corresponding liability for compensation according to law.	November 25, 2020	Permanently effective	Normal performance
	Guangdong Communicatio	Other commitment	In order to promote the smooth progress of the issue of shares, the cash purchase of assets and the raising of matching funds (hereinafter referred to as "the major asset	April 27,2019	It continued to push	Normal performan

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

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
					and regulations and the requirements of the competent government departments	
Commitments made upon first issuance or refinance						
Equity incentive commitment						
Other commitments made to minority shareholders						
Completed on time(Y/N)	Yes					
Where the commitment is overdue and has not been fulfilled, then the specific reasons for the failure to complete and the next work plan shall be specified						

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

Applicable  Not applicable

Earnings forecast asset or project name	Forecast start time	Forecast end time	Current forecast performance (RMB 10,000)	Current Actual performance (RMB 10,000)	Reasons for not meeting the forecast (if applicable)	Original forecast disclosure date	Original forecast disclosure index
Guanghui Expressway Co., Ltd.	January 1, 2020	December 31, 2022	65,247.75	76,923.26	Not applicable	November 26,2020	www.cninfo.com.cn

Note:

The disclosure index includes the link to the website originally predicted to be disclosed, the date of disclosure, the name of the announcement, the number of the announcement, etc.

Commitments made by the company's shareholders and counterparties in the reporting year's operating performance

Applicable  Not applicable

The completion of performance commitments and its impact on the impairment test of goodwill

In 2020, the actual net profit of Guangdong Guanghui Expressway Co., Ltd. after deducting non-recurring gains and losses was RMB 769,232,600, which was RMB 116,755,100 more than the promised amount of RMB 652,477,500.

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

Applicable  Not applicable

None

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

Applicable  Not applicable

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

Applicable  Not applicable

(I) Changes in accounting policies

The Ministry of Finance issued the "No. 14 Accounting Standards for Business Enterprises-Revenue (2017 Revision)" (No. 22-[2017]Caikuai) (hereinafter referred to as the "New Revenue Standards") on July 5, 2017. As approved by the fourth meeting of the ninth board of directors of the Company on April 3, 2020, the Company shall begin to implement the aforementioned new revenue standards on January 1, 2020.

The new revenue standard establishes a new revenue recognition model for regulating revenue generated from contracts with customers. In order to implement the new revenue standards, the Company reassessed the recognition and measurement, accounting and presentation of revenue of main contract. According to the provisions of the new revenue standard, the selection is only to adjust the cumulative impact amount of contracts that have not been completed on January 1, 2020. The first adjustment amount of cumulative impact of the first implementation is to implement the amount of retained earnings and other related items in the financial statements at the beginning of the first implementation period (ie January 1, 2020), and it shall not be adjusted for the comparable period information.

(II) Changes in accounting estimates

1. 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 Section of Jingzhu 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 RMB172,308,077.27 in depreciation of fixed assets in the current period than the original accounting estimate, a decrease of RMB 172,308,077.27 in operating cost, an increase of RMB 129,231,057.95 in net profit attributable to the shareholders of the parent company, an increase of RMB123,155,223.57 in net profit attributable to the minority shareholders of the parent company, and an increase of RMB 6,075,834.39 in Impact attributable to minority shareholder gains and losses.

2. On August 26, 2020, the Company held the 9th (provisional) meeting of the ninth board of directors, which passed the Proposal on Changes in Accounting Estimates, It is agreed that from September 1, 2020, the depreciation period of machinery and equipment, electronic equipment and other equipment has been changed, and the net salvage value rate of fixed assets (except road property) has also been changed. For this matter, the Company adopts the future applicable method, and such change in accounting estimate results in depreciation of fixed assets in the current period of RMB 33,759,072.50 more than the original accounting estimate. an increase of RMB 33,759,072.50 in operating cost, a decrease of RMB25,319,304.38 in net profit, a decrease of RMB24,086,113.34 in net profit attributable to the minority shareholders of the parent company, and a decrease of RMB1,233,191.05 in Impact attributable to minority shareholder gains and losses.

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

Applicable  Not applicable

None

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

Applicable  Not applicable

1. Compared with 2019, the scope of consolidation in this year was reduced to Guangzhou Guangzhou Transportation Investment Management Co., Ltd., which was due to the internal consolidation by merger of the Company.

2. Compared with 2019, Guangdong Guanghui Expressway Co., Ltd. was added to the scope of consolidation

this year, because the Company acquired its 21% equity and held 51% equity of Guanghui Expressway, and Guanghui Expressway was changed from an affiliated company to a subsidiary.

### IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	YongTuo Certified Public Accountants (Special General Partnership)
Remuneration for domestic accounting firm (Ten thousands yuan)	127.20
Successive years of the domestic CPAs offering auditing services	1
Continuous fixed number of year for the auditing service provided by CPA in domestic CPA Firms	1

Has the CPAs been changed in the current period

Yes  No

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

Yes  No

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

Yes  No

A detailed explanation of the change of employment and accounting firm

The 6th meeting of the 9th Board of Directors held on June 8, 2020 deliberated and passed the Proposal on Hiring Audit Institution for Financial Report in 2020, agreeing that the Company would hire Yong Tuo Certified Public Accountants (Special General Partnership) as the audit institution for the Company's financial report in 2020. On June 29, 2020, the company's shareholders' meeting in 2019 deliberated and passed the Proposal on Hiring Audit Institution for Financial Report in 2020.

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

Applicable  Not applicable

1. The 6th meeting of the 9th Board of Directors held on June 8, 2020 deliberated and passed the Proposal on Hiring Audit Institution for Financial Report in 2020, agreeing that the Company would hire Yong Tuo Certified Public Accountants (Special General Partnership) as the audit institution for the Company's financial report in 2020. On June 29, 2020, the company's shareholders' meeting in 2019 deliberated and passed the Proposal on Hiring Audit Institution for Financial Report in 2020.

2. During the reporting period, the Company hired China International Capital Corporation as an independent financial adviser for the Company to acquire 21% of the shares of Guanghui Company held by the Provincial Expressway Company through cash payment.

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

Applicable  Not applicable

### XI. Relevant Matters of Bankruptcy Reorganization

Applicable  Not applicable

None

## **XII. Matters of Important Lawsuit and Arbitration**

Applicable Not applicable

## **XIII. Situation of Punishment and Rectification**

Applicable Not applicable

None

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

Applicable Not applicable

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

### **Other Employee Incentive Measures**

Applicable Not applicable

None

## **XVI. Material related transactions**

### 1. Related transactions in connection with daily operation

Applicable Not applicable

None

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

Applicable Not applicable

None

### 3. Related-party transactions with joint investments

Applicable Not applicable

None

### 4. Credits and liabilities with related parties

Applicable Not applicable

None

### 5. Other significant related-party transactions

Applicable Not applicable

1. In the 3rd (Provisional) meeting of the ninth session of the board of directors of the Company, it deliberated and approved the "Proposal on Borrowing Entrusted Loans from Guangdong Jiangzhong Expressway Co., Ltd." and agreed that the Company borrowed unsecured entrusted loans from Guangdong Jiangzhong Expressway Cp.,Ltd, with the loan amount does not exceed 18 million yuan, which shall be drawn according to the actual needs of the Company and shall be used for daily business turnover, with a term of 5 years and using the "1+1+1+1+1" model-that is, every year is one loan cycle, and if the Company does not propose to repay the loan,

the loan will be automatically transferred to the next one-year period. The interest rate is 10% lowered than the benchmark one-year loan interest rate announced by the People's Bank of China and it's adjusted annually.

2. In the 4th meeting of the ninth board of directors of the Company, it deliberated and approved the "Proposal on the Company's Estimated Routine Related Party Transactions in 2020", agreed to the estimated routine related transactions in 2020 for the Company's headquarter and its wholly-owned and holding subsidiaries', with the transaction amount totaled in 64,091,200 yuan.

3. In the 5th (Provisional) meeting of the ninth session of the board of directors of the Company, it reviewed and approved the "Proposal on Renewing the Lease of Litong Plaza Office Place", agreeing that the Company will continue to lease the 43, 44 full-floor units (full-floor units of floors 45, 46 upon it self-edited) of the planned floors of Litong Plaza from Guangdong Litong Real Estate Investment Co., Ltd for office space, with a lease term of 3 years-from May 5, 2020 to May 4, 2023. The monthly rent for the period from May 5, 2020 to May 4, 2021 is 815,233.68 yuan, the monthly rent for the period from May 5, 2021 to May 4, 2022 is 839,690.69 yuan, and the monthly rent for the period from May 5, 2022 to May 4, 2023 is 864,884.64 yuan..

4. In the 6th (Provisional) meeting of the eighth session of the Company's board of directors, it deliberated and approved the "Proposal on the signing of the 2018-2020 entrusted operation and management contract of Guangzhu North Section of Guangdong Jingzhu Expressway between the Guangzhu Section Company and the Guangzhu North Section Company, agreed to the Jingzhu Expressway Guangzhu Section Co., Ltd. (hereinafter referred to as "Guangzhu Section Company") and Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd. (hereinafter referred to as "Guangzhu North Section Company") to sign "The 2018-2020 Entrusted Operation Management Contract for the North Section of Guangzhu Section of Guangdong Jingzhu Expressway, with the total contract amount does not exceed 60 million yuan. For details of this matter, please refer to the "Announcement on Related Party Transaction on Entrusted Operations of Subsidiaries" published by the Company on January 31, 2018.

5. In the 12th (Provisional) meeting of the Ninth Session of the Board of Directors of the Company, it reviewed and approved the "Proposal on Renewing the Financial Service Agreement with Guangdong Communication Group Finance Co., Ltd."

6. In the 13th (Provisional) meeting of the ninth board of directors of the Company and the third extraordinary general meeting of shareholders in 2020, it reviewed and approved the "Proposal on the Company's Major Asset Reorganization Namely the Related Party Transaction", and agreed to the Company acquiring 21% equity of Guanghui Expressway held by Provincial Expressway through cash payment.

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

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of related party transaction	January 2, 2020	www.cninfo.com.cn
Estimates announcement of the Daily Related Party Transaction of 2020	April 7, 2020	www.cninfo.com.cn
Announcement of related party transaction	April 29, 2020	www.cninfo.com.cn
Announcement on related transactions to the entrusted operation by subsidiaries	June 9, 2020	www.cninfo.com.cn
Announcement of related party transaction	October 29, 2020	www.cninfo.com.cn
Announcement of Resolutions of the 13th	November 26, 2020	www.cninfo.com.cn



(Provisional) Meeting of the Ninth Board of Directors, "Major Asset Purchases and Related Party Transactions Report", etc		
Announcement of Resolution of the Third Provisional Shareholder's Meeting	December 16,2020	www.cninfo.com.cn

## XVII. Particulars about significant contracts and their fulfillment

### 1. Particulars about trusteeship, contract and lease

#### (1) Trusteeship

Applicable  Not applicable

None

#### (2) Contract

Applicable  Not applicable

None

#### (3) Lease

Applicable  Not applicable

None

### 2. Guarantees

Applicable  Not applicable

#### (1) Guarantees

In RMB

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guangdong Communication Group Co.,Ltd	May 11, 2012	172,500	May 31,2013	172,500	Pledge	2012.9.25-2020.3.25	Yes	Yes
Total of external guarantee approved at Period-end(A3)		0.00		Total balance of actual external guarantee at Period-end(A4)		0.00		
Guarantee of the Company for the controlling subsidiaries								

Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Total of Company's guarantee (namely total of the large three aforementioned)								
Total of guarantee at Period-end (A3+B3+C3)		0.00		Total of actual guarantee at Period-end (A4+B4+C4)		0.00		
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)				0.00				
Including								
Amount of guarantee for shareholders, actual controller and its associated parties (D)				0.00				
Total guarantee Amount of the abovementioned guarantees (D+E+F)				0.00				

Note

(2) Illegal external guarantee

Applicable  Not applicable

None

3. Situation of Entrusting Others for Managing Spot Asset

(1) Situation of Entrusted Finance

Applicable  Not applicable

None

(2) Situation of Entrusted Loans

4. Major contracts for daily operations

Applicable  Not applicable

None

#### 5. Other significant contract

Applicable  Not applicable

None

### **XVIII. Social responsibility**

#### 1. Execution of social responsibility of targeted poverty alleviation

In 2020, the Company strived to overcome the adverse effects of the epidemic, worked pragmatically and solidly and overcome the difficulties. While strictly implementing various prevention and control measures to achieve zero infection in the Company, it stood firmly in the front line of epidemic prevention, ensured smooth roads traffic, and fully coordinate the promotion of normalized epidemic prevention and control and promoted the Company's various tasks, effectively promoted the stability and improvement of its economic operations.

(1) In order to prevent and control the epidemic, the Company's participation-in and holding expressway companies actively responded to the higher-level policies, and from 00:00 on February 17, 2020 to 24:00 on May 5, the vehicle tolls of the national toll road were exempted. The Company's party committee and management team actively mobilized volunteers from the party working group to participate in the epidemic prevention and control work to effectively fight the epidemic.

(2) The policy of exemption of tolls, intermittent toll-free release, and green channel preferential policies for passenger cars with less than seven seats on highways during major holidays shall continue to be implemented. Guangfo Company, Fokai Branch, Guangzhu-Dong Company, and Guanghui Company effectively implemented the "Recognition, personnel, responsibilities, and measures are in place" and successfully completed various tasks to ensure safety and smooth flow.

(3) Actively responded to government policies and provided preferential reductions and exemptions in accordance with laws and regulations to reduce corporate transportation costs and public travel costs.

(4) Conscientiously implemented the government's tasks and completed the transformation and switching of the ETC toll collection system at the provincial toll station on time. After the resumption of toll collection on May 6, 2020, the Company's holding section of toll gates ran smoothly, Yuetong Card Expressway service points were operated in an orderly manner, the toll lane fee display and data transmission were normal, the lane configuration was continuously optimized, and the ETC system is generally stably operated.

#### 2. Overview of the targeted poverty alleviation

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

#### 3. Major environmental protection

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

protection department

No

**XIX. Explanation on other significant events**

Applicable  Not applicable

None

**XX. Significant event of subsidiary of the Company**

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%				-129,941	-129,941	439,254,717	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%				-137,872	-137,872	7,501,283	0.36%
Including : Domestic Legal person shares	7,028,355	0.34%				-63,260	-63,260	6,965,095	0.33%
Domestic natural person shares	610,800	0.03%				-74,612	-74,612	536,188	0.03%
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%				129,941	129,941	1,651,551,409	78.99%
1. Common shares in RMB	1,302,772,793	62.31%				129,941	129,941	1,302,902,734	62.32%
2. Foreign shares in domestic market	348,648,675	16.68%				0	0	348,648,675	16.68%
3. Foreign shares in foreign market	0	0.00%				0	0	0	0.00%
4. Other	0	0.00%				0	0	0	0.00%
III. Total of capital shares	2,090,806,126	100.00%				0	0	2,090,806,126	100.00%

## Reasons for share changed

Applicable  Not applicable

1. Within the reporting period, 17 shareholders reimbursed 7,931 shares of Guangdong Provincial Communication Group Co.,Ltd., which were converted from domestic natural person to "national shareholding".

2.During the reporting period, 51, 112 shares held by domestic natural persons with limited sales conditions were converted into shares with unlimited sales conditions.

3.During the reporting period, 63, 260 shares held by domestic natural persons with limited sales conditions were from domestic Legal person.

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

4.During the reporting period, Mr. Du Jun, the outgoing Director, held 7,800 Unrestricted shares and changed them into restricted shares.

## Approval of Change of Shares

Applicable  Not applicable

## Ownership transfer of share changes

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

## Progress on any share repurchase:

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

## 2. Change of shares with limited sales condition

Applicable  Not applicable

In shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal

Guangdong Communication Group Co., Ltd.	410,032,765	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
Wang Jianhua and other 17 shareholders	59,043		51,112	0	Release of restrictions on sales	June 24,2020
Li Mei	86,629		86,629	0	Deletion of top Supervisor locking shares	January 2020
Du Jun	0	7,800		7,800	Top director locking shares	Unknown
<b>Total</b>	<b>410,178,437</b>	<b>15,731</b>	<b>137,741</b>	<b>410,048,496</b>	<b>--</b>	<b>--</b>

## II. Securities issue and listing

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

Applicable  Not applicable

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

Applicable  Not applicable

3.About the existing employees' shares

Applicable  Not applicable

## III. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period	36,100	Total shareholders at the end of the month from the date of disclosing the annual report	55,412	The total number of preferred shareholders voting rights restored at period-end (if any)(Note 8)	0	Total preference shareholders with voting rights recovered at end	0
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							of last month before annual report disclosed(if any)(Note8)		
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	7,931	410,040,696	103,379,742			
Guangdong Highway Construction Co., Ltd,	State-owned legal person	22.30%	466,325,020			466,325,020			
Shangdong Expressway Investment Development Co., Ltd.	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.—Dividend — Personal dividend -005L-FH002 Shen	Other	1.96%	41,009,355	6,233,802		41,009,355			
China Life Insurance Co., Ltd.—Traditional — Common insurance products-005L-CT001S hen	Other	1.78%	37,225,847	5,913,227		37,225,847			
Feng Wuchu	Domestic natural person shares	0.99%	20,793,853	4,329,406		20,793,853			
Xinyue Co., Ltd.	Overseas legal person	0.63%	13,201,086			13,201,086			
Guangdong Tapai	Domestic non	0.55%	11,550,604	11,150,604		11,550,604			



Group Co., Ltd.	State-owned Legal person							
Strategic investor or general legal person becoming top-10 ordinary shareholder due to rights issue (if any) (See Note 3)	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 Provincial Freeway 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					
Shandong Expressway Investment Development 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.—Dividend — Personal dividend -005L-FH002 Shen	41,009,355	RMB Common shares	41,009,355					
China Life Insurance Co., Ltd.— Traditional—Common insurance products-005L-CT001Shen	37,225,847	RMB Common shares	37,225,847					
Guangdong Provincial Freeway Co.,Ltd.	33,355,263	RMB Common shares	33,355,263					
Feng Wuchu	20,793,853	RMB Common shares	18,487,990					
		Foreign shares placed in domestic	2,305,863					
Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic	13,201,086					
Guangdong Tapai Group Co., Ltd.	11,550,604	RMB Common shares	11,550,604					
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 Provincial Freeway 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	None							

securities margin trading (if any) (see note 4)	
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Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

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

## 2. Controlling shareholder

Nature of Controlling Shareholders: Local state holding

Type: Legal person

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

Type of Controlling Shareholders: Legal person

Changes of controlling shareholder in reporting period

Applicable  Not applicable

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

### 3. Information about the controlling shareholder of the Company

Actual controller nature: Local state owned assets management

Actual controller type: Legal person

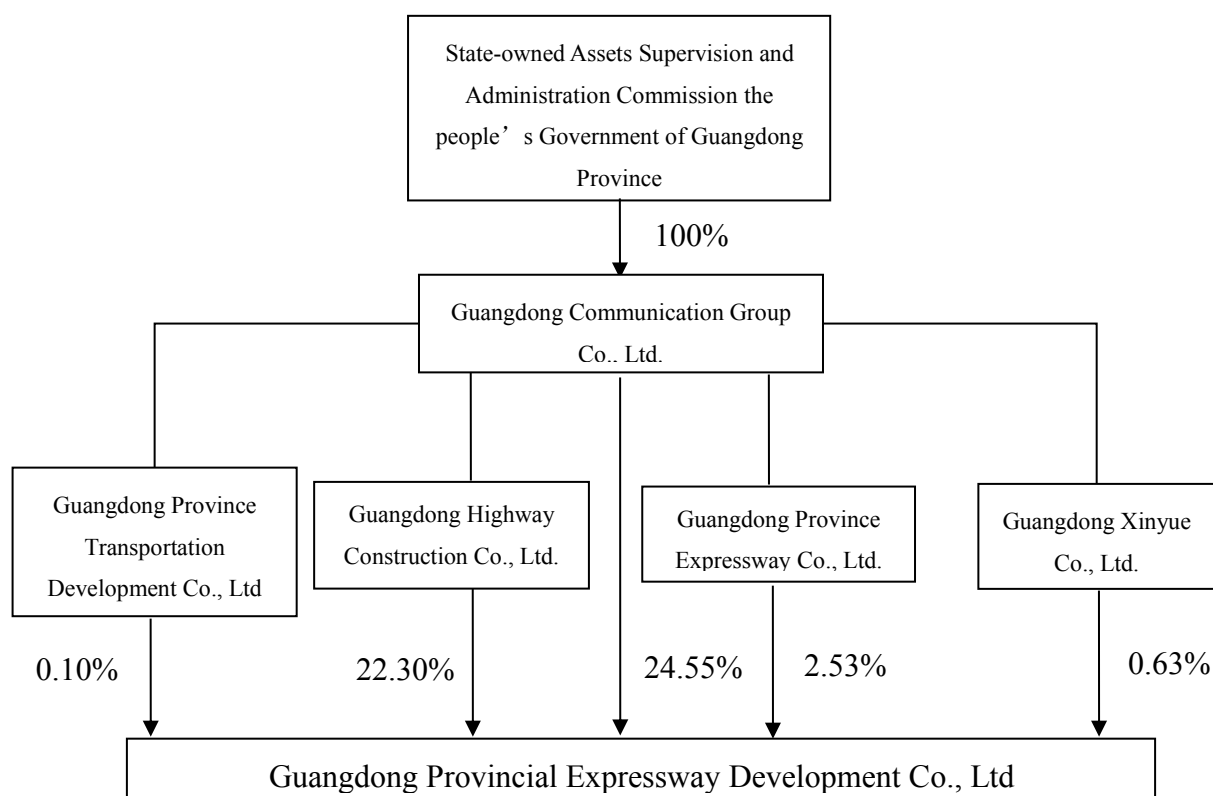
Name of the actual controller	Legal representative /Leader	Date of incorporation	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People' s Government	Li Cheng	June 26,2004	114400007583361658	As an ad hoc body directly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

Changes of controlling shareholder in reporting period

Applicable  Not applicable

No changes of controlling shareholder for the Company in reporting period

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



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

Applicable Not applicable

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

Applicable Not applicable

Legal person shareholder	Legal person/person in charge of the unit	Date of foundation	Register capital	Main operation business or management activities
Guangdong Highway Construction Co., Ltd.	Wang Kangchen	April 16,1987	8,827.36846696 million yuan	Highway, bridge, tunnel bridge, traffic infrastructure construction, investment and management, technical consulting, leasing of road construction machinery; sales of construction materials, construction machinery equipment; vehicle rescue services (operated by the branch).

5.Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring Party and Other Commitment Subjects Applicable Not applicable

## VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period.

## VIII Information about convertible corporate bonds

Applicable  Not applicable

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

## IX. Information about Directors, Supervisors and Senior Executives

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

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Other changes increase /decrease	Shares held at the year-begin (share)
Zheng Renfa	Board Chairman	In office	Male	51	January 4, 2017	September 20, 2022					
Wang Chunhua	Director, General Manager	In office	Male	56	October 19, 2015	September 20, 2022	135,100				135,100
Chen Min	Director	In office	Male	57	July 19, 2017	September 20, 2022					
Zeng Zhijun	Director	In office	Male	50	December 4, 2017	September 20, 2022					
You Xiaocong	Director	In office	Male	53	July 21, 2020	September 20, 2022					
Zhuo Weiheng	Director	In office	Male	49	December 4, 2017	September 20, 2022					
Wu Hao	Director	In office	Female	48	November 2, 2020	September 20, 2022					
Huang Hai	Director	In office	Male	45	July 21, 2016	September 20, 2022					
Gu Naikang	Independent director	In office	Male	55	July	September					

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase /decrease	Shares held at the year-begin(share)
					21,2016	20,2022					
Bao Fangzhou	Independent director	In office	Male	42	July 21,2016	September 20,2022					
Zhang Hua	Independent director	In office	Male	55	December 4,2017	September 20,2022					
Liu Zhonghua	Independent director	In office	Male	55	December 4,2017	September 20,2022					
Zeng Xiaoqing	Independent director	In office	Female	51	May 20,2019	September 20,2022					
Jiang Changwen	Chairman of the Supervisory Committee	In office	Male	53	May 20,2019	September 20,2022					
Li Haihong	Supervisor	In office	Female	49	July 21,2016	September 20,2022					
Ke Lin	Supervisor	In office	Female	51	September 15,2017	September 20,2022					
Feng Yuan	Supervisor	In office	Male	56	September 9,2019	September 20,2022					
Zhou Yisan	Supervisor	In office	Male	40	September 9,2019	September 20,2022					
Zuo Jiang	Deputy General Manager	In office	Female	48	October 19,2015	September 20,2022					



Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes increase /decrease	Shares held at the year-begin(share)
Cheng Rui	Deputy General Manager	In office	Male	46	August 28,2017	September 20,2022					
Lu Ming	Chief accountant	In office	Male	42	December 25,2020	September 20,2022					
Luo Baoguo	Deputy General Manager	In office	Male	47	December 25,2020	September 20,2022					
He Bing	legal counsel	In office	Female	53	July 23,2012	September 20,2022					
Yang Hanming	Secretary to the Board	In office	Male	51	August 28,2017	September 20,2022					
Wang Ping	Director, Chief engineer	Dimission	Female	56	April 21,2014	January 8,2020	3,500				3,500
Du Jun	Director	Dimission	Male	55	July 21,2016	June 24,2020	0	10,400			10,400
Cao Yu	Director	Dimission	Male	35	July 21,2016	September 4,2020	150,000				150,000
Fang Zhi	Director, Chief accountant	Dimission	Male	57	December 31,2015	December 21,2020					
Total	--	--	--	--	--	--	288,600	10,400	0	0	299,000

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

√ Applicable    □ Not applicable

Name	Positions	Types	Date	Reason
Wang Ping	Director, Chief engineer	Dimission	January 8,2020	Retired
Du Jun	Director	Dimission	June 24,2020	Job change
Cao Yu	Director	Dimission	September 4,2020	Job change
Fang Zhi	Director, Chief accountant	Dimission	December 21,2020	Job change

## III. Posts holding

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

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

Yuegaoke Capital Investment (Hengqin) Co., Ltd.

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

Lu Ming, is the director of the Company, chief accountant, senior accountant, with the graduate degree and MBA. From July 1999 to February 2001, he served as the accountant of Jingzhu Expressway Guangzhou Section Co., Ltd; from February 2001 to November 2003, he served as the accountant of the Zhongjiang Expressway Project Preparation Office, and from November 2003 to September 2006, he served as Deputy Manager of the Accounting and Finance Department of the West Ring Section (South Section) of the Pearl River Delta Ring Expressway. From September 2006 to February 2008, he served as the accountant of the Financial Audit Department of Guangdong Provincial Highway Construction Co., Ltd. From February 2008 to March 2009, he successively served as the deputy manager and manager of the Finance Department of the Southern Branch of the West Second Ring Road of Guangdong Provincial Highway Construction Co., Ltd; from March 2009 to December 2020, he served as the manager personnel, deputy supervisor of business and business supervisor of the Financial Management Department of Guangdong Provincial Communications Group Co., Ltd. During the period from December 2018 to December 2019, he served as the first secretary of the Party branch of the Yinghuai Management Office of the Longhuai Expressway Management Center of Nanyue Transportation of Guangdong Province. He has been the chief accountant of the Company since December 25, 2020, and he has served as the director of the Company since February 3, 2021.

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

Mr. Zeng Zhijun, economist, is a director of the Company, with master degree. Since June 2010, he has served as the deputy chief economist of Guangdong Provincial Expressway Co., Ltd. From January 2015 to September 2015, he served as Minister of Investment Planning Department of Guangdong Provincial Expressway Co., Ltd; since September 2015, he has served as Minister of Legal Affairs Department of Guangdong Provincial Expressway Co., Ltd. , Since September 2020, He serves as Minister of personnel resource department, Since December 4, 2017, he serves as Director of the Company.

You Xiacong, senior accountant, is the director of the Company, with bachelor degree. From August 1990 to May 2008, he successively served as the deputy manager and manager of the finance department of Guangfa Transportation Co., Ltd., and the manager, director and chief accountant of the finance department of Macau Qi'guan Che'lu Co., Ltd. From May 2008 to January 2015, he served as the assigned chairman of the board of supervisors of Guangdong Provincial Communications Group Co., Ltd. From January 2015 to May 2015, he served as the director and chief accountant of Guangdong Provincial Highway Construction Co., Ltd., and since May 2015, he has served as the director, chief accountant, and member of the party committee of Guangdong Provincial Highway Construction Co., Ltd. He has served as director of the Company since November 2, 2020.

Mr. Zhuo Weiheng, is a senior accountant, with bachelor degree. From January 2008 to May 2009, he served as the minister of the financial audit department of Guangdong Provincial Highway Construction Co., Ltd. Since May 2009, he has served as the Minister of Finance Management Department of Guangdong Provincial Highway Construction Co., Ltd., From December 4, 2017 to February 24, 2021, he served as Director of the Company.

Wu Hao (resigned from the director and member of the Audit Committee on December 21), is the director of the Company, with bachelor degree. From September 1992 to October 2011, she successively served as a section member and deputy section chief of the Finance Section of the Administration for Industry and Commerce of Tongzi County, Guizhou Province. From October 2011 to February 2012, he served as the section chief of the Finance Section of the Huichuan District Administration for Industry and Commerce, Zunyi City, Guizhou Province. From April 2013 to May 2020, S he successively served as deputy manager of the finance department, deputy manager of the investment business department, and manager of the investment business department of Shandong Expressway Investment Development Co., Ltd. She has served as the deputy general manager and member of party committee of Shandong Expressway Investment Development Co., Ltd since May 2020. From November 2, 2020, he has served as director of the Company.

Mr. Huang Hai, MBA, joined the work in 1997. He had successively served as the business manager of the financial department of Shenzhen Wofa Medical New Technology Development Co., Ltd., the manager of the marketing department of Shantou Branch of Guangzhou Xingda Communication Co., Ltd, the manager of the securities department and securities affairs representative of Zhongshan Public Technology Co., Ltd., and Deputy General Manager of the Securities Department of Poly Real Estate and Director of the Office of the Secretary of the Board of Directors of Poly Real Estate, currently serving as Secretary of the Board and Director of the Office of the Board of Directors of Poly Development Holding Group Co., Ltd., Chairman of Poly Property Development Co., Ltd., Executive Director and General Manager of Tibet Yingyue Investment Management Co., Ltd. Since July 21, 2016, he has served as director of the Company.

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

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

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

Mr. Zhang Hua, economist, is an independent director of the Company, with Master Degree. From May 2006 to May 2012, he served as deputy general manager and chief investment director of Guangzhou Yingzhi Caihua

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

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

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

Ms. Li Haihong, Supervisors of the Company, bachelor degree, senior economist and road and bridge engineer. Since October 2008, she has been working as a supervisory and auditing department of the Guangdong Provincial Communications Group. From October 2008 to September 2012, she was appointed full-time supervisor of Guangdong Expressway Co., Ltd., From October 2012 to March 2016, she was appointed full-time supervisor of Guangdong Yueyun Traffic Co., Ltd. and Guangdong Communications Industrial Investment Co., Ltd., From March 2016 to December 2017, she was appointed full-time supervisor of Guangdong Litong Real Estate Investment Co., Ltd., Since December 2017, she was appointed full-time supervisor of Guangdong Nanyue Traffic Investment Construction Co., Ltd., Since March 2016, she was appointed full-time supervisor of Guangdong Traffic Industry Investment Co., Ltd., from December 2018 to present, is the first secretary of the party organization of Guangdong Kaiyang Expressway Co., Ltd. From July 21, 2016, she has served as supervisor of the Supervisory Committee of the Company.

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

Mr. Feng Yuan, supervisor of the Company, bachelor of science, associate professor. From October 2009 to

October 2014, he served as deputy general manager of Guangdong Jiangzhong Expressway Co., Ltd. and director and deputy general manager of Jingzhu Expressway Guangzhu Section Co., Ltd. From October 2014 to December 2018, he served as director, general manager and deputy secretary of the Party Committee of Guangdong-Foshan Expressway Co., Ltd. and he has been deputy economist of the Company since December 2018. From September 9, 2019, he served as the employee supervisor of the 9th Supervisory Committee of the Company.

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

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

Mr. Cheng Rui, On-job postgraduate, master of business administration, with a lawyer qualification. He began to take a job in July 1997. He had successively served as development department staff, deputy manager of investment management department and manager of investment management department in Xinyue Co., Ltd, served as Deputy General Manager of Xinyue Company in August 2015, and served as deputy minister of strategic development department from April 2016 to August 2017. Since August 2017, he served as Deputy General Manager of the Company. During this period, starting from May 2019, she was assigned as the first secretary of the Party organization in Shanhu Village, Jinhe Town, Jiexi County, Jieyang City.

Mr. Luo Baoguo, deputy general manager of the Company, with graduate degree and master of engineering, is senior engineer. From July 1999 to December 2003, he successively served as the chief engineer of the L bid project of the southern section of the Jingzhu Expressway of the Guangdong Provincial Highway Engineering Construction Group Co., Ltd., the deputy manager and technical sponsor of the southern Jingzhu pavement project, Deputy Manager and Chief Engineer of the Pavement Project Department of the Jingzhu Southern Fogang Section, Manager of the Project Manager Department and Deputy Manager of the Second Branch of the Eighth Contract Section of Henan Jiaozuo-Jincheng Expressway. From December 2003 to March 2007, he successively served as the manager of the university town project, the manager of the business contract department, and the employee supervisor of the Guangdong Jingtong Highway Engineering Construction Group Co., Ltd. From March 2007 to July 2014, he served as Director of the Project Development Office and Director of the Investment Development Department of Guangdong Expressway Development Co., Ltd. From August 2014 to July 2017, he served as the director, general manager and deputy party secretary of Guangdong Fokai Expressway Co., Ltd. From August 2017 to December 2020, he served as the general manager (person in charge) and deputy secretary of the Party Committee of Fokai Branch of Guangdong Expressway Development Co., Ltd. From December 25, 2020, he has served as the deputy general manager of the Company. He concurrently serves as the chairman of Zhaoqing Yuezhao Highway Co., Ltd.-the company's share-participating company, and serves as the vice chairman of

## Guangdong Jiangzhong Expressway Co., Ltd.

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

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

## Office taking in shareholder companies

Applicable Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharing date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Chen Min	Guangdong Communication Group	Minister of Investment Management Dept.	December 1,2014		Yes
You Xiaocong	Guangdong Highway Construction Co., Ltd.	Director, Chief accountant	January 14,2015		Yes
Zhuo Weiheng	Guangdong Highway Construction Co., Ltd.	Deputy Chief Accountant	March 26,2018		Yes
Zeng Zhijun	Guangdong Expressway Co., Ltd	Minister of legal affairs Dept	September 1,2015		Yes
Huang Hai	Tibet Yinyue Investment Management Co., Ltd.	Executive director	June 1,2015		No
Jiang Changwen	Guangdong Communication Group Co., Ltd.	Dispatched chairman of the supervisory committee	January 1,2009		Yes
Li Haihong	Guangdong Communication Group Co., Ltd.	Full-time field supervisors	July 21,2016		Yes

## Offices taken in other organizations

Applicable Not applicable

Name of the persons in office	Name of other organizations	Titles engaged in the other organizations	Starting date of office term	Expiry date of office term	Does he/she receive remuneration or allowance
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					from other organization
Bao Fangzhou	Shanghai Allbright law firm	Lawyer, Senior partner	January 1,2000		Yes
Bao Fangzhou	Laurel Power Co., Ltd.	Independent director	June 1,2016		Yes
Gu Naikang	Finance and Investment ,School of Business Sun YAT-SEN University	Professor, doctoral supervisor	January 1,2004		Yes
Gu Naikang	Guangzhou Zhujiang Industry Development Co., Ltd.	Independent director	May 1,2014	July 1,2020	Yes
Gu Naikang	Mingyang Intelligent Energy Group Co., Ltd.	Supervisor	July 1,2017		Yes
Gu Naikang	Zhubo Design Co., Ltd.	Independent director	December 1,2019		Yes
Gu Naikang	Guangfa Securities Co., Ltd.	Supervisor	June 1,2016	June 1,2020	Yes
Zhang Hua	Shanghai Erro Investment Management Service Centre(General partnership)	General Manager	October 1,2016		Yes
Zhang Hua	Zhuhai Taichuan Community Technology Co., Ltd .	Independent director	September 1,2017		Yes
Zhang Hua	Guangzhou Yuyin Technology Co., Ltd.	Independent director	November 1,2018		Yes
Liu Zhonghua	College of Accounting, Guangdong University of Foreign Studies	Professor, Master' s supervisor	September 1, 2005		Yes
Liu Zhonghua	Gelinmei Co., Ltd.	Independent Director	March 20,2019		Yes
Liu Zhonghua	Guangdong Shaogang Songshan Co., Ltd.	Independent Director	June 25,2019		Yes
Wu Hao	Shandong Expressway Investment Development Co., Ltd.	Deputy GM	May, 29,2020		Yes
Huang Hai	Poly Developments and Holdings Group Co., Ltd.	Secretary to the Board	April 26,2012		Yes
Huang Hai	Poly Property Development Co., Ltd.	Board chairman	April 22,2019		No
Zeng Xiaoqing	Tongji University's School of Transportation Engineering	Professor and doctoral supervisor	June 1,2007		Yes
Zeng Xiaoqing	Tongji University's Joint Experimental Center for Traffic Information Control	Director	June 30,2003		No



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

Applicable  Not applicable

#### IV. Remuneration to directors, supervisors and senior executives

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

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

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

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

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

In RMB 10,000

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Zheng Renfa	Board Chairman	Male	51	In Office	75.19	No
Wang Chunhua	Director, General Manager	Male	56	In office	72.54	No
Wang Ping	Director, Chief Engineer	Female	56	Dimission	16.87	No
Fang Zhi	Director, Chief accountant	Male	57	Dimission	61.59	No
Chen Min	Director	Male	42	In office	0	No
Chen Min	Director	Male	57	In Office	0	Yes
Zeng Zhijun	Director	Male	50	In Office	0	Yes
Du Jun	Director	Male	55	Dimission	0	Yes
You Xiaocong	Director	Male	53	In Office	0	Yes
Zhuo Weiheng	Director	Male	49	In Office	0	Yes
Cao Yu	Director	Male	35	Dimission	4.8	No
Wu Hao	Director	Female	48	In Office	0	Yes

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Whether to get paid in the company related party
Huang Hai	Director	Male	45	In Office	1.8	No
Gu Naikang	Independent director	Male	55	In Office	7.2	No
Bao Fangzhou	Independent director	Male	42	In Office	7.2	No
Zhang Hua	Independent director	Male	55	In Office	7.2	No
Liu Zhonghua	Independent director	Male	55	In Office	7.2	No
Zeng Xiaoqing	Independent director	Female	51	In Office	7.2	No
Jiang Changwen	Chairman of the Supervisory Committee	Male	54	In Office	0	Yes
Li Haihong	Supervisor	Female	49	In Office	0	Yes
Ke Lin	Supervisor	Female	51	In Office	62.63	No
Feng Yuan	Supervisor	Male	56	In Office	47.9	No
Zhou Yisan	Supervisor	Male	40	In Office	48.04	No
Zuo Jiang	Deputy General Manager	Female	48	In Office	61.59	No
Cheng Rui	Deputy General Manager	Male	46	In Office	64.59	No
Luo Baoguo	Deputy General Manager	Male	47	In Office	0	No
He Bing	Chief legal adviser	Female	53	In Office	49.3	No
Yang Hanming	Secretary to the Board	Male	51	In Office	51.31	No
Total	--	--	--	--	654.15	--

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

Applicable  Not applicable

## V. Particulars about employees.

### 1. Number of staff, professional structure and educational background

Number of in-service staff of the parent company(person)	109
Number of in-service staff of the main subsidiaries(person)	2,847
The total number of the in-service staff(person)	2,956
The total number of staff receiving remuneration in the current period(person)	2,949

Retired staff with charges paid by the parent company and main subsidiaries (person)	105
Professional	
Category	Number of persons (person)
Operating personnel	2,348
Sale personnel	0
Technology Personnel	391
Financial personnel	61
Management personnel	156
Total	2,956
Education	
Category	Number of persons (person)
Holders of master' s degree or above	54
Graduates of regular university	558
Graduates of junior colleges	1,554
Other	790
Total	2,956

## 2. Remuneration policies

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

## 3. Training plan

None

## 4. Outsourcing situation

Applicable  No Applicable

## X. Administrative structure

### I. General situation

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

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

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

Yes  No

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

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

#### 1. Independent business

The company mainly engaged in business is Guangfo Expressway, Fokai Expressway and Jingzhu Expressway Guangzhu section of the charges and maintenance work, investment in science and technology industry and provide relevant advice.it has invested in or holds Shenzhen Huiyan Expressway Co., Ltd., Guanghui Expressway Co., Ltd., Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Highway Co., Ltd., Ganzhou Kangda Expressway Co., Ltd, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Petty Loan Co., Ltd., Guangdong Guangle Expressway Co., Ltd.,Guoyuan Securities Co., Ltd.and Hunan Lianzhi Technology Co., Ltd.

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

## 2. Complete assets

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

## 3. Independent personnel

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

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

## 4. Independent finance

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

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

## 5. Independent organization

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

## III. Horizontal Competitions

Applicable  Not applicable

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

### 1. Annual General Meeting

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
2019 Shareholders' general meeting	Annual Shareholders' General Meeting	67.90%	June 29,2020	June 30,2020	Announcement of Resolutions of the shareholders' general meeting in 2019. www.cninfo.com.cn
The First provisional shareholders' General meeting of 2020	Provisional shareholders' General meeting	61.46%	November 2,2020	November 3,2020	Announcement of Resolutions of the First provisional shareholders' general meeting of 2020. www.cninfo.com.cn
The Second provisional shareholders'	Provisional shareholders' General	63.68%	November 25,2020	November 26,2020	Announcement of Resolutions of the Second provisional shareholders' general meeting

General meeting of 2020	meeting				of 2020. www.cninfo.com.cn
The Third provisional shareholders' General meeting of 2020	Provisional shareholders' General meeting	70.97%	December 15,2020	December 16,2020	Announcement of Resolutions of the Third provisional shareholders' general meeting of 2020. www.cninfo.com.cn

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

Applicable  Not applicable

## V. Responsibility performance of independent directors in report period

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

The attending of independent directors							
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)	Attendance of the shareholders' general meeting
Gao Fangzhou	11	0	11	0	0	No	4
Gu Naikang	11	0	11	0	0	No	4
Liu Zhonghua	11	0	11	0	0	No	4
Zhang Hua	11	0	11	0	0	No	4
Zeng Xiaoqing	11	0	11	0	0	No	4

#### Notes to failure to personally attend Board Meetings Successively Twice

None

### 2. Objection for relevant events from independent directors

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

Yes  No

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

### 3. Other notes to duty performance of independent directors

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

Yes  No

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

Independent directors seriously exercise the rights conferred by law, keep abreast of the company's production and management information, concerned about the company's comprehensive development, actively attend relevant meetings held by the company in 2020, published an independent and objective advice on relevant matters for consideration by the Board of Directors of the Company. Faithfully perform their duties, give full play to the independent role of the independent directors, to safeguard the interests of the company as a whole, and to safeguard the legitimate rights and interests of all shareholders, especially minority shareholders. The advices on business development and corporate governance given by independent directors can be adopted.

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

1. The board of directors has an audit committee composed of three directors. i.e., Mr. Liu Zhonghua, Mr. Zhang Hua and Mr. Fang Zhi (Resigned as Director and Board of Auditors on 21 December). The particulars of the work of the audit committee in the report period are as follows:

According to the Rules of Procedure of Audit Committee of the Board of Directors and Working Regulations of Audit Committee of the Board of Directors on Annual Report and the work requirements of CSRC and Shenzhen Stock Exchange on annual report for 2019 the audit committee carried out a series of work for the annual audit of the Company for 2019, including deciding the working schedule for the audit of financial report for the report year after consultation with the certified public accountants in charge, reviewing the financial report prepared by the Company and forming written opinions, issuing the Urging Letter for Audit to certified public accountants and requiring certified public accountants to carry out overall work plan for audit and submit relevant progress report to the audit committee, reviewing the financial report for 2019 submitted by the Finance Dept. of the Company (on which the certified public accountants in charge of annual audit issued standard unqualified opinions) and giving written auditing opinions.

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

According to the Company's Regulations on Performance Appraisal and Remuneration Management of Senior Executives, the remuneration and appraisal committee audited the remuneration disclosed by the Company's directors, supervisors and senior executives for 2018 and expressed auditing opinions and examined and adopted the remuneration scheme and appraisal scheme for senior executives of the Company for 2019.

3. In the report period, The board of directors has a strategy committee composed of five directors. i.e., Mr. Zheng Renfa, Mr. Wang Chunhua, Mr. Bao Fangzhou, Mr. Zhang Hua and Ms. Zeng Xiaoqing.

Strategy Committee will strengthen the company's strategic direction, strategic planning, research, and supervise the implementation of corporate strategies, provide timely advice to the Board decisions on strategic development.

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

The Risk Management Committee will work in accordance with the Company's Measures for the Management of Risk Management and Internal Control and the Rules of Procedure of the Risk Management Committee of the Board of Directors. The results of the Company's annual risk assessment were reviewed and approved.

## VII. Work of the supervisory Committee

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

Yes  No

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

## VIII. Assessment and incentive Mechanism for Senior executives

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

## IX. Internal Control

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

Yes  No

II. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	March 26 ,2021
Disclosure index of appraisal report on internal control	www.cninfo.com.cn
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	87.40%
The ratio of the operating income of units included in the scope of evaluation accounting for the	57.36%



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

	<p>“general deficiencies” in the internal control of the financial report. (1) Frauds made by staff in non key positions, or business operators execute the implementation procedures not strictly conforming to the company’s policy but resulted in no significant impact on the reliability of the financial report. (2)The supervisory function on compliance is invalid, and the violations of regulations may not have a significant impact on the reliability of the financial report; (3)The general deficiencies reported to the management but are not corrected within a reasonable period.</p>	<p>management knowledge, and there are phenomena such as being slack in performing management duties, being passive and poorly execute the institution in the work, which shall affect the efficiency and the result of daily operation and management activities and lead to small effects to the company’s management goal; the negative news spread within the company, which caused the little-extent damage to the company’s reputation; shortly affected the health of the workers or citizens and the workers or citizens can be recovered in a short time; reached the circumstance(grade IV) of general environmental event.</p>
Standards of Quantization	<p>The qualitative criteria for the evaluation of internal control deficiencies in financial reports confirmed by the Company is as follows: Material deficiencies: potential misstatement <math>\geq 1\%</math> of the total amount of the owner’s equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner’s equity or RMB 100 million <math>\leq</math> potential misstatement <math>&lt; 1\%</math> of the total amount of the owner’s equity or RMB 200 million; general deficiencies: potential misstatement <math>&lt; 0.5\%</math> of the total amount of the owner’s equity or RMB 100 million Standards of Quantization</p>	<p>The qualitative criteria for the evaluation of internal control deficiencies in financial reports confirmed by the Company is as follows: Material deficiencies: potential misstatement <math>\geq 1\%</math> of the total amount of the owner’s equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner’s equity or RMB 100 million <math>\leq</math> potential misstatement <math>&lt; 1\%</math> of the total amount of the owner’s equity or RMB 200 million; general deficiencies: potential misstatement <math>&lt; 0.5\%</math> of the total amount of the owner’s equity or RMB 100 million Standards of Quantization</p>
Number of major defects in financial reporting (a)		0
Number of major defects in non financial reporting (a)		0
Number of important defects in financial reporting (a)		0
Number of important defects in non financial reporting (a)		0

## X. Internal Control audit report

Applicable  Not applicable

Review opinions in the internal control audit report	
In our opinion, Guangdong Expressway has maintained effective financial report internal control in all material aspects according to the basic standards for Enterprise internal control and relevant regulations ended December 31, 2020.	
Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	March 26 ,2021
Disclosure index of audit report of internal control (full-text)	www.cninfo.com.cn
Internal audit report' s opinion	Unqualified audit opinion
Non-financial reporting the existence of significant deficiencies	No

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

Yes  No

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

Yes  No

## XI. Corporation bonds

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

## XII. Financial Report

### I. Audit report

Type of audit opinion	Standard Unqualified audit opinion
Date of signature of audit report	March 25, 2021
Name of audit firm	Yong Tuo Certified Public Accountants (special general partnership)

#### Auditors' Report

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

#### I. Opinion

We have audited the financial statements of Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "the Company"), which comprise the balance sheet as at December 31, 2020, and the income statement, the statement of cash flows and the statement of changes in owners' equity for the year then ended and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the Company as at December 31, 2020 and its operating results and cash flows for the year then ended.

#### II. Basis for Our Opinion

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

#### III. Key Audit Matters

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

##### (I) Depreciation of fixed assets

###### 1. Item description

As mentioned in "This Section V.17, Fixed Assets" and "This Section VII.12, Fixed Assets", the book value of the Guangdong Expressway at the end of 2020 was RMB10,626,919,377.93, accounting for 53.81% of the consolidated total assets; the depreciation provided for the toll road in 2020 was RMB1,030,814,662.76, accounting for 62.01% of the consolidated operating costs. Guangdong Expressway toll roads are depreciated according to the traffic flow method, which calculates depreciation for the current period based on the ratio of the

actual traffic flow to the expected total remaining traffic flow during the operating period. Total traffic volume over the operating period is the forecast of total traffic volume over the operating period of GDHC and is a significant accounting estimate. Therefore, we determine the pricing and depreciation of toll roads of Guangdong Expressway Company as the key audit items. In 2019, Guangdong Expressway hired professional organizations to re-measure the total traffic flow during the operation period of Fokai Expressway and Guangzhu Section of Jingzhu Expressway, and from January 1, 2020, and accrue the depreciation of road property according to the re-measured total traffic flowmeter, which is an important change in accounting estimation.

Therefore, we determined the accuracy of depreciation of highways and bridges and the pricing of highways and bridges of Guangdong Expressway Company as key audit items.

## 2. Audit response

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

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

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

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

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

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

## (II) Investment equity

Item description As described in "This Section VII-9, Long-term equity investments", "This Section VII-10, Investments in other equity instruments" and "This Section VII-42, Investment income", the total year-end equity investments of Guangdong Expressway in 2020 amounted to RMB4,119,396,693.89, of which RMB2,382,381,165.60 in long-term equity investments and RMB1,737,015,528.29 in other equity instruments accounted for 20.86% of the total consolidated assets, of which RMB165,302,997.18 in total investment income from equity investments in 2020 accounted for 12.12% of the consolidated net profit in 2020. Equity investments have a significant impact on the 2020 financial statements.

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

## 2. Audit response

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

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

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

- (3) Communicate and discuss with the management of Guangdong Expressway Company to evaluate the actual impact of Guangdong Expressway Company on the major decisions of the joint venture company and related operations, and to evaluate whether there has been any significant change compared with the previous year;
- (4) Check the audit report of the important joint venture and associate company, and implement on-site audit procedures for the important financial statement items of the important joint venture and associate company that have influence on the equity method accounting of Guangdong Expressway Company; implement review procedures for the financial statements of other joint venture and associate company;
- (5) Pay attention to whether there are differences between the accounting policies of joint venture and affiliated company and Guangdong Expressway Company, and check whether the accounting policies of equity method of Guangdong Expressway Company have been adjusted;
- (6) Recalculate the accuracy of equity measurement;

### (III) Merger and reorganization

#### 1. Item description

Guangdong Expressway paid cash consideration to Guangdong Provincial Expressway Co., Ltd. controlled by the same group, to acquired 21% equity of Guangdong Guanghui Expressway Co., Ltd. so as to achieve control over it. This reorganization resulted in a change in the scope of consolidation, and adjustment in the related items in the comparative statements according to the Accounting Standards for Business Enterprises, which had a significant impact on the financial statements of Guangdong Expressway.

Therefore, we identified the merger and reorganization of Guangdong Expressway as a key audit item.

#### 2. Audit response

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

- (1) Obtain resolutions of shareholders' meeting, board of directors and announcements related to restructuring transactions, and relevant important internal approval documents of the Company;
- (2) Check the equity purchase agreement, the approval documents of relevant departments, the transfer of equity, the amendments to the articles of association of the investee, etc., and review the management's judgment on whether the equity is under control;
- (3) Obtain and review the financial statements and accounting treatment of the acquired company on the merger day;
- (4) Evaluate whether the disclosure of the reorganization matters in the financial statements meets the disclosure requirements of major asset reorganization matters.

### (IV) Compensation for loss during epidemic prevention and control

#### 1. Item description

As stated in "This Section V-20, Intangible Assets" and "This Section VII-14, Intangible Assets", according to the relevant government documents, Guangdong Expressway included the relevant operating expenses incurred during the epidemic prevention and control period from February 17, 2020 to May 5, 2020 into the book value of intangible assets-toll road franchise, and began to amortize the newly added intangible assets-toll road franchise in May 2020 according to the traffic flow method during the remaining operation period. The total impact on the consolidated net profit in 2020 is RMB 221,195,846.78, accounting for 16.21% of the consolidated net profit in 2020. This accounting treatment has a great impact on the financial statements in 2020.

Therefore, we identified the loss compensation treatment during the epidemic prevention and control period

of Guangdong Expressway as a key audit item.

## 2. Audit response

(1) Obtain and check government documents related to compensation for epidemic prevention and control losses, and understand the policy of compensation for epidemic prevention and control losses;

(2) Understand the scope of the collection of epidemic losses, and check the entry basis of contracts and invoices related to losses during epidemic prevention and control to assess their authenticity and accuracy;

(3) Audit the accounting treatment of compensation for loss due to epidemic prevention and control, and check whether the accounting treatment meets the requirements of accounting standards for business enterprises.

## IV. Other Matter

The consolidated and company balance sheet on December 31, 2019, the consolidated and company income statement, the consolidated and company cash flow statement, the consolidated and company shareholders' equity statement and the notes to the relevant financial statements were audited by other accounting firms, and an unqualified opinion was issued on April 3, 2020.

## V. Other information

The management of Guangdong Expressway Company is responsible for other information. Other information includes the information covered in the 2020 annual report of Guangdong Expressway Company, but does not include the financial statement and our audit report.

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

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

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

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

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

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

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

## VII. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Certified Public Accountant of China: Li Junjie

(project partner)



Certified Public Accountant of China: Shi Shaoyu

Beijing China

March 25, 2021

## II. Financial statements

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

### 1. Consolidated balance sheet

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

December 31,2020

In RMB

Items	December 31,2020	December 31,2019
Current asset:		
Monetary fund	2,847,398,003.89	3,054,198,364.15
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	168,907,517.56	177,099,124.09
Financing of receivables		
Prepayments	3,607,538.01	11,829,452.88
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	60,925,367.64	30,103,478.60
Including: Interest receivable		
Dividend receivable	2,705,472.90	7,205,472.90
Repurchasing of financial assets		
Inventories	53,761.06	111,683.22
Contract assets	5,452,813.90	
Assets held for sales		
Non-current asset due within 1 year	51,745.32	51,745.32
Other current asset	27,051.69	196,576,603.21
Total of current assets	3,086,423,799.07	3,469,970,451.47

Items	December 31,2020	December 31,2019
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	2,382,381,165.60	2,207,266,324.84
Other equity instruments investment	1,737,015,528.29	1,835,822,604.77
Other non-current financial assets		
Property investment	3,110,381.89	3,331,500.37
Fixed assets	11,540,075,929.69	12,460,188,469.66
Construction in progress	340,611,095.47	241,274,698.97
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	302,381,356.52	8,762,039.52
Development expenses		
Goodwill		
Long-germ expenses to be amortized	3,462,122.00	3,919,764.44
Deferred income tax asset	330,755,418.39	385,494,106.13
Other non-current asset	22,361,861.19	50,909,325.73
Total of non-current assets	16,662,154,859.04	17,196,968,834.43
Total of assets	19,748,578,658.11	20,666,939,285.90
Current liabilities		
Short-term loans	200,192,500.00	
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	369,773,342.71	368,307,598.41
Advance receipts	11,309,007.41	15,605,094.69

Items	December 31,2020	December 31,2019
Contract liabilities	309,734.51	
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	16,726,198.13	15,173,142.46
Tax payable	217,748,392.78	175,201,627.19
Other account payable	1,512,619,359.78	474,689,554.26
Including: Interest payable		
Dividend payable	22,262,804.39	20,020,119.31
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	266,328,017.47	796,246,790.61
Other current liability	648,581.64	1,246,636.74
Total of current liability	2,595,655,134.43	1,846,470,444.36
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	4,977,438,800.00	4,926,015,000.00
Bond payable	1,426,488,336.65	678,124,972.89
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	40,406,172.37	39,369,379.91
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	89,170,569.64	51,000,000.00
Deferred income tax liability	387,103,060.74	428,922,140.08
Other non-current liabilities		
Total non-current liabilities	6,920,606,939.40	6,123,431,492.88
Total of liability	9,516,262,073.83	7,969,901,937.24

Items	December 31,2020	December 31,2019
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	645,969,210.48	3,094,017,129.31
Less: Shares in stock		
Other comprehensive income	302,895,877.65	382,193,344.90
Special reserve		
Surplus reserves	1,167,785,965.63	1,074,553,052.81
Common risk provision		
Retained profit	3,725,679,319.35	3,915,790,810.76
Total of owner's equity belong to the parent company	7,933,136,499.11	10,557,360,463.78
Minority shareholders' equity	2,299,180,085.17	2,139,676,884.88
Total of owners' equity	10,232,316,584.28	12,697,037,348.66
Total of liabilities and owners' equity	19,748,578,658.11	20,666,939,285.90

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Lu Ming

Accounting Dept Leader: Zhou Fang

## 2. Parent Company Balance Sheet

In RMB

Items	December 31,2020	December 31,2019
Current asset:		
Monetary fund	1,781,764,519.09	2,791,384,501.78
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	27,004,827.41	21,864,051.27
Financing of receivables		
Prepayments	2,181,215.03	1,737,598.88
Other account receivable	54,148,114.53	13,435,651.19
Including: Interest receivable		
Dividend receivable	2,705,472.90	7,205,472.90
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	256,279,340.60	151,637,139.08
Other current asset	27,051.69	
Total of current assets	2,121,405,068.35	2,980,058,942.20
Non-current assets:		
Debt investment	287,903,684.98	537,903,684.98
Other investment on bonds		
Long-term receivable		
Long term share equity investment	5,529,362,536.53	4,789,404,907.17
Other equity instruments investment	1,737,015,528.29	1,835,822,604.77
Other non-current financial assets		
Property investment	2,858,243.64	3,079,362.12
Fixed assets	6,245,462,940.39	6,818,701,482.08
Construction in progress	43,086,545.58	46,952,925.08
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	150,582,241.22	2,533,878.12

Items	December 31,2020	December 31,2019
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	322,365,911.10	385,296,935.33
Other non-current asset	7,089,990.48	36,901,029.57
Total of non-current assets	14,325,727,622.21	14,456,596,809.22
Total of assets	16,447,132,690.56	17,436,655,751.42
Current liabilities		
Short-term loans	200,192,500.00	
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	105,919,984.52	129,930,285.56
Advance receipts		
Contract Liabilities		
Employees' wage payable	6,472,802.81	6,340,740.61
Tax payable	9,165,801.86	8,704,510.83
Other account payable	1,431,814,861.38	582,131,356.01
Including: Interest payable		
Dividend payable	22,262,804.39	20,020,119.31
Liabilities held for sales		
Non-current liability due within 1 year	190,331,701.48	744,589,133.72
Other current liability	539,618,124.00	821,133,339.57
Total of current liability	2,483,515,776.05	2,292,829,366.30
Non-current liabilities:		
Long-term loan	4,389,653,800.00	4,243,730,000.00
Bond payable	1,426,488,336.65	678,124,972.89
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	40,406,172.37	39,369,379.91
Long-term remuneration payable to staff		

Items	December 31,2020	December 31,2019
Expected liabilities		
Deferred income	13,403,327.12	
Deferred income tax liability	105,636,866.50	129,978,356.56
Other non-current liabilities		
Total non-current liabilities	5,975,588,502.64	5,091,202,709.36
Total of liability	8,459,104,278.69	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	938,969,546.79	2,974,458,696.93
Less: Shares in stock		
Other comprehensive income	302,895,877.65	382,193,344.90
Special reserve		
Surplus reserves	987,813,698.07	894,580,785.25
Retained profit	3,667,543,163.36	3,710,584,722.68
Total of owners' equity	7,988,028,411.87	10,052,623,675.76
Total of liabilities and owners' equity	16,447,132,690.56	17,436,655,751.42

### 3.Consolidated Income statement

In RMB

Items	Year 2020	Year 2019
I. Income from the key business	3,790,348,876.26	4,999,016,766.74
Incl: Business income	3,790,348,876.26	4,999,016,766.74
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,106,157,423.78	2,392,975,172.99
Incl: Business cost	1,662,223,696.13	1,924,477,933.90
Interest expense		
Fee and commission paid		



Items	Year 2020	Year 2019
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	23,401,929.49	25,405,367.63
Sales expense		
Administrative expense	203,945,119.58	218,914,654.80
R & D costs	404,303.70	
Financial expenses	216,182,374.88	224,177,216.66
Including: Interest expense	264,407,174.38	257,098,768.09
Interest income	50,618,519.70	39,377,414.30
Add: Other income	12,819,409.84	1,740,540.05
Investment gain ( "-" for loss)	171,366,835.55	214,765,043.56
Incl: investment gains from affiliates	114,517,784.14	168,708,231.04
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-2,457,808.51	-188,983.92
Impairment loss of assets	-1,231,918.94	-7,238,195.84
Assets disposal income		19,031,900.46
III. Operational profit ( "-" for loss)	1,864,687,970.42	2,834,151,898.06
Add : Non-operational income	11,749,841.36	8,832,100.71
Less: Non-operating expense	20,642,932.77	17,755,553.62
IV. Total profit( "-" for loss)	1,855,794,879.01	2,825,228,445.15
Less: Income tax expenses	491,409,872.94	673,785,022.80
V. Net profit	1,364,385,006.07	2,151,443,422.35
(I) Classification by business continuity		
1.Net continuing operating profit	1,364,385,006.07	2,151,443,422.35
2.Termination of operating net profit		
(II) Classification by ownership		

Items	Year 2020	Year 2019
1.Net profit attributable to the owners of parent company	867,842,774.78	1,469,187,067.83
2.Minority shareholders' equity	496,542,231.29	682,256,354.52
VI. Net after-tax of other comprehensive income	-79,297,467.25	126,887,291.61
Net of profit of other comprehensive income attributable to owners of the parent company.	-79,297,467.25	126,887,291.61
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-74,105,307.36	125,273,257.68
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	-74,105,307.36	125,273,257.68
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.	-5,192,159.89	1,614,033.93
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-5,192,159.89	1,614,033.93
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	1,285,087,538.82	2,278,330,713.96
Total comprehensive income attributable to the owner of the parent company	788,545,307.53	1,596,074,359.44

Items	Year 2020	Year 2019
Total comprehensive income attributable minority shareholders	496,542,231.29	682,256,354.52
VIII. Earnings per share		
(I) Basic earnings per share	0.4151	0.7027
(II) Diluted earnings per share	0.4151	0.7027

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: Lu Ming

Accounting Dept Leader: Zhou Fang

## 4. Income statement of the Parent Company

In RMB

Items	Year 2020	Year 2019
I. Income from the key business	975,440,382.58	1,290,289,841.76
Incl: Business cost	655,670,622.07	783,821,932.19
Business tax and surcharge	8,077,542.21	7,618,743.78
Sales expense		
Administrative expense	111,210,597.86	118,364,771.13
R & D expense		
Financial expenses	208,439,841.94	198,989,995.09
Including: Interest expenses	250,230,473.17	224,948,208.12
Interest income	40,734,373.10	28,519,844.52
Add: Other income	3,249,141.80	483,367.72
Investment gain ( "-" for loss)	1,009,976,324.53	1,236,812,045.82
Including: investment gains from affiliates	343,597,391.91	469,503,736.12
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-93,582.00	
Impairment loss of assets		-7,238,195.84
Assets disposal income		276,051.47
II. Operational profit ( "-" for loss)	1,005,173,662.83	1,411,827,668.74
Add : Non-operational income	3,221,547.75	1,856,765.81
Less: Non -operational expenses	12,774,779.05	1,427,763.63
III. Total profit( "-" for loss)	995,620,431.53	1,412,256,670.92
Less: Income tax expenses	63,291,303.29	62,031,595.44
IV. Net profit	932,329,128.24	1,350,225,075.48
1. Net continuing operating profit	932,329,128.24	1,350,225,075.48
2. Termination of operating net profit		
V. Net after-tax of other comprehensive income	-79,297,467.25	126,887,291.61
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-74,105,307.36	125,273,257.68

Items	Year 2020	Year 2019
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method i nvestee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	-74,105,307.36	125,273,257.68
4. Changes in the fair value of the company' s credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified i nto profit or loss	-5,192,159.89	1,614,033.93
1.Other comprehensive income under the equity method i nvestee can be reclassified into profit or loss.	-5,192,159.89	1,614,033.93
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	853,031,660.99	1,477,112,367.09
VII. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

## 5. Consolidated Cash flow statement

In RMB

Items	Year 2020	Year 2019
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	3,866,637,428.50	5,063,829,880.79
Net increase of customer deposits and capital kept for brother company		

Items	Year 2020	Year 2019
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned		
Other cash received from business operation	184,856,181.58	103,560,783.66
Sub-total of cash inflow	4,051,493,610.08	5,167,390,664.45
Cash paid for purchasing of merchandise and services	391,854,339.69	465,134,590.94
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid to staffs or paid for staffs	384,566,222.40	468,448,589.84
Taxes paid	553,265,616.61	930,941,776.42
Other cash paid for business activities	85,620,190.33	80,184,520.20
Sub-total of cash outflow from business activities	1,415,306,369.03	1,944,709,477.40
Net cash generated from /used in operating activities	2,636,187,241.05	3,222,681,187.05
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving	210,000,000.00	192,500,000.00
Cash received as investment gains	162,479,782.83	156,977,952.83
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	68,875.00	20,064,135.00
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	372,548,657.83	369,542,087.83
Cash paid for construction of fixed assets, intangible assets and	660,012,394.04	939,320,280.23

Items	Year 2020	Year 2019
other long-term assets		
Cash paid as investment	224,910,442.24	225,000,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	884,922,836.28	1,164,320,280.23
Net cash flow generated by investment	-512,374,178.45	-794,778,192.40
III. Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	2,169,880,000.00	3,576,700,000.00
Other financing - related cash received	89,083,500.00	85,985,000.00
Sub-total of cash inflow from financing activities	2,258,963,500.00	3,662,685,000.00
Cash to repay debts	1,730,365,000.00	3,474,420,769.28
Cash paid as dividend, profit, or interests	1,588,108,152.77	2,305,707,953.35
Including: Dividend and profit paid by subsidiaries to minor shareholders	380,689,946.00	665,429,842.00
Other cash paid for financing activities	1,272,832,461.00	791,384.00
Sub-total of cash outflow due to financing activities	4,591,305,613.77	5,780,920,106.63
Net cash flow generated by financing	-2,332,342,113.77	-2,118,235,106.63
IV. Influence of exchange rate alternation on cash and cash equivalents	1,728,690.91	-1,534,520.73
V. Net increase of cash and cash equivalents	-206,800,360.26	308,133,367.29
Add: balance of cash and cash equivalents at the beginning of term	3,052,977,164.15	2,744,843,796.86
VI. Balance of cash and cash equivalents at the end of term	2,846,176,803.89	3,052,977,164.15

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Year 2020	Year 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	993,839,736.20	1,319,322,493.90
Tax returned		
Other cash received from business operation	93,504,920.38	77,128,413.98
Sub-total of cash inflow	1,087,344,656.58	1,396,450,907.88

Items	Year 2020	Year 2019
Cash paid for purchasing of merchandise and services	103,008,692.77	127,357,495.28
Cash paid to staffs or paid for staffs	127,409,377.73	147,473,541.71
Taxes paid	38,537,660.12	49,562,069.12
Other cash paid for business activities	345,450,155.26	235,160,213.53
Sub-total of cash outflow from business activities	614,405,885.88	559,553,319.64
Net cash generated from /used in operating activities	472,938,770.70	836,897,588.24
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving	150,000,000.00	105,000,000.00
Cash received as investment gains	891,162,907.16	1,152,310,903.36
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	7,700.00	4,900.00
Net cash received from disposal of subsidiaries or other operational units	4,694,628.72	
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	1,045,865,235.88	1,257,315,803.36
Cash paid for construction of fixed assets, intangible assets and other long-term assets	270,834,718.98	704,297,796.17
Cash paid as investment	1,486,620,726.24	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	1,757,455,445.22	704,297,796.17
Net cash flow generated by investment	-711,590,209.34	553,018,007.19
<b>III. Cash flow generated by financing</b>		
Cash received as investment		
Cash received as loans	1,809,290,000.00	3,290,000,000.00
Other financing - related cash received		
Sub-total of cash inflow from financing activities	1,809,290,000.00	3,290,000,000.00
Cash to repay debts	1,479,775,000.00	2,575,665,000.00
Cash paid as dividend, profit, or interests	1,101,090,057.96	1,407,137,756.96
Other cash paid for financing activities	1,122,177.00	791,384.00
Sub-total of cash outflow due to financing activities	2,581,987,234.96	3,983,594,140.96
Net cash flow generated by financing	-772,697,234.96	-693,594,140.96
<b>IV. Influence of exchange rate alternation on cash and cash equivalents</b>		
	1,728,690.91	-1,534,520.73



Items	Year 2020	Year 2019
V.Net increase of cash and cash equivalents	-1,009,619,982.69	694,786,933.74
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	1,780,543,319.09	2,790,163,301.78

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

Amount in this period

In RMB

Items	Year 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				3,094,017,129.31		382,193,344.90		1,074,553,052.81		3,915,790,810.76		10,557,360,463.78	2,139,676,884.88	12,697,037,348.66	
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				3,094,017,129.31		382,193,344.90		1,074,553,052.81		3,915,790,810.76		10,557,360,463.78	2,139,676,884.88	12,697,037,348.66	
III. Changed in the current year					-2,448,047,918.83		-79,297,467.25		93,232,912.82		-190,111,491.41		-2,624,223,964.67	159,503,200.29	-2,464,720,764.38	
(1) Total comprehensive income							-79,297,467.25				867,842,774.78		788,545,307.53	496,542,231.29	1,285,087,538.82	
(II) Investment or decreasing					45,432,5								45,432,585.	43,650,915.00	89,083,500.00	



Items	Year 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													
										0		.20				
(IV) Internal transferring of owners' equity																
1. Capitalizing of capital reserves (or to capital shares)																
2. Capitalizing of surplus reserves (or to capital shares)																
3. Making up losses by surplus reserves.																
4. Change amount of defined benefit plans that carry forward Retained earnings																
5. Other comprehensive income carry-over retained earnings																
6. Other																
(V). Special reserves																
1. Provided this year																

Items	Year 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													
2. Used this term																
(VI) Other					-2,493,480,503.83								-2,493,480,503.83		-2,493,480,503.83	
IV. Balance at the end of this term	2,090,806,126.00				645,969,210.48		302,895,877.65		1,167,785,965.63		3,725,679,319.35		7,933,136,499.11	2,299,180,085.17	10,232,316,584.28	

Amount in last year

Items	Year 2019														Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company															
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal			
Preferrred stock		Sustainable debt	Other													
I. Balance at the end of last year	2,090,806,126.00			2,536,774,965.31		245,109,114.81		775,402,561.35		3,938,609,136.59		9,586,701,904.06	459,599,723.87	10,046,301,627.93		
Add: Change of accounting policy						10,196,938.48				-9,749,843.30		447,095.18		447,095.18		
Correcting of previous errors																
Merger of entities under common control				513,389,814.00				164,127,983.91		17,247,058.59		694,764,856.50	1,621,117,998.50	2,315,882,855.00		
Other																
II. Balance at the beginning of current year	2,090,806,126.00			3,050,164,779.31		255,306,053.29		939,530,545.26		3,946,106,351.88		10,281,913,855.74	2,080,717,722.37	12,362,631,578.11		
III. Changed in the current year				43,852,350.00		126,887,291.61		135,022,507.55		-30,315,541.12		275,446,608.04	58,959,162.51	334,405,770.55		
(I) Total comprehensive income						126,887,291.61				1,469,187,067.83		1,596,074,359.44	682,256,354.52	2,278,330,713.96		
(II) Investment or decreasing of capital by owners				43,852,350.00								43,852,350.00	42,132,650.00	85,985,000.00		



4. Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves															
1. Provided this year															
2. Used this term															
(VI) Other															
IV. Balance at the end of this term	2,090,806,126 .00				3,094,01 7,129.31		382,193,344 .90		1,074,553,0 52.81		3,915,790,810. 76		10,557,360, 463.78	2,139,676,884.88	12,697,037,348.66

In RMB



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

Amount in this period

In RMB

Items	Year 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
		Preferr ed stock	Sustai nable 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					-2,035,489,150.14		-79,297,467.25		93,232,912.82	-43,041,559.32		-2,064,595,263.89
(I) Total comprehensive income							-79,297,467.25			932,329,128.24		853,031,660.99
(II) Investment or decreasing of capital by owners					26,725,050.00							-2,035,489,150.14
1. Ordinary Shares invested by shareholders												

Items	Year 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
		Preferr ed stock	Sustai nable debt	Other								
2. Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity												
4. Other					26,725,050.00							-2,035,489,150.14
(III) Profit allotment									93,232,912.82	-975,553,097.99		-882,320,185.17
1.Providing of surplus reserves									93,232,912.82	-93,232,912.82		
2. Allotment to the owners (or shareholders)										-882,320,185.17		-882,320,185.17
3. Other												
(IV) Internal transferring of owners' equity										182,410.43		182,410.43
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.												

Items	Year 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
		Preferr ed stock	Sustai nable debt	Other								
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other									182,410.43			182,410.43
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other					-2,062,214,200.14							
IV. Balance at the end of this term	2,090,806,126.00				938,969,546.79		302,895,877.65		987,813,698.07	3,667,543,163.36		7,988,028,411.87

Amount in last year

In RMB

Items	Year 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							10,196,938.48			-9,749,843.30		447,095.18
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	2,090,806,126.00				2,948,663,196.93		255,306,053.29		759,558,277.70	3,670,415,197.56		9,724,748,851.48
III. Changed in the current year					25,795,500.00		126,887,291.61		135,022,507.55	40,169,525.12		327,874,824.28
(I) Total comprehensive income							126,887,291.61			1,350,225,075.48		1,477,112,367.09
(II) Investment or decreasing of capital by owners					25,795,500.00							25,795,500.00
1. Ordinary Shares invested by shareholders												
2. Holders of other equity instru												

Items	Year 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								
Items invested capital												
3.Amount of shares paid and accounted as owners' equity												
4. Other				25,795,500.00							25,795,500.00	
(III) Profit allotment								135,022,507.55	-1,310,055,550.36		-1,175,033,042.81	
1.Providing of surplus reserves								135,022,507.55	-135,022,507.55			
2. Allotment to the owners (or shareholders)									-1,175,033,042.81		-1,175,033,042.81	
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus												

Items	Year 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								
reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other												
IV. Balance at the end of this term	2,090,806,126.00				2,974,458,696.93		382,193,344.90		894,580,785.25	3,710,584,722.68		10,052,623,675.76

### 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 764.256249 million shares at the price of RMB 11 per Right. 73,822,250 ordinary shares were actually placed to all.

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

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

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

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

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

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

The subsidiaries newly included in the consolidation scope in this period include: subsidiaries acquired by business combination under the same control: Guangdong Guanghui Expressway Co., Ltd..

In this period, due to absorption and combination, the subsidiaries that are no longer combined include:

Guangzhou Guangzhu Transportation Investment Management Co., Ltd.

#### 5. Approval and submission date of financial report

The financial statements have been authorized for issuance by the 16th meeting of the Ninth Board of Directors of the Company on March 25, 2021.

### IV. Basis for the preparation of financial statements

#### 1. Preparation basis

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

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

#### 2. Continuation

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

### V. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates are indicated as follows:

According to the actual production and operation characteristics and the provisions of relevant accounting standards for enterprises, the Group has formulated a number of specific accounting policies and accounting

estimates for revenue recognition and other transactions and events. For details, see "25, Revenue" in V of this section. Please refer to "32, Significant Accounting Judgments and Estimates" in V of this section for explanations of significant accounting judgements and estimates made by management.

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

The financial statements of the Company are recognized and measured in accordance with the regulations in the Chinese Accounting Standards for Business Enterprises and they give a true and fair view of the financial position, business result and cash flow of the Company as of December 31, 2020 and year 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).

### 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-subsidiary 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. The term "continuous involvement in the transferred financial asset" shall refer to the risk level that the enterprise faces resulting from the change of the value of the financial asset.

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

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

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

### (4) Termination confirmation of financial liabilities

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

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

### (5) Offsetting financial assets and financial liabilities

When the Company has a legal right that is currently enforceable to set off the recognized financial assets

and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

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

Fair value refers to the price that a market participant must pay to sell or transfer a liability in an orderly transaction that occurs on the measurement date. The fair value of financial instruments existing in an active market is determined by the Company according to its quoted price in this market. The quoted prices in the active market refer to the prices, which are easily available from the stock exchanges, brokers, industry associations, pricing service institutions and etc. at a fixed term, and which represent the prices at which actually occurred market transactions are made under fair conditions. In can 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. 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 as contract performance cost: ① Such 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 due to the contract. ② Such cost increases the resources of the Company for fulfilling its performance obligations in the future; ③ Such cost is expected to be recovered.

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

### 15. 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.

## 16. 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.

## 17.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%	
Guanghui Expressway Co., Ltd.	Working flow basis	23 years	0%	
House Building	The straight-line method	20-30 years	3%-5%	3.17%-4.85%
Machine Equipment	The straight-line	3-10 years	3%-5%	9.50%-32.33%

	method			
Transportation Equipment	The straight-line method	5-8 years	3%-5%	11.88%-19.40%
Other	The straight-line method	5 years	3%-5%	19.00%-19.40%

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.

## 18. 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.

## 19. 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.

## 20. 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
Toll road franchises	Operating period for residual charges

## 21. 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.

## 22. 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.

## 23. 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.

## 24. 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.

## 25. Revenues

Accounting policies adopted for income recognition and measurement

### (1) Revenue recognition principle

Since the starting date of the contract, the company shall evaluate the contract, identifies each individual performance obligation contained in, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point of time.

The performance obligation is defined as fulfillment within a certain period of time if one of the following conditions is met, otherwise, it is defined as fulfilled at a certain point in time: ① The customer obtains and consumes the economic benefits brought by the company's performance while the company performs the contract; ② The customer can control the goods under manufacturing or services during the company's performance; ③ The goods or services produced during the company's performance have irreplaceable uses, and the company has the right to accumulate for the completed performances during the entire contract period.

For obligations performed within a certain period of time, the company recognizes revenue in accordance with the performance progress in that period. If the performance progress cannot be reasonably determined, and the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined. For obligations performed at a certain point in time, revenue shall be recognized at the point when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of the product, the company shall consider the following points: ① The company has the current right to receive payment for the product, that is, the customer has the current payment obligation for the product; ② The company has transferred the legal ownership of the product to the customer, that is, the customer has the legal ownership of the product; ③ The company has transferred the physical product to the customer, that is, the customer has physically taken possession of the

product; ④ The company has transferred the main risks and rewards on the ownership of the product to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the product; ⑤ The customer has accepted the product; ⑥ Other signs that the customer has obtained control of the product.

## (2) Principle of revenue measurement

① The company shall measure revenue based on the transaction price allocated to each individual performance obligation. The transaction price is the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, while does not include payments received on behalf of third parties and payments expected to be returned to customers.

② If there is variable consideration in the contract, the company shall determine its best estimate according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the accumulated amount that, if relevant uncertainty is eliminated, will most likely have no significant reversal.

③ If there is any significant financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. The difference between transaction price and contract consideration shall be amortized through effective interest method during the contract period. On the starting date of contract, if the company expects that the customer will obtain control of the goods or services and pays the price within one year, the significant financing component in contract shall not be considered.

④ If the contract contains two or more performance obligations, the company shall, on date of the contract, allocate the transaction price to each individual obligation item in accordance with the relative proportion of the separate selling price of promised goods.

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

## (3) Specific methods of revenue recognition

### (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

## 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. 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.

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

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

Applicable  Not applicable

Contents and causes for changes of accounting policy	Approval procedures	Remarks

<p>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").</p>	<p>It was adopted at the 4th meeting of the 9th Board of Directors of the Company on April 3, 2020</p>	<p>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.</p>
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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	Consolidated statements
Account receivable	177,099,124.09	179,449,777.42
Other account receivable	30,103,478.60	22,706,427.50
Contract assets		5,046,397.77
Inventories	111,683.22	111,683.22
Other Non-current assets	50,909,325.73	50,909,325.73
Advance receipts	15,605,094.69	12,817,484.06
Contract liabilities		2,787,610.63

(2) Significant estimates 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 Fokai Expressway and the Traffic Volume Forecast and Charge Revenue	On December 31, 2019, the third (provisional) meeting of the ninth board of directors was held, and the meeting	January 1,2020	For this matter, the company adopts the future applicable method. This change in accounting estimate results in a decrease in depreciation of fixed assets in the current period than the original

Report of Guangzhu 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 Guangzhu Section Co., Ltd., a holding subsidiary are used as depreciation basis	passed the <i>Proposal on Changes in Accounting Estimates</i>		accounting estimate by RMB 172,308,077.27, a decrease in operating cost by RMB 172,308,077.27, AN increase in net profit by RMB 129,231,057.95, an increase in net profit attributable to shareholders of the parent company by RMB 123,155,223.57, and an increase in impact of profit and loss attributable to minority shareholders by RMB 6,075,834.39.、
From September 1, 2020, the depreciation period of machinery and equipment, electronic equipment and other equipment has been changed, and the net salvage value rate of fixed assets (except road property) has also been changed.	On August 26, 2020, the 9th (provisional) meeting of the ninth board of directors was held, and the meeting passed the <i>Proposal on Changes in Accounting Estimates</i>	September 1,2020	For this matter, the company adopts the future applicable method. This change in accounting estimate results in a decrease in depreciation of fixed assets in the current period than the original accounting estimate by RMB 33,759,072.50, an Increase in operating cost by RMB 33,759,072.50, A decrease in net profit by RMB 25,319,304.38, a decrease in net profit attributable to shareholders of the parent company by RMB 24,086,113.34, and a decrease in impact of profit and loss attributable to minority shareholders by RMB 1,233,191.05.

(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	3,054,198,364.15	3,054,198,364.15	
Settlement provision			
Outgoing call loan			

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Account receivable	177,099,124.09	179,449,777.42	2,350,653.33
Financing of receivables			
Prepayments	11,829,452.88	11,829,452.88	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other account receivable	30,103,478.60	22,706,427.50	-7,397,051.10
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		5,046,397.77	5,046,397.77
Assets held for sales			
Non-current asset due within 1 year	51,745.32	51,745.32	
Other current asset	196,576,603.21	196,576,603.21	
Total of current assets	3,469,970,451.47	3,469,970,451.47	
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	2,207,266,324.84	2,207,266,324.84	
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	12,460,188,469.66	12,460,188,469.66	
Construction in progress	241,274,698.97	241,274,698.97	
Production physical assets			



Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Oil & gas assets			
Use right assets			
Intangible assets	8,762,039.52	8,762,039.52	
Development expenses			
Goodwill			
Long-germ expenses to be amortized	3,919,764.44	3,919,764.44	
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	17,196,968,834.43	17,196,968,834.43	
Total of assets	20,666,939,285.90	20,666,939,285.90	
Current liabilities			
Short-term loans			
Loan from Central Bank			
Borrowing funds			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable	368,307,598.41	368,307,598.41	
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	15,173,142.46	15,173,142.46	
Tax payable	175,201,627.19	175,201,627.19	
Other account payable	474,689,554.26	474,689,554.26	
Including: Interest payable			
Dividend payable	20,020,119.31	20,020,119.31	
Fees and commissions payable			
Reinsurance fee payable			
Liabilities held for sales			

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
Non-current liability due within 1 year	796,246,790.61	796,246,790.61	
Other current liability	1,246,636.74	1,246,636.74	
Total of current liability	1,846,470,444.36	1,846,470,444.36	
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term loan	4,926,015,000.00	4,926,015,000.00	
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	51,000,000.00	51,000,000.00	
Deferred income tax liability	428,922,140.08	428,922,140.08	
Other non-current liabilities			
Total non-current liabilities	6,123,431,492.88	6,123,431,492.88	
Total of liability	7,969,901,937.24	7,969,901,937.24	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	3,094,017,129.31	3,094,017,129.31	
Less: Shares in stock			
Other comprehensive income	382,193,344.90	382,193,344.90	
Special reserve			
Surplus reserves	1,074,553,052.81	1,074,553,052.81	
Common risk provision			
Retained profit	3,915,790,810.76	3,915,790,810.76	
Total of owner' s equity belong to the	10,557,360,463.78	10,557,360,463.78	

Items	December 31,2019	January 1,2020	Amount involved in the adjustment
parent company			
Minority shareholders' equity	2,139,676,884.88	2,139,676,884.88	
Total of owners' equity	12,697,037,348.66	12,697,037,348.66	
Total of liabilities and owners' equity	20,666,939,285.90	20,666,939,285.90	

## 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 investment	4,789,404,907.17	4,789,404,907.17	

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

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

## 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 December 31, 2020, "current period" refers to Year 2020, and "last period" refers to Year 2019.

### 1. Monetary Capital

In RMB

Items	Amount in year-end	Balance Year-beginning
Cash	54,482.68	75,833.29
Bank deposit	2,846,821,352.23	3,052,884,045.33
Other	522,168.98	1,238,485.53
Total	2,847,398,003.89	3,054,198,364.15

#### Other note

On December 31, 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				
	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	172,621,378.99	100.00%	3,713,861.43	2.15%	168,907,517.56	180,802,658.14	100.00%	1,352,880.72	0.75%	179,449,777.42
Of which:										
Aging portfolio	171,846,750.22	99.55%	3,713,861.43	2.16%	168,132,888.79	179,305,712.71	99.17%	1,352,880.72	0.75%	177,952,831.99
Quality guarantee portfolio	774,628.77	0.45%			774,628.77	1,496,945.43	0.83%			1,496,945.43
Total	172,621,378.99		3,713,861.43		168,907,517.56	180,802,658.14		1,352,880.72		179,449,777.42

①Accrual of bad debt provision by single: None

## ② Accrual of bad debt provision by portfolio: Accrual of bad debt provision by aging portfolio

In RMB

Name	Balance in year-end		
	Book balance	Bad debt provision	Withdrawal proportion
Within 1 year	155,744,121.98		0.00%
1-2 years	6,216,340.00	517,764.40	10.00%
2-3 years	9,303,445.25	2,684,406.38	30.00%
3-4 years	75,000.00	37,500.00	50.00%
4-5 years	336,523.39	302,871.05	90.00%
Over 5 years	171,319.60	171,319.60	100.00%
Total	171,846,750.22	3,713,861.43	--

Note of the basis of recognizing the portfolio:

Provision for bad debts according to the age portfolio

## ③ Accrual of bad debt provision by portfolio: Notes of the basis of Quality guarantee the group

In RMB

Name	Balance in year-end		
	Book balance	Bad debt provision	Withdrawal proportion
Quality guarantee	774,628.77		0.00%
Total	774,628.77		--

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)	155,744,121.98
1-2 years	6,247,640.00
2-3 years	9,410,005.85
Over 3 years	1,219,611.16
3-4 years	157,725.20
4-5 years	575,094.67
Over 5 years	486,791.29
Total	172,621,378.99



## (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	1,352,880.72	2,360,980.71				3,713,861.43
<b>Total</b>	1,352,880.72	2,360,980.71				3,713,861.43

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.	100,047,025.70	57.96%	
Guangzhou Lingte Electronic Co.,Ltd.	16,299,000.00	9.44%	
Guangdong Humen Bridge Co., Ltd.	11,044,082.54	6.40%	
Guangdong Lulu Traffic Development Co., Ltd.	10,420,000.00	6.04%	
Shandong Boan Intelligent Technology Co., Ltd	7,409,966.25	4.29%	2,222,989.88
<b>Total</b>	145,220,074.49	84.13%	

## (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) Aging analysis

In RMB

Aging	Balance in year-end		Balance Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	3,518,401.18	97.53%	11,659,714.88	98.57%
1-2 years	89,136.83	2.47%		
Over 3 years			169,738.00	1.43%
Total	3,607,538.01	--	11,829,452.88	--

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	Unliquidated	23.23
China Ping An Property Insurance Co. Ltd. Guangdong Branch	Non- Related party	819,624.15	Within 1 year	Unliquidated	22.72
Guangdong Litong Property Investment Co., Ltd.	Related party	776,413.03	Within 1 year	Unliquidated	21.52
Tianjing Kechang Huitong Information Technology Co., Ltd.	Non- Related party	300,000.00	Within 1 year	Unliquidated	8.32
Guangdong Power Grid Energy Development Co., Ltd.	Non- Related party	240,500.00	Within 1 year	Unliquidated	6.67
Total	/	2,974,553.18	/	/	82.46

#### 4. Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	2,705,472.90	7,205,472.90
Other receivable	58,219,894.74	15,500,954.60
Total	60,925,367.64	22,706,427.50

(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
Ganzhou Gankang Expressway Co., Ltd.	1,500,000.00	

Guangdong Yueke Technology Petty Loan Co., Ltd.		6,000,000.00
Total	2,705,472.90	7,205,472.90

## 2) Significant dividend receivable aged over 1 year

In RMB

Items	Balance in year-end	Aging	Reasons for non-recovery	Whether with impairment and the judgment basis
广东广播电视台网络投资No.1有限合伙企业	1,205,472.90	Over 1 year	The Company account is temporarily frozen	No, it can be recovered in the future

## (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
Capital reduction due from Gankang	45,000,000.00	
Petty cash	5,654,205.42	6,125,222.52
Gelin Enze Account	4,007,679.91	4,007,679.91
Cash deposit	4,001,660.43	3,435,790.57
Tran Other safer of long-term assets receivable	935,820.00	935,820.00
Other	2,754,248.87	5,033,333.69
Leas: Bad-debt provision	-51,661,776.07	-51,564,948.27
Total	58,219,894.74	15,500,954.60

## 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				
Accrual	96,827.80			96,827.80
Balance as at December 31,2020	126,039.98		51,535,736.09	51,661,776.07

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)	54,791,424.11
1-2 years	985,257.58
2-3 years	723,934.77
Over 3 years	53,381,054.35
3-4 years	426,977.40
4-5 years	493,491.88
Over 5 years	52,460,585.07
Total	109,881,670.81

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

The withdrawal amount of the bad debt provision:

In RMB

Category	Balance Year-beginning	Amount of change in the current period				Balance in year-end
		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	96,827.80				126,039.98
Accrual of portfolio-Other portfolio						
<b>Total</b>	<b>51,564,948.27</b>	<b>96,827.80</b>				<b>51,661,776.07</b>

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	43.25%	47,528,056.18
Ganzhou Gankang Expressway Co., Ltd.	Capital reduction due from Gankang	45,000,000.00	Within 1 year	40.95%	
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	3.65%	4,007,679.91
Guangdong Litong Real Estates Investment Co., Ltd.	Deposit	1,630,467.36	Within 1 year	1.52%	
	Vehicle parking deposit	35,680.00	Over 5 years		
Guangdong Expressway Media Co.,Ltd.	Current account	1,218,110.44	Within 1 year	1.11%	
<b>Total</b>	--	<b>99,419,993.89</b>	--	<b>90.48%</b>	<b>51,535,736.09</b>

## (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 material	49,380.53		49,380.53	111,683.22		111,683.22
Stock goods	4,380.53		4,380.53			
Total	53,761.06		53,761.06	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	5,452,813.90		5,452,813.90	5,046,397.77		5,046,397.77
Total	5,452,813.90		5,452,813.90	5,046,397.77		5,046,397.77

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

Provision for impairment of contract assets in the current period

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
<b>Total</b>	<b>51,745.32</b>	<b>51,745.32</b>

## 8. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Income tax to be deducted		
Income tax to be certified	27,051.69	
Short-term Creditor's Investment		196,576,603.21
<b>Total</b>	<b>27,051.69</b>	<b>196,576,603.21</b>

## 9. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	With draw al of impai rmen t provi sion	Ot he r		
I. Joint venture											
2. Affiliated Company											
Guangdong Jiangzhong Expressway Co., Ltd.	179,491,516.98			12,760,987.96						192,252,504.94	
Ganzhou Gankang Expressway Co., Ltd.	213,672,650.90		45,000,000.00	-21,398,030.18			1,500,000.00			145,774,620.72	
Ganzhou Kangda Expressway Co., Ltd.	234,733,526.86			9,080,563.64			27,000,000.00			216,814,090.50	
Shenzhen Huiyan Expressway Co., Ltd.	262,682,427.44			22,726,327.71						285,408,755.15	
Zhaoqing Yuezhao Highway Co., Ltd.	308,122,059.69			44,064,159.14			49,750,000.00			302,436,218.83	
Guoyuan Securities Co., Ltd.	793,926,807.52	129,910,442.24		32,205,888.19	-5,192,159.89		11,940,297.90			938,910,680.16	
Guangdong Yueke Technology Petty Loan Co., Ltd.	214,637,335.45			10,065,984.93			9,000,000.00			215,703,320.38	
Hunnan Lianzhi Technology Co., .Ltd.		80,000,000.00		5,011,902.75		69,072.17				85,080,974.92	
Subtotal	2,207,266,324.84	209,910,442.24	45,000,000.00	114,517,784.14	-5,192,159.89	69,072.17	99,190,297.90			2,382,381,165.60	
Total	2,207,266,324.84	209,910,442.24	45,000,000.00	114,517,784.14	-5,192,159.89	69,072.17	99,190,297.90			2,382,381,165.60	



Other note

## 8. Other Equity instrument investment

In RMB

Items	Closing balance	Opening balance
Guangle Expressway Co., Ltd.	748,348,301.73	748,348,301.73
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00	50,000,000.00
China Everbright Bank Co., Ltd.	938,667,226.56	1,037,474,303.04
Huaxia Securities Co., Ltd. (Notes1)		
Huazheng Asset Management Co., Ltd. (Notes2)		
Kunlun Securities Co., Ltd. (Notes3)		
Total	1,737,015,528.29	1,835,822,604.77

Note 1: The owner's equity of Huaxia Securities Co., Ltd. was negative and it entered liquidation procedure in December 2005. The Company made full provision for impairment in respect of this long-term equity investment of RMB 5.4 million.

Note 2: According to De Wei Ping Gu Zi 2005 No. 88 Appraisal Report issued by Beijing Dewei Appraisal Co., Ltd. As the June 30, 2005, the amount of net assets of Huazheng Asset Management Co., Ltd. in book was 279.132 million yuan and the appraised value was - 2299.5486 million yuan ,On October 14, 2005, Jianyin CITIC Asset Management Co., Ltd. issued the Letter of Soliciting Opinions on Equity Assignment to the Company. Jianyin CITIC Asset Management Co., Ltd. was willing to pay the price of not more than 42 million yuan to acquire 100% equity of Huazheng Asset Management Co., Ltd. and solicited the Company's opinions. The Company replied on December 5, 2005, abandoning the preemptive right under the same conditions. The Company made provision of 1.3932 million yuan for impairment in respect of this long-term equity investment of 1.62 million yuan.

Note 3. The owner's equity of Kunlun Securities Co., Ltd. was negative and it entered liquidation procedure in October 2005. A wholly owned subsidiary of Guangdong Expressway Technology Investment Co., Ltd. Will invest Kunlun Securities Co., Ltd.'s full provision for impairment of 30 million yuan.

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

In RMB

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

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
						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	421,106,349.76				Non-transactional purpose for shareholding
Huaxia Securities Co., Ltd.			5,400,000.00			Non-transactional purpose for shareholding
Huazheng Asset Management Co., Ltd.			1,620,000.00			Non-transactional purpose for shareholding
Kunlun Securities Co., Ltd.			30,000,000.00			Non-transactional purpose for shareholding
Total	50,785,213.04	428,909,133.91	37,020,000.00			

## 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
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	147,549.12	73,569.36		221,118.48
(1) Withdrawal or amortization	147,549.12	73,569.36		221,118.48
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance	10,694,640.90	1,831,506.56		12,526,147.46
III. Impairment provision				

Items	Houses and buildings	Land use right	Construction in progress	Total
1. Opening balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance				
IV. Book value				
1. Closing book value	1,970,057.35	1,140,324.54		3,110,381.89
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	1,292,746.74	Transportation and other ancillary facilities, Not accreditation
Total	1,292,746.74	

## 12. Fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	11,540,066,429.69	12,460,188,469.66
liquidation of fixed assets	9,500.00	
Total	11,540,075,929.69	12,460,188,469.66

## (1) List of fixed assets

In RMB

Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Office equipment and other	Total
I. Original price									
1. Opening balance	1,460,270,190.66	10,935,058,609.66	6,475,428,904.48	4,816,156,616.45	651,538,302.92	1,581,718,051.00	62,473,441.73	109,565,991.37	26,092,210,108.27
2. Increased amount of the period				8,724,808.53	1,757,934.00	296,199,676.97	2,009,197.16	34,672,992.94	343,364,609.60
(1) Purchase						5,228,185.60	2,009,197.16	12,979,530.72	20,216,913.48
(2) Transfer of project under construction				8,724,808.53	1,578,211.00	290,971,491.37		21,693,462.22	322,967,973.12
(3) Increased of Enterprise consolidation									
(4) Other					179,723.00				179,723.00
3. Decreased amount of the period		42,240,682.36			139,438.00	70,836,932.08	3,054,950.00	9,992,986.30	126,264,988.74
(1) Disposal or scrap		42,240,682.36			139,438.00	70,836,932.08	3,054,950.00	9,992,986.30	126,264,988.74
(2) Government subsidy offset									
4. Closing balance	1,460,270,190.66	10,892,817,927.30	6,475,428,904.48	4,824,881,424.98	653,156,798.92	1,807,080,795.89	61,427,688.89	134,245,998.01	26,309,309,729.13

Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Office equipment and other	Total
II. Accumulated depreciation									
1. Opening balance	1,460,270,190.66	4,494,205,215.58	3,233,900,466.28	2,841,639,585.51	404,319,093.80	1,062,403,571.32	49,538,185.49	78,507,134.13	13,624,783,442.77
2. Increased amount of the period		539,758,748.04	337,731,036.15	153,324,878.57	28,686,206.44	177,723,828.53	3,143,306.74	8,179,629.68	1,248,547,634.15
(1) Withdrawal		539,758,748.04	337,731,036.15	153,324,878.57	28,686,206.44	177,723,828.53	3,143,306.74	8,179,629.68	1,248,547,634.15
3. Decreased amount of the period		34,351,051.30			92,136.45	65,778,334.71	2,853,709.15	9,482,660.65	112,557,892.26
(1) Disposal or scrap		34,351,051.30			92,136.45	65,778,334.71	2,853,709.15	9,482,660.65	112,557,892.26
4. Closing balance	1,460,270,190.66	4,999,612,912.32	3,571,631,502.43	2,994,964,464.08	432,913,163.79	1,174,349,065.14	49,827,783.08	77,204,103.16	14,760,773,184.66
II. Accumulated depreciation									
1. Opening balance						6,638,789.88		599,405.96	7,238,195.84
2. Increased amount of the period						1,231,918.94			1,231,918.94
(1) Withdrawal						1,231,918.94			1,231,918.94

Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Office equipment and other	Total
3. Decreased amount of the period									
(1) Disposal or scrap									
4. Closing balance						7,870,708.82		599,405.96	8,470,114.78
IV. Book value									
1. Closing book value		5,893,205,014.98	2,903,797,402.05	1,829,916,960.90	220,243,635.13	624,861,021.93	11,599,905.81	56,442,488.89	11,540,066,429.69
2. Opening book		6,440,853,394.08	3,241,528,438.20	1,974,517,030.94	247,219,209.12	512,675,689.80	12,935,256.24	30,459,451.28	12,460,188,469.66



## (2) Temporarily idle fixed assets

In RMB

Items	Original price	Accumulated depreciation	Impairment provision	Book value	Remark
House and buildings	6,014,243.63	4,047,283.20		1,966,960.43	
Total	6,014,243.63	4,047,283.20		1,966,960.43	

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

In RMB

Items	Book value	Reason
Transportation and other ancillary facilities	153,886,038.13	Transportation and other ancillary facilities, Not accreditation.

## (4) liquidation of fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Transportation equipment	9,500.00	
Total	9,500.00	

## 13. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	340,611,095.47	241,274,698.97
Total	340,611,095.47	241,274,698.97

## (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
Bridge Deck Treatment Project of Dachong Viaduct	117,493,329.30		117,493,329.30	67,204,790.39		67,204,790.39
Pavement Treatment	105,958,479.27		105,958,479.27	46,573,355.85		46,573,355.85

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Project						
Gualuhu Interchange project	52,045,974.12		52,045,974.12	338,747.00		338,747.00
Reconstruction and Expansion of Sanbao to Shuikou	29,547,232.58		29,547,232.58	15,943,015.38		15,943,015.38
Odd project	35,566,080.20		35,566,080.20	40,110,826.35		40,110,826.35
Bridge Drainage Improvement Project Across Centralized Drinking Water Sources				71,103,964.00		71,103,964.00
<b>Total</b>	<b>340,611,095.47</b>		<b>340,611,095.47</b>	<b>241,274,698.97</b>		<b>241,274,698.97</b>

## (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 progress	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Reconstruction and Expansion of Sanbao to Shuikou	3,426,206,700.00	15,943,015.38	13,604,217.20			29,547,232.58	75.76%	82.29	72,779,504.82			Other
Bridge Drainage Improvement Project Across Centralized Drinking Water Sources	295,867,737.02	71,103,964.00	204,100,412.74	275,204,376.74			93.02%	100.00				Other
Gualuhu Interchange project	197,520,000.00	338,747.00	51,707,227.12			52,045,974.12	26.35%	26.35				Other
Pavement Treatment Project	186,000,000.00	46,573,355.85	59,385,123.42			105,958,479.27	56.97%	56.97	2,301,824.65	2,301,824.65	4.25%	Other
Bridge Deck Treatment Project of Dachong Viaduct	123,000,000.00	67,204,790.39	50,288,538.91			117,493,329.30	95.52%	95.52	3,953,599.55	3,953,599.55	4.25%	Other
<b>Total</b>	<b>4,228,594,437.02</b>	<b>201,163,872.62</b>	<b>379,085,519.39</b>	<b>275,204,376.74</b>		<b>305,045,015.27</b>	<b>--</b>	<b>--</b>	<b>79,034,929.02</b>	<b>6,255,424.20</b>		<b>--</b>

(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	Software	Toll road franchises	Total
I. Original price				
1. Opening balance	1,311,658.00	39,920,855.16		41,232,513.16
2. Increased amount of the period		1,636,467.03	318,348,741.86	319,985,208.89
(1) Purchase		929,667.03		929,667.03
(2) Internal Development				
(3) Increased of Enterprise Combination				
(4) Other		706,800.00	318,348,741.86	319,055,541.86
3. Decreased amount of the period		1,645,037.00		1,645,037.00
(1) Disposal		1,645,037.00		1,645,037.00
4. Closing balance	1,311,658.00	39,912,285.19	318,348,741.86	359,572,685.05
II. Accumulated amortization				
1. Opening balance	1,311,658.00	31,158,815.64		32,470,473.64
2. Increased amount of the period		2,944,945.74	23,420,946.15	26,365,891.89
(1) Withdrawal		2,944,945.74	23,420,946.15	26,365,891.89
3. Decreased amount of the period		1,645,037.00		1,645,037.00
(1) Disposal		1,645,037.00		1,645,037.00
4. Closing balance	1,311,658.00	32,458,724.38	23,420,946.15	57,191,328.53
III. Impairment provision				

Items	Land use right	Software	Toll road franchises	Total
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		7,453,560.81	294,927,795.71	302,381,356.52
2. Opening book value		8,762,039.52		8,762,039.52

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

Note: According to the relevant government documents, the company included the relevant operating expenses incurred during the epidemic prevention and control period from February 17, 2020 to May 5, 2020 into intangible assets-book value of toll road franchise, and began to accrue and amortize the remaining operating period in May 2020 according to the traffic flow method.

(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		107,017.44		1,007,747.00
Prepaid business tax and surcharges before replacement of	2,805,000.00		350,625.00		2,454,375.00

business tax with value-added tax					
Total	3,919,764.44		457,642.44		3,462,122.00

## 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	8,705,572.16	2,176,393.04	7,238,195.84	1,809,548.96
Deductible loss	1,000,101,381.76	250,025,345.44	1,054,468,552.04	263,617,138.01
Amortization of intangible assets	269,669,149.91	67,417,287.48	480,269,676.65	120,067,419.16
Deferred income	44,545,569.73	11,136,392.43		
Total	1,323,021,673.56	330,755,418.39	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	421,106,349.76	105,276,587.44	519,913,426.24	129,978,356.56
Deductible temporary differences in the formation of asset impairment	1,124,772,402.32	281,193,100.58	1,195,775,134.08	298,943,783.52
Difference of amortization method of franchise of toll road	2,533,490.83	633,372.72		
Total	1,548,412,242.91	387,103,060.74	1,715,688,560.32	428,922,140.08

## (3) Details of unrecognized deferred tax assets

In RMB

Items	Balance in year-end	Balance Year-beginning
Deductible loss	11,452,524.12	8,013,102.87
Assets impairment provisions	91,984,931.50	89,939,941.56
Cost of outstanding invoices		1,941,115.68
Total	103,437,455.62	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	3,129,535.72	3,210,991.23	
2024	3,618,779.07	3,669,002.60	
2025	3,571,100.29		
Total	11,452,524.12	8,013,102.87	--

## 17. Other Non-current assets

In RMB

Items	Balance in year-end			Balance Year-beginning		
	Book balance	Provisio n for devaluat ion	Book value	Book balance	Provisio n for devaluati on	Book value
Prepaid fixed assets engineering fees	21,946,578.75		21,946,578.75	50,442,297.97		50,442,297.97
Prepaid business tax	467,027.76		467,027.76	518,773.08		518,773.08
Less: Part due within 1 year(this section VII-7)	-51,745.32		-51,745.32	-51,745.32		-51,745.32
Total	22,361,861.19		22,361,861.19	50,909,325.73		50,909,325.73

## 18. Short-term Borrowing

(1) Short-term Borrowing

In RMB



Items	Balance in year-end	Unpaid/Uncarry over reason
Credit Borrowing	200,000,000.00	
Interest accrued on short-term borrowing	192,500.00	
Total	200,192,500.00	

## (2) Overdue short-term borrowings

None

## 19.Account payable

## (1) List of account payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	252,654,968.64	246,906,431.07
1-2 years (including 2 years)	44,097,234.36	14,937,937.96
2-3 years (including 3 years)	10,392,605.88	4,199,281.77
Over 3 years	62,628,533.83	102,263,947.61
Total	369,773,342.71	368,307,598.41

## (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
Guangzhou Tuzhiling Computer technology Co., Ltd.	9,426,384.44	Unsettled
Heshan Land and resources Bureau	10,186,893.60	Unsettled
Guangdong Provincial Freeway Co.,Ltd.	8,746,491.18	Unsettled
Total	86,867,367.43	--

Other note:

## 20. Prepayment received

## (1) List of Prepayment received

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	1,473,106.10	1,865,984.63
1-2 years (Including 2 years)		
2-3 years (Including 3 years)		
Over 3 years	9,835,901.31	10,951,499.43
<b>Total</b>	<b>11,309,007.41</b>	<b>12,817,484.06</b>

## (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.	7,961,163.14	Unsettled
Guangdong Xinle Technology Development Co., Ltd.	1,427,700.65	Unsettled
<b>Total</b>	<b>9,388,863.79</b>	<b>--</b>

## (3) Settlement of outstanding projects resulting from final construction contracts

None

## 21. Contract liabilities

In RMB

Items	Balance in year-end	Balance Year-beginning
Payments received in advance	309,734.51	2,787,610.63
Less: Other non-current liabilities		
<b>Total</b>	<b>309,734.51</b>	<b>2,787,610.63</b>

## 22. 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	15,173,142.46	420,274,135.08	418,721,079.41	16,726,198.13
II. Post-employment benefits - defined contribution plans		28,537,890.35	28,537,890.35	

III. Dismissal benefits		80,117.63	80,117.63	
Total	15,173,142.46	448,892,143.06	447,339,087.39	16,726,198.13

## (2) Short-term Remuneration

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
1. Wages, bonuses, allowances and subsidies	642,463.49	315,741,784.41	315,919,184.41	465,063.49
2. Employee welfare		33,098,661.41	33,098,661.41	
3. Social insurance premiums		21,778,259.66	21,778,259.66	
Including : Medical insurance		13,057,047.19	13,057,047.19	
Work injury insurance		26,725.04	26,725.04	
Maternity insurance		2,427,076.20	2,427,076.20	
Other		6,267,411.23	6,267,411.23	
4. Public reserves for housing		37,421,150.00	37,421,150.00	
5. Union funds and staff education fee	13,216,025.40	10,494,429.86	9,131,476.16	14,578,979.10
8. Other	1,314,653.57	1,739,849.74	1,372,347.77	1,682,155.54
Total	15,173,142.46	420,274,135.08	418,721,079.41	16,726,198.13

## (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		2,832,716.48	2,832,716.48	
2. Unemployment insurance		87,937.45	87,937.45	
3. Enterprise annuity payment		25,617,236.42	25,617,236.42	
Total		28,537,890.35	28,537,890.35	

## 23. Tax Payable

In RMB

Items	Balance in year-end	Balance Year-beginning
VAT	19,253,425.01	19,799,902.60
Enterprise Income tax	192,073,414.37	149,304,329.42
Individual Income tax	2,589,498.58	3,294,428.41
City Construction tax	1,270,608.27	1,384,098.16
Education subjoin	594,019.27	631,151.81
Locality Education subjoin	376,577.48	401,070.94
Land use tax		
Property tax	45,461.47	17,061.15
Stamp tax	1,514,826.65	218,722.91
Construction costs for cultural undertaking	30,561.68	31,200.00
Other		119,661.79
Total	217,748,392.78	175,201,627.19

## 24. Other accounts payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend payable	22,262,804.39	20,020,119.31
Other account payable	1,490,356,555.39	454,669,434.95
Total	1,512,619,359.78	474,689,554.26

## (1) Dividends payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Common stock dividends	22,262,804.39	20,020,119.31
Total	22,262,804.39	20,020,119.31

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

Final dividend payable 19,637,548.28yuan 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
M&A funds payable to Guanghui 21% equity	1,221,839,292.00	
Estimated project cost	147,443,692.67	305,588,291.39
Deposit, warranty and security deposit	82,529,159.41	88,113,871.73
Other	36,456,530.29	60,277,636.22
Temporary collection payable	2,087,881.02	686,335.61
Withheld and remitted payment		3,300.00
<b>Total</b>	<b>1,490,356,555.39</b>	<b>454,669,434.95</b>

## (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
Poly Changda Highway Engineering Co., Ltd.	14,146,027.78	Project Quality guarantees, contract liquidated damages
Guangdong Guanyue Road & Bridge Co., Ltd.	6,967,006.70	Project Quality guarantee
Guangdong Nengda High Grade Highway Maintenance Co., Ltd.	3,420,026.10	Contract liquidated damages, Wage margin for migrant workers
Dahao Municipal Construction Co., Ltd.	3,000,000.00	Project Quality guarantee
<b>Total</b>	<b>40,032,509.06</b>	--

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

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	203,536,200.00	765,445,000.00
Long-term payable due within 1 year	732,075.46	256,603.77
Interest payable due within 1 year	62,059,742.01	30,545,186.84
<b>Total</b>	<b>266,328,017.47</b>	<b>796,246,790.61</b>

## 26. Other current liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Tax to be rewritten	648,581.64	1,246,636.74
<b>Total</b>	<b>648,581.64</b>	<b>1,246,636.74</b>

## 27. Long-term loan

## (1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loan	657,365,000.00	447,365,000.00
Guaranteed loan		375,000,000.00
Credit loan	4,523,610,000.00	4,869,095,000.00
Long-term loans due within one year	-203,536,200.00	-765,445,000.00
<b>Total</b>	<b>4,977,438,800.00</b>	<b>4,926,015,000.00</b>

## 28. Bond payable

## (1) Bond payable

In RMB

Items	Balance year-end	Year-beginning balance
Medium-term note	1,426,488,336.65	678,124,972.89
<b>Total</b>	<b>1,426,488,336.65</b>	<b>678,124,972.89</b>

## (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 ExpresswayMT N001	680,000,000.00	2019.2.27	2019.3.1-2024.3.1	680,000,000.00	678,124,972.89			-450,343.98		678,575,316.87
20 Guangdong ExpresswayMT N001	750,000,000.00	2020.3.13	2020.3.17-2025.3.17	750,000,000.00		750,000,000.00		2,086,980.22		747,913,019.78
Total	--	--	--	1,430,000,000.00	678,124,972.89	750,000,000.00		1,636,636.24		1,426,488,336.65

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

None

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

None

## 29. Long-term payable

In RMB

Items	Balance year-end	Year-beginning balance
Long-term payable	40,406,172.37	39,369,379.91
Total	40,406,172.37	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	1,603,773.5
Less: Part due within 1 year	732,075.46	256,603.77

## 30. Deferred income

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Cause
Government subsidy		58,351,800.00	13,806,230.36	44,545,569.64	
Rental income	51,000,000.00		6,375,000.00	44,625,000.00	
Total	51,000,000.00	58,351,800.00	20,181,230.36	89,170,569.64	--

## 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 Toll Station Project		55,851,800.00		11,306,230.36			44,545,569.64	Related to assets
Financial discount		2,500,000.00			2,500,000.00			Related to income



## 31. 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

## 32. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	3,002,260,722.99		2,493,549,576.00	508,711,146.99
(1) Capital invested by investors	2,508,408,342.99			2,508,408,342.99
(2) Influence of business combination under the same control	493,852,380.00		2,493,549,576.00	-1,999,697,196.00
Other capital reserves	91,756,406.32	45,501,657.17		137,258,063.49
(1) Changes in other equity of the investee under the equity accounting	456,002.32	69,072.17		525,074.49
(2) Other	91,300,404.00	45,432,585.00		136,732,989.00
Total	3,094,017,129.31	45,501,657.17	2,493,549,576.00	645,969,210.48

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

① The reduction of capital reserve-equity premium in this period is due to the merger of Guangdong Guanghui Expressway Co., Ltd. under the same control, which reduces capital reserve by RMB 2,493,549,576.00.

② The increase of capital reserve-others in this period is mainly due to the agreement signed by Guanghui and Zengcheng District People's Government to add interchange on Zengcheng Section of Guanghui Expressway, which stipulates that Guanghui will build Shaning Road Interchange and Xincheng Avenue Interchange, and all expenses incurred in building interchange will be borne by Zengcheng District People's Government. After the project is completed, it will be managed by Guanghui. A total of RMB 179,020,400.00 was received from Zengcheng District Government at the beginning of the period, of which the opening balance of capital reserve

attributable to the parent company-other capital reserve was RMB 91,300,404.00, and RMB 89,083,500.00 was newly received in this period, of which capital reserve attributable to the parent company-other capital reserve increased by RMB 45,432,585.00 in this period.

## 33. 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	
1.Other comprehensive income will be reclassified into income or loss in the future	389,935,069.68	-98,807,076.48			-24,701,769.12	-74,105,307.36	315,829,762.32
Changes in fair value of investments in other equity instruments	389,935,069.68	-98,807,076.48			-24,701,769.12	-74,105,307.36	315,829,762.32
2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	-7,741,724.78	-5,192,159.89				-5,192,159.89	-12,933,884.67
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	-5,192,159.89				-5,192,159.89	-12,933,884.67
Total of other comprehensive income	382,193,344.90	-103,999,236.37			-24,701,769.12	-79,297,467.25	302,895,877.65

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

## 34. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	1,074,553,052.81	93,232,912.82		1,167,785,965.63
Total	1,074,553,052.81	93,232,912.82		1,167,785,965.63

## 35. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	3,915,790,810.76	3,938,609,136.59
Adjust the total undistributed profits at the beginning of the period		7,497,215.29
After adjustments: Retained profits at the period beginning	3,915,790,810.76	3,946,106,351.88
Add: Net profit belonging to the owner of the parent company	867,842,774.78	1,469,187,067.83
Less: Statutory surplus reserve	93,232,912.82	135,022,507.55
Common stock dividend payable	882,320,185.17	1,175,033,042.81
Other (Note)	82,401,168.20	189,447,058.59
Retained profit at the end of this term	3,725,679,319.35	3,915,790,810.76

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.

Note: Other items are the dividends corresponding to the 21% equity of this major asset restructuring transaction distributed by Guangdong Guanghui Expressway Co., Ltd. to the shareholder Guangdong Provincial Freeway Co., Ltd., as stated in "VIII. Changes in the Scope of Consolidation 1. Business Combination under the Same Control" during the reporting period.

## 36. Operation income and operation cost

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	3,722,365,693.29	1,633,666,936.51	4,929,198,882.32	1,891,514,552.64
Other operation	67,983,182.97	28,556,759.62	69,817,884.42	32,963,381.26
Total	3,790,348,876.26	1,662,223,696.13	4,999,016,766.74	1,924,477,933.90

Whether the net profit before and after deducting non-recurring gains and losses is negative after audit

Yes  No

## 37. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	7,512,714.60	9,899,795.27
Education surcharge	3,578,509.64	4,705,324.22
Property tax	5,212,158.72	3,635,796.50
Land use tax	1,830,767.01	2,607,625.78
Vehicle use tax	77,663.79	71,398.77
Stamp tax	2,310,400.84	756,487.51
Business tax	370,495.32	370,495.32
Locality Education surcharge	2,379,608.64	3,130,192.25
Construction of cultural undertakings		84,510.00
Other	129,610.93	143,742.01
Total	23,401,929.49	25,405,367.63

## 38. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	141,324,125.20	149,431,400.61
Depreciation and Amortization	9,870,249.16	11,781,051.98

Items	Amount of this period	Amount of last period
Intangible assets amortization	2,368,807.27	2,397,249.26
Low consumables amortization	1,316,594.00	1,747,119.88
Rental fee	9,351,373.71	11,677,765.22
Office expenses	7,437,025.62	7,837,930.83
Travel expenses	573,930.76	1,324,609.53
Consultation expenses	2,595,902.63	3,290,750.94
The fee for hiring agency	7,179,452.28	5,558,915.38
Listing fee	864,123.92	869,876.63
Information cost and maintenance fee	2,830,419.98	2,674,063.40
Other	18,233,115.05	20,323,921.14
<b>Total</b>	<b>203,945,119.58</b>	<b>218,914,654.80</b>

## 39.R&amp; D expenses

In RMB

Items	Amount of this period	Amount of last period
Wags	315,808.12	
Materials expenses	88,495.58	
<b>Total</b>	<b>404,303.70</b>	

Other note:

## 40.Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	264,407,174.38	257,098,768.09
Deposit interest income (-)	-50,618,519.70	-39,377,414.30
Exchange Income and loss (Gain-)	-1,815,160.91	1,590,432.88
Bank commission charge	881,757.74	1,077,195.61
Other	3,327,123.37	3,788,234.38
<b>Total</b>	<b>216,182,374.88</b>	<b>224,177,216.66</b>

## 41.Other gains

In RMB

Items	Amount of this period	Amount of last period	Related to assets/ Related to income
Government subsidy- Cancellation of Expressway Provincial Toll Station Project	11,306,230.36		Related to assets
Government subsidy- Stable job subsidies	516,603.84		Related to income
Maternity allowance	440,077.14	642,489.29	Related to income
Veterans' VAT reduction and exemption	326,184.25		Related to income
Withholding and remitting enterprise prepaid income tax fees	195,477.50	414,891.18	Related to income
Input tax plus deduction	34,836.75	19,409.20	Related to income
Withholding and remitting enterprise prepaid income tax fees		575,813.38	Related to income
Enterprise incentive subsidy funds		66,000.00	Related to income
Enterprise office space rental subsidy		21,937.00	Related to income

## 42. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	114,517,784.14	168,708,231.04
Dividends earned during the holding period on investments in other equity instrument	50,785,213.04	38,912,399.15
Interest income on entrusted loans	6,063,838.37	7,144,413.37
Total	171,366,835.55	214,765,043.56

## 43. Credit impairment losses

In RMB

Items	Amount of this period	Amount of last period
Impairment losses on accounts receivable	-2,360,980.71	-176,000.73
Impairment losses on other receivable	-96,827.80	-12,983.19
Total	-2,457,808.51	-188,983.92

## 44. Asset impairment loss

In RMB

Items	Amount of this period	Amount of last period
Loss on impairment of fixed assets	-1,231,918.94	-7,238,195.84
Total	-1,231,918.94	-7,238,195.84

## 45. Assets disposal income

In RMB

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

## 46. 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
Insurance claim income	3,538,886.07	3,028,261.81	3,538,886.07
Road property claim income	2,858,053.10	2,772,329.53	2,858,053.10
Relocation compensation income	3,353,085.30		3,353,085.30
Compensation for construction land and ground attachments	1,210,712.86	2,292,510.28	1,210,712.86
Other	789,104.03	738,999.09	789,104.03
Total	11,749,841.36	8,832,100.71	11,749,841.36

## 47. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Road rehabilitation expenditure	5,167,239.28	4,310,540.20	5,167,239.28



Loss & abandonment of non-current assets	13,637,658.30	11,690,361.16	13,637,658.30
Fine	711,701.58	2,216.57	711,701.58
Relocation compensation income	405,100.00	1,595,684.00	405,100.00
Other	721,233.61	156,751.69	721,233.61
<b>Total</b>	<b>20,642,932.77</b>	<b>17,755,553.62</b>	<b>20,642,932.77</b>

## 48. Income tax expense

## (1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	453,788,495.42	639,863,876.23
Deferred income tax expense	37,621,377.52	33,921,146.57
<b>Total</b>	<b>491,409,872.94</b>	<b>673,785,022.80</b>

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

In RMB

Items	Amount of current period
<b>Total</b>	<b>1,855,794,879.01</b>
Current income tax expense accounted by tax and relevant regulations	463,948,719.75
Influence of income tax before adjustment	-62,313.43
Influence of non taxable income	-41,215,585.54
Impact of non-deductible costs, expenses and losses	14,846,139.47
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	1,342,110.41
Other	52,550,802.28
<b>Income tax expense</b>	<b>491,409,872.94</b>

## 49. 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	50,618,519.70	39,377,414.30
Unit current account	75,997,867.92	64,183,369.36
Net toll income received by networked toll clearing	2,387,993.96	
Cancellation of Expressway Provincial Toll Station Project	55,851,800.00	
<b>Total</b>	<b>184,856,181.58</b>	<b>103,560,783.66</b>

## (2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	47,721,287.38	54,682,646.22
Unit current account	37,898,902.95	14,791,928.56
Net toll income received by networked toll clearing		10,709,945.42
<b>Total</b>	<b>85,620,190.33</b>	<b>80,184,520.20</b>

Note:

## (3) Cash received related to other investment activities

In RMB

Items	Amount of current period	Amount of previous period
Government infrastructure investment subsidies	89,083,500.00	85,985,000.00
<b>Total</b>	<b>89,083,500.00</b>	<b>85,985,000.00</b>

## (4). Cash paid related to other Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Issuance fee of medium-term notes	1,122,177.00	791,384.00
Purchase of 21% equity consideration of Guanghui	1,271,710,284.00	
<b>Total</b>	<b>1,272,832,461.00</b>	<b>791,384.00</b>

## 50. Supplement Information for cash flow statement

## (1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	1,364,385,006.07	2,151,443,422.35
Add:Credit loss provision	2,457,808.51	188,983.92
: Impairment loss provision of assets	1,231,918.94	7,238,195.84
Depreciation of fixed assets, oil and gas assets and consumable biological assets	1,009,578,943.06	1,207,510,097.27
Depreciation of Use right assets		
Amortization of intangible assets	26,319,338.62	3,149,424.55
Amortization of Long-term deferred expenses	457,642.44	457,642.44
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets		-19,031,900.46
Fixed assets scrap loss	13,637,658.30	11,690,361.16
Loss on fair value changes		
Financial cost	265,092,013.47	266,483,287.67
Loss on investment	-171,366,835.55	-214,765,043.56
Decrease of deferred income tax assets	54,738,687.74	61,990,928.66
Increased of deferred income tax liabilities	-41,819,079.34	-28,069,782.09
Decrease of inventories	57,922.16	-30,665.31
Decease of operating receivables	136,745,935.47	-15,041,345.19
Increased of operating Payable	-25,329,718.84	-210,532,420.20
Other		
Net cash flows arising from operating activities	2,636,187,241.05	3,222,681,187.05
II. Significant investment and financing activities that without cash flows:	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		

Supplement Information	Amount of current period	Amount of previous period
Financing of fixed assets leased		
3. Movement of cash and cash equivalents:	--	--
Ending balance of cash	2,846,176,803.89	3,052,977,164.15
Less: Beginning balance of cash equivalents	3,052,977,164.15	2,744,843,796.86
Add: End balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase of cash and cash equivalent	-206,800,360.26	308,133,367.29

## (2) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
Cash	2,846,176,803.89	3,052,977,164.15
Of which: Cash in stock	54,482.68	75,833.29
Bank savings could be used at any time	2,845,600,152.23	3,051,662,845.33
Other monetary capital could be used at any time	522,168.98	1,238,485.53
Balance of cash and cash equivalents at the period end	2,846,176,803.89	3,052,977,164.15

Other note:

## 51. 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:

As of December 31, 2020, the Company's subsidiary Jingzhu Expressway Guangzhu Section Co., Ltd borrowed 657,365,000.00 yuan from Wuyang Sub-branch of Industrial and Commercial Bank of China (including 75,170,000.00 yuan in non-current liabilities due within one year and 582,195,000.00 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

### 1. Business combination under the same control

#### (1) Business Combination under the same control during the reporting period

In RMB

Name	Proportion of stock rights	Forming the basis for merger of enterprises under the same control	Combination date	Recognition basis of Combination date	Income from the period-begin to the combination date of the combination	Net profit from the reporting period to the combination date of the combination	Income during the period of comparison	Net profit during the period of comparison
Guangdong Guanghui Expressway Co., Ltd.	51.00%	Under the control of the same party	December 31,2020	Acquisition of control	1,616,980,738.55	780,305,035.07	1,943,745,753.48	1,002,651,683.59

Other note:

#### (2) Combined cost

In RMB

Combined cost	Guangdong Guanghui Expressway Co., Ltd.
--Cash	2,493,549,576.00

## (3) The book value of the assets and liabilities of the merged party on the date of consolidation

In RMB

	Guangdong Guanghui Expressway Co., Ltd.	
	Combination date	Last closing period
Monetary funds	1,006,493,048.13	236,277,469.65
Account receivable	59,804,115.72	57,890,140.44
Fixed assets	3,271,321,898.32	3,534,487,996.01
Loans	5,590,000.00	285,590,000.00
Account payable	135,706,707.74	79,235,904.15
Payable to employees	308,597.50	350,617.76
Net assets	3,971,913,931.56	3,494,911,911.72
Less: Minority shareholders' rights	1,946,237,826.46	1,712,506,836.74
Net assets acquired	2,025,676,105.10	1,782,405,074.98

Contingent liabilities of the combined party undertaken in combination: None

## 2. Other reasons for the changes in combination scope

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

Original subsidiary name	Place of registration	Business nature	Shareholding ratio (%)	Proportion of voting rights entitled to (%)	Reasons for not becoming a subsidiary in this year
Guangzhou Guangzhu Transportation Investment Management Co., Ltd	Guangzhou	Investment Management	100.00	100.00	Consolidation by combination

## 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
				Directly	Indirectly	
Guangfo Expressway Co., Ltd.	Guangzhou	Guangzhou	Expressway Management	75.00%		Under the same control business

Guangdong Expressway Technology Investment Co., Ltd.	Guangzhou	Guangzhou	Investment in technical industries and provision of relevant	100.00%		Investment
Guangdong Guanghui Expressway Co., Ltd.	Guangzhou	Guangzhou	Investment management	51.00%		Under the same control business combination
Jingzhu Expressway Guangzhou Section Co., Ltd.	Zhongshan	Guangzhou	Expressway Management	75.00%		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

## (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%	38,758,062.16	61,436,760.63	115,101,373.29
Guangdong Guanghui Expressway Co., Ltd.	49.00%	382,349,467.18	192,269,392.46	1,946,237,826.46
Jingzhu Expressway Guangzhou Section Co., Ltd.	25.00%	75,434,701.95	126,983,792.91	237,840,885.42

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 of Subsidiary	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.	475,293,044.67	55,900,968.26	531,194,012.93	67,267,992.50	3,520,527.29	70,788,519.79	560,965,221.56	47,173,764.91	608,138,986.47	57,018,699.42		57,018,699.42
Guangdong Guanghui Expressway Co., Ltd.	1,066,412,539.00	3,451,858,995.85	4,518,271,534.85	305,774,405.46	240,583,197.83	546,357,603.29	676,184,932.27	3,551,837,539.85	4,228,022,472.12	206,052,396.61	527,058,163.79	733,110,560.40
Jingzhu Expressway Guangzhou Section Co., Ltd.	118,177,442.22	2,272,633,604.38	2,390,811,046.60	470,629,108.30	968,818,396.62	1,439,447,504.92	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	Cash flows from operating	Business income	Net profit	Total Comprehensive	Cash flows from operating



			income	activities			income	activities
Guangfo Expressway Co., Ltd.	333,647,719.92	155,032,248.63	155,032,248.63	188,091,317.89	475,502,565.03	250,762,288.30	250,762,288.30	244,313,182.32
Guangdong Guanghui Expressway Co., Ltd.	1,616,980,738.55	780,305,035.07	780,305,035.07	1,173,180,438.28	1,943,745,753.48	1,002,651,683.59	1,002,651,683.59	1,234,129,289.22
Jingzhu Expressway Guangzhu Section Co.,Ltd.	812,354,042.82	301,738,807.80	301,738,807.80	542,082,484.05	1,218,734,018.60	513,065,829.93	513,065,829.93	772,968,519.31

Other note:

(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

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	
Zhaoqing Yuezhao Highway Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Expressway Management	25.00%		Equity method
Shenzhen Huiyan Expressway Co., Ltd.	Shenzhen Guangdong	Shenzhen Guangdong	Expressway Management	33.33%		Equity method
Guangdong Jiangzhong Expressway Co., Ltd.	Zhongshan, Guangdong	Guangzhou, Guangdong	Expressway Management	15.00%		Equity method
Ganzhou kangda Expressway Co., Ltd.	Gangzhou, Jiangxi	Gangzhou, Jiangxi	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Gangzhou, Jiangxi	Gangzhou, Jiangxi	Expressway Management	30.00%		Equity method
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00%		Equity method
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		10.10%	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., Guanyuan 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

None

(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		57,918,624,287.41
Non-current assets		26,015,472,537.63
Total assets	90,751,959,774.27	83,934,096,825.04
Current liabilities		46,206,352,399.19
Non-current Liabilities		12,890,023,021.47
Total liabilities		59,096,375,420.66
Minority Shareholders' Equity		11,785,075.26
Shareholders' equity attributable to shareholders of the parent	30,860,056,478.72	24,825,936,329.12
Pro rata share of the net assets calculated	731,815,047.62	587,200,989.50
--Goodwill	207,095,632.54	206,725,818.02
The book value of equity investments in joint ventures	938,910,680.16	793,926,807.52
Fair value of equity investment of associated enterprises with open quotation	927,203,934.72	737,910,410.22
Business income	4,579,605,087.78	3,302,720,958.61
Net profit		917,476,547.45
Other comprehensive income		95,017,342.59
Total comprehensive income		1,012,493,890.04

Dividends received from associates during the year	11,940,297.90	19,900,496.50
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Other note

#### (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	1,443,470,485.44	1,413,339,517.32
Total amount of the pro rata calculation of the following--Net profit ms	--	--
-Nit profit	82,311,895.95	147,340,576.39
--Total comprehensive income	82,311,895.95	147,340,576.39

Note

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

(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 27). The Company's policy is to maintain the floating interest rate of these borrowings, and at the same time to reasonably reduce the risk of interest rate fluctuation by shortening the term of a single loan and specifically agreeing on prepayment terms.

## (3) Other price risk

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

## 2. Credit risk

On December 31, 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 and Other Receivables" in 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	938,667,226.56		748,348,301.73	1,687,015,528.29
Total assets continuously measured at fair value	938,667,226.56		748,348,301.73	1,687,015,528.29
II. Non - persistent measure	--	--	--	--

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

As at the end of the period, the company holds shares 235,254,944 shares of China Everbright Bank According to the closing price of December 31, 2020 of 3.99 yuan, the final calculation of fair value was 938,667,226.56 yuan.

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

The valuation techniques adopted and the qualitative and quantitative information of important parameters for continuous and non-continuous level 3 fair value measurement items

Items	Fair value as of December 31, 2020	Valuation technology	Unobservable input value

Investment in equity instruments			
Unlisted equity investment	748,348,301.73	Discounted method of future cash flow	Discount rate

Due to the lack of recent information on the fair value of some other equity instruments, and no significant change in the operation of the invested company, the Company takes the cost as its fair value estimate.

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

The Company's financial assets and liabilities measured in amortized cost mainly include: accounts receivable, other receivables, contract assets, short-term loans, accounts payable, other payables, non-current liabilities due within one year, long-term loans, bonds payable and long-term payables.

There is no significant difference between the book value of financial assets and liabilities not measured at fair value and the fair value.

## 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 December 31, 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 IX(1) the rights of other entity

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

Details refer to the 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	<u>Relation with the Company</u>
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
Ganzhou Gankang 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
Hunan Lianke Technology Co., Ltd.	Associated enterprises of the Company

## 4. Other Related parties

Name	<u>Relation with the Company</u>
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Chaohui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Gaoen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Media Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangfozhao Expressway 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 Jiaotong Testing Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Industry Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company



Name	Relation with the Company
Guangdong Litong Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Union Electron Service Information technology 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 Luoyang Expressway 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 Provincial Freeway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Communication Group Finance Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Road & Bridge Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Taishan Coastal Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tongyi Expressway Service Area Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yuedong Expressway Industry Development Co., Ltd.(Cancelled)	Fully owned subsidiary of the parent company
Guangdong Yuegan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Rescue Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangshenzhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinyue Traffic Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Xinyue Asphalt Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Humen Bridge Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tianlu New Energy Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Communication Planning & Design Institute Co., Ltd.	Shares of parent company
Guangzhongjiang Expressway Project Management Dept	Managed by the parent company

Name	Relation with the Company
Hongkong- Zhuhai-Macao Connection line management center	Managed by the parent company
Guangzhou Aitesi Communication equipment Co., Ltd.	Shares of enterprised controlled by the same parent company
Jiangmen Jianghe Expressway Co., Ltd.	Shares of enterprised controlled by the same parent company
Guangdong Shenshan Expressway Co., Ltd.	Shares of enterprised controlled by the same parent company
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Shares of enterprised controlled by the same parent company
Foshan Guangshan Expressway Co., Ltd.	Shares of enterprised controlled by the same parent company
Guangdong Feida Traffic Engineering Co., Ltd.	Shares of enterprised controlled by the same parent company
Poly Changda Engineering Co., Ltd.	Shares of parent company
Guangdong Changda Road Conservation Co., Ltd.	A subsidiary Shares of parent company
Guangdong Road Network Digital Media Information Technology Co. Ltd	Fully owned subsidiary of the parent company
Guangdong Xiangfei Highway Engineering Supervision Co., Ltd	Fully owned subsidiary of the parent company
Guangdong Jiangzhao Expressway Management Center	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
1.Business cost					
Boly Changda Engineering Co., Ltd.	Project fund, service	43,663,945.00			43,216,399.22
Guangdong Lulutong Co., Ltd.	Project funds	36,627,747.85			6,465,863.46
Guangdong Union electronic services co., Ltd.	Service	22,140,969.83			27,828,355.00
Guangdong Xinyue Asphalt Co., Ltd.	Purchase	13,627,554.77			423,213.90
Guangdong Jiaoke Testing Co.,	Project	10,948,746.94			6,007,217.92

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Ltd.					
Guangdong Communication Planning & Design Institute Co., Ltd.	Project labour service	8,136,858.45			1,612,868.00
Guangdong Feida Traffic Engineering Co., Ltd.	Maintenance	7,314,621.02			3,807,139.23
Guangdong Xinyue traffic Investment Co., Ltd.	Maintenance Project	5,947,406.32			3,020,562.88
Guangdong Hualu Traffic Technology Co., Ltd.	Project	4,869,113.63			2,832,988.81
Guangzhou Aitesi Communication Equipment Co., Ltd.	Project	1,771,681.42			
Guangdong Litong Technology Investment Co., Ltd.	Maintenance	1,424,414.80			5,285,628.86
Guangdong Tongyi Expressway Service Area Co., Ltd	Service	604,826.78			225,055.47
Guangdong Humen Bridge Co., Ltd.	Service	528,929.83			1,047,385.24
Guangdong East Thinking Management Technology Development Co., Ltd.	Maintenance, Service	282,800.00			105,850.00
Guangdong Expressway Media Co., Ltd.	Advertising	128,431.80			
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Service	107,017.44			107,017.44
Guangzhou Xinyue Traffic Technology Co., Ltd.	Project				3,377,412.00
<b>Subtotal</b>		<b>158,125,065.88</b>			<b>105,362,957.43</b>
2. Financial cost					
Guangdong Communication Group Finance Co., Ltd.	Borrowing Interest expresses	2,240,000.00			
Guangdong Jiangzhong	Principal Loan Interest	1,432,890.00			1,428,975.00

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Expressway Co., Ltd.	Expenditure				
<b>Subtotal</b>		<b>3,672,890.00</b>			<b>1,428,975.00</b>
3. Administrative expenses					
Guangdong Litong Property Investment Co., Ltd.	Management Fee	2,787,764.02			
Guangdong East Thinking Management Technology Development Co., Ltd.	Maintenance, Service	1,048,608.53			582,500.00
Guangdong Tongyi Expressway Service Area Co., Ltd	Service	57,955.00			87,189.00
Guangdong Lulutong Co., Ltd.	Maintenance charges	38,400.00			48,000.00
<b>Subtotal</b>		<b>3,932,727.55</b>			<b>717,689.00</b>
4. Intangible assets					
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchase assets	231,017.70			462,500.00
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets				301,800.00
<b>Subtotal</b>		<b>231,017.70</b>			<b>764,300.00</b>
5. Fixed assets					
Guangdong Xinyue Traffic Investment Co., Ltd.	Purchase assets	8,327,087.05			
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchase assets	2,939,612.48			358,440.98
Guangdong Lualu Traffic Technology Co., Ltd.	Purchase assets	1,263,639.96			
Guangdong Communication Planning & Design Institute Co., Ltd.	Purchase assets	1,141,056.00			
Poly Changda Engineering Co., Ltd.	Purchase assets	803,433.00			

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Guangdong Lulutong Co., Ltd.	Purchase assets	774,003.00			
Guangdong Feida Traffic Engineering Co., Ltd.	Purchase assets	255,165.00			
<b>Subtotal</b>		<b>15,503,996.49</b>			<b>466,740.98</b>
6. Construction in process					
Poly Changda Engineering Co., Ltd.	Purchase assets	174,118,816.33			354,252,263.97
Guangdong Highway Construction Co., Ltd.	Purchase assets	32,720,641.48			
Guangdong Communication Planning & Design Institute Co., Ltd.	Purchase assets	6,549,774.00			
Guangzhou Xinyue Asphalt Co., Ltd.	Purchase assets	6,094,415.27			
Guangdong Xinyue Traffic Investment Co., Ltd.	Purchase assets	6,093,672.62			14,193,117.28
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets	4,965,661.48			7,293,946.75
Guangdong Jiaoke Testing Co., Ltd.	Purchase assets	4,924,163.50			45,030.00
Guangdong Feida Traffic Engineering Co., Ltd.	Purchase assets	4,456,756.00			7,547,509.00
Guangdong Xiangfei Highway Supervision Co., Ltd.	Purchase assets	188,644.00			
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets				26,373,280.00
Guangdong Lulutong Co., Ltd.	Purchase assets				969,546.53
<b>Subtotal</b>		<b>240,112,544.68</b>			<b>410,674,693.53</b>
7. Non-operating expenses					
Guangdong Lulutong Co., Ltd.	Maintenance	222,410.00			
Guangdong Litong Technology Investment Co., Ltd.	Equipment	11,000.00			

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
<b>Subtotal</b>		<b>233,410.00</b>			

## Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
1. Business income			
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	19,593,901.34	20,047,032.07
Guangdong Provincial Freeway Co.,Ltd.	Project fund	4,382,576.33	4,310,630.18
Guangdong Feida Traffic Engineering Co., Ltd	CPC card sales revenue	2,621,638.92	871,473.15
Guangdong Union electronic services co., Ltd.	Promotion fees	1,479,844.56	999,971.70
Guangdong Tongyi Expressway Service Area Co., Ltd	water and electricity	1,256,761.24	
Guangdong Road Construction Development Co., Ltd.	Project fund	1,122,174.65	1,574,566.33
Zhaoqing Yuezhao Highway Co., Ltd.	Salary income and testing fee for expatriate staff	1,044,069.06	2,155,810.23
Shenzhen Huiyan Expressway Co., Ltd.	Salary income and testing fee for expatriate staff	944,060.56	1,121,184.34
Ganzhou Gankang Expressway Co., Ltd.	Salaries of expatriate staff	594,631.40	737,114.13
Ganzhou Kangda Expressway Co., Ltd.	Salaries of expatriate staff	590,288.43	513,990.93
Guangdong Jiangzhong Expressway Co., Ltd.	Salary income, project payment, etc	530,534.64	635,673.34
Guangdong Chaohui Expressway Co., Ltd.	Test	422,830.19	425,905.66
Guangdong Road & Bridge Construction Development Co., Ltd.	Test	394,211.89	2,144,812.90
Guangdong Guangzhu West Line Expressway Co., Ltd.	Service, test	333,636.67	751,475.04

Related party	Content	Amount of current period	Amount of previous period
Guangdong Yangmao Expressway Co., Ltd.	Service, test	333,264.32	166,981.13
Guangdong Boda Expressway Co., Ltd.	Test	295,325.43	730,270.82
Guangdong Maozhan Expressway Co., Ltd.	Service, test	277,482.05	418,867.92
Guangdong Kaiyang Expressway Co., Ltd.	Test	237,735.85	380,652.28
Guangdong Guangle Expressway Co., Ltd.	Test	222,169.81	300,849.06
Poly Changda Engineering Co., Ltd.	water and electricity	200,087.71	
Guangdong Zhaoyang Expressway Co., Ltd.	Test	150,000.00	236,460.18
Guangdong Guangfozhao Expressway Co., Ltd.	Test	142,641.51	331,283.02
Guangdong Xinyue Traffic Investment Co., Ltd.	CPC card sales revenue	128,993.83	2,208,097.34
Guangdong Luoyang Expressway Co., Ltd.	Test	107,547.17	107,547.17
Guangdong Traffic Industry Investment Co., Ltd.	Test	90,566.04	90,566.04
Guangdong Gaoen Expressway Co., Ltd.	Test	79,245.28	79,245.28
Yunfo Gufangyun Expressway Co., Ltd.	Test	65,377.36	164,469.85
Jiangmen Jianghe Expressway Co., LTD.	Test	57,547.17	110,377.36
Guangdong Road Network Digital Media Information Technology Co., Ltd.	Advertising	34,218.33	
Guangdong Humen Bridge Co., Ltd.	Test	33,962.26	60,849.06
Guangdong Expressway Media Co., Ltd.	water and electricity	23,053.70	44,213.00
Guangdong Yueyun Traffic Co., Ltd.	Test	11,320.75	42,452.83
Guangshenzhu Expressway Co., Ltd.	Service	8,407.08	114,655.17
Guangdong Jiangzhao Expressway Co., Ltd.	Project		130,188.68
Foshan Guangshan Expressway Co., Ltd.	Project		120,283.02
Guangdong Taishan coastal Expressway Co., Ltd.	Project		-59,433.96
Guangzhongjiang Expressway Project Management Dept	Project		-89,622.64
<b>Subtotal</b>		<b>37,810,105.53</b>	<b>41,978,892.61</b>
2.Non-operating income			
Poly Changda Engineering Co., Ltd.	Construction penalty	93,754.00	
Guangdong Xinyue Traffic Investment Co.,	Construction penalty	5,300.00	

Related party	Content	Amount of current period	Amount of previous period
Ltd.			
<b>Subtotal</b>		<b>99,054.00</b>	

## (2) Information of related lease

The Company was lessor:

In RMB

Name of lessee	Category of lease assets	The lease income confirmed in this year	The lease income confirmed in last year
Guangdong Expressway Media Co., Ltd.	Advertising lease	4,598,128.21	3,556,249.10
Guangdong Tongyi Expressway Service Area Co., Ltd	Service Area Lease	2,297,830.86	2,297,830.86
Guangdong Litong Technology Investment Co., Ltd.	Communication Piping	1,030,735.24	930,872.38
Guangdong Litong Technology Investment Co., Ltd.	Land lease	37,690.80	

- 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	9,208,532.51	8,876,387.85
Zhaoqing Yuezhao Highway Co., Ltd.	Advertising column lease	253,230.00	248,061.50
Guangzhou Yueyun Traffic Co., Ltd.	Car rental fee	187,200.00	190,640.78
Guangdong Gaoda Property Development Co., Ltd.	Office space	102,969.27	95,436.00
Zhaoqing Yuezhao Highway Co., Ltd.	Equipment lease		116,504.86
Guangdong Kaiyang Expressway Co., Ltd.	Equipment lease		106,194.69
Guangdong Maozhan Expressway Co., Ltd.	Equipment lease		106,194.69

## (4) Inter-bank lending of capital of related parties

In RMB



Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Guangdong Jiangzhong Expressway Co Loaned., Ltd.	36,000,000.00	November 14,2018	November 13,2023	
Guangdong Communication Group Finance Co., Ltd.	200,000,000.00	August 26,2020	August 25,2021	
Loaned				

## (5) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	6,541,500.00	7,604,100.00

## (6) 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	1,031,105,792.71	813,272,070.75
Including : Guangdong Provincial Expressway Development Co., Ltd. (Not include Guanghui)	90,107,522.98	813,272,070.75
Guangdong Guanghui Expressway Co., Ltd.	940,998,269.73	
Interest revenue	14,429,931.26	8,705,455.79
Including : Guangdong Provincial Expressway Development Co., Ltd. (Not include Guanghui)	13,058,886.79	8,705,455.79
Guangdong Guanghui Expressway Co., Ltd.	2,869,377.80	
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 May 19, 2020, Guangdong Guanghui Expressway Co., Ltd. signed the Cash Management Business Cooperation Agreement with Guangdong Communications Group Finance Co., Ltd. and Agricultural Bank of

China Guangdong Branch and signed the Cash Management Business Cooperation Agreement with Guangdong Communications Group Finance Co., Ltd. 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.	119,242.50		127,567.50	
Contract assets	Guangdong Road & Bridge Construction Development Co., Ltd.	25,262.45		83,391.05	
Contract assets	Zhaoqing Yuezhao Expressway Co., Ltd.	22,667.85		41,442.48	
Contract assets	Guangdong Feida Traffic Engineering Co., Ltd.	48,230.00		48,230.00	
Contract assets	Guangzhenzhu 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 Road Construction Development Co., Ltd.	7,200.00		7,200.00	
Contract assets	Guangdong Boda Expressway Co., Ltd.	4,530.99		4,531.00	
Contract assets	Guangdong Humen Bridge Co., Ltd.	2,700.00		2,700.00	
Contract assets	Guangdong Provincial Freeway Co., Ltd.			41,377.00	
Contract assets	Guangdong Guangzhu West Line Expressway Co., Ltd.			18,781.60	
Contract assets	Guangdong Shenshan Expressway East Section Co., Ltd.			12,000.00	
Contract assets	Guangdong Litong Technology Investment Co., Ltd.			5,273.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
<b>Total</b>		<b>247,341.79</b>		<b>410,001.63</b>	
Account receivable	Guangdong Union electron Service Co., Ltd.	100,047,025.70		92,786,286.61	
Account receivable	Guangdong Humen Bridge Co., Ltd.	11,044,082.54		16,698,073.73	
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	5,980,163.99		6,174,264.00	4,450.00
Account receivable	Guangdong Expressway Media Co., Ltd.	1,966,548.00		1,909,300.00	
Account receivable	Guangdong Feida Traffic Engineering Co., Ltd.	3,274,356.00	45,916.00	1,423,875.25	103,072.45
Account receivable	Guangdong Road Construction Co., ltd.	1,037,305.45	65,491.20	336,946.45	3,818.00
Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	300,009.20	148,208.50	2,334,682.70	160,715.94
Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	223,500.00		384,226.00	
Account receivable	Guangzhenzhu Expressway Co., Ltd.	69,736.00		115,278.40	
Account receivable	Guangdong Road & Bridge Construction Development Co., ltd.	61,891.30		567,957.47	
Account receivable	Guangdong Boda Expressway Co., Ltd.	22,740.00		537,848.00	
Account receivable	Guangdong Provincial Freeway Co.,Ltd.	21,232.00		175,248.90	
Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	19,708.00		19,708.00	
Account receivable	Guangdong Yueyun Traffic Co., Ltd.	15,032.00		3,032.00	
Account receivable	Guangdong Chaohui Expressway Co., Ltd.	7,367.20			
Account receivable	Guangdong Guangle Expressway Co., Ltd.	7,248.00		7,248.00	
Account receivable	Guangdong Litong Technology Investment Co., Ltd.			68,542.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Guangdong Maozhan Expressway Co., Ltd.			8,747.20	
Account receivable	Guangdong Shanfen Expressway Co., Ltd.			8,028.80	
Account receivable	Guangdong Yuedong Expressway Industry Development Co., Ltd.			7,367.20	
Account receivable	Jiangmen Jianghe Expressway Co., Ltd.			2,539.20	
<b>Total</b>		<b>124,097,945.38</b>	<b>259,615.70</b>	<b>123,569,199.91</b>	<b>272,056.39</b>
Advanced payment	Guangdong Litong Real Estate Investment Co., Ltd.	776,413.03		735,092.38	
Advanced payment	Zhaoqing Yuezhao Highway Co., Ltd.	151,938.00		144,703.00	
Advanced payment	Guangdong Feida Traffic Engineering Co., Ltd.	149,400.00			
Total		<b>1,077,751.03</b>		<b>879,795.38</b>	
Dividend Receivable	Ganzhou Gankang Expressway Co., Ltd.	1,500,000.00			
Dividend Receivable	Guangdong Yueke Technology Petty Loan Co., Ltd.			6,000,000.00	
<b>Total</b>		<b>1,500,000.00</b>		<b>6,000,000.00</b>	
Other Account receivable	Ganzhou Gankang Expressway Co., Ltd.	45,000,000.00			
Other Account receivable	Guangdong Litong Real Estate Investment Co., Ltd.	1,666,147.36		1,515,077.22	
Other Account receivable	Guangdong Expressway Media Co., Ltd.	1,218,110.44		896,321.01	
Other Account receivable	Guangdong Guanghui Expressway Co., Ltd.	463,491.88		463,491.88	
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	350,000.00		390,000.00	
Other Account receivable	Guangshenzhu Expressway Co., Ltd.	60,640.00		60,640.00	
Other Account receivable	Guangdong Union electron Service Co., Ltd.	50,000.00		50,000.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Other Account receivable	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	Guangdong Gaoda Property Development Co., Ltd.	16,268.00		15,906.00	
Other Account receivable	Poly Changda Engineering Co., Ltd.	10,124.14		192,169.95	
Other Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	5,340.03		3,477.00	
Other Account receivable	Hongkong Zhuhai Macao Bridge Connection line management center			3,000.00	
<b>Total</b>		<b>48,882,861.85</b>		<b>3,632,823.06</b>	
Other Non-Current Assets	Poly Changda Engineering Co., Ltd.	11,599,273.00		48,400,293.16	
Other Non-Current Assets	Guangdong Road Construction Co., Ltd.	7,089,990.48			
Other Non-Current Assets	Guangdong Tianlu New Energy Investment Co., Ltd.	333,398.00			
Other Non-Current Assets	Guangdong Hualu Traffic Technology Co., Ltd.			277,117.00	
<b>Total</b>		<b>19,022,661.48</b>		<b>48,677,410.16</b>	
Long-term amortization costs	Guangdong Jingzhu Expressway Guangzhou North Section Co., Ltd.	1,007,747.00		1,114,764.44	
<b>Total</b>		<b>1,007,747.00</b>		<b>1,114,764.44</b>	

## (2) Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Short-term loans	Guangdong Communication Group Finance Co., Ltd.	200,192,500.00	
<b>Total</b>		<b>200,192,500.00</b>	
Account payable	Guangzhongjiang Expressway Project Management Dept	28,000,000.00	28,000,000.00
Account payable	Poly Changda Engineering Co., Ltd.	25,621,536.30	48,505,079.52
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd	13,149,675.40	5,496,352.70
Account payable	Guangdong Communication Planning & Design Institute Co., Ltd.	8,929,645.80	6,013,501.73
Account payable	Guangdong Provincial Freeway Co.,Ltd.	8,746,491.18	8,746,491.18
Account payable	Guangdong Lulutong Co., Ltd.	3,560,871.60	3,674,959.44
Account payable	Guangdong Hualu Traffic Technology Co., Ltd.	2,198,660.67	877,441.72
Account payable	Guangdong East Thinking Management Technology Development Co., Ltd.	1,584,416.70	474,000.00
Account payable	Guangzhou Aitesi Communication Equipment Co., Ltd.	1,283,018.78	
Account payable	Guangdong Feida Traffic Engineering Co., Ltd.	500,864.10	7,588,881.23
Account payable	Guangdong Changda Road Maintenance Co., Ltd.	309,101.00	309,101.00
Account payable	Guangdong Yueyun Traffic Co., Ltd.	268,021.00	
Account payable	Guangdong Union Electron Service Co.,Ltd.	254,011.26	2,661,544.84
Account payable	Guangdong Jiaoke Testing Co., Ltd.	88,880.00	317,105.00
Account payable	Guangdong Litong Technology Investment Co., Ltd.	85,074.95	3,307,587.00
Account payable	Guangzhou Xinyue Asphalt Co., Ltd.	47,362.94	46,779.00
Account payable	Guangdong Road Construction Co., Ltd.		25,630,651.00
Account payable	Guangzhou Xinyue Traffic Technology Co., Ltd.		2,279,061.00
<b>Total</b>		<b>94,627,631.68</b>	<b>143,928,536.36</b>
Advance received	Guangdong Road Network Digital Media Information Technology Co. Ltd.	2,777.78	
<b>Total</b>		<b>2,777.78</b>	
Other Payable account	Guangdong Provincial Freeway Co.,Ltd.	1,221,839,292.00	
Other Payable account	Poly Changda Engineering Co., Ltd.	20,042,113.05	30,447,877.47
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,889,981.61	2,533,921.10
Other Payable account	Guangdong Feida Traffic Engineering Co., Ltd.	1,700,740.34	2,203,127.20

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Changda Road Maintenance Co. Ltd.	1,630,765.00	1,630,765.00
Other Payable account	Guangdong Hualu Traffic Technology Co., Ltd.	1,327,451.00	1,078,565.88
Other Payable account	Guangdong Lulutong Co., Ltd.	1,084,995.15	230,261.43
Other Payable account	Guangdong Union Electron Service Co.,Ltd.	956,272.04	367,300.00
Other Payable account	Guangzhou Xinyue Asphalt Co., Ltd.	567,221.00	
Other Payable account	Guangdong Communication Planning & Design Institute Co., Ltd.	238,479.70	216,749.70
Other Payable account	Guangzhongjiang Expressway Project Management Dept	200,000.00	200,000.00
Other Payable account	Guangzhou Xinyue Traffic Technology Co., Ltd.	171,809.00	171,809.00
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	167,591.50	247,070.50
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00
Other Payable account	Guangdong Expressway Media Co., Ltd.	70,000.00	70,000.00
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	58,991.40	439,523.40
Other Payable account	Guangdong Yueyun Traffic Rescue Co. Ltd.	900.00	900.00
Other Payable account	Guangdong Yuegan Expressway Co., Ltd.		1,000.00
<b>Total</b>		<b>1,252,066,602.79</b>	<b>39,958,870.68</b>
Non-current liabilities due 1 year	Guangdong Jiangzhong Expressway Co., Ltd.	43,065.00	43,065.00
Total		<b>43,065.00</b>	<b>43,065.00</b>
Long-term payable	Guangdong Jiangzhong Expressway Co., Ltd.	36,000,000.00	36,000,000.00
<b>Total</b>		<b>36,000,000.00</b>	<b>36,000,000.00</b>

## 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

**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 December 31,2020, The accumulated expenses occurred of Sanboto Shuikou Highway extension project was 2.596 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	254,055,919.72
2	Poly Changda Engineering Co., Ltd.	Civil Engineering	624,878,240.00	612,468,267.93
3	China Railway 18th Bureau Group Co., Ltd.	Civil Engineering	219,974,609.00	209,612,477.24
4	CCCC First Navigation Engineering Bureau Co., Ltd	Civil Engineering	355,014,108.00	302,643,777.44

## 2. Contingency

### (1) Significant contingency at balance sheet date

As of December 31, 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

## XV. Events after balance sheet date

### 1. Profit distribution

In RMB

Profit or dividend to be distributed	608,424,582.67
Profits or dividends declared upon examination and approval	Subject to the approval of the shareholders' meeting

## XVI. Other significant events

### 1. Segment information

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

## 2. Government Subsidy

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

Subsidy item	Category	Opening balance	New subsidy amount in current period	The carry-over in current period included in profit and loss amount	Other changes	Closing balance	Presentation items carried over into profit or loss in the current period	Asset-related/revenue-related
Cancel the special subsidy for the expressway provincial toll station project	Financial appropriation		55,851,800.00	11,306,230.36		44,545,569.64	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	516,603.84	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 Floating interest rate shall not exceed the basic interest rate of RMB loan with a term of over five years on the day when the investment fund of the insurance company is transferred into the Company's account and the corresponding days of the future years, which shall be adjusted once each year. The guaranteed base interest rate is 5.6%. The concrete amount of raised proceeds shall be within maximum limit of investment fund filed with CIRC. The actual amount wholly transferred to the Company shall apply. The final interest rate is subject to investment Contract for Bond Investment Plan between Pacific and Guangdong Expressway Filed with CIRC. It was approved to authorize the management of the Company to implement the above-mentioned matters.

The Company was approved to provide counter guarantee to Guangdong Communication Group Co., Ltd. with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it. As of 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 Guangzhou 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 and 750 million yuan on March 1 2019 and March 17, 2020.

The Company's plan to purchase 21% equity of Guangdong Guanghui Expressway Co., Ltd. (hereinafter referred to as "Guanghui") held by Guangdong Expressway Co., Ltd. (hereinafter referred to as "Guangdong Expressway") by payment in cash and related matters have been adopted by the resolution of the third extraordinary general meeting of shareholders in 2020. As of December 31, 2020, the Company has paid a total of RMB 1,271,710,284.00 to Guangdong Expressway, accounting for 51% of the total equity transfer, and 21% of Guanghui's equity has been changed to the Company's name. The amendments to Guanghui Articles of Association involved in this major asset restructuring have been filed with the market supervision and management department.

According to the Profit Compensation Agreement signed by Guangdong Expressway and the Company, it is agreed that Guangdong Expressway shall undertake the compensation obligation when the actual net profit of Guanghui is less than the predicted net profit within the compensation period. The compensation period is the year when the transaction is completed and the next two years thereafter, namely 2020, 2021 and 2022. After negotiation between the Company and Guangdong Expressway, the predicted net profit of Guanghui after deducting non-recurring gains and losses in 2020, 2021 and 2022 is RMB 652,477,500, RMB 1,112,587,300 and RMB 1,234,200,900 respectively. Within the compensation period, if the accumulated realized net profit at the end of any fiscal year of Guanghui does not reach the accumulated predicted net profit, Guangdong Expressway will compensate the company in cash, and the specific compensation amount paid by Guangdong Expressway in that year will be calculated and determined according to the following formula: current compensation amount promised for performance = (accumulated predicted net profit as of the end of the current period - accumulated

realized net profit as of the end of the current period) ÷ sum of predicted net profits of each year within the compensation period × transaction price of the underlying assets - accumulated compensated amount of Guangdong Expressway. When the compensation amount calculated in each year is less than the RMB 0, the value shall be taken as RMB 0, and the compensated amount shall not be reversed.

The predicted net profit of Guanghui after deducting non-recurring gains and losses in 2020 is RMB 769.2326 million, which is RMB 116.7551 million more than the promised amount.

**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	Amount		Amount	Proportion (%)	Amount	Amount	
Of which										
Accrual of bad debt provision by portfolio	27,004,827.41	100.00%			27,004,827.41	21,864,051.27	100.00%			21,864,051.27
Of which:										
Aging portfolio	27,004,827.41	100.00%			27,004,827.41	21,864,051.27	100.00%			21,864,051.27
Total	27,004,827.41				27,004,827.41	21,864,051.27				21,864,051.27

Accrual of bad debt provision by single item: None

② Accrual of bad debt provision by portfolio:

In RMB

Name	Balance in year-end		
	Book balance	Bad debt provision	Withdrawal proportion
Within 1 year	27,004,827.41		100.00%
Total	27,004,827.41		--

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)	27,004,827.41
Total	27,004,827.41

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

The withdrawal amount of the bad debt provision: 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.	27,004,827.41	100.00%	
Total	27,004,827.41	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

## 2. Other receivable

In RMB

Items	Year-end balance	Year-beginning balance
Dividend receivable	2,705,472.90	7,205,472.90
Other receivable	51,442,641.63	6,230,178.29
Total	54,148,114.53	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
Ganzhou Gankang Expressway Co., Ltd.	1,500,000.00	
Total	2,705,472.90	7,205,472.90

## 2) Significant dividend receivable aged over 1 year

In RMB

Items)	Balance in year-end	Aging	Reasons for non-recovery	Whether or not the impairment and the basis for its determination
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	Over 1 year	Temporary freezing of company accounts	No, it's recoverable in the future
Total	1,205,472.90	--	--	--

## (2) Other accounts receivable

## 1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Less receivable	45,000,000.00	
Balance of settlement funds for securities transactions	30,844,110.43	30,844,110.43



Nature	Closing book balance	Opening book balance
Cash deposit	2,490,271.36	1,935,101.00
Petty cash	2,140,410.04	1,700,634.57
Other	1,905,542.23	2,594,442.72
<b>Total</b>	<b>82,380,334.06</b>	<b>37,074,288.72</b>

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			30,844,110.43	30,844,110.43
Balance as at January 1,2020 in current	---	---	---	---
Accrual	93,582.00			93,582.00
Balance as at December 31,2020	93,582.00		30,844,110.43	30,937,692.43

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)	49,224,624.35
1-2 years	975,380.70
2-3 years	443,715.70
Over 3 years	31,736,613.31
3-4 years	463,491.88
4-5 years	31,273,121.43
Over 5 years	82,380,334.06
<b>Total</b>	

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

The withdrawal amount of the bad debt provision:

In RMB

Category	Balance Year-beginning	Amount of change in the current period				Balance in year-end
		Accrual	Reversed or collected amount	Write- off	Other	
Accrual of single item	30,844,110.43					30,844,110.43
Accrual of portfolio-Aging portfolio		93,582.00				93,582.00
<b>Total</b>	<b>30,844,110.43</b>	<b>93,582.00</b>				<b>30,937,692.43</b>

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
Ganzhou Gankang Expressway Co., Ltd.	Less receivable	45,000,000.00	Within 1 year	54.62%	
Kunlun Securities Co.,Ltd	Investment Deposit	30,844,110.43	Over 5 years	37.44%	30,844,110.43
Guangdong Litong Real Estates Investment Co., Ltd.	Vehicle parking deposit	1,630,467.36	Within 1 year	1.98%	
Foshan Hezhan Yinghui Property Management Co., Ltd.	Disposal of Building Income from New Jitian Land	935,820.00	1-2 year	1.14%	93,582.00
Guangdong Provincial Freeway Co.,Ltd.	Commission management	463,491.88	4-5 year	0.56%	
<b>Total</b>	--	<b>78,873,889.67</b>	--	<b>95.74%</b>	<b>30,937,692.43</b>

(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		
	Book Balance	Impairment provision	Book value	Book Balance	Impairment provision	Book value
Investment in subsidiaries	3,232,062,345.85		3,232,062,345.85	1,533,665,008.81		1,533,665,008.81
Investment in joint ventures and associates	2,297,300,190.68		2,297,300,190.68	3,255,739,898.36		3,255,739,898.36
Total	5,529,362,536.53		5,529,362,536.53	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			Other		
Jingzhu Expressway Guangzhu Section Co., Ltd.	419,105,446.88	452,066,436.20				871,171,883.08	
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	

Guangdong Guanghui Expressway Co., Ltd.		2,025,676,105.10				2,025,676,105.10	
<b>Total</b>	1,533,665,008.81	2,557,742,541.30	859,345,204.26			3,232,062,345.85	

## (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		
<b>I. Joint ventures</b>											
Guangdong Guanghui Expressway Co., Ltd.	1,048,473,573.52	834,101,925.63	2,025,676,105.10	234,091,510.52		26,725,050.00	117,715,954.57				
<b>Subtotal</b>	1,048,473,573.52	834,101,925.63	2,025,676,105.10	234,091,510.52		26,725,050.00	117,715,954.57				
<b>II. Associated enterprises</b>											
Guangdong Jiangzhong Expressway Co., Ltd.	179,491,516.98			12,760,987.96						192,252,504.94	
Ganzhou Gankang	213,672,650.90		45,000,000.00	-21,398,030.18			1,500,000.00			145,774,620.72	

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		
Expressway Co., Ltd.											
Ganzhou Kangda Expressway Co., Ltd.	234,733,526.86			9,080,563.64			27,000,000.00			216,814,090.50	
Shenzhen Huiyan Expressway Co., Ltd.	262,682,427.44			22,726,327.71						285,408,755.15	
Guoyuan Securities Co.,Ltd.	793,926,807.52	129,910,442.24		32,205,888.19	-5,192,159.89		11,940,297.90			938,910,680.16	
Guangdong Yueke Technology Petty Loan Co., Ltd.	214,637,335.45			10,065,984.93			9,000,000.00			215,703,320.38	
Zhaoqing Yuezhao Highway Co.,	308,122,059.69			44,064,159.14			49,750,000.00			302,436,218.83	

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		
Ltd.											
Subtotal	2,207,266,324.84	129,910,442.24	45,000,000.00	109,505,881.39	-5,192,159.89		99,190,297.90			2,297,300,190.68	
Total	3,255,739,898.36	964,012,367.87	2,070,676,105.10	343,597,391.91	-5,192,159.89	26,725,050.00	216,906,252.47			2,297,300,190.68	

## 4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	961,484,310.59	650,430,454.36	1,276,614,430.61	779,246,352.00
Other	13,956,071.99	5,240,167.71	13,675,411.15	4,575,580.19
Total	975,440,382.58	655,670,622.07	1,290,289,841.76	783,821,932.19

## 5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	565,261,660.63	670,160,115.89
Long-term equity investment income accounted by equity method	343,597,391.91	469,503,736.12
Investment return on investments held to maturity during the holding period	50,785,213.04	38,912,399.15
Interest income from debt investment during holding period.	50,332,058.95	58,235,794.66
Total	1,009,976,324.53	1,236,812,045.82

## 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	-8,261,533.18	
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	8,359,291.82	
Current net gains and losses occurred from period-begin to combination day by	546,213,524.55	The Company originally held 30% equity of Guanghui Expressway, In



subsidiaries resulting from business combination under common control		2020, the Company purchased 21% equity of Guanghui Expressway in cash, and the merger date under the same control was December 31, which was 70% of the net profit and loss realized by Guanghui Expressway in 2020 from the beginning of merger to the date of merger.
Net amount of non-operating income and expense except the aforesaid items	-1,069,827.30	
Other non-recurring Gains/loss items	974,321.89	
Less :Influenced amount of income tax	2,214.32	
Influenced amount of minor shareholders' equity (after tax)	383,192,431.88	In 2020, the Company purchased 21% equity of Guanghui Expressway in cash, and the merger date under the same control was December 31, increasing the net profit and loss realized by Guanghui Expressway in 2020 which was attributable to minority shareholders by RMB 382,722,793.66.
Total	163,021,131.58	--

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	8.27%	0.42	0.42
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	EPS-diluted	0.34	0.34

### **XIII. Documents Available for Inspection**

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