

Guangdong Provincial Expressway Development Co., Ltd.

2022 Annual Report

March 2023

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.Miao Deshan, 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 4.28 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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Documents available for inspection

1. Accounting statements carried with personal signatures and seals of legal representative, General Manager, 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.

Definition

Terms to be defined	Refers to	Definition
Reporting period, This year	Refers to	January 1, 2022 to December 31, 2022
Reporting date	Refers to	The annual report of the company was approved by the board of directors on 2022, that is March 20, 2023
YOY	Refers to	Compared with 2021
The Company /This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Communication Group	Refers to	Guangdong Communication Group Co., Ltd.
Guangfo Company	Refers to	Guangdong Guangfo Expressway Co., Ltd.
Guangdong Expressway Capital	Refers to	Yuegao Capital Investment (Guangzhou) Co., Ltd.
Guanghui Company	Refers to	Guangdong Guanghui Expressway Co., Ltd.
Guangdong Expressway Technology	Refers to	Guangdong Expressway Technology Investment Co., Ltd.

II. Company Profile & Financial Highlights.

1. Company Profile

Stock abbreviation:	Expressway A, Expressway B	Stock code	000429、200429
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	广东省高速公路发展股份有限公司		
Abbreviation of Registered Company (if any)	粤高速		
English name (If any)	Guangdong Provincial Expressway Development Co.Ltd.		
English abbreviation (If any)	GPED		
Legal Representative	Miao Deshan		
Registered address	85 Baiyun Road, Guangzhou, Guangdong Province		
Postal code of the Registered Address	510100		
Historical change of the company's registered address	1992—1999, 4/F,Dongjian Building,No.503,Dongfeng Road, Guangzhou;Since 1999, 85 Baiyun Road, Guangzhou, Guangdong Province		
Office Address	45-46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tianhe Disrtict , 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	On November 2000, In accordance with Cai Guan Zi (2008) No. 109

past (is any)	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.
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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,Huang Zhiyan

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

Applicable Not applicable

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

Applicable Not applicable

6.Summary of Accounting data and Financial index

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

Yes No

	2022	2021	Changes of this period over same period of Last year (%)	2020
Operating income (Yuan)	4,168,634,113.98	5,288,057,677.93	-21.17%	3,790,348,876.26
Net profit attributable to the shareholders of the listed company (Yuan)	1,277,069,521.90	1,700,406,981.99	-24.90%	867,842,774.78
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	1,311,599,314.34	1,693,091,639.41	-22.53%	704,821,643.20
Cash flow generated by business operation, net (Yuan)	2,752,026,558.38	3,669,744,721.16	-25.01%	2,636,187,241.05
Basic earning per share(Yuan/Share)	0.61	0.81	-24.69%	0.42
Diluted gains per share(Yuan/Share)	0.61	0.81	-24.69%	0.42
Weighted average ROE(%)	14.30%	20.11%	-5.81%	8.27%
	End of 2022	End of 2021	Changed over last year (%)	End of 2020
Gross assets (Yuan)	20,267,197,153.88	18,875,766,799.31	7.37%	19,748,578,658.11
Net assets attributable to shareholders of the listed company (Yuan)	9,075,877,244.12	8,982,437,985.17	1.04%	7,933,136,499.11

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	1,066,130,065.73	991,290,743.95	1,230,638,061.98	880,575,242.32
Net profit attributable to the shareholders of the listed company	430,950,001.90	342,836,849.78	417,932,338.24	85,350,331.98
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	404,041,784.19	339,048,311.00	416,174,263.76	152,334,955.39
Net Cash flow generated by business operation	771,364,037.16	672,187,229.14	939,303,258.72	369,172,033.36

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

Yes No

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

Applicable Not applicable

In RMB

Items	Amount (2022)	Amount (2021)	Amount (2020)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	62,389.24	4,350,214.54	-8,261,533.18	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	12,414,047.87	16,348,006.07	8,359,291.82	
Net gain and loss of the subsidiary under the common control and produced from enterprise consolidation from the beginning of the period to the consolidation date			546,213,524.55	
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the	10,400,000.00			

Company's normal business				
Gain/loss from external entrusted loan	25,515.00			
The impairment provision for the advance expenses that have occurred but need to be defined from the source of funds	-97,749,481.71			
Net amount of non-operating income and expense except the aforesaid items	-1,798,078.90	-5,840,734.56	-1,069,827.30	
Other non-recurring Gains/loss items	14,877,866.34	1,252,349.09	974,321.89	
Less :Influenced amount of income tax	-5,627,816.96	4,027,139.54	2,214.32	
Influenced amount of minor shareholders' equity (after tax)	-21,610,132.76	4,767,353.02	383,192,431.88	
Total	-34,529,792.44	7,315,342.58	163,021,131.58	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

Applicable Not applicable

Due to the special nature of the impairment provision for management and maintenance expenses advanced by the Guangzhou-Foshan Expressway to be clarified, it will affect the normal judgment of the Company's operating performance and profitability by the user of the report.

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

Applicable Not applicable

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

III. Management Discussion & Analysis

I. Industry information of the Company during the reporting period

The Company's main business is the investment, construction, charging and maintenance management of toll highways and bridges, which shall be classified into the road transport industry.

Highway industry is the basic and leading service industry of national economy, which can rationally allocate relevant resources, improve the quality and efficiency of economic operation, and play a leading role in the transportation industry. As an important part of the highway industry, the expressway is an important national resource, which is characterized by high driving speed, large traffic capacity, low transportation cost and safe driving, and plays an important role in promoting national economic growth, improving people's live quality and safeguarding national security.

With the basic penetration of the "ten-vertical and ten-horizontal" comprehensive transportation corridor and the basic completion of the "71118" national expressway network planning, China's expressway network has been continuously extended, with significantly increased industry development. According to the statistical data of the 2021 *Statistical Bulletin on Development of Transportation Industry* issued by the Ministry of Transport, by the end of 2021, the total mileage of expressways in China has reached 169,100 kilometers, with an increase of 8,100 kilometers, and a year-on-year increase of 5.03%.

Despite the rapid development of China's expressway industry and the initial scale of expressway trunk lines and networks, there is still a certain gap between China and the developed countries in terms of convenience and unobstruction. China's expressway construction focused on connecting large cities above designated scale at first and has turned to inter-provincial connectivity and connected other cities in recent years. There is still a lack of direct and effective connection between some prefecture-level cities with large population and economic aggregate and provincial capitals, as well as between prefecture-level cities. Moreover, the expressway construction in eastern China started earlier and the road network density is high, but the road network density in the vast central and western regions is still low. With China's economic development stepping into a new normal, the national economy is constantly growing, the strategies such as coordinated development of Beijing-Tianjin-Hebei, regional integration of the Yangtze River Delta, development of the Yangtze River Economic Belt, and Guangdong-Hong Kong-Macao Greater Bay Area construction are further advanced, the whole society's demand for supporting services of expressways is expected to increase continuously, and China's expressway industry still witnesses a large development potential in the future.

As an important infrastructure industry for the development of national economy, most of the expressway transportation demands are rigid demands, which are less affected by macroeconomic fluctuations and less cyclical. As the operating income of expressway enterprises is mainly in cash, and the cash flow is abundant, it ensures the stability and security of expressway industry operation and finance. When the economy is booming, the rapid growth of traffic can drive the development of the industry to a certain extent; during the period of economic adjustment, the expressway industry can better resist the market impact caused by macroeconomic changes with its unique rigid demands. Therefore, the expressway industry is characterized by strong anti-risk ability and stable investment income.

In September 2022, the Ministry of Transport issued the "Notice on smooth launch in Phased for Reduction and Exemption of Toll Road Truck Tolls". On the basis of continuing to implement the existing various toll reduction policies, the national toll roads will be unified for trucks. The fee will be reduced by another 10%, and the time frame will start from 00:00 on October 1, 2022 and end at 24:00 on December 31, 2022. This policy will have a certain impact on the toll revenue of the company's shareholding expressway in the fourth quarter of 2022.

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

The Company's 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, Jingzhu Expressway Guangzhu Section and Guanghui Expressway investment in technological industries and provision of relevant consultation while investing in

Shenzhen Huiyan 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., Hunan Lianzhi Technology Co., Ltd., SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd., CMST Nanjing Intelligent Logistics Technology Co., Ltd. and Shenzhen Garage Electric Pile 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.

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”, Jingzhu Expressway Guangzhu Section is a fast and convenient expressway, Guanghui Expressway is an important section of the national key highway-the 15th Hengshanwei to Yunnan Qingshuihe Highway, 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. Main business analysis

I. General

(1) The overall situation

In 2022, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhered to the general principle of seeking progress while maintaining stability, coordinated and promoted the implementation of the Company's "Fourteenth Five-Year Plan" strategy and annual key tasks, comprehensively deepened reforms while focusing on main responsibilities and main businesses, fulfilled the responsibilities of state-owned enterprises, progressed solidly in high-quality development, and achieved a state-owned capital value preservation and appreciation rate of 113.98%.

1) Solidly carry out the work related to the reconstruction and expansion of the expressway project. Successfully completed the investment decision-making process for the reconstruction and expansion project of Guangzhou-Zhuhai Section of Beijing-Zhuhai Expressway, a provincial key construction project invested by the company; Continue to follow up the progress of the reconstruction and expansion projects of Zhongshan-Jiangmen Expressway and Huizhou-Shenzhen Expressway, and timely handle the procedures for shareholders' investment according to the construction progress of the construction period to ensure the capital demand of the reconstruction and expansion projects; Carry out preliminary research on the reconstruction and expansion projects of Guangzhou-Zhaoqing Expressway and Guangzhou-Huizhou Expressway.

2) Continuously optimize the layout of state-owned capital. First, efficiently complete the 100% equity transfer of Guangdong Hi-Tech, effectively adjust and optimize the Company's asset structure, and contribute to the Company's centralized main business and efficient development; Second, focus on the national "double carbon" strategy and invest in new energy, new technologies and new platform projects. Relying on the platform of Yuegao Capital, after the investment in Lianzhi Science and Technology Project and Yuetong Qiyuanxin Project was completed in 2020 and 2021, in 2022, add new investment in Nanjing Smart Logistics Technology Co., Ltd. and Shenzhen Garage Electric Pile Technology Co., Ltd. to steadily promote the equity investment business of Yuegao Capital's non-expressway projects and inject new momentum into the sustainable development of Guangdong Expressway.

3) With the goal of reducing costs and increasing efficiency, enhance the vitality of increasing income and creating efficiency. First, strengthen rigid constraints to control costs and expenses, strictly control key links and key areas accurately, organize holding section companies to study effective measures, and fully promote the implementation of the work goal of "achieving the monthly goal by fulfilling ten-day goal and achieving the seasonal goal by fulfilling the monthly goal"; Second, reduce capital cost and improve utilization efficiency. Reduce financial expenses by repaying loans in advance, promoting decrease in interest rate of existing loans, and actively revitalizing existing funds; Third, make overall planning and coordination in advance to guarantee funds. Actively seek low-cost financing by opening up financing channels.

4) Take multiple measures to ensure stability and promote benefits. First, well ensure smooth flow, safety and excellent service. Second, effectively improve the accuracy of inspection escape combat. Third, carry out the road guide, check the navigation software path, rate, service area and site service facility information, mileage and control, construction information, etc. Fourth, strengthen the management of expressway service points and vigorously promote the issuance of ETC.

(2) Participate in the holding of the highway situation

In 2022, the Company's operating income decreased significantly due to the Public health events in the province that spread at multiple points and lasted for a long time, and the 10% toll reduction for toll trucks on toll roads in the fourth quarter. The traffic volume and toll income of participating and holding expressways are as follows:

	Volume of vehicle traffic in 2022 (Ten thousands vehicles)	Increase /Decrease(%)	Toll income in 2022 (Ten thousands)	Increase /Decrease(%)
Guangfo Expressway	7,799.42	-1.63%	6,560.05	-85.38%
Fokai Expressway	7,648.24	-10.80%	129,621.28	-10.88%
Jingzhu Expressway Guangzhu East Section	5,673.10	-20.83%	90,273.43	-20.87%
Guanghui Expressway	7,550.65	-8.98%	183,121.92	-13.87%
Huiyan Expressway	4,471.36	-13.60%	19,950.28	-17.00%
Guangzhao Expressway	3,391.71	-11.05%	46,380.80	-13.42%
Jiangzhong Expressway	5,117.72	-23.74%	34,198.72	-28.25%
Kangda Expressway	116.22	-20.17%	27,485.46	-12.15%
Gankang Expressway	393.98	-14.50%	18,879.86	-5.15%
Guangle Expressway	3,758.49	-4.28%	289,900.12	-13.62%

Note. According to the informal letter No. 24-[2022] Yue Transportation Operation-"Notice of the Department of Transportation of Guangdong Province on Issues Concerning the Expiration of Toll Collection of Guangfo Expressway" issued by Guangdong Provincial Department of Transportation, Guangfo Expressway shall stop toll collection from 0:00 on March 3, 2022.

2. Revenue and cost

(1)Component of Business Income

In RMB

	2022		2021		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	4,168,634,113.98	100%	5,288,057,677.93	100%	-21.17%
Industry					
Highway transportations	4,095,766,725.59	98.25%	5,170,312,170.97	97.77%	-20.78%
Other	72,867,388.39	1.75%	117,745,506.96	2.23%	-38.11%
Product					
Highway transportations	4,095,766,725.59	98.25%	5,170,312,170.97	97.77%	-20.78%
Other	72,867,388.39	1.75%	117,745,506.96	2.23%	-38.11%
Area					
Guangfo Expressway	65,600,461.66	1.57%	448,854,642.12	8.49%	-85.38%
Fokai Expressway	1,296,212,805.59	31.09%	1,454,377,306.80	27.50%	-10.88%
Jingzhu Expressway Guangzhu Section	902,734,286.55	21.66%	1,140,880,993.81	21.57%	-20.87%
Guanghui Expressway	1,831,219,171.79	43.93%	2,126,199,228.24	40.21%	-13.87%
Other	72,867,388.39	1.75%	117,745,506.96	2.23%	-38.11%
Sub-sales model					
Highway transportations	4,095,766,725.59	98.25%	5,170,312,170.97	97.77%	-20.78%
Other	72,867,388.39	1.75%	117,745,506.96	2.23%	-38.11%

(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 transportations	4,095,766,725.59	1,550,367,576.44	62.15%	-20.78%	-17.29%	-1.60%
Product						
Highway transportations	4,095,766,725.59	1,550,367,576.44	62.15%	-20.78%	-17.29%	-1.60%
Area						
Guangfo Expressway	65,600,461.66	15,920,478.79	75.73%	-85.38%	-89.09%	8.25%
Fokai Expressway	1,296,212,805.59	582,933,531.68	55.03%	-10.88%	-18.36%	4.13%
Jingzhu Expressway Guangzhu Section	902,734,286.55	342,515,188.62	62.06%	-20.87%	-7.68%	-5.42%
Guanghui Expressway	1,831,219,171.79	608,998,377.35	66.74%	-13.87%	-5.36%	-3.00%
Sub-sales model						
Highway transportations	4,095,766,725.59	1,550,367,576.44	62.15%	-20.78%	-17.29%	-1.60%

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	2022		2021		Increase/Decrease (%)
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Highway transportations	Depreciation and Amortized	1,024,154,288.83	64.56%	1,257,315,758.33	65.16%	-18.54%
Highway transportations	Out of pocket expenses	526,213,287.61	33.17%	617,154,159.89	31.99%	-14.74%
Other	Other	35,981,459.04	2.27%	55,042,107.34	2.85%	-34.63%

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

Yes No

During the reporting period, the Company transferred 100% equity of its wholly-owned subsidiary Guangdong Expressway Technology Investment Co., Ltd. to Guangdong Litong Technology Investment Co., Ltd. on March 29, 2022, which will no longer be included in the scope of consolidated financial statements at the end of this period.

(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

	2022	2021	Increase/Decrease(%)	Notes
Administrative expenses	191,426,081.46	223,605,442.46	-14.39%	
Financial expenses	191,071,151.10	221,714,312.76	-13.82%	
R & D expenses	14,591,773.12	13,270,938.73	9.95%	

4. Research and Development

√ Applicable □ Not applicable

Name of main R&D project	Project purpose	Project progress	Goal to be achieved	Expected impact on the future development of the Company
Research on the key technologies of the construction of anti-collision monitoring and early warning system and the transformation of safety monitoring system for Foshan-Kaiping Expressway bridge cluster	On the basis of following the Technical Guidelines for the Pilot Construction of Structural Health Monitoring System for Highway Long Span Bridges, combined with the technical characteristics of Foshan-Kaiping Expressway and the requirements of information construction in transportation field in Guangdong Province, the existing health monitoring system of Jiujiang Bridge on Foshan-Kaiping Expressway was optimized and upgraded, and anti-collision monitoring systems were added to the other three navigation-related super-large bridges.	Completed	(1) Realize the real-time monitoring of the structural safety monitoring system, and forewarn the bridge structural abnormality; Realize the real-time structural damage identification of the structure. (2) Monitor the track of passing ships, send out sound and light alarm signals and warn the yawing ships through radio stations and AIS in case of illegal yawing events; Broadcast the navigation of ships passing under the bridge and give safety warning tips. (3) Effectively prevent the probability of the bridge being hit by a ship during the operation period, extend the service life of the bridge and ensure the safety of the bridge. (4) Implement the anti-collision monitoring system for 4 bridges of Foshan-Kaiping Expressway and the visual large-screen display system for Jiujiang Bridge safety monitoring system. to realize the visual management of bridge facilities and navigation safety and improve the management level.	Effectively improve the safety management and control level of bridge and culvert structure, gradually realize the digitalization and intelligence of work and management, and effectively promote the corporate governance efficiency to a higher level.
Research on maintenance and management scheme of super-large bridge	Combined with the management and maintenance needs of extra-large bridges, realize the scientific monitoring and processing of data of super-large bridges, accurate evaluation of bridge service status, accurate and efficient early warning of fault risk, rapid treatment of disease damage and scientific decision-making of future management and maintenance.	Completed	(1) Study the mechanism of disease coupling, and establish the probability model of resistance attenuation of existing bridges. (2) Put forward the bridge condition evaluation method, and provide reasonable and scientific suggestions for future maintenance and maintenance countermeasures. (3) Establish the emergency state of bridges and the measures to deal with special weather, and put forward the regulations on the management of bridge engineering files.	Form a complete set of intelligent O&M technology for super-long concrete bridges with independent intellectual property rights in the perspective of diagnosis → evaluation → treatment, which further clarified the key points of super-long bridge management and maintenance, achieved a targeted goal in practical work, effectively improved the management and maintenance level of the Company's super-large bridges and ensured structural safety.
Research on intelligent monitoring system of Jiujiang Bridge based on BIM+GIS	Break the technical barriers of various maintenance databases through the exploration and research of maintenance information technology and algorithm, realize the integration, analysis and application of maintenance data, and improve the efficiency of maintenance management.	Completed	(1) Establish a complete BIM data application system suitable for bridge operation stage. (2) Through the fusion of multi-source data, integrate into a standardized and refined database background, which provides data support for bridge maintenance decision-making and medium- and long-term maintenance planning, and form a mode of joint management by one platform and multiple systems.	This system integrates the basic information, monitoring information and O&M information of bridge, establishes a structured database, and combines the basic workflow of the management and maintenance unit to display the bridge situation, river situation, equipment construction situation and equipment working condition in a visual way, and monitor the bridge situation in real time, so

Name of main R&D project	Project purpose	Project progress	Goal to be achieved	Expected impact on the future development of the Company
				as to significantly improve the management and maintenance efficiency and save the management and maintenance cost through information means.
Research on safety monitoring scheme of high slope	Propose a set of slope safety monitoring and early warning system with Beidou high-precision positioning technology based on the design data, operating environment and geological conditions of the slope along Foshan-Kaiping Expressway, and considering the difficulties encountered in the daily management and maintenance of the slope, realize the intelligent monitoring of the target slope through the overall monitoring and long-term analysis of the slope information parameters, which provides decision-making basis for the daily management, maintenance and repair of the slope.	Completed	(1) Based on Beidou, intellisense, Internet of Things, cloud computing, big data and other technologies, plan to build an integrated Internet of Things platform of "cloud, application and terminal" to realize intellisense, intelligent analysis and three-dimensional visualization of high slopes, the trinity, interconnection and fusion of "cloud, application and terminal", which realizes the storage, management and integration of 1 million project data, and improves the processing efficiency of high slope intelligent monitoring, rapid disaster identification, early warning evaluation and emergency treatment information chain. (2) Realize the out-of-limit grading warning system of slope monitoring, and diversify the release methods of warning information to ensure that warning information is sent to supervisors in real time.	The application of high slope monitoring and early warning system based on Beidou high-precision positioning technology in expressway slope disaster monitoring can greatly reduce a lot of labor input and management costs, and realize 24-hour all-weather online monitoring and alarm, improve the timeliness of slope disease discovery and disposal, and ensure the safe and stable operation of expressway.
Research on application of key technologies of pavement preventive maintenance	In view of the technical defects of ordinary ultra-thin asphalt wear layer at present, carry out in-depth research from the aspects of materials, technology and design concept, and propose a complete set of key technologies for pavement wear layer with drainage and noise reduction of UHPP and NovaChip ultra-thin wear layer, including material composition, mix design, technical index requirements, construction technology and quality control methods.	Completed	On the basis of the brand-new UHPP, NovaChip ultra-thin wear layer technology, raw material formula and technology, and the new grading type with stable frame embedded structure and high asphalt content, form a large traffic flow section which is not easy to maintain, and then extend it to the durable environmental protection pavement wear layer under different working conditions such as old asphalt pavement, old cement pavement, bridge deck, tunnel and steel bridge deck, and improve the existing thin-layer overlay system in all aspects including anti-sliding, noise reduction, crack resistance and durability.	The research of this technology has practical significance for improving the road performance and prolonging the service life of asphalt wear layer, and has long-term significance for reducing the maintenance cost of the Company, building green and low-carbon roads and environmental protection.
Research on key technologies of anti-overturning of single-column pier bridge and splicing of old and new bridges	By establishing finite element models with different parameter variables, analyze the sensitivity between each parameter and the overturning stability of single-column pier bridge, to obtain the main parameters affecting the overturning stability of the structure, and provide theoretical support for the design focus of the anti-overturning performance of the	Completed	(1) Investigate and classify the existing single-column pier bridges according to their different overturning failure characteristics, study the unique transverse overturning process of various overturning structures, and obtain the main parameters affecting the overturning stability of the structures. (2) Carry out comparison analysis on the existing bridge	By accurately evaluating the lateral anti-overturning stability of the single-column pier bridge and mastering the lateral anti-overturning safety of the built single-column pier bridge, greatly reduce the maintenance cost in the life cycle of the bridges to avoid the anti-overturning accident of the bridges;. Through the reference scheme of anti-

Name of main R&D project	Project purpose	Project progress	Goal to be achieved	Expected impact on the future development of the Company
	bridge. Study the reasonable splicing form through the research and demonstration of the feasibility of bridge splicing, and form the technical solution of large-flow expressway splicing.		structures combined with the lateral anti-overturning evaluation standard, and form the existing single-column pier bridge reinforcement design gallery. (3) Investigate the diseases of longitudinal splicing of existing bridges, study the disease mechanism of longitudinal splicing technology for different bridge structures, and form the key technology of longitudinal splicing maintenance of existing bridge structures.	overturning reinforcement design of old bridges, optimize the anti-overturning design of old bridges, reduce the reinforcement cost, and improve the use efficiency of funds; Form the key technology of longitudinal splicing maintenance of existing bridge structures, which can provide reliable reference for expressway reconstruction and expansion design, and also provide technical support for subsequent maintenance and repair, ensuring the safety of bridges, which is of great significance for ensuring traffic safety.
Research on monitoring and alarm system for collision with bridge by ship of over-height	Both Huzhou Bridge and Yayao Bridge have the possibility of ships of over-height colliding with the bridge, so it is necessary to carry out the research on the alarm technology for collision with bridge by ship of over-height, monitor the height of of the ship passing under the bridge by high-tech means, send out alarm signals to warn the ships of over-height in case of illegal over-height events, and automatically shoot videos and send them to the monitoring center of the management department for evidence collection, so as to take further management measures. The research of this project is of great significance for protecting the structural safety of the bridge on the waterway and improving the management level of the bridge and waterway.	Completed	The ship over-height detection system is to improve the safety of waterway operation by using modern detection means, and reduce the damage to river-crossing bridges and auxiliary facilities caused by ships of over-height driving into navigable span. The system can accurately detect the ship over-height, guide the ship of over-height to avoid safely, and take warning shots on the spot timely, which is conducive to improving the passing efficiency, eliminating hidden dangers, facilitating management and escorting the navigation. The relevant maritime departments and transportation departments pay more and more attention to the research on collision with bridge by ship of over-height and over-height alarm and early warning while formulating the management system of bridge area waters.	The installation and application of the system has a good early warning function for the collision avoidance of navigable bridges, which can timely observe the situation on the spot and effectively improve the level of bridge management and maintenance.

Company's research and development personnel situation

	2022	2021	Increase /decrease
Number of Research and Development persons (persons)	25	12	108.33%
Proportion of Research and Development persons	0.81%	0.40%	0.41%
Academic structure of R&D personnel			
Bachelor	25	11	127.27%
Master	0	1	-100.00%
Age composition of R&D personnel			
Under 30 years old	0	1	-100.00%
30-40 years old	2	9	-77.78%
Over 40 years old	23	2	1,050.00%

The Company's R & D investment situation

	2022	2021	Increase /decrease
Amount of Research and Development Investment (In RMB)	14,591,773.12	13,974,899.53	4.41%
Proportion of Research and Development Investment of Operation Revenue	0.35%	0.26%	0.09%
Amount of Research and Development Investment Capitalization (In RMB)	0.00	703,960.80	-100.00%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	0.00%	5.04%	-5.04%

Reasons and influence of significant changes in R&D personnel composition of the Company

Applicable Not applicable

In 2022, the R&D personnel of the Company were mainly the R&D personnel of Guangdong Guangzhou-Huizhou Expressway Co., Ltd., a holding subsidiary. In 2021, the Company's R&D personnel were mainly the R&D personnel of the original wholly-owned subsidiary Guangdong Expressway Technology Investment Co., Ltd.

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

Applicable Not applicable

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	2022	2021	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	4,397,687,883.80	5,574,328,005.11	-21.11%
Subtotal of cash outflow received from operation activities	1,645,661,325.42	1,904,583,283.95	-13.59%
Net cash flow arising from operating activities	2,752,026,558.38	3,669,744,721.16	-25.01%
Subtotal of cash inflow received from investing activities	198,020,328.77	224,528,598.74	-11.81%
Subtotal of cash outflow for investment activities	1,196,520,014.01	648,313,936.74	84.56%
Net cash flow arising from investment activities	-998,499,685.24	-423,785,338.00	-135.61%
Subtotal cash inflow received from financing activities	2,877,350,200.00	2,265,075,195.50	27.03%
Subtotal cash outflow for financing activities	3,302,360,155.98	5,401,656,857.26	-38.86%

Net cash flow arising from financing activities	-425,009,955.98	-3,136,581,661.76	86.45%
Net increase in cash and cash equivalents	1,329,505,040.78	109,006,386.66	1119.66%

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

√Applicable □ Not applicable

(1) The subtotal of cash outflow from investment activities increased by 84.56% year on year, mainly due to the reconstruction and expansion of Guangzhou-Zhuhai Section of Beijing-Zhuhai Expressway and the increase in payment for project progress; Yuegao Capital invested in garage electric piles, Yuetong Qiyuanxin and Zhongchu Zhiyun to form cash outflows.

(2) The net cash flow from investment activities decreased by 135.61% year on year, mainly due to the increase of cash outflow from investment activities.

(3) The subtotal of cash outflow from financing activities decreased by 38.86% compared with the same period of last year, which was mainly due to the comprehensive influence of the decrease in cash paid for debt repayment, the increase in dividend distribution and interest payment, and the previous payment of 21% equity purchase of Guangdong Expressway Co., Ltd. Guanghui Company.

(4) The net cash flow from financing activities increased by 86.45% year on year, mainly due to the decrease of cash outflow from financing activities.

(5) The net increase in cash and cash equivalents increased by 1,119.66% year on year, which was the comprehensive influence of the changes in net cash flow from operating activities, investment activities and financing activities.

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

Supplementary information	The amount of this period
I. Adjusting net profit to cash flow from operating activities	
Net profit	1,794,588,250.64
Add: Credit loss provision	98,397,398.38
Impairment loss provision of assets	
Depreciation of fixed assets, oil and gas assets and consumable biological assets	1,018,003,178.73
Depreciation of the use right assets	9,771,123.65
Amortization of intangible assets	24,232,065.30
Amortization of Long-term deferred expenses	350,625.00
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-478,663.58
Fixed assets scrap loss	416,274.34
Loss on fair value changes	-10,400,000.00
Financial cost	237,456,103.95
Loss on investment	-254,956,789.70
Decrease of deferred income tax assets	97,064,342.25
Increased of deferred income tax liabilities	-3,593,013.71
Decrease of inventories	
Decrease of operating receivables	-102,793,804.75
Increased of operating Payable	-156,030,532.12
Other	
Net cash flows arising from operating activities	2,752,026,558.38
II. Significant investment and financing activities that without cash flows:	
Conversion of debt into capital	
Convertible corporate bonds maturing within one year	
Financing of fixed assets leased	

3. Movement of cash and cash equivalents:	
Ending balance of cash	4,284,688,231.33
Less: Beginning balance of cash equivalents	2,955,183,190.55
Add: End balance of cash equivalents	
Less: Beginning balance of cash equivalents	
Net increase of cash and cash equivalent	1,329,505,040.78

V. Analysis of Non-core Business

√ Applicable □ Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment Income	254,956,789.70	10.89%	Operating accumulation of shareholding companies and disposal of subsidiaries in this period	Except for the disposal proceeds obtained from the disposal of subsidiaries, others are all sustainable
Loss on fair value changes	10,400,000.00	0.44%	Changes in fair value of equity investment	No
Asset impairment	0.00	0.00%		
Non-operating income	10,048,941.28	0.43%	Mainly insurance claims and road property claims	No
Non-operating expenses	12,263,294.52	0.52%	Mainly road property repair expenditure	
Credit impairment loss	-98,397,398.38	-4.20%	Mainly because Guangfo Company makes full provision for impairment of management and maintenance expenses	No

VI. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of 2022		End of 2021		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	4,290,581,490.78	21.17%	2,956,404,390.55	15.66%	5.51%	
Accounts receivable	108,368,797.56	0.53%	159,053,399.87	0.84%	-0.31%	
Contract assets			5,286,462.45	0.03%	-0.03%	
Inventories			640,079.66	0.00%	0.00%	
Investment real estate	2,668,144.93	0.01%	2,889,263.41	0.02%	-0.01%	
Long-term equity investment	2,923,368,667.84	14.42%	2,627,130,681.24	13.92%	0.50%	
Fixed assets	10,098,252,638.07	49.83%	10,639,272,192.02	56.36%	-6.53%	
Construction in process	753,565,502.12	3.72%	351,130,455.06	1.86%	1.86%	
Use right assets	4,077,555.43	0.02%	14,100,325.01	0.07%	-0.05%	
Shore-term loans	430,387,597.20	2.12%			2.12%	
Contract liabilities			22,000.00	0.00%	0.00%	
Long-term borrowing	5,566,595,350.00	27.47%	4,572,621,200.00	24.22%	3.25%	
Lease liabilities	150,984.47	0.00%	2,773,459.76	0.01%	-0.01%	

Overseas assets account for a relatively high proportion.

□ Applicable √ Not applicable

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								
1. Trading financial assets (excluding derivative financial assets)		10,400,000.00			91,000,000.00			101,400,000.00
4. Other equity instrument investment	1,577,175,826.05		241,394,552.45					1,557,303,730.98
Subtotal of financial assets	1,577,175,826.05	10,400,000.00	241,394,552.45	0.00	91,000,000.00	0.00	0.00	1,658,703,730.98
Total of the above	1,577,175,826.05	10,400,000.00	241,394,552.45	0.00	91,000,000.00	0.00	0.00	1,658,703,730.98
Financial liabilities	0.00	0.00		0.00	0.00	0.00	0.00	0.00

Other change

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.

VII. Investment situation

1. General

√ Applicable □ Not applicable

Current Investment Amount(Yuan)	Same period of last year (Yuan)	Change rate
857,896,694.33	134,650,000.00	537.13%

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

☑ Applicable □ Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure	Disclosure Index
Guangdong Jiangzhong Expressway Co., Ltd.	Expressway	Increase capital	131,250,000.00	15.00%	Self funds	Xinyue (Guangzhou) Investment Co., Ltd., Guangdong Highway Construction Co., Ltd.	On the basis of the term of operation approved by the government	Limited Company	Completed			No	July 31, 2021	Announcement of Resolutions of the 20 th (Provisional) Meeting of the Ninth Board of Directors
Total	--	--	131,250,000.00	--	--	--	--	--	--	0.00	0.00	--	--	--

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

☑ Applicable □ Not applicable

In RMB

Project name	Investment method	Fixed investments or not	Industry involved in investment projects	Investment amount in this reporting period	Accrued Actual Investment Amount up to the End of Reporting	Capital Source	Project schedule	Anticipated income	Accrued Realized Income up to the End of	Reasons for not Reaching the Planned Schedule	Disclosure date	Disclosure Index
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					Period				Reporting Period	and Anticipated Income		
Nansha-Zhuhai Section of Guangzhou-Macao Expressway Was rebuilt and Expanded	Self-built	Yes	Expressway	536,646,694.33	553,543,942.17	Self and Loan	3.97%			No	October 22,2022	Announcement of Resolution of the Second (Provisional) Meeting the Tenth Board of Directors
Total	--	--	--	536,646,694.33	553,543,942.17	--	--	0.00	0.00	--	--	--

4. Investment of Financial Asset

(1) Securities investment

√ Applicable □ Not applicable

In RMB

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Change s 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	781,046,414.08	0.00	204,671,801.28	0.00	0.00	47,286,243.74	722,232,678.08	Other equity instrument investment	Self
Total			517,560,876.80	--	781,046,414.08	0.00	204,671,801.28	0.00	0.00	47,286,243.74	722,232,678.08	--	--
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.

VIII. 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

IX. 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
Jingzhu Expressway Guangzhu Section Co., Ltd.	Subsidiary	The operation and management of Guangzhu Expressway	RMB 580 million	3,633,958,834.51	1,015,197,263.51	935,890,869.56	488,066,941.43	357,454,547.35
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	4,443,518,724.27	4,030,343,799.24	1,852,612,486.85	1,211,556,201.62	902,052,548.93

Subsidiaries obtained or disposed in the reporting period

Applicable Not applicable

Company name	Way of acquiring and disposing of subsidiary corporations within the reporting period	Impact on the whole producing operation and performance
Guangdong Expressway Technology Investment Co., Ltd.	Sales	This transaction does not have a significant impact on the overall production and operation of the company, and increases the company's current net profit by 24.89 million yuan.

Particulars about the Mutual holding companies

1. According to the informal letter No. 24-[2022] Yue Transportation Operation-"Notice of the Department of Transportation of Guangdong Province on Issues Concerning the Expiration of Toll Collection of Guangfo Expressway" issued by Guangdong Provincial Department of Transportation, Guangfo Expressway shall stop toll collection from 0:00 on March 3, 2022. Retain the existing toll facilities and operate as usual in a zero-rate manner, exempt vehicle tolls for all vehicles passing this road section, and collect vehicle tolls on behalf for other road sections. After the toll collection is stopped, Guangfo Expressway Co., Ltd shall continue to be responsible for the management and maintenance of Guangfo Expressway.

X. Structured subject situation controlled by the company

Applicable Not applicable

XI. Prospect for future development of the Company

The year of 2023 is the first year of fully implementing the spirit of the 20th Party Congress, the year of connecting link in the Fourteenth Five-Year Plan, and the crucial year for the Company's high-quality development, in which the Company will thoroughly study and implement the spirit of the 20th Party Congress, determine the goal of the Fourteenth Five-Year Plan, make scientific plans and make overall plans, and show new achievements in business management, investment and merger, and high-quality development to ensure a good start in 2023. The overall goal in 2023 is to achieve an operating income of RMB 4.683 billion and control the operating cost within RMB 1.811 billion.

1. Increase the reserve of high-quality highway projects, actively plan the investment and acquisition of high-quality highway projects inside and outside the Communications Group, and strive to increase the holding of high-quality highway projects.

2. Seize the historical opportunity of expressway reconstruction and expansion projects and actively participate in the investment opportunities of the holding company's reconstruction and expansion projects. Actively carry out the preliminary research work of the reconstruction and expansion project of Guangzhou-Zhaoqing Expressway and the reconstruction and expansion project of Guangzhou-Huizhou Expressway; Continue to follow up the construction progress of Jingzhu Expressway Guangzhu Section, Jiangmen-Zhongshan Expressway, Huizhou-Shenzhen Expressway reconstruction and expansion projects and other continuation projects, and manage the fund planning to ensure the fund demand for project construction.

3. Promote the implementation of strategic emerging industry projects. Relying on the platform of Yuegao Capital, deeply explore the investment opportunities of high-quality enterprises in scientific and technological innovation and R&D in the seven sectors of the three main businesses of the Communications Group, and focus on planning the extended layout of the industrial chain, expanding collaborative business, promoting the project implementation and cultivating the development momentum.

XII. Structured subject situation controlled by the company

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 27, 2022	Meeting Room of the Company	By Phone	Organization	Industrial securities telephone research meeting: Wang Chunhuan, Industrial securities; Wu Xiongwei Capital Dynamics Asset Management (HK) Pte Ltd; Shan Dan HMOUNT Asset Management (HK) Limited; Bin Yan Zhongtai Securities; Zhang Shuoyuan Zhongtai Securities; Shen Yuchen Bank of China Investment Management; Xia Heyang Engine Fund; Li Yanguang Huatai Self support; Lin Xiaying Huatai Securities; Yao Shuang BNB Wealth Management; Pu Xiaoting Pinan Assets Management; Tian Zhaofeng Topsperity Securities; Zang Hailiang Yide Wealth ; Chen Weichong Genghis Khan Fund; Wei Songhui Baorun Group; Wang Yicheng Nomura Oriental asset management	The company's operating situation in the first quarter of 2022, the main work completed, the progress of participating in investment, reconstruction and expansion projects, and the company's development plan and work priorities.	1. The main content of research: 1. the daily operation; 2. the company's financial data analysis; 3. development strategy; 4. analysis on the industry. 2. Primary data investigation: Public information company regularly reports
August 29, 2022	Meeting Room of the Company	By Phone	Organization	Huatai Securities telephone research meeting: Huatai Securities Lin Xiaying; BNB Wealth Management; Yao Shuang; Chang Jiang Securities Lu Sijia; Guotai Junan Yue Xin, Yin Jiaqi; Guosen Securities Zeng Fanji; Eastmoney Securities Jiang Nan; Everbright Securities Cheng Xinning Huatai Securities telephone research meeting:	The company's operating conditions in the first half of 2022, the progress of participating in investment, reconstruction and expansion projects, and the company's development plan and work priorities.	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

IV. Corporate Governance

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, compliance risk management 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 is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway,Jingzhu Expressway Guangzhu Section and Guanghui Expressway investment in technological industries and provision of relevant consultaion 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, Hunan Lianzhi Technology Co., Ltd., SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd., CMST Nanjing Intelligent Logistics Technology Co., Ltd.and Shenzhen Garage Electric Pile 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	Type of meeting	Investor participation ratio	Meeting Date	Disclosure date	Disclosure index
2021 Shareholders' general meeting	Annual Shareholders' General Meeting	66.50%	May 17,2022	May 18,2022	The meeting examined and adopted the Proposal Concerning Final Accounting Report for 2021, The meeting examined and adopted the Proposal Concerning Preplan for Profit Distribution for 2021, The meeting examined and adopted the Proposal Concerning Overall budget report of the Company for 2022, The meeting examined and adopted the Work Report of the Board of Directors for 2021, The meeting examined and adopted the Work Report of the supervisory Committee for 2021, The meeting examined and adopted Annual Report for 2021 and its summary, The meeting examined and adopted the Proposal for Hiring the 2022 Annual Financial Report Audit Agency, The meeting examined and adopted the Proposal for Hiring the 2022 Internal Control Audit Institution, The meeting examined and adopted the Proposal regarding the election of Mr. Kuang Yu as director of the ninth board of directors of the Company.
The First provisional shareholders' General meeting of 2022	Provisional shareholders' General meeting	66.27%	August 19,2022	August 20,2022	The meeting examined and adopted the Proposal on electing Mr. Miao Deshan as a director of the ninth Meeting of the board of directors of the Company, The meeting examined and adopted the Proposal on electing Mr. He Sen as a Supervisor of the ninth supervisory committee of the Company
The Second provisional shareholders' General meeting of 2022	Provisional shareholders' General meeting	66.18%	September 20,2022	September 21,2022	The meeting examined and adopted of the Proposal on the General Election of the Company's Board of Directors, The meeting examined and adopted of the Proposal on the General Election of the Company's Supervisory Committee, The meeting examined and adopted of the Proposal on the Remuneration of Directors of the Tenth Board of Directors of the Company.
The Third provisional shareholders' General meeting of 2022	Provisional shareholders' General meeting	66.30%	November 7,2022	November 8,2022	The meeting examined and adopted the Proposal on Amending Part of the Articles of Association of the Company, The meeting examined and adopted the Proposal on Amending of Independent director system of Guangdong Provincial Expressway Development Co., Ltd., The meeting examined and adopted the Proposal on Increasing Capital to Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd. to Invest in the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway.
The Fourth provisional shareholders' General meeting of 2022	Provisional shareholders' General meeting	66.35%	December 29,2022	December 30,2022	The Meeting examined and adopted the Proposal on the Amendment of the Rules of Procedure of the Board of Directors of Guangdong Provincial Expressway Development Co., Ltd.

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

Applicable Not applicable

V. Information about Directors, Supervisors and Senior Executives

1. Basic situation

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	The number of shares held in the current period(shares)	Number of shares reduced in the current period(shares)	Other changes(shares)	Number of shares held at the end of the period(shares)	Reasons for increase or decrease of shares
Miao Deshan	Board Chairman	In office	Male	51	August 19,2022	September 20,2025						
Wang Chunhua	Director, General Manager	In office	Male	58	April 16,2013	September 20,2025	135,100				135,100	
Lu Ming	Director, Chief accountant	In office	Male	44	December 25,2020	September 20,2025						
Zuo Jiang	Director, Deputy General Manager	In office	Female	50	October 19,2015	September 20,2025						
Cheng Rui	Director	In office	Male	48	September 20,2022	September 20,2025						
Zeng Zhijun	Director	In office	Male	52	December 4,2017	September 20,2025						
You Xiacong	Director	In office	Male	55	November 2,2020	September 20,2025						
Yao Xuechang	Director	In office	Male	51	September 20,2022	September 20,2025						
Wu Hao	Director	In office	Female	50	November 2,2020	September 20,2025						
Kuang Yu	Director	In office	Male	37	May 17,2022	September 20,2025						
Zhang Hua	Independent director	In office	Male	57	December 4,2017	September 20,2025						
Liu Zhong Hua	Independent director	In office	Male	57	December 4,2017	September 20,2025						
Zeng Xiaoqing	Independent director	In office	Female	53	May 20,2019	September 20,2025						
You Dewei	Independent director	In office	Male	54	September 20,2022	September 20,2025						
Yu Mingyuan	Independent director	In office	Male	60	September 20,2022	September 20,2025						
He Sen	Chairman of the Supervisory Committee	In office	Male	49	August 19,2022	September 20,2025						

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the year-begin(share)	The number of shares held in the current period(shares)	Number of shares reduced in the current period(shares)	Other changes(shares)	Number of shares held at the end of the period(shares)	Reasons for increase or decrease of shares
Wang Xiaobing	Supervisor	In office	Female	51	May 17,2022	September 20,2025						
Ke Lin	Supervisor	In office	Female	53	September 15,2017	September 20,2025						
Deng Yunfeng	Supervisor	In office	Male	47	December 23,2021	September 20,2025						
Zhou Dong	Supervisor	In office	Female	52	September 9,2022	September 20,2025						
Luo Baoguo	Deputy General Manager	In office	Male	49	December 25,2020	September 20,2025						
Yang Hanming	Secretary to the Board	In office	Male	53	August 28,2017	September 20,2025						
Zhou Yisan	legal counsel	In office	Male	42	September 20,2022	September 20,2025						
Zheng Renfa	Board Chairman	Dimission	Male	53	January 4,2017	April 24,2022						
Chen Min	Director	Dimission	Male	59	July 19,2017	September 20,2022						
Ren Hua	Director	Dimission	Male	47	June 22,2021	September 20,2022						
Huang Hai	Director	Dimission	Male	47	July 21,2016	February 2,2022						
Gu Naikang	Independent director	Dimission	Male	57	July 21,2016	September 20,2022						
Bao Fangzhou	Independent director	Dimission	Male	44	July 21,2016	September 20,2022						
Jiang Changwen	Chairman of the Supervisory Committee	Dimission	Male	55	May 20,2022	July 25,2022						
Zhou Yisan	Supervisor	Dimission	Male	42	September 9,2019	September 9,2022						
Cheng Rui	Deputy General Manager	Dimission	Male	48	August 28,2017	June 17,2022						
He Bing	legal counsel	Dimission	Female	55	July 23,2012	July 29,2022						
Total	--	--	--	--	--	--	135,100	0	0	0	135,100	--

During the reporting period, whether there is dismissal of directors and supervisors and decruitment of senior managers

Yes No

1. Mr. Huang Hai, the Director, resigned from the Board of Directors and the Remuneration and Assessment Committee of the Company on February 24, 2022 due to work adjustment any position in the Company after he resignation.

2. Mr. Zheng Renfa, Chairman of the Board of Directors, resigned as Chairman and Director of the Company on April 24, 2022 due to job transfer, and also resigned as Chairman of the Strategy Committee and Risk Management Committee of the Board of Directors. After his resignation, Mr. Zheng Renfa will not hold other positions in the company.

3. Mr. Cheng Rui, the Deputy General Manager, resigned from the Board of Directors of the Company on June 17, 2022 due to job transfer.

4. Mr. Jiang Changwen, the supervisory board chairman, resigned as Chairman and Supervisor of the Board of Supervisors of the Company on July 25, 2022 due to job transfer any position in the Company after he resignation..

5. Ms. He Bing, the General Counsel, has reached the retirement age and resigned as the General Counsel from the Board of Directors of the Company on July 29, 2022. Ms. He Bing will not hold any position in the Company after her resignation.

1.Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Positions	Types	Date	Reason
Zheng Renfa	Board Chairman	Dismission	April 24,2022	Job change
Chen Min	Director	Left for term expiration	September 20,2022	Left for term expiration
Ren Hua	Director	Left for term expiration	September 20,2022	Left for term expiration
Huang Hai	Director	Dismission	February 24,2022	Job change
Gu Naikang	Independent director	Left for term expiration	September 20,2022	Left for term expiration
Bao Fangzhou	Independent director	Left for term expiration	September 20,2022	Left for term expiration
Jiang Changwen	Chairman of the Supervisory Committee	Dismission	July 25,2022	Job change
Zhou Yisan	Supervisor	Left for term expiration	September 9,2022	Left for term expiration
Cheng Rui	Deputy General Manager	Dismission	June 17,2022	Job change
He Bing	legal counsel	Dismission	July 29,2022	Retirement

2.Posts holding

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors, supervisors and senior management:

Mr. Miao Deshan, He served as Chairman of the Board, Secretary of the Party Committee of the Company, with bachelor degree. Bachelor of Engineering degree, senior engineer. From June 2011 to July 2022, he served successively as Deputy General Manager, Chief Engineer, Deputy Secretary of the Party Committee, Director and General Manager of Guangdong Communications Industrial Investment Co., Ltd. has been the Chairman of the Company since August 19, 2022. He is also the Director of SPIC Yuetong Qiyuanxin Power Technology Co., Ltd., the Company's shareholding company, and the Legal Representative and Executive Director of Yuegao Capital Holdings (Guangzhou) Co., Ltd.

Mr. Wang Chunhua, He served as Director and General Manager of the Company, deputy secretary of the Party

Committee 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. and Chairman and Legal representative of Guangfo Expressway .

Mr. Lu Ming, from March 2009 to December 2020, served as the Manager, Deputy Business Director and Business Director of the Financial Management Department of Guangdong Communications Group Co., Ltd., and from December 2018 to December 2019, he served as the first secretary of the Party Branch of Yinghuai Management Office of Guangdong Nanyue Communications Longhuai Expressway Management Center. Since December 25, 2020, he has served as the Chief Accountant of the Company, and since February 3, 2021, he has served as a Director of the Company. He also serves as the Vice Chairman of Ganzhou Nankang-Dayu Expressway Co., Ltd., the Company's shareholding company, the Director of Guangdong Yuepu Microfinance Co., Ltd., the Chairman of Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section Co., Ltd. and Guangdong Guangzhou-Huizhou Expressway Co., Ltd.

Ms. Zuo Jiang, Deputy General Manager of the Company, member of the Party Committee and employee director 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., director of Guoyuan Securities Co., Ltd. and General Manager, Party branch secretary of Yuegao Capital Investment (Guangzhou)Co., Ltd.

Mr. Cheng Rui, Director of the Company, holds a master's degree in business administration, an economist, with the Corporate Legal Adviser and Lawyer qualification. From August 2017 to May 2022, he served as Deputy General Manager of Guangdong Expressway Development Co., Ltd., during which, from May 2019 to August 2021, he was appointed as the First Secretary of the Party Organization in Shanhu Village, Jinhe Town, Jiexi County, Jieyang City. Since May 2022 till now, he has served as the Director of Legal Affairs Department of Guangdong Communications Group Co., Ltd. He has been the director of the Company since September 20, 2022.

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.

Mr. You Xiacong, senior accountant, is the director of the Company, with bachelor degree. From May 2015 to December 2021, he served as the director and chief accountant of Guangdong Provincial Highway Construction Co., Ltd., and since December 2021, 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. Yao Xuechang, Director of the Company, Bachelor Degree, MBA, Senior Engineer of road and bridge, served as the Director and Deputy Secretary of the Party Branch of the Reconstruction and Expansion Project

Management Office of the Southern Section of Foshan-Kaiping Expressway from October 2015 to February 2020. From February 2020 to October 2021, he successively served as the Director and Deputy Secretary of the Party Branch of Zhongshan-Jiangmen Expressway Reconstruction and Expansion Management Office, Deputy Secretary and Director of the Party Branch of the Reconstruction and Expansion Project Management Office of the Southern Section of Foshan-Kaiping Expressway, director and deputy secretary of the Party branch of the Guangzhou-Zhuhai Expressway Reconstruction and Expansion Management Office. Since October 2021, he has served as the Deputy Secretary and Director of the Party Branch of the Reconstruction and Expansion Management Office of the Guangzhou-Zhuhai section of Beijing-Zhuhai Expressway and the Director of the Reconstruction and Expansion Project Management Office of the Southern Section of Foshan-Kaiping Expressway. He has been the Director of the Company since September 20, 2022.

Ms. Wu Hao, She is the director of the Company, with bachelor degree. From February 2012 to May 2020, She 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 Kuang Yu, Director of the Company, holds a master's degree in economics. He started working in 2011 and is currently the securities affairs representative of Poly Development Holding Group Co., Ltd. and the Department Manager of the Capital Operation Department of the Board Office. He has been the Director of the Company since May 17, 2022.

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. 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 May 20, 2019, she served as the independent director of the Company.

Mr. You Dewei, the independent director of the Company with a master's degree in law, served as the Senior Partner and Lawyer of Guangdong Zongheng Tianzheng Law Firm from June 1997 to January 2019, and as the Supervisor, Senior Partner and Lawyer of Guangdong ETR Law Firm since January 2019. Meanwhile, he is also a part-time External Director of the supervision enterprise of Guangdong State-owned Assets Supervision and Administration Commission, part-time External Director of Guangdong Port and Shipping Group, Independent Director of Guangzhou Academy of Building Research Co., Ltd., Independent Director of

Guangsheng Nonferrous Metals Co., Ltd., and one of the first batch of 35 mediators in the Mediation Center of Guangdong Lawyers Association, Deputy Director of the 11th State-owned Assets Law Committee of Guangdong Lawyers Association, Deputy Director of the 12th Compliance and Risk Control Law Committee of Guangdong Lawyers Association, Executive Director of China Health Law Society, Executive Director of Guangdong Health Law Society, Director of Guangdong Law Society's Corporate Compliance Research Society, Director of Guangdong Law Society's Medicine and Food Law Research Society, Deputy Director of Guangzhou Lawyers Association's Medicine and Health Business Legal Committee, an Arbitrator of Shenzhen Court of International Arbitration, Arbitrator of Qingyuan Arbitration Committee, Member of Guangdong Province's Eighth Five-Year Plan Law Popularization Lecturer Group, and Member of Guangzhou Municipal Bureau of Justice's "Warm Enterprise Action" 100-expert Lawyer Legal Service Group. He has been an independent director of the Company since September 20, 2022.

Mr. Yu Mingyuan, an Independent Director of the Company, Bachelor of Engineering, second-class researcher, and Expert enjoying special government allowance from the State Council, once served as the Director of the Highway and Comprehensive Transportation Development Research Center of the Research Institute of Highway, Ministry of Transport. Since July 2021, he has also served as an Independent Director of Jiangsu Shanghai-Nanjing Expressway Co., Ltd., since December 2022, as an Independent Director of Hubei Chutian Intelligent Transportation Co., Ltd., and since September 20, 2022, as an Independent Director of the Company.

Mr. He Sen, Chairman of the Board of Supervisors of the Company, Bachelor Degree, MBA, Senior Accountant, has been appointed Chairman of the Board of Supervisors of Guangdong Communications Group Co., Ltd. since March 2016. Since August 19, 2022, he has served as Chairman of the Board of Supervisors of the Company.

Ms. Wang Xiaobing, Supervisor of the Company, Bachelor of Arts, Senior Economist and Accountant, has been an expatriate supervisor of Guangdong Communications Group Co., Ltd. since August 2008. Since May 17, 2022, he has served as a Supervisor of the Board of Supervisors of the Company.

Ms. Ke Lin, Supervisor of the Company, Deputy Secretary of the Party Committee and Secretary of the Discipline Inspection Commission of the Company. Bachelor degree, Bachelor of Science, assistant researcher. From August 2017 to December 2020, she has served as Chairman of the labor union of the company, From August to New, She has served as party committee member, discipline inspection commission secretary. Since September 15, 2017, She served as supervisor of Board of supervisor of the Company.

Mr. Deng Yunfeng, supervisor of the Company, bachelor degree, MBA, senior engineer. He served as Party Secretary of Guangzhou-Foshan Expressway Co., Ltd. from February 2014 to July 2018; Minister of Party and Mass Work Department of the Company from July 2018 to the present, and also vice chairman of the trade union of the Company and chairman of the trade union of its headquarters from March 2021 to the present. He has served as the employee supervisor of the ninth board of supervisors of the Company since December 23, 2021.

Ms. Zhou Dong, Supervisor of the Company, Bachelor of Economics, and Senior Accountant. From April 2003 to January 2018, she served as Deputy Director of the Financial Management Department of the Company. Since January 2018, she has served as Deputy Secretary of the Discipline Inspection Committee of the Company and Director of the Discipline Inspection and Audit Department of the Company. Since September 2022, She has served as Employee Supervisor of the Board of Supervisors of the Company. She is also the Chairman of the Board of Supervisors of Ganzhou Ganxian-Nankang Expressway Co., Ltd., a shareholding

company of the Company, Supervisor of Guangdong Lechang-Guangzhou Expressway Co., Ltd. and Supervisor of Shenzhen Huizhou-Shenzhen Expressway Co., Ltd.

Mr. Luo Baoguo, Deputy General Manager of the Company, Master of Engineering, Senior Engineer. From August 2017 to December 2020, he served as the General Manager (person in charge) and Deputy Secretary of the Party Committee of Foshan-Kaiping Branch of Guangdong Expressway Development Co., Ltd. Since December 25, 2020, he has served as the Deputy General Manager of the Company. He is also the Chairman of Zhaoqing Yuezhao Highway Co., Ltd., a shareholding company of the Company, the Vice Chairman of Guangdong Zhongshan-Jiangmen Expressway Co., Ltd. and the Director of Guangdong Guangzhou-Huizhou Expressway Co., Ltd.

Mr. Zhou Yisan, General Counsel of the Company, Master of Law, corporate lawyer, second-class legal adviser of state-owned enterprises, has the qualifications of secretary of the board of directors, securities, futures and funds. From April 2016 to October 2017, he served as Deputy Director of Investment Development Department and Legal Affairs Department of the Company; from October 2017 to now, he served as Director of Legal Affairs of the Company; from September 2019 to September 2022, he served as Employee Supervisor of the Ninth Board of Supervisors of the Company; and from September 20, 2022, he served as General Counsel of the Company. Meanwhile, he also serves as the Director of Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section Co., Ltd., the holding company of the Company, Supervisor of Guangdong Yuepu Microfinance Co., Ltd. and Director of Guangdong Guangzhou-Huizhou 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 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. He also serves as the vice Chairman of Ganzhou Gankang Expressway Co., Ltd., a joint stock company of the Company. and Director of Jingzhu Expressway Guangzhu Section Co., Ltd.

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
Cheng Rui	Guangdong Communication Group	Minister of Legal Affairs.	May 1,2022		Yes
You Xiacong	Guangdong Highway Construction Co., Ltd.	Chief accountant, Party committee member and Secretary of the board of directors	January 14,2015		Yes
Yao Xuechang	Beijing-Zhuhai Expressway Guangzhou-Zhuhai section reconstruction and expansion management Office	Deputy secretary and director of the Party branch	October 1,2021		Yes
Zeng Zhijun	Guangdong Provincial Freeway Co.,Ltd.	General Counsel, Minister of Human Resources	September 1,2015		Yes
He Sen	Guangdong Communication Group Co., Ltd.	Dispatched chairman of the supervisory committee	March 1,2016		Yes
Wang Xiaobing	Guangdong Communication Group Co., Ltd.	Supervisor	August 1,2008		Yes

Offices taken in other organizations

√Applicable □Not applicable

Name of the persons in office	Name of other organizations	Titles engaged in the other organizations	Starting date of office term	Expiry date of office term	Does he/she receive remuneration or allowance from other organization
Zhang Hua	Shanghai Erro Investment Management Service Centre(General partnership)	General Manager	October 1,2016		Yes
	Zhuhai Taichuan Community Technology Co., Ltd .	Independent director	September 1,2017		Yes
	Guangzhou Yuyin Technology Co., Ltd.	Independent director	November 1,2018		Yes
	Guangzhou Rural Commercial Bank	Independent director	March 18,2021		Yes
Liu Zhonghua	College of Accounting, Guangdong University of Foreign Studies	Professor, Master's supervisor	September 1,2005		Yes
	Gelinmei Co., Ltd.	Independent Director	March 20,2019		Yes
	Yuexiu Capital Co., Ltd.	Independent Director	September 1,2022		Yes
	Luxshare Preciaion Industry Co., Ltd.	Independent Director	June 1,2021		Yes
Zeng Xiaoqing	Tongji University's School of Transportation Engineering	Professor and doctoral supervisor	June 1,2007		Yes
	Tongji University's Joint Experimental Center for Traffic Information Control	Director	June 30,2003		No
You Dewei	Guangdong ETR Law Firm	Chief Supervisor, senior partner, lawyer	January 1,2019		Yes
	Guangdong Province SASAC supervises enterprises	External director	July 1,2019		Yes
	Guangdong Ganghang Group	External director	July 1,2019		Yes
	Guangdong Provincial Academy of Building Research Group Co., Ltd.	Independent director	August 1,2022		Yes
	Rising Nonferrous Metals Share Co., Ltd.	Independent director	August 1,2022		Yes
	The 11th State-owned Assets Law Professional Committee of Guangdong Lawyers Association	Vice director	March 1,2017		No
	The 12th Compliance Risk Control Legal Professional Committee of Guangdong Lawyers Association	Vice director	April 1,2022		No
	China Health Law Society	Executive director	June 1,2019		No
	Guangdong Health Law Society	Executive director	December 1,2021		No
	Guangdong Provincial Law Society of Medicine and Food Law Research Associatio	Director	December 1,2020		No
	Pharmaceutical and Health Business Legal Professional Committee of Guangzhou Law Association	Vice director	September 1,2020		No
	Shenzhen Court of International Arbitration	Arbitrator	February 1,2019		No
	Qingyuan Arbitration Commission	Arbitrator	February 1,2016		No
	Guangzhou Municipal Bureau of Justice "warm enterprise action" 100 experts lawyers legal service	Member	September 1,2016		No
Yu Mingyuan	Research Institute of Highway Ministry of Transport	Second-level researcher	October 1,2022		Yes
	China Highway Society Investment Branch	Executive director	July 1,2022		No
	China Highway SocietyTransportation and Logistic Branch	Executive director	July 1,2018		No

Name of the persons in office	Name of other organizations	Titles engaged in the other organizations	Starting date of office term	Expiry date of office term	Does he/she receive remuneration or allowance from other organization
	Jiangsu Ninghu Expressway Co., Ltd.	Independent director	July 1,2021		Yes
	Hubei Chutian Smart Communication Co., Ltd.	Independent director	December 1,2022		Yes
Wu Hao	Shandong Expressway Investment Development Co., Ltd.	Member of Party committee, deputy general manager	May 29,2020		Yes
Kuang Yu	Poly Development Group Co., Ltd.	Securities Representative and Department Manager of Capital Operations Department of the Board of Directors			Yes

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

Applicable Not applicable

3. 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 Tenth board of directors and supervisory committee was examined and determined at the second provisional shareholders' general meeting in 2022.

Non-independent directors are not entitled to directors' remuneration.

1. Independent directors are entitled to directors' remuneration, 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 8,000 (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
Miao Deshan	Board Chairman	Male	51	In Office	25.15	No
Zheng Renfa	Board Chairman	Male	53	Dimission	38.15	No
Wang Chunhua	Director, General Manager	Male	58	In Office	82.81	No
Lu Ming	Director , Chief Accountant	Male	44	In Office	63.32	No
Zuo Jiang	Director, Deputy General Manager	Female	50	In Office	64.68	No
Cheng Rui	Director	Male	48	In Office	0	Yes
Cheng Rui	Deputy General Manager	Male	48	Dimission	38.58	No
Chen Min	Director	Male	59	Dimission	0	Yes
Zeng Zhijun	Director	Male	52	In Office	0	Yes
You Xiacong	Director	Male	53	In Office	0	Yes
Yao Xuechang	Director	Male	51	In Office	0	Yes

Ren Hua	Director	Male	47	Dimission	0	Yes
Wu Hao	Director	Female	50	In Office	0	No
Kuang Yu	Director	Male	37	In Office	0	No
Huang Hai	Director	Male	47	Dimission	0	No
Zhang Hua	Independent director	Male	57	In Office	7.8	No
Liu Zhonghua	Independent director	Male	57	In Office	7.8	No
Zeng Xiaoqing	Independent director	Female	53	In Office	7.8	No
You Dewei	Independent director	Male	54	In Office	2.4	No
Yu Mingyuan	Independent director	Male	60	In Office	2.4	No
Gu Naikang	Independent director	Male	57	Dimission	5.4	No
Bao Fangzhou	Independent director	Male	44	Dimission	5.4	No
He Sen	Chairman of the Supervisory Committee	Male	49	In Office	0	Yes
Jiang Changwen	Chairman of the Supervisory Committee	Male	55	Dimission	0	Yes
Wang Xiaobing	Supervisor	Female	51	In Office	0	Yes
Ke Lin	Supervisor	Female	53	In Office	63.76	No
Deng Yunfeng	Supervisor	Male	47	In Office	55.07	No
Zhou Dong	Supervisor	Female	52	In Office	55.08	No
Zhou Yisan	Supervisor	Male	42	Dimission	0	No
Zhou Yisan	Chief legal adviser	Male	42	In Office	55.88	No
Luo Baoguo	Deputy General Manager	Male	48	In Office	64.39	No
Yang Hanming	Secretary to the Board	Male	53	In Office	57.52	No
Total	--	--	--	--	703.39	--

VI. Performance of directors' duties during the reporting period

1. Information of the board meetings during the reporting period

Session	Convening date	Disclosure date	Meeting resolution
The 25th (Provisional) meeting of the ninth Board of Directors	January 11,2022	January 12,2022	The meeting examined and adopted the Proposal on Increasing Capital to Guangdong Expressway Capital to Invest in the Equity of CMST Nanning Smart Logistics Technology Co., Ltd.
The 26th (Provisional) meeting of the ninth Board of Directors	January 26,2022	January 27,2022	The meeting examined and approved the "Proposal on the "14th Five-Year" Development Plan of Guangdong Provincial Expressway Development Co.,Ltd." and agreed to the "14th Five-Year Development Plan of Guangdong Provincial Expressway Development Co., Ltd."
The 27th (Provisional) meeting of the ninth Board of Directors	March 15,2022	March 16,2022	The meeting examined and adopted of the Proposal on Changes in Accounting Policies , The meeting examined and adopted the Proposal on Write-off of Assets Impairment Provision , The meeting examined and adopted the Proposal Concerning Final Accounting Report for 2021 , The meeting examined and adopted the Proposal Concerning Final Accounting Report for 2021 , The meeting examined and adopted the Proposal Concerning Overall budget report of the Company for 2022 , The meeting examined and adopted the Proposal Concerning Overall budget report of the Company for 2022 , The meeting examined and adopted the Proposal Concerning Overall budget report of the Company for 2022 , The meeting examined and adopted Annual Report for 2021 and its summary , The meeting examined and adopted the Proposal the report on evaluation of the Company's internal control in 2021 , The meeting examined and adopted the Proposal for Hiring the 2022 Annual Financial Report Audit Agency , The meeting examined and adopted the Proposal for Hiring the 2022 Internal Control Audit Institution , The meeting Examined and adopted of the Proposal on Confirming the Continuous Risk Assessment Report of Guangdong Communication Group Finance Co., Ltd , The meeting Examined and adopted of the Proposal on the Report on the Control of Debt Risk of 2021 , The meeting Examined and adopted of the Proposal on the Report on the analysis of Debt Risk of 2021 , The meeting examined and adopted the Proposal Concerning the Company Daily Associated Transactions Predicted of 2022 , The meeting examined and adopted the Proposal on Nominated Candidate for Director of the Ninth Board of Directors , The meeting examined and adopted the Proposal on the Transfer of 100% Equity of the Wholly-owned Subsidiary Guangdong Expressway Technology Investment Co., Ltd. , The meeting examined and adopted the Proposal for Holding 2021 Annual Shareholders' General Meeting.
The 28th (Provisional) meeting of the ninth Board of Directors	March 18,2022	March 19,2022	The meeting examined and adopted the "Proposal on Capital Increase in Yuegao Capital Investment (Guangzhou) Co., Ltd. to Invest in the Equity of Shenzhen Garage Electric Pile Technology Co., Ltd."
The 29th (Provisional) meeting of the ninth Board of Directors	April 26,2022	April 27,2022	The meeting examined and adopted the "Proposal on Nominating Director to Perform the Duties of Chairman" , The meeting examined and adopted the Proposal concerning the First Quarter of 2022
The 30th (Provisional) meeting of the ninth Board of Directors	July 27,2022	July 28,2022	The meeting examined and adopted of the Proposal on Nominating Candidates for Directors of the Ninth Board of Directors , The meeting examined and adopted the Proposal for Holding 2022 First Provisional Shareholders' General Meeting.
The 31st (Provisional) meeting of the ninth Board of Directors	August 19,2022	August 20,2022	The meeting examined and adopted the "Proposal on Election of the Chairman of the Ninth Board of Directors",The meeting examined and adopted the "Proposal on By-election of Members of the Strategy Committee of the Ninth Board of Directors" , The meeting examined and adopted the "Proposal on By-election of Members of the Strategy Committee of the Ninth Board of Directors" , The meeting examined and adopted the "Proposal on By-election of Members of the Remuneration and Appraisal Committee of the Ninth Board of Directors" , The meeting examined and adopted the "Proposal on Formulating the Management System for External Donations of Guangdong Provincial Expressway Development Co., Ltd." , The meeting examined and adopted the "Proposal on Formulating the Implementation Rules for the Management Evaluation of Guangdong Provincial Expressway

Session	Convening date	Disclosure date	Meeting resolution
			Development Co., Ltd's tenure system and contractual management (trial)", The meeting examined and adopted Agreed to formulate the "Guangdong Provincial Expressway Development Co., Ltd's Managers' tenure system and contract management assessment implementation rules (trial)".
The 32nd (Provisional) meeting of the ninth Board of Directors	August 26,2022	August 27,2022	The meeting examined and adopted the Proposal for semi-annual report 2022 and its summary , The meeting examined and adopted of the Proposal on Confirming the Continuous Risk Assessment Report of Guangdong Communication Group Finance Co., Ltd. , The meeting examined and adopted of the Proposal on the Contractual Assessment Results of the Company's 2021 Management Membership Tenure System , The meeting examined and adopted of the Proposal on the Company's Management Members' Letter of Responsibility for Operational Management Targets in 2022 , The meeting examined and adopted of the Proposal on the General Election of the Company's Board of Directors , The meeting examined and adopted of the Proposal on the Remuneration of Directors of the 10th Board of Directors of the Company , The meeting examined and adopted the Proposal for Holding 2022 Second provisional Shareholders' General Meeting.
The 33rd (Provisional) meeting of the ninth Board of Directors	September 15,2022	September 16,2022	The meeting examined and adopted the "Proposal on the Evaluation Results of the Company's Management Members' Term of Operation Performance", and agreed to the results of the company's management members' tenure-term business performance evaluation.
The 1st (Provisional) meeting of the Tenth Board of Directors	September 20,2022	September 21,2022	The meeting examined and adopted the "Proposal on Election of the Chairman of the Tenth Board of Directors" , The meeting examined and adopted the "Proposal on the Appointment of the Company's General Manager, Board Secretary and Securities Affairs Representative" , The meeting examined and adopted the "Proposal on the Appointment of Deputy General Managers and Other Personnel of the Company" , The meeting examined and adopted the "Proposal on Amending the Rules of Procedure of the Risk Management Committee of the Company's Board of Directors" , The meeting examined and adopted the "Proposal on Election of the Audit Committee of the Tenth Board of Directors" , The meeting examined and adopted the "Proposal on Election of the Remuneration and Appraisal Committee of the Tenth Board of Directors" , The meeting examined and adopted the "Proposal on Election of the Strategy Committee of the Tenth Board of Directors" , The meeting examined and adopted the "Proposal on Election of the Risk Management Committee of the Tenth Board of Directors".
The 2nd (Provisional) meeting of the Tenth Board of Directors	October 21, 2022	October 22,2022	The meeting examined and adopted the Proposal on Amending Part of the Articles of Association of the Company , The meeting examined and adopted the Proposal on Amending of Independent director system of Guangdong Provincial Expressway Development Co., Ltd. , The meeting examined and adopted the Proposal on Increasing Capital to Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd. to Invest in the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway, The meeting examined and adopted the Proposal for Holding 2022 Third Provisional Shareholders' General Meeting.
The 3rd (Provisional) meeting of the Tenth Board of Directors	October 27,2022	October 28,2022	The meeting examined and adopted the Proposal concerning the Third Quarter of 2022 , The meeting examined and adopted the Proposal of the Investment in Partial Equity Projects of Beijing Institute of Architectural Design for Capital Increase in Yuegao Capital Holdings (Guangzhou) Co., Ltd.
The 4th (Provisional) meeting of the Tenth Board of Directors	November 17,2022	November 18,2022	The meeting examined and adopted the " Proposal Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd.'s Application for an Entrustment Loan of 500 million yuan from Guangdong Communication Group Co., Ltd."
The 5th (Provisional) meeting of the Tenth Board of Directors	November 30,2022	December 1,2022	The meeting examined and adopted the Proposal on the Formulation of Guangdong Provincial Expressway Development Co., Ltd.'s Guarantee Management System, The meeting examined and adopted the Proposal on the Formulation of Guangdong Provincial Expressway Development Co., Ltd.'s Liability Management System, The meeting examined and adopted the Proposal

Session	Convening date	Disclosure date	Meeting resolution
			on the Formulation of Guangdong Provincial Expressway Development Co., Ltd.'s Compliance Management System, The meeting examined and adopted the Proposal of the Formulation of Rules of Procedure of the Compliance Committee of the Board of Directors, The meeting examined and adopted the Proposal on the Establishment of a Compliance Committee of the Board of Directors, The meeting examined and adopted the Proposal of Employment Agreement for Company's Managers' Members and Letter of responsibility for the management objectives of the term of office, The meeting examined and adopted the Proposal on commissioning construction management matters for the reconstruction and expansion of the Nansha-Zhuhai section of the Guangzhou-Macao Expressway ".
The 6th (Provisional) meeting of the Tenth Board of Directors	December 13,2022	December 14,2022	The meeting examined and adopted the "Proposal on The Total Remuneration Management System of Guangdong Provincial Expressway Development Co., Ltd.(Trial)", The meeting examined and adopted the "Proposal on Revising the Measures for the Management of Remuneration of Members of the Management Level of Guangdong Provincial Expressway Development Co., Ltd.(Trial)", The meeting examined and adopted the "Proposal on the Remuneration Management Measures of Guangdong Provincial Expressway Development Co., Ltd.(Trial)", The meeting examined and adopted the "Proposal on the Administrative Measures for the Distribution of Incremental Incentive Remuneration of Guangdong Provincial Expressway Development Co., Ltd.(Trial)", The meeting examined and adopted the "Proposal on the System for the Selection and Appointment of Members of the Management Level of Guangdong Provincial Expressway Development Co., Ltd.(Trial)", The meeting examined and adopted the "Proposal on the Implementation Measures for the 'Three Importance and One Greatness Decision-making System' of Guangdong Provincial Expressway Development Co., Ltd.", The meeting examined and adopted the "Proposal on the Amendment of the Rules of Procedure of the Board of Directors of Guangdong Provincial Expressway Development Co., Ltd. ", The meeting examined and adopted the "Proposal for Holding 2022 Fourth Provisional Shareholders' General Meeting" .

2. Attendance of directors at the board meetings and the general meeting of shareholders

Attendance of directors at the board meetings and the general meeting of shareholders							
Name of director	Number of board meetings attended during the reporting period	Number of board meetings attended in person	Number of board meetings attended by means of communication	Number of board meetings attended by proxy	Number of board meetings absent from	Whether to attend the board meeting in person twice in a row	General meetings of shareholders attended
Miao Deshan	9	2	7	0	0	No	4
Zheng Renfa	4	1	3	0	0	No	0
Wang Chunhua	15	3	12	0	0	No	5
Lu Ming	15	3	12	0	0	No	5
Zuo Jiang	15	3	12	0	0	No	5
Cheng Rui	6	1	5	0	0	No	3
Chen Min	9	2	7	0	0	No	2
Zeng Zhijun	15	3	12	0	0	No	5
You Xiaocong	15	3	12	0	0	No	5
Yao Xuechang	6	1	5	0	0	No	3
Ren Hua	9	2	7	0	0	No	2
Wu Hao	15	3	12	0	0	No	5
Huang Hai	2	0	2	0	0	No	0
Kuang Yu	10	2	8	0	0	No	5
Gu Naikang	9	2	7	0	0	No	2
Bao Fangzhou	9	2	7	0	0	No	2
Zhang Hua	15	3	12	0	0	No	5
Liu Zhonghua	15	3	12	0	0	No	5
Zeng Xiaoqing	15	3	12	0	0	No	5
You Dewei	6	1	5	0	0	No	3
Yu Mingyuan	6	1	5	0	0	No	3

Explanation of failure to attend the board meeting in person twice in a row

None

3. Directors' objections to related matters of the Company

Whether the director raises any objection to the relevant matters of the Company

Yes No

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

4. Other descriptions of directors' performance of duties

Whether the directors' suggestions on the Company have been adopted

Yes No

The director's statement on whether the relevant suggestions of the Company have been adopted or not

During the reporting period, all the directors of the Company diligently performed the duties entrusted by the general meeting of shareholders, carefully evaluated and considered the Company's operation management, investment, corporate governance and other matters, actively proposed, scientifically discussed and collectively made decisions in the board meeting, and put forward multiple suggestions that meet the Company's development needs at the present stage, which were adopted by the Company in the form of resolutions of the Board of Directors.

VII. Situation of special committees under the Board of Directors during the reporting period

Committee name	Member information	Number of meetings convened	Convening date	Meeting content	Put forward important opinions and suggestions	Other information of duty performance	Details of objections (if any)
Audit Committee	Chairman of the committee: Liu Zhonghua, Member: Zhang Hua, Lu Ming	1	January 7, 2022	1. Reviewed the 2021 financial report prepared by the Company; 2. The CPA reported the audit plan of the 2021 financial report to the Audit Committee.	The Audit Committee reviewed the 2021 financial report prepared by the Company, and reached consensus: 1. The Company's accounting policies were properly selected, accounting estimates were reasonable, and no material misstatement or omission was found; 2. No major shareholders were found occupying the Company's funds; 3. No external violation guarantee or abnormal related party transactions were found; 4. The Company's financial statements could be submitted to the CPA firm for annual audit.		
Audit Committee	Chairman of the committee: Liu Zhonghua, Member: Zhang Hua, Lu Ming	1	March 4, 2022	1. Reviewed the 2021 annual financial report submitted by the Company's Finance Department and issued by certified public accountants with preliminary audit opinions; 2. Reviewed and approved the Proposal on Reviewing the 2021 Internal Control Evaluation Report of Guangdong Expressway Development Co., Ltd.; 3. Listened to the reports of the Proposal on Hiring Financial Report Audit Institution in 2022 and the Proposal on Hiring Internal Control Audit Institution in 2022, and reviewed relevant information; 4. Reviewed and approved the Company's 2021 Internal Audit Work Summary and 2022 Internal Audit Work Plan; 5. Reviewed and	1. The Audit Committee reviewed the 2021 financial report submitted by the Company's Finance Department and issued by the certified public accountant for annual review with preliminary audit opinions, and reached consensus as follows: (1) The audit of the Company's 2021 financial report by the certified public accountant for annual review was conducted in strict accordance with the relevant norms of audit business; (2) During preparation of the annual report, the annual certified public accountants communicated with the Audit Committee effectively, and fully listened to the opinions of the Audit Committee, and consensus was reached on all major aspects in the annual review; (3) The annual financial report issued by certified public accountants with preliminary audit opinions was relatively complete, with no major omissions, and it fairly reflected the Company's financial position as of December 31, 2021, and the production and operation results and cash flow in 2020 in all major aspects. 2. The Audit Committee has listened to the report of the <i>Proposal on Deliberating the "Evaluation Report for Internal Control of Guangdong Expressway Development Co., Ltd. in 2021"</i> submitted by the Discipline Inspection and Audit Department of the Company, and the certified public accountant has also issued a preliminary audit opinion on the internal control of the Company in 2021. The certified public accountant believed that Guangdong Expressway maintained effective		

Committee name	Member information	Number of meetings convened	Convening date	Meeting content	Put forward important opinions and suggestions	Other information of duty performance	Details of objections (if any)
				approved the Proposal on Reviewing the Company's 2021 Internal Control Evaluation Work Pla .	internal control of financial reports in all major aspects on December 31, 2021 in accordance with the <i>Basic Standards for Internal Control of Enterprises</i> and relevant regulations. The Audit Committee deliberated and approved the <i>Evaluation Report for Internal Control of Guangdong Expressway Development Co., Ltd. in 2021</i> and agreed to submit the proposal to the Board of Directors for deliberation. The Audit Committee listened to the reports of the <i>Proposal on Hiring Audit Institutions for Financial Reporting in 2022</i> and the <i>Proposal on Hiring Audit Institutions for Internal Control in 2022</i> , and reviewed relevant materials. It is considered that Yongtuo Certified Public Accountants LLP (Special General Partnership), with relevant qualifications to engage in the audit business of listed companies, in accordance with the independent, objective and fair practice standards, and with the experience and ability to provide audit services for listed companies, can meet the needs of the Company's 2022 annual financial report and internal control audit, and can independently audit the Company's financial status, and therefore, it is agreed that the Company will continue to hire Yongtuo Certified Public Accountants LLP (Special General Partnership) as the Company's annual financial report audit institution and internal control audit institution in 2022, and it is agreed to submit the above two proposals to the Board of Directors and the General Meeting of Shareholders for deliberation. 4. It deliberated and approved the Company's <i>Internal Audit Work Summary in 2021 and Internal Audit Work Plan in 2022</i> , and agreed to submit the above proposals to the Board of Directors for deliberation. 5. It deliberated and approved the <i>Proposal on Reviewing the Company's "Work Plan for Internal Control Evaluation in 2022"</i> and agreed to the Company's <i>Work Plan for Internal Control Evaluation in 2022</i> .		
Audit Committee	Chairman of the committee: Liu Zhonghua, Member:	1	March 15,2022	It reviewed the standard and unqualified 2021 financial report submitted by the	The Audit Committee reviewed the standard and unqualified 2021 financial report submitted by the Company's Financial Management Department and issued		

Committee name	Member information	Number of meetings convened	Convening date	Meeting content	Put forward important opinions and suggestions	Other information of duty performance	Details of objections (if any)
	Zhang Hua, Lu Ming			Company's Financial Management Department and issued by the accountant for annual audit	by the certified public accountant for annual review, and concluded that the Company's financial report truly, accurately and completely reflected the overall situation of the Company, and agreed to submit the 2021 financial report prepared by the Company and audited by the certified public accountant for annual review to the Board of Directors for deliberation.		
Remuneration and Assessment Committee	Chairman of the Committee: Bao Fangzhou, Member :Gu Naikang	1	March 15,2022	It reviewed the 2021Annual Report.	The Committee believed that in 2021, the Company's directors and senior management personnel performed their duties diligently and conscientiously, and agreed to the remuneration of directors and senior management personnel determined by the Company in accordance with relevant systems and regulations in 2021.		
Remuneration and Assessment Committee	Chairman of the Committee: Bao Fangzhou, Member :Gu Naikang, Kuang Yu	1	September 15,2022	It deliberated and approved the Proposal of Guangdong Expressway Development Co., Ltd. on Deliberating the Performance Assessment Results of Managers' Tenure and the Proposal on the Contractual Assessment Results of Managers' Tenure System in 2021.	The Committee unanimously agreed with the assessment results of the proposal and agreed to submit the assessment results to the Board of Directors of the Company for deliberation.		
Remuneration and Assessment Committee	Chairman of the Committee: You Dewei, Member :Zhang Hua, Kuang Yu	1	December 13,2022	It deliberated and approved the Proposal on the "Total Salary Management System of Guangdong Expressway Development Co., Ltd. (Trial)", Proposal on Amending the "Administrative Measures for Managers' Salary of Guangdong Expressway Development Co., Ltd. (Trial)", and Proposal on the "Salary Management Measures of Guangdong Expressway Development	The Committee deliberated and approved the proposal and agreed to submit it to the Board of Directors of the Company for deliberation.		

Committee name	Member information	Number of meetings convened	Convening date	Meeting content	Put forward important opinions and suggestions	Other information of duty performance	Details of objections (if any)
				Co., Ltd. (Trial)", Proposal on "Administrative Measures for Incremental Incentive Salary Distribution of Guangdong Expressway Development Co., Ltd. (Trial)" and Proposal on "Selection and Appointment System of Managers of Guangdong Expressway Development Co., Ltd. (Trial)".			
Strategy Committee	Chairman of the Committee: Zheng Runfa, Member: Wang Chunhua, Bao Fangzhou, Zhang Hua and Zeng Xiaoqing	1	January 26,2022	It deliberated the materials of the Company's "Fourteenth Five-Year" Development Plan.	The Committee believed that the content of the Company's "Fourteenth Five-Year" Development Plan is comprehensive and clear, which is in line with the actual situation of the Company, and it agreed to submit the Company's "Fourteenth Five-Year" Development Plan to the Board of Directors for deliberation.		
Risk Management Committee	Chairman of the Committee: Liu Zhonghua, Member: Miao Deshan, You Dewei	1	November 30,2022	It deliberated and approved the proposal on the results of the risk assessment in 2022.	The Committee agreed with the results of the 2022 risk assessment.		
Compliance Committee	Chairman of the Committee: You Dewei, Member: Yu Mingyuan, Wu Hao	1	December 13,2022	It deliberated and approved the Proposal on Deliberating and Determining the Compliance Risk in 2023.	All members of the Committee unanimously agreed that the company would carry out special work to prevent expressway traffic safety and compliance risks in 2023.		

VIII. The working status of the board of supervisors

The board of supervisors finds out whether the company has risks during the monitoring activities during the reporting period

Yes No

The Supervisory Committee has no objection to the supervision matters during the reporting period.

IX. Particulars about employees.**1. Number of staff, professional structure and educational background**

Number of in-service staff of the parent company(person)	106
Number of in-service staff of the main subsidiaries(person)	2,976
The total number of the in-service staff(person)	3,082
The total number of staff receiving remuneration in the current period(person)	3,077
Retired staff with charges paid by the parent company and main subsidiaries (person)	129
Professional	
Category	Number of persons (person)
Operating personnel	2,531
Sale personnel	0
Technology Personnel	359
Financial personnel	62
Management personnel	130
Total	3,082
Education	
Category	Number of persons (person)
Holders of master's degree or above	51
Graduates of regular university	610
Graduates of junior colleges	1,773
Other	648
Total	3,082

2. Remuneration policies

Guangdong Expressway follows the principle of adhering to the benefit orientation, taking into account of efficiency and fairness, and combining incentives with constraints, provides active encouragement and paid attention to the long-term. According to national laws, regulations and policies, it establishes the annual salary system for the person in charge of the enterprise and the performance salary system for management posts, adopts the total salary budget to be included in the overall budget management, and makes employees' salary closely linked with individual performance and enterprise benefits according to the interrelated performance contributions of labor, management and skills.

The Company provides various benefits in compliance with laws and regulations, and employees enjoy various benefits such as social insurance, enterprise annuity, supplementary medical care, trade union mutual insurance, etc., so as to ensure that employees can share development achievements and thereby arouse their working passion.

3. Training plan

Each business department organizes employees to participate in the business post training organized by the competent department of industry and social professional training institutions according to the employee job

characteristics, employee job performance and industry development trend of the department. In order to help enterprises develop with high quality and efficiently complete the task of state-owned enterprise reform, it is planned to carry out special training on state-owned enterprise reform; in order to improve employees' working satisfaction, it is planned to carry out special training on employees' mental health and physical health care. Carry out continuing education and training for professional and technical personnel. Carry out various training activities such as special education and incorruption education in cooperation with the party and the masses, supervision and examination, etc.

4. Outsourcing situation

Applicable No Applicable

X. Specification of profit distribution and capitalizing of common reserves

Formulation, implementation or adjustment of the profit distribution policy, especially the cash dividend policy during the reporting period

Applicable Not applicable

During the reporting period, the Company made a profit and the profit available to shareholders of the parent company was positive, but no cash dividend distribution plan was put forward.

Applicable Not applicable

Profit distribution and capitalization of capital reserve during the reporting period

Applicable Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for every ten shares (Yuan)(Tax-included)	4.28
A total number of shares as the distribution basis(shares)	2,090,806,126
Cash dividend amount (yuan, including tax)	894,865,021.93
Other means (such as repurchase of shares) cash dividend amount (yuan)	0.00
Total cash dividend (yuan, including tax)	894,865,021.93
Distributable profit (yuan)	100%

Proportion of cash dividend in the distributable profit

The Company is in a fast growth stage, there for 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. Limited to 10% of the registered capital of the Parent company, the net profit of the company, i.e. 147,681,138.46 yuan, is to be allocated for statutory common reserve fund;
2. The profit for 2022 is to be distributed as follows: 894,865,021.93 yuan. is to be allocated as the fund for dividend distribution for 2022. with the total shares at the end of 2022, i.e., 2,090,806,126 shares, as the base, cash dividend of 4.28 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 2022 annual shareholders' general meeting makes resolution on dividend distribution.

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

Applicable Not applicable

None

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

The Company has established a sound corporate governance structure, with clear responsibilities of general meeting of shareholders, Board of Directors, Board of Supervisors and management, established corporate governance rules centered by the *Articles of Association*, rules of procedure of general meeting of shareholders, Board of Supervisors, Board of Directors and specialized committees thereunder, standardized operation of

general meeting of shareholders, Board of Directors and Board of Supervisors, held and convened relevant meetings in accordance with the provisions of the *Company Law* and the *Articles of Association*, and reached legal and valid resolutions. The general meeting of shareholders is the highest authority of the Company; the Board of Supervisors is responsible for the general meeting of shareholders, and the supervision of directors and management to perform their duties according to law is sound and effective. The Board of Directors shall be responsible to the general meeting of shareholders and exercise the business decision-making power according to law. It is provided with an Audit Committee, the independent directors meet the quorum, and the decision-making procedures and management rules of procedure of the Board of Directors are scientific and transparent; the management is efficient and rigorous in implementing the resolutions of the Board of Directors.

The Company has set up 10 functional departments, including Investment Development Department, Human Resources Department, Financial Management Department, Infrastructure Management Department, Operation and Management Department, Discipline Inspection and Audit Department, Securities Affairs Department, Comprehensive Affairs Department, Legal Affairs Department and Party and Mass Work Department. The distribution of powers and responsibilities and business processes of all functional departments are clear and reasonable, forming a working mechanism of duty performance, responsibility shouldering, mutual restriction and coordination. The Company has established a perfect control system for parent-subsidary companies, and formed a sound internal control system for each subsidiary company. Meanwhile, the Company has established and improved rules and regulations related to risk assessment, fraud risk control, information and communication, and maintained effective internal control.

The Company has set up an Audit Committee under the Board of Directors to supervise the effective implementation of the Company's internal control and self-evaluation of internal control. The Company has set up the Discipline Inspection and Audit Department, which is responsible for supervising the establishment and operation of the Company's internal control system, evaluating the Company's risk control and evaluating the effectiveness of the Company's internal control. It has defined the standards of internal control defect identification, rectification procedures and internal control self-evaluation procedures, and formed an effective internal control supervision system.

2.Details of major internal control defects found during the reporting period

Yes No

XIII. Management and control of the Company's subsidiaries during the reporting period

Applicable Not applicable

XIV. Internal control self-evaluation report or internal control audit report

1.Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	March 21 ,2023
Disclosure index of appraisal report on internal control	www.cninfo.com.cn
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%
The ratio of the	100.00%

operating income of units included in the scope of evaluation accounting for the 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 “general deficiencies” in the internal control of the financial report. (1) Frauds made by staff in non key positions, or business operators execute the implementation procedures not strictly conforming to the company’s policy but resulted in no significant impact on the reliability of the financial report. (2) The supervisory function on compliance is invalid, and the violations of regulations may not have a significant impact on the reliability of the financial report; (3) The general deficiencies reported to the management but are not corrected within a reasonable period.</p>	<p>The qualitative criteria for the evaluation of internal control deficiencies in non-financial reports confirmed by the Company is as follows: Material deficiencies: serious violations and being sentenced to heavy fines or need taking criminal responsibility; utterly disregard the rules of law, illegal behaviors in the operation and management are particularly severe and the circumstance is very bad, which leads to the suspension or cessation to the company’s daily operation and management activities, and leads to the audit report with a disclaimer of opinion or a negative opinion issued by the CPA; the negative news spread all over the country, which caused severe damage to the company’s reputation; resulted in decease of a number of workers or citizens, or resulted in damages that are unable to recover to workers or citizens; reached the circumstance(grade II) of major environmental event. Significant deficiencies: illegal and being punished; disregard the requirements of the company’s management system and the relevant rules of law, there are illegal acts of using the authority to seek illegal interests in the work, which significantly affect the efficiency and the result of daily operation and management activities and lead to the audit report with qualified opinion issued by the CPA; the negative news spread in a region, which caused the large-extent damage to the company’s reputation; resulted in decease of a worker or a citizen, or resulted in damages that need long time to recover to workers or citizens; reached the circumstance(grade III) of big environmental event. General deficiencies: minor violations; the awareness of management under in compliance with laws and regulations is weak, lacking of business and management knowledge, and there are phenomena such as being slack in performing management duties, being passive and poorly execute the institution in the work, which shall affect the efficiency and the result of daily operation and management activities and lead to small effects to the company’s management goal; the negative news spread within the company, which caused the little-extent damage to the company’s reputation; shortly affected the health of the workers or citizens and the workers or citizens can be recovered in a short time; reached the circumstance(grade IV) of general environmental event.</p>
Standards of	The qualitative criteria for the evaluation of	The qualitative criteria for the evaluation of

Quantization	internal control deficiencies in financial reports confirmed by the Company is as follows: Material deficiencies: potential misstatement $\geq 1\%$ of the total amount of the owner's equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner's equity or RMB 100 million \leq potential misstatement $< 1\%$ of the total amount of the owner's equity or RMB 200 million; general deficiencies: potential misstatement $< 0.5\%$ of the total amount of the owner's equity or RMB 100 million Standards of Quantization	internal control deficiencies in financial reports confirmed by the Company is as follows: Material deficiencies: potential misstatement $\geq 1\%$ of the total amount of the owner's equity or RMB 200 million; significant deficiencies: 0.5% of the total amount of the owner's equity or RMB 100 million \leq potential misstatement $< 1\%$ of the total amount of the owner's equity or RMB 200 million; general deficiencies: potential misstatement $< 0.5\%$ of the total amount of the owner's equity or RMB 100 million Standards of Quantization
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

2. 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, 2022.	
Disclosure of internal audit report	Disclosure
Disclosure date of audit report of internal control (full-text)	March 21, 2023
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 has material 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

XV. Rectification of self-examination problems in special governance actions of listed companies

According to the Notice on Well Ensuring Self-examination and Self-correction for Special Governance Actions of Listed Companies issued by Guangdong Securities Regulatory Bureau, the Company carefully combed the corporate governance including the establishment of the organization, the revision of the company system, the operation and decision-making of the organization, the code of conduct of controlling shareholders and related parties, the related party transactions and the internal control standard system.

Upon self-examination, it is found that the Company strictly follows the requirements of the Company Law, the Securities Law, the Governance Guidelines for Listed Companies, the Stock Listing Rules and other laws and regulations to build and improve the corporate governance structure and improve the standard operation level. The

Company has formulated the Articles of Association, the rules of procedure for the operation of the third meetings, the working rules of the special committees of the Board of Directors, the working rules of the general manager and other systems, as well as the internal control system covering the Company's financial management, investment management, information disclosure, related party transactions, external guarantee, fund raising and other aspects of operation and management, and all these systems have been well implemented.

The general meeting of shareholders performs its functions effectively in strict accordance with the Company Law, the Articles of Association and other relevant regulations. The Board of Directors is responsible to the general meeting of shareholders, bears the ultimate responsibility of daily operation and management, holds meetings according to legal procedures and exercises its powers. In the attitude of being responsible to all shareholders, the Board of Supervisors maintains close contact and communication with the Board of Directors and management, and effectively performs all supervisory powers and obligations.

The Company must operate independently in terms of business, personnel, assets, institutions and finance for controlling shareholders.

The Company rectified the insufficiency in number of meetings held by the professional committee of the Board of Directors every year. During the reporting period, the Audit Committee of the Board of Directors held 4 meetings; the Remuneration and Assessment Committee held 3 meetings; the Strategy Committee and the Risk Management Committee held 1 meeting respectively. Communication, supervision and verification of internal and external audit of the Company by the professional committees of the Board of Directors; it reviews the remuneration policies and programs of directors and senior management personnel of the Company; studies the strategic development direction of the Company and the establishment of enterprise risk management system, puts forward guiding opinions for the establishment of enterprise risk management system, and provides advice and suggestions for major decisions of the Board of Directors.

V. Environmental & Social Responsibility

I. Significant environmental issues

Whether the Company or any of its subsidiaries is identified as a key polluter by the environment authorities

Yes No

Administrative penalties for environmental problems during the reporting period

None

Refer to other environmental information disclosed by key pollutant discharge units

None

Measures and effects taken to reduce its carbon emissions during the reporting period

Applicable Not applicable

Reasons for not disclosing other environmental information

None

II. Social responsibilities

For details of CSR work, please refer to the "2022 Environmental, Social and Governance (ESG) Report of Guangdong Expressway Development Co., Ltd" disclosed on Cninfo Information Network (www.cninfo.com.cn) on March 21, 2023

III. Consolidate and expand the achievements of poverty alleviation and rural revitalization

None

VI. Important Events

I. 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	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 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	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			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.			
	All directors, supervisors and senior management personnel of Guangdong Expressway	Commitment on authenticity, accuracy and completeness of the information provided	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 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.	November 25, 2020	Permanently effective	Normal performance
	All directors, supervisors and senior management personnel of Guangdong	Commitment on filling measures to dilute immediate reward	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 duties. 4. I promise that	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Expressway		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 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.	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	Commitment on maintaining the	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	June 26,2015	This letter of commitment is	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Co.,Ltd.	independence of listed companies	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.		valid from the date of signing to the date when the Provincial Expressway is no longer controlled by the controlling shareholder of Guangdong Expressway	
	Guangdong Provincial Freeway Co.,Ltd.	Commitment on reducing and standardizing related transactions	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 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.	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 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	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			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.			
	Guangdong Communications Group	Commitment on maintaining the independence of listed companies	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 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 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 Expressway	Normal performance
	Guangdong Communications Group	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	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	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>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 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 Expressway	
	Guangdong Communications Group	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 controlling shareholders to seek improper benefits or damage the legitimate rights and interests of Guangdong Expressway and its minority shareholders.</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 Expressway	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Guangdong Communications Group	Commitment on authenticity, accuracy and completeness of the information provided	<p>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 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</p>	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			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.			
	Guangdong Communications Group	Commitment on fulfilling filling measures to dilute immediate reward	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.	November 25, 2020	Permanently effective	Normal performance
	Guangdong Communications Group	Commitment on land and real estate of Guanghui Expressway	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 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	November 25, 2020	Permanently effective	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			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 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 Communication Group Co., Ltd	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 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.,	April 27, 2019	It continued to push forward the progress of accreditation, and completed the registration	Normal performance

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>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>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>	
Completed on time(Y/N)	Yes					

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

Applicable Not applicable

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.	February 1, 2020	December 31, 2022	299,926.57	277,077.89	The impact of the Public health events and other factors	November 26, 2020	www.cninfo.com.cn

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

Applicable Not applicable

(1) Content of profit compensation commitment

In 2020, the Company acquired the 21% equity of Guangdong Guanghui Expressway Co., Ltd held by Guangdong Expressway Co., Ltd (hereinafter referred to as "Guangdong Expressway") in cash (hereinafter referred to as the "Transaction"). The company signed the Profit Compensation Agreement with the provincial expressway, and predicted the profit of the target asset Guanghui Company in the next three years (2020 - 2022):

Profit forecast subject	Committed net profit ('0000 yuan)			
	2020	2021	2022	Three years of accumulation
Guanghui Company	65,247.75	111,258.73	123,420.09	299,926.57

Guangdong Expressway promised that if the cumulative net profit realized by Guanghui Company at the end of any fiscal year during the profit compensation period (2020-2022) after deducting non-recurring profits and losses does not reach the cumulative net profit of the above commitment, the Guangdong Expressway Company shall compensate in cash annually according to the amount determined in the Profit Compensation Agreement. The specific compensation amount is as follows:

Current compensation amount by performance commitment = (cumulative forecast net profit as of the end of the current period - cumulative realized net profit as of the end of the current period) ÷ sum of the predicted net profit for each year during the compensation period × the transaction price of the underlying asset - the cumulative compensation amount paid by Guangdong Expressway. Where the compensation amount calculated in each year is less than 0 yuan, the value of 0 yuan is taken, and the amount that has been compensated shall not be written back.

(2) The fulfillment of the profit compensation commitment

In 2020, Guanghui Company achieved a net profit of 780,305,000 yuan, and the net profit after deducting non-recurring profits and losses was 769,232,600 yuan; the actual profit was 116,755,100 yuan more than the profit forecast of 652,477,500 yuan, thus the completion rate to the profit forecast was 117.89%.

In 2021, Guanghui Company achieved a net profit of 1,111,564,500 yuan, and the net profit after deducting non-recurring profits and losses was 1,105,444,400 yuan; the actual profit was 7,142,900 yuan less than the profit forecast of 1,112,587,300 yuan, thus the completion rate to the profit forecast was 99.36%. As of the end of the 2021 fiscal year, the cumulative net profit (excluding non-recurring profit and loss) for the two years was 1,874,677,000 yuan, which was 109,612,200 yuan more than the cumulative profit forecast of 1,765,064,800 yuan, thus the completion rate to profit forecast was 106.21%.

In 2022, Guanghui Company achieved a net profit (excluding non-recurring profit and loss) of 916,307,300 yuan. The actual profit was 317,893,600 yuan less than the profit forecast of 1,234,200,900 yuan.

As of the end of 2022, Guanghui Company's three-year cumulative net profit (excluding non-recurring profit and loss) was 2,770,778,900 yuan, which was 228,486,800 yuan less than the three-year cumulative profit forecast of 2,999,265,700 yuan, thus the completion rate to profit forecast was 92.38%.

Unit: 0000 yuan

	The number of profit forecast	The number of actual profit	Difference	Cumulative difference
2020	65,247.75	76,923.26	11,675.51	11,675.51
2021	111,258.73	110,544.44	-714.29	10,961.22
2022	123,420.09	89,610.19	-33,809.90	-22,848.68

(3) The reason for the difference between Guanghui Company's actual profit and profit forecast

In 2022, the Guanghui Expressway continued to be affected by the multi-point spread of the Public health events in Guangdong Province, and the local Public health events prevention policies restricted the cross-regional movement of people and vehicles, which had a significant negative impact on the toll revenue of expressways. Especially in the fourth quarter, with the aggravation of the Public health events in Guangzhou and the State Council's request for a 10% reduction in truck tolls in toll roads in the fourth quarter of 2022, the toll revenue of Guanghui Expressway experienced a further decline. The combination of multiple factors led to a sharp YOY decline in toll revenue of Guanghui Expressway in 2022.

The traffic volume, toll revenue and YOY changes of Guanghui Expressway in 2022 are shown in the following table:

Unit: '0000 vehicles, '0000 yuan

Time	Traffic volume in 2022		Tolls revenue in 2022	
	Data by month	YOY growth rate	Data by month	YOY growth rate
January	691.34	-0.98%	17,601.64	-5.85%
February	511.28	11.81%	11,331.31	6.70%
March	548.61	-26.77%	14,505.45	-29.43%
April	557.68	-20.90%	12,926.71	-23.53%
May	620.62	-13.55%	14,591.43	-18.63%
June	680.30	20.99%	17,084.84	18.13%
July	776.41	-2.07%	19,721.69	-2.23%
August	766.88	2.66%	19,706.32	-0.88%
September	705.77	-5.53%	17,665.73	-11.96%
October	613.17	-8.11%	12,018.71	-20.69%
November	519.07	-30.10%	12,268.82	-40.55%
December	559.52	-21.03%	13,699.28	-21.92%

Time	Traffic volume in 2022		Tolls revenue in 2022	
	Data by month	YOY growth rate	Data by month	YOY growth rate
Total	7,550.65	-8.98%	183,121.92	-13.87%

(4). Measures taken by the Company

In line with the attitude of being responsible to the listed company and all investors, the Company will, in accordance with the provisions of the Profit Compensation Agreement, negotiate matters related to the performance commitment with the party responsible for profit compensation upon the actual situation of Guanghui Company's performance affected by the Public health events, and then will submit the plan to the Company's board meeting and the shareholders' general meeting for deliberation in a timely manner after negotiation.

Completion of performance commitment and its impact on goodwill impairment test.

None.

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

Applicable Not applicable

None

III. Illegal provision of guarantees for external parties

Applicable Not applicable

None

IV. Explanation of the Board of Directors on the latest "Non-standard Audit Report"

Applicable Not applicable

V. Notes for "non-standard audit report" of CPAs firm during the Reporting Period by board of directors and supervisory board

Applicable Not applicable

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

None

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

Applicable Not applicable

During the Reporting Period, the Company transferred the 100% equity of Guangdong Expressway Technology Investment Co., Ltd-a wholly-owned subsidiary-to Guangdong Litong Technology Investment Co., Ltd, with the equity delivery date of March 29, 2022, therefore it was no longer included in the scope of consolidated financial statements at the end of the reporting period.

VIII. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	Yong Tuo Certified Public Accountants (Special General Partnership)
Remuneration for domestic accounting firm (Ten thousands yuan)	125.2
Successive years of the domestic CPAs offering auditing services	3 years

Name of CPA	Shi Shaoyu, Huang Zhiyan
Continuous years of audit services of certified public accountants of domestic public accounting firms	3 years
Name of the Overseas CPAs (If any)	None
Remuneration for overseas accounting firm (Ten thousands yuan) (If any)	0
Successive years of the overseas CPAs offering auditing services (If any)	None
Name of CPA (If any)	None
Continuous years of audit services of certified public accountants of overseas public accounting firms (if any)	None

Has the CPAs been changed in the current period

Yes No

A detailed explanation of the change of employment and accounting firm

Applicable Not applicable

On March 15, 2022, the "Proposal on Hiring the Internal Control Audit Agency for 2022" was approved in the 27th meeting of the ninth session of the board of directors, and it agreed that the Company will continue to hire Yongtuo Accounting Firm (LLP) as the internal control auditor for 2022. On May 17, 2022, the "Proposal on Hiring the Internal Control Audit Agency for 2022" was approved in the Company's 2021 Annual General Meeting of Shareholders.

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

Applicable Not applicable

X. Relevant Matters of Bankruptcy Reorganization

Applicable Not applicable

None

XI. Matters of Important Lawsuit and Arbitration

Applicable Not applicable

None

XII. Situation of Punishment and Rectification

Applicable Not applicable

None

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

Applicable Not applicable

XIV. 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. Transactions with related finance company, especially one that is controlled by the Company

Applicable Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (10,000)	Deposit interest rate range	Beginning balance (10,000)	The amount of this period		Ending balance (10,000)
					Total deposit amount (10,000)	Total amount is withdrawn for this period(10,000)	
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	300,000	0.35%-2.85%	152,373.48	736,897.41	649,874.28	239,396.61

Loan business

Related party	Relationship	Loan limit (10,000)	Loant interest rate range	Beginning balance (10,000)	The amount of this period		Ending balance (10,000)
					Total loan amount of the current period (10,000)	Total repayment amount of the current period (10,000)	
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	400,000	2.95%-3.40%	20,022.92	44,485.42	1,649.01	62,859.33

Credit extension or other financial services

Related party	Relationship	Business type	Total amount (10,000)	Actual amount incurred (10,000)
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	Credit extension	220,000	63,000

6. Transactions between the financial company controlled by the Company and related parties

Applicable Not applicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the Company and related parties.

7. Other significant related-party transactions

Applicable Not applicable

1. The "Proposal on the Transfer of 100% Equity of the Wholly-owned Subsidiary-Guangdong Expressway Technology Investment Co., Ltd" was reviewed and approved in the 27th meeting of the ninth board of directors of the Company. It's agreed that the Company will transfer 100% of the equity of Guangdong Expressway Technology Investment Co., Ltd to Guangdong Litong Technology Investment Co., Ltd by means of non-public agreement transfer based on the asset evaluation results that have been filed as the pricing basis. The transfer price is 50,623,900 yuan. It's authorized the management team of the Company to handle matters related to this equity transfer.

2. The "Proposal on the Company's Expected Routine Connected Transactions in 2022" was reviewed and approved in the twenty-seventh meeting of the ninth board of directors of the Company, and agreed to the Company's headquarters, branches and wholly-owned and controlled subsidiaries' expected routine connected transactions in 2022, with the transaction amount totaled in 69,034,100 yuan.

3. The " Proposal Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd.'s Application for an Entrustment Loan of 500 million yuan from Guangdong Communication Group Co., Ltd." The website to disclose the interim announcements on significant related-party transactions was reviewed and approved in the 4th meeting of the Tenth board of directors of the Company, and it agreed that the holding subsidiary-Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd applies for an entrusted loan from Guangdong Communication Group Co., Ltd., with the amount is not more than 500 million yuan , the loan term is 1 year and the interest rate is not higher than 1 year LPR and it adjusts quarterly, which will be used to replenish liquidity and repay all debts (including shareholder entrusted loans).

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	March 16,2022	www.cninfo.com.cn
Estimates announcement of the Daily Related Party Transaction of 2022	March 16,2022	www.cninfo.com.cn
Announcement of related party transaction	November 18,2022	www.cninfo.com.cn

XV. Significant contracts and execution

1. Entrustments, contracting and leasing

(1) Entrustment

Applicable Not applicable

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

No such cases in the reporting period.

2. Significant Guarantees

Applicable Not applicable

No such cases in the reporting period.

3. Situation of Entrusting Others for Managing Spot Asset

(1) Situation of Entrusted Finance

Applicable Not applicable

None

(2) Situation of Entrusted Loans

4. Other significant contract

Applicable Not applicable

XVI. Explanation on other significant events

Applicable Not applicable

The Proposal on Increasing Capital to Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd. to Invest in the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway was reviewed and approved in the 2nd meeting of the Tenth board of directors of the Company, It's agreed that the Company

shall take the estimated investment amount of 15.425 billion yuan of this project approved by the Development and Reform Commission of Guangdong Province as the basis, and the capital is 35% of the estimated investment amount after excluding the expenses borne by the government, and the company shall bear the capital contribution of about 3.414 billion yuan according to the shareholding ratio, which shall be subject to the final settlement price of the project.

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of Resolutions of the Second (Provisional) Meeting of the Ten Board of Directors	2022-10-22	www.cninfo.com.cn
Announcement on External Investment	2022-10-22	www.cninfo.com.cn

XVII. Significant event of subsidiary of the Company

√ Applicable Not applicable

Guangdong Provincial Expressway Development Co., Ltd received the informal letter No. 24-[2022] Yue Transportation Operation-"Notice of the Department of Transportation of Guangdong Province on Issues Concerning the Expiration of Toll Collection of Guangfo Expressway" issued by Guangdong Provincial Department of Transportation", with the main content as follows:

1. Guangfo Expressway shall stop toll collection from 0:00 on March 3, 2022, retain the existing toll facilities and operate as usual in a zero-rate manner, exempt vehicle tolls for all vehicles passing this road section, and collect vehicle tolls on behalf for other road sections.

2. After the toll collection is stopped, Guangfo Expressway Co., Ltd shall continue to be responsible for the management and maintenance of Guangfo Expressway.

Guangfo Expressway Co., Ltd is a holding subsidiary to the Company, and the Company holds 75% of its equity. The Company and Guangfo Company will conduct timely inspection, maintenance and management of Guangfo Expressway and its ancillary facilities, as well as communication, monitoring, network toll collection and other systems in strict accordance with the national and provincial standards and specifications, thus to ensure that they are in good technical conditions and to ensure the order of network toll collection operation. It will do a good job in traffic flow monitoring and traffic guidance after the toll collection of Guangfo Expressway is stopped, and will provide high-quality services for passing vehicles and personnel.

Notice on Issues Concerning the Expiration of Toll Collection of Guangfo Expressway

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Notice on Issues Concerning the Expiration of Toll Collection of Guangfo Expressway	2022-02-23	www.cninfo.com.cn

VII. 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	439,254,717	21.01%				-421,322	421,322 ⁻	438,833,395	20.99%
1. State-owned shares	410,105,738	19.61%						410,105,738	19.61%
2. State-owned legal person shares	21,712,738	1.04%						21,712,738	1.04%
3. Other domestic shares	7,436,241	0.36%				-421,322	421,322 ⁻	7,014,919	0.34%
Including : Domestic Legal person shares	6,863,511	0.33%				-319,575	319,575 ⁻	6,543,936	0.31%
Domestic natural person shares	572,730	0.03%				-101,747	101,747 ⁻	470,983	0.02%
4. Foreign shares	0	0.00%						0	0.00%
Including: Foreign legal person shares	0	0.00%						0	0.00%
Foreign natural person shares	0	0.00%						0	0.00%
II. Shares with unconditional subscription	1,651,551,409	78.99%				421,322	421,322	1,651,972,731	79.01%
1. Common shares in RMB	1,302,902,734	62.32%				421,322	421,322	1,303,324,056	62.34%
2. Foreign shares in domestic market	348,648,675	16.68%						348,648,675	16.68%
3. Foreign shares in foreign market	0	0.00%						0	0.00%
4. Other	0	0.00%						0	0.00%
III. Total of capital shares	2,090,806,126	100.00%				0	0	2,090,806,126	100.00%

Reasons for share changed

√Applicable □Not applicable

1. During the reporting period, the 419,372 shares held by 36 shareholders were lifted, and the shares were changed from "domestic legal person shareholding" and "domestic natural person shareholding" to "unlimited sale conditional shares".

2. During the reporting period, The 1,950 "restricted shares held by domestic natural persons" held by the resigned director Mr. Du Jun were converted into "unrestricted 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

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
Kong Lingbin and other 35 shareholders	99,797		99,797	0	Release of restrictions on sales	January 19,2022
Foshan Shunde Yunlong Development Co., Ltd.	319,575		319,575	0	Release of restrictions on sales	January 19,2022
Du Jun	7,800		1,950	5,850	Outgoing executives locked up shares	January 4,2022
Total	427,172	0	421,322	5,850	--	--

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	47,593	Total shareholders at the end of the month from the date of disclosing the annual report	48,276	The total number of preferred shareholders voting rights restored at period-end (if any)(Note 8)	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed(if	0
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of the reporting period							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%	513,485,480		410,105,738	103,379,742		
Guangdong Highway Construction Co., Ltd,	State-owned legal person	22.30%	466,325,020					
Shangdong Expressway Investment Development Co., Ltd.	State-owned legal person	10.10%	211,069,245	8,640,096				
Tibet Hetai Business management Co.,Ltd.	State-owned legal person	4.84%	101,214,574					
Guangdong Provincial Freeway Co.,Ltd.	State-owned legal person	2.53%	52,937,491		19,582,228	33,355,263		
Feng Wuchu	Domestic natural person shares	1.12%	23,374,405	1,786,434				
Happy life insurance Co., Ltd.-Dividend	Other	1.10%	22,985,230	6,142,752				
Xinyue Co., Ltd.	Overseas legal person	0.63%	13,201,086					
Happy life insurance Co., Ltd. — Self funds	Other	0.59%	12,365,708	-113,100				

Happy life insurance Co., Ltd. — Self funds	Other	0.58%	12,115,799				
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., Guangdong Provincial Freeway Co.,Ltd. and Xinyue Co., Ltd., It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.						
Above shareholders entrusting or entrusted with voting rights, or waiving voting rights	None						
Top 10 shareholders including the special account for repurchase (if any) (see note 10)	None						
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		
Shangdong Expressway Investment Development Co., Ltd.	211,069,245			RMB Common shares	211,069,245		
Guangdong Communication Group Co.,Ltd	103,379,742			RMB Common shares	103,379,742		
Tibet Hetai Business management Co.,Ltd.	101,214,574			RMB Common shares	101,214,574		
Guangdong Provincial Freeway Co.,Ltd.	33,355,263			RMB Common shares	33,355,263		
Feng Wuchu	23,374,405			RMB Common shares	20,627,042		
				Foreign shares placed in domestic	2,747,363		
Happy life insurance Co., Ltd.-Dividend	22,985,230			RMB Common shares	22,985,230		

Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic	13,201,086
Happy life insurance Co., Ltd.—Self funds	12,365,708	RMB Common shares	12,365,708
Happy life insurance Co., Ltd.—Self funds	12,115,799	RMB Common shares	12,115,799
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. , Guangdong Provincial Freeway Co.,Ltd. and Xinyue Co., Ltd. ,It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.		
Top 10 ordinary shareholders conducting securities margin trading (if any) (see note 4)	None		

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

Yes No

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

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 Yueyun Traffic Co., Ltd., a company listing H shares.			

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

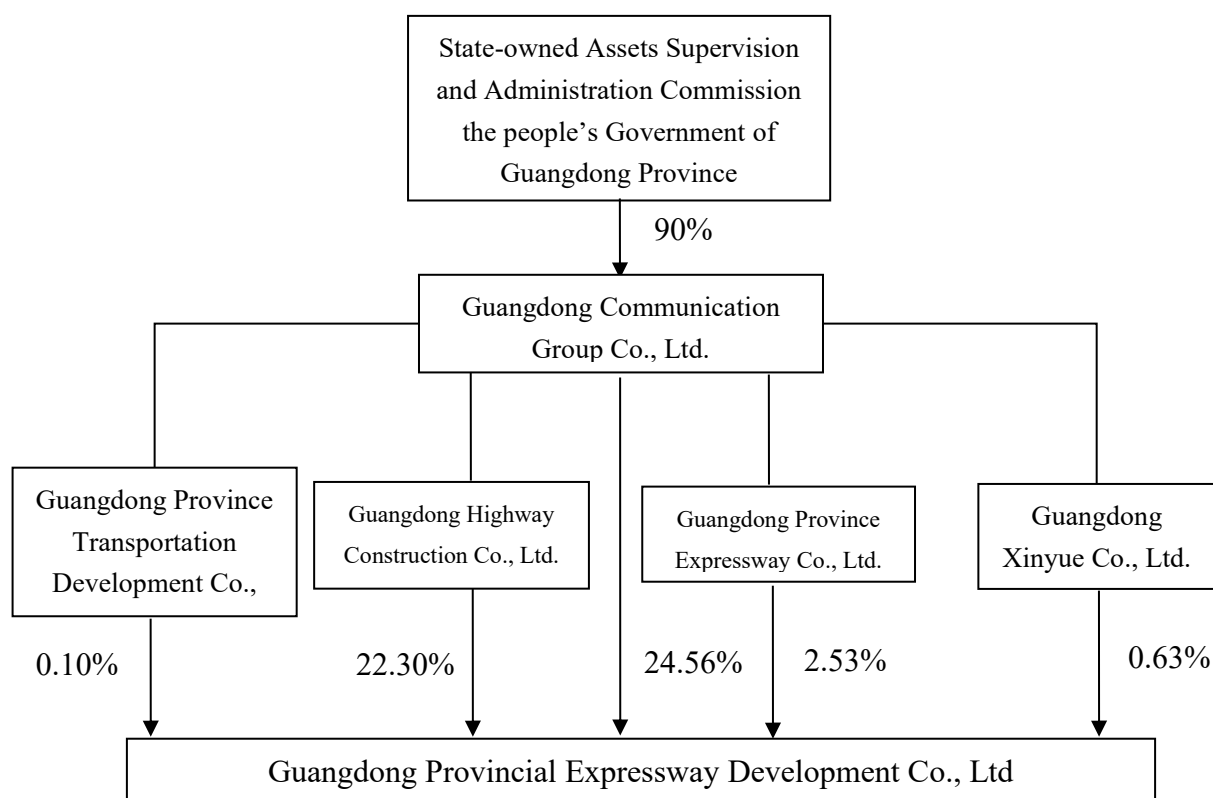
Name of the actual controller	Legal representative /Leader	Date of incorporation	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government	Li Cheng	June 26,2004	114400007583361658	As an ad hoc organization directly under the Guangdong provincial government, it is authorized by the Guangdong provincial government to represent the Guangdong provincial government to perform the investor's duties for the supervised enterprises in accordance with the law, specializing in the supervision of state-owned assets.
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	As an ad hoc organization directly under the Guangdong provincial government, it is authorized by the Guangdong provincial government to represent the Guangdong provincial government to perform the investor's duties for the supervised enterprises in accordance with the law, specializing in the supervision of state-owned assets.			

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. The cumulative number of shares pledged by the controlling shareholder or the largest shareholder of the company and its person acting in concert accounts for 80% of the number of shares held by the company

Applicable Not applicable

5. 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	10.8 billion	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).

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

Applicable Not applicable

IV. Specific implementation of share repurchase during the reporting period

Progress in implementation of share repurchase

Applicable Not applicable

Implementation progress of reducing repurchased shares by centralized bidding

Applicable Not applicable

VIII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period.

IX. Corporate Bond

I. Enterprise bond

Applicable Not applicable

No such cases in the reporting period.

II. Corporate bond

Applicable Not applicable

No such cases in the reporting period.

III. Debt financing instruments of non-financial enterprises

√Applicable □ Not applicable

1. Basic information

In RMB

Bond name	Bond short name	Bond code	Issue day	Value date	Due day	Bond balance	Interest rate	Servicing way	Trading
Guangdong Provincial Expressway Development Co., Ltd. 2019 first phase medium-term notes	19 Guangdong Expressway MTN001	101900252	February 27, 2019	March 1, 2019	March 1, 2024	679,476,476.99	4%	Due payments once a year. The principal and the last instalment interest are paid in one lump sum on the redemption date.	Interbank market
Guangdong Provincial Expressway Development Co., Ltd. 2020 first phase medium-term notes	20 Guangdong Expressway MTN001	102000367	March 13, 2020	March 17, 2020	March 17, 2025	748,904,755.95	3%	Due payments once a year. The principal and the last instalment interest are paid in one lump sum on the redemption date.	Interbank market
Applicable trading mechanism			Circulation and transfer in the national inter-bank bond market, its listing and circulation will be carried out in accordance with the relevant regulations promulgated by the National Interbank Funding Center.						

Overdue and unpaid bonds

□ Applicable √ Not applicable

2. Trigger and implementation of option clauses and investor protection clauses of the issuer or investor

Applicable Not applicable

3. Information of intermediary agency

Name of bond project	Name of intermediary agency	Office Address	Name of signing accountant	Contact person of intermediary agency	Tel
19 Guangdong Expressway MTN001	China Lianhe Credit Rating Co., Ltd.	No.2 Jianguomenwai Street, Chaoyang District, Beijing	No	Yang Ting	010-85679696
20 Guangdong Expressway MTN001	China Lianhe Credit Rating Co., Ltd.	No.2 Jianguomenwai Street, Chaoyang District, Beijing	No	Yang Ting	010-85679696

Whether the above agency changes during the reporting period

Yes No

4. Use of raised funds

In RMB

Name of bond project	Total amount of raised funds	Used amount	Unused amount	Operation of special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements stipulated in the prospectus
19 Guangdong Expressway MTN001	680,000,000.00	680,000,000.00	0.00	No	No	Yes
20 Guangdong Expressway MTN001	750,000,000.00	750,000,000.00	0.00	No	No	Yes

The raised funds are used for construction projects

Applicable Not applicable

During the reporting period, the Company changed the use of funds raised from the above bonds

Applicable Not applicable

5. Adjustment of credit rating results during the reporting period

Applicable Not applicable

6 The implementation and changes of guarantee, debt repayment plan and other debt repayment guarantee measures during the reporting period and their impact on the rights and interests of bond investors

Applicable Not applicable

IV. Convertible bond

Applicable Not applicable

No such cases in the reporting period.

V. The loss within the scope of consolidated statements in the reporting period exceeded 10% of the net assets at the end of the previous year

Applicable Not applicable

VI. Overdue interest-bearing debts except bonds at the end of the reporting period

Applicable Not applicable

VII. Whether there are any violations of rules and regulations during the reporting period

Yes No

VIII. Main accounting data and financial indicators of the Company in recent two years by the end of the reporting period

In RMB10,000

Items	At the end of the reporting period	At the end of last year	At the same time rate of change
Current ratio	2.9	2.7	7.41%
Debt ratio	43.90%	40.02%	3.88%
Quick ratio	2.89	2.70	7.04%
	Amount of this period	Amount of last period	At the same time rate of change
Net profit after deducting non-recurring profit and loss	131,159.93	169,309.16	-22.53%
EBITDA total debt ratio	45.43%	72.85%	-27.42%
Time interest earned ratio	10.37	11.88	-12.71%
Cash interest guarantee times	14.29	15.42	-7.33%
EBITDA/Time interest earned ratio	14.60	16.29	-10.37%
Repayment of debt (%)	100%	100%	——
Payment of interest (%)	100%	100%	——

X. Financial Report

I. Audit report

Type of audit opinion	Standard Unqualified audit opinion
Date of signature of audit report	March 20,2023
Name of audit firm	Yong Tuo Certified Public Accountants (special general partnership)
Names of the Certified Public Accountants	Shi Shaoyu, Huang Zhiyan

Auditors' Report

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

I. Opinion

We have audited the financial statements of Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "the Company"), which comprise the balance sheet as at December 31, 2022, 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, 2022 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.

Depreciation of fixed assets toll road

1. Item description

As described in "Notes III. 15 Fixed Assets to the Financial Statements" and "Notes V. 12 Fixed Assets to the Financial Statements": the book value of the toll roads of Guangdong Expressway Group at the end of 2022 was RMB 9,414,934,465.06, the depreciation amount of toll roads in 2022 is RMB 862,070,448.52, The Guangdong Expressway Group toll road is depreciated according to the traffic flow method, and the current depreciation

amount is calculated according to the proportion of the actual traffic flow in the current period to the estimated remaining total traffic flow in the operation period. The total traffic flow during the operation period refers to the forecast of the total traffic flow of Guangdong Expressway Group during the operation period, which is a major accounting estimate. Therefore, we have determined the pricing and depreciation of the toll roads of Guangdong Expressway Group as the key audit items.

2. Audit response

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

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

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

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

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

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

II. Performance compensation

1. Item description

In 2020, Guangdong Expressway acquired the 21% stake of Guangdong Guanghui Expressway Co., Ltd (hereinafter referred to as "Guanghui Expressway") held by Provincial Expressway. The year of 2022 was the last year of the performance commitment by the target asset transferor of Province Expressway. However due to the impact of the Public health events, the three-year cumulative net profit of Guanghui Expressway by the end of 2022 had failed to achieve the cumulative profit forecast in the relevant performance commitment. The management and the asset transferor will negotiate matters related to the performance commitment in accordance with the provisions of the Profit Compensation Agreement and the actual situation of Guanghui Expressway's performance affected by the Public health events, and the contingent consideration formed by the performance compensation has not been recognized at present. Due to the material amount of the matter and the significant judgment of management, therefore it's identified that the performance compensation as a key audit matter. For matters relating to performance compensation, please refer to the notes to the consolidated financial statements "XIII. Other Important Matters".

2. Audit response

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

(1) Read the letter of the transferor of the underlying asset to understand the reasons and demands of the transferor for the target asset of failing to fulfill the performance commitment;

(2) Read the minutes of the management meeting of Guangdong Expressway and interviewed the Guangdong Expressway management to understand their evaluation of the reasons and demands of the transferor of the target assets;

(3) Reviewed the "Profit Compensation Agreement" signed by the transferor of the target asset to understand the management's evaluation of the main terms of the agreement;

(4) Reviewed the process of calculating performance compensation by the management and evaluated whether the confirmation amount was accurate;

(5) Evaluated whether the economic benefits associated with the asset is likely to flow in.

IV. Other information

The management of Guangdong Expressway Company is responsible for other information. Other information includes the information covered in the 2022 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.

V. 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.

VI. 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)

CPA:

Shi Shaoyu

(Project partner) :

CPA:

Huang Zhiyan

Beijing China

March 20,2023

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, 2022

In RMB

Items	December 31, 2022	January 1, 2022
Current asset :		
Monetary fund	4,290,581,490.78	2,956,404,390.55
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	108,368,797.56	159,053,399.87
Financing of receivables		
Prepayments	7,785,192.95	5,227,647.09
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	34,456,244.64	13,761,124.23
Including: Interest receivable		
Dividend receivable	1,205,472.90	1,205,472.90
Repurchasing of financial assets		
Inventories		640,079.66
Contract assets		5,286,462.45
Assets held for sales		
Non-current asset due within 1 year		2,782,974.53
Other current asset	2,042,395.28	21,213.96
Total of current assets	4,443,234,121.21	3,143,177,292.34
Non-current assets :		
Loans and payment on other's behalf disbursed		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	2,923,368,667.84	2,627,130,681.24
Other equity instruments investment	1,557,303,730.98	1,577,175,826.05
Other non-current financial assets	101,400,000.00	

Items	December 31, 2022	January 1, 2022
Property investment	2,668,144.93	2,889,263.41
Fixed assets	10,098,252,638.07	10,639,272,192.02
Construction in progress	753,565,502.12	351,130,455.06
Production physical assets		
Oil & gas assets		
Use right assets	4,077,555.43	14,100,325.01
Intangible assets	246,772,471.44	268,504,176.43
Development expenses		
Goodwill		
Long-germ expenses to be amortized		2,103,750.00
Deferred income tax asset	128,179,543.02	225,243,885.27
Other non-current asset	8,374,778.84	25,038,952.48
Total of non-current assets	15,823,963,032.67	15,732,589,506.97
Total of assets	20,267,197,153.88	18,875,766,799.31
Current liabilities		
Short-term loans	430,387,597.20	
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	197,788,782.77	264,487,139.44
Advance receipts	2,718,756.97	10,660,208.51
Contract liabilities		22,000.00
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	20,660,328.60	19,213,631.91
Tax payable	72,307,773.41	164,612,512.99
Other account payable	191,167,560.23	177,970,483.76
Including: Interest payable		
Dividend payable	59,994,517.46	22,941,943.24
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	117,011,466.96	525,644,368.26
Other current liability	500,723,556.23	726,336.48
Total of current liability	1,532,765,822.37	1,163,336,681.35
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	5,566,595,350.00	4,572,621,200.00
Bond payable	1,428,381,232.94	1,427,434,086.58
Including: preferred stock		

Items	December 31, 2022	January 1, 2022
Sustainable debt		
Lease liability	150,984.47	2,773,459.76
Long-term payable	2,517,493.12	3,461,832.74
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	61,082,981.63	69,228,093.11
Deferred income tax liability	306,806,527.72	315,922,287.64
Other non-current liabilities		
Total non-current liabilities	7,365,534,569.88	6,391,440,959.83
Total of liability	8,898,300,392.25	7,554,777,641.18
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	743,133,557.03	713,460,518.49
Less: Shares in stock		
Other comprehensive income	170,633,656.67	192,177,466.34
Special reserve		
Surplus reserves	1,373,056,469.02	1,225,375,330.56
Common risk provision		
Retained profit	4,698,247,435.40	4,760,618,543.78
Total of owner's equity belong to the parent company	9,075,877,244.12	8,982,437,985.17
Minority shareholders' equity	2,293,019,517.51	2,338,551,172.96
Total of owners' equity	11,368,896,761.63	11,320,989,158.13
Total of liabilities and owners' equity	20,267,197,153.88	18,875,766,799.31

Legal Representative: Miao Deshan

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, 2022	January 1, 2022
Current asset:		
Monetary fund	1,813,035,761.84	1,860,836,127.30
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	23,817,016.30	24,208,692.49
Financing of receivables		
Prepayments	5,515,813.54	4,311,419.00
Other account receivable	1,542,022,671.18	6,885,982.60

Items	December 31, 2022	January 1,2022
Including: Interest receivable		
Dividend receivable	36,905,472.90	1,205,472.90
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		278,562,652.27
Other current asset	111,143.99	11,067.41
Total of current assets	3,384,502,406.85	2,174,815,941.07
Non-current assets:		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	6,096,479,269.50	5,792,610,802.46
Other equity instruments investment	1,557,303,730.98	1,577,175,826.05
Other non-current financial assets		
Property investment	2,416,006.68	2,637,125.16
Fixed assets	5,299,569,148.92	5,707,608,552.14
Construction in progress	152,388,974.47	43,594,243.12
Production physical assets		
Oil & gas assets		
Use right assets	3,069,576.00	12,611,748.50
Intangible assets	132,991,895.23	140,756,147.03
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	122,968,519.19	218,624,401.07
Other non-current asset		14,434,283.48
Total of non-current assets	13,367,187,120.97	13,510,053,129.01
Total of assets	16,751,689,527.82	15,684,869,070.08
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	94,446,623.15	105,685,908.27
Advance receipts	250,984.75	250,984.75
Contract Liabilities		
Employees' wage payable	8,103,399.09	6,825,973.81
Tax payable	4,643,917.73	7,330,856.79
Other account payable	362,996,135.95	690,062,820.89
Including: Interest payable		
Dividend payable	25,694,517.46	22,941,943.24
Liabilities held for sales		
Non-current liability due within 1 year	116,904,509.53	456,996,690.91
Other current liability	33,596.70	37,299.97

Items	December 31, 2022	January 1,2022
Total of current liability	587,379,166.90	1,267,190,535.39
Non-current liabilities:		
Long-term loan	5,552,070,350.00	4,058,096,200.00
Bond payable	1,428,381,232.94	1,427,434,086.58
Including: preferred stock		
Sustainable debt		
Lease liability		2,445,724.58
Long-term payable	2,517,493.12	3,461,832.74
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	6,838,432.16	10,120,879.64
Deferred income tax liability	61,217,804.42	66,399,854.20
Other non-current liabilities		
Total non-current liabilities	7,051,025,312.64	5,567,958,577.74
Total of liability	7,638,404,479.54	6,835,149,113.13
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	934,908,293.69	934,851,285.51
Less: Shares in stock		
Other comprehensive income	170,633,656.67	192,177,466.34
Special reserve		
Surplus reserves	1,193,084,201.46	1,045,403,063.00
Retained profit	4,723,852,770.46	4,586,482,016.10
Total of owners' equity	9,113,285,048.28	8,849,719,956.95
Total of liabilities and owners' equity	16,751,689,527.82	15,684,869,070.08

3.Consolidated Income statement

In RMB

Items	2022	2021
I. Income from the key business	4,168,634,113.98	5,288,057,677.93
Incl: Business income	4,168,634,113.98	5,288,057,677.93
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,005,705,864.79	2,414,254,320.96
Incl: Business cost	1,586,349,035.48	1,929,512,025.56
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract		

Items	2022	2021
reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	22,267,823.63	26,151,601.45
Sales expense		
Administrative expense	191,426,081.46	223,605,442.46
R & D costs	14,591,773.12	13,270,938.73
Financial expenses	191,071,151.10	221,714,312.76
Including: Interest expense	238,444,227.57	282,653,629.93
Interest income	47,404,858.97	64,220,887.86
Add: Other income	13,727,651.88	17,600,355.16
Investment gain (“-”for loss)	254,956,789.70	277,061,254.36
Incl: investment gains from affiliates	194,171,768.63	227,004,893.87
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	10,400,000.00	
Credit impairment loss	-98,397,398.38	-1,935,337.47
Impairment loss of assets		-2,889,394.16
Assets disposal income	478,663.58	3,017,370.44
III. Operational profit (“-”for loss)	2,344,093,955.97	3,166,657,605.30
Add : Non-operational income	10,048,941.28	17,975,495.18
Less: Non-operating expense	12,263,294.52	22,483,385.64
IV. Total profit (“-”for loss)	2,341,879,602.73	3,162,149,714.84
Less: Income tax expenses	547,291,352.09	735,365,014.56
V. Net profit	1,794,588,250.64	2,426,784,700.28
(I) Classification by business continuity		
1.Net continuing operating profit	1,794,588,250.64	2,426,784,700.28
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	1,277,069,521.90	1,700,406,981.99
2.Minority shareholders’ equity	517,518,728.74	726,377,718.29
VI. Net after-tax of other comprehensive income	-21,543,809.67	-110,718,411.31
Net of profit of other comprehensive income attributable to owners of the parent company.	-21,543,809.67	-110,718,411.31
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-14,349,348.86	-120,434,499.12
1.Re-measurement of defined benefit plans of changes in n		

Items	2022	2021
et 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	-14,349,348.86	-120,434,499.12
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.	-7,194,460.81	9,716,087.81
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-7,194,460.81	9,716,087.81
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	1,773,044,440.97	2,316,066,288.97
Total comprehensive income attributable to the owner of the parent company	1,255,525,712.23	1,589,688,570.68
Total comprehensive income attributable minority shareholders	517,518,728.74	726,377,718.29
VIII. Earnings per share		
(I) Basic earnings per share	0.61	0.81
(II)Diluted earnings per share	0.61	0.81

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: Miao Deshan

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	2022	2021
I. Income from the key business	1,310,779,669.18	1,469,364,434.37
Incl: Business cost	589,634,400.70	718,634,183.97
Business tax and surcharge	7,388,300.22	8,211,382.64
Sales expense		
Administrative expense	115,967,177.07	117,865,388.31
R & D expense	11,081,898.00	6,788,937.00
Financial expenses	191,962,721.38	235,894,975.56
Including: Interest expenses	229,477,883.09	274,934,433.28
Interest income	37,446,280.48	39,948,340.40
Add: Other income	4,058,931.45	4,070,892.76
Investment gain (“-”for loss)	1,173,330,227.52	1,316,869,007.46
Including: investment gains from affiliates	183,901,559.85	221,639,163.75
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		-2,889,394.16
Assets disposal income	478,663.58	
II. Operational profit (“-”for loss)	1,572,612,994.36	1,700,113,654.95
Add : Non-operational income	1,611,971.54	1,683,906.22
Less: Non -operational expenses	1,417,002.95	13,481,250.02
III. Total profit (“-”for loss)	1,572,807,962.95	1,688,316,311.15
Less: Income tax expenses	95,996,578.31	103,909,700.85
IV. Net profit	1,476,811,384.64	1,584,406,610.30
1.Net continuing operating profit	1,476,811,384.64	1,584,406,610.30
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	-21,543,809.67	-110,718,411.31
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-14,349,348.86	-120,434,499.12
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	-14,349,348.86	-120,434,499.12
4. Changes in the fair value of the company’s credit risks		
5.Other		
	-7,194,460.81	9,716,087.81

Items	2022	2021
(II)Other comprehensive income that will be reclassified into profit or loss		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-7,194,460.81	9,716,087.81
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	1,455,267,574.97	1,473,688,198.99
VII. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	2022	2021
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	4,277,130,557.35	5,447,910,740.15
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned		

Items	2022	2021
Other cash received from business operation	120,557,326.45	126,417,264.96
Sub-total of cash inflow	4,397,687,883.80	5,574,328,005.11
Cash paid for purchasing of merchandise and services	342,864,874.07	417,377,507.94
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	479,860,302.18	490,684,230.89
Taxes paid	695,593,923.86	901,811,223.79
Other cash paid for business activities	127,342,225.31	94,710,321.33
Sub-total of cash outflow from business activities	1,645,661,325.42	1,904,583,283.95
Net cash generated from /used in operating activities	2,752,026,558.38	3,669,744,721.16
II. Cash flow generated by investing		
Cash received from investment retrieving		45,000,000.00
Cash received as investment gains	168,700,001.50	174,741,274.88
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	805,831.00	4,787,323.86
Net cash received from disposal of subsidiaries or other operational units	28,514,496.27	
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	198,020,328.77	224,528,598.74
Cash paid for construction of fixed assets, intangible assets and other long-term assets	875,179,014.01	513,663,936.74
Cash paid as investment	321,341,000.00	134,650,000.00
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	1,196,520,014.01	648,313,936.74
Net cash flow generated by investment	-998,499,685.24	-423,785,338.00

Items	2022	2021
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	2,320,000,000.00	2,124,930,000.00
Other financing –related cash received	557,350,200.00	140,145,195.50
Sub-total of cash inflow from financing activities	2,877,350,200.00	2,265,075,195.50
Cash to repay debts	1,294,413,150.00	2,503,707,200.00
Cash paid as dividend, profit, or interests	1,993,666,552.33	1,667,198,772.33
Including: Dividend and profit paid by subsidiaries to minor shareholders	556,851,982.19	755,677,776.30
Other cash paid for financing activities	14,280,453.65	1,230,750,884.93
Sub-total of cash outflow due to financing activities	3,302,360,155.98	5,401,656,857.26
Net cash flow generated by financing	-425,009,955.98	-3,136,581,661.76
IV. Influence of exchange rate alternation on cash and cash equivalents	988,123.62	-371,334.74
V.Net increase of cash and cash equivalents	1,329,505,040.78	109,006,386.66
Add: balance of cash and cash equivalents at the beginning of term	2,955,183,190.55	2,846,176,803.89
VI ..Balance of cash and cash equivalents at the end of term	4,284,688,231.33	2,955,183,190.55

6. Cash Flow Statement of the Parent Company

In RMB

Items	2022	2021
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,347,316,010.13	1,512,002,307.36
Tax returned		
Other cash received from business operation	47,431,112.11	139,579,001.22
Sub-total of cash inflow	1,394,747,122.24	1,651,581,308.58
Cash paid for purchasing of merchandise and services	74,042,300.65	85,431,635.37
Cash paid to staffs or paid for staffs	155,280,659.59	156,876,478.03
Taxes paid	49,667,582.04	55,685,419.35
Other cash paid for business activities	1,856,029,086.90	89,308,303.12
Sub-total of cash outflow from business activities	2,135,019,629.18	387,301,835.87
Net cash generated from /used in	-740,272,506.94	1,264,279,472.71

Items	2022	2021
operating activities		
II. Cash flow generated by investing		
Cash received from investment retrieving	328,527,584.98	310,000,000.00
Cash received as investment gains	1,121,551,007.37	1,222,810,553.86
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	566,983.00	1,359,500.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	1,450,645,575.35	1,534,170,053.86
Cash paid for construction of fixed assets, intangible assets and other long-term assets	155,607,960.52	145,749,738.08
Cash paid as investment	344,250,000.00	1,380,489,292.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	499,857,960.52	1,526,239,030.08
Net cash flow generated by investment	950,787,614.83	7,931,023.78
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,890,000,000.00	2,124,930,000.00
Other financing –related ash received		
Sub-total of cash inflow from financing activities	1,890,000,000.00	2,124,930,000.00
Cash to repay debts	726,743,150.00	2,422,947,200.00
Cash paid as dividend, profit, or interests	1,408,387,271.32	886,140,438.61
Other cash paid for financing activities	14,173,175.65	8,609,914.93
Sub-total of cash outflow due to financing activities	2,149,303,596.97	3,317,697,553.54
Net cash flow generated by financing	-259,303,596.97	-1,192,767,553.54
IV. Influence of exchange rate alternation on cash and cash equivalents	988,123.62	-371,334.74
V. Net increase of cash and cash equivalents	-47,800,365.46	79,071,608.21
Add: balance of cash and cash equivalents at the beginning of term	1,859,614,927.30	1,780,543,319.09
VI ..Balance of cash and cash equivalents at the end of term	1,811,814,561.84	1,859,614,927.30

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	2022														Minor shareholder's 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													
I. Balance at the end of last year	2,090,806,126.00				713,460,518.49		192,177,466.34		1,225,375,330.56		4,760,618,543.78		8,982,437,985.17	2,338,551,172.96	11,320,989,158.13	
II. Balance at the beginning of current year	2,090,806,126.00				713,460,518.49		192,177,466.34		1,225,375,330.56		4,760,618,543.78		8,982,437,985.17	2,338,551,172.96	11,320,989,158.13	
III. Changed in the current year					29,673,038.54		-21,543,809.67		147,681,138.46		-62,371,108.38		93,439,258.95	-45,531,655.45	47,907,603.50	
(1) Total comprehensive income							-21,543,809.67				1,277,069,521.90		1,255,525,712.23	517,518,728.74	1,773,044,440.97	
(III) Profit allotment									147,681,138.46		-1,339,440,630.28		-1,191,759,491.82	-591,151,982.19	-1,782,911,474.01	
1. Providin									147,681,138.46		-					

g of surplus reserves								8.46		147,681,138.46				
3. Allotment to the owners (or shareholders)										- 1,191,759,491.82		- 1,191,759,491.82	- 591,151,982.19	- 1,782,911,474.01
(VI) Other				29,673,038.54								29,673,038.54	28,101,598.00	57,774,636.54
IV. Balance at the end of this term	2,090,806,126.00			743,133,557.03	170,633,656.67		1,373,056,469.02		4,698,247,435.40	9,075,877,244.12	2,293,019,517.51	11,368,896,761.63		

IV. Balance at the end of this term

In RMB

Items	2021														
	Owner's equity Attributable to the Parent Company													Minor shareholder's equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
I. Balance at the end of last year	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
Add: Change of accounting policy											546,190.04		546,190.04		546,190.04
II. Balance at the beginning of current year	2,090,806,126.00				645,969,210.48		302,895,877.65		1,167,785,965.63		3,726,225,509.39		7,933,682,689.15	2,299,180,085.17	10,232,862,774.32
III. Changed in the current year					67,491,308.01		-110,718,411.31		57,589,364.93		1,034,393,034.39		1,048,755,296.02	39,371,087.79	1,088,126,383.81
(1) Total comprehensive							-110,718,411.31				1,700,406,981.99		1,589,688,570.68	726,377,718.29	2,316,066,288.97

ive income						11.31								
(III) Profit allotment								57,589,364. 93		- 666,013,94 7.60	- 608,424,58 2.67	- 755,677,77 6.30	- 1,364,102,3 58.97	
1.Providin g of surplus reserves								57,589,364. 93		- 57,589,364. 93				
3. Allotm ent to the owners (or shareholder s)										- 608,424,58 2.67	- 608,424,58 2.67	- 755,677,77 6.30	- 1,364,102,3 58.97	
(VI) Other				67,491,30 8.01							67,491,308. 01	68,671,145. 80	136,162,453 .81	
IV. Balance at the end of this term	2,090,806,1 26.00			713,460,5 18.49		192,177,4 66.34		1,225,375,3 30.56		4,760,618,5 43.78	8,982,437,9 85.17	2,338,551,1 72.96	11,320,989, 158.13	

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

Amount in this period

In RMB

Items	2022											Total of owners' equity
	Share capital	Other Equity instrument			Capital reserves	Less: Share s in stock	Other Comprehensiv e Income	Specialize d reserve	Surplus reserves	Retained profit	Othe r	
		Preferre d stock	Sustainabl e debt	Othe r								
I.Balance at the end of last year	2,090,806,126.0 0				934,851,285.5 1		192,177,466.3 4		1,045,403,063.0 0	4,586,482,016.1 0		8,849,719,956.9 5
II.Balance at the beginning of current	2,090,806,126.0 0				934,851,285.5 1		192,177,466.3 4		1,045,403,063.0 0	4,586,482,016.1 0		8,849,719,956.9 5

year												
III.Changed in the current year					57,008.18		- 21,543,809.67		147,681,138.46	137,370,754.36		263,565,091.33
(I) Total comprehensive income							- 21,543,809.67			1,476,811,384.64		1,455,267,574.97
(III) Profit allotment									147,681,138.46	- 1,339,440,630.28		- 1,191,759,491.82
1.Providing of surplus reserves									147,681,138.46	-147,681,138.46		
2. Allotment to the owners (or shareholders)										- 1,191,759,491.82		- 1,191,759,491.82
(VI) Other					57,008.18							57,008.18
IV. Balance at the end of this term	2,090,806,126.00				934,908,293.69		170,633,656.67		1,193,084,201.46	4,723,852,770.46		9,113,285,048.28

Amount in last year

In RMB

Items	2021											
	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				938,969,546.79		302,895,877.65		987,813,698.07	3,667,543,163.36		7,988,028,411.87
Add: Change of accounting policy										546,190.04		546,190.04
II. Balance at the beginning of current year	2,090,806,126.00				938,969,546.79		302,895,877.65		987,813,698.07	3,668,089,353.40		7,988,574,601.91
III. Changed in the current year					-4,118,261.28		-110,718,411.31		57,589,364.93	918,392,662.70		861,145,355.04
(I) Total comprehensive income							-110,718,411.31			1,584,406,610.30		1,473,688,198.99
(III) Profit allotment									57,589,364.93	-666,013,947.60		-608,424,582.67
1. Providing of surplus reserves									57,589,364.93	-57,589,364.93		
3. Other										-608,424,582.67		-608,424,582.67
(VI) Other					-4,118,261.28							-4,118,261.28
IV. Balance at the end of this	2,090,806,126.00				934,851,285.51		192,177,466.34		1,045,403,063.00	4,586,482,016.10		8,849,719,956.95

term												
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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".

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 Guangzhou 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, Jingzhu Expressway Guangzhou Section and Guanghui Expressway 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, Hunan Lianzhi Technology Co., Ltd., SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd. and Shenzhen Garage Electric Pile 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., Yuegao Capital Holding (Guangzhou) Co., Ltd., its holding subsidiaries Guangfo Expressway Co., Ltd., Jingzhu Expressway Guangzhu Section Co., Ltd. and Guanghui Expressway Co., Ltd..

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

In the current period, the 100% equity of Guangdong Expressway Technology Investment Co., Ltd-a wholly-owned subsidiary-was transferred to Guangdong Litong Technology Investment Co., Ltd, and the equity delivery date was March 29, 2022. Therefore, it will no longer be included in the scope of the consolidated financial statements at the end of the current period.

5. Approval and submission date of financial report

This financial report was approved by the Board of Directors of the Company on March 20, 2023.

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:

None

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,. In addition, the financial statements of the Company

comply, in all material respects, with the revised disclosing requirements for financial statements and the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15—General Provisions on Financial Reports (2014 Revision) issued by China Securities Regulatory Commission (CSRC) in 2014.

2. Accounting period

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

3. Operating cycle

The normal operating cycle refers to the period from the time when the Group purchases assets for processing to the time when cash or cash equivalents are realized. The Company takes 12 months as a business cycle and uses it as a criterion for liquidity classification of assets and liabilities.

4. Standard currency for bookkeeping

The Company adopts CNY to prepare its functional statements.

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

1. Business Combinations under the Same Control

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

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

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

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

If the holding under the same control is combined to form a parent-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. 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.

8. 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.

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

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

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

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

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

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

(4) Termination confirmation of financial liabilities

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

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

(5) Offsetting financial assets and financial liabilities

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

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

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

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

(7) Equity instruments

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

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

10. 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

①Receivable 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.

②Other 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.

11. 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.

12. Contract assets and Contract liabilities

In the contract between the Company and customers, the Company has the right to charge the contract price for the goods and related services that have been transferred to customers, and meanwhile undertake the performance obligation of transferring the goods or services to customers. When the customer actually pays the contract consideration or the enterprise has transferred the goods or services to the customer before the consideration becomes due and payable, the right to receive the consideration due to the transferred goods or services shall be listed as contract assets, and recognized as accounts receivable or long-term receivables when the unconditional right of collection is obtained.

In the contract between the Company and customers, the Company has the right to receive the contract consideration before transferring the goods or services to customers, and in the meantime list the obligation to transfer goods or services to customers due to the consideration received or receivable from customers as contractual liabilities. When the Company fulfills its obligation to transfer goods or provide services to customers, the contractual liabilities are recognized as income.

The Company shall list the contract assets and liabilities under the same contract in net amount.

13. 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.

14. 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 "v. 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.

15. 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.

1) The classification of the fixed asset

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	47.5 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 method	3-10 years	3%-5%	9.50%-32.33%
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%

(2) Depreciation for Fixed assets

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.

The useful life, residual value rate, and annual depreciation rate of various fixed assets are listed as follows:

Type	Depreciation method	Expected useful life(Year)	Residual rate (%)	Annual depreciation rate(%)
Highway and Bridge				
Including: Guangfo Expressway	Working flow basis	28 years	0%	
Fokai Expressway-Xiebian to Sanbao Section	Working flow basis	40 years	0%	
Fokai Expressway-Sanbao to Shuikou Section	Working flow	47.5 years	0%	

	basis			
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 method	3-10 years	3%-5%	9.50%-32.33%
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%

(3) Recognition basis, valuation and depreciation method for financing leased fixed assets

16. 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.

17. 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.

18. 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.

2) Accounting policy for internal research and development expenditure

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

19. 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.

20. 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.

21. 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.

22. 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;

(4) 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

23. 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.

24. 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.

25. Lease

(1) Identification of lease

On the commencement date of the contract, the Company, as the lessee or lessor, evaluates whether the customers in the contract have the right to obtain almost all economic benefits arising from the use of the identified assets during the use period, and has the right to lead the use of the identified assets during the use period. If one party to the contract transfers the right to control the use of one or multiple identified assets within a certain period of time in exchange for consideration, the Company will consider the contract as lease or lease-included.

(2) The Company as the lessee

On the start date of the lease term, the Company recognizes the right-to-use assets and lease liabilities for all leases, except for short-term leases and low-value asset leases that are simplified.

The accounting policy of the right-to-use assets is shown in Note V. 26.

Lease liabilities are initially measured according to the unpaid lease payment amount on the start date of the lease term and the present value calculated according to the implied interest rate of the lease or the incremental borrowing interest rate. The lease payment amount includes: fixed payment amount and substantial fixed payment amount. If there is lease incentive, the related amount of lease incentive shall be deducted; variable lease payments depending on index or ratio; the exercise price of the option, provided that the lessee reasonably determines that the option will be exercised; payment for exercising the option to terminate the lease, provided that the lease period reflects that the lessee will exercise the option to terminate the lease; and the amount

expected to be paid according to the residual guarantee value provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated subsequently according to the fixed periodic interest rate, and included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profits and losses when actually incurred.

Short-term lease

Short-term lease refers to the lease with a lease term of no more than 12 months on the start date of the lease term, except for the lease with purchase option.

The Company includes the lease payment of short-term lease into the related asset cost or current profit and loss according to the straight-line method in each period of the lease term.

Low-value asset lease

Low-value asset lease refers to the lease in which the value of a single leased asset is less than RMB 100,000 when it is brand new.

The Company includes the lease payment of low-value assets into the related asset cost or current profit and loss according to the straight-line method in each period of the lease term.

For the lease of low-value assets, the Company chooses to adopt the simplified treatment method mentioned above according to the specific conditions of each lease.

(3) The Company serves as the lessor

The Company, when as the lessor, recognizes the leases that have substantially transferred all risks and rewards related to asset ownership as financial leases, and other leases except financial leases as operating leases.

Accounting methods for operating leases

For the rent in the operating lease, the Company recognizes the current profits and losses according to the straight-line method in each period of the lease term. The initial direct expenses incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the rental income recognition during the lease term, and included in the current profits and losses by stages. The variable lease payments obtained related to operating leases that are not included in the lease receipts are included in the current profits and losses when they actually occur.

Accounting treatment method of leasing

In financing lease, at the beginning of the lease term, Japanese companies take the net investment in leasing as the recorded value of the financing lease receivable, and the net investment in leasing is the sum of the unsecured residual value and the present value of the lease proceeds that have not yet been received on the start date of the lease term discounted according to the implied interest rate of the lease. As the lessor, the Company calculates and recognizes the interest income of each period in the lease term according to the fixed periodic interest rate. The variable lease payments obtained by the Company as the lessor that are not included in the measurement of net lease investment are recorded into the current profits and losses when they actually occur.

The derecognition and impairment of financial lease receivables shall be treated according to the provisions of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets.

(4) Operation lease

For the rent in the operating lease, the Company shall recognize the current profit and loss according to the straight line method during each period during the lease term. The initial direct expenses incurred related to the operating lease shall be capitalized and apportioned during the lease term on the same basis as the rental income recognition, and recorded into the current profits and losses in installments. The variable lease payment amount obtained related to the operating lease that is not included in the lease receipts shall be included in the current profit and loss upon the actual occurrence.

26. The right to use assets

(1) Conditions for recognition of the right-to-use assets

The Company's right-to-use assets refers to the right of the Company as the lessee to use the leased assets during the lease term.

On the start date of the lease term, the right-to-use assets are initially measured at cost. The cost includes: The initial measurement amount of lease liabilities; if there is lease incentive for the lease payment issued on or before the start date of the lease term, the amount related to the lease incentive enjoyed shall be deducted; initial direct expenses incurred by the Company as the lessee; the estimated costs that the Company as the lessee will incur for dismantling and removing the leased assets, restoring the leased assets' site or restoring the leased assets to the state agreed in the lease terms. The Company, as the lessee, recognizes and measures the demolition and restoration costs in accordance with the *Accounting Standards for Business Enterprises No.13-Contingencies*. It makes subsequent adjustments to any remeasurement of lease liabilities.

(2) Depreciation method of right-to-use assets

The Company adopts the straight-line method to accrue depreciation. If the Company as the lessee can be reasonably determined that the ownership of the leased asset is acquired at the expiration of the lease term, it shall accrue depreciation within the remaining 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, it shall accrue depreciation within the shorter of the lease term and the remaining service life of the leased asset.

(3) See "27. Impairment of Assets" in "Section V Important Accounting Policies and Accounting Estimates" for the impairment test method and the provision method for impairment of right-to-use assets.

27. 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.

28. 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.

29. Change of main accounting policies and estimations

(1) Change of main accounting policies

Applicable Not applicable

(2) Significant estimates changes

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	5%,7%
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

None

VII. Notes to the major items of consolidated financial statement

1. Monetary Capital

In RMB

Items	Amount in year-end	Balance Year-beginning
Cash	43,420.71	38,214.02
Bank deposit	4,285,350,107.61	2,955,850,944.81
Including: Money deposited with a finance Company	2,389,294,052.10	1,521,003,542.69
Other	515,903.01	515,231.72
Interest receivable	4,672,059.45	
Total	4,290,581,490.78	2,956,404,390.55

Other note

1) . As of December 31, 2022, the interest receivable is RMB 4,672,059.45 from interest accrued on seven-day call deposits.

2) .As of December 31,2022,The balance of restricted bank deposits at the end of the period was 1,221,200.00 yuan, which was the land reclamation fund deposited into the fund custody account for the reconstruction and expansion project of Sanbao to Shuikou section of Fokai Expressway.

2. Account receivable

1. Classification account receivables.

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single	3,143,664.00	2.80%	3,143,664.00	100.00%		12,268,880.60	7.44%	3,143,664.00	25.62%	9,125,216.60
Including:										
Accrual of bad debt provision by portfolio	109,016,714.23	97.20%	647,916.67	0.59%	108,368,797.56	152,527,300.17	92.56%	2,599,116.90	1.70%	149,928,183.27
Including:										
Aging portfolio	109,016,714.23	97.20%	647,916.67	0.59%	108,368,797.56	151,721,072.03	92.07%	2,599,116.90	1.71%	149,121,955.13
Other						806,228.14	0.49%			806,228.14
Total	112,160,378.23		3,791,580.67		108,368,797.56	164,796,180.77		5,742,780.90		159,053,399.87

Accrual of bad debt provision by single:

In RMB

Name	Balance in year-end			
	Book balance	Bad debt provision	Withdrawal proportion	Reason
Guangdong Taiheng Expressway Development Co., Ltd.	3,143,664.00	3,143,664.00	100.00%	It is not expected to be recovered
Total	3,143,664.00	3,143,664.00		

Accrual of bad debt provision by portfolio: Aging

In RMB

Aging	Balance in year-end		
	Account receivable	Bad debt provision	Expected credit loss rate (%)
Within 1 year	96,058,380.92		
1-2 years	12,958,333.31	647,916.67	5.00%

Note:

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	Balance in year-end
Within 1 year	96,058,380.92
1-2 years	12,958,333.31
2-3 years	2,077,392.00
Over 3 year	1,066,272.00
3-4 years	1,066,272.00
Subtotal	112,160,378.23
Bad debt provision	3,791,580.67
Total	108,368,797.56

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

The provision for bad debts in the current period is RMB 647,916.67; and the amount of bad debt reserve recovered or reversed in the current period is RMB0.

(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	Aging	Proportion(%)	Bad debt provision
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Name	Amount	Aging	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	67,197,924.19	Within 1 year	59.91%	
Guangdong Lulu Traffic Development Co., Ltd.	11,200,258.00	Within 1 year	9.99%	
	12,958,333.31	1-2 years	11.55%	
Guangdong Jingzhu Expressway Guangzhu North section Co., Ltd.	8,321,625.03	Within 1 year	7.42%	
Guangdong Humen Bridge Co., Ltd.	6,072,995.36	Within 1 year	5.41%	
Guangdong Taiheng Expressway Development Co., Ltd.	2,077,392.00	2-3 years	1.85%	2,077,392.00
	1,066,272.00	3-4 years	0.95%	1,066,272.00
Total	108,894,799.89		97.08%	

(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	7,645,192.95	98.20%	5,087,647.09	97.32%
1-2 years			140,000.00	2.68%
2-3 years	140,000.00	1.80%		
Total	7,785,192.95		5,227,647.09	

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 Ping An Property Insurance Co. Ltd. Guangdong Branch	Non- Related party	5,213,468.61	Within 1 year	Unliquidated	66.97
PICC	Non- Related party	1,614,154.77	Within 1 year	Unliquidated	20.73
Guangdong Guanyue Road Bridge Co., Ltd.	Non- Related party	411,875.80	Within 1 year	Unliquidated	5.29
China Mobile Guangzhou Branch	Non- Related party	188,280.00	Within 1 year	Unliquidated	2.42
Excellence Appraisal	Non- Related party	140,000.00	2-3 years	Unliquidated	1.80
Total		7,567,779.18			97.21

4. Other accounts receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	1,205,472.90	1,205,472.90
Other receivable	33,250,771.74	12,555,651.33
Total	34,456,244.64	13,761,124.23

(1) Interest receivable: None

(2) Dividend receivable

1) Dividend receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	1,205,472.90
Total	1,205,472.90	1,205,472.90

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
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	4-5 years	The partnership agreement expires and can be recovered after the extension procedures are completed	No, it can be recovered in the future
Total	1,205,472.90			

(3) Other accounts receivable

1) Other accounts receivable classified

In RMB

Items	Balance in year-end	Balance Year-beginning
Securities trading settlement funds	30,844,110.43	47,528,056.18
Petty cash	4,017,944.81	4,538,885.93
Highway maintenance expenditure	97,749,481.71	
Deposit	26,630,350.18	3,469,880.18
Other	2,602,476.75	4,579,343.20
Gelin Enze Current account		4,007,679.91
Total	161,844,363.88	64,123,845.40

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)	Expected credit losses for the entire duration (credit impairment)	

		impairment)	occurred)	
Balance as at January 1,2022	32,457.98		51,535,736.09	51,568,194.07
Balance as at January 1,2022 in current				
This period of provision	97,749,481.71			97,749,481.71
Other change	-32,457.98		-20,691,625.66	-20,724,083.64
Balance as at December 31,,2022	97,749,481.71		30,844,110.43	128,593,592.14

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. As of December 31,2022, The 2,839,664.36 yuan Credit was recovered, and the provision for had deb.

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

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Book balance
Within 1 year(Including 1 year)	125,683,275.60
1-2 years	311,707.85
2-3 years	3,477,902.45
Over 3 years	32,371,477.98
3-4 years	26,560.70
4-5 years	627,314.97
Over 5 years	31,717,602.31
Total	161,844,363.88

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

The provision for bad debts in the current period is RMB97,749,481.71; and the amount of bad debt reserve recovered or reversed in the current period is RMB0.00.

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

5) Other receivables are classified according to the nature

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
------	--------	-----------------	-------	--	---------------------------------------

Department of Transport of Guangdong Province	Highway maintenance expenditure	97,749,481.71	Within 1 year	60.40%	97,749,481.71
Kunlun Securities Co.,Ltd	Securities trading settlement funds	30,844,110.43	Over 5 years	19.06%	30,844,110.43
China Beijing Equity Exchange	Investment deposit	24,000,000.00	Within 1 year	14.83%	
Guangdong Litong Real Estates Investment Co., Ltd.	Vehicle parking deposit	22,980.00	1-2 years	0.01%	
		1,630,467.36	2-3 years	1.01%	
Guangdong Expressway Media Co., Ltd.	Advertising revenue	978,997.66	Within 1 year	0.60%	
Total		155,226,037.16		95.91%	128,593,592.14

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

Other note

5. Inventories

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

No

(1) Category of Inventory

In RMB

Items	Closing book balance			Opening book balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials				257,831.85		257,831.85
Stock goods				382,247.81		382,247.81
Total				640,079.66		640,079.66

(2) Inventory depreciation reserve

None

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

None

6.Contract assets

n RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Quality guarantee				5,286,462.45		5,286,462.45
Total				5,286,462.45		5,286,462.45

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

The impairment provision of the 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
7 days notice of deposit interest		2,731,229.21
Total		2,782,974.53

8.Other current assets

I n RMB

Items	Year-end balance	Year-beginning balance
Advance tax payment	1,931,251.29	
VAT retention tax credits	111,143.99	
Input tax to be certified		21,213.96
Total	2,042,395.28	21,213.96

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	Withdrawal of impairment provision	Other		
I. Joint venture											
2. Affiliated Company											
Zhaoqing Yuezhao Highway Co., Ltd.	315,837,951.35			42,621,814.52			48,250,000.00			310,209,765.87	
Guangdong Jiangzhong Expressway Co., Ltd.	318,091,639.29	131,250,000.00		12,928,724.12			15,387,213.01			446,883,150.40	
Ganzhou Gankang Expressway Co., Ltd.	154,118,397.12			9,036,040.88						163,154,438.00	
Ganzhou Kangda Expressway Co., Ltd.	238,101,017.69			35,167,917.44			27,000,000.00			246,268,935.13	
Shenzhen Huiyan	320,966,384.17			33,927,696.21			6,224,313.06			348,669,767.32	

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Expressway Co., Ltd.											
Guoyuan Securities Co., Ltd.	972,089,465.72			41,663,112.81	-7,194,460.81		18,626,864.76			987,931,252.96	
Guangdong Yuepu Small Refinancing Co., Ltd(Note)	216,343,601.27			8,556,253.87		57,008.18	5,925,366.93			219,031,496.39	
Hunnan Lianzhi Technology Co., .Ltd.	90,617,427.28			6,555,090.10		367,428.36				97,539,945.74	
SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd.	964,797.35	4,000,000.00		16,441.15						4,981,238.50	
Shenzhen Garage		95,000,000.00		3,698,677.53						98,698,677.53	

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
Electric Pile Technology Co., Ltd											
Subtotal	2,627,130,681.24	230,250,000.00		194,171,768.63	-7,194,460.81	424,436.54	121,413,757.76			2,923,368,667.84	
Total	2,627,130,681.24	230,250,000.00		194,171,768.63	-7,194,460.81	424,436.54	121,413,757.76			2,923,368,667.84	

Other note

10. Other Equity instrument investment

In RMB

Items	Closing balance	Opening balance
Guangle Expressway Co., Ltd.	779,705,656.29	746,129,411.97
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	55,365,396.61	50,000,000.00
China Everbright Bank Co., Ltd.	722,232,678.08	781,046,414.08
Huaxia Securities Co., Ltd. (Notes1)		
Huazheng Asset Management Co., Ltd. (Notes2)		
Total	1,557,303,730.98	1,577,175,826.05

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.		31,357,354.56				Non-transactional purpose for shareholding
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise		5,365,396.61				Non-transactional purpose for shareholding
China Everbright Bank Co., Ltd.	47,286,243.74	204,671,801.28				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

Other note:

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

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

11. Other non-current financial assets

In RMB

Items	Closing balance	Opening balance
Classified as financial assets measured at fair value and whose changes are included in the current profit and loss	101,400,000.00	
Total	101,400,000.00	

12. Investment property

(1) Investment property adopted the cost measurement mode

Applicable Not applicable

In RMB

Items	Houses and buildings	Land use right	Construction in process	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	10,842,190.02	1,905,075.92		12,747,265.94
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	10,989,739.14	1,978,645.28		12,968,384.42
III. Impairment provision				
1. Opening balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4. Closing balance				
IV. Book value				
1. Closing book value	1,674,959.11	993,185.82		2,668,144.93
2. Opening book	1,822,508.23	1,066,755.18		2,889,263.41

(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	997,648.50	Transportation and other ancillary facilities, Not accreditation
Total	997,648.50	

Other note

13. Fixed assets

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	10,098,252,638.07	10,639,272,192.02
Total	10,098,252,638.07	10,639,272,192.02

(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	Electricity equipment and other	Total
I. Original price									
1. Opening balance	1,460,270,190.66	10,892,817,927.30	6,477,849,977.48	5,135,987,691.45	669,836,729.92	1,782,537,704.16	62,110,614.95	133,644,602.58	26,615,055,438.50
2. Increased amount of the period		25,083,672.00	346,290,000.00	483,543.00	15,085,332.00	92,603,632.98	3,737,732.69	12,049,563.24	495,333,475.91
(1) Purchase						7,252,386.35	3,737,732.69	11,901,361.24	22,891,480.28
(2) Transfer of project under construction		25,083,672.00	346,290,000.00		15,195,800.00	81,507,599.14		148,202.00	468,225,273.14
(3) Increased of Enterprise consolidation									
(4) Other				483,543.00	-110,468.00	3,843,647.49			4,216,722.49
3. Decreased amount of the period		1,000,462.78			20,445,714.17	25,996,564.84	4,205,729.01	3,426,027.28	55,074,498.08
(1) Disposal or scrap		1,000,462.78			1,171,511.59	3,578,243.57	2,520,061.25	1,590,584.12	9,860,863.31
(2) Disposition subsidiary					19,274,202.58	22,418,321.27	1,685,667.76	1,835,443.16	45,213,634.77
4. Closing	1,460,270,190.66	10,916,901,136.52	6,824,139,977.48	5,136,471,234.45	664,476,347.75	1,849,144,772.30	61,642,618.63	142,268,138.54	27,055,314,416.33

Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
balance									
II. Accumulated depreciation									
1. Opening balance	1,460,270,190.66	5,486,082,815.59	3,950,515,659.85	3,164,580,817.91	461,466,902.63	1,313,881,686.26	49,780,181.86	85,083,678.62	15,971,661,933.38
2. Increased amount of the period		372,147,659.29	334,987,506.01	154,935,283.22	29,518,127.57	117,755,356.77	2,116,525.13	8,639,471.38	1,020,099,929.37
(1) Withdrawal		372,147,659.29	334,987,506.01	154,935,283.22	29,518,127.57	117,755,356.77	2,116,525.13	8,639,471.38	1,020,099,929.37
3. Decreased amount of the period		671,858.48			10,775,360.63	20,889,438.42	3,966,574.69	2,518,165.37	38,821,397.59
(1) Disposal or scrap		671,858.48			763,684.18	3,375,785.55	2,365,190.32	1,498,792.18	8,675,310.71
(2) Disposition subsidiary					10,011,676.45	17,513,652.87	1,601,384.37	1,019,373.19	30,146,086.88
4. Closing balance	1,460,270,190.66	5,857,558,616.40	4,285,503,165.86	3,319,516,101.13	480,209,669.57	1,410,747,604.61	47,930,132.30	91,204,984.63	16,952,940,465.16
III. Impairment provision									
1. Opening balance					2,889,394.16	1,231,918.94			4,121,313.10
2. Increased amount of the period									
(1) Withdrawal									

Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
3. Decreased amount of the period									
(1) Disposal or scrap									
4. Closing balance					2,889,394.16	1,231,918.94			4,121,313.10
IV. Book value									
1. Closing book value		5,059,342,520.12	2,538,636,811.62	1,816,955,133.32	181,377,284.02	437,165,248.75	13,712,486.33	51,063,153.91	10,098,252,638.07
2. Opening book		5,406,735,111.71	2,527,334,317.63	1,971,406,873.54	205,480,433.13	467,424,098.96	12,330,433.09	48,560,923.96	10,639,272,192.02

(2) Temporarily idle fixed assets

In RMB

Items	Original price	Accumulated depreciation	Impairment provision	Book value	Remark
House and buildings	6,176,339.21	4,645,383.00		1,530,956.21	
Machinery equipment	2,322,167.00	1,090,248.06	1,231,918.94		

(3) Fixed assets leased out from operation lease

None

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

In RMB

Items	Book balance	Reason
House and buildings	163,931,496.46	Transportation and other ancillary facilities, Not accreditation.

(5) liquidation of fixed assets

None

14. Project under construction

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	753,565,502.12	351,130,455.06
Total	753,565,502.12	351,130,455.06

(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
Reconstruction and Expansion of Nansha-Zhuhai section of Guangzhou-Macao Expressway	553,543,942.17		553,543,942.17	17,636,216.62		17,636,216.62
Reconstruction and Expansion of Sanbao to Shuikou	152,274,277.83		152,274,277.83	42,058,703.12		42,058,703.12
Jiangxi-Shenzhen high-speed railway cross-section expansion project	15,664,172.98		15,664,172.98	14,470,943.98		14,470,943.98
Guangzhou-Shantou	10,576,570.43		10,576,570.43	700,943.43		700,943.43

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Railway Crossing project						
Boluo Central Station office and living facilities renovation and expansion project	3,768,689.37		3,768,689.37			
Tanwei Bridge Ship Collision Pre	1,749,246.00		1,749,246.00	1,749,246.00		1,749,246.00
Other project	15,988,603.34		15,988,603.34	7,429,542.30		7,429,542.30
Gualvhu Interchange project				160,502,763.61		160,502,763.61
Huizhou North Interchange Project				105,046,556.00		105,046,556.00
Intelligent Transformation Project for Monitoring System of Foshan-Kaiping Expressway (Phase II)				1,535,540.00		1,535,540.00
Total	753,565,502.12		753,565,502.12	351,130,455.06		351,130,455.06

(2) Changes of significant construction in progress

In RMB

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	End balance	Proportion %	Project process	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Reconstruction and Expansion of Nansha-Zhuhai section of Guangzhou-Macao Expressway	13,735,989,200.00	17,636,216.62	536,646,694.33		738,968.78	553,543,942.17	4.03%	3.97%	9,902,436.83	9,902,436.83	2.93%	Other
Reconstruction and Expansion of Sanbao to Shuikou	3,426,210,000.00	42,058,703.12	135,299,246.71	25,083,672.00		152,274,277.83	80.11%	90.00%	73,215,555.82	436,051.00	3.30%	Other
Jiangxi-Shenzhen high-speed railway cross-section expansion project	16,966,900.00	14,470,943.98	1,193,229.00			15,664,172.98	92.32%	92.32%				Other
Expansion Project of Luogang-Lingkeng Section	321,541,000.00	7,383,321.30	6,983,701.10			14,367,022.40	4.47%	4.47%				Other
Guangzhou-Shantou Railway Crossing project	21,460,000.00	700,943.43	9,875,627.00			10,576,570.43	49.29%	49.29%				Other
Boluo Central Station office and living facilities renovation and expansion project	17,000,000.00		3,768,689.37			3,768,689.37	22.17%	22.17%				Other
Tanwei Bridge Ship Collision Pre	50,000,000.00	1,749,246.00				1,749,246.00	3.50%	3.50%				Other
Gualvhu Interchange project	287,159,500.00	160,502,763.61	38,050,458.39	198,553,222.00			69.14%	100.00%				Other

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	End balance	Proportion %	Project process	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Tanwei to Hengli bridge with street lamp project	8,470,000.00		8,409,414.36	8,409,414.36			99.28%	100.00%				Other
Huizhou North Interchange Project	291,295,500.00	105,046,556.00	123,723,444.00	228,770,000.00			78.54%	100.00%				Other
Total	17,854,551,100.00	342,165,372.76	856,966,803.16	460,816,308.36	738,968.78	737,576,898.78			83,117,992.65	10,338,487.83		

Note: The budget for reconstruction and expansion of Nansha-Zhuhai Section of Guangzhou-Australia Expressway includes the construction costs of some engineering projects undertaken by the government.

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

None

(4) Engineering Materials: None

15. Use right assets

In RMB

Items	House and buildings	Machinery equipment	Transportation equipment	Other	Total
I. Original price					
1. Opening balance	21,487,031.29	357,112.19	1,163,391.05	1,007,747.00	24,015,281.53
2. Increased amount of the period					
I. Original price			1,163,391.05		1,163,391.05
1. Opening balance					
2. Increased amount of the period			496,501.35		496,501.35
(3) Other out			666,889.70		666,889.70
4. Closing balance	21,487,031.29	357,112.19		1,007,747.00	22,851,890.48
II. Accumulated depreciation					
1. Opening balance	9,208,727.65	71,422.44	527,788.99	107,017.44	9,914,956.52
2. Increased amount of the period	9,208,727.64	71,422.44	383,956.13	107,017.44	9,771,123.65
(1) Withdrawal	9,208,727.64	71,422.44	383,956.13	107,017.44	9,771,123.65
3. Decreased amount of the period			911,745.12		911,745.12
(1) Disposition					
(2) Disposal subsidiary			244,855.42		244,855.42
(3) Other out			666,889.70		666,889.70
4. Closing balance	18,417,455.29	142,844.88		214,034.88	18,774,335.05
III. Impairment provision					
1. Opening balance					
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposition					
4. Closing balance					
IV. Book value					
1. Closing book value	3,069,576.00	214,267.31		793,712.12	4,077,555.43
2. Opening book value	12,278,303.64	285,689.75	635,602.06	900,729.56	14,100,325.01

16. Intangible assets

(1) List of intangible assets

In RMB

Items	Land use right	Patent right	Non-patented technology	Software	The Turnpike franchise	Total
I. Original price						
1. Opening balance	1,311,658.00			42,063,790.16	318,348,741.86	361,724,190.02
2. Increased amount of the period	1,390,080.76			2,044,196.04		3,434,276.80
(1) Purchase	1,390,080.76			2,044,196.04		3,434,276.80
(2) Internal Development						
(3) Increased of Enterprise Combination						
3. Decreased amount of the period				5,853,470.08		5,853,470.08
(1) Disposal				4,374,098.85		4,374,098.85
(2) Government subsidies cut						
(3) Disposal subsidiary				1,479,371.23		1,479,371.23
4. Closing balance	2,701,738.76			38,254,516.12	318,348,741.86	359,304,996.74
II. Accumulated amortization						
1. Opening balance	1,311,658.00			34,803,392.38	57,104,963.21	93,220,013.59
2. Increased amount of the period	1,048,464.39			2,607,149.09	20,703,176.83	24,358,790.31
(1) Withdrawal	1,048,464.39			2,607,149.09	20,703,176.83	24,358,790.31
3. Decreased amount of the period				5,046,278.60		5,046,278.60
(1) Disposal				4,374,098.85		4,374,098.85
(2) Disposal subsidiary				672,179.75		672,179.75
4. Closing balance	2,360,122.39			32,364,262.87	77,808,140.04	112,532,525.30
III. Impairment provision						
1. Opening balance						
2. Increased amount of the period						
(1) Withdrawal						

3. Decreased amount of the period						
(1) Disposal						
4. Closing balance						
IV. Book value						
1. Closing book value	341,616.37			5,890,253.25	240,540,601.82	246,772,471.44
2. Opening book value				7,260,397.78	261,243,778.65	268,504,176.43

At the end of this period, there is no intangible assets formed through the company's internal research and development.

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

In RMB

Items	Book value	Reason for not obtaining the title certificate
Gonghe Town Land	341,616.37	Reasons left over from history

17. Long-term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Prepaid business tax and surcharges before replacement of business tax with value-added tax	2,103,750.00		350,625.00	1,753,125.00	
Total	2,103,750.00		350,625.00	1,753,125.00	

Other note

18. Deferred income tax assets/deferred income tax liabilities

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

In RMB

Items	Balance in year-end		Balance Year-beginning	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provisions	7,912,893.77	1,978,223.45	7,264,977.10	1,816,244.28
Deductible loss	363,420,806.96	90,855,201.74	671,918,486.05	167,979,621.51
Asset appraisal, appreciation, depreciation and amortization	120,375,258.24	30,093,814.56	190,813,984.60	47,703,496.15
Deferred income	21,009,212.70	5,252,303.27	30,978,093.11	7,744,523.33
Total	512,718,171.67	128,179,543.02	900,975,540.86	225,243,885.27

(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	241,394,552.45	60,348,638.11	263,485,537.28	65,871,384.32
Deductible temporary differences in the formation of asset impairment	965,577,119.54	241,394,279.90	995,623,507.00	248,905,876.75
Difference of amortization method of franchise of toll road	9,854,438.83	2,463,609.71	4,580,106.28	1,145,026.57
Changes in the fair value of trading financial assets	10,400,000.00	2,600,000.00		
Total	1,227,226,110.82	306,806,527.72	1,263,689,150.56	315,922,287.64

(3) Deferred income tax assets or liabilities listed as net after offset: None

(4) Details of unrecognized deferred tax assets

In RMB

Items	Balance in year-end	Balance Year-beginning
Deductible temporary difference	37,864,110.43	93,406,200.73
Deductible loss	18,536,190.43	15,342,382.11
Total	56,400,300.86	108,748,582.84

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

In RMB

Year	Balance in year-end	Balance Year-beginning	Remark
2022		1,133,109.04	
2023	3,129,535.72	3,129,535.72	
2024	3,618,779.07	3,618,779.07	
2025	3,571,100.29	3,571,100.29	
2026	3,889,857.99	3,889,857.99	
2027	4,326,917.36		
Total	18,536,190.43	15,342,382.11	

19. Other Non-current assets

In RMB

Items	Balance in year-end			Balance Year-beginning		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Prepaid fixed assets engineering fees	6,258,116.72		6,258,116.72	24,675,415.36		24,675,415.36
Prepaid business tax	2,116,662.12		2,116,662.12	415,282.44		415,282.44
Less: Part due within 1 year				51,745.32		51,745.32
Total	8,374,778.84		8,374,778.84	25,038,952.48		25,038,952.48

20. Short-term Borrowing

(1) Short-term Borrowing

In RMB

Total	Balance in year-end	Balance Year-beginning
Credit Borrowing	430,000,000.00	
Interest payable not due	387,597.20	
Total	430,387,597.20	

(2) Overdue short-term borrowings

None

21.Account payable

(1) List of account payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	106,284,617.63	137,346,075.15
1-2 years (including 2 years)	15,315,242.17	32,260,718.56
2-3 years (including 3 years)	2,693,624.18	30,239,953.68
Over 3 years	73,495,298.79	64,640,392.05
Total	197,788,782.77	264,487,139.44

(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	17,466,700.00	Unsettled
Heshan Land and resources Bureau	9,186,893.60	Unsettled
Guangdong Expressway Technology Investment Co., Ltd.	5,601,117.12	Unsettled
Poly Changda Engineering Co., Ltd.	4,841,730.30	Unsettled
Total	67,604,039.23	

Other note

22. Prepayment received

(1) List of Prepayment received

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	1,913,639.06	1,937,127.54
1-2 years (Including 2 years)	805,117.91	2,777.78
2-3 years (Including 3 years)		
Over 3 years		8,720,303.19
Total	2,718,756.97	10,660,208.51

(2) Significant advance from customers aging over one year

In RMB

Items	Balance in year-end	Unpaid/Uncarry over reason
Hebei Jianhong Electric Engineering Co., Ltd.	805,117.91	Unsettled

Total	805,117.91	--
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23.Contract liabilities

In RMB

Items	Balance in year-end	Balance Year-beginning
Advances on sales		22,000.00
Lee: Included in other non-current liabilities		
Total		22,000.00

24. 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	19,213,631.91	437,876,240.74	436,429,544.05	20,660,328.60
II. Post-employment benefits - defined contribution plans		65,071,129.47	65,071,129.47	
III. Dismissal benefits		319,422.79	319,422.79	
Total	19,213,631.91	503,266,793.00	501,820,096.31	20,660,328.60

(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	505,563.47	332,844,655.90	332,885,155.88	465,063.49
2. Employee welfare		31,473,322.96	31,473,322.96	
3. Social insurance premiums		24,377,165.82	24,377,165.82	
Including : Medical insurance		16,092,852.91	16,092,852.91	
Work injury insurance		995,680.99	995,680.99	
Maternity insurance		1,577,891.08	1,577,891.08	
Other		5,710,740.84	5,710,740.84	
4. Public reserves for housing		37,890,451.08	37,890,451.08	
5. Union funds and staff education fee	16,483,121.80	9,627,061.45	8,227,137.85	17,883,045.40
8. Other	2,224,946.64	1,663,583.53	1,576,310.46	2,312,219.71
Total	19,213,631.91	437,876,240.74	436,429,544.05	20,660,328.60

(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		37,583,265.25	37,583,265.25	
2. Unemployment insurance		1,132,651.90	1,132,651.90	
3. Enterprise annuity payment		26,355,212.32	26,355,212.32	
Total		65,071,129.47	65,071,129.47	

25. Tax Payable

In RMB

Items	Balance in year-end	Due in the current period	This issue has been delivered	Balance in year-end
VAT	9,619,067.45	126,433,491.94	132,549,149.84	15,734,725.35
Enterprise Income tax	58,889,929.38	455,641,581.45	540,230,502.06	143,478,849.99
Individual Income tax	2,552,347.21	4,797,823.81	5,447,798.66	3,202,322.06
City Construction tax	633,666.06	7,898,514.20	8,309,173.36	1,044,325.22
Education subjoin	306,387.03	3,789,014.72	3,975,019.53	492,391.84
Locality Education subjoin	185,315.25	2,526,504.62	2,650,013.06	308,823.69
Vehicle and vessel tax		75,577.43	75,577.43	
Land use tax		3,006,644.73	3,006,644.73	
Property tax	60,799.58	4,229,458.96	4,279,152.83	110,493.45
Stamp tax	60,261.45	338,371.08	518,691.02	240,581.39
Total	72,307,773.41	608,736,982.94	701,041,722.52	164,612,512.99

26. Other accounts payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend payable	59,994,517.46	22,941,943.24
Other account payable	131,173,042.77	155,028,540.52
Total	191,167,560.23	177,970,483.76

(1) Interest payable : None

(2) Dividends payable

In RMB

Items	Balance in year-end	Balance Year-beginning
Common stock dividends	25,694,517.46	22,941,943.24
Dividends payable- Guangdong Provincial Freeway Co., Ltd.	11,550,000.00	
Dividends payable- Guangdong Zhujiang Highway and Bridge Investment Co., Ltd	21,000,000.00	
Dividends payable-HZCI	1,750,000.00	
Total	59,994,517.46	22,941,943.24

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

Final dividend payable 22,875,730.65

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

(3) Other accounts payable

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

In RMB

Items	Year-end balance	Year-Beginning balance
Estimated project cost	40,097,538.05	42,394,262.23
Deposit, warranty and security deposit	64,205,413.61	77,685,535.90
Other	26,870,091.11	34,948,742.39
Total	131,173,042.77	155,028,540.52

(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	The settlement conditions are not met
Poly Changda Highway Engineering Co., Ltd.	10,429,481.01	The settlement conditions are not met
Guangdong Guanyue Road & Bridge Co., Ltd.	7,582,627.80	The settlement conditions are not met
Total	30,511,557.29	

27. Non-current liabilities due within 1 year

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	72,870,082.19	471,545,553.76
Payable Bonds due within 1 year	40,679,999.99	40,680,000.01
Long-term payable due within 1 year	944,339.62	944,339.62
Lease liabilities due within 1 year	2,517,045.16	12,474,474.87
Total	117,011,466.96	525,644,368.26

Other note

28. Other current liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Tax to be rewritten	600,639.56	726,336.48
Entrusted loans and interest	500,122,916.67	
Total	500,723,556.23	726,336.48

29. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loan	14,525,000.00	582,195,000.00

Credit loan	5,619,259,650.00	4,456,002,800.00
Interest payable when not due	5,680,782.19	5,968,953.76
Less: Long-term loans due within one year	72,870,082.19	471,545,553.76
Total	5,566,595,350.00	4,572,621,200.00

30. Bond payable

(1) Bond payable

In RMB

Items	Balance year-end	Year-beginning balance
Medium-term note	1,428,381,232.94	1,427,434,086.58
Interest payable when not due	40,679,999.99	40,680,000.01
Less: Long-term Bonds due within one year	40,679,999.99	40,680,000.01
Total	1,428,381,232.94	1,427,434,086.58

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

In RMB

Name of the bond	Book value	Issue date	Period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amount	Pay in current period	Closing balance
19 Guangdong Expressway MTN001	680,000,000.00	2019.2.27	2019.3.1-2024.3.1	680,000,000.00	679,025,866.59		27,200,000.00	-450,610.40	27,200,000.00	679,476,476.99
20 Guangdong Expressway MTN001	750,000,000.00	2020.3.13	2020.3.17-2025.3.17	750,000,000.00	748,408,219.99		22,500,000.00	-496,535.96	22,500,000.00	748,904,755.95
Total		—		1,430,000,000.00	1,427,434,086.58		49,700,000.00	-947,146.36	49,700,000.00	1,428,381,232.94

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

None

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

None

31. Lease liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Long-term lease liabilities	2,709,232.95	15,671,597.45
Less: Financing costs are not recognized	41,203.32	423,662.82
Less: Lease liabilities due within 1 year	2,517,045.16	12,474,474.87
Total	150,984.47	2,773,459.76

32. Long-term payable

In RMB

Items	Balance year-end	Year-beginning balance
Long-term payable	2,517,493.12	3,461,832.74
Total	2,517,493.12	3,461,832.74

(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
Medium term bill underwriting fee	1,439,622.63	2,383,962.25
Less: Part due within 1 year	944,339.62	944,339.62
Total		

33. Deferred income

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Cause
Government subsidy	30,978,093.11	80,857.00	10,049,737.41	21,009,212.70	
Lease income	38,250,000.00	9,094,873.88	7,271,104.95	40,073,768.93	
Total	69,228,093.11	9,175,730.88	17,320,842.36	61,082,981.63	--

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	30,978,093.11			10,046,949.24			20,931,143.87	Related to assets

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
Charging infrastructure rewards		80,857.00		2,788.17			78,068.83	Related to assets

34. 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

35. Capital reserves

In RMB

Items	Year- beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	508,711,146.99			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	-1,999,697,196.00			-1,999,697,196.00
Other capital reserves	204,749,371.50	29,673,038.54		234,422,410.04
(1) Changes in other equity of the investee under the equity accounting(Note1,2)	-3,457,667.20	424,436.54		-3,033,230.66
(2) Other (Note3)	208,207,038.70	29,248,602.00		237,455,640.70
Total	713,460,518.49	29,673,038.54		743,133,557.03

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

Note 1: Guangdong Yuepu Small Refinancing Co., Ltd - an associate company-adjusted the statement numbers. The Company adjusted the book value of long-term equity investment before equity dilution according to the shareholding ratio, resulting in an increase in capital reserve of RMB 57,008.18 due to changes in equity diluted equity.

Note 2:Hunan Lianzhi Technology Co., Ltd, an associate of Yuegao Capital (Holdings) Guangzhou Co., Ltd-a subsidiary to the Company, repurchased the equity of other shareholders, resulting in a change in the long-term equity investment of the subsidiary accounted for by the equity method, with an increase in the capital reserve of 367,428.36 yuan.

Note 3:The agreement signed by Guangzhou-Huizhou Company and Zengcheng District Government to add Zengcheng Road Interchange on Guangzhou-Huizhou Expressway, which stipulates that Guangzhou-Huizhou Company will build Shaning Interchange and Xincheng Road Interchange, and all the expenses incurred in the construction of Interchange will be borne by Zengcheng District Government .

The agreement signed by Guangzhou-Huizhou Company and Huizhou Transportation Bureau to add Changkeng Interchange (tentative name) on Guangzhou-Huizhou Expressway, which stipulates that Guangzhou-Huizhou Company will build Changkeng Interchange (renamed Huizhou North Interchange), and all the expenses incurred in the construction of Interchange will be borne by Guangzhou-Huizhou Company. Huizhou Municipal Transportation Bureau will give Guanghui Company a financial subsidy for this agreed project. The Huizhou Municipal Transportation Bureau will give Guanghui Company a financial subsidy for the project under this agreement.

After the above project is completed, it will be managed by Guangzhou-Huizhou Company. A total of RMB 408,249,095.50 was received from 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 208,207,038.70, and RMB 57,350,200.00 was newly received in this period, of which capital reserve attributable to the parent company-other capital reserve increased by RMB29,248,602.00 in this period.

36. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period						Year-end balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
1. Other comprehensive income will be reclassified into income or loss in the future	195,395,263.20	-19,872,095.07			-5,522,746.21	-14,349,348.86		181,045,914.34
Changes in fair value of investments in other equity instruments	195,395,263.20	-19,872,095.07			-5,522,746.21	-14,349,348.86		181,045,914.34
2. Other comprehensive income reclassifiable to profit or loss in subsequent periods	-3,217,796.86	-7,194,460.81				-7,194,460.81		-10,412,257.67
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	-3,217,796.86	-7,194,460.81				-7,194,460.81		-10,412,257.67
Total of other comprehensive income	192,177,466.34	-27,066,555.88			-5,522,746.21	-21,543,809.67		170,633,656.67

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:

37. Surplus reserve

In RMB

Items	Year-beginning	Increase in the current	Decrease in the current	Year-end balance
	balance	period	period	
Statutory surplus reserve	1,225,375,330.56	147,681,138.46		1,373,056,469.02
Total	1,225,375,330.56	147,681,138.46		1,373,056,469.02

38. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	4,760,618,543.78	3,725,679,319.35
Adjust the total undistributed profits at the beginning of the period		546,190.04
After adjustments: Retained profits at the period beginning	4,760,618,543.78	3,726,225,509.39
Add: Net profit belonging to the owner of the parent company	1,277,069,521.90	1,700,406,981.99
Less: Statutory surplus reserve	147,681,138.46	57,589,364.93
Common stock dividend payable	1,191,759,491.82	608,424,582.67
Retained profit at the end of this term	4,698,247,435.40	4,760,618,543.78

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.

39. Operation income and operation cost

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	4,098,772,102.50	1,553,813,332.80	5,214,504,182.23	1,899,514,164.39
Other operation	69,862,011.48	32,535,702.68	73,553,495.70	29,997,861.17
Total	4,168,634,113.98	1,586,349,035.48	5,288,057,677.93	1,929,512,025.56

40. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	7,921,866.68	10,148,595.37

Education surcharge	3,799,071.81	4,837,411.83
Property tax	4,229,458.96	4,108,460.47
Land use tax	3,006,644.73	2,803,701.59
Vehicle use tax	75,577.43	75,614.77
Stamp tax	338,371.08	589,040.04
Business tax	370,495.32	370,495.32
Locality Education surcharge	2,526,337.62	3,218,282.06
Total	22,267,823.63	26,151,601.45

41. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	134,410,035.06	160,631,132.11
Depreciation and Amortization	10,449,720.47	12,006,378.25
Intangible assets amortization	1,834,472.02	2,145,714.88
Low consumables amortization	831,662.81	856,378.64
Rental fee	12,614,151.08	12,641,157.99
Office expenses	7,819,756.53	7,832,333.51
Travel expenses	470,595.17	802,598.61
Consultation expenses	1,294,905.66	1,102,939.62
The fee for hiring agency	4,182,360.31	5,345,624.33
Listing fee	731,441.20	854,072.73
Information cost and maintenance fee	3,267,275.05	3,821,536.06
Other	13,519,706.10	15,565,575.73
Total	191,426,081.46	223,605,442.46

42.R& D expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	1,613,486.50	1,218,145.17
Material cost	412,566.35	117,433.62
Depreciation	5,521.90	30,469.69
Low consumables amortization		2,112.93
Office expenses	3,957.92	12,252.27
Repairs cost	391.15	11,988.44
Vehicle fee		15,512.82
Development cost	12,554,604.00	11,535,779.93
Other	1,245.30	327,243.86
Total	14,591,773.12	13,270,938.73

43.Financial expenses

In RMB

Items	Amount of this period	Amount of last period
-------	-----------------------	-----------------------

Interest expenses	238,444,227.57	282,653,629.93
Deposit interest income (-)	-47,404,858.97	-64,220,887.86
Exchange Income and loss (Gain-)	-988,123.62	371,334.74
Bank commission charge	1,012,828.60	628,831.70
Other	7,077.52	2,281,404.25
Total	191,071,151.10	221,714,312.76

44. Other gains

In RMB

Items	Amount of this period	Amount of last period	Asset-related or income-related
Government Subsidy-Cancel the Special Subsidy for Provincial Toll Station Project of Expressway	10,046,949.24	13,567,476.53	Related to assets
Government subsidy- Stable job subsidies	2,344,310.46	1,198,029.54	Relate to income
Government subsidy-- Enterprises with industrial training subsidies		1,243,500.00	Relate to income
Government subsidy--- Technology Reward	20,000.00		Relate to income
Government subsidy-- - Charging infrastructure rewards	2,788.17		Related to assets
Government subsidy-Enterprises subsidies		339,000.00	Relate to income
Maternity allowance	691,491.83	579,838.26	Relate to income
Veterans' VAT reduction and exemption	309,883.38	284,718.89	Relate to income
Withholding and remitting enterprise prepaid income tax fees	273,172.75	343,853.85	Relate to income
Veterans' VAT reduction and exemption	39,056.05	43,938.09	Relate to income
Total	13,727,651.88	17,600,355.16	

45. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	194,171,768.63	227,004,893.87
Dividends earned during the holding period on investments in other equity instrument	47,286,243.74	50,056,360.49
The investment income generated by the disposal of the subsidiaries	13,564,262.33	
Interest income on entrusted loans	25,515.00	
Other	-91,000.00	
Total	254,956,789.70	277,061,254.36

46. Changes in the fair value of the earning

In RMB

Items	Amount of this period	Amount of last period
Other non-current financial assets	10,400,000.00	
Total	10,400,000.00	

47. Credit impairment losses

In RMB

Items	Amount of this period	Amount of last period
Impairment losses on account receivable	-647,916.67	-2,028,919.47
Impairment losses on other receivable	-97,749,481.71	93,582.00
Total	-98,397,398.38	-1,935,337.47

48. Asset impairment loss

In RMB

Items	Amount of this period	Amount of last period
Loss on impairment of fixed assets		-2,889,394.16
Total		-2,889,394.16

49. Assets disposal income

In RMB

Items	Amount of this period	Amount of last period
Non-current assets disposal gains	478,663.58	3,017,370.44
Including: Income from disposal of Fixed assets	478,663.58	3,017,370.44
Total	478,663.58	3,017,370.44

50. Non-Operation income

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Non-current assets are damaged and scrapped for profit	224,100.38	371,681.42	224,100.38
Including: Fixed assets	224,100.38	371,681.42	224,100.38
Receive assets free of charge		6,119,104.00	
Insurance claim income	6,582,174.68	5,020,697.37	6,582,174.68
Road property claim income	2,678,040.82	3,436,760.97	2,678,040.82
Relocation compensation income		1,714,382.93	
Compensation for construction land and ground attachments		186,642.86	
Other	564,625.40	1,126,225.63	564,625.40
Total	10,048,941.28	17,975,495.18	10,048,941.28

51. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Non-current assets are damaged and scrapped for profit	640,374.72	753,220.25	640,374.72
Including: Fixed assets	640,374.72	753,220.25	640,374.72

Road rehabilitation expenditure	11,455,442.76	7,821,358.32	11,455,442.76
Expenditure for public welfare donations		12,000,000.00	
Fine	2,254.33	153.62	2,254.33
Other	165,222.71	1,908,653.45	165,222.71
Total	12,263,294.52	22,483,385.64	12,263,294.52

52. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	453,820,023.55	661,629,051.42
Deferred income tax expense	93,471,328.54	73,735,963.14
Total	547,291,352.09	735,365,014.56

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

In RMB

Items	Amount of current period
Total	2,341,879,602.73
Current income tax expense accounted by tax and relevant regulations	585,469,900.69
Influence of income tax before adjustment	195,238.73
Influence of non taxable income	-52,274,937.65
Impact of non-deductible costs, expenses and losses	15,884,949.59
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	12,790,588.08
Other	-14,774,387.35
Income tax expense	547,291,352.09

53. 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	44,010,814.62	64,220,887.86
Unit current account	76,546,511.83	62,196,377.10
Total	120,557,326.45	126,417,264.96

(2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	28,648,089.97	37,053,815.32
Unit current account	98,694,135.34	45,656,506.01
Donation		12,000,000.00
Total	127,342,225.31	94,710,321.33

(3).Cash receivable related to other Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Government infrastructure investment subsidies	57,350,200.00	140,145,195.50
Internal fund lending of the group	500,000,000.00	
Total	557,350,200.00	140,145,195.50

(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	1,001,869.75	776,869.75
Purchase of 21% equity consideration of Guanghui		1,221,839,292.00
Cash paid for the lease liabilities	13,278,583.90	8,134,723.18
Total	14,280,453.65	1,230,750,884.93

54. 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	1,794,588,250.64	2,426,784,700.28
Add: Credit loss preparation	98,397,398.38	1,935,337.47
Impairment loss provision of assets		2,889,394.16
Depreciation of fixed assets, oil and gas assets and consumable biological assets	1,018,003,178.73	1,229,561,027.39
Depreciation of Use right assets	9,771,123.65	9,914,956.52
Amortization of intangible assets	24,232,065.30	36,587,254.42
Amortization of Long-term deferred expenses	350,625.00	350,625.00
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-478,663.58	-3,017,370.44
Fixed assets scrap loss	416,274.34	381,538.83
Loss on fair value changes	-10,400,000.00	
Financial cost	237,456,103.95	283,024,964.67
Loss on investment	-254,956,789.70	-277,061,254.36
Decrease of deferred income tax assets	97,064,342.25	105,511,533.12
Increased of deferred income tax liabilities	-3,593,013.71	-31,775,569.98
Decrease of inventories		-586,318.60
Decease of operating receivables	-102,793,804.75	8,323,698.17

Increased of operating Payable	-156,030,532.12	-123,079,795.49
Other		
Net cash flows arising from operating activities	2,752,026,558.38	3,669,744,721.16
II. Significant investment and financing activities that without cash flows:		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Financing of fixed assets leased		
3. Movement of cash and cash equivalents:		
Ending balance of cash	4,284,688,231.33	2,955,183,190.55
Less: Beginning balance of cash equivalents	2,955,183,190.55	2,846,176,803.89
Add: End balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase of cash and cash equivalent	1,329,505,040.78	109,006,386.66

(2) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
Cash	4,284,688,231.33	2,955,183,190.55
Of which: Cash in stock	43,420.71	38,214.02
Bank savings could be used at any time	4,284,128,907.61	2,954,629,744.81
Other monetary capital could be used at any time	515,903.01	515,231.72
Balance of cash and cash equivalents at the period end	4,284,688,231.33	2,955,183,190.55

55. The assets with the ownership or use right restricted

In RMB

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

Other note:

As of December 31, 2022, the Guangzhu Section of the Beijing-Zhuhai Expressway, a subsidiary of the Company, has a borrowing balance of RMB14,525,000.00 (it's all long-term loan balance) from the Wuyang Branch of Industrial and Commercial Bank of China Co., Ltd, and it provided the pledge guarantee by the toll rights of the Guangzhu Section of the Beijing-Zhuhai Expressway project (the right to collect tolls for vehicles driving on the Guangzhu Section of the Beijing-Zhuhai Expressway and the income generated by the ownership of such rights) corresponding to the balance of the loan.

VIII. Changes of merge scope

1. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

√ Yes □ No

In RMB

Subsidiary name	Equity disposal price	Equity disposal ratio	Equity disposal method	point of loss of control	Determination basis for the point of loss of control	The difference between the disposal price and the share of the subsidiary's net assets at the consolidated financial statement level corresponding to the disposal investment	Percentage of remaining equity at the date of loss of control	Book value of remaining equity on the date of loss of control	Fair value of remaining equity at the date of loss of control	Gain or loss from remeasurement of remaining equity at fair value	Determination method and main assumptions of fair value of remaining equity on the date of loss of control	Amount transferred from other comprehensive income related to equity investment in atomic company to investment profit and loss
Guangdong Expressway Technology Investment Co., Ltd.	50,623,900.00	100.00%	Sale of shares under common control	March 29,2022	Completed the equity transfer, the transfer of control right	13,564,262.33	0.00%	0.00	0.00	0.00		0.00

Other note:

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

□ Yes √ No

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
Guangfo Expressway Co., Ltd.	Guangzhou	Guangzhou	Expressway Management	75.00%		Under the same control business combination
Guanghui Expressway Co., Ltd.	Guangzhou	Guangzhou	Expressway 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(Guangzhou)Co., Ltd.	Guangzhou	Guangzhou	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%	-13,850,657.08	53,112,309.95	64,351,739.99
Guangdong Guanghui Expressway Co., Ltd.	49.00%	442,005,748.98	411,799,965.71	1,974,868,461.63
Jingzhu Expressway Guangzhou Section Co.,Ltd.	25.00%	89,363,636.84	126,239,706.53	253,799,315.89

Holding proportion of minority shareholder in subsidiary different from voting proportion
None

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

In RMB

Name	Year-end balance					
	Current assets	Non- current assets	Total assets	Current Liabilities	Non- current liabilities	Total liabilities
Guangfo Expressway Co., Ltd.	270,445,990.72	15,689,069.15	286,135,059.87	28,728,099.92		28,728,099.92
Guangdong Guanghui Expressway Co., Ltd.	1,463,091,700.93	2,980,427,023.34	4,443,518,724.27	242,093,924.47	171,081,000.56	413,174,925.03
Jingzhu Expressway Guangzhu Section Co.,Ltd.	1,097,313,535.80	2,536,645,298.71	3,633,958,834.51	2,477,933,314.32	140,828,256.68	2,618,761,571.00

Name	Year-beginning balance					
	Current assets	Non- current assets	Total assets	Current Liabilities	Non- current liabilities	Total liabilities
Guangfo Expressway Co., Ltd.	539,508,987.55	17,935,998.96	557,444,986.51	32,186,158.45		32,186,158.45
Guangdong Guanghui Expressway Co., Ltd.	1,106,203,367.94	3,200,915,171.31	4,307,118,539.25	199,770,257.66	195,999,137.99	395,769,395.65
Jingzhu Expressway Guangzhu Section Co.,Ltd.	78,321,084.79	2,167,316,422.40	2,245,637,507.19	455,558,150.91	627,377,814.00	1,082,935,964.91

In RMB

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities
Guangfo Expressway Co., Ltd.	68,796,094.51	-55,402,628.32	-55,402,628.32	203,596,819.21	452,189,259.01	216,784,938.57	216,784,938.57	173,090,933.86
Guangdong Guanghui Expressway Co., Ltd.	1,852,612,486.85	902,052,548.93	902,052,548.93	1,213,241,301.99	2,153,255,526.58	1,111,564,548.10	1,111,564,548.10	1,481,786,551.53
Jingzhu Expressway Guangzhu Section Co.,Ltd.	935,890,869.56	357,454,547.35	357,454,547.35	574,838,142.22	1,173,205,770.48	510,059,420.32	510,059,420.32	779,998,964.52

(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	Shenzhen	Expressway Management	33.33%		Equity method
Guangdong Jiangzhong Expressway Co., Ltd.	Zhongshan ,	Zhongshan ,	Expressway Management	15.00%		Equity method
Ganzhou kangda Expressway Co., Ltd.	Gangzhou	Ganzhou	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Gangzhou	Ganzhou	Expressway Management	30.00%		Equity method
Guangdong Yuepu Small Refinancing Co., Ltd	Guangzhou	Guangzhou	Hand all kinds of small loans	15.48%		Equity method
Guangyuan Securities Co., Ltd.	Hefei	Hefei	Security business	2.37%		Equity method
Hunan Lianzhi Technology Co., Ltd.	Changsha	Changsha	Research and experimental development		12.01%	Equity method
SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd	Guangzhou	Guangzhou	New Energy service		5.00%	Equity method
Shenzhen Garage Electric Pile Technology Co., Ltd	Shenzhen	Shenzhen	Software and Information technology		17.40%	Equity method

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

None

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

Guangdong, Jiangzhong Expressway Co., Ltd., Guangyuan Securities Co., Ltd., Yuepu Small Refinancing Co., Ltd. and Hunan Lianzhi Technology Co., Ltd. SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd. and

Shenzhen Garage Electric Pile 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		
Non-current assets		
Total assets	130,765,208,142.95	114,683,858,604.22
Current liabilities		
Non-current Liabilities		
Total liabilities		
Minority Shareholders' Equity		
Shareholders' equity attributable to shareholders of the parent	32,927,214,909.60	32,259,179,385.22
Pro rata share of the net assets calculated	780,835,620.42	764,993,833.19
Adjustment items		
--Goodwill	207,095,632.54	207,095,632.54
-- Internal transactions did not achieve profits		
--Other		
The book value of equity investments in joint ventures	987,931,252.96	972,089,465.73
Fair value of equity investment of associated enterprises with open quotation	655,044,744.06	796,815,881.40
Business income	5,357,837,845.51	6,076,303,560.25
Net profit	1,719,972,806.89	1,871,872,525.11
Net profit from terminated operations		
Other comprehensive income	-303,384,670.30	410,531,198.59
Total comprehensive income	1,416,588,136.59	2,282,403,723.70
Dividends received from associates during the year	18,626,864.76	20,696,516.40

(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	1,935,437,414.88	1,655,041,215.52
Total amount of the pro rata calculation of the following--Net profit ms		
-Nit profit	152,508,655.82	182,411,820.30
--Total comprehensive income	152,508,655.82	182,411,820.30

(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

6. Other

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.

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. 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 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

As of December 31, 2022, the largest credit risk exposure that may cause financial losses of the Company mainly comes from the loss of financial assets of the Company caused by the failure of the other party to perform its obligations.

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

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

Financial assets overdue or impaired;

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

(2) Analysis of financial assets that have suffered single impairment: Refer to "4, Other Receivables" in VII and "10, Investment in Other Equity Instruments" in VII of this section for details.

3. Liquidity risk

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

XI. The disclosure of the fair value

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

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(I) Trading financial assets			101,400,000.00	101,400,000.00
(2) Equity instrument investment			101,400,000.00	101,400,000.00
(II) Other equity instrument investment	722,232,678.08		835,071,052.90	1,557,303,730.98
Total assets continuously measured at fair value	722,232,678.08		936,471,052.90	1,658,703,730.98
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, 2022 of 3.07 yuan, the final calculation of fair value was 722,232,678.08 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 2 fair value measurement items

Items	Fair value as of December 31, 2022	Valuation technology	Unobservable input value
Unlisted equity investment	936,471,052.90	Hire a third party for evaluation or enjoy the share of the net book assets of the investee based on the shareholding ratio	

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, 2022, Registered capital: 26.8 billion yuan. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; The value-added communication business.

The final control of the Company was State owned assets supervision and Administration Commission of

Guangdong Provincial People's Government.

Other note:

2. Subsidiaries of the Company

Subsidiaries of this enterprise, see 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

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 Litong Property Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Media 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 Litong Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Development Investment 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 Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Luoyang 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 Read & Bridge Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tongyi Expressway Service Area Co., Ltd	Fully owned subsidiary of the parent company

Name	Relation with the Company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Rescue 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
Guangdong Traffic Development 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
Guangzhou Aitesi Communication equipment Co., Ltd.	Associated enterprises controlled by the same parent company
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Associated enterprises controlled by the same parent company
Guangdong Feida Traffic Engineering Co., Ltd.	Associated enterprises controlled by the same parent company
Poly Changda Engineering Co., Ltd.	Shares of parent company
Guangdong Changda Road Conservation Co., Ltd.	Shares of parent company
Guangdong Xiangfei Highway Engineering Supervision Co., Ltd	Subsidiary of the parent company
Guangdong Expressway Technology Co., Ltd.	Fully owned subsidiary of the parent company
Hunan Lianzhi Technology Co., Ltd.	A wholly owned subsidiary of the 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 Communications Testing Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong United Telecom Service Information Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Automobile Transportation Group Co., Ltd. Cultural and tourism branch	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Jiangmen Jianghe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Yunfo Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Nanao Traffic Qingyun Expressway Management Center	Managed by the parent company

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
1.Business cost					
Poly Changda Engineering Co., Ltd.	Project fund, service	39,604,731.00			25,299,515.00
Guangdong Union electronic services co., Ltd.	Service	23,704,775.99			25,131,901.47
Guangdong Communications Testing Co., Ltd.	Project fund, service	10,551,045.00			6,652,840.00
Guangdong Lulutong Co., Ltd.	Project fund, service	7,836,175.59			5,775,057.23
Guangdong Feida Traffic Engineering Co., Ltd.	Maintenance	6,372,528.95			7,773,274.29
Guangdong Xinyue Traffic Investment Co., Ltd.	Project fund, service	5,487,176.00			4,366,423.49
Guangdong Humen Bridge Co., Ltd.	Service	3,524,001.08			3,686,679.96
Guangdong Yueyun Traffic Rescue Co., Ltd.	Rescue service fee	3,473,440.00			3,343,600.00
Guangzhou Xinyue Asphalt Co., Ltd.	Purchase	3,135,448.69			7,587,872.00
Guangdong Hualu Traffic Technology Co., Ltd.	Project	2,557,895.23			4,512,951.46
Guangdong Expressway Technology Investment Co., Ltd.	Maintenance, Test	3,539,282.52			
Guangdong Litong Technology Investment Co., Ltd.	Maintenance	1,700,262.90			1,713,971.99
Guangdong East Thinking Management Technology Development Co., Ltd.	Maintenance, Service	1,458,780.20			687,200.00
Guangdong Communication Planning & Design Institute Co., Ltd.	Project labour service	463,795.00			1,156,607.57
Guangdong Tongyi Expressway Service Area Co., Ltd	Service	102,152.00			1,050,181.10
Guangzhou Aitesi Communication Equipment Co., Ltd.	Project	8,310.00			993,635.40
Guangdong Changchang Road Maintenance Co., Ltd.	Project	-77,232.00			
Guangzhou Xinyue Traffic Technology Co., Ltd.	Project				8,889,414.00
Hunan Lianzhi Monitoring Technology Co., Ltd.	Project				850,700.00
Guangdong Union electronic services co., Ltd.	Service				38,603.77
Subtotal		113,442,568.15			109,510,428.73
2.Financial cost					

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 Communication Group Finance Co., Ltd.	Borrowing Interest expresses	14,854,227.76			6,494,583.35
Guangdong Communication Group Finance Co., Ltd.	Deposit interest income	-25,570,660.76			-39,941,667.46
Guangdong Communication Group Finance Co., Ltd.	Commission charge	6,881.51			32,273.93
Guangdong Communication Group Finance Co., Ltd.	Interest	122,916.67			
Guangdong Jiangzhong Expressway Co., Ltd.	Interest				27,405.00
Subtotal		-10,586,634.82			-33,387,405.18
3.Administrative expenses					
Guangdong Litong Development Investment Co., Ltd.	Management Fee	3,119,747.07			2,085,605.68
Guangdong Union electronic services co., Ltd.	maintenance fee	993,500.00			
Guangdong East Thinking Management Technology Development Co., Ltd.	Maintenance, Service	474,905.66			1,654,473.11
Guangdong Lulutong Co., Ltd.	Maintenance	67,300.00			
Guangdong Tongyi Expressway Service Area Co., Ltd	Service	16,000.00			57,034.88
Guangdong Expressway Media Co., Ltd.	Public welfare publicity fee				17,556.00
Subtotal		4,671,452.73			3,814,669.67
4.R & D					
Guangdong Communications Testing Co., Ltd.	Scientific research project	3,899,843.00			
Hunan Lianzhi Monitoring Technology Co., Ltd.	Scientific research project	659,885.00			850,700.00
Guangdong Hualu Traffic Technology Co., Ltd.	Scientific research project	199,969.00			
Guangdong Communication Group Co., Ltd.	Scientific research project				2,962,500.00
Subtotal		4,759,697.00			3,813,200.00
5.Fixed assets					
Poly Changda Engineering Co., Ltd.	Purchase assets	21,636,899.00			
Guangdong Lulutong Co., Ltd.	Purchase assets	6,305,408.00			
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets	3,272,616.23			678,764.67
Guangdong Communication Planning & Design Institute Co., Ltd.	Purchase assets	1,333,458.66			
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets	1,083,407.99			675,150.00

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 Feida Traffic Engineering Co., Ltd.	Purchase assets	302,909.00			400,013.00
Guangdong Communications Testing Co., Ltd.	Purchase assets	183,430.00			
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchase assets				598,500.00
Subtotal		34,118,128.88			2,352,427.67
6. Construction in process					
Guangdong Communication Planning & Design Institute Co., Ltd.	Purchase assets	21,386,526.00			15,047,972.50
Poly Changda Engineering Co., Ltd.	Purchase assets	13,850,389.47			275,143,275.83
Guangdong Highway Construction Co., Ltd.	Purchase assets	2,029,339.19			
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets	1,045,494.00			12,390,585.09
Guangdong Xinyue Traffic Investment Co., Ltd.	Purchase assets	1,116,576.78			78,020,865.98
Guangdong Communications Testing Co., Ltd.	Purchase assets	68,052.00			88,880.00
Guangdong Litong Technology Investment Co., Ltd.	Purchase assets				185,000.00
Guangdong Feida Traffic Engineering Co., Ltd.	Purchase assets				10,460,593.04
Guangdong East Thinking Management Technology Development Co., Ltd.	Purchase assets				1,461,612.00
Guangdong Lulutong Co.,Ltd.	Purchase assets				364,490.00
Guangdong Xiangfei Highway Engineering Supervision Co., Ltd	Purchase assets				208,829.00
Subtotal		39,496,377.44			393,372,103.44
7. Non-operating expenses					
Poly Changda Engineering Co., Ltd.	Expenses for civil engineering restoration	3,883,375.00			3,207,485.00
Guangdong Xinyue Traffic Investment Co., Ltd.	Sporadic repair fees	294,810.00			255,719.00
Guangdong Lulutong Co., Ltd.	Maintenance	98,491.00			
Guangdong Hualu Traffic Technology Co., Ltd.	Verification fee				5,766.55
Subtotal		4,276,676.00			3,468,970.55

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	23,773,018.85	21,805,771.37
Guangdong Tongyi Expressway Service Area Co., Ltd	electricity	1,187,798.23	
Ganzhou Gankang Expressway Co., Ltd.	Salaries of expatriate staff	848,557.89	730,675.94
Zhaoqing Yuezhao Highway Co., Ltd.	Salaries of expatriate staff	817,436.38	1,261,683.80
Shenzhen Huiyan Expressway Co., Ltd.	Salaries of expatriate staff	767,691.55	1,045,253.97
Poly Changda Engineering Co., Ltd.	water and electricity bills	167,505.31	155,736.83
Ganzhou Kangda Expressway Co., Ltd.	Salaries of expatriate staff	515,567.27	506,038.55
Guangdong Jiangzhong Expressway Co., Ltd.	Salaries of expatriate staff	500,214.96	650,904.70
Guangdong Traffic Development Co., Ltd.	electricity	945,395.40	342,916.53
Guangdong Expressway Technology Investment Co., Ltd.	Salaries of expatriate staff	114,620.52	
Guangdong Litong Technology Investment Co., Ltd.	electricity	27,125.58	16,000.00
Guangdong Expressway Media Co., Ltd.	Water and electricity	24,258.08	74,814.00
Guangdong Yueyun Traffic Rescue Co., Ltd.	Water and electricity	17,915.70	30,917.99
Guangdong Provincial Freeway Co.,Ltd.	Project fund		4,396,237.98
Guangdong Feida Traffic Engineering Co., Ltd	CPC card sales revenue		3,954,609.41
Guangdong Highway Construction Co., Ltd.	Service, Test		827,703.80
Guangdong Guangzhu West Line Expressway Co., Ltd.	Service, Test		463,391.75
Guangdong Chaohui Expressway Co., Ltd.	Test		441,132.07
Guangdong Road & Bridge Construction Development Co., Ltd.	Test		384,962.27
Guangdong Kaiyang Expressway Co., Ltd.	Test		284,433.96
Guangdong Guangfo Expressway Co., Ltd.	Test		264,622.64
Guangdong Boda Expressway Co., Ltd.	Test		246,626.81
Guangdong Yangmao Expressway Co., Ltd.	Service, Test		234,951.58
Guangdong Guangle Expressway Co., Ltd.	Test		224,433.96
Guangdong Zhaoyang Expressway Co., Ltd.	Test		197,613.96
Guangdong Nanyue Traffic Qingyun Expressway Management Center	CPC card		122,123.89
Guangdong Luoyang Expressway Co., Ltd.	Test		107,547.17
Guangdong Traffic Investment Co., Ltd.	Test		106,132.07
Guangdong Maozhan Expressway Co., Ltd.	Service, Test		79,245.28
Yunfu Guangyun Expressway Co., Ltd.	Test		71,433.97
Jiangmen Jianghe Expressway Co., Ltd.	Test		63,207.55
Guangdong Xinyue Traffic Investment Co., Ltd.	CPC card sales revenue		46,877.88
Guangdong Humen Bridge Co., Ltd.	Test		38,387.04
Guangdong Yueyun Traffic Co., Ltd.	Test		11,320.75
Subtotal		29,707,105.72	39,187,709.47
2.Non-operating income			
Poly Changda Engineering Co., Ltd.	Construction penalty	10,200.00	653,302.00
Subtotal		10,200.00	653,302.00

(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 Technology Co., Ltd.	Advertising lease	3,876,219.92	
Guangdong Expressway Technology Co., Ltd.	Property lease	171,815.93	
Guangdong Expressway Media Co., Ltd.	Advertising lease	2,809,700.73	3,988,255.23
Guangdong Tongyi Expressway Service Area Co., Ltd	Service Area Lease	2,297,830.86	3,569,880.44
Guangdong Litong Technology Investment Co., Ltd.	Communication Piping	1,029,782.83	1,649,376.50
Guangdong Litong Technology Investment Co., Ltd.	Land lease	16,761.90	
Poly Changda Engineering Co., Ltd.	Land lease	555,557.14	
Poly Changda Engineering Co., Ltd.	Equipment lease	445,910.62	255,176.06
Total		11,203,579.93	9,462,688.23

- The company was lessee:

In RMB

Lessor	Category of leased assets	Rental charges for short-term and low-value assets (if any)		Variable lease payments not included in lease liabilities measurement (if any)		Rent paid		Interest expenses on lease liabilities assumed		Increased use right assets	
		Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period
Guangdong Litong Decelopment Investment Co., Ltd	Office space					12,211,529.46	7,127,471.60	349,331.19	724,776.16		
Guangdong Motor Transportation Group Co., Ltd	Car rental fee	413,153.90	873,040.00			413,153.90	873,040.00				
Guangdong Litong Real Eatate Investment Co., Ltd	Office space	95,596.46	103,843.13			95,596.46	103,843.13				
Zhaoqing Yuezhao Highway Co.,	Advertising column lease						195,288.00				

Ltd.											
Zhaoqing Yuezhao Highway Co., Ltd.	Car rental fee						116,504.86		9,099.61		

(3) Assets transfer and debt restructuring of related parties

In RMB

Related party	Content	Amount of current period		Amount of previous period	
Guangdong Litong Technology Investment Co., Ltd.	Sell equity investments		50,623,900.00		

(4) Rewards for the key management personnel

In RMB

Items	Amount of current period		Amount of previous period	
Rewards for the key management personnel		7,033,900.00		7,682,600.00

(5) Transactions with associated financial companies

(1) Deposit business

Related party	Relationship	Maximum daily deposit limit (10,000)	Deposit interest rate range	Beginning balance (10,000)	The amount of this period		Ending balance (10,000)
					Total amount for this period (10,000)	Total amount is withdrawn for this period (10,000)	
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	300,000.00	0.35%-2.85%	152,373.48	736,897.41	649,874.28	239,396.61

(2) Loan business

Related party	Relationship	Loan limit (10,000)	Loant interest rate range	Beginning balance (10,000)	The amount of this period		Ending balance (10,000)
					Total loan amount of the current period (10,000)	Total repayment amount of the current period (10,000)	
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	400,000.00	2.95%-3.40%	20,022.92	44,485.42	1,649.01	62,859.33

(3) Credit extension or other financial services

Related party	Relationship	Business type	Total amount (10,000)	Actual amount incurred (10,000)
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	Credit extension	220,000.00	63,000.00

The Company respectively signed the "Cash Management Business Cooperation Agreement" with Guangdong Communications Group Finance Co., Ltd and the Guangdong Branch of Industrial and Commercial

Bank of China on December 25, 2017; and signed the "Cash Management Business Cooperation Agreement" with Guangdong Communications Group Finance Co., Ltd and the Guangdong Branch of Industrial and Commercial Bank of China on December 22, 2017 respectively, joined the cash pool of Guangdong Communications Group Finance Co., Ltd.

Guangdong Guanghui Expressway Co., Ltd respectively signed the "Cash Management Business Cooperation Agreement" with Guangdong Communications Group Finance Co., Ltd and Agricultural Bank of China Co., Ltd Guangdong Branch on May 19, 2020, joined the cash pool of Guangdong Communications Group Finance Co., Ltd.

(6) Other related-party transactions

① 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.

② On March 25, 2021, the Sixteenth Meeting of the Ninth Board of Directors of the Company held and reviewed the *Proposal on the Company's Estimated Daily Related Party Transactions in 2021*. It is estimated that the daily related party transactions include the Agreement on the Entrusted Management of the Preliminary Work of the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway signed by Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section Co., Ltd. and Guangdong Highway Construction Co., Ltd., in which the latter is responsible for the main management responsibilities and all the preliminary work before the approval of the reconstruction and expansion project.

③ On November 30, 2022, the fifth (interim) meeting of the 10th Board of Directors of the Company reviewed and approved the Proposal on Entrusted Construction Management of the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway, and agreed that the subsidiary Guangzhou-Zhuhai Section of Beijing-Zhuhai Expressway Co., Ltd. entrusted Guangdong Provincial Highway Construction Co., Ltd. to carry out the whole-process construction management of the reconstruction and expansion project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway. The above transactions have been approved and implemented by the Board of Directors of Guangzhou Section of Beijing-Zhuhai Expressway Co., Ltd.

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.			113,642.50	
Contract assets	Guangdong Feida Traffic Engineering Co.,Ltd.			48,230.00	
Contract assets	Guangdong Jiangzhong Expressway			8,412.00	

	Co., Ltd.				
Contract assets	Guangdong Nanyue Traffic Qingyun Expressway Management Center			6,900.00	
Total				177,184.50	
Account receivable	Guangdong Union electron Service Co., Ltd.	67,197,924.19		78,368,502.10	
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	8,321,625.03		7,783,650.00	
Account receivable	Guangdong Humen Bridge Co., Ltd.	6,072,995.36		2,083,918.33	
Account receivable	Guangdong Expressway Technology Investment Co., Ltd.	2,315,719.18			
Account receivable	Guangdong Expressway Media Co., Ltd.	522,805.00		1,854,769.00	
Account receivable	Poly Changda Engineering Co., Ltd.	265,054.16		265,054.16	
Account receivable	Guangdong Feida Traffic Engineering Co., Ltd.			5,531,000.00	
Account receivable	Guangdong Litong Technology Investment Co., Ltd.			338,298.13	
Account receivable	Guangdong Provincial Freeway Co.,Ltd.			203,632.00	
Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.			94,301.60	
Account receivable	Guangdong Road Construction Co., ltd.			54,256.00	
Account receivable	Shenzhen Huiyan Expressway Co., Ltd.			51,000.00	
Account receivable	Guangdong Road Bridge Construction Development Co., Ltd.			29,025.15	
Account receivable	Guangzhenzhu Expressway Co., ltd.			18,192.00	
Account receivable	Guangdong Boda Expressway Co., Ltd.			4,530.99	
Total		84,696,122.92		96,680,129.46	
Advanced payment	Zhaoqing Yuezhaoh Highway Co., Ltd.			216,750.00	
Total				216,750.00	
Other Account receivable	Guangdong Litong Development Investment Co., Ltd.	1,653,447.36		1,653,447.36	
Other Account receivable	Guangdong Expressway Media Co., Ltd.	978,997.66		649,386.62	
Other Account receivable	Guangdong Provincial Freeway Co.,Ltd.	463,491.88		463,491.88	
Other Account receivable	Guangdong Union electron Service Co., Ltd.	137,851.04		50,000.00	
Other Account receivable	Guangdong Expressway Technology Investment Co., Ltd.	65,605.71			
Other Account	Guangdong Litong Property	18,344.00		30,004.00	

receivable	Development Co., Ltd.				
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.			350,000.00	
Total		3,317,737.65		3,196,329.86	
Non-current assets due within one year	Guangdong Communication Group Finance Co., Ltd.			2,731,229.21	
Total				2,731,229.21	
Other Non-Current Assets	Guangdong Traffic Development Co., Ltd.	333,398.00		333,398.00	
Other Non-Current Assets	Guangdong Road Construction Co., Ltd.			7,089,990.48	
Total		333,398.00		7,423,388.48	

(2) Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Short-term loan	Guangdong Communication Group Finance Co., Ltd.	430,387,597.20	
Total		430,387,597.20	
Account payable	Guangzhongjiang Expressway Project Management Dept	17,466,700.00	28,000,000.00
Account payable	Poly Changda Engineering Co., Ltd.	12,590,171.30	29,736,553.34
Account payable	Guangdong Expressway Technology Investment Co., Ltd.	6,935,455.12	
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd.	6,381,639.70	10,405,248.06
Account payable	Guangdong Lulutong Co., Ltd.	3,787,627.94	2,525,256.06
Account payable	Guangdong Feida Traffic Engineering Co., Ltd.	3,716,816.94	5,035,975.88
Account payable	Guangdong Communication Planning & Design Institute Co., Ltd.	3,008,670.10	1,759,707.90
Account payable	Guangdong Communication Test Co., Ltd.	2,400,079.00	
Account payable	Guangdong Hualu Traffic Technology Co., Ltd.	1,769,785.29	4,960,992.02
Account payable	Guangdong Provincial Freeway Co., Ltd.	1,245,443.50	1,245,443.50
Account payable	Guangdong East Thinking Management Technology Development Co., Ltd.	950,630.00	2,331,700.01
Account payable	Guangdong Litong Technology Investment Co., Ltd.	843,562.91	1,291,067.95
Account payable	Hunan Lianzhi Monitoring Technology Co., Ltd.	640,088.00	850,700.00
Account payable	Guangdong Yueyun Traffic Rescue Co., Ltd.	261,800.00	
Account payable	Guangdong Changda Road Maintenance Co. Ltd.	231,869.00	309,101.00
Account payable	Guangdong Union Electron Service Co., Ltd.	188,039.97	50,286.78
Account payable	Guangzhou Xinyue Asphalt Co., Ltd.	46,779.00	2,773,825.00
Account payable	Guangzhou Aitesi Communication Equipment Co., Ltd.	25,194.00	2,547,594.00
Account payable	Guangdong Humen Bridge Co., Ltd.		2,596,817.45
Account payable	Guangdong Yueyun Traffic Co., Ltd.		168,277.20
Total		62,490,351.77	96,588,546.15
Advance received	Guangdong Union electronic services co., Ltd.	1,330,729.13	
Total		1,330,729.13	
Dividend payable	Guangdong Provincial Freeway Co., Ltd.	11,550,000.00	
Total		11,550,000.00	

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Poly Changda Engineering Co., Ltd.	20,866,108.48	17,126,203.40
Other Payable account	Guangdong Expressway Technology Investment Co., Ltd.	2,298,424.75	
Other Payable account	Guangdong Road Construction Co., Ltd.	2,000,000.00	40,459.66
Other Payable account	Guangdong Hualu Traffic Technology Co., Ltd.	1,905,833.06	2,084,177.53
Other Payable account	Guangdong Changda Road Maintenance Co. Ltd.	1,628,345.00	1,630,765.00
Other Payable account	Guangdong Feida Traffic Engineering Co., Ltd.	1,522,615.96	1,628,931.87
Other Payable account	Guangdong Xinyue Traffic Technology Co., Ltd.	1,415,273.20	1,380,379.20
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,332,556.89	4,272,693.60
Other Payable account	Guangzhou Xinyue Asphalt Co., Ltd.	1,054,919.00	1,054,919.00
Other Payable account	Guangdong Communication Test Co., Ltd.	971,085.90	
Other Payable account	Guangdong Lulutong Co., Ltd.	859,377.06	1,127,575.62
Other Payable account	Guangzhongjiang Expressway Project Management Dept	200,000.00	200,000.00
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	156,534.54	191,674.29
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00
Other Payable account	Guangdong Communication Planning & Design Institute Co., Ltd.	110,422.00	120,422.00
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	92,594.24	135,772.00
Other Payable account	Hunan Lianzhi Monitoring Technology Co., Ltd.	85,785.50	
Other Payable account	Guangdong Expressway Media Co., Ltd.	50,000.00	50,000.00
Other Payable account	Guangdong Yueyun Traffic Rescue Co. Ltd.	2,000.00	2,900.00
Total		36,671,875.58	31,166,873.17
Contract liabilities	Guangdong Feida Traffic Engineering Co., Ltd.		22,000.00
Total			22,000.00
Non-current liabilities due 1 year	Guangdong Litong Development Investment Co., Ltd.	2,445,724.55	11,862,198.24
Non-current liabilities due 1 year	Guangdong Communication Group Finance Co., Ltd.	2,205,700.01	2,229,166.68
Non-current liabilities due 1 year	Zhaoqing Yuezhao Highway Co., Ltd.		111,862.55
Total		4,651,424.56	14,203,227.47
Other current liabilities	Guangdong Communication Group Co., Ltd.	500,122,916.67	
Total		500,122,916.67	
Lease Liabilities	Guangdong Litong Development Investment Co., Ltd.		2,445,724.58
Total			2,445,724.58
Long-term loans	Guangdong Communication Group Finance Co., Ltd.	196,000,000.00	198,000,000.00
Total		196,000,000.00	198,000,000.00

7. Related party commitment

None

XIII. Stock payment

1. The Stock payment overall situation

 Applicable Not applicable

2. The Stock payment settled by equity

 Applicable Not applicable

3. The Stock payment settled by cash

 Applicable Not applicable

4. Modification and termination of the stock payment

5. Other

XIV. Commitments

1. Significant commitments

The Company held the second (interim) meeting of the 10th Board of Directors on October 22, 2022. The meeting deliberated and passed the Proposal on Investing in the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway with Capital Increase from Guangzhou-Zhuhai Section Co., Ltd. of Beijing-Zhuhai Expressway, and agreed that the company would invest in the construction of the Reconstruction and Expansion Project of Nansha-Zhuhai Section of Guangzhou-Macao Expressway with Capital Increase from Guangzhou-Zhuhai Section Co., Ltd. of Beijing-Zhuhai Expressway based on the estimated investment amount of 15.425 billion yuan approved by Guangdong Provincial Development and Reform Commission.

The project capital is 35% of the estimated investment amount after deducting the expenses borne by the government, and the company undertakes the capital contribution of about 3.414 billion yuan according to the shareholding ratio. This matter has been reviewed and approved by the Company's third extraordinary general meeting in 2022.

As of December 31, 2022, the accumulated cost of the reconstruction and expansion project of Nansha-Zhuhai section of Guangzhou-Macao Expressway was 553,543,942.17 yuan.

2. Contingency

(1) Significant contingency at balance sheet date

As of December 31, 2022, the Company did not need to disclose important commitments.

3. Contingency

(1) Significant contingency at balance sheet date

As of December 31, 2022, the Company did not need to disclose important commitments.

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

None

XV. Events after balance sheet date

1. Notes of other significant events

None

1. Profit distribution

In RMB

Profit or dividend to be distributed	894,865,021.93
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Profits or dividends declared upon examination and approval	
Profit distribution plan	<p>Withdraw RMB894,865,021.93 as dividend payment funds for 2022. Based on the total share capital of 2,090,806,126 shares at the end of 2022, a cash dividend of 4.28 yuan (including tax) will be distributed for every 10 shares, and the remaining undistributed profits will be carried forward to the next year. The foreign currency translation price of cash dividends for B-share shareholders is determined by the mid-price of buying and selling of HKD/RMB announced by People's Bank of China in the first working day after the dividend payment resolution is made at the 2022 Annual General Meeting.</p>

3. Sales return

None

4. Notes of other significant events

None

XVI. Other significant events

1. Segment information

The company's business for the Guangfo Expressway , the Fokai Expressway ,Guanghui 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 is 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	30,978,093.11		10,046,949.24		20,931,143.87	Other income	Assets related
Charging infrastructure incentive funds	Financial appropriation		80,857.00	2,788.17		78,068.83	Other income	Assets 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	Financial appropriation	2,344,310.46	Other income	Income related
Technology reward	Financial appropriation	20,000.00	Other income	Income related

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

(1) Performance compensation

(1) 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. 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 net profit of Guangzhou-Huizhou Company (excluding non-recurring gains and losses) in 2020 was RMB 769,232,600, RMB 116,755,100 more than the promised amount; the net profit of Guangzhou-Huizhou Company (excluding non-recurring gains and losses) in 2021 was RMB 1,105,444,400, RMB 7,142,900 less than the promised amount; In 2022, the net profit (excluding non-recurring gains and losses) was 91,6288,200 yuan, 31,7912,700 yuan less than the promised number. As of the end of 2022, the cumulative net profit (Deduction of non-recurring profit and loss) was 2,790,965,200 yuan, which was 208,300,500 yuan less than the cumulative committed profit.

In 2022, affected by the impact of the Public health events and in response to the State Council's 10% reduction in truck tolls of toll roads in the fourth quarter of 2022, Guanghui toll revenue fell sharply. According to the "Performance Compensation Agreement" signed by the Company and the Provincial Expressway, and combined with the actual situation of the performance of Guanghui Expressway affected by the Public health events and the negotiation by the Company with the Provincial Expressway on matters related to the performance commitment, the contingent consideration formed by the performance compensation has not been recognized at present.

(2) Follow-up management and maintenance issues after the expiration of the Guangzhou-Foshan Expressway operation

The Company received the Notice of the Guangdong Provincial Department of Transport on Matters Related to the Disposal of the Guangfo Expressway Toll Period (No. 24 [2022] Yue Jiaoying Memorandum),

and the Guangfo Expressway operated by its holding subsidiary Guangfo Expressway Co., Ltd (hereinafter referred to as "Guangfo Company") stopped collecting tolls from midnight on March 3, 2022. It retains the existing toll facilities to operate as usual in a zero-rate manner, exempts all vehicle tolls for vehicles passing through this section of the road, and collects vehicle tolls for other road sections on their behalf. After the toll collection is stopped, the Guangfo Company will continue to be responsible for the management and maintenance of the Guangfo Expressway.

The source of funds for management and maintenance expenses paid by Guangfo on behalf of remains to be further clarified, and as of December 31, 2022, the management and maintenance expenses paid by Guangfo Company on behalf of is 97,749,481.71 yuan.

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

1. Account receivable

1.Classification account receivables.

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Of which										
Accrual of bad debt provision by portfolio	23,817,016.30	100.00%			23,817,016.30	24,208,692.49	100.00%			24,208,692.49
Of which:										
Aging portfolio	23,817,016.30	100.00%			23,817,016.30	24,208,692.49	100.00%			24,208,692.49
Total	23,817,016.30	100.00%			23,817,016.30	24,208,692.49	100.00%			24,208,692.49

Accrual of bad debt provision by portfolio: Accounts receivables with bad debt provision are recognised by portfolio by age

In RMB

Aging	Balance in year-end		
	Account receivable	Bad debt provision	Expected credit loss rate(%)
Within 1 year	23,817,016.30		
Total	23,817,016.30		

Note:

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	Book balance
Within 1 year (Including 1 year)	23,817,016.30

Total	23,817,016.30
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(2) Accounts receivable withdraw, reversed or collected during the reporting period

None

(3) The current accounts receivable write-offs situation

None

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

In RMB

Name	Amount	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	22,606,597.12	94.92%	
Guangdong Expressway Technology Investment Co., Ltd.	1,210,419.18	5.08%	
Total	23,817,016.30	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	36,905,472.90	1,205,472.90
Other receivable	1,505,117,198.28	5,680,509.70
Total	1,542,022,671.18	6,885,982.60

(1) Interest receivable: None

(2) Dividend receivable

1)Dividend receivable

In RMB

Items	Balance in year-end	Balance Year-beginning
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	1,205,472.90
Guangdong Guanghui Expressway Co., Ltd.	35,700,000.00	
Total	36,905,472.90	1,205,472.90

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	1,205,472.90	4-5 years	The partnership agreement expires and can be recovered	No, it can be recovered in the future

partnership enterprise			after the extension procedures are completed	
Total	1,205,472.90			

3) The withdrawal amount of the bad debt provision

Applicable Not applicable

(3) Other accounts receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Items	Balance in year-end	Balance Year-beginning
Securities trading settlement funds	30,844,110.43	30,844,110.43
Deposit	2,090,516.36	2,102,176.36
Petty cash	1,293,602.05	1,519,593.22
Other	1,501,733,079.87	2,058,740.12
Subtotal	1,535,961,308.71	36,524,620.13
Less: Provision for bad debts	30,844,110.43	30,844,110.43
Total	1,505,117,198.28	5,680,509.70

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 1,2022			30,844,110.43	30,844,110.43
Balance as at January 1,2022 in current				
Balance as at December 31,,2022			30,844,110.43	30,844,110.43

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

Applicable Not applicable

Disclosure by aging

In RMB

Aging	Book balance
Within 1 year(Including 1 year)	1, 502, 102, 861. 29
1-2 years	28, 611. 55
2-3 years	2, 052, 691. 71
Over 3 years	31, 777, 144. 16
3-4 years	26, 560. 70
4-5 years	442, 981. 15
Over 5 years	31, 307, 602. 31
Total	1, 535, 961, 308. 71

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

None

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

5) Other receivables are classified according to the nature

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
Jingzhu Expressway Guangzhu Section Co., Ltd.	Reconstruction and expansion of investment funds and interest	1,500,593,541.66	Within 1 year	97.71%	
Kunlun Securities Co.,Ltd	Securities trading settlement funds	30,844,110.43	Over 5 years	2.00%	30,844,110.43
Guangdong Litong Development Investment Co., Ltd.	Vehicle parking deposit	22,980.00	1-2 years	0.00%	
Guangdong Litong Development Investment Co., Ltd	Lease deposit	1,630,467.36	2-3 years	0.11%	
Guangdong Provincial Freeway Co.,Ltd.	Entrusted management fee	463,491.88	Over 5 years	0.03%	
Savills Property Consulting (Guangzhou) Co., Ltd	Water and electricity fee working capital, management fee deposit, vehicle parking space deposit	4,200.00	1-2 years	0.00%	
Savills Property Consulting (Guangzhou) Co., Ltd	Water and electricity fee working capital, management fee deposit, vehicle parking space deposit	414,525.00	2-3 years	0.03%	
Total		1,533,973,316.33		99.88%	30,844,110.43

6) Accounts receivable involved with government subsidies

None

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

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

None

3. Long-term equity investment

In RMB

Items	End of term			Beginning of term		
	Book Balance	Impairment provision	Book value	Book Balance	Impairment provision	Book value
Investment in subsidiaries	3,374,330,463.43		3,374,330,463.43	3,257,062,345.85		3,257,062,345.85
Investment in	2,722,148,806.07		2,722,148,806.07	2,535,548,456.61		2,535,548,456.61

joint ventures and associates						
Total	6,096,479,269.50		6,096,479,269.50	5,792,610,802.46		5,792,610,802.46

(1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase /decrease in reporting period				Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Withdrawn impairment provision	Other		
Jingzhu Expressway Guangzhu Section Co., Ltd.	871,171,883.08					871,171,883.08	
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			0.00	
Yuegao Capital Investment (Guangzhou) Co., Ltd.	109,500,000.00	213,000,000.00				322,500,000.00	
Guanghui Expressway Co., Ltd.	2,025,676,105.10					2,025,676,105.10	
Total	3,257,062,345.85	213,000,000.00	95,731,882.42			3,374,330,463.43	

(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
		Increase in investment	Decrease in investment	Investment income under equity method	Other comprehensive income	Other changes in equity	Announced for distributing cash dividend or profit	Provision for impairment	Other		
I. Joint ventures											
II. Associated enterprises											
Guangdong Jiangzhong Expressway Co., Ltd.	318,091,639.29	131,250,000.00		12,928,724.12			15,387,213.01			446,883,150.40	
Ganzhou Gankang Expressway Co., Ltd.	154,118,397.12			9,036,040.88						163,154,438.00	
Ganzhou Kangda Expressway	238,101,017.69			35,167,917.44			27,000,000.00			246,268,935.13	

Co., Ltd.										
ShenzhenHuiyan Expressway Co., Ltd.	320,966,384.17			33,927,696.21			6,224,313.06			348,669,767.32
Zhaoqing Yuezhaoh Highway Co., Ltd.	315,837,951.35			42,621,814.52			48,250,000.00			310,209,765.87
Guoyuan Securities Co.,Ltd.	972,089,465.72			41,663,112.81	-7,194,460.81		18,626,864.76			987,931,252.96
Guangdong Yuepu Small Refinancing Co., Ltd	216,343,601.27			8,556,253.87		57,008.18	5,925,366.93			219,031,496.39
Subtotal	2,535,548,456.61	131,250,000.00		183,901,559.85	-7,194,460.81	57,008.18	121,413,757.76			2,722,148,806.07
Total	2,535,548,456.61	131,250,000.00		183,901,559.85	-7,194,460.81	57,008.18	121,413,757.76			2,722,148,806.07

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	1,296,212,805.59	584,496,313.76	1,454,377,306.80	714,045,421.17
Other	14,566,863.59	5,138,086.94	14,987,127.57	4,588,762.80
Total	1,310,779,669.18	589,634,400.70	1,469,364,434.37	718,634,183.97

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	966,664,177.01	1,007,249,778.63
Long-term equity investment income accounted by equity method	183,901,559.85	221,639,163.75
Investment income from disposal of Long-term equity investment	-45,107,982.42	
Dividend income from other equity instrument investments during the holding period	47,286,243.74	50,056,360.49
Interest income from debt investment during holding period.	18,499,161.74	37,923,704.59
Other	2,087,067.60	
Total	1,173,330,227.52	1,316,869,007.46

XVIII. Supplementary Information

1. Current non-recurring gains/losses

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	62,389.24	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	12,414,047.87	
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business	10,400,000.00	
Gain/loss from external entrusted loan	25,515.00	
The impairment provision for the advance expenses that have occurred but need to be defined from the source of funds	-97,749,481.71	
Net amount of non-operating income and expense except the aforesaid items	-1,798,078.90	
Other non-recurring Gains/loss items	14,877,866.34	
Less :Influenced amount of income tax	-5,627,816.96	

Influenced amount of minor shareholders' equity (after tax)	-21,610,132.76	
Total	-34,529,792.44	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

Applicable Not applicable

Due to the special nature of the impairment provision for management and maintenance expenses advanced by the Guangzhou-Foshan Expressway to be clarified, it will affect the normal judgment of the Company's operating performance and profitability by the user of the report.

None

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

Applicable Not applicable

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

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

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	14.30%	0.61	0.61
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	14.69%	0.63	0.63

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

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

Applicable Not applicable

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

Applicable Not applicable

(3) .Explanation of the reasons for the differences in accounting data under domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution should be indicated

None