

## Financial Report

### I. Audit report

Has this semi-annual report been audited?

Yes  No

The semi-annual report was not audited.

### II. Financial statements

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

#### 1. Consolidated balance sheet

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

June 30,2023

In RMB

Items	June 30,2023	January 1,2023
Current asset:		
Monetary fund	5,284,849,991.90	4,290,581,490.78
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	108,862,469.85	108,368,797.56
Financing of receivables		
Prepayments	4,797,746.85	7,785,192.95
Insurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable		
Including: Interest receivable	56,736,432.76	34,456,244.64
Dividend receivable		
Other receivable	45,903,912.26	1,205,472.90
Repurchasing of financial assets		
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	34,733.27	2,042,395.28
Total of current assets	5,455,281,374.63	4,443,234,121.21

Items	June 30,2023	January 1,2023
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	3,068,430,688.22	2,923,305,042.30
Other equity instruments investment	1,552,643,487.90	1,557,303,730.98
Other non-current financial assets	181,400,000.00	101,400,000.00
Property investment	2,557,585.69	2,668,144.93
Fixed assets	9,558,708,878.11	10,098,252,638.07
Construction in progress	1,287,072,029.02	753,565,502.12
Production physical assets		
Oil & gas assets		
Use right assets	30,342,505.71	4,077,555.43
Intangible assets	234,050,221.33	246,772,471.44
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	46,836,719.58	129,044,978.46
Other non-current asset	59,768,581.58	8,374,778.84
Total of non-current assets	16,021,810,697.14	15,824,764,842.57
Total of assets	21,477,092,071.77	20,267,998,963.78
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	167,332,578.88	197,788,782.77
Advance receipts	3,252,887.09	2,718,756.97
Contract liabilities		
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	21,219,186.58	20,660,328.60
Tax payable	163,676,885.03	72,307,773.41
Other account payable	1,044,725,398.43	191,167,560.23
Including: Interest payable		
Dividend payable	920,558,170.17	59,994,517.46
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		

Items	June 30,2023	January 1,2023
Non-current liability due within 1 year	851,123,675.32	117,011,466.96
Other current liability	500,564,930.33	500,723,556.23
Total of current liability	2,751,895,541.66	1,532,765,822.37
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	5,868,719,950.00	5,566,595,350.00
Bond payable	749,147,101.95	1,428,381,232.94
Including: preferred stock		
Sustainable debt		
Lease liability	18,856,223.73	150,984.47
Long-term payable	2,022,210.11	2,517,493.12
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	237,249,225.25	61,082,981.63
Deferred income tax liability	305,873,349.54	307,825,916.58
Other non-current liabilities		
Total non-current liabilities	7,181,868,060.58	7,366,553,958.74
Total of liability	9,933,763,602.24	8,899,319,781.11
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	743,059,586.56	743,133,557.03
Less: Shares in stock		
Other comprehensive income	179,248,772.69	170,633,656.67
Special reserve		
Surplus reserves	1,373,056,469.02	1,373,056,469.02
Common risk provision		
Retained profit	4,688,808,520.14	4,698,029,354.08
Total of owner's equity belong to the parent company	9,074,979,474.41	9,075,659,162.80
Minority shareholders' equity	2,468,348,995.12	2,293,020,019.87
Total of owners' equity	11,543,328,469.53	11,368,679,182.67
Total of liabilities and owners' equity	21,477,092,071.77	20,267,998,963.78

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	June 30,2023	January 1,2023
Current asset:		

Items	June 30,2023	January 1,2023
Monetary fund	2,707,888,802.08	1,813,035,761.84
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	21,127,358.73	23,817,016.30
Financing of receivables		
Prepayments	2,809,613.75	5,515,813.54
Other account receivable	1,286,164,460.20	1,542,022,671.18
Including: Interest receivable		
Dividend receivable	45,903,912.26	36,905,472.90
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset		111,143.99
Total of current assets	4,017,990,234.76	3,384,502,406.85
Non-current assets:		
Creditor's right investment		
Other creditor's right investment		
Long-term receivable		
Long term share equity investment	6,560,494,196.19	6,096,415,643.96
Other equity instruments investment	1,552,643,487.90	1,557,303,730.98
Other non-current financial assets		
Property investment	2,305,447.44	2,416,006.68
Fixed assets	5,107,546,847.79	5,299,569,148.92
Construction in progress	208,907,444.68	152,388,974.47
Production physical assets		
Oil & gas assets		
Use right assets	29,423,746.22	3,069,576.00
Intangible assets	128,646,097.36	132,991,895.23
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	41,695,083.71	123,579,950.33
Other non-current asset		
Total of non-current assets	13,631,662,351.29	13,367,734,926.57
Total of assets	17,649,652,586.05	16,752,237,333.42
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	84,341,061.59	94,446,623.15
Advance receipts	752,954.28	250,984.75
Contract Liabilities		

Items	June 30,2023	January 1,2023
Employees' wage payable	7,395,204.74	8,103,399.09
Tax payable	5,618,530.69	4,643,917.73
Other account payable	1,332,431,588.92	362,996,135.95
Including: Interest payable		
Dividend payable	920,558,170.17	25,694,517.46
Liabilities held for sales		
Non-current liability due within 1 year	796,835,939.08	116,904,509.53
Other current liability	38,917.98	33,596.70
Total of current liability	2,227,414,197.28	587,379,166.90
Non-current liabilities:		
Long-term loan	5,508,083,200.00	5,552,070,350.00
Bond payable	749,147,101.95	1,428,381,232.94
Including: preferred stock		
Sustainable debt		
Lease liability	18,705,239.26	
Long-term payable	2,022,210.11	2,517,493.12
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	5,197,208.42	6,838,432.16
Deferred income tax liability	67,459,482.66	61,985,198.42
Other non-current liabilities		
Total non-current liabilities	6,350,614,442.40	7,051,792,706.64
Total of liability	8,578,028,639.68	7,639,171,873.54
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	934,926,723.73	934,908,293.69
Less: Shares in stock		
Other comprehensive income	179,248,772.69	170,633,656.67
Special reserve		
Surplus reserves	1,193,084,201.46	1,193,084,201.46
Retained profit	4,673,558,122.49	4,723,633,182.06
Total of owners' equity	9,071,623,946.37	9,113,065,459.88
Total of liabilities and owners' equity	17,649,652,586.05	16,752,237,333.42

### 3.Consolidated Income statement

In RMB

Items	The first half year of 2023	The first half year of 2022
I. Income from the key business	2,340,436,775.08	2,057,420,809.68
Incl: Business income	2,340,436,775.08	2,057,420,809.68
Interest income		

Items	The first half year of 2023	The first half year of 2022
Insurance fee earned		
Fee and commission received		
II. Total business cost	921,351,272.48	879,520,254.68
Incl: Business cost	740,670,310.49	696,143,722.50
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	9,422,373.99	8,932,321.30
Sales expense		
Administrative expense	80,023,845.71	85,773,267.04
R & D costs	81,651.82	1,368,887.22
Financial expenses	91,153,090.47	87,302,056.62
Including: Interest expense	109,161,060.69	123,517,238.10
Interest income	18,067,700.31	36,907,508.27
Add: Other income	6,449,973.78	8,178,352.38
Investment gain (“-”for loss)	181,402,127.67	162,320,728.99
Incl: investment gains from affiliates	109,631,134.53	101,561,222.92
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-45,626,953.18	
Impairment loss of assets		
Assets disposal income		463,363.89
III. Operational profit (“-”for loss)	1,561,310,650.87	1,348,863,000.26
Add : Non-operational income	2,148,292.85	5,821,631.65
Less: Non-operating expense	240,222.59	2,955,659.39
IV. Total profit (“-”for loss)	1,563,218,721.13	1,351,728,972.52
Less: Income tax expenses	369,040,383.81	290,224,512.53
V. Net profit	1,194,178,337.32	1,061,504,459.99
(I) Classification by business continuity		
1.Net continuing operating profit	1,194,178,337.32	1,061,504,459.99
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	885,644,187.99	773,736,908.29
2.Minority shareholders’ equity	308,534,149.33	287,767,551.70
VI. Net after-tax of other comprehensive income	8,615,116.02	-34,872,070.60
	8,615,116.02	-34,872,070.60

Items	The first half year of 2023	The first half year of 2022
Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-3,495,182.31	-34,035,245.89
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	-3,495,182.31	-34,035,245.89
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.	12,110,298.33	-836,824.71
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	12,110,298.33	-836,824.71
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	1,202,793,453.34	1,026,632,389.39
Total comprehensive income attributable to the owner of the parent company	894,259,304.01	738,864,837.69
Total comprehensive income attributable minority shareholders	308,534,149.33	287,767,551.70
VIII. Earnings per share		
(I) Basic earnings per share	0.42	0.37
(II)Diluted earnings per share	0.42	0.37

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

Legal Representative: 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	The first half year of 2023	The first half year of 2022
I. Income from the key business	740,672,433.01	642,655,502.74
Incl: Business cost	244,287,384.51	251,072,086.53
Business tax and surcharge	3,726,508.48	3,509,918.91
Sales expense		
Administrative expense	49,125,187.49	49,546,552.29
R & D expense		
Financial expenses	110,048,379.46	95,640,651.97
Including: Interest expenses	121,332,718.54	115,831,785.91
Interest income	11,309,040.26	20,217,007.24
Add: Other income	2,607,245.65	2,295,878.36
Investment gain (“-”for loss)	596,720,630.99	791,681,986.64
Including: investment gains from affiliates	108,689,822.92	98,360,414.38
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income		463,363.89
II. Operational profit (“-”for loss)	932,812,849.71	1,037,327,521.93
Add : Non-operational income	517,077.90	562,977.76
Less: Non -operational expenses	15,753.62	
III. Total profit (“-”for loss)	933,314,173.99	1,037,890,499.69
Less: Income tax expenses	88,524,211.63	54,001,197.13
IV. Net profit	844,789,962.36	983,889,302.56
1.Net continuing operating profit	844,789,962.36	983,889,302.56
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	8,615,116.02	-34,872,070.60
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-3,495,182.31	-34,035,245.89
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method invest ee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	-3,495,182.31	-34,035,245.89
4. Changes in the fair value of the company’s credit risks		
5.Other		

Items	The first half year of 2023	The first half year of 2022
(II)Other comprehensive income that will be reclassified into profit or loss	12,110,298.33	-836,824.71
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	12,110,298.33	-836,824.71
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	853,405,078.38	949,017,231.96
VII. Earnings per share		
( I ) Basic earnings per share		
(II)Diluted earnings per share		

**5. Consolidated Cash flow statement**

In RMB

Items	The first half year of 2023	The first half year of 2022
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	2,387,824,431.30	2,100,682,366.85
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned		
Other cash received from business operation	239,874,283.43	67,435,536.39
Sub-total of cash inflow	2,627,698,714.73	2,168,117,903.24
Cash paid for purchasing of merchandise and services	93,721,829.45	131,225,559.09
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	208,391,670.68	201,663,653.64
Taxes paid	272,784,405.49	344,543,903.69
Other cash paid for business activities	38,883,617.41	47,133,520.52
Sub-total of cash outflow from business activities	613,781,523.03	724,566,636.94
Net cash generated from /used in operating activities	2,013,917,191.70	1,443,551,266.30
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving		
Cash received as investment gains	48,694,370.25	114,163,108.50
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	13,110.00	522,436.84
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	48,707,480.25	143,200,041.61
Cash paid for construction of fixed assets, intangible assets and other long-term assets	582,217,768.98	168,081,166.80
Cash paid as investment	101,080,000.00	250,091,000.00
Net increase of loan against pledge		

Items	The first half year of 2023	The first half year of 2022
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	683,297,768.98	418,172,166.80
Net cash flow generated by investment	-634,590,288.73	-274,972,125.19
III.Cash flow generated by financing		
Cash received as investment	88,470,000.47	
Including: Cash received as investment from minor shareholders	88,470,000.47	
Cash received as loans	414,525,000.00	320,000,000.00
Other financing –related cash received	1,460,847.67	38,470,400.00
Sub-total of cash inflow from financing activities	504,455,848.14	358,470,400.00
Cash to repay debts	469,864,650.00	65,836,100.00
Cash paid as dividend, profit, or interests	415,505,541.67	367,159,468.70
Including: Dividend and profit paid by subsidiaries to minor shareholders	255,975,174.55	218,751,982.19
Other cash paid for financing activities	8,327,523.02	6,242,513.89
Sub-total of cash outflow due to financing activities	893,697,714.69	439,238,082.59
Net cash flow generated by financing	-389,241,866.55	-80,767,682.59
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	990,085,036.42	1,087,811,458.52
Add: balance of cash and cash equivalents at the beginning of term	4,284,688,231.33	2,955,183,190.55
VI ..Balance of cash and cash equivalents at the end of term	5,274,773,267.75	4,042,994,649.07

**6. Cash Flow Statement of the Parent Company**

In RMB

Items	The first half year of 2023	The first half year of 2022
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	763,931,695.41	661,912,004.69
Tax returned		
Other cash received from business operation	142,656,776.31	24,521,728.95
Sub-total of cash inflow	906,588,471.72	686,433,733.64
Cash paid for purchasing of merchandise and services	24,172,182.68	13,570,674.87
Cash paid to staffs or paid for staffs	62,195,705.48	60,633,887.05
Taxes paid	24,138,943.36	23,470,841.12
Other cash paid for business activities	55,091,483.76	236,627,095.73
Sub-total of cash outflow from business activities	165,598,315.28	334,302,498.77
Net cash generated from /used in operating activities	740,990,156.44	352,131,234.87
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving		60,623,900.00
Cash received as investment gains	499,852,096.70	693,296,160.51
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	13,110.00	517,888.00
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	499,865,206.70	754,437,948.51
Cash paid for construction of fixed assets, intangible assets and other long-term assets	68,690,286.59	43,488,728.78
Cash paid as investment	98,000,000.00	246,000,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	166,690,286.59	289,488,728.78
Net cash flow generated by investment	333,174,920.11	464,949,219.73
<b>III. Cash flow generated by financing</b>		
Cash received as investment		
Cash received as loans		
Other financing –related cash received		
Sub-total of cash inflow from financing activities		
Cash to repay debts	25,339,650.00	32,001,100.00
Cash paid as dividend, profit, or interests	145,644,863.29	136,048,729.34
Other cash paid for financing activities	8,327,523.02	6,214,613.89
Sub-total of cash outflow due to financing activities	179,312,036.31	174,264,443.23
Net cash flow generated by financing	-179,312,036.31	-174,264,443.23
<b>IV. Influence of exchange rate alternation on cash and cash equivalents</b>		
<b>V. Net increase of cash and cash equivalents</b>	894,853,040.24	642,816,011.37
Add: balance of cash and cash equivalents at the beginning of term	1,811,814,561.84	1,859,614,927.30

VI ..Balance of cash and cash equivalents at the end of term	2,706,667,602.08	2,502,430,938.67
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**7. Consolidated Statement on Change in Owners' Equity**

Amount in this period

In RMB

Items	The first half year of 2023														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferred stock		Sustainable debt	Other												
I.Balance at the end of last year	2,090,806,126.00				743,133,557.03		170,633,656.67		1,373,056,469.02		4,698,029,354.08		9,075,659,162.80	2,293,020,019.87	11,368,679,182.67
Add: Change of accounting policy															
Correcting of previous errors															
Merger of entities under common control															
Other															
II.Balance at the beginning	2,090,806,126.00				743,133,557.03		170,633,656.67		1,373,056,469.02		4,698,029,354.08		9,075,659,162.80	2,293,020,019.87	11,368,679,182.67

Items	The first half year of 2023														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferred stock		Sustainable debt	Other												
of current year															
III.Changed in the current year					-73,970.47	8,615,116.02					-9,220,833.94		-679,688.39	175,328,975.25	174,649,286.86
(I) Total comprehensive income						8,615,116.02					885,644,187.99		894,259,304.01	308,534,149.33	1,202,793,453.34
(II) Investment or decreasing of capital by owners														88,470,000.47	88,470,000.47
1. Ordinary Shares invested by shareholders														88,470,000.47	88,470,000.47
2. Holders of other equity instruments inve															

Items	The first half year of 2023														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferred stock		Sustainable debt	Other												
sted capital															
3. Amount of shares paid and accounted as owners' equity															
4. Other															
(III) Profit allotment										- 894,865, 021.93		- 894,865, 021.93	-221,675,174.55	-1,116,540,196.48	
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3. Allotment to the owners (or shareholders)										- 894,865, 021.93		- 894,865, 021.93	-221,675,174.55	-1,116,540,196.48	

Items	The first half year of 2023														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferred stock		Sustainable debt	Other												
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4. Change amount of defined benefit															

Items	The first half year of 2023														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferred stock		Sustainable debt	Other												
plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves															
1. Provided this year															
2. Used this term															
(VI) Other					-73,970.47								-73,970.47		-73,970.47
IV. Balance at	2,090,806.12				743,059.5		179,248.7		1,373,056,		4,688.80		9,074.97	2,468,348,995.1	11,543,328,469.53

Items	The first half year of 2023														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferred stock		Sustainable debt	Other												
the end of this term	6.00				86.56		72.69		469.02		8,520.14		9,474.41	2	

Amount in last year

In RMB

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Comm on risk provisi on	Retained profit	Other	Subtotal		
Pref erred stock		Su sta ina ble debt	Oth er												
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
Add: Change of accounting policy											510,117.60		510,117.60	330.74	510,448.34
Correcting of previous errors															
Merger of entities under common control															

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferr ed stock		Su sta ina ble debt	Oth er												
Other															
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		4,761,128,661.38		8,982,948,102.77	2,338,551,503.70	11,321,499,606.47
III. Changed in the current year					19,708,141.17		-34,872,070.60				-418,022,583.53		-433,186,512.96	-28,984,430.49	-462,170,943.45
(1) Total comprehensive income							-34,872,070.60				773,736,908.29		738,864,837.69	287,767,551.70	1,026,632,389.39
(II) Investment or decreasing of capital by owners															
1. Ordinary Shares invested by shareholders															

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Prefere d stock		Su sta ina ble debt	Oth er												
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners' equity															
4. Other															
(III) Profit allotment										- 1,191,759, 491.82		- 1,191,759, 491.82	-316,751,982.19	-1,508,511,474.01	
1.Providing of surplus reserves															
2.Providing of common															

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Preferr ed stock		Su sta ina ble debt	Other												
risk provisions															
3. Allotment to the owners (or shareholders)										- 1,191,759,491.82		- 1,191,759,491.82	-316,751,982.19	-1,508,511,474.01	
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus															

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Prefere d stock		Su sta ina ble debt	Oth er												
reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained															

Items	The first half year of 2022														
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal		
Prefere d stock		Su sta ina ble debt	Oth er												
earnings															
6. Other															
(V). Special reserves															
1. Provided this year															
2. Used this term															
(VI) Other					19,708,141.17								19,708,141.17		19,708,141.17
IV. Balance at the end of this term	2,090,806,126.00				733,168,659.66		157,305,395.74		1,225,375,330.56		4,343,106,077.85		8,549,761,589.81	2,309,567,073.21	10,859,328,663.02

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

Amount in this period

In RMB

Items	The first half year of 2023											
	Share capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferr ed stock	Sustaina ble debt	Oth er								
I.Balance at the end of last year	2,090,806,12 6.00				934,908,29 3.69		170,633,65 6.67		1,193,084,20 1.46	4,723,633,18 2.06		9,113,065,45 9.88
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	2,090,806,12 6.00				934,908,29 3.69		170,633,65 6.67		1,193,084,20 1.46	4,723,633,18 2.06		9,113,065,45 9.88
III.Changed in the current year					18,430.04		8,615,116.0 2			- 50,075,059.5 7		- 41,441,513.5 1
(I) Total comprehensive income							8,615,116.0 2			844,789,962. 36		853,405,078. 38
(II) Investment or decreasing of capital by owners												
1 . Ordinary Shares invested by shareholders												
2 . Holders of other equity instruments in vested capital												
3.Amount of shares paid and accounted as owners' equity												
4. Other												

Items	The first half year of 2023											
	Share capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferr ed stock	Sustaina ble debt	Oth er								
( III ) Profit allotment										- 894,865,021. 93		- 894,865,021. 93
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)										- 894,865,021. 93		- 894,865,021. 93
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												

Items	The first half year of 2023											
	Share capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferr ed stock	Sustaina ble debt	Oth er								
(VI) Other					18,430.04							18,430.04
IV. Balance at the end of this term	2,090,806,126.00				934,926,723.73		179,248,772.69		1,193,084,201.46	4,673,558,122.49		9,071,623,946.37

Amount in last year

In RMB

Items	The first half year of 2022											
	Share Capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferr ed stock	Sustaina ble debt	Oth er								
I.Balance at the end of last year	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
Add: Change of accounting policy										509,125.37		509,125.37
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	2,090,806,126.00				934,851,285.51		192,177,466.34		1,045,403,063.00	4,586,991,141.47		8,850,229,082.32
III.Changed in the current year					88,237.17		34,872,070.60			207,870,189.26		242,654,022.69
(I) Total comprehensive income							34,872,070.60			983,889,302.56		949,017,231.96
(II) Investment or decreasing of capital by owners												
1. Ordinary Shares invested by shareholders												
2. Holders of other equity instruments in vested capital												
3.Amount of shares paid and accounted as owners' equity												
4. Other												
(III) Profit allotment										-		-

Items	The first half year of 2022												
	Share Capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity	
		Preferr ed stock	Sustaina ble debt	Oth er									
												1,191,759,49 1.82	1,191,759,49 1.82
1.Providing of surplus reserves													
2. Allotment to the owners (or shareholders)												- 1,191,759,49 1.82	- 1,191,759,49 1.82
3. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4.Change amount of defined benefit plans that carry forward Retained earnings													
5. Other comprehensive income carry-over retained earnings													
6. Other													
(V) Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other					88,237.17								88,237.17

Items	The first half year of 2022											
	Share Capital	Other Equity instrument			Capital reserves	Less : Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferr ed stock	Sustaina ble debt	Oth er								
IV. Balance at the end of this term	2,090,806,126.00				934,939,522.68		157,305,395.74		1,045,403,063.00	4,379,120,952.21		8,607,575,059.63

### 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 Guangzhu 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**

None.

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

The financial statements have been authorized for issuance of the Board of Directors of the Company on August 28, 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, Notice on Matters Related to the Implementation of New Enterprise Accounting Standards by Listed Companies issued in 2018.

### 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(Does not include impairment)**

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.

##### ①Financial 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.

##### ②Financial 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. The term "continuous involvement in the transferred financial asset" shall refer to the risk level that the enterprise faces resulting from the change of the value of the financial asset.

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

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

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

(4) Termination confirmation of financial liabilities

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

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

(5) Offsetting financial assets and financial liabilities

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

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

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

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

(7) Equity instruments

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

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

## 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

① Receivable Account and Contract assets

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

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

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

Items	Basis for determining combination:
Portfolio 1: Aging portfolio	This portfolio is characterized by the aging of receivables as a credit risk.
Portfolio 2: Quality Guarantee portfolio	This portfolio is the contract quality guarantee fund and other funds

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

Aging	Proportion (%)
Within 1 year (Including 1 year)	0
1-2 years	10

2-3 years	30
3-4 years	50
4-5 years	90
Over 5 years	100

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

#### ② Other receivable

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

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

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

#### ③ Creditor's rights investment

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

### 11. 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.

## 12. 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.

② 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.

### 13. Investment Property

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

Investment property is held to earn rentals or for capital appreciation or for both. Investment property includes leased or ready to transfer after capital appreciation land use rights and leased buildings.

(1) The measurement mode of investment property

① Depreciation or amortization method

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

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

② Impairment test method and accounting treatment method

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

(2) Conversion of investment real estate

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

### 14. 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%

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.

**15. 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.

**16. 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.

## **17.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.

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

## (2) The expenditure of internal research and development projects

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.

## 18. 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.

## 19. 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.

## **20. 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.

## **21. 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

None

## 22. 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.

### **23. 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.

### **24. 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. 25.

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.

## 25. 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.

## 26. 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.

## **27. 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.

## 28. Change of main accounting policies and estimations

### (1) Change of main accounting policies

Applicable Not applicable

The content and reasons for the change in accounting policies	Approval process	Remark
On November 30, 2022, the Ministry of Finance issued the No. 16 Interpretation of Accounting Standards for Business Enterprises (No. 31 [2022] Cai Hui). According to the provisions of the No. 16 Interpretation, for lease transactions in which the lessee initially recognizes lease liabilities and includes them in right-of-use assets on the beginning date of the lease period, the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in the transaction shall be in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 18 - Income Tax and other relevant provisions, and the corresponding deferred tax liabilities and deferred tax assets are recognized separately at the time of the transaction by enterprises.	Adopted by resolution by the seventh meeting of the 10th Board of Directors on March 20, 2023.	The Company implements the relevant provisions of the No. 16 Interpretation from January 1, 2023.

On November 30, 2022, the Ministry of Finance issued the No. 16 Interpretation of Accounting Standards for Business Enterprises (No. 31 [2022] Cai Hui) (hereinafter referred to as "No. 16 Interpretation"). Adopted by the resolution of the seventh meeting of the 10th Board of Directors of the Company on March 20, 2023, the Company implements the relevant provisions of the No. 16 Interpretation from January 1, 2023.

According to the No. 16 Interpretation, for a lease transaction in which the lessee recognizes lease liabilities and includes them in right-of-use assets on the beginning date of the lease period, the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in the transaction shall be in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 18 - Income Tax and other relevant provisions, and the corresponding deferred tax liabilities and deferred tax assets are recognized separately at the time of the transaction by enterprises.

The impact of the implementation of the above regulation on the financial statement for the year ended January 1, 2023 and for comparable periods is as follows:

#### 1). Impact on consolidated financial statement

In RMB

Items	December 31 2022/January -June 2022 (Before the change)	January 1, 2023/January-June 2022 (after change)	Influence number
Long term share equity investment	2,923,368,667.84	2,923,305,042.30	-63,625.54
Deferred income tax assets	128,179,543.02	129,044,978.46	865,435.44
Deferred income tax liability	306,806,527.72	307,825,916.58	1,019,388.86
Retained profit	4,698,247,435.40	4,698,029,354.08	-218,081.32
Minority shareholders' equity	2,293,019,517.51	2,293,020,019.87	502.36

Investment income	162,384,354.53	162,320,728.99	-63,625.54
Income tax expenses	290,240,426.63	290,224,512.53	-15,914.10

## 2). Impact on Parent company financial statement

In RMB

Items	December 31,2022/January-June 2022 ( ( Before the change )	January 1,2023/January-June 2022 ( after change )	Influence number
Long term share equity investment	6,096,479,269.50	6,096,415,643.96	-63,625.54
Deferred income tax assets	122,968,519.19	123,579,950.33	611,431.14
Deferred income tax liability	61,217,804.42	61,985,198.42	767,394.00
Retained profit	4,723,852,770.46	4,723,633,182.06	-219,588.40
Investment income	791,745,612.18	791,681,986.64	-63,625.54
Income tax expenses	54,008,183.42	54,001,197.13	-6,986.29

**(2) Significant estimates changes**

□Applicable √Not applicable

(3) The information of the adjusting items related to the financial statements at the beginning of the year of first implementation due to the first implementation of new accounting standards from 2023.Adjustment description

☑Applicable □Not applicable

Note

On November 30,2022, the Ministry of Finance issued the No. 16Interpretation of Accounting Standards for Business Enterprises (No. 31[2022]Cai Hui) (hereinafter referred to as "No. 16Interpretation"). According to the relevant requirements of No.16, the company shall make adjustments to the relevant accounting policies adopted accordingly.

**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%

The disclosure on the rate of income tax of taxpayers in different enterprises is stated below

None

**2.Preferential tax treatment**

None

## VII. Notes on major items in consolidated financial statements of the Company

### 1. Monetary funds

In RMB

Items	Amount in year-end	Balance Year-beginning
Cash	56,693.11	43,420.71
Bank deposit	5,275,421,651.44	4,285,350,107.61
Among them: Deposits with financial companies	2,824,451,248.42	2,389,294,052.10
Other monetary funds	516,123.20	515,903.01
Interest receivable	8,855,524.15	4,672,059.45
Total	5,284,849,991.90	4,290,581,490.78

Other note

1) . As of June 30, 2023, the interest receivable is RMB8, 855, 524. 15 from interest accrued on seven-day call deposits.

2) .As of June 30,2023,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	2.74%	3,143,664.00	100.00%		3,143,664.00	2.80%	3,143,664.00	100.00%	
Including:										
Accrual of bad debt provision by portfolio	111,455,816.08	97.26%	2,593,346.23	2.33%	108,862,469.85	109,016,714.23	97.20%	647,916.67	0.59%	108,368,797.56
Including:										
Aging portfolio	111,455,816.08	97.26%	2,593,346.23	2.33%	108,862,469.85	109,016,714.23	97.20%	647,916.67	0.59%	108,368,797.56
Other										
Total	114,599,480.08		5,737,010.23		108,862,469.85	112,160,378.23		3,791,580.67		108,368,797.56

## 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
<b>Total</b>	<b>3,143,664.00</b>	<b>3,143,664.00</b>		

## Accrual of bad debt provision by portfolio: Provision for bad debts according to the aging portfolio

In RMB

Aging	Balance in year-end		
	Account receivable	Bad debt provision	Expected credit loss rate (%)
Within 1 year	95,338,891.41		
1-2 years	4,200,258.00	210,012.90	5.00%
2-3 years	11,916,666.67	2,383,333.33	20.00%
<b>Total</b>	<b>111,455,816.08</b>	<b>2,593,346.23</b>	

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	95,338,891.41
1-2 years	4,200,258.00
2-3 years	11,916,666.67
Over 3 year	3,143,664.00
3-4 years	2,077,392.00
4-5 years	1,066,272.00
Subtotal	114,599,480.08
Bad debt reserves	5,737,010.23
<b>Total</b>	<b>108,862,469.85</b>

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

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or	Write-off	Other	

			collected amount			
Accrual of bad debt provision by single item	3,143,664.00					3,143,664.00
Accrual of bad debt provision by credit risk	647,916.67	1,945,429.56				2,593,346.23
<b>Total</b>	<b>3,791,580.67</b>	<b>1,945,429.56</b>				<b>5,737,010.23</b>

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

None

### (3) The actual write-off accounts receivable

None

### (4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

In RMB

Company Name	Amount of ending balance	Proportion of total accounts receivable %	Amount of ending balance for bad debts
Services Co., Ltd.	68,965,060.84	60.18%	
Guangdong Lulutong Traffic Development Co., Ltd.	1,083,333.33	0.95%	
	4,200,258.00	3.67%	210,012.90
	11,916,666.67	10.40%	2,383,333.33
Guangdong Humen Bridge Co., Ltd.	16,631,182.47	14.51%	
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	5,818,074.99	5.08%	
Guangdong Taiheng Expressway Development Co., Ltd.	2,077,392.00	1.81%	2,077,392.00
	1,066,272.00	0.93%	1,066,272.00
<b>Total</b>	<b>111,758,240.30</b>	<b>97.53%</b>	

### (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	4,575,446.85	95.37%	7,645,192.95	98.20%
1-2 years	82,300.00	1.71%		
2-3 years			140,000.00	1.80%
Over 3 years	140,000.00	2.92%		
<b>Total</b>	<b>4,797,746.85</b>		<b>7,785,192.95</b>	

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 %
Guangdong Guanyue Road & Bridge Co., Ltd.	Non-Related party	2,792,608.35	Within 1 year	No settlement conditions have been reached	58.21
China Ping An Property Insurance Co., Ltd. Guangdong Branch	Non-Related party	1,444,860.00	Within 1 year	No settlement conditions have been reached	30.12
Excellence Appraisal	Non-Related party	140,000.00	Over 3 years	No settlement conditions have been reached	2.92
Guangzhou Branch of China Mobile Communications Group Guangdong Co., Ltd.	Non-Related party	109,830.00	Within 1 year	No settlement conditions have been reached	2.29
China Insurance Guangdong Branch	Non-Related party	77,738.12	Within 1 year	No settlement conditions have been reached	1.62
Total		4,565,036.47			95.15

**4. Other accounts receivable**

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend receivable	45,903,912.26	1,205,472.90
Other receivable	10,832,520.50	33,250,771.74
Total	56,736,432.76	34,456,244.64

**(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
China Everbright Bank Co., Ltd	44,698,439.36	
Total	45,903,912.26	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
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				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) The bad debt provision**

Applicable  Not applicable

**(3) Other accounts receivable****1) Other accounts receivable classified**

In RMB

Nature	Balance in year-end	Balance Year-beginning
Securities trading settlement funds	30,844,110.43	30,844,110.43
Petty cash	4,489,023.58	4,017,944.81
Highway maintenance expenditure	141,431,005.33	97,749,481.71
Deposit	2,882,022.39	26,630,350.18
Other	3,461,474.53	2,602,476.75
Total	183,107,636.26	161,844,363.88

**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 1,2023	97,749,481.71		30,844,110.43	128,593,592.14
Balance as at January 1,2023 in current				
This period of provision	43,681,523.62			43,681,523.62
Balance as at June 30,2023	141,431,005.33		30,844,110.43	172,275,115.76

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)	147,426,676.53
1-2 years	1,410,372.20
2-3 years	271,243.57
Over 3 years	33,999,343.96

3-4 years	1,713,224.35
4-5 years	26,560.70
Over 5 years	32,259,558.91
Total	183,107,636.26

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

The withdrawal amount of the bad debt provision:

The provision for bad debts in the current period is RMB43,681,523.62; and the amount of bad debt reserve recovered or reversed in the current period is RMB0.00.

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

### 4) Other account receivables actually cancel after write-off

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	141,431,005.33	Within 1 year	77.24%	141,431,005.33
Kunlun Securities Co.,Ltd	Securities trading settlement funds	30,844,110.43	Over 5 years	16.84%	30,844,110.43
Guangdong Litong Real Estates Investment Co., Ltd.	Rent deposit	1,816,266.94	Within 1 year	0.99%	
Guangdong Litong Real Estates Investment Co., Ltd.	Vehicle parking deposit	22,980.00	2-3 years	0.01%	
Guangdong Expressway Media Co., Ltd.	Advertising revenue	693,103.73	Within 1 year	0.38%	
Guangdong Expressway Media Co., Ltd.	Water and electricity	2,119.81	Within 1 year		
Guangdong Provincial Freeway Co.,Ltd.	Current account	463,491.88	Over 5 years	0.25%	
Total		175,273,078.12		95.71%	172,275,115.76

### (6) Accounts receivable involved with government subsidies

None

### (7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

None

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

None

**5.Other current assets**

I n RMB

Items	Year-end balance	Year-beginning balance
Advance tax payment	34,733.27	1,931,251.29
VAT retention tax credits		111,143.99
Total	34,733.27	2,042,395.28

Other note:

**6. 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.	310,209,765.87			30,133,975.22						340,343,741.09	
Guangdong Jiangzhong Expressway Co., Ltd.	446,883,150.40	45,000,000.00		6,731,118.49		16,005.85	4,627,613.17			494,002,661.57	
Ganzhou Gankang Expressway Co., Ltd.	163,154,438.00			9,568,563.16						172,723,001.16	
Ganzhou Kangda Expressway Co., Ltd.	246,268,935.13			20,692,056.64						266,960,991.77	
Shenzhen Huiyan Expressway Co., Ltd.	348,669,767.32			14,856,921.37						363,526,688.69	

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Guoyuan Securities Co., Ltd.	987,867,627.42			22,017,218.07	12,110,298.33	2,424.19	15,522,387.30			1,006,475,180.71	
Guangdong Yuepu Small Refinancing Co., Ltd.(Note)	219,031,496.39			4,689,969.97						223,721,466.36	
Hunnan Lianzhi Technology Co., .Ltd.	97,539,945.74			2,636,209.56		-92,400.51				100,083,754.79	
SPIC Yuetong Qiyuan Chip Power Technology Co., Ltd.	4,981,238.50			-360,145.07						4,621,093.43	
Shenzhen Garage Electric Pile Technology Co., Ltd	98,698,677.53			-1,334,752.88			1,391,816.00			95,972,108.65	
Subtotal	2,923,305,042.30	45,000,000.00		109,631,134.53	12,110,298.33	-73,970.47	21,541,816.47			3,068,430,688.22	
Total	2,923,305,042.30	45,000,000.00		109,631,134.53	12,110,298.33	-73,970.47	21,541,816.47			3,068,430,688.22	

## Other note

Guoyuan Securities Co., Ltd. implements the provisions of the "No. 16 Interpretation of Accounting Standards for Business Enterprises" in the current period, retrospectively adjusts the financial statement of the previous period, and the Company retrospectively adjusts the investment amount in Guoyuan Securities Co., Ltd. at the beginning of the period according to the shareholding ratio.

**7.Other Equity instrument investment**

In RMB

Items	Closing balance	Opening balance
Guangle Expressway Co., Ltd.	775,045,413.21	779,705,656.29
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	55,365,396.61	55,365,396.61
China Everbright Bank Co., Ltd.	722,232,678.08	722,232,678.08
Huaxia Securities Co., Ltd. (Notes1)		
Huazheng Asset Management Co., Ltd. (Notes2)		
<b>Total</b>	<b>1,552,643,487.90</b>	<b>1,557,303,730.98</b>

**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.	26,551,300.00	26,697,111.48				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.	44,698,439.36	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
Total	71,249,739.36	236,734,309.37	7,020,000.00			

Other note:

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

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

## 8. 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	181,400,000.00	101,400,000.00
Total	181,400,000.00	101,400,000.00

Other note:

## 9. Investment property

### (1) Investment property adopted the cost measurement mode

Applicable  Not applicable

In RMB

Items	Houses and buildings	Land use right	Construction in 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	10,989,739.14	1,978,645.28		12,968,384.42
2.Increased amount of the period	73,774.56	36,784.68		110,559.24
(1)Withdrawal or amortization	73,774.56	36,784.68		110,559.24
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	11,063,513.70	2,015,429.96		13,078,943.66
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	1,601,184.55	956,401.14		2,557,585.69
2.Opening book	1,674,959.11	993,185.82		2,668,144.93

**(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	923,873.94	Transportation and other ancillary facilities, Not accreditation

**10. Fixed assets**

In RMB

Items	Year-end balance	Year-beginning balance
Fixed assets	9,552,205,782.97	10,098,252,638.07
liquidation of fixed assets	6,503,095.14	
Total	9,558,708,878.11	10,098,252,638.07

**(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	10,916,901,136.52	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
2. Increased amount of the period					-659,820.18	503,520.00	1,250,706.34	2,009,004.66	3,103,410.82
(1) Purchase						49,300.00	1,250,706.34	2,009,004.66	3,309,011.00
(2) Transfer of project under construction						454,220.00			454,220.00
(3) Increased of Enterprise consolidation									
(4) Other					-659,820.18				-659,820.18
3. Decreased amount of the period					14,920,857.18	36,073,395.95	787,665.00	4,287,225.71	56,069,143.84
(1) Disposal or scrap					14,920,857.18	36,073,395.95	787,665.00	4,287,225.71	56,069,143.84
(2) Disposition subsidiary									
(3) Other out									659,820.18
4. Closing balance	1,460,270,190.66	10,916,901,136.52	6,824,139,977.48	5,136,471,234.45	648,895,670.39	1,813,574,896.35	62,105,659.97	139,989,917.49	27,002,348,683.31
II. Accumulated depreciation									

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Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
1.Opening 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	1,409,241,923.31	47,930,132.30	92,710,665.93	16,952,940,465.16
2.Increased amount of the period		167,001,611.98	205,719,649.48	95,478,011.19	15,431,227.08	51,663,388.65	1,129,558.43	6,195,843.97	542,619,290.78
(1) Withdrawal		167,001,611.98	205,719,649.48	95,478,011.19	15,431,227.08	51,663,388.65	1,129,558.43	6,195,843.97	542,619,290.78
(2) Other									
3.Decreased amount of the period					11,290,376.08	33,435,034.30	734,341.75	4,078,416.57	49,538,168.70
(1)Disposal or scrap					11,290,376.08	33,435,034.30	734,341.75	4,078,416.57	49,538,168.70
(2) Disposition subsidiary									
4.Closing balance	1,460,270,190.66	6,024,560,228.38	4,491,222,815.34	3,414,994,112.32	484,350,520.57	1,427,470,277.66	48,325,348.98	94,828,093.33	17,446,021,587.24
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									
(2) Disposition subsidiary									
3.Decreased amount of the period									
(1)Disposal or scrap									
(2) Disposition subsidiary									
4.Closing balance					2,889,394.16	1,231,918.94			4,121,313.10
IV. Book value									

Items	Guangfo Expressway	Fokai Expressway	Guanghui Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
1.Closing book value		4,892,340,908.14	2,332,917,162.14	1,721,477,122.13	161,655,755.66	384,872,699.75	13,780,310.99	45,161,824.16	9,552,205,782.97
2.Opening book		5,059,342,520.12	2,538,636,811.62	1,816,955,133.32	181,377,284.02	438,670,930.05	13,712,486.33	49,557,472.61	10,098,252,638.07

**(2) Temporarily idle fixed assets**

In RMB

Items	Original price	Accumulated depreciation	Impairment provision	Book value	Remark
House and buildings	6,176,339.21	4,767,637.50		1,408,701.71	
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	145,880,426.60	Transportation and other ancillary facilities, Not accreditation.

**(5) liquidation of fixed assets**

In RMB

Items	Year-end balance	Year-beginning balance
House and buildings	3,630,481.10	
Machinery equipment	2,638,361.65	
Transportation equipment	25,443.25	
Office equipment and other	208,809.14	
Total	6,503,095.14	

**11. Project under construction**

In RMB

Items	Year-end balance	Year-beginning balance
Project under construction	1,287,072,029.02	753,565,502.12
Total	1,287,072,029.02	753,565,502.12

**(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	1,021,162,978.77		1,021,162,978.77	553,543,942.17		553,543,942.17
Reconstruction and Expansion of Fokai Expressway Sanbao to Shuikou	208,792,748.04		208,792,748.04	152,274,277.83		152,274,277.83
Jiangxi-Shenzhen high-speed railway cross-section	15,664,172.98		15,664,172.98	15,664,172.98		15,664,172.98

expansion project						
Guangzhou-Shantou Railway Crossing project	15,098,082.43		15,098,082.43	10,576,570.43		10,576,570.43
Boluo Central Station office and living facilities renovation and expansion project	6,406,068.37		6,406,068.37	3,768,689.37		3,768,689.37
Tanwei Bridge Ship Collision Project	1,749,246.00		1,749,246.00	1,749,246.00		1,749,246.00
Other	18,198,732.43		18,198,732.43	15,988,603.34		15,988,603.34
<b>Total</b>	<b>1,287,072,029.02</b>		<b>1,287,072,029.02</b>	<b>753,565,502.12</b>		<b>753,565,502.12</b>

**(2) Changes of significant construction in progress**

In RMB

Name of project	Budget	Opening balance	Increase	Transferred to fixed assets	Other decrease	End balance	Proportion %	Project 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	553,543,942.17	467,619,036.60			1,021,162,978.77	7.43%	7.43%	31,820,755.84	21,918,319.01	2.91%	Other
Reconstruction and Expansion of Fokai Expressway Sanbao to Shuikou	3,426,210,000.00	152,274,277.83	56,518,470.21			208,792,748.04	80.76%	93.00%	75,533,679.33	2,318,123.51	3.30%	Other
Jiangxi-Shenzhen high-speed railway cross-section expansion project	16,966,900.00	15,664,172.98				15,664,172.98	92.32%	100.00%				Other
Guangzhou-Shantou Railway Crossing project	21,460,000.00	10,576,570.43	4,521,512.00			15,098,082.43	70.35%	100.00%				Other

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Boluo Central Station office and living facilities renovation and expansion project	17,000,000.00	3,768,689.37	2,637,379.00			6,406,068.37	37.68%	37.68%				Other
Tanwei Bridge Ship Collision Project	50,000,000.00	1,749,246.00				1,749,246.00	3.50%	3.50				Other
<b>Total</b>	<b>17,267,626,100.00</b>	<b>737,576,898.78</b>	<b>531,296,397.81</b>			<b>1,268,873,296.59</b>			<b>107,354,435.17</b>	<b>24,236,442.52</b>		

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

None

(4) Engineering Materials: None

None

**12. Use right assets**

In RMB

Items	House and buildings	Machinery equipment	Transportation equipment	Other	Total
<b>I. Original price</b>					
1. Opening balance	21,487,031.29	357,112.19		1,007,747.00	22,851,890.48
2. Increased amount of the period	30,634,734.72		673,169.06		31,307,903.78
(1) New lease	30,634,734.72		673,169.06		31,307,903.78
(2) Other					
3. Decreased amount of the period	21,487,031.29				21,487,031.29
(1) Transfer or hold for sale					
(2) Disposal subsidiary					
(3) Other out	21,487,031.29				21,487,031.29
4. Closing balance	30,634,734.72	357,112.19	673,169.06	1,007,747.00	32,672,762.97
<b>II. Accumulated depreciation</b>					
1. Opening balance	18,417,455.29	142,844.88		214,034.88	18,774,335.05
2. Increased amount of the period	4,785,441.30	35,711.22	168,292.26	53,508.72	5,042,953.50
(1) Withdrawal	4,785,441.30	35,711.22	168,292.26	53,508.72	5,042,953.50
(2) Other increase					
3. Decreased amount of the period	21,487,031.29				21,487,031.29
(1) Disposition					
(2) Transfer or hold for sale					
(3) Other out	21,487,031.29				21,487,031.29
4. Closing balance	1,715,865.30	178,556.10	168,292.26	267,543.60	2,330,257.26
<b>III. Impairment provision</b>					
1. Opening balance					
2. Increased amount of the period					
(1) Withdrawal					
(2) Other increase					
3. Decreased amount of the period					
(1) Disposition					
(2) Transfer or hold for sale					
4. Closing balance					

Items	House and buildings	Machinery equipment	Transportation equipment	Other	Total
IV. Book value					
1.Closing book value	28,918,869.42	178,556.09	504,876.80	740,203.40	30,342,505.71
2.Opening book value	3,069,576.00	214,267.31		793,712.12	4,077,555.43

### 13. Intangible assets

#### (1) List of intangible assets

In RMB

Items	Land use right	Patent right	Non-patented technology	The Turnpike franchise	Total
I. Original price					
1.Opening balance	2,701,738.76	38,254,516.12		318,348,741.86	359,304,996.74
2.Increased amount of the period		83,247.96			83,247.96
(1) Purchase		83,247.96			83,247.96
(2)Internal Development					
(3)Increased of Enterprise Combination					
3.Decreased amount of the period		11,005,016.40			11,005,016.40
(1) Disposal		11,005,016.40			11,005,016.40
(2) Government subsidies cut					
(3) Disposal subsidiary					
4.Closing balance	2,701,738.76	27,332,747.68		318,348,741.86	348,383,228.30
II.Accumulated amortization					
1.Opening balance	2,366,543.74	32,357,841.52		77,808,140.04	112,532,525.30
2.Increased amount of the period	7,705.62	1,003,484.47		11,794,307.98	12,805,498.07
(1) Withdrawal	7,705.62	1,003,484.47		11,794,307.98	12,805,498.07
3.Decreased amount of the period		11,005,016.40			11,005,016.40
(1) Disposal		11,005,016.40			11,005,016.40
(2) Disposal subsidiary					

Items	Land use right	Patent right	Non-patented technology	The Turnpike franchise	Total
4.Closing balance	2,374,249.36	22,356,309.59		89,602,448.02	114,333,006.97
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	327,489.40	4,976,438.09		228,746,293.84	234,050,221.33
2.Opening book value	335,195.02	5,896,674.60		240,540,601.82	246,772,471.44

At the end of this period, there is no intangible assets formed through the company's internal research and At the end of this period, the intangible assets formed through the company's internal research and development accounted for 0.00% of the balance of intangible assets

## (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	327,489.40	Reasons left over from history

## 14. Deferred income tax assets/deferred income tax liabilities

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

In RMB

Items	Balance in year-end		Balance Year-beginning	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provisions	9,858,323.33	2,464,580.84	7,912,893.77	1,978,223.45
Deductible loss	25,253,836.36	6,313,459.09	363,420,806.96	90,855,201.74
Asset appraisal, appreciation, depreciation and amortization	106,518,448.68	26,629,612.17	120,375,258.24	30,093,814.56
Deferred income	15,980,161.74	3,995,040.44	21,009,212.70	5,252,303.27

Operation lease	29,736,108.16	7,434,027.04	3,461,741.75	865,435.44
Total	187,346,878.27	46,836,719.58	516,179,913.42	129,044,978.46

**(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	236,734,309.37	59,183,577.34	241,394,552.45	60,348,638.11
Deductible temporary differences in the formation of asset impairment	916,831,006.67	229,207,751.66	965,577,119.54	241,394,279.90
Difference of amortization method of franchise of toll road	11,048,885.57	2,762,221.40	9,854,438.83	2,463,609.71
Changes in the fair value of trading financial assets	10,400,000.00	2,600,000.00	10,400,000.00	2,600,000.00
Tax accounting difference of use right asset	30,342,505.71	7,585,626.43	4,077,555.45	1,019,388.86
Tax accounting differences of projects under construction	18,136,690.84	4,534,172.71		
Total	1,223,493,398.16	305,873,349.54	1,231,303,666.27	307,825,916.58

**(3) Deferred income tax assets or liabilities listed by net amount after off-set**

None

**(4)Details of income tax assets not recognized**

In RMB

Items	Balance in year-end	Balance in year-begin
Deductible temporary difference	37,864,110.43	37,864,110.43
Deductible loss	21,327,524.22	18,536,190.43
Total	59,191,634.65	56,400,300.86

**(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 in year-begin	Remark
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	4,326,917.36	
2028	2,791,333.79		
Total	21,327,524.22	18,536,190.43	

**15 .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 engineering fees	57,853,104.62		57,853,104.62	6,258,116.72		6,258,116.72
Prepaid business tax	1,915,476.96		1,915,476.96	2,116,662.12		2,116,662.12
<b>Total</b>	<b>59,768,581.58</b>		<b>59,768,581.58</b>	<b>8,374,778.84</b>		<b>8,374,778.84</b>

Other note:

None

**16. Short-term Borrowing****(1) Short-term Borrowing**

In RMB

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

None:

**(2) Situation of Overdue Outstanding Short-Term Borrowing**

None

**17.Account payable****(1) List of account payable**

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	35,191,561.22	106,284,617.63
1-2 years (including 2 years)	48,777,577.09	15,315,242.17
2-3 years (including 3 years)	9,891,578.33	2,693,624.18
Over 3 years	73,471,862.24	73,495,298.79
<b>Total</b>	<b>167,332,578.88</b>	<b>197,788,782.77</b>

**(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
Poly Changda Engineering Co., Ltd.	5,415,553.30	Unsettled
Foshan Chancheng District, Zhang Cha Sub-district Office	4,626,817.32	Unsettled
<b>Total</b>	<b>67,203,562.43</b>	

**18. Prepayment received****(1) List of Prepayment received**

In RMB

Items	Balance in year-end	Balance Year-beginning
Within 1 year (Including 1 year)	2,169,988.91	1,913,639.06
1-2 years (Including 2 years)	1,082,898.18	805,117.91
Total	3,252,887.09	2,718,756.97

**(2) Significant payable aging more than 1 year**

In RMB

Items	Balance in year-end	Reason
Hebei Jianhong Power Engineering Co., Ltd.	1,082,898.18	Unsettled
Total	1,082,898.18	

**19. Payable Employee wage****(1) Payable Employee wage**

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
I. Short-term compensation	20,660,328.60	186,686,717.85	187,605,961.94	19,741,084.51
II. Post-employment benefits - defined contribution plans		32,786,473.09	31,308,371.02	1,478,102.07
III. Dismissal benefits		1,315,216.92	1,315,216.92	
Total	20,660,328.60	220,788,407.86	220,229,549.88	21,219,186.58

**(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	465,063.49	136,477,235.72	136,477,235.72	465,063.49
2. Employee welfare		8,521,719.59	8,521,719.59	
3. Social insurance premiums		17,057,493.93	17,032,657.59	24,836.34
Including : Medical insurance		10,213,027.92	10,189,709.40	23,318.52
Work injury insurance		506,588.92	505,071.10	1,517.82
Other		6,337,877.09	6,337,877.09	
4. Public reserves for housing		19,702,163.00	19,702,163.00	

5.Union funds and staff education fee	17,883,045.40	4,329,599.11	5,273,679.54	16,938,964.97
8.Other	2,312,219.71	598,506.50	598,506.50	2,312,219.71
Total	20,660,328.60	186,686,717.85	187,605,961.94	19,741,084.51

**(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		19,582,722.78	19,540,840.38	41,882.40
2.Unemployment insurance		791,820.39	789,225.18	2,595.21
3.Enterprise annuity payment		12,411,929.92	10,978,305.46	1,433,624.46
Total		32,786,473.09	31,308,371.02	1,478,102.07

**20. Tax Payable**

In RMB

Items	Balance in year-end	Balance Year-beginning
VAT	12,628,710.29	9,619,067.45
Enterprise Income tax	148,023,789.18	58,889,929.38
Individual Income tax	550,351.13	2,552,347.21
City Construction tax	788,554.59	633,666.06
Education subjoin	383,867.08	306,387.03
Locality Education subjoin	237,270.58	185,315.25
Vehicle and vessel tax		
Land use tax	523,762.40	
Property tax	504,597.91	60,799.58
Stamp tax	35,981.87	60,261.45
Total	163,676,885.03	72,307,773.41

**21.Other accounts payable**

In RMB

Items	Balance in year-end	Balance Year-beginning
Dividend payable	920,558,170.17	59,994,517.46
Other account payable	124,167,228.26	131,173,042.77
Total	1,044,725,398.43	191,167,560.23

**(1) Interest payable**

None

**(2) Dividends payable**

In RMB

Items	Balance in year-end	Balance Year-beginning
Common stock dividends	920,558,170.17	25,694,517.46

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	920,558,170.17	59,994,517.46

Other explanations, including significant dividends payable that have not been paid for more than 1 year, it shall disclose the reasons for non-payment:

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

Final dividend payable 25,693,148.24 yuan for more 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	33,034,549.95	40,097,538.05
Deposit, warranty and security deposit	64,237,381.43	64,205,413.61
Other	26,895,296.88	26,870,091.11
Total	124,167,228.26	131,173,042.77

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

In RMB

Items	Closing balance	Unpaid/un-carry over reason
Poly Changda Highway Engineering Co., Ltd.	20,101,922.48	The settlement conditions are not met
Yayao to Xiebian extension	12,499,448.48	The settlement conditions are not met
Guangdong Guanyue Road & Bridge Co., Ltd.	7,954,762.80	The settlement conditions are not met
CCCC First Navigation Engineering Bureau Co., Ltd.	6,604,491.16	The settlement conditions are not met
China Railway Tunnel Group Co., Ltd.	5,711,835.48	The settlement conditions are not met
Total	52,872,460.40	

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

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	145,147,041.19	72,870,082.19
Payable Bonds due within 1 year	695,329,608.09	40,679,999.99
Long-term payable due within 1 year	495,283.01	944,339.62
Lease liabilities due within 1 year	10,151,743.03	2,517,045.16
Total	851,123,675.32	117,011,466.96

## 23. Other current liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Tax to be rewritten	169,097.00	600,639.56
Entrusted loans and interest	500,395,833.33	500,122,916.67
<b>Total</b>	<b>500,564,930.33</b>	<b>500,723,556.23</b>

## 24. Long-term loan

### (1) Category of long-term loan

In RMB

Items	Balance year-end	Year-beginning balance
Pledge loans		14,525,000.00
Credit loan	6,008,445,000.00	5,619,259,650.00
Interest payable when not due	5,421,991.19	5,680,782.19
Less: Long-term loans due within one year (Note V.22)	-145,147,041.19	-72,870,082.19
<b>Total</b>	<b>5,868,719,950.00</b>	<b>5,566,595,350.00</b>

## 25. Bond payable

### (1) Bond payable

In RMB

Items	Balance year-end	Year-beginning balance
Medium-term note	1,428,850,956.61	1,428,381,232.94
Interest payable when not due	15,625,753.43	40,679,999.99
Less: Long-term loans due within one year (Note V.22)	-695,329,608.09	-40,679,999.99
<b>Total</b>	<b>749,147,101.95</b>	<b>1,428,381,232.94</b>

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

In RMB

Name of the bond	Book value	Issue date	Period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amount	Pay in current period	Closing balance
19 Guangdong Expressway MTN001	680,000,000.00	2019.2.27	2019.3.1-2024.3.1	680,000,000.00	702,279,764.69		13,488,219.16	-227,377.67	27,200,000.00	688,795,361.52
20 Guangdong Expressway MTN001	750,000,000.00	2020.3.13	2020.3.17-2025.3.17	750,000,000.00	766,781,468.24		11,157,534.28	-242,346.00	22,500,000.00	755,681,348.52
Less: Bonds payable due within one year (Note VII.22)					-40,679,999.99					695,329,608.09
<b>Total</b>				<b>1,430,000,000.00</b>	<b>1,428,381,232.94</b>		<b>24,645,753.44</b>	<b>-469,723.67</b>	<b>49,700,000.00</b>	<b>749,147,101.95</b>

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

None

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

None

**26. Lease liabilities**

In RMB

Items	Balance year-end	Year-beginning balance
Long-term lease liabilities	30,471,738.14	2,709,232.95
Less: Financing costs are not recognized	1,463,771.38	41,203.32
Less: Long-term loans due within one year (Note V.22)	10,151,743.03	2,517,045.16
<b>Total</b>	<b>18,856,223.73</b>	<b>150,984.47</b>

**27. Long-term payable**

In RMB

Items	Balance year-end	Year-beginning balance
Long-term payable	2,022,210.11	2,517,493.12
<b>Total</b>	<b>2,022,210.11</b>	<b>2,517,493.12</b>

**(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	495,283.01	1,439,622.63
Less: Long-term loans due within one year (Note V.22)	495,283.01	944,339.62
<b>Total</b>	<b>2,022,210.11</b>	<b>2,517,493.12</b>

**28. Deferred income**

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Cause
Government subsidy	21,009,212.70	185,000,000.00	5,029,050.96	200,980,161.74	
Lease income	40,073,768.93		3,804,705.42	36,269,063.51	
<b>Total</b>	<b>61,082,981.63</b>	<b>185,000,000.00</b>	<b>8,833,756.38</b>	<b>237,249,225.25</b>	

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	20,931,143.87			5,023,474.62			15,907,669.25	Related to asset

Expressway Provincial Toll Station Project								
Charging infrastructure rewards	78,068.83			5,576.34			72,492.49	Related to asset
Qijiang New South city interchange construction project		185,000,000.00					185,000,000.00	Related to asset

## 29. 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

## 30. 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
Other capital reserves	234,422,410.04	18,430.04	92,400.51	234,348,439.57
Total	743,133,557.03	18,430.04	92,400.51	743,059,586.56

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

1. The joint venture Guangdong Jiangzhong Expressway Co., Ltd. recognized the special reserve in the current period, and the Company adjusted the book value of long-term equity investment according to the shareholding ratio, resulting in an increase in the capital reserve of 16,005.85 yuan.

2. The capital reserve of Guoyuan Securities Co., Ltd., an associated enterprise, has changed in the current period.

3. Hunan Lianzhi Technology Co., Ltd., an associate of the subsidiary Yuegao Capital (Holdings) Guangzhou Co., Ltd., 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 and reducing the capital reserve by 92,400.51 yuan.

**31. 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	181,045,914.34	-4,660,243.08			-1,165,060.77	-3,495,182.31		177,550,732.03
Changes in fair value of investments in other equity instruments	181,045,914.34	-4,660,243.08			-1,165,060.77	-3,495,182.31		177,550,732.03
2.Other comprehensive income reclassifiable to profit or loss in subsequent periods	-10,412,257.67	12,110,298.33				12,110,298.33		1,698,040.66
Including: Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	-10,412,257.67	12,110,298.33				12,110,298.33		1,698,040.66
Total of other comprehensive income	170,633,656.67	7,450,055.25			-1,165,060.77	8,615,116.02		179,248,772.69

**32. Surplus reserve**

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	1,373,056,469.02			1,373,056,469.02
Total	1,373,056,469.02			1,373,056,469.02

**33. Retained profits**

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	4,698,029,354.08	4,760,618,543.78
Adjust the total undistributed profits at the beginning of the period		510,117.60
After adjustments: Retained profits at the period beginning	4,698,029,354.08	4,761,128,661.38
Add: Net profit belonging to the owner of the parent company	885,644,187.99	1,276,341,322.98
Less: Statutory surplus reserve		147,681,138.46
Common stock dividend payable	894,865,021.93	1,191,759,491.82
Retained profit at the end of this term	4,688,808,520.14	4,698,029,354.08

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 -218,081.32.

(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.

**34. Operation income and operation cost**

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	2,310,707,369.57	726,266,759.50	2,022,637,008.32	682,014,744.35
Other operation	29,729,405.51	14,403,550.99	34,783,801.36	14,128,978.15
Total	2,340,436,775.08	740,670,310.49	2,057,420,809.68	696,143,722.50

**35. Business tax and subjoin**

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	4,414,027.47	3,906,433.43

Education surcharge	2,126,579.28	1,870,308.46
Property tax	579,768.50	1,026,637.79
Land use tax	523,762.40	523,762.40
Vehicle use tax	42,143.75	43,285.07
Stamp tax	136,313.89	132,962.51
Business tax	185,247.66	185,247.66
Locality Education surcharge	1,414,531.04	1,243,683.98
Total	9,422,373.99	8,932,321.30

### 36. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage	55,924,172.80	58,799,341.19
Depreciation of fixed assets	4,754,414.20	6,814,076.61
Intangible assets amortization	754,955.47	953,099.24
Low consumables amortization	305,671.18	259,600.97
Rental fee and Management fee	5,680,829.07	6,027,123.06
Business fee	276,707.37	282,100.73
Office expenses	3,253,204.38	4,275,751.24
Travel expenses	299,557.29	114,358.72
Consultation expenses		100,000.00
The fee for hiring agency	2,756,001.59	3,376,068.01
Repairs cost	152,240.53	189,544.16
Vehicle fee	1,353,271.68	1,304,983.31
Listing fee	143,396.22	11,320.75
Information cost and maintenance fee	559,255.14	961,765.47
Other	3,810,168.79	2,304,133.58
Total	80,023,845.71	85,773,267.04

### 37.R& D expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	81,651.82	945,204.60
Material cost		412,566.35
Depreciation		5,521.90
Low consumables amortization		885.00
Office expenses		4,318.22
Repairs cost		391.15
Total	81,651.82	1,368,887.22

### 38.Financial expenses

In RMB

Items	Amount of this period	Amount of last period
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Interest expenses	109,161,060.69	123,517,238.10
Deposit interest income (-)	-18,067,700.31	-36,907,508.27
Exchange Income and loss (Gain-)		
Bank commission charge	56,504.09	84,179.23
Other	3,226.00	608,147.56
<b>Total</b>	<b>91,153,090.47</b>	<b>87,302,056.62</b>

**39. Other gains**

In RMB

Items	Amount of this period	Amount of last period
Government Subsidy-Cancel the Special Subsidy for Provincial Toll Station Project of Expressway	5,023,474.62	5,023,474.62
Government Subsidy- Charging infrastructure incentive funds	5,576.34	
Government subsidy-- Jiujiang Bridge structure health monitoring system optimization and upgrade of vehicle purchase tax subsidy funds	600,000.00	
Government subsidy- Stable job subsidies - Expansion subsidy	25,500.00	
Government subsidy- Stable job subsidies		1,250,935.46
Government subsidy-- Enterprises with industrial training subsidies		1,074,875.00
Maternity allowance	577,849.71	435,454.91
Withholding and remitting enterprise prepaid income tax fees	39,147.73	156,133.38
Withhold personal income tax handling fee refund	164,638.95	159,544.67
Veterans' VAT reduction and exemption	13,786.43	15,009.81
Withholding and remitting enterprise prepaid income tax fees		62,924.53
<b>Total</b>	<b>6,449,973.78</b>	<b>8,178,352.38</b>

**40. Investment income**

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	109,631,134.53	101,561,222.92
Disposition of the investment income generated by the long-term equity investment		13,564,262.33
Investment income of trading financial assets during the holding period	601,253.78	
Dividends earned during the holding period on investments in other equity instrument	71,249,739.36	47,286,243.74
Other	-80,000.00	-91,000.00
<b>Total</b>	<b>181,402,127.67</b>	<b>162,320,728.99</b>

**41. Credit impairment losses**

In RMB

Items	Amount of this period	Amount of last period
Impairment losses on other receivable	-43,681,523.62	
Impairment losses on account receivable	-1,945,429.56	
Total	-45,626,953.18	

Other note

**42. Asset impairment loss**

In RMB

Items	Amount of this period	Amount of last period
Total disposal gains or losses of non-current assets		463,363.89
Including: Loss on impairment of fixed assets		463,363.89
Total		463,363.89

**43. 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		237,412.50	
Among them: Fixed assets		237,412.50	
Insurance claim income	967,952.70	4,141,948.49	967,952.70
Road property claim income	1,126,095.64	1,419,966.31	1,126,095.64
Other	54,244.51	22,304.35	54,244.51
Total	2,148,292.85	5,821,631.65	2,148,292.85

**44. Non-Operation expenses**

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Non-current assets are damaged and scrapped for profit	15,753.62	252,895.85	15,753.62
Road rehabilitation expenditure	176,042.00	2,624,379.66	176,042.00
Fine	570.97	2,254.33	570.97
Other	47,856.00	76,129.55	47,856.00
Total	240,222.59	2,955,659.39	240,222.59

**45. Income tax expense****(1) Lists of income tax expense**

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expense	287,619,631.20	246,703,707.49

Deferred income tax expense	81,420,752.61	43,520,805.04
Total	369,040,383.81	290,224,512.53

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

In RMB

Items	Amount of current period
Total	1,563,218,721.13
Current income tax expense accounted by tax and relevant regulations	390,804,680.28
Influence of income tax before adjustment	248,156.86
Influence of non taxable income	-17,962,748.29
Impact of non-deductible costs, expenses and losses	10,334,504.26
Effect of deductible losses from using previously unrecognized deferred income tax assets	-14,384,209.30
Income tax expense	369,040,383.81

**46.Items of Cash flow statement****(1) Other cash received from business operation**

In RMB

Items	Amount of current period	Amount of previous period
Interest income	14,000,060.50	20,528,520.76
Unit current account	40,874,222.93	46,907,015.63
Qijiang new city south interchange construction subsidy funds	185,000,000.00	
Total	239,874,283.43	67,435,536.39

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

In RMB

Items	Amount of current period	Amount of previous period
Management expense	10,883,695.76	14,342,965.21
Unit current account	27,999,921.65	32,790,555.31
Total	38,883,617.41	47,133,520.52

**(3)Cash receivable related to other Financing activities**

In RMB

Items	Amount of current period	Amount of previous period
Government infrastructure investment subsidies		38,470,400.00
Interest income from special borrowing	1,460,847.67	
Total	1,460,847.67	38,470,400.00

**(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	1,001,869.75
Cash paid for the lease liabilities	7,325,653.27	5,240,644.14
Total	8,327,523.02	6,242,513.89

**47. Supplement Information for cash flow statement****(1) Supplement Information for cash flow statement**

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities		
Net profit	1,194,178,337.32	1,061,504,459.99
Add: Credit loss preparation		
Depreciation of fixed assets, oil and gas assets and consumable biological assets	542,423,799.22	479,906,745.78
Depreciation of Use right assets	5,042,953.50	4,910,817.45
Amortization of intangible assets	12,833,960.75	11,410,277.66
Amortization of Long-term deferred expenses		
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets		-463,363.89
Fixed assets scrap loss	15,753.62	15,483.35
Loss on fair value changes		
Financial cost	109,276,885.58	123,517,238.10
Loss on investment	-181,402,127.67	-162,320,728.99
Decrease of deferred income tax assets	82,208,258.88	55,802,962.55
Increased of deferred income tax liabilities	-787,506.27	-12,282,157.51
Decrease of inventories		
Decease of operating receivables	-82,590,730.82	-46,196,406.71
Increased of operating Payable	287,090,654.41	-72,254,061.48
Provision for credit losses	45,626,953.18	
Net cash flows arising from operating activities	2,013,917,191.70	1,443,551,266.30
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	5,274,773,267.75	4,042,994,649.07
Less: Beginning balance of cash equivalents	4,284,688,231.33	2,955,183,190.55
Add: End balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase of cash and cash equivalent	990,085,036.42	1,087,811,458.52

**(2) Composition of cash and cash equivalents**

In RMB

Items	Balance in year-end	Balance in year-Beginning
Cash	5,274,773,267.75	4,284,688,231.33
Of which: Cash in stock	56,693.11	43,420.71
Bank savings could be used at any time	5,274,200,451.44	4,284,128,907.61
Other monetary capital could be used at any time	516,123.20	515,803.01
Balance of cash and cash equivalents at the period end	5,274,773,267.75	4,284,688,231.33

**48. The assets with the ownership or use right restricted**

In RMB

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

**VIII. Equity in other entities****1. Equity in subsidiary****(1) The structure of the enterprise group**

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

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

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the

voting rights not been controlled investee: None

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

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

Other note

## (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%	-10,159,876.83		54,191,863.16
Guangdong Guanghui Expressway Co., Ltd.	49.00%	248,592,282.67	133,205,174.08	2,090,255,570.22
Jingzhu Expressway Guangzhu Section Co.,Ltd.	25.00%	70,101,743.49	88,470,000.47	323,901,561.73

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.	227,792,721.22	15,224,557.98	243,017,279.20	26,249,826.57		26,249,826.57
Guangdong Guanghui Expressway Co., Ltd.	1,878,332,015.30	2,744,797,728.05	4,623,129,743.35	203,516,148.58	153,785,900.44	357,302,049.02
Jingzhu Expressway Guangzhu Section Co.,Ltd.	913,861,914.06	2,932,963,715.03	3,846,825,629.09	1,880,885,837.14	670,333,545.03	2,551,219,382.17

In RMB

Name	Year-beginning 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	2,536,899,303.01	3,634,212,838.81	2,477,933,314.32	141,080,251.54	2,619,013,565.86

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.	1,472,953.28	-40,639,507.32	-40,639,507.32	-2,029,459.25	66,566,527.45	38,386,003.12	38,386,003.12	200,857,877.57
Guangdong Guanghui Expressway Co., Ltd.	1,024,822,529.29	507,331,189.13	507,331,189.13	777,984,620.05	893,298,497.64	469,177,363.59	469,177,363.59	591,588,578.50
Jingzhu Expressway	574,690,822.31	280,406,973.97	280,406,973.97	495,884,944.24	452,938,785.68	193,096,571.04	193,096,571.04	271,398,716.46

Guangzhu Section Co.,Ltd.								
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Other note:

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

None

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

None

**2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary****(1) Significant joint venture arrangement or associated enterprise**

None

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

None

**3. Equity in joint venture arrangement or associated enterprise****(1) Significant joint venture arrangement or associated enterprise**

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Zhaoqing Yuezhao Highway Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Expressway Management	25.00%		Equity method
Shenzhen Huiyan Expressway Co., Ltd.	Shenzhen	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.	Ganzhou	Ganzhou	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Ganzhou	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		12.53%	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	Balance at the end of last year/ Amount of previous period
	Guoyuan Securities Co., Ltd.	Guoyuan Securities Co., Ltd.
Current assets		
Non-current assets		
Total assets	136,259,314,336.23	130,765,208,142.95
Current liabilities		
Non-current Liabilities		
Total liabilities		
Minority Shareholders' Equity		
Shareholders' equity attributable to shareholders of the parent	33,709,197,542.75	32,927,214,909.60
Pro rata share of the net assets calculated	799,379,548.17	780,835,620.42
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	1,006,475,180.71	987,931,252.96
Fair value of equity investment of associated enterprises with open quotation	674,706,434.64	655,044,744.06
Business income	3,110,841,516.79	2,474,031,036.38
Net profit	914,347,343.11	749,499,017.55
Net profit from terminated operations		
Other comprehensive income	510,710,079.37	-35,288,230.26
Total comprehensive income	1,425,057,422.48	714,210,787.29
Dividends received from associates during the year	15,522,387.30	18,626,864.76

**(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	2,061,955,507.51	1,935,437,414.88
Total amount of the pro rata calculation of the following--Net profit ms		
--Net profit	87,613,916.46	82,950,868.66
--Total comprehensive income	87,613,916.46	82,950,868.66

**(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 note**

None

**IX. 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 June 30, 2023, 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 "7, Investment in Other Equity Instruments" in VII of this section for details.

### **3. Liquidity risk**

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

## **X. The disclosure of the fair value**

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

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(I) Trading financial assets			181,400,000.00	181,400,000.00
(2) Equity instrument investment			181,400,000.00	181,400,000.00
(II) Other equity instrument investment	722,232,678.08		830,410,809.82	1,552,643,487.90
Total assets continuously measured at fair value	722,232,678.08		1,011,810,809.82	1,734,043,487.90
II. Non-persistent measure	--	--	--	--

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

As at the end of the period, the company holds shares 235,254,944 shares of China Everbright Bank. According to the closing price of June 30, 2023 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 3 fair value measurement items

Items	Fair value as of June 30, 2023	Valuation technology	Unobservable input value
Unlisted equity investment	1,011,810,809.82	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.

## XI. Related parties and related-party transactions

### 1. Parent company information of the enterprise

Name	Registered address	Nature	Redistricted capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio
Guangdong communication Group Co., Ltd	Guangzhou	Equity management, traffic infrastructure construction and railway project	26.8 billion yuan	24.56%	50.12%

		operation			
--	--	-----------	--	--	--

Notes :

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Deng Xiaohua. Date of establishment: June 23, 2000. As of June 30, 2023, Registered capital: 26.8 billion yuan. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; The value-added communication business.

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

## 2.Subsidiaries of the Company

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

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

Details refer to the VI-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 East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Media Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Technology Investment 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 Communications Testing Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Development Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Property 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 Tongyi Expressway Service Area Co., Ltd	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yueyun Traffic Rescue 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
Poly Changda Engineering Co., Ltd.	Shares of parent company
Guangdong Communication Planning & Design Institute Co., Ltd.	Shares of parent company
Guangdong Changda Road Conservation Co., Ltd.	Shares of 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
Guangdong Road Network Digital Media Information Technology Co. Ltd	Fully owned subsidiary of the parent company
Hunan Lianzhi Technology Co., Ltd.	A wholly owned subsidiary of the Company
Guangzhongjiang Expressway Project Management Dept	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. Operating costs					
Guangdong Union electronic services co., Ltd.	Service	13,229,622.13			12,021,733.95
Guangdong Yueyun Traffic Rescue Co., Ltd.	Rescue service fee	1,803,701.00			494,700.00
Guangdong Xinyue Traffic Investment Co., Ltd.	Daily maintenance fee of the electromechanical system	1,767,361.32			
Guangdong Litong Technology Investment Co., Ltd.	Remote monitoring and technical support service fee	499,250.40			
Guangdong Humen Bridge Co., Ltd.	Electric charge	330,692.01			310,411.02

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 Hualu Traffic Technology Co., Ltd.	Service	306,348.00			
Poly Changda Engineering Co., Ltd.	service	242,574.00			11,772,757.00
Guangdong Tongyi Expressway Service Area Co., Ltd	Labour protection	176,962.71			40,808.70
Guangdong Feida Traffic Engineering Co., Ltd.	Mechanical and electrical daily maintenance payment				2,003,201.04
Guangdong Communication Planning & Design Institute Co., Ltd.	Project				178,243.00
Guangdong Lulutong Co., Ltd.	Maintenance, Project funds				52,598.00
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Labour protection				8,551.20
Guangzhou Aitesi Communication Equipment Co., Ltd.	Maintenance of charging facilities				2,400.00
Subtotal of operating costs		18,356,511.57			26,885,403.91
2. Financial expenses					
Guangdong Communication Group Finance Co., Ltd.	Deposit interest income	-9,965,887.73			-24,475,843.25
Guangdong Communication Group Finance Co., Ltd.	Borrowing Interest expresses	6,590,997.21			5,112,347.24
Guangdong Communication Group Finance Co., Ltd.	Commission charge	3,785.00			920.00
Guangdong Communication Group Co., Ltd.	Interest	7,402,083.32			
Subtotal of Financial expenses		4,030,977.80			-19,362,576.01
3. Administrative expenses					
Guangdong Tongyi Expressway Service Area Co., Ltd	Labour protection	74,591.29			
Guangdong Union electronic services co., Ltd.	maintenance fee				288,500.00
Guangdong East Thinking Management Technology Development Co., Ltd.	OA Maintenance, Service				10,000.00
Subtotal of management expenses		74,591.29			298,500.00
4. Non operating expenses					
Poly Changda Engineering Co., Ltd.	Expenditure for repairing damaged civil engineering facilities	1.00			1,009,397.00
Subtotal of Non operating expenses		1.00			1,009,397.00

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
5. Construction in progress					
Guangdong Communication Planning & Design Institute Co., Ltd.	Purchase assets	5,422,739.00			5,973,981.00
Guangdong Communications Testing Co., Ltd.	Purchase assets	2,028,475.00			
Guangdong Highway Construction Co., Ltd.	Purchase assets	480,000.00			9,089,990.48
Poly Changda Engineering Co., Ltd.	Purchase assets				26,630,344.47
Guangdong Xinyue Traffic Investment Co., Ltd.	Purchase assets				6,127,813.56
Guangdong Hualu Traffic Technology Co., Ltd.	Purchase assets				907,894.50
Subtotal of Construction in progress		7,931,214.00			48,730,024.01
6. Fixed assets					
Guangdong Expressway Technology Investment Co., Ltd.	Purchase assets				82,895.00
Guangdong Communication Planning & Design Institute Co., Ltd.	Purchase assets				483,543.00
Subtotal of Fixed assets					566,438.00
7. Other current assets					
Guangdong Feida Traffic Engineering Co., Ltd.	Contract acquisition cost				182,274.01
Subtotal of Other current assets					182,274.01

## Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
Operating income			
Jingzhu Expressway Guangzhu North section Co., Ltd.	Commission management fee	10,977,500.00	10,603,632.04
Zhaoqing Yuezhao Highway Co., Ltd.	Salaries of expatriate staff	613,816.63	512,977.97
Ganzhou Gankang Expressway Co., Ltd.	Salaries of expatriate staff	578,774.80	525,660.83
Guangdong Traffic Development Co., Ltd.	electricity	486,046.23	336,290.97
Guangdong Tongyi Expressway Service Area Co., Ltd	water and electricity	479,678.14	486,716.96
Shenzhen Huiyan Expressway Co., Ltd.	Salaries of expatriate staff	464,466.28	260,849.89
Ganzhou Kangda Expressway Co., Ltd.	Salaries of expatriate	142,237.06	138,547.02

	staff		
Guangdong Jiangzhong Expressway Co., Ltd.	Salaries of expatriate staff	168,312.27	176,119.41
Poly Changda Engineering Co., Ltd.	Bidding documents income, water and electricity bills	21,011.51	1,000.00
Guangdong Yueyun Traffic Rescue Co., Ltd.	Water and electricity	5,770.73	
Guangdong Expressway Media Co., Ltd.	Water and electricity	4,637.51	
Guangdong Provincial Freeway Co.,Ltd.	Project fund		886,950.00
Guangdong Luoyang Expressway Co., Ltd.	Test		58,490.57
Subtotal of Operating income		13,942,251.16	13,987,235.66

**(2) Information of related lease**

The Company was lessor:

In RMB

Name of lessee	Category of lease assets	The lease income confirmed in this year	The lease income confirmed in last year
Guangdong Expressway Media Co., Ltd.	Advertising lease	1,292,283.51	1,379,412.57
Guangdong Litong Technology Investment Co., Ltd.	Communication Piping	1,067,169.99	522,034.27
Poly Changda Engineering Co., Ltd.	Rental income	555,557.14	555,557.14
Guangdong Expressway Technology Co., Ltd.	Advertising lease	543,695.69	
Guangdong Traffic Development Co., Ltd.	Rental income of charging pile	267,958.87	149,850.34
Guangdong Road Network Digital Media Information Technology Co., Ltd.	Advertising		2,777.78

- 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					5,065,766.04	4,798,232.52	276,207.92	223,498.78	30,404,063.26	
Guangdong Litong Property Development Co., Ltd.	Office space	18,093.00	27,586.00			15,732.00		1,490.55		230,671.46	

**(3) Rewards for the key management personnel**

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	2,969,700.00	2,834,900.00

**(4) 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%	239,396.61	298,189.83	254,255.77	283,330.67

**(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%	62,859.33	659.10	43,797.13	19,721.30

**(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	19,700.00

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.

### (5) Asset transfer and debt restructuring of related parties

None

### (6) Other related-party transactions

-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. The above transactions have been approved and implemented by the board of directors of Guangdong Fokai Expressway Co., Ltd.

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. The above transactions have been approved and implemented by the board of directors of Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section Co., Ltd.

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, The above transactions have been approved and implemented by the board of directors of Beijing-Zhuhai Expressway Guangzhou-Zhuhai Section 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
Account receivable	Guangdong Union electron Service Co., Ltd.	68,965,060.84		67,197,924.19	
Account	Guangdong Humen Bridge Co., Ltd.	16,631,182.47		6,072,995.36	

receivable				
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	5,818,074.99		8,321,625.03
Account receivable	Guangdong Litong Technology Investment Co., Ltd.	533,136.00		
Account receivable	Guangdong Expressway Technology Investment Co., Ltd.	126,986.70		2,315,719.18
Account receivable	Guangdong Expressway Media Co., Ltd.			522,805.00
Account receivable	Poly Changda Engineering Co., Ltd.			265,054.16
<b>Total</b>		<b>92,074,441.00</b>		<b>84,696,122.92</b>
Other Account receivable	Guangdong Litong Technology Investment Co., Ltd.	1,839,246.94		1,653,447.36
Other Account receivable	Guangdong Expressway Media Co., Ltd.	695,223.54		978,997.66
Other Account receivable	Guangdong Provincial Freeway Co.,Ltd.	463,491.88		463,491.88
Other Account receivable	Guangdong Expressway Technology Investment Co., Ltd.	318,319.00		65,605.71
Other Account receivable	Guangdong Traffic Development Co., Ltd.	183,157.04		
Other Account receivable	Guangdong Union electron Service Co., Ltd.	147,018.71		137,851.04
Other Account receivable	Guangdong Litong Property Development Co., Ltd.	25,475.00		18,344.00
Other Account receivable	Guangdong Humen Bridge Co., Ltd.	15,000.00		
Other Account receivable	Poly Changda Engineering Co., Ltd.	6,657.71		
Other Account receivable	Guangdong Yueyun Traffic Rescue Co., Ltd.	3,897.19		
<b>Total</b>		<b>3,697,487.01</b>		<b>3,317,737.65</b>
Other Non-Current Assets	Poly Changda Engineering Co., Ltd.	48,226,078.70		
Other Non-Current Assets	Guangdong Xinyue Traffic Investment Co., Ltd.	834,973.80		
Other Non-Current Assets	Guangdong Traffic Development Co., Ltd.	333,398.00		333,398.00
<b>Total</b>		<b>49,394,450.50</b>		<b>333,398.00</b>

**(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
<b>Total</b>			<b>430,387,597.20</b>

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Guangzhongjiang Expressway Project Management Dept	17,466,700.00	17,466,700.00
Account payable	Poly Changda Engineering Co., Ltd.	5,415,553.30	12,590,171.30
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd	3,498,917.77	6,381,639.70
Account payable	Guangdong Union Electron Service Co.,Ltd.	2,818,047.86	188,039.97
Account payable	Guangdong Communications Testing Co., Ltd.	2,023,485.00	2,400,079.00
Account payable	Guangdong Yueyun Traffic Rescue Co., Ltd.	1,407,941.00	261,800.00
Account payable	Guangdong Provincial Freeway Co.,Ltd.	1,245,443.50	1,245,443.50
Account payable	Guangdong Expressway Technology Investment Co., Ltd.	980,578.00	6,935,455.12
Account payable	Guangdong Feida Traffic Engineering Co., Ltd.	774,876.84	3,716,816.94
Account payable	Guangdong Communication Planning & Design Institute Co., Ltd.	585,379.10	3,008,670.10
Account payable	Guangdong Hualu Traffic Technology Co., Ltd.	466,616.91	1,769,785.29
Account payable	Guangdong Litong Technology Investment Co., Ltd.	335,569.11	843,562.91
Account payable	Guangdong Changda Road Maintenance Co. Ltd.	231,869.00	231,869.00
Account payable	Guangdong East Thinking Management Technology Development Co., Ltd.	86,630.00	950,630.00
Account payable	Guangzhou Xinyue Asphalt Co., Ltd.	46,779.00	46,779.00
Account payable	Guangdong Lulutong Co., Ltd.		3,787,627.94
Account payable	Hunan Lianzhi Technology Co., Ltd.		640,088.00
Account payable	Guangzhou Aitesi Communication Equipment Co., Ltd.		25,194.00
<b>Total</b>		<b>37,384,386.39</b>	<b>62,490,351.77</b>
Advance received	Guangdong Union electronic services co., Ltd.	1,417,034.63	1,330,729.13
<b>Total</b>		<b>1,417,034.63</b>	<b>1,330,729.13</b>
Dividend payable	Guangdong Provincial Freeway Co.,Ltd.		11,550,000.00
<b>Total</b>			<b>11,550,000.00</b>
Other Payable account	Poly Changda Engineering Co., Ltd.	21,556,770.48	20,866,108.48
Other Payable account	Guangdong Hualu Traffic Technology Co., Ltd.	2,874,595.06	1,905,833.06
Other Payable account	Guangdong Highway Construction Co., Ltd.	2,137,605.14	2,000,000.00
Other Payable account	Guangdong Expressway Technology Investment Co., Ltd.	1,687,217.46	2,298,424.75
Other Payable account	Guangdong Changda Road Maintenance Co. Ltd.	1,628,345.00	1,628,345.00
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,503,467.33	1,415,273.20
Other Payable account	Guangdong Feida Traffic Engineering Co., Ltd.	1,436,828.89	1,522,615.96
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,415,273.20	1,332,556.89
Other Payable account	Guangdong Union Electron Service Co.,Ltd.	1,355,836.70	
Other Payable account	Guangzhou Xinyue Asphalt Co., Ltd.	1,054,919.00	1,054,919.00
Other Payable account	Guangdong Lulutong Co., Ltd.	809,377.06	859,377.06
Other Payable account	Guangdong Communications Testing Co., Ltd.	238,186.00	971,085.90
Other Payable account	Guangzhongjiang Expressway Project Management Dept	200,000.00	200,000.00
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Communication Planning & Design Institute Co., Ltd.	110,422.00	110,422.00
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	92,594.24	92,594.24
Other Payable account	Guangdong Expressway Media Co., Ltd.	50,000.00	50,000.00
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	26,568.18	156,534.54
Other Payable account	Hunan Lianzhi Technology Co., Ltd.	19,797.00	85,785.50
Other Payable account	Guangdong Yueyun Traffic Rescue Co. Ltd.	2,000.00	2,000.00
<b>Total</b>		<b>38,319,802.74</b>	<b>36,671,875.58</b>
Non-current liabilities due 1 year	Guangdong Litong Development Investment Co., Ltd.	9,648,206.79	2,445,724.55
Non-current liabilities due 1 year	Guangdong Communication Group Finance Co., Ltd.	2,213,033.33	2,205,700.01
Non-current liabilities due 1 year	Guangdong Litong Property Development Co., Ltd.	100,708.20	
<b>Total</b>		<b>11,961,948.32</b>	<b>4,651,424.56</b>
Other current liabilities	Guangdong Communication Group Co., Ltd.	500,395,833.33	500,122,916.67
<b>Total</b>		<b>500,395,833.33</b>	<b>500,122,916.67</b>
Lease Liabilities	Guangdong Litong Development Investment Co., Ltd.	18,412,022.93	
Lease Liabilities	Guangdong Litong Property Development Co., Ltd.	115,721.81	
<b>Total</b>		<b>18,527,744.74</b>	
Long-term loans	Guangdong Communication Group Finance Co., Ltd.	195,000,000.00	196,000,000.00
<b>Total</b>		<b>195,000,000.00</b>	<b>196,000,000.00</b>

## 7. Related party commitment

None

## XII. 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

## XIII. Commitments

### 1. Significant commitments

Significant commitments at balance sheet date

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 June 30, 2023, the accumulated cost of the reconstruction and expansion project of Nansha- Zhuhai section of Guangzhou-Macao Expressway was 1,021,162,978.77 yuan

## **2. Contingency**

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

As of June 30,2023, the Company did not need to disclose important commitments.

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

None

## **XIV. Events after balance sheet date**

None

## **XV.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

In RMB

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	20,931,143.87		5,023,474.62		15,907,669.25	Other income	Assets related
Qijiang new city south interchange construction Project	Financial appropriation		185,000,000.00			185,000,000.00	Other income	Assets related
Charging infrastructure incentive funds	Financial appropriation	78,068.83		5,576.34		72,492.49	Other income	Assets related

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

In RMB

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	25,500.00	Other income	Income related
Jiujiang Bridge structure health monitoring system optimization and upgrade of vehicle purchase tax subsidy funds	Financial appropriation	600,000.00	Other income	Income related

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

#### (1) Performance compensation

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; the net profit of Guangzhou-Huizhou Company (excluding non-recurring gains and losses) in 2022 was RMB 896,101,900, RMB 338,099,000 less than the promised amount by the end of 2022, the accumulated net profit (excluding non-recurring gains and losses) was RMB 2,770,778,900, RMB 228,486,800 more than the promised amount.

In 2022, affected by the macroeconomic impact and in response to the State Council's 10% reduction in truck tolls in toll roads in the fourth quarter of 2022, Guanghui Expressway toll revenue fell sharply. According to the "Profit Compensation Agreement" signed between the Company and the Provincial Expressway, combined with the actual situation of the performance of Guanghui Expressway, the Company negotiated matters related to the performance commitment with the Provincial Expressway, and the contingent consideration formed by the performance compensation was not recognized in 2022.

On August 7, 2023, The "Proposal on Changing the Performance Commitment of Major Asset Restructuring Project in 2020 and Signing the Supplementary Agreement to the Profit Compensation Agreement" was deliberated and adopted in the 10<sup>th</sup> meeting (interim) of the 10th Board of Directors of the Company, agreeing to change the performance commitment of major asset restructuring project in 2020, and the performance compensation period of the restructuring is adjusted to 2020, 2021 and 2023, and the Provincial Expressway promises that the net profit accumulated by Guanghui Expressway in the three years of 2020, 2021 and 2023 after deducting non-recurring profits and losses shall not be less than 2,999,265,700 yuan. If the cumulative net profit of Guanghui Company does not reach the afore-said cumulative committed net profit within the afore-said adjusted compensation period, the Provincial Expressway shall compensate the Company in cash in accordance with the "Profit Compensation Agreement" and the provisions of this agreement.

The above-mentioned change to performance commitments need to be reviewed and approved by the company at its first (extraordinary) general meeting of shareholders on August 23, 2023.

#### (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 June 30,2023, the management and maintenance expenses paid by Guangfo Company on behalf of is 141,431,005.33 yuan.

**XVI. Notes of main items in financial reports of parent company****1. Account receivable****1. Classification account receivables.**

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by Single										
Accrual of bad debt provision by portfolio	21,127,358.73	100.00%			21,127,358.73	23,817,016.30	100.00%			23,817,016.30
Of which:										
Aging portfolio	21,127,358.73	100.00%			21,127,358.73	23,817,016.30	100.00%			23,817,016.30
Other										
<b>Total</b>	<b>21,127,358.73</b>				<b>21,127,358.73</b>	<b>23,817,016.30</b>				<b>23,817,016.30</b>

Accrual of bad debt provision by Single :None

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	21,127,358.73		
Total	21,127,358.73		

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)	21,127,358.73
Total	21,127,358.73

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

None

**(3) The current accounts receivable write-offs situation**

None

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

In RMB

Name	Amount	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	21,000,372.03	99.40%	
Guangdong Expressway Technology Investment Co., Ltd.	126,986.70	0.60%	
Total	21,127,358.73	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	45,903,912.26	36,905,472.90

Other receivable	1,240,260,547.94	1,505,117,198.28
Total	1,286,164,460.20	1,542,022,671.18

**(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
China Everbright Bank Co., Ltd.	44,698,439.36	
Guangdong Guanghui Expressway Co., Ltd.		35,700,000.00
Total	45,903,912.26	36,905,472.90

**2) Significant dividend receivable aged over 1 year**

In RMB

Items)	Balance in year-end	Aging	Reasons for non-recovery	Whether or not the impairment and the basis for its determination
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	1,205,472.90	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) 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

Category	Balance 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 (%)	
Other receivables for individual bad debt provision	30,844,110.43	2.43	30,844,110.43	100.00		30,844,110.43	2.01	30,844,110.43	100.00	
Other receivables for bad debt provision according to the combination of credit risk characteristics	1,240,260,547.94	97.57			1,240,260,547.94	1,505,117,198.28	97.99			1,505,117,198.28
Including: Aging portfolio										
Other	1,240,260,547.94	97.57			1,240,260,547.94	1,505,117,198.28	97.99			1,505,117,198.28
Total	1,271,104,658.37	100.00	30,844,110.43	—	1,240,260,547.94	1,535,961,308.71	100.00	30,844,110.43	—	1,505,117,198.28

## Accrual of bad debt provision by single:

In RMB

Bad Debt Reserves	Closing book balance			
	Book balance	Bad debt provision	Expected credit loss rate(%)	Reason
Kunlun Securities Co., Ltd	30,844,110.43	30,844,110.43	100.00	Bad debts were withdrawn in full in bankruptcy
Total	30,844,110.43	30,844,110.43	/	/

In the portfolio, Disclosure by aging: None

In the portfolio, other receivables with bad debt provision by other methods:

Name	Balance in year-end	Balance Year-beginning
Deposit money and quality guarantee fund combination	2,412,546.94	2,090,516.36
Petty cash	1,458,213.38	1,293,602.05
Other	1,236,389,787.62	1,501,733,079.87
Subtotal	1,240,260,547.94	1,505,117,198.28
Less: Bad debt provision		
Total	1,240,260,547.94	1,505,117,198.28

## 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, 2023			30,844,110.43	30,844,110.43
Balance as at January 1, 2023				
Balance as at June 30, 2023			30,844,110.43	30,844,110.43

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

 Applicable  Not applicable

## 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

Nature	Closing book balance	Opening book balance
Securities trading settlement funds	30,844,110.43	30,844,110.43
Deposit	2,412,546.94	2,090,516.36
Petty cash	1,458,213.38	1,293,602.05
Other	1,236,389,787.62	1,501,733,079.87

Subtotal	1,271,104,658.37	1,535,961,308.71
Less: Bad debt provision	30,844,110.43	30,844,110.43
Total	1,240,260,547.94	1,505,117,198.28

**6) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party**

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
Jingzhu Expressway Guangzhu Section Co., Ltd.	Reconstruction and expansion of investment funds and interest	1,235,277,549.57	Within 1 year	97.18%	
Kunlun Securities Co.,Ltd	Securities trading settlement funds	30,844,110.43	Over 5 years	2.43%	30,844,110.43
Guangdong Litong Development Investment Co., Ltd	Lease deposit	1,816,266.94	Within 1 year	0.14%	
Guangdong Litong Development Investment Co., Ltd.	Vehicle parking deposit	22,980.00	2-3 years	0.00%	
Guangdong Provincial Freeway Co.,Ltd.	Entrusted management fee	463,491.88	Over 5 years	0.04%	
Savills Property Consulting	Water and electricity fee working capital, management fee deposit, vehicle parking space deposit	4,200.00	2-3 years	0.00%	
Savills Property Consulting	Water and electricity fee working capital, management fee deposit, vehicle parking space deposit	414,525.00	3-4 years	0.03%	
Total		1,268,843,123.82		99.82%	30,844,110.43

**7) Accounts receivable involved with government subsidies**

None

**8) Other account receivable which terminate the recognition owing to the transfer of the financial assets**

None

**9) 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	3,692,740,464.84		3,692,740,464.84	3,374,330,463.43		3,374,330,463.43
Investment in joint ventures and associates	2,867,753,731.35		2,867,753,731.35	2,722,085,180.53		2,722,085,180.53
Total	6,560,494,196.19		6,560,494,196.19	6,096,415,643.96		6,096,415,643.96

**(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	265,410,001.41				1,136,581,884.49	
Guangfo Expressway Co., ltd.	154,982,475.25					154,982,475.25	
Yuegao Capital Investment (Guangzhou) Co., Ltd.	322,500,000.00	53,000,000.00				375,500,000.00	
Guanghui Expressway Co., Ltd.	2,025,676,105.10					2,025,676,105.10	
Total	3,374,330,463.43	318,410,001.41				3,692,740,464.84	

**(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.	446,883,150.40	45,000,000.00		6,731,118.49		16,005.85	4,627,613.17			494,002,661.57	
Ganzhou Gankang Expressway Co., Ltd.	163,154,438.00			9,568,563.16						172,723,001.16	
Ganzhou Kangda Expressway Co., Ltd.	246,268,935.13			20,692,056.64						266,960,991.77	
Shenzhen Huiyan Expressway Co., Ltd.	348,669,767.32			14,856,921.37						363,526,688.69	
Zhaoqing Yuezhao Highway Co., Ltd.	310,209,765.87			30,133,975.22						340,343,741.09	
Guoyuan	987,867,627.42			22,017,218.07	12,110,298.33	2,424.19	15,522,387.30			1,006,475,180.71	

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Securities Co.,Ltd.											
Guangdong Yuepu Small Refinancing Co., Ltd	219,031,496.39			4,689,969.97						223,721,466.36	
Subtotal	2,722,085,180.53	45,000,000.00		108,689,822.92	12,110,298.33	18,430.04	20,150,000.47			2,867,753,731.35	
Total	2,722,085,180.53	45,000,000.00		108,689,822.92	12,110,298.33	18,430.04	20,150,000.47			2,867,753,731.35	

**4. Business income and Business cost**

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	734,319,820.33	242,491,456.98	636,965,610.55	249,145,875.83
Other	6,352,612.68	1,795,927.53	5,689,892.19	1,926,210.70
Total	740,672,433.01	244,287,384.51	642,655,502.74	251,072,086.53

**5. Investment income**

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	404,052,121.37	681,064,177.01
Long-term equity investment income accounted by equity method	108,689,822.92	98,360,414.38
Investment income from disposal of Long-term equity investment		-45,107,982.42
Dividend income from other equity instrument investments during the holding period	71,249,739.36	47,286,243.74
Interest income from debt investment during holding period.		10,079,133.93
Other	12,728,947.34	
Total	596,720,630.99	791,681,986.64

**XVII. 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)	-15,753.62	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	5,654,550.96	
Net amount of non-operating income and expense except the aforesaid items	1,923,823.88	
Other non-recurring Gains/loss items	795,422.82	
The impairment provision for the advance expenses that have occurred but need to be defined from the source of funds	-43,681,523.62	
Less :Influenced amount of income tax	2,088,521.91	
Influenced amount of minor shareholders' equity (after tax)	-9,372,564.36	

Total	-28,039,437.13	--
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None

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Due to its special nature, the provision for impairment of the management and maintenance expenditures that have been paid for by Guangfo Expressway but whose source of funds needs to be clarified will affect the normal judgment of the company's operating performance and profitability by the report users.

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 of the Guangzhou-Foshan Expressway that has been advanced but the source of funds needs to be clarified, it will affect the normal judgment to the Company's operating performance and profitability by the user of the report.

Explanation on defining the non recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public as recurring profit and loss items  Applicable  Not applicable

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

Profit as of reporting period	Weighted average ROE (%)	EPS ( Yuan/share )	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	9.30%	0.42	0.42
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	9.59%	0.44	0.44

## 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