

Guangdong Provincial Expressway Development Co., Ltd.

The Semi-Annual Report 2018

August 2018

I. Important Notice, Table of Contents and Definitions

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

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

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

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

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

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Definition

Terms to be defined	Refers to	Definition
Reporting period	Refers to	January 1, 2018 to June 30,2018
Reporting date	Refers to	The semi annual report of the company was approved by the board of directors on 2018, that is, August 27, 2018
YOY	Refers to	Compared with January-June 2017
The Company /This Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.
Technology Company	Refers to	Guangdong Expressway Technology Investment Co., Ltd
Fokai Company	Refers to	Guangdong Provincial Expressway Development Co.,Ltd.Fokai Branch
Guangfo Company	Refers to	Guangdong Guangfo Expressway Co., Ltd.
Guangzhu East Company	Refers to	Jingzhu Expressway Guangzhu Section Co., Ltd.

II. Corporate Profile and Key Financial Indicators

1. Company Information

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

2. Contact person and contact manner

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

3. Other

1. Way of contact

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

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in annual report 2017.

2. Information inquiry

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

Applicable Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2017.

4. Summary of Accounting Data and Financial Indicators

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

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (yuan)	1,535,864,145.14	1,440,222,563.74	6.64%
Net profit attributable to the shareholders of the listed company (yuan)	779,002,246.98	892,848,012.53	-12.75%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (yuan)	752,917,711.53	892,848,012.53	-15.67%
Cash flow generated by business operation, net (yuan)	817,279,588.10	1,022,392,235.37	-20.06%
Basic earning per share(yuan/Share)	0.37	0.43	-13.95%
Diluted gains per share(yuan/Share)	0.37	0.43	-13.95%
Weighted average income/asset ratio (%)	8.60%	10.55%	-1.95%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (yuan)	15,867,983,183.17	16,523,315,093.72	-3.97%
Shareholders' equity attributable to shareholders of the listed company (yuan)	8,674,276,291.67	9,023,071,118.45	-3.87%

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

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

Applicable Not applicable

Nil

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

Applicable Not applicable

Nil

6. Items and amount of non-current gains and 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)	44,464,720.82	

Items	Amount	Notes
Other non-business income and expenditures other than the above	1,075,059.00	
Less: Amount of influence of income tax	11,126,311.84	
Amount of influence of minority interests(after tax)	8,328,932.53	
Total	26,084,535.45	--

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

Applicable Not applicable

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

III. Business Profile

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

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

No

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

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway and Jingzhu Expressway Guangzhu Section investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd., Ganzhou Kangda Expressway, Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd. and Guangdong Guangle Expressway Co., Ltd. As of the end of the reporting period, the company's share-controlled expressway is 158.12 km, and the share-participation expressway is 684.20 km, and according to the equity ratio, after the conversion calculation, the total mileage is 273.05 km.

II .Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	The increase of 3.91% by the end of the period compared with that of the beginning, Mainly due to the combined influence of the operation accumulation and profit distribution of the participating units.
Fixed assets	The decrease of 6.58% by the end of the period compared with that of the beginning, Mainly due to the Zhuhai Municipal People's Government taking back the 4.213 km expressway of the Zhuhai section of the Guang'ao Expressway, the reduction of the road production of the Guangzhu East Company, and the depreciation of the road production.
Intangible assets	The decrease of 19.99% by the end of the period compared with that of the beginning, Mainly due to the impact of amortization of intangible assets.
Construction in process	The increase of 76.79% by the end of the period compared with that of the beginning, Mainly due to the increase in the construction of the southern section of Fokai Company.
Other receivable	The increase of 699.69% by the end of the period compared with that of the beginning, Mainly due to the Zhuhai Municipal People's Government recovering the 4.213 km expressway of the Zhuhai section of the Guang'ao Expressway, and the increase in the receivables of the Guangzhu East Company by 106 million yuan. The amount was withdrawn on July 3, 2018.
Available for sale financial assets	The decrease of 5.24% by the end of the period compared with that of the beginning, Mainly due to the decline in the stock price of Everbright Bank, the value of

	available-for-sale financial assets measured at fair value.
Other Non-current assets	The increase of 95.29% by the end of the period compared with that of the beginning, Mainly due to the increase and decrease of the prepaid project payment and the increase of the input tax to be deducted in the southern section of Fokai Company.
Deferred income tax assets	The decrease of 16.14% by the end of the period compared with that of the beginning, Mainly after the parent company absorbed the wholly-owned subsidiary, it made up for some deductible losses and the deferred income tax assets decreased accordingly

2. Main Conditions of Overseas Assets

Applicable Not applicable

III. Analysis On core Competitiveness

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

No

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

IV. Performance Discussion and Analysis

I .General

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

In the first half of 2018, the company, according to the annual business plan established by the board of directors, soundly did a good job of each work. . In the first half of 2018, the main business income was 1.536 billion yuan, up by 6.64% over the same period of last year, meaning 47.60% of the annual plan was completed; and the operating costs was 534 million yuan, Flat year-on-year, representing completed 40.27% of the annual plan.

In the report period, the vehicle traffic and toll income of the controlled subsidiaries and joint ventures of the Company are as follows:

	Volume of vehicle	Increase	Toll income in the	Increase
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	traffic in the first half year of 2018 (Ten thousand vehicles)	/Decrease(%)	first half year of 2018 (Ten thousand)	/Decrease(%)
Guangfo Expressway	2,953.85	1.50%	22,523.45	13.30%
Fokai Expressway	3,281.51	17.32%	63,859.17	8.37%
Jingzhu Expressway Guangzhou East Section	3,642.16	2.99%	63,529.98	2.40%
Huiyan Expressway	2,046.44	11.95%	12,174.57	9.14%
Guanghui Expressway	2,783.87	10.83%	86,784.97	2.54%
Yuezhao Expressway	1,454.50	7.42%	26,279.69	7.14%
Jiangzhong Expressway	2,574.42	2.84%	22,967.71	5.92%
Guangle Expressway	1,151.82	18.54%	152,842.70	6.41%
Kangda Expressway	127.01	0.02%	11,305.54	-6.73%
Gangkang Expressway	187.22	35.72%	7,677.39	18.87%

Overall situation: During the reporting period, the participating and controlled expressways in Guangdong Province continued to maintain a steady growth trend, with traffic volume and toll revenue increasing year-on-year; the traffic volume of two expressways in Jiangxi increased, but the toll revenue increased year-on-year and one year decreased.

1. Guangfo Expressway was affected by the implementation of restricted trucks in Foshan First Ring Road. The number of trucks increased year-on-year, so the increase in toll revenue was higher than the increase in traffic volume;
2. Guangzhou Section of Jingzhu Expressway. In September 2017, the National Road Hongqili Bridge was restored to traffic. Affected by this, the traffic volume and toll revenue increased slightly year-on-year;
3. Kangda Expressway was closed by the renovation project of the 323 National Road, and some of the trucks were diverted. The toll revenue decreased.

II. Main business analysis

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

Year-on-year change of main financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	1,535,864,145.14	1,440,222,563.74	6.64%	Mainly due to the growth of Guangfo, Fokai and Guangzhou East Company Toll revenue
Operating cost	533,736,566.35	533,689,845.16	0.01%	
Administrative expenses	75,594,633.97	77,693,914.84	-2.70%	
Financial expenses	112,780,215.47	133,804,359.02	-15.71%	Mainly to repay the upfront borrowings and

	This report period	Same period last year	YOY change (%)	Cause change
				increase the capitalization of the loan expansion and expansion of the southern part of the Fokai Expressway, and reduce the interest expense on financial expenses for the current period.
Income tax expenses	213,221,718.85	-19,940,081.98	1,169.31%	Mainly in the previous period, the merger and acquisition of Fokai subsidiary confirmed the deferred income tax assets, and the current income tax expense is relatively large.
Cash flow generated by business operation, net	817,279,588.10	1,022,392,235.37	-20.06%	Mainly due to the increase in toll income; the Department absorbed the merger of Fokai Company, Fokai Company to pay the assessed value of assets and the difference between the previous road production accounting and tax depreciation.
Net cash flow generated by investment	-138,624,695.43	-3,331,892.02	-4,060.54%	Mainly due to the payment of the reconstruction and expansion project of the southern section of Fokai Expressway.
Net cash flow generated by financing	-1,217,963,569.09	-1,027,513,171.72	-18.54%	Mainly due to distribution of dividends for the period increased compared with the same period last year.
Net increasing of cash and cash equivalents	-541,576,561.05	-7,005,743.86	-7,630.47%	Net cash from operating activities by the inflow and outflow from investing activities due to the combined effects

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

Applicable Not applicable

Nil

Breakdown of main business

In RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of reverse in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Highway transportations	1,499,126,119.71	504,925,795.77	66.32%	6.44%	-2.52%	3.09%
Other	19,749,732.85	17,392,198.77	11.94%	92.62%	216.42%	-34.46%

Total	1,518,875,852.56	522,317,994.54	65.61%	7.06%	-0.22%	2.51%
Product						
Highway transportations	1,499,126,119.71	504,925,795.77	66.32%	6.44%	-2.52%	3.09%
Other	19,749,732.85	17,392,198.77	11.94%	92.62%	216.42%	-34.46%
Total	1,518,875,852.56	522,317,994.54	65.61%	7.06%	-0.22%	2.51%
Area						
Guangfo Expressway	225,234,633.20	27,776,820.78	87.67%	13.30%	-53.54%	17.74%
Fokai Expressway	638,591,636.62	306,517,460.99	52.00%	8.37%	5.28%	1.41%
Jingzhu Expressway Guangzhu section	635,299,849.89	170,631,514.00	73.14%	2.40%	2.15%	0.06%
Other	19,749,732.85	17,392,198.77	11.94%	92.62%	216.42%	-34.46%
Total	1,518,875,852.56	522,317,994.54	65.61%	7.06%	-0.22%	2.51%

III. Non-core business analysis

√ Applicable □ Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable
Investment income	259,358,302.20	23.33%	It is due to the operation accumulation of participant companies	Yes
Asset impairment	-57,890.35	-0.01%	It is due to the provision of impairment for receivables surplus and aging changes	No
Non-operating income	2,687,560.58	0.24%	Mainly due to the compensation for the demolition of the office of the technology company and the income of the road production claim of Fokai Branch	No
Non-operating expenses	2,007,967.43	0.18%	Mainly due to the damage repair of civil facilities of Guangzhu East Company and the scrapping expenses of other companies' fixed	No

			assets	
Assets disposal income	44,860,186.67	4.03%	The property of Guangzhou-Zhuhai East Company has decreased mainly due to the Zhuhai Government has recovered the 4.213 kilometers expressway of Guangzhou-Macao Expressway of Zhuhai Section.	No

IV. Analysis of assets and liabilities

1. Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage (%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Monetary fund	1,821,466,139.37	11.48%	2,363,042,700.42	14.30%	-2.82%	Net cash from operating activities by the inflow and outflow from investing activities due to the combined effects
Accounts receivable	94,111,175.70	0.59%	92,642,625.45	0.56%	0.03%	
Inventories	139,076.49	0.001%		0.00%	0.001%	
Real estate Investment	2,523,650.98	0.02%	2,755,757.68	0.02%	0.00%	
Long-term equity investment	3,166,390,849.09	19.95%	3,047,275,000.00	18.44%	1.51%	
Fixed assets	7,945,714,512.39	50.07%	8,505,434,890.71	51.48%	-1.41%	It is mainly due to the Zhuhai Municipal People's Government taking back the 4.213 km expressway of the Zhuhai section of the Guang'ao Expressway, the reduction of the road production of the Guangzhu East Company
Construction in process	629,469,949.60	3.97%	356,062,655.95	2.15%	1.82%	Mainly due to the increase in the construction of the south section of Fokai

						Company.
Short-term loans		0.00%		0.00%	0.00%	
Long-term loans	4,391,170,000.00	27.67%	4,744,170,000.00	28.71%	-1.04%	

2.Asset and Liabilities Measured by Fair Value

√ Applicable □ Not applicable

In RMB

Items	Opening amount	Gain/Loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Closing amount
Financial assets							
3.Available-for-sale financial assets	952,782,523.20	-91,749,428.16	343,472,218.24				861,033,095.04
Subtotal of financial assets	952,782,523.20	-91,749,428.16	343,472,218.24				861,033,095.04
Total of the above	952,782,523.20	-91,749,428.16	343,472,218.24				861,033,095.04
Financial liabilities	0.00						0.00

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

□ Yes √ No

3. Assets right restriction till end of reporting period

Nil

V. Investment situation

1. General

√ Applicable □ Not applicable

Investments made in the reporting period	Investments made in same period of last year	+/- %
273,407,293.65	51,617,786.58	429.68%

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

□ Applicable √ Not applicable

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

√ Applicable □ Not applicable

In RMB

Name	Form of investment	Fixed assets investment or not	Industry in which the investment project operates	Investment amount during the reporting period	Accumulated actual amount invested as of the end of reporting period	Source of und	Progress	Estimated return	Accumulated realized return as of the end of the reporting period	Reasons for failure in meeting scheduled progress and estimated return	Date of Disclosure (If any)	Disclosure Index (If any)
Sanbao To Shuikou Section Extension project	Self	Yes	Expressway	273,407,293.65	1,000,061,046.58	Self and Borrowing	29.19%	0.00	0.00	Nil	June 17, 2016	Announcement of the 29th (Provisional) Meeting of the seventh Board of Directors, Announcement of External Investment
Total	--	--	--	273,407,293.65	1,000,061,046.58	--	--	0.00	0.00	--	--	--

4. Investment of Financial Asset

(1) Securities investment

√ Applicable □ Not applicable

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Sauce of the shares
Domestic and foreign stocks	601818	Everbright Bank	517,560,876.80	FVM	952,782,523.20	-91,749,428.16	343,472,218.24			-91,749,428.16	861,033,095.04	Financial assets available for sale	Self
Total			517,560,876.80	--	952,782,523.20	-91,749,428.16	343,472,218.24	0.00	0.00	-91,749,428.16	861,033,095.04	--	--
Disclosure Date of Announcement on Securities Investment Approved by the Board of Directors			July 22, 2009										
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting(If any)			August 7, 2009										

(2) Investment in Derivatives

□ Applicable √ Not applicable

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

VI. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

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

2.Sales of major equity

Applicable Not applicable

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

√ Applicable □ Not applicable

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

In RMB

Company Name	Company type	Leading products and services	Registered capital	Total assets	Net assets	Operating Income	Operating profit	Net Profit
Guangfo Expressway	Subsidiary	Operating Guangfo Expressway Co., Ltd.(starts from Hengsha, Guangzhou, ends in Xiebian, Foshan. Total length 15.7 kilometers	200 million yuan	493,251,686.30	437,494,174.52	226,325,833.32	187,512,995.52	142,435,343.71
Guangzhu Traffic Investment Management Co., Ltd.	Subsidiary	Highway investment management and consultation; highway maintenance	3 million yuan	2,744,739,947.35	540,806,925.21	645,871,184.09	453,365,316.41	184,814,435.35
Jingzhu Expressway Guangzhu Section Co., Ltd.	Subsidiary	The operation and management of Jiangzhu Expressway Guangzhu Section	580 million yuan	2,679,733,292.93	974,182,310.50	645,871,184.09	453,401,008.00	336,091,139.89
Guangdong Guanghui Expressway Co., Ltd.	Sharing company	Investment in and construction of Guanghui Expressway Co., Ltd. and supporting facilities, the toll collection and maintenance management of Guanghui Expressway, The Guanghui Expressway's supporting gas station, salvation, vehicle maintenance, vehicle transport, catering, warehousing investment and development	2.352 billion yuan	4,869,370,504.08	3,500,636,180.02	878,931,209.54	598,371,964.24	447,126,957.50

Subsidiaries obtained or disposed in the reporting period

□ Applicable √ Not applicable

Particulars about the Mutual holding companies

1.The Company holds a 75% equity interest in the Guangfo company, the construction and operation of the Guangzhou-Foshan Expressway, including road maintenance, charges, signs, marking and other transport facilities maintenance, Vehicle rescue and other business. The current net profit increased by 44.0569 million yuan, an increase of 44.78%, the increasing is due to natural income growth and financial costs to reduce the combined impact.

The main reason for the increase is the combined effect of the following factors: (1) The number of trucks has increased and the toll revenue has increased; (2) The depreciation of Guangfo Expressway has been fully drawn in the current reporting period, so that led to a decrease in depreciation.

2. The main reason for the increase was the combined effect of the natural increase of the toll revenue and the reduction of the financial costs. The net profits in the current period increased 48.8131million yuan and 14.99% compared with the last period,The main reason for the increase is the following factors: (1) According to the Compensation and Asset Transfer Agreement of Zhuhai Municipal People's Government's Recovery of the Guang-ao Expressway Zhuhai Section (Pile No. K0+945---K5+158), Guangzhu Dong Company has received all the compensation of 206 million yuan for the equity value compensation of the asset transfer and has completed the transfer of the asset with the Zhuhai High-tech Zone Management Committee in accordance with the “Compensation and Asset Transfer Agreement”;(2) the natural growth of toll income;(3) the interest-bearing debt repayment led to reduced financial costs.

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Prediction of business performance for January -September 2018

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

Applicable Not applicable

X.Risks facing the Company and countermeasures

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

V. Important Events

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

1. Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
2017 Shareholders' general meeting	Annual Shareholders' General Meeting	66.27%	April 26,2018	April 27,2018	www.cninfo.com.cn

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

IV. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes No

Not been audited.

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

Applicable Not applicable

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

Applicable Not applicable

VII. Bankruptcy and restructuring

Applicable Not applicable

No such cases in the reporting period.

VIII. Legal matters

Significant lawsuits or arbitrations

Applicable Not applicable

No such cases in the reporting period.

Other legal matters

Applicable Not applicable

Basic conditions of litigation (arbitration)	Amount involved (Ten thousand yuan)	Forming of the predicted debt	Litigation (arbitration) progress	Litigation (arbitration) judgement result and influence	Litigation (arbitration) judgement execution condition	Date of disclosure	Index of disclosure
On August 22, 2007, Guangdong Fokai Expressway Co., Ltd. filed a lawsuit with Guangzhou Maritime Court officially requiring Foshan Nanhai Yuhang Shipping Co., Ltd. and Yang Xiong to undertake the joint and several liabilities for the toll losses of Fokai company due to the Jiujiang collapse. On March 7, 2014, the court made the first instance judgement requiring the defendants Foshan Nanhai Yuhang Shipping Co., Ltd. and Yang Xiong to compensate the defendant Guangdong Fokai Expressway Co., Ltd. jointly for the vehicle toll revenue loss totaling 19,357,500.96 yuan. Guangdong Higher People's Court entered a judgement on June 5, 2014 and the lawsuit terminated. By the end of the report period, the abatement of action causes are already removed and the provincial higher court restores the hearing and conducts the investigation on April 21, 2017. Now it's still the time waiting for the court judgement.	1,935.75	No	Waiting for the court judgement result	No major influence on the company asset conditions and the operation results.	None		

<p>On June 12, 2009, the 6.15 accident-causing boat owner Yang Xiong filed a lawsuit with Guangzhou Maritime Court requiring Fokai company to compensate for the boat loss and interest totaling 7.28 million yuan. On December 20, 2013, the court made the first instance judgement rejecting all litigation claims of Yang Xiong. He filed a lawsuit with Guangdong Higher People's Court against such sentence above, and the second instance terminated the lawsuit in May 2015. By the end of the report period, the lawsuit is still suspended without any notice from the provincial higher court.</p>	728.00	No	During abatement of action by the second instance	No major influence on the company asset conditions and the operation results.	None	
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IX. Punishments and rectifications

Applicable Not applicable

No such cases in the reporting period.

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the reporting period.

XII. Material related transactions

1. Related transactions in connection with daily operation

Applicable Not applicable

No such cases in the reporting period.

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

Applicable Not applicable

No such cases in the reporting period.

3. Related-party transactions with joint investments

Applicable Not applicable

No such cases in the reporting period.

4. Credits and liabilities with related parties

Applicable Not applicable

Whether has non-operational contact of related liability and debts or not

Yes No

No such cases in the reporting period.

5. Other significant related-party transactions

Applicable Not applicable

1.The 16th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal about Signing the Contract of Entrustment of Operation and Management of 2018-2020 of Guangzhou North Section of Guangdong Jingzhu Expressway between the Guangzhou Section Company and the Guangzhou North Section Company.Agreed that Jingzhu Expressway Guangzhou Section Co., Ltd signs the Contract of Entrustment of Operation and Management of 2018-2020 of Guangzhou North Section of Guangdong Jingzhu Expressway with the Guangdong Jingzhu Expressway Guangzhou North Section Co., Ltd, with the total contract amount not exceeding 60 million yuan.

2. The 16th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal of Signing the Contract of Operation Entrustment of Un-Pillar Advertisement between the Jingzhu Expressway Guangzhou Section Co., Ltd and the Guangdong High Speed Media Co., Ltd.Agreed that Jingzhu Expressway Guangzhou Section Co., Ltd signs the Contract of Operation Entrustment of Un-Pillar Advertisement of Guangzhou Section of Beijing-Zhuhai Expressway with Guangdong High Speed Media Co., Ltd.

3. The 16th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal about the Entrustment of Lease and Operation of Communication Pipe along the Expressways of Guangdong Provincial Expressway Development Co.,Ltd's Holding Subsidiaries and Branch Company.Agreed that Our subsidiaries-Guangfo Expressway Co., Ltd and Jingzhu Expressway Guangzhou Section Co., Ltd and our branch company-Guangdong Provincial Expressway Development Co., Ltd Fokai Branch sign the Communication Pipeline Lease Contract with the Guangdong Litong Technology Investment Co., Ltd, which is to entrust the communication pipeline (including main line , ramp , structure and auxiliary facilities) along the expressway under the jurisdiction to Guangdong Litong Technology Investment Co.,Ltd for external lease and

maintenance, with the total lease income of about 79.27 million yuan.

4. The 17th (provisional) meeting of the Eighth board of directors of the Company Examined and Adopted of the Proposal on Borrowing Entrusted Loans to Guangdong Guanghui Expressway Co., Ltd. Agreed that the company borrowed entrusted loans from Guangdong Guanghui Expressway Co., Ltd. The total amount of loans was 180 million yuan. According to the actual needs of the company, withdrawals were made for a period of 1 year, and the interest rate was lowered by 10% according to the benchmark interest rate of the People's Bank of China for the same period. Used to supplement working capital. After the entrusted loan expires, it can be renewed according to the original conditions.

5. The 17th (provisional) meeting of the Eighth board of directors of the Company examined and adopted the Proposal Concerning the Company Daily Associated Transactions Predicted of 2018. Agree on the predicted daily associated transactions for the company headquarters, wholly-owned and holding subsidiaries of 2018, whose amount in total is 63.1779 million yuan.

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

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of Resolutions of the 16 th (provisional) Meeting of the Eighth Board of Directors	January 31, 2018	www.cninfo.com.cn
Announcement on related party transactions entrusted by subsidiaries	January 31, 2018	www.cninfo.com.cn
Announcement on Related Transactions of Entrusted Leasing Operation of Communication Pipeline along the Expressway of Guangdong Expressway Holding Subsidiary and Branch	January 31, 2018	www.cninfo.com.cn
Announcement on Related Transactions of Non-column Advertising Entrusted Operation of Holding Subsidiary Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd.	January 31, 2018	www.cninfo.com.cn
Announcement of Resolutions of the 17 th (provisional) Meeting of the Eighth Board of Directors	March 29, 2018	www.cninfo.com.cn
Related transaction announcement	March 29, 2018	www.cninfo.com.cn

Announcement of Daily Associated Transactions Predicted of 2018	March 29,2018	www.cninfo.com.cn
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XIII. Particulars about the non-operating occupation of funds by the Controlling shareholder and other related parties of the Company

Applicable Not applicable

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

XIV. Significant contracts and execution

1.Entrustments, contracting and leasing

(1) Entrustment

Applicable Not applicable

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

No such cases in the reporting period.

2.Contracting

Applicable Not applicable

2.Guarantees

Applicable Not applicable

(1) Guarantees

Ten thousand yuan

External guarantess made by the Company (Exclude those made for subsidiaries)								
Name of the Company	Relevant disclosure	Amount of Guarantee	Date of happening	Actual mount of	Guarantee type	Guarantee term	Complete implementa	Guarantee for

	date/No. of the guaranteed amount		(Date of signing agreement)	guarantee			tion or not	associated parties (Yes or no)
Guangdong Communication Group Co.,Ltd	May 11,2012	172,500	May 31,2013	172,500	Martgage	2012.9.25-2021.7.25	No	Yes
Total of external guarantee approved at Period-end(A3)		172,500		Total balance of actual external guarantee at Period-end(A4)		172,500		
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Total of Company' s guarantee (namely total of the large three aforementioned)								
Total of guarantee at Period-end (A3+B3+C3)		172,500		Total of actual guarantee at Period-end (A4+B4+C4)		172,500		
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)				19.89%				
Including								
Amount of guarantee for shareholders, actual controller and its associated parties (D)				172,500				

Description of the guarantee with complex method

(2) Illegal external guarantee

Applicable Not applicable

Nil

3. Other significant contract

Applicable Not applicable

Nil

XV.Social responsibilities

1.Major environmental protection

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

No

2.Overview of the annual targeted poverty alleviation

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

XVI.Other material events

Applicable Not applicable

No such cases in the reporting period.

XVII. Material events of subsidiaries

Applicable Not applicable

The 15th (provisional) meeting of the Eighth board of directors of the Company **examined and adopted the Proposal of matters relevant to the Zhuhai Municipal People's Government's Taking-back of Guangzhou-Macao Expressway Zhuhai Section's 4.213 km Expressway asset compensation and asset transfer"** was examined and approved.

1. Agreed that Zhuhai High-tech Zone Management Committee uses 206 million yuan of compensation (excluding the relevant taxes and fees, and the taxes and fees compensation subjecting to the actual amount of payment) to take back the Guangdong-Macao Expressway Zhuhai Section's 4.213 km (Pile Number K0 +945-K5 +158) Expressway Asset.

2. Agreed that Jingzhu Expressway Guangzhu section Co., Ltd-the company's holding subsidiary-shall, after performed the relevant decision-making procedures, enter into the Compensation and Asset transfer Agreement with Zhuhai High-Tech Zone Management Committee.

On January 31, 2018, Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd. received the first compensation of RMB 100 million from Zhuhai High-tech Zone Management Committee.

On July 3, 2018, Beijing-Zhuhai Expressway Guangzhu Section Co., Ltd. received the equity value compensation amount of RMB 106 million for the asset transfer from Zhuhai High-tech Zone Management Committee. As of that date, Guangzhu Dong Company has received all the compensation of RMB 260 million for the equity value compensation of the asset transfer and has completed the transfer of the asset with the Zhuhai High-tech Zone Management Committee in accordance with the "Compensation and Asset Transfer Agreement".

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of Resolutions of the 15 th (Provisional) Meeting of the Eighth Board of Directors	December 30,2017	www.cninfo.com.cn
Announcement of matters relevant to the Zhuhai Municipal People's Government's Taking-back of Guangzhou-Macao Expressway Zhuhai Section's 4.213 km Expressway asset compensation and asset transfer"	December 30,2017	www.cninfo.com.cn
Progress Announcement of matters relevant to the Zhuhai Municipal People's Government's Taking-back of Guangzhou-Macao Expressway Zhuhai Section's 4.213 km Expressway asset compensation and asset transfer"	February 2,2018	www.cninfo.com.cn
Progress Announcement of matters relevant to the Zhuhai Municipal People's Government's Taking-back of Guangzhou-Macao Expressway Zhuhai Section's 4.213 km Expressway asset compensation and asset transfer"	July 5,2018	www.cninfo.com.cn

VI. Change of share capital and shareholding of Principal Shareholders

I.Changes in share capital

1. Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
1.Shares with conditional subscription	1,273,170,302	60.88%				132,126	132,126	1,273,302,428	60.90%
1.State-owned shares	410,002,853	19.61%						410,002,853	19.61%
2.State-owned legal person shares	521,393,021	24.94%						521,393,021	24.94%
3.Other domestic shares	341,774,428	16.34%				132,126	132,126	341,906,554	16.35%
Including : Domestic Legal person shares	341,225,786	16.32%				-120,440	-120,440	341,105,346	16.31%
Domestic natural person shares	548,642	0.03%				252,566	252,566	801,208	0.04%
II.Shares with unconditional subscription	817,635,824	39.11%				-132,126	-132,126	817,503,698	39.10%
1.Common shares in RMB	468,885,824	22.43%				-30,801	-30,801	468,855,023	22.42%
2.Foreign shares in domestic market	348,750,000	16.68%				-101,325	-101,325	348,648,675	16.68%
III. Total of capital shares	2,090,806,126	100.00%				0	0	2,090,806,126	100.00%

Reasons for share changed

Applicable Not applicable

- During the reporting period, 120,440 "domestic legal-person holding shares" were turned into "domestic natural-person holding shares" through judicial confirmation.
- During the reporting period, due to changes in the appointments of directors, supervisors and senior executives and changes in shareholdings in the previous year, 30,801 A shares and 101,325 B shares were converted from "unlimited conditional shares" to "limited conditional shares".

Approval of Change of Shares

Applicable Not applicable

Ownership transfer of share changes

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Change of shares with limited sales condition

Applicable Not applicable

In shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Wang Chunhua	0	0	101,325	101,325	Executive locking stock	Unknown
Li Mei	92,494	0	30,801	123,205	Executive locking stock	September 30, 2018
Total	92,494	0	132,126	224,530	--	--

II. Issuing and listing

Applicable Not applicable

III. Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period	61,104	Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)	0					
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Guangdong Communication Group	State-owned legal person	24.55%	513,382,595		410,002,853	103,379,742		

Co.,Ltd								
Guangdong Highway Construction Co., Ltd.	State-owned legal person	22.30%	466,325,020		466,325,020			
Yadong Fuxing Yalian Investment Co., Ltd.	Domestic non State-owned Legal person	9.68%	202,429,149		202,429,149		Pledge	156,652,500
Tibet Yingyue Investment Management Co., Ltd.	Domestic non State-owned Legal person	4.84%	101,214,574		101,214,574			
Guangdong Expressway Co., Ltd.	State-owned legal person	2.53%	52,937,491		52,937,491			
Guangfa Securities Co., Ltd.	Domestic non State-owned Legal person	1.45%	30,364,372		30,364,372			
Feng Wuchu	Domestic natural person shares	1.08%	22,593,729	1175773				
Agricultural Bank of China—Jingshun Great Wall Energy Infrastructure Mixed Securities Investment Fund	Domestic non State-owned Legal person	0.69%	14,381,528	7403434				
Xinyue Co., Ltd.	Foreign legal person	0.63%	13,201,086					
PRUSIK UMBRELLA UCITS FUND PLC	Foreign legal person	0.62%	12,999,871	1000000				
Explanation on associated relationship or concerted action of the above shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Highway Construction Co., Ltd, Guangdong Expressway Co., Ltd. and Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.							
Shareholding of top 10 shareholders of unrestricted shares								
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type						
		Share type	Quantity					
Guangdong Communication Group Co.,Ltd	103,379,742	RMB Common shares	103,379,742					
Feng Wuchu	22,593,729	RMB Common shares	20,686,390					
		Foreign shares	1,907,339					

		placed in domestic exchange	
Agricultural Bank of China—Jingshun Great Wall Energy Infrastructure Mixed Securities Investment Fund	14,381,528	RMB Common shares	14,381,528
Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086
PRUSIK UMBRELLA UCITS FUND PLC	12,999,871	Foreign shares placed in domestic exchange	12,999,871
MATTHEWS CHINA DIVIDEND FUND	11,565,121	Foreign shares placed in domestic exchange	11,565,121
Khazanah Nasional Berhad—self fund	10,522,779	Foreign shares placed in domestic exchange	10,522,779
UBS AG LONDON BRANCH	9,129,156	Foreign shares placed in domestic exchange	9,129,156
Guotai Junan securities co., Ltd.	7,600,000	RMB Common shares	7,600,000
Yongan Guofu Asset Management Co., Ltd.—Yongan Guofu—Yongfu No.10 Private Securities Investment Fund	7,255,301	RMB Common shares	7,255,301
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Highway Construction Co., Ltd, Guangdong Expressway Co., Ltd. and Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies.		

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

Yes No

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

IV. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not Applicable

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

Change of the actual controller in the reporting period

Applicable Not applicable

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

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

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

Applicable Not applicable

There was no change in shareholding of directors, supervisors and senior management staffs, for the specific information please refer to the 2017 Annual Report

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

Applicable Not applicable

Name	Positions	Types	Date	Reason
Li Mei	Supervisor	Dimission	January 6,2018	Resignation

IX. Corporate Bond

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

No

X. 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.

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	1,821,466,139.37	2,363,042,700.42
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Note receivable		
Account receivable	94,111,175.70	92,642,625.45
Prepayments	1,734,012.97	4,451,901.75
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable	54,521,442.76	
Other account receivable	123,275,981.57	15,415,512.07

Items	At the end of term	Beginning of term
Repurchasing of financial assets		
Inventories	139,076.49	
Assets held for sales		
Non-current asset due in 1 year	51,745.32	55,669.14
Other current asset	921,856.82	76,576.08
Total of current assets	2,096,221,431.00	2,475,684,984.91
Non-current assets:		
Loans and payment on other' s behalf disbursed		
Disposable financial asset	1,659,608,196.77	1,751,357,624.93
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,166,390,849.09	3,047,275,000.00
Property investment	2,523,650.98	2,755,757.68
Fixed assets	7,945,714,512.39	8,505,434,890.71
Construction in progress	629,469,949.60	356,062,655.95
Engineering material	1,549,556.00	1,549,556.00
Fixed asset disposal	99,127.90	
Production physical assets		
Gas & petrol		
Intangible assets	5,677,752.19	7,096,435.17
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	37,107.43	92,768.83
Differed income tax asset	281,196,704.39	335,299,025.28
Other non-current asset	79,494,345.43	40,706,394.26
Total of non-current assets	13,771,761,752.17	14,047,630,108.81
Total of assets	15,867,983,183.17	16,523,315,093.72
Current liabilities		
Short-term loans		
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		

Items	At the end of term	Beginning of term
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Note payable		
Account payable	185,313,470.18	266,934,026.99
Advance payment	13,605,059.97	14,856,113.90
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	15,529,808.87	11,334,182.16
Tax payable	122,832,730.78	428,647,394.29
Interest payable	9,332,172.79	8,494,355.93
Dividend payable	43,193,409.32	26,840,792.20
Other account payable	255,598,874.65	86,663,237.94
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	1,583,780,000.00	1,218,610,000.00
Other current liability	689,978.75	
Total of current liability	2,229,875,505.31	2,062,380,103.41
Non-current liabilities:		
Long-term loan	4,391,170,000.00	4,744,170,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	2,022,210.11
Long-term payable employees' s remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	217,720,054.84	260,632,098.75

Items	At the end of term	Beginning of term
Other non-current liabilities		
Total non-current liabilities	4,610,912,264.95	5,006,824,308.86
Total of liability	6,840,787,770.26	7,069,204,412.27
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,514,016,125.31	2,510,069,749.76
Less: Shares in stock		
Other comprehensive income	253,468,274.62	327,263,824.17
Special reserves		
Surplus reserves	544,821,130.03	544,821,130.03
Common risk provision		
Undistributed profit	3,271,164,635.71	3,550,110,288.49
Total of owner's equity belong to the parent company	8,674,276,291.67	9,023,071,118.45
Minority shareholders' equity	352,919,121.24	431,039,563.00
Total of owners' equity	9,027,195,412.91	9,454,110,681.45
Total of liabilities and owners' equity	15,867,983,183.17	16,523,315,093.72

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

2. Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	1,708,673,405.68	2,130,475,892.67
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Note receivable		
Account receivable	18,091,636.66	19,001,899.29
Prepayments	764,205.44	1,520,014.23
Interest receivable	35,705,395.50	2,070,385.95
Dividend receivable	189,521,442.76	10,000,000.00
Other account receivable	171,173,507.07	5,298,202.17
Inventories		
Assets held for sales		
Non-current asset due in 1 year	80,000,000.00	80,000,000.00
Other current asset		
Total of current assets	2,203,929,593.11	2,248,366,394.31
Non-current assets:		
Disposable financial asset	1,659,608,196.77	1,751,357,624.93
Expired investment in possess		
Long-term receivable		
Long term share equity investment	8,336,053,068.75	8,216,937,219.66
Property investment	2,271,512.73	2,503,619.43
Fixed assets	5,516,223,107.41	5,784,192,105.58
Construction in progress	627,266,163.60	353,858,869.95
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	2,220,339.19	2,856,323.67

Items	At the end of term	Beginning of term
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset	280,995,263.90	335,050,091.31
Other non-current asset	866,288,609.57	827,775,329.66
Total of non-current assets	17,290,926,261.92	17,274,531,184.19
Total of assets	19,494,855,855.03	19,522,897,578.50
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Note payable		
Account payable	148,300,692.93	200,070,986.17
Advance payment		
Employees' wage payable	4,267,948.00	5,419,848.48
Tax payable	6,843,982.81	12,893,797.03
Interest payable	8,793,589.48	7,901,914.26
Dividend payable	18,193,409.32	14,340,792.20
Other account payable	4,671,807,377.66	4,481,086,033.30
Liabilities held for sales		
Non-current liability due in 1 year	1,333,780,000.00	968,610,000.00
Other current liability	575,976,776.28	644,691,748.64
Total of current liability	6,767,963,776.48	6,335,015,120.08
Non-current liabilities:		
Long-term loan	4,192,170,000.00	4,545,170,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	2,022,210.11
Employees' wage payable		
Special payable		
Expected liabilities		

Items	At the end of term	Beginning of term
Deferred income		
Deferred income tax liability	85,868,054.56	108,805,411.60
Other non-current liabilities		
Total of Non-current liabilities	4,280,060,264.67	4,655,997,621.71
Total of liability	11,048,024,041.15	10,991,012,741.79
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,925,904,356.93	2,921,957,981.38
Less: Shares in stock		
Other comprehensive income	253,468,274.62	327,263,824.17
Special reserves		
Surplus reserves	528,976,846.38	528,976,846.38
Undistributed profit	2,647,676,209.95	2,662,880,058.78
Total of owners' equity	8,446,831,813.88	8,531,884,836.71
Total of liabilities and owners' equity	19,494,855,855.03	19,522,897,578.50

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

3. Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	1,535,864,145.14	1,440,222,563.74
Incl: Business income	1,535,864,145.14	1,440,222,563.74
Interest income		
Insurance fee earned		
Fee and commission received		

Items	Report period	Same period of the previous year
II. Total business cost	728,906,640.43	752,280,475.16
Incl: Business cost	533,736,566.35	533,689,845.16
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	6,853,114.99	6,895,775.06
Sales expense		
Administrative expense	75,594,633.97	77,693,914.84
Financial expenses	112,780,215.47	133,804,359.02
Asset impairment loss	-57,890.35	196,581.08
Add: Gains from change of fir value (“-” for loss)		
Investment gain (“-” for loss)	259,358,302.20	223,430,364.44
Incl: investment gains from affiliates	216,777,157.34	199,376,107.62
Gains from currency exchange (“-” for loss)		
Assets disposal income	44,860,186.67	
Other income		
III. Operational profit (“-” for loss)	1,111,175,993.58	911,372,453.02
Add : Non-operational income	2,687,560.58	62,299,078.58
Less: Non business expenses	2,007,967.43	3,099,474.26
IV.Total profit(“-” for loss)	1,111,855,586.73	970,572,057.34
Less: Income tax expenses	213,221,718.85	-19,940,081.98
V. Net profit	898,633,867.88	990,512,139.32
1.Net continuing operating profit	898,633,867.88	990,512,139.32
2.Termination of operating net profit		
Net profit attributable to the owners of parent company	779,002,246.98	892,848,012.53
Minority shareholders’ equity	119,631,620.90	97,664,126.79
VI. Other comprehensive income	-73,795,549.55	-75,869,719.44

Items	Report period	Same period of the previous year
Net of profit of other comprehensive income attributable to owners of the parent company.	-73,795,549.55	-75,869,719.44
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-73,795,549.55	-75,869,719.44
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-4,983,478.43	
2.Gains and losses from changes in fair value available for sale financial assets	-68,812,071.12	-75,869,719.44
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	824,838,318.33	914,642,419.88
Total comprehensive income attributable to the owner of the parent company	705,206,697.43	816,978,293.09
Total comprehensive income attributable minority shareholders	119,631,620.90	97,664,126.79
VIII. Earnings per share		
(I) Basic earnings per share	0.37	0.43

Items	Report period	Same period of the previous year
(II)Diluted earnings per share	0.37	0.43

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

Legal Representative:Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	675,894,267.74	38,224,276.41
Incl: Business cost	310,310,687.32	232,106.70
Business tax and surcharge	3,493,775.90	45,569.27
Sales expense		
Administrative expense	42,233,003.03	26,557,947.35
Financial expenses	104,206,424.94	66,857,722.21
Asset impairment loss		
Add: Gains from change of fir value (“-” for loss)		
Investment gain (“-” for loss)	880,579,568.71	930,734,790.73
Incl: investment gains from affiliates	216,777,157.34	199,376,107.62
Assets disposal income	138,427.18	
Other income		
II. Operational profit (“-” for loss)	1,096,368,372.44	875,265,721.61
Add : Non-operational income	916,331.99	73,878.42
Less: Non business expenses	485,826.09	
III.Total profit(“-” for loss)	1,096,798,878.34	875,339,600.03
Less: Income tax expenses	54,054,827.41	-220,270,567.14
IV. Net profit (“-” for net loss)	1,042,744,050.93	1,095,610,167.17
1.Net continuing operating profit	1,042,744,050.93	1,095,610,167.17
2.Termination of operating net profit		

Items	Report period	Same period of the previous year
5. After-tax net amount of other misc. incomes	-73,795,549.55	-75,869,719.44
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-73,795,549.55	-75,869,719.44
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-4,983,478.43	
2.Gains and losses from changes in fair value available for sale financial assets	-68,812,071.12	-75,869,719.44
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	968,948,501.38	1,019,740,447.73
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,567,523,150.21	1,437,384,420.88
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		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned		
Other cash received from business operation	39,446,329.98	60,818,976.35
Sub-total of cash inflow	1,606,969,480.19	1,498,203,397.23
Cash paid for purchasing of merchandise and services	96,705,259.73	65,216,674.54
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		

Items	Report period	Same period of the previous year
Cash paid to staffs or paid for staffs	138,291,293.37	132,850,018.53
Taxes paid	532,821,606.22	241,335,946.56
Other cash paid for business activities	21,871,732.77	36,408,522.23
Sub-total of cash outflow from business activities	789,689,892.09	475,811,161.86
Cash flow generated by business operation, net	817,279,588.10	1,022,392,235.37
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	84,683,907.47	137,278,324.19
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	100,573,025.00	6,250.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		59,995,667.68
Sub-total of cash inflow due to investment activities	185,256,932.47	197,280,241.87
Cash paid for construction of fixed assets, intangible assets and other long-term assets	323,881,627.90	200,612,133.89
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	323,881,627.90	200,612,133.89
Net cash flow generated by investment	-138,624,695.43	-3,331,892.02
III. Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	800,000,000.00	499,000,000.00

Items	Report period	Same period of the previous year
Cash received from bond placing		
Other financing – related ash received	2,500,000.00	
Sub-total of cash inflow from financing activities	802,500,000.00	499,000,000.00
Cash to repay debts	637,830,000.00	678,100,000.00
Cash paid as dividend, profit, or interests	1,382,633,569.09	848,413,171.72
Incl: Dividend and profit paid by subsidiaries to minor shareholders	185,252,062.66	
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	2,020,463,569.09	1,526,513,171.72
Net cash flow generated by financing	-1,217,963,569.09	-1,027,513,171.72
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,267,884.63	1,447,084.51
V. Net increase of cash and cash equivalents	-541,576,561.05	-7,005,743.86
Add: balance of cash and cash equivalents at the beginning of term	2,363,042,700.42	2,603,279,644.25
VI ..Balance of cash and cash equivalents at the end of term	1,821,466,139.37	2,596,273,900.39

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	661,994,572.24	3,621,896.95
Tax returned		

Items	Amount in this period	Amount in last period
Other cash received from business operation	46,329,459.08	616,912,385.89
Sub-total of cash inflow	708,324,031.32	620,534,282.84
Cash paid for purchasing of merchandise and services	39,912,969.27	
Cash paid to staffs or paid for staffs	55,205,264.99	16,270,436.06
Taxes paid	25,922,199.03	550,122.41
Other cash paid for business activities	402,529,977.62	27,384,975.76
Sub-total of cash outflow from business activities	523,570,410.91	44,205,534.23
Cash flow generated by business operation, net	184,753,620.41	576,328,748.61
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	580,905,173.98	718,997,791.68
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	195,540.00	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	432,250.00	70,491,251.01
Sub-total of cash inflow due to investment activities	581,532,963.98	789,489,042.69
Cash paid for construction of fixed assets, intangible assets and other long-term assets	312,406,878.23	
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		10,000,000.00
Sub-total of cash outflow due to investment activities	312,406,878.23	10,000,000.00
Net cash flow generated by investment	269,126,085.75	779,489,042.69
III.Cash flow generated by financing		

Items	Amount in this period	Amount in last period
Cash received as investment		
Cash received as loans	400,000,000.00	
Cash received from bond placing		
Other financing - related ash received	293,500,000.00	
Sub-total of cash inflow from financing activities	693,500,000.00	
Cash to repay debts	50,100,000.00	50,100,000.00
Cash paid as dividend, profit, or interests	1,142,614,308.52	775,861,281.94
Other cash paid for financing activities	374,200,000.00	
Sub-total of cash outflow due to financing activities	1,566,914,308.52	825,961,281.94
Net cash flow generated by financing	-873,414,308.52	-825,961,281.94
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,267,884.63	1,447,084.51
V. Net increase of cash and cash equivalents	-421,802,486.99	531,303,593.87
Add: balance of cash and cash equivalents at the beginning of term	2,130,475,892.67	1,795,455,123.88
VI ..Balance of cash and cash equivalents at the end of term	1,708,673,405.68	2,326,758,717.75

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Amount in this period												
	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	Attributable profit		
		preferred stock	Sustainable debt	Other									
I. Balance at the end of last year	2,090,806,126.00				2,510,069,749.76		327,263,824.17		544,821,130.03		3,550,110,288.49	431,039,563.00	9,454,110,681.45
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	2,090,806,126.00				2,510,069,749.76		327,263,824.17		544,821,130.03		3,550,110,288.49	431,039,563.00	9,454,110,681.45
III. Changed in the current year					3,946,375.55		-73,795,549.55				-278,945,652.78	-78,120,441.76	-426,915,268.54
(1) Total comprehensive income							-73,795,549.55				779,002,246.98	119,631,620.90	824,838,318.33
(II) Investment or													

Items	Amount in this period												
	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			Attributable profit
preferred stock		Sustainable debt	Other										
decreasing of capital by owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other													
(III) Profit allotment										-1,057,947,899.76	-197,752,062.66	-1,255,699,962.42	
1. Providing of surplus reserves													
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)										-1,057,947,899.76	-197,752,062.66	-1,255,699,962.42	
4. Other													
(IV) Internal transferring of													

Items	Amount in this period												
	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			Attributable profit
	preferred stock	Sustainable debt	Other										
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. Other													
(V). Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other					3,946,375.55							3,946,375.55	
IV. Balance at the end of this term	2,090,806,126.00				2,514,016,125.31		253,468,274.62		544,821,130.03		3,271,164,635.71	352,919,121.24	9,027,195,412.91

Amount in last year

In RMB

Items	Amount in last year												
	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			Attributable profit
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	2,090,806,126.00				2,508,408,342.99		402,285,954.24		366,956,549.89		2,920,563,328.27	554,495,287.40	8,843,515,588.79
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	2,090,806,126.00				2,508,408,342.99		402,285,954.24		366,956,549.89		2,920,563,328.27	554,495,287.40	8,843,515,588.79
III. Changed in the current year					1,661,406.77		-75,022,130.07		177,864,580.14		629,546,960.22	-123,455,724.40	610,595,092.66
(1) Total comprehensive income							-75,022,130.07				1,509,922,398.70	200,301,288.72	1,635,201,557.35

Items	Amount in last year												
	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			Attributable profit
		preferred stock	Sustainable debt	Other									
(II) Investment or decreasing of capital by owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Allotment to the owners (or shareholders)													
4. Other													
(IV) Internal transferring of owners' equity								177,864,580.14		-880,375,438.48	-323,757,013.12	-1,026,267,871.46	
1. Capitalizing of capital reserves (or to capital shares)								177,864,580.14		-177,864,580.14			
2. Capitalizing of													

Items	Amount in last year												
	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			Attributable profit
		preferred stock	Sustainable debt	Other									
surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.										-702,510,858.34	-323,757,013.12	-1,026,267,871.46	
4. Other													
(VI) Special reserves													
1. Provided this year													
2. Used this term													
(VII) Other													
IV. Balance at the end of this term													
(V) Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other				1,661,406.77								1,661,406.77	
IV. Balance at the end of this term	2,090,806,126.00			2,510,069,749.76		327,263,824.17		544,821,130.03		3,550,110,288.49	431,039,563.00	9,454,110,681.45	

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

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
I. Balance at the end of last year	2,090,806,126.00				2,921,957,981.38		327,263,824.17		528,976,846.38	2,662,880,058.78	8,531,884,836.71
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	2,090,806,126.00				2,921,957,981.38		327,263,824.17		528,976,846.38	2,662,880,058.78	8,531,884,836.71
III. Changed in the current year					3,946,375.55		-73,795,549.55			-15,203,848.83	-85,053,022.83
(I) Total comprehensive income							-73,795,549.55			1,042,744,050.93	968,948,501.38
(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by shareholders											

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
2. Holders of other equity instruments invested capital											
3.Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit allotment										-1,057,947,899.76	-1,057,947,899.76
1.Providing of surplus reserves											
2. Allotment to the owners (or shareholders)										-1,057,947,899.76	-1,057,947,899.76
3. Other											
(IV)Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to											

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other					3,946,375.55						3,946,375.55
IV. Balance at the end of this term	2,090,806,126.00				2,925,904,356.93		253,468,274.62		528,976,846.38	2,647,676,209.95	8,446,831,813.88

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
I. Balance at the end of last	2,090,806,126.00				3,359,791,693.12		402,285,954.24		351,112,266.24	1,764,609,695.85	7,968,605,735.45

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
year											
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II.Balance at the beginning of current year	2,090,806,126.00				3,359,791,693.12		402,285,954.24		351,112,266.24	1,764,609,695.85	7,968,605,735.45
III.Changed in the current year					-437,833,711.74		-75,022,130.07		177,864,580.14	898,270,362.93	563,279,101.26
(I) Total comprehensive income							-75,022,130.07			1,778,645,801.41	1,703,623,671.34
(II) Investment or decreasing of capital by owners					-437,833,711.74						-437,833,711.74
1. Ordinary Shares investe d by shareholders											
2. Holders of other equity i nstruments invested capital											
3.Amount of shares paid and accounted as owners'											

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
equity											
4. Other				-437,833,711.74						-437,833,711.74	
(III) Profit allotment								177,864,580.14	-880,375,438.48	-702,510,858.34	
1. Providing of surplus reserves								177,864,580.14	-177,864,580.14		
2. Allotment to the owners (or shareholders)									-702,510,858.34	-702,510,858.34	
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. Other											
(V) Special reserves											
1. Provided this year											

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialize d reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferre d stock	Sustaina ble debt	Other							
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	2,090,806,126.00				2,921,957,981.38		327,263,824.17		528,976,846.38	2,662,880,058.78	8,531,884,836.71

III. Company Profile

(1) History

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., 418.2136 million yuan, was converted into 155.025 million shares. Guangdong Expressway Co. invested cash of 115 million yuan to subscribe for 35.9375 million shares. Other legal persons invested cash of 286.992 million yuan to subscribe for 89.685 million shares. Staff of the Company invested 87.008 million yuan to subscribe for 27.19 million shares. The total is 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 3.8 yuan) with the par value of each share being 1 yuan during June to July 1996.

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

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

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

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

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

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

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

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

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

13. Upon the approval document of CSRC No.230-2016 Zheng Jian Xu ke-Approval of the Share-Issuing to Parties such as Guangdong Provincial Expressway Co., Ltd to Purchase Assets and Raise Matching Funds by Guangdong Provincial Expressway Development Co., Ltd, in June 2016 the company issued 33,355,263 shares and paid RMB 803.50 million to Guangdong Provincial Expressway Co., Ltd for purchasing the 25% stake of Guangdong Provincial Fokai Expressway Co., Ltd held by Guangdong Provincial Expressway Co., Ltd; and issued 466,325,020 shares to Guangdong Provincial Highway Construction Co., Ltd for purchasing the 100% stake of Guangzhou Guangzhu Traffic Investment Management Co., Ltd held by Guangdong Provincial Highway Construction Co., Ltd. On June 21, 2016, the company directionally issued 334,008,095 A-shares to Yadong Fuxing Yalian Investment Co.,Ltd, Tibet Yinyue Investment Management Co.,Ltd and GF Securities Co.,Ltd. The issuance of shares have been registered on July 7, 2016, the new shares will be listed on July 8, 2016.

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

As of June 30, 2018, Registration capital: RMB2,090,806,126, Legal representative: Zheng Renfa, Registration place: No.85, Baiyun Road, Guangzhou, Headquarters Office: 45-46/F, Litong Plaza, No.32, Zhujiang East Road, Zhujiang New City, Tihe District, Guangzhou, The company has set up: Investment Development Dept, Security Affairs Department, Management Department, Financial Management Department, Base construction Department,

Audit and Supervise Department, Affairs Department, Personnel Department , Party Work Department, Law affairs Department , Project Office and Labour union etc.

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Deng Xiaohua. Date of establishment: June 23, 2000. As of June 30, 2018, Registered capital: RMB 26.8 billion. It is a solely state-owned limited company. Business scope: equity management, organization of asset reorganization and optimized allocation, raising funds by means including mortgage, transfer of property rights and joint stock system transformation, project investment, operation and management, traffic infrastructure construction, highway and railway project operation and relevant industries, technological development, application, consultation and services, highway and railway passenger and cargo transport, ship industry, relevant overseas businesses; The value-added communication business.

(3) The company's main business and share ,Holding company

The company operated the construction of the highway construction, grading roads, bridges; Management fees and maintenance of roads, bridges, and car rescue, maintenance, cleaning, concurrently with the company's business supporting motor transport, warehousing operations.

The Company is mainly engaged in tolling and maintenance of Guangfo Expressway, Fokai Expressway, investment in technological industries and provision of relevant consultation while investing in Shenzhen Huiyan Expressway Co., Ltd., Guangzhou Guanghui Expressway Co., Ltd., Jingzhu Expressway Guangzhu Co., Ltd., Guangdong Jiangzhong Expressway Co., Ltd., Zhaoqing Yuezhao Expressway Co., Ltd., Ganzhou Kangda Expressway , Ganzhou Gankang Expressway Co., Ltd., Guangdong Yueke Technology Micro Loan Co., Ltd., Guangdong Guangle Expressway Co., Ltd. and Guoyuan Securities Co., Ltd.

(4) Scope of consolidated financial statements

The company's 2018(Jan-June) annual consolidated subsidiaries of total 6 companies, The scope of consolidated financial statements is consistent with the previous period. Refer to Notes X(8), Notes of financial statements ,Change of consolidation scope and NotesX(9), Notes of financial statements, Equity in other entities for more details.

(5) Approval of the financial statements reported

The financial statements have been authorized for issuance by the Board of Directors of the Group on August 27, 2018.

IV. Basis for the preparation of financial statements

1. Preparation basis

The company prepares the financial statements on the basis of a continuous operation, the actual transactions, "Accounting Standards for Enterprises - Basic Standards" , other accounting standards & related regulations. Furthermore, all the materials of financial statements of the company meet the relevant disclosure requirements of financial statements and notes on the "Editing and Reporting Rules Regarding Information Disclosure for Companies Publicly Issuing Securities No. 15 - General Regulations for Financial Reporting (revised in 2014) by China Securities Regulatory Commission.

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:

Nil

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

The financial statements prepared by the Company comply with the requirements of corporate accounting standards. They truly and completely reflect the financial situations, operating results, equity changes and cash flow, and other relevant information of the company.

2. Fiscal Year

The Company adopts the Gregorian calendar year commencing on January 1 and ending on December 31 as the fiscal year.

3. Operating cycle

An operating cycle for the Company is 12 months, which is also the classification criteria for the liquidity of its assets and liabilities.

4. Standard currency for bookkeeping

The Company takes RMB as the standard currency for bookkeeping.

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

1. Business Combinations under the Same Control

The assets and liabilities acquired by the company in the business combination shall be measured as per the obtained book value of owner's equity of the combined party in the consolidated financial statements. As for the balance between the carrying amount of the net assets obtained by the combining party & the carrying amount of the consideration paid by it (or the total par value of the shares issued), the additional paid-in capital shall be adjusted. If the additional paid-in capital is not sufficient to be offset, the retained earnings shall be adjusted.

The direct costs for the business combination of the company, including the expenses for audit, assessment and legal services, shall be recorded into the profits & losses at the current period.

The handling fees, commissions & other expenses for the issuance of equity securities for the business combination shall be credited against the surplus of equity securities; if the surplus is not sufficient, the retained earnings shall be offset.

Where the accounting policies adopted by the combined parties are different from those adopted by the company, the company shall adjust them on the combining date according to the accounting policy it adopts, and shall, pursuant to the Accounting Standards for Enterprises, recognize them on the basis of such adjustments.

2. Business Combinations not under the Same Control

The assets paid as the consideration for the business combination & the liabilities assumed on the acquisition date shall be measured in accordance with the fair value. The difference between the fair value & its carrying amount shall be recorded into the profits & losses at the current period.

The company will distribute the combination costs on the acquisition date.

The company shall recognize the positive balance between the combination costs & the fair value of the identifiable net assets it obtains from the acquire as Goodwill while it shall record the negative balance between the combination costs & the fair value of the identifiable net assets it obtains from the acquire into the profits & losses of the current period.

As for the assets other than intangible assets acquired from the acquire in a business combination (not limited to the assets which have been recognized by the acquire), if the economic benefits brought by them are likely to flow into the enterprise and their fair values can be measured reliably, they shall be separately recognized and measured in light of their fair values. As for any intangible asset acquired in a combination, if its fair value can be measured reliably, it shall be separately recognized as an intangible asset and shall be measured in light of its fair value. As for the liabilities other than contingent liabilities acquired from the acquire, if the performances of the relevant obligations are likely to result in any out-flow of economic benefits from the enterprise, and their fair values can be measured reliably, they shall be separately recognized and measured in light of their fair values. As for the contingent liabilities of the acquire obtained in a combination, if their fair values can be measured reliably, they shall be separately recognized as liabilities and shall be measured in light of their fair values.

6. Methods for Preparing the Consolidated Financial Statements

The scope of the consolidated financial statements will be recognized on the basis of controlling. All the subsidiaries will be included into the consolidated financial statements.

The accounting policies & accounting periods adopted by all the subsidiaries that have been included into the scope of the consolidated financial statements should be consistent with those adopted by the company. If the accounting policies & accounting periods adopted by the subsidiaries are different from those adopted by the company, the company shall make necessary adjustments according to the accounting policies & accounting periods it adopts when preparing the consolidated financial statements.

After adjusting the long-term equity investments on its subsidiaries according to the equity method, the company shall prepare the consolidated financial statements based on the financial statements of the company & its subsidiaries, and other related documents.

The influences of the internal transactions between the company & its subsidiaries, and its subsidiaries themselves on the consolidated balance sheet, consolidated profit statement, consolidated cash flow statement & consolidated statement of changes in owner's equity will be counteracted at the preparation of the consolidated financial statements.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority shareholders' interest and presented as "minority interest" in the consolidated balance sheet within owners' equity. The

portion of net profits or losses of subsidiaries for the period attributable to minority interest is presented in the consolidated income statement below the “net profit” line item as “minority interest”. In the consolidated financial statements, when the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders’ portion of the opening balance of owners’ equity of the subsidiary, the excess amount should be still allocated against minority interest.

In the report period, If the subsidiary is added through the business combination under the same control, the beginning balance of the consolidated balance sheet shall be adjusted. The incomes, expenses & profits of the subsidiary incurred from the beginning of the current period to the end of the reporting period shall be included into the consolidated profit statement. The cash flow from the beginning of the current period to the end of the reporting period shall be included into the consolidated cash flow statement.

For purchase of minority interests held by the minority shareholders of a subsidiary, when preparing the consolidated financial statements, the difference between the long-term equity investment newly gained by buying minority interests and the portion of net assets consistently calculated from the acquisition date (or the consolidation date) pursuant to newly added shareholding percentage entitled by the subsidiary should be adjusted to the owners’ equity (the capital reserve). If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

In the report period, If the company disposes its subsidiary, the incomes, expenses & profits incurred from the beginning of the subsidiary to the disposal date shall be included into the consolidated profit statement. The cash flow from the beginning of the subsidiary to the disposal date shall be included into the consolidated cash flow statement.

7. Joint venture arrangements classification and Co-operation accounting treatment

(1) A joint arrangement refers to an arrangement jointly controlled by two participants or above., the joint venture arrangements include co-operation and joint ventures.

(2) When the joint venture company for joint operations, confirm the following items and share common business interests related to:

- (1) Confirm individual assets and common assets held based on shareholdings;
- (2) Confirm individual liabilities and shared liabilities held based on shareholdings;
- (3) Confirm the income from the sales revenue of co-operate business output
- (4) Confirm the income from the sales of the co-operate business output based on shareholdings;
- (5) Confirm the individual expenditure and co-operate business cost based on shareholdings.

(3)

When a company is a joint ventures, joint venture investment will be recognized as long-term equity investments and long-term equity investments are accounted for in accordance with the method of the Notes to Financial Statements.

8. Recognition Standard of Cash & Cash Equivalents

The company recognizes its cash in vault & the deposits that are ready for payment at any time as cash when preparing the cash flow statement, which are featured with short term (expire within 3 months since purchased), high liquidity, easy to convert to know cash, low in risk of value change, could be recognized as cash equivalents. Equity investment are not recognized as cash equivalents.

9.Foreign Currency Transaction

(1) Foreign Currency Transaction

For the company with non-functional currency business, the middle rate of the market exchange rate published by People's Bank of China on the date of occurrence of business are recorded as the functional currency, and the balances of foreign currency shall be adjusted by the end of the month according to the middle rate of the market exchange rate published by People's Bank of China at the end of period. The differences between the recording currency amount converted by the exchange rate at the end of period and the carrying currency amount are as "Finance Costs - Exchange Gains and Losses" and recorded into the current profits or losses. The exchange gains and losses related to borrowings on the fixed assets shall be made treatment according to the principles of borrowing costs capitalization.

(2) Conversion of Foreign Financial statement

If overseas subsidiaries, cooperative enterprises, joint ventures, branches of the company adopt the different functional recording currency and record the overseas business of the company into the financial statements through the consolidated statements and the accounting by the equity method, the overseas financial statements shall be translated as the recording functional currency. Before the translation, the company shall adjust the accounting period and policy of overseas business in order to make the consistent adjustment, and translate the overseas financial statements according to the financial statements of the preparation of corresponding currency after the accounting policy and period adjusted and as per the following methods:

- ① For the assets and liabilities in the balance sheet, the spot exchange rate on the balance sheet date is adopted as the translation exchange rate. For the owner's equity, the spot exchange rate on the transaction date is adopted as the translation exchange rate, with the exception of "undistributed profits".
- ② The incomes and expenses in the income statement shall be translated at the spot exchange rate or the approximate exchange rate on the transaction date.
- ③ The translation gap of financial statement of foreign currency shall be listed under the owner's equity in the consolidated balance sheet in the preparation of the consolidated financial statements.

10.Financial tools

1. Categories of financial Tools

The Company divides the financial assets into four categories: financial assets measured at fair value and their variations are recognized as current gain/loss, including trade financial assets or financial liabilities and recognized directly as financial assets measured at fair value and their variations are recognized as current gain/loss; Investment hold till expiration; loans and account receivable; saleable financial assets. The company divides the financial liabilities into two categories: financial liabilities measured at fair value and their variations are recognized as current gain/loss; other financial liabilities.

2. Recognition and measurement of financial tools

(1) Financial assets and liabilities measured at fair value and their variations are recognized as current gain/loss

The fair value (after deducting of announced but not distributed cash dividend or due but not obtained bond interests) is recognized as initial amount when obtained.

Interests or cash dividends during the period of holding are recognized as investment gains. The fair value will be

adjusted and accounted as current gain/loss.

When disposed, the differences between fair value and initial amount are recognized as investment gains, and thus adjust the gain/loss of fair value.

2. Recognition and measurement of financial tools

(1) Financial assets and liabilities measured at fair value and their variations are recognized as current gain/loss

The fair value (after deducting of announced but not distributed cash dividend or due but not obtained bond interests) is recognized as initial amount when obtained.

Interests or cash dividends during the period of holding are recognized as investment gains. The fair value will be adjusted and accounted as current gain/loss.

When disposed, the differences between fair value and initial amount are recognized as investment gains, and thus adjust the gain/loss of fair value.

(2) Investment hold till expiration

The fair value (after deducting of due but not obtained bond interests) plus the related trade expenses is recognized as initial amount when obtained.

Interest gains will be calculated at amortizing of costs and actual interest rate (the face rate is adopted when the difference between the actual rate and face rate is minor) during the period of holding, and accounted as investment gains. Actual rate is recognized when obtained, and is not changed in the predictable holding period or applicable shorter period.

When disposed, the difference between the obtained price and book value is accounted as investment gains.

If the company sells or reclassifies large-amount due investments before the expired date (large amount refers to comparing with the amount before the selling or reclassifying the investments), the company will reclassify the rest of the investments as financial assets for sale, and in the current accounting period or within two complete accounting years, no financial assets will be classified as holding due assets, except for the following situations: the sale date or reclassification date is close to the expired date of the investment (such as three months before the expired), and the change of interest rate has no significant influence on the fair value of the investment; after all the initial principal is mostly recovered according to periodic payments or repay in advance regulated in the contract, the rest part will be sold or reclassified; the sale and reclassification is caused by the independent events which are uncontrollable and unexpected and will not happen any more.

(3) Account receivable

The receivable debts of selling goods or providing services, and the credits of other company hold by the company not including the debt which has price in active market, including accounts receivable, notes receivable, prepaid accounts, other receivables, long-term receivables, etc. The contract or agreement price charging from purchaser should be taken as the initial confirmation amount; if it has the nature of financing, it should be confirmed according its current value.

When retrieved or disposed of, the difference between the actual received amount and the book value is accounted as current gain/loss.

(4) Saleable financial assets

The fair value (after deducting of announced but not distributed cash dividend or due but not obtained bond

interests) plus the related trade expenses is recognized as initial amount when obtained.

Interest or cash dividend occurred during the period of holding is recognized as investment gains. Change of fair value is accounted as capital reserves (other capital reserves) at the end of term.

When disposed, the difference between the obtained price and book value is accounted as investment gains. Meanwhile, the corresponding part of accumulated change of fair value accounted as owners' equity is transferred into investment gain/loss.

(5) Other financial liabilities

Other financial liabilities are recognized initially at the sum of fair value and related trade expenses. Successive measurement will be on the basis of amortized costs.

3. Recognition and measurement basis of financial asset transposition

When financial asset transposition occurred, the recognition of this particular financial asset is terminated if almost all risks and rewards attached to the asset have been transferred to the acceptor. If retain all the risks and rewards of ownership of financial assets, the financial assets can be confirmed.

When determine whether the transfer of financial assets meet the conditions of confirmation of the above financial assets, the principle of substance being more important than form should be adopted. The transfer of financial assets can be divided into overall transfer and part transfer of financial assets. If the transfer of financial assets meet the conditions of terminating confirmation, the following the difference of the two amounts will be included in the current profit and loss:

- (1) Book value of the financial asset to be transposed;
- (2) The sum of price received due to the transposition, and the accumulation of change in fair value originally accounted as owners' equity (when the asset to be transposed is saleable financial asset).

If part transfer of financial assets meet the conditions of terminating confirmation, the book value of the transferred financial assets, the difference between the confirmed part and the unconfirmed part (in this case, the service assets retained should be deemed as the part of unconfirmed financial assets), should be amortized in accordance with their relative fair value, and the difference between the following two amount should be included current profit and loss:

- ① Book value of the confirmed part;
- ② All fair values of financial assets and financial liabilities are recognized with reference to the price in the active market.

If the transfer of financial assets does not meet the conditions of terminating confirmation, the financial assets should be confirmed again, the prices received will recognized as financial liabilities.

4. The conditions to stopping the financial liabilities

The obligation of financial liabilities are already cancelled which should be stopped confirming the financial liability or the part of it. Our company could stop confirming the currently financial liability and begin to confirm the newly financial liability if the loaner made an agreement that they would assume the new way of financial liability which replace the current one, and make sure the newly financial liability is totally different from the old one in contract with our company.

Stop admitting the financial liability or a part of it, and at mean time we could admit the newly financial liability

which is in new insertions of contract as the newly financial liability if the current financial liability has been revised.

Stop admitting the balance of value of financial liability and consideration (Including the roll-out of non-cash assets or financial liabilities) which could be consider as current profits and losses.

Stop and continue admitting a part of value, and distribute the value of financial liability, if our company repurchased the part of financial liability. And the balance of value of which distributed to the part of stopping admitting and paid (Including the roll-out of non-cash assets or financial liabilities) which could be consider as current profits and losses.

5. Recognition basis of financial assets and financial liabilities

All fair values of financial assets and financial liabilities are recognized with reference to the price in the active market (Using valuation technique, etc) .

6. Impairment provision for financial assets

① Impairment provision for financial assets for sale:

If the fair value of financial assets for sale greatly drops at the end of the period, or after considering all the relevant factors and expecting decrease trend is non-temporary, the impairment should be confirmed, and the accumulative loss formed by the decrease of fair value of owner's equity originally included should be transferred out altogether and confirmed as impairment loss.

② Holding the impairment provision of expired investments:

The measurement of holding the impairment provision of expired investment will be according to the method of the measurement of impairment provision for receivables.

11. Accounts Receivable

(1) Accounts receivable with material specific amount and specific provisioned bad debt preparation.

Judgment criteria or amount standard of material specific amount or amount criterial:	The accounts receivable whose single amount is over RMB 1 million & accounts for over 10% of the accounts receivable amount.
Provision method with material specific amount and provision of specific bad debt preparation:	Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period.

(2) The accounts receivable of bad debt provisions made by credit risk Group

The basis for determining the combination of Credit risk: The accounts receivable whose single amount is over RMB 1 million & accounts for over 10% of the accounts receivable amount. Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period.

In the Groups, adopting aging analysis method to withdraw bad debt provision

Applicable Not applicable

Aging	Rate for receivables(%)	Rate for other receivables(%)
Within 1 year (Included 1 year)	0.00%	0.00%
1—2 years	10.00%	10.00%
2—3 years	30.00%	30.00%
3—4 years	50.00%	50.00%
4—5 years	90.00%	90.00%
Over 5 years	100.00%	100.00%

Accounts on percentage basis in group:

applicable not applicable

Accounts on other basis in group:

Applicable Not applicable

Separately carry out the impairment test, prepare the bad debt according to the expected future cash flow present value below the balance of its book value, and take account of the current profit and loss.

(3) Account receivable with non-material specific amount but specific bad debt preparation

Reason of individually withdrawing bad debt provision	The accounts receivable under 5 years of age which are not significant without any business connections any more.
Witharawal method for boad debt provision	Conduct the devalue test separately. Set up the bad debt reserve according to the shortfall of the present value of expected future cash flows against its carrying amount and record it into the profits & losses at the current period.

12.Inventory

Whether the Company needs to comply with the disclosure requirements for specific industrie

No

1. Investories class: The company' s stocks can be classified as: raw materials, inventory goods, low-value consumables & other materials, etc.

2. Valuation method of inventory issued :The company calculates the prices of its inventories according to the weighted averages method or the first-in first-out method.

3. Recognition Basis of Inventories' Net Realizable Values and Counting & Drawing Method of Obsolete Inventory Reserves:After taking stock at the end of the period,

4. Inventory System:Adopts the Perpetual Inventory System

13. Divided as assets held for sale

In the presence of the following conditions are satisfied when non-current assets or a part of the company is classfied as held for sale:

(1) The components should be immediately sold under the current condition only according to the usual terms of

the parts sold.

(2) The sale is highly probable, that is, the company has already made a resolution on a sale plan and obtained a certain purchase commitment, which is expected to be completed within one year. Where the relevant regulations require the approval of the relevant authority of the company or the regulatory authority before it can be sold, the approval has been gained.

The determined purchase commitment refers to the legally binding purchase agreement signed between the company and other parties. The agreement includes important terms such as transaction price, time and sufficiently severe penaltybreach of penalty, making the agreement unlikely to be significantly adjusted or cancelled.

14. Long-term equity investment

(1) The Classification of Long-term Equity Investments

The long-term equity investments of the company should include the investments in the subsidiaries and the investments in cooperative enterprises and joint ventures.

(2) The Recognition of Investment Cost

① For the business combination under common control and the combining party paying in cash, transferring non-monetary assets, bearing debts or issuing the equity securities as the consideration, the initial investment cost shall be recognized according to the shares of the book value in the consolidated financial statement of the ultimate controlling party that acquired by the combined party on the combination date. The capital reserves shall be adjusted for the difference between the initial investment cost of long-term equity investment and the book value of the paid cash, the transferred non-monetary assets and the borne debts. The retained earnings shall be adjusted if the capital reserves are insufficient to offset.

For the long-term equity investment after the business combination under common control realized step-by-step through multiple transactions, the shares of the book value of the owner's equity of the combined party shall be as the initial investment cost in the individual financial statements and the consolidated financial statements as per the shareholding proportion. The capital reserves shall be adjusted for the balance between the sums of the book value of the equity investment of the combined party held on the combination date and the new investment cost increased on the combination date minus the initial investment cost of long-term equity investment. The retained earnings shall be adjusted if the capital reserves are insufficient to offset.

②For the business combination under non-common control, the initial investment cost shall be recognized according to the fair value of the merger consideration paid on the purchase date. For the long-term equity investment after the business combination under non-common control realized step-by-step through multiple transactions, the relevant accounting treatment should be respectively conducted for the individual financial statement and the consolidated financial statements: 1) In the individual financial statements, the sum of the book value of equity investment from the purchased party held before the purchase date and the new investment cost at the purchase date shall be as the initial investment cost of the investment. Other comprehensive incomes related to the equity of the purchased party held before the purchase date shall be transferred into the current investment incomes in the disposal of the investment. 2) In the consolidated financial statements, the equity of the purchased party held before the purchase date should be measured again according to the fair value of the equity on the purchase date, and the gap of the fair value and the book value should be recorded into the current investment incomes. Other comprehensive incomes related to the equity of the purchased party held before the purchase date shall be transferred into the current investment incomes on the purchase date.

③With the exception of the business combination:

The long-term equity investment acquired by the payment in cash should be as the investment cost as per the actual purchase payment. The investment costs include fees, taxes and other necessary expenses directly related to the achieved long-term equity investment.

The long-term equity investment acquired by the issuance of equity securities should be as the investment cost as per the fair value of the issued equity securities.

The long-term equity investment acquired by the non-monetary assets exchange (the exchange with the commercial substance) should be as the investment cost as per the fair value of the investment and the payable taxes.

For the long-term equity investment acquired by the debt reorganization, the creditors shall recognize the fair value of the enjoyed shares as the investment of the debtors.

(3) Subsequent Measurement and Recognition Method of Profit and Loss

The cost method shall be adopted to account the long-term equity investment controlled by the invested party and the equity method shall be adopted to account the long-term equity investment with joint control or significant influence.

(4) Recognition Criteria for the Invested Party with Joint Control or Significant Influence

The joint control on the economic activity appointed as per the contract shall exist when the major finance and the operating decision related to the economic activity are agreed by the invested party sharing the control right, which shall be regarded as the joint control on the invested party implemented by other parties. The decision power to participate in the finance and operating decision on the enterprise, but without control or joint control with other parties to formulate these policies, shall be regarded as the significant influence on the invested party implemented by the investment enterprise.

(5) Impairment Test Method and Withdrawing Method

For the impairment test method and the withdrawing method of the long-term equity investment, please refer to “Long-term Assets Impairment in Article 10 of Important Accounting Policies and Accounting Estimates 21 in Notes 5 of Financial Statements” .

15. Entrusted Loans

The entrusted loans shall be made bookkeeping according to the actually entrusted loan amount. The receivable interests shall be withdrawn according to the interest rate stated in the entrusted loans.

For the impairment test method and the impairment provision withdrawing method of the entrusted loans, please refer to “Long-term Assets Impairment in Article 10 of Important Accounting Policies and Accounting Estimates 21 in Notes 5 of Financial Statements” .

16. Investment Real Estates

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

The term “Investment real estates” refers to the real estates held for generating rent and/or capital appreciation, including the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation & the right to use any building which has already been rented.

The company shall make a measurement to the investment real estate through the cost pattern. The company shall adopt the same depreciation policy as its fixed assets for the investment real estates measured by the cost pattern-buildings for renting & the same amortization policy as its intangible assets for the right to use any land for renting.

For the impairment test method and the impairment provision withdrawing method of the Investment Real Estates, please refer to “Long-term Assets Impairment in Article 10 of Important Accounting Policies and Accounting Estimates 21 in Notes 5 of Financial Statements”.

17.Fixed assets

(1) Confirmation conditions of fixed assets

Fixed assets refer to physical assets owned for purpose of production, service providing, leasing or management, and operation with service life of more than one year. Fixed assets are recognized when all of the following conditions are satisfied: Financial benefits attached to the fixed asset is possibly inflowing to the Company;(2) The cost of the fixed asset can be reliable measured.

(2) Depreciation method

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

Provision for depreciation of highways and bridges is made with work amount method. Estimated net residual value rate is zero. Estimated useful life is determined according to the period of operation right in respect of charge collection. The concrete calculation method is as follows: The amount of provision for depreciation per standard vehicle traffic volume is to be calculated based on the estimated total standard vehicle traffic volume within expected useful life of highways and bridges and the original value or book value of highways and Bridges. Then provision for depreciation is made according to the actual standard vehicle traffic volume in each

fiscal period.

The company regularly rechecks the estimate total standard vehicle traffic volume within the remaining operation period of highways and bridges. When there is big difference between actual standard vehicle traffic volume and estimated standard vehicle traffic volume, the Company will re-estimate future total standard vehicle traffic volume and adjust the provision for depreciation per standard vehicle traffic volume to ensure that the book value of relevant highways and bridges will be completely amortized within useful life.

The company adopts the straight line method for the depreciation of fixed assets except highways & bridges, and recognizes the depreciation rate according to the fixed asset group, expected useful life & the expected net salvage value rate.

(3) Test Method for Fixed Asset Impairment and Counting & Drawing Method for Fixed Asset Impairment Reserves

For the impairment test method and the impairment provision withdrawing method of the Fixed assets, please refer to “Long-term Assets Impairment in Article 10 of Important Accounting Policies and Accounting Estimates 21 in Notes 5 of Financial Statements” .

18. Construction-in process

1. Calculation of Construction-in-process: The constructions in process are classified & accounted according to the established projects.

2. Standard & Time Point for Carrying Constructions in Process Forward to Fixed Assets

All the expenditures that bring the construction in process to the expected condition for use shall be the credit value of the fixed asset. If the fixed asset construction in process has already reached the expected condition for use, but hasn't been made the final account; it shall be carried forward to a fixed asset according to its estimated value based on the budget, cost or actual cost of the construction starting from the date when it reaches the expected condition for use, and the fixed asset shall be depreciated according to the company's depreciation policy for fixed assets. After the final account has been made, the original provisional estimated value shall be adjusted according to the actual cost, but the depreciation which has originally been counted & drawn shall not be adjusted.

3. Test Method for Construction-in-Process Impairment and Counting & Drawing Method

For the impairment test method and the impairment provision withdrawing method of the Construction-in process, please refer to “Long-term Assets Impairment in Article 10 of Important Accounting Policies and Accounting Estimates 21 in Notes 5 of Financial Statements” .

19. Loan expenses

1. Recognition principles for capitalizing of loan expenses

Borrowing expenses occurred to the Company that can be accounted as purchasing or production of asset satisfying the conditions of capitalizing, are capitalized and accounted as cost of related asset. Other borrowing expenses are recognized as expenses according to the occurred amount, and accounted into gain/loss of current term.

The assets meeting capital conditions refer to the fixed assets, investment real estates and inventories which are constructed or produced in a long time to reach the predicted use or sale state.

When a loan expense satisfies all of the following conditions, it is capitalized:

1. Expenditures on assets have taken place, asset expenditures include the assets used to construct or produce the assets which meet the capitalization conditions, and expend by cash or transferring non-cash assets or bearing interest debt;

2. Loan costs have taken place;

3. The construction or production activities to make assets to reach the intended use or sale of state have begun.

2. Duration of capitalization of Loan costs

The capitalization period refers to the period from starting capitalization of loan costs to the stop of capitalization, the period of the break of capitalization of Loan costs is not included.

When the construction or production meets the intended use or sale of state of capitalization conditions, the Loan costs should stop capitalization.

When the construction or production meets the conditions of capitalization and can be used individually, the capitalization of the loan costs of the assets should be stopped.

Where each part of a asset under acquisition and construction or production is completed separately and is ready for use or sale during the continuing construction of other parts, but it can not be used or sold until the asset is entirely completed, the capitalization of the borrowing costs shall be ceased when the asset is completed entirely.

3. Capitalization Suspension Period

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. If the interruption is a necessary step for making the qualified asset under acquisition and construction or production ready for the intended use or sale, the capitalization of the borrowing costs shall continue. The borrowing costs incurred during such period shall be recorded into the profits & losses at the current period, till the acquisition and construction or production of the asset restarts.

4. Calculation of the amount of capitalization of Loan costs

Interest expense due to specialized Loan and its auxiliary expenses shall be capitalized before the asset which satisfies the capitalizing conditions reaches its useable or saleable status.

Interest amount of common Loan to be capitalized equals to accumulated asset expense less weighted average of specialized loan part of asset expense multiplies capitalizing rate of common Loan occupied. Capitalizing rate is determined according to weighted average interest of common Loan.

If the Loan has discount or premium, the discount or premium amount should be determined according to actual interests in each accounting period. The interest amount should be adjusted in each period.

20. Intangible assets

(1) Pricing method, useful life and impairment test

1. The valuation methods of intangible assets

(1) The initial measurement is conducted according to the actual cost when the intangible assets are acquired

The cost of the purchased intangible assets includes its buying price, relevant tax and the othe expenses that are directly attributed to this assets meeting its predetermined objective and other expenses that occur. The buying price of intangible assets is over the deferred payment under normal credit conditions, which has the nature of financing materially, the cost of intangible assets is determined on the basis of the present value of its buying price.

We acquire the mortgaged intangible assets from debtors through debt restructuring and determine the entry value on the basis of the fair value of the intangible assets, we have the balance between the book value of debt restructuring and the fair value of intangible assets used for mortgage charged to the current profit and loss.

The entry value of the non-monetary assets exchanged into by the non-monetary assets are determined on the basis of the fair value of the assets exchanged out if the exchange of non-monetary assets has commercial nature and the assets exchanged into or out can be reliably measured, unless there is authentic evidence indicating that the fair value of assets exchanged into are more reliable; if the non-monetary assets that cannot meet the above prerequisite use the book value of the assets exchanged out and relevant taxes payable as the cost of the non-monetary assets, the profit and loss is not confirmed.

The entry value of the intangible assets acquired by the absorption merger under the control of one company is determined by the book value of the merged party; the entry value of the intangible assets acquired by the absorption merger that is not under the control of one company is determined by the fair value.

The cost of the intangible assets developed internally includes the materials consumed in developing the assets, cost of service, registration fees, other patent used in developing, amortization of concession and interest charges meeting the capitalization conditions and other direct costs that occur before the intangible assets meeting the predetermined objective.

(2) Subsequent measurement

The Company analyses and makes judgment of its serviceable life when acquiring the intangible assets.

The intangible assets that have limited serviceable life are amortized by the straight-line method during the period when the assets can bring about economic interests; The intangible assets are deemed as uncertain serviceable life and are not amortized if it is impossible to expect the period when the assets could bring about economic interests.

At the end of period, the Group shall check the service life and amortization method of intangible assets with finite service life, if there is any change, it shall be regarded as a change of the accounting estimates. Besides, the Group shall check the service life of intangible assets without certain service life, if there is any evidence showing that the period of intangible assets to bring the economic benefits to the enterprise can be prospected, it shall be estimated the service life and amortized in accordance with the amortization policies for intangible assets with finite service life.

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

For the impairment test method and the impairment provision withdrawing method of the Intangible assets, please refer to “Long-term Assets Impairment of Important Accounting Policies and Accounting Estimates in Notes 5 of Financial Statements” .

21. Impairment of Long-term assets

(1) Scope

The assets Impairment main includes long-term equity investment, investment property (the investment property measured by the fair value excluded), fixed assets, projects under construction, engineering material, intangible assets (the capitalized development expenditure included), asset group, combination of asset group, business reputation, etc..

(2) Recognition of Possible Impairment Assets

The company makes judgment of the assets if there exists the possible impairment at the balance sheet date. The intangible assets with indefinite goodwill and service life due to the combination of enterprise, shall be conducted the impairment test every year regardless of the impairment. The impairment may occurs for the assets if there is the following status:

- ① The market price of assets fall sharply in the current period, and the decline is obviously beyond that estimated due to the passage of time or normal use.
- ② The significant changes in the economy, technology or legal environment operated by the company and the

assets market in the current or the near future adversely affect the company.

- ③ The improvement of the market interest rates or other market investment returns in the current period, influence the company to calculate assets estimating the discount rate of the present value of future cash flow and result in the sharp drop of the recoverable amount of the assets.
- ④ There is evidence that shows the assets have become obsolete or the entities have been damaged.
- ⑤ The assets have been or will be idle, terminated the use or planned to dispose in advance.
- ⑥ The evidence in the internal report of the company shows that the economic performance of assets has been less than or lower than the expected, such as the net cash flow created by assets or the achieved operating profit (or loss) is far below (or above) the estimated amount.
- ⑦ Other evidences indicate the impairment of assets may have occurred.

(3) Measurement of the Recoverable Amount of the Assets

The recoverable amount shall be estimated if there exists the impairment for the assets. The recoverable amount should be recognized according to the higher one between the net amount of the fair value minus the disposal costs and the present value of the cash flow of assets expected in the future.

(4) Determination of Asset Impairment Loss

The measurement results of the recoverable amount show that the book value of assets shall be reduced to the recoverable amount and the reduced amount shall be recognized as the impairment loss of assets and recorded into the current profits and losses, and the impairment provisions of the relevant assets are withdrawn if the recoverable amount of the assets is less than the book value. After the recognition of the assets impairment loss, the depreciation or amortization costs of the impairment assets should be made adjustment accordingly in the future period in order to make the assets to systematically amortize the book value of the assets after adjusted within the remaining service life (the estimated residual value deducted). The impairment loss of assets after recognized shouldn't be reversed in the future accounting period.

(5) Recognition and Impairment Treatment of Assets Group

If there is the impairment for one asset, the company shall estimate the recoverable amount based on the individual asset. If it is difficult for the company to estimate the recoverable amount of the individual asset, the recoverable amount of asset group shall be recognized on the basis of the asset group which the asset is belong to. The recognition of the asset group should be made on the basis of the main cash inflow generated by the assets group that if is independent to the cash inflow of other assets or assets group.

The corresponding impairment loss shall be recognized if the recoverable amount of the assets group or the assets group combination is less the book value (the book value of the assets group or the assets group combination should include the amortization quota relevant to corporate assets and goodwill for the assets group or the assets group combination amortized by the corporate assets and the goodwill). The book value of goodwill in the amortized assets group or assets group combination shall be firstly offset for the impairment losses, and the book value of other assets shall be offset in proportion according to the proportion of the book value of other assets in the assets group or the assets group combination, with the exception of the goodwill.

(6) The Goodwill Impairment

The company has conducted the impairment test at least every year for the goodwill established by the business combination. The book value of the goodwill generated by the combination shall be amortized into the related asset group from the purchase date. If difficult to amortize into the relevant asset group, the book value shall be amortized into the relevant asset group combination. The relevant asset group or asset group combination refers to that benefitting from the synergistic effect of the business combination and is not more than the report portion recognized by the company.

When the relevant asset group or the asset group combination including the goodwill are conducted the impairment test, the impairment test should be firstly conducted for the asset group without the goodwill or the asset group combination, the recoverable amount shall be calculated and the corresponding impairment loss shall be recognized by comparison with the relevant book value if there exists the impairment for the asset group relevant to the goodwill or the asset group combination. Then the impairment test should be conducted for the asset group with the goodwill or the asset group combination, the impairment loss of the goodwill shall be recognized and made the treatment according to the provisions of the asset group impairment stated in the notes if the recoverable amount of the relevant asset group or the asset group combination is less than the book value by comparison of the book value of these relevant asset group or the asset group combination (including the book value of the goodwill amortized) with the recoverable amount.

22. Long-term amortizable expenses

Long-term prepaid expenses refer to that enterprises have already spent, and amortization periods of all expenses are more than one year (excluding 1 year), they should be amortized in the regulated years.

23. Remuneration

(1) Accounting treatment of short-term remuneration

Remuneration refers to all kinds of rewards or compensation that the Company gives to get in return for the services its employees provide or employment termination. It includes short-term compensation, post-employment benefits, demission benefits and other long-term employee benefits. Enterprises to provide employees spouse, child welfare, dependents, survivors and other beneficiaries of deceased employees, etc., also belong to payroll.

During the company's accounting staff to provide services, the actual wages, bonuses, allowances and subsidies, welfare, medical insurance, work injury insurance and maternity insurance and other social insurance, housing fund confirmed, labor union funds, employee education funds and as a liability profit or loss or costs related assets. If the debt is expected to provide services after the end of the annual reporting period in which an employee can not be fully paid within twelve months, and the financial impact is material, the amount will be discounted liabilities measured after.

(2) Accounting methods for post-employment benefits

Post-employment benefits refer to the compensation and benefits that the Company gives to get in return for employees' services for their retirement or employment termination, excluding short-term compensation and demission benefits. It falls into two categories, defined contribution plans and defined benefit plans.

① The defined contribution plan: the company shall no longer bear the further obligation to pay severance benefit plans after the company deposits the fixed costs to the independent funds. The basic pension insurance and the unemployment insurance shall be recognized as the liability according to the payable amount accounted by the defined contribution plans and recorded onto the current profits and losses or the relevant asset costs during the accounting period of the services provided by the staffs.

② The defined benefit plan: the severance benefit plans with the exception of the defined contribution plans.

(3) Accounting Treatment Method of Demission Welfare

The Company offers compensation to terminate employment with its employees before it expires or encourage them to accept lay-off. Such compensation is demission benefits and counted in current profit and loss. The employee compensation liabilities generated by the demission welfare shall be recognized on the early date and recorded into the current profits and losses: (1) when the company can't withdraw the demission welfare provided

due to the rundown suggestion or the termination of labor relations plans. (2) when the enterprise recognizes the costs or the expenses related to the reorganization of demission welfare payment.

The economic compensation before the official retirement date shall be belong to the demission welfare when the implementation of the internal retirement plan for workers. During the period from the termination of service date to the normal retirement date, the paid internal retirement payroll and social insurance charges shall be once recorded into the current profits and losses. The economic compensation after the official retirement date (such as the normal retirement pension) should be handled according to the welfares after the demission.

24. Estimated liabilities

The company should recognize the related obligation as a provision for liability when the obligation meets the following conditions:

- (1) That obligation is a present obligation of the enterprise;
- (2) It is probable that an outflow of economic benefits from the enterprise will be required to settle the obligation;
- (3) A reliable estimate can be made of the amount of the obligation. On the balance sheet date, an enterprise shall take into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies to measure the estimated liabilities in accordance with the best estimate of the necessary expenses for the performance of the current obligation.

When all or some of the expenses necessary for the liquidation of an estimated liabilities of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. Besides, the amount recognized for the reimbursement should not exceed the book value of the estimated liabilities

25. Bond payable

When the company is issuing bonds, the total price issued should be included in the “Payable bonds” subject.

The difference between bond issuance total amount and the total amount of bond face values should be worked as bond premium or discount and be amortized within the bond period according to actual interest rate and vertical line method, and be treated according to borrowing costs described below.

26. Other Comprehensive Incomes

Other comprehensive incomes refer to the profits and losses unrecognized in the current profits and losses according to other provisions of accounting standards. There are two reports:

- (1) Other comprehensive incomes that unable to be reclassified into the profits and losses in the future accounting period, mainly including the changes caused by the net liabilities and the net assets of the defined benefit plan that re-measured and the shares of other comprehensive incomes that accounted and unable to be reclassified into the profits and losses for the invested party in the future accounting period according to the equity method.
- (2) Other comprehensive incomes that reclassified into the profits and losses in the future accounting period when the requirements are met, the shares of other comprehensive incomes that accounted and reclassified into the profits and losses for the invested party in the future accounting period according to the equity method when the requirements are met, the profits or losses caused by the fair value changes of the sellable financial assets, the profits or losses generated by the sellable financial assets reclassified for the held-to-maturity investment, the effective hedging portion of the profits and losses issued by the cash flow hedging instruments, and the translation

differences of foreign financial statements.

27. Revenues

Whether the Company needs to comply with the disclosure requirements for specific industries

No

The company's incomes mainly include the toll service revenues and the services provision.

(1) The recognition principle of the toll service revenues is that the toll revenues refer to the charges of operating the toll roads and shall be recognized in the actual charge.

(2) The recognition principle of the services provision is as follows:

The labor services started and completed within the same fiscal year shall be recognized as the revenues when the labor services finished. If the labor services started and completed in the different fiscal year and under the reliable estimation of the provided services transaction results, the company shall recognize the relevant service incomes according to the completion percentage method at the balance sheet date. The results of the transaction can be estimated reliably when the following requirements are all met: (1) total revenues and total labor costs can be measured reliably. (2) the economic benefits relevant to the transaction will flow into the enterprise. (3) the competition degree of the labor services can be reliably determined.

28. Government Grants

(1) Government Grants

Government grants means that the Company obtains monetary or non monetary assets free of charge from the government, excluding the capital invested by the government as an owner.

The company recognizes the government grants when the company can meet the conditions of government grants and be able to receive the government grants. Thereinto:

(1) If the government grant is a monetary asset, it shall be measured according to the amount received or receivable; If the government grant is a non-monetary asset, it shall be measured at fair value, and if the fair value cannot be obtained reliably, it shall be measured according to the nominal amount.

(2) The government grants pertinent to assets are used to write down the carrying value of the underlying assets or are recognized as deferred income. If the government grants pertinent to assets are recognized as deferred gains, it shall be included in the profits and losses in a reasonable and systematic manner within the useful life of the underlying asset. The Government grants, measured in nominal amounts, are directly included in current profits and losses. The government grants pertinent to income that are used to compensate the relevant costs or losses of the subsequent period of the enterprise are recognized as deferred income and are credited to the current profit or loss or are written down to offset the costs for the period when the relevant expenses are recognized; those government grants used for compensating the related expenses or losses incurred shall be directly included in the current profits and losses.

(3) Government grants related to the daily activities of the enterprise are included in other income or are written down to offset costs in accordance with the economic business nature. Government grants that are not related to the day-to-day activities of the enterprise are included in non-operating income and expenditure.

Where the recognized government grant needs to be refunded, then the accounting treatment shall be carried

out in the period that it needs to be refunded according to the following stipulations: (1) Where it was written down the book value of the underlying assets at the time of initial recognition, then the book value of the assets shall be adjusted; (2) Where there is a related deferred income, it shall write-down the book balance of related deferred income and the excess part shall be included in the current profit and loss; (3) Where belongs to other cases, that shall be directly included in the current profits and losses.

29. Deferred income tax assets and deferred income tax liabilities

The company is likely to determine the deferred income tax assets produced from deductible temporary differences with the limit of offsetting the taxable income of temporary difference.

The Company confirms the temporary differences of the taxable that is not paid in the current and prior periods as the deferred income tax liabilities. However, the goodwill, the transactions formed from non-business merger and those will affect either accounting profit or the temporary differences of the taxable income when the transactions occur are not included in the deferred income tax liabilities.

30. Accounting Methods of Income tax

The company's income tax is accounted in Balance sheet liability approach.

The company recognizes the sum of current income tax and deferred tax as the income tax expenses(or income) in the income statement on the basis of calculating and determining the income tax of the current period(namely the current taxes payable) and the deferred tax (the deferred tax expenses or income), but excluding the effects of the business combination and the income taxes related to the transactions or events directly recorded in the owner's rights and interests.

31. Change of main accounting policies and estimations

(1) Change of accounting policies

Applicable Not applicable

(2) Change of accounting estimations

Applicable Not applicable

VI. Taxation

1. Major category of taxes and tax rates

Tax category	Tax basis	Tax rate
VAT	Sales by sale of goods or provision of taxable services	3%、5%、6%、10%、11%、16%、17%
City maintenance and construction tax	The actual payment of turnover tax	7%、5%
Enterprise income tax	Taxable income	25%
.Education surcharges	The actual payment of turnover tax	3%

Local Education surcharges	The actual payment of turnover tax	2%
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2. Preferential tax

Nil

VII. Notes to the major items of consolidated financial statement

1. Monetary Capital

In RMB

Items	Amount in year-end	Amount in year-begin
Cash	82,371.11	66,065.04
Bank deposit	1,820,722,446.96	2,362,279,050.70
Other	661,321.30	697,584.68
Total	1,821,466,139.37	2,363,042,700.42

2. Account receivable

1. Classification account receivables.

In RMB

Category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book valu	Book Balance		Bad debt provision		Book valu
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable with single major amount and withdrawal bad debt provision for single item	43,102,039.46	45.54%			43,102,039.46	65,760,470.23	70.64%			65,760,470.23
Account receivable withdrawal bad debt	51,551,743.98	54.46%	542,607.74	1.05%	51,009,136.24	27,331,295.37	29.36%	449,140.15	1.64%	26,882,155.22

provision by group of credit risk characteristics										
Total	94,653,783.44	100.00%	542,607.74	0.57%	94,111,175.70	93,091,765.60	100.00%	449,140.15	0.48%	92,642,625.45

Receivable accounts with large amount individually and bad debt provisions were provided

Applicable Not applicable

In RMB

Receivable accounts (Unit)	Amount in year-end			
	Receivable accounts	Bad debt provision	Proportion	Reason
Guangdong Union Electronic Services Co., Ltd.	43,102,039.46			Been recovered after the period
Total	43,102,039.46		--	--

Account receivable on which bad debt provisions are provided on age basis in the group:

Applicable Not applicable

In RMB

Aging	Balance in year-end		
	Receivable accounts	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Subtotal within 1 year	48,765,342.11		0.00%
1-2 years	1,646,564.11	164,656.41	10.00%
2-3 years	1,079,837.76	323,951.33	30.00%
3-4 years			50.00%
4-5 years	60,000.00	54,000.00	90.00%
Total	51,551,743.98	542,607.74	1.05%

Notes of the basis of recognizing the group:

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, accounts receivable adopting other methods to accrue bad debt provision::

Nil

(2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB1.00.; recovery or payback for bad debts Amount is

RMB0.00.

(3) The current accounts receivable write-offs situation

Nil

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

Name	Amount	Aging	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd.	43,102,039.46	Within 1 year	45.54	
Guangdong Humen Bridge Co., Ltd.	27,048,223.47	Within 1 year	28.58	
Guangdong Jingzhu Expressway Guangzhou North Section Co., Ltd.	4,447,474.99	Within 1 year	4.70	
Shandong Boan Intelligent Technology Co., Ltd.	3,393,474.35	Within 1 year	3.59	
Guangdong Qinglian Highway Development Co., Ltd.	3,130,000.00	Within 1 year	3.31	
Total	81,121,212.27	--	85.72	

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

Nil

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

Nil

3. Prepayments

(1) Age analysis

In RMB

Age	Balance in year-end		Balance in year-begin	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,527,512.44	88.09%	4,238,442.26	95.21%
1-2 years	1,762.53	0.10%	8,721.49	0.20%
2-3 years			35,000.00	0.79%
Over 3 years	204,738.00	11.81%	169,738.00	3.80%
Total	1,734,012.97	--	4,451,901.75	--

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

Nil

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

Name	Amount	Time	Proportion(%)
Guangzhou Tuzhiling Computer Technology Co., Ltd.	624,469.35	Within 1 year	36.01
China pacific property insurance co., Ltd.	594,467.44	Within 1 year	34.28
Guangzhou Maritime Court	169,738.00	Over 5 years	9.79
Guangzhou Haohang Electronic Technology Co., Ltd.	110,990.40	Within 1 year	6.40
Shenzhen Gonglian Construction Engineering Co., Ltd.	62,575.50	Within 1 year	3.61
Total	1,562,240.69	--	90.09

4.Dividend receivable

(1) Dividend receivable

In RMB

Items	Balance in year-end	Balance in year-begin
China Everbright Bank Co., Ltd.	42,581,144.86	
Guoyuan Securities Co., Ltd.	11,940,297.90	
Total	54,521,442.76	

(2) Significant dividend receivable aged over 1 year

Nil

5.Other accounts receivable

(1) Other accounts receivable disclosed by category

In RMB

Category	Balance in year-end					Balance in year-begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Account	53,351,565.01	29.94%	53,351,565.01	100.00%		53,351,565.01	75.72%	53,351,565.01	100.00%	

receivable with single major amount and withdrawal bad debt provision for single item											
Other Account receivable withdrawal bad debt provision by group of credit risk characteristics	124,819,706.22	70.06%	1,543,724.65	1.24%	123,275,981.57	17,110,594.66	24.28%	1,695,082.59	9.91%	15,415,512.07	
Other Account receivable with minor individual amount but bad debt provision is provided	178,171,271.23	100.00%	54,895,289.66	30.81%	123,275,981.57	70,462,159.67	100.00%	55,046,647.60	78.12%	15,415,512.07	
Total											

- Other receivable accounts with large amount and were provided had debt provisions individually at end of period.

√ Applicable □ Not applicable

In RMB

Other receivable (Unit)	Balance in year-end			
	Other receivable	Bad debt provision	Proportion	Reason
Kunlun Securities Co.,Ltd.	49,343,885.10	49,343,885.10	100.00%	The parent company once paid 33,683,774.79 yuan into Kunlun Securities Co., Ltd, Guangdong Expressway technology investment Co., Ltd once paid 18,000,000.00 yuan into Kunlun Securities Co., Ltd. Qinghai Province Xining City' s intermediate people' s court made a adjudication under law declared that Kunlun Securities Co., Ltd went bankrupt and repaid debt in November 11, 2006. On March 2007, The Company and Guangdong Expressway Technology Investment Co., Ltd had switched the money that paid into Kunlun Securities Co., Ltd to other account receivable, and follow the careful principle to doubtful debts provision. The RMB 710,349.92 Credit was Recovered in 2008, and the provision for bad debt is deducted, The 977,527.77 yuan credit was recovered in 2011, and the provision for had debt is deducted. The 652,012.00 yuan Credit was recovered in 2014, and the provision for had debt is deducted.
Beijing Gelin Enze Organic Fertilizer Co., Ltd.	4,007,679.91	4,007,679.91	100.00%	Guangdong Expressway Technology investment Co., Ltd .should charge Beijing Gelin Enze Organic Fertilizer Co., Ltd.for 12,220,079.91 yuan. Eight millions of it was entrust loan, three million was temporary borrowing 12,400.00 yuan is the commission loan interest, the rest of it was advance money for another, Beijing Gelin Enze Organic Fertilizer Co., Ltd' s operating status was had and had already ceased producing, Accordingly, the controlling subsidiary of the company Guangdong Expressway Investment Co., Ltd. accounted full provision for Bad debt 12,220,079.91 yuan provision. The company in 2014 recovered arrears of 8,000,000.00 yuan, rushed back to the provision for bad debts and write off uncollected interest ent

Other receivable (Unit)	Balance in year-end			
	Other receivable	Bad debt provision	Proportion	Reason
				rusted loans according to tThe settlement agreement of 212,400.00 yuan.
Total	53,351,565.01	53,351,565.01	--	--

Other receivable accounts in Group on which bad debt provisions were provided on age analyze basis:

Applicable Not applicable

In RMB

Age	Amount in year-end		
	Other receivable	Bad debt provision	Withdrawal proportion
Subitem Withn 1 year			
Subtotal within 1 year	117,023,751.56		
1-2 years			10.00%
2-3 years	32,457.98	9,737.39	30.00%
3-4 years			50.00%
4-5 years			90.00%
Over 5 years	1,533,987.26	1,533,987.26	100.00%
Total	118,590,196.80	1,543,724.65	1.30%

Notes of the basis of recognizing the group:

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to accrue bad debt provision:

Applicable Not applicable

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	Reason
Guangdong Litong Real estate Investment Co., Ltd	1,505,864.00			Deposit
Guangdong Guanghui Expressway Co., Ltd	1,413,708.90			Deposit
Guangdong Expressway Co., Ltd.	575,630.98			Administration expenses, Quality guarantees fund
Zhaoqing Yuezhao Highway Co., Ltd.	415,614.00			Deposit
Guangdong Xinyue Traffic Investment Co., Ltd.	415,442.60			Quality guarantees
Beijing Shibang Weilishi Property Management Services Co., Ltd.	393,331.00			Deposit
Guangdong Guangzhu West Line Expressway Co., Ltd.	185,366.60			Quality guarantees
Guangshen Zhu Expressway Co., Ltd.	185,014.40			Quality guarantees

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	Reason
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	165,169.25			Quality guarantees
Beijing Gongke Feida Transport Engineering Development Co., Ltd.	115,475.20			Quality guarantees
Guangdong Feida Transportation Engineering Development Co., Ltd.	90,920.75			Quality guarantees
Guangdong Highway Construction Co., Ltd.	76,563.00			Quality guarantees
Chengdu Shuguang Fibre-optical Metwork Co., Ltd.	59,758.09			Quality guarantees
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	55,694.00			Quality guarantees
Guangdong Boda Expressway Co., Ltd.	51,808.80			Quality guarantees
Shenzhen Expressway Engineering consulting Co.,Ltd.	50,000.00			Bid security
Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	40,967.05			Quality guarantees
Guangzhou Chengcheng Auto Leasing Service Co., Ltd.	30,000.00			Deposit
Guangdong Jiangzhong Expressway Co., Ltd.	28,120.00			Quality guarantees
Pengjiang Shunfeng Auto Leasing Service Center	25,500.00			Deposit
Guangzhou Tuzhiling Computer Technology Co., Ltd.	25,438.80			Quality guarantees
Guangdong Road & Bridge Construction Development Co., Ltd.	24,972.70			Quality guarantees
Guangzhou Express Transportation Construction Co., Ltd.	22,094.40			Quality guarantees
Guangzhou Longfeng Auto Leasing Co., Ltd.	20,000.00			Deposit
Guangzhou Beihuan Expressway Co., Ltd.	16,590.40			Quality guarantees
Guangzhou Huanan Road & Bridge Co., Ltd.	16,000.00			Quality guarantees
Guangzhou Saitisi Electromechanical Installation Engineering Co., Ltd.	15,875.00			Quality guarantees
Shanxi Hantang Computer Co., Ltd.	14,250.00			Quality guarantees
Guangdong Shenshanxi Expressway Co., Ltd.	13,246.40			Quality guarantees
Guangzhou Daguang Expressway Co., Ltd.	12,749.60			Quality guarantees
Guangdong Shenshan Expressway East Section Co., Ltd.	12,000.00			Quality guarantees

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	Reason
Guangdong Humen Bridge Co., Ltd.	11,107.50			Quality guarantees
Guangzhou Dingrong Information Technology Co., Ltd.	10,950.00			Quality guarantees
Guangzhou Suihua Expressway Co., Ltd.	10,400.00			Quality guarantees
Zhongshan Global Environmental Engineering Co., Ltd.	10,000.00			Deposit
Guangdong Gaoda Property Development Co., Ltd.	9,940.70			Deposit
Guangdong Zhonglin Electrical Installation Engineering Co., Ltd.	8,820.00			Quality guarantees
Guangdong Maozhan Expressway Co., Ltd.	8,747.20			Quality guarantees
Guangdong Shanfen Expressway Co., Ltd.	8,028.80			Quality guarantees
Guangdong Baomao Expressway Co., Ltd.	7,633.60			Quality guarantees
Guangdong Yuedong Expressway Industry Development Co., Ltd.	7,367.20			Quality guarantees
Guangdong Guangle Expressway Co., Ltd.	7,248.00			Quality guarantees
Foshan Guangsan Expressway Co., Ltd.	6,492.00			Quality guarantees
Guangdong Yangmao Expressway Co., Ltd.	6,004.80			Quality guarantees
Guangdong West Coastal Expressway Xinhui Section Co., Ltd.	5,753.20			Quality guarantees
Huishen(Yantian)Expressway Huizhou Co., Ltd.	5,600.00			Quality guarantees
Guangzhou Expressway Co., Ltd.	5,528.80			Quality guarantees
Guangdong Litong Technology Investment Co., Ltd.	5,273.00			Quality guarantees
Guangdong Maoming Nanda Electric Power Construction Co., Ltd. Huizhou Branch	5,000.00			Quality guarantees
Guangdong Zhaoyang Expressway Co., Ltd.	4,304.00			Quality guarantees
Guangdong Yueyun Traffic Co., Ltd.	3,032.00			Quality guarantees
Jiangmen Jianghe Expressway Co., Ltd.	2,539.20			Quality guarantees
Guangzhou Guangcong Expressway Co., Ltd.	2,027.20			Quality guarantees
Foshan Nanhai Jiasheng Drinking Water Chain	1,800.00			Deposit
Shanxi Sihe Traffic Engineering Co., Ltd.	1,600.00			Quality guarantees
Beijing Zhonghe Tianxia Management Consultation Co., Ltd.	1,000.00			Guarantees
Guangdong Weishi Highway Engineering Co.,	146.30			Quality guarantees

Name	Amount in year-end			
	Other account receivable	Bad debt provision	Withdrawal proportion (%)	Reason
Ltd.				
Total	6,229,509.42			

- Other receivable accounts with no large amount and were provided had debt provisions individually at end of period.: Nil

(2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB 0.00 ; recovery or payback for bad debts Amount is 151,357.94 yuan. Where the current bad debts back or recover significant amounts: Nil

(3) The actual write-off other accounts receivable

Nil

(4) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Securities trading settlement funds balance	49,343,885.10	49,343,885.10
Guarantee deposit	5,946,185.54	Disposit 5,973,582.34
Current account of gelin enze	4,007,679.91	4,007,679.91
Pretty cash	3,540,100.00	3,950,100.00
Advertising and service fee	1,045,029.88	2,187,578.36
Assets Disposit	106,000,000.00	
Other	8,288,390.80	4,999,333.96
Total	178,171,271.23	70,462,159.67

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

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debt provision
Zhuhai (National) High-tech Industrial Development Zone Management Committee Planning and Construction Environmental Protection Bureau	Assets Disposit	106,000,000.00	Within 1 year	59.49%	
Kunlun Securities Co.,Ltd	Securities trading settlement funds	49,343,885.10	Over 5 years	27.69%	49,343,885.10
Beijing Gelin Enze	Current account	4,007,679.91	Over 5 years	2.25%	4,007,679.91
Guangdong Litong Real estate Investment Co., Ltd.	Guarantees fund	1,505,864.00	1-2 years, Over 5 years	0.85%	
Heshan Communication Real estate Development Company	Current account	1,470,000.00	Over 5 year	0.83%	1,470,000.00
Total	--	162,327,429.01	--	91.11%	54,821,565.01

Notes: Zhuhai (National) High-tech Industrial Development Zone Management Committee Planning and Construction Environmental Protection Bureau of 106 million yuan assets disposal amount was recovered on July 3, 2018. Relevant matters have been announced by the company on July 4, 2018.

(6) Accounts receivable involved with government subsidies

Nil

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

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

Nil

6.Inventory

(1) Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Book value	Book Balance	Provision for bad debts	Book value
Raw material	139,076.49		139,076.49			
Total	139,076.49		139,076.49			

Whether the company is required to comply with the "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 4 - listed companies engaged in seed industry, planting business" disclosure requirements

No

(2) Inventory falling price reserves

Nil

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

(4) Completed unsettled assets formed from the construction contract at the period-end

Nil

7.Non-current asset due within 1 year

In RMB

Items	Year-end balance	Year-beginning balance
Advance business tax	51,745.32	55,669.14
Total	51,745.32	55,669.14

Other notes

8.Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Input tax to be deducted	921,856.82	76,576.08
Total	921,856.82	76,576.08

Other notes

9. Available-for-sale financial assets

(1) List of available-for-sale financial assets

In RMB

Items	Amount in year-end			Amount in year- begin		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Available-for-sale equity Instruments	1,696,401,396.77	36,793,200.00	1,659,608,196.77	1,788,150,824.93	36,793,200.00	1,751,357,624.93
Measured by fair value	861,033,095.04		861,033,095.04	952,782,523.20		952,782,523.20
Measured by cost	835,368,301.73	36,793,200.00	798,575,101.73	835,368,301.73	36,793,200.00	798,575,101.73
Total	1,696,401,396.77	36,793,200.00	1,659,608,196.77	1,788,150,824.93	36,793,200.00	1,751,357,624.93

(2) Available-for-sale financial assets measured by fair value at the period-end

In RMB

Type	Available-for-sale equity instruments	Available-for-sale Debt instruments		Total
Cost of the equity instruments/amortized cost of the liabilities instruments		517,560,876.80		517,560,876.80
Fair value		861,033,095.04		861,033,095.04
Changed amount of the fair value accumulatively included in other comprehensive income		343,472,218.24		343,472,218.24

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, 2018 of 3.66 yuan, the final calculation of fair value was 861,033,095.04 yuan.

(3) Available-for-sale financial assets measured by cost at the period-end

In RMB

Investee	Book balance				Impairment provision				Shareholding proportion among the	Cash bonus of the reporting
	Period-begin	Increase	Decrease	Period -end	Period-begin	Increase	Decrease	Period -end		

									investees	period
Guangdong Radio and Television Networks investment No.1 Limited partnership enterprise	50,000,000.00			50,000,000.00					3.11%	
Kunlun Securities Co., Ltd. (Notes1)	30,000,000.00			30,000,000.00	30,000,000.00			30,000,000.00	5.74%	
Huaxia Securities Co., Ltd. (Notes 2)	5,400,000.00			5,400,000.00	5,400,000.00			5,400,000.00	0.27%	
Huazheng Assets Management Co. Ltd. (Notes3)	1,620,000.00			1,620,000.00	1,393,200.00			1,393,200.00	0.54%	
Guangdong Guangle Expressway Co., Ltd.	748,348,301.73			748,348,301.73					9.00%	
Total	835,368,301.73			835,368,301.73	36,793,200.00			36,793,200.00	--	

Notes 1. The owner's equity of Kunlun Securities Co., Ltd. was negative and it entered liquidation procedure in October 2005. A wholly owned subsidiary of Guangdong Expressway Technology Investment Co., Ltd. Will invest Kunlun Securities Co., Ltd.'s full provision for impairment of 30 million yuan.

Notes 2: 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.

Notes 3: 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 RMB 42 million to acquire 100% equity of Huazheng Asset Management Co., Ltd. and solicited the Company's opinions. The Company replied on December 5, 2005, abandoning the preemptive right under the same conditions. The Company made provision of 1.3932 million yuan for impairment in respect of this long-term equity investment of 1.62 million yuan.

(4) Changes of the impairment of the available-for-sale financial assets during the reporting period

In RMB

Type	Available-for-sale Equity instruments	Available-for-sale Debt instruments		Total
Balance of the withdrawn impairment at the period-begin	36,793,200.00			36,793,200.00
Balance of the withdrawn impairment at the period-end	36,793,200.00			36,793,200.00

(5) Relevant description of the end of the fair value of the equity instruments at the end of a serious decline in fair value or non temporary decline but not related to impairment provision

Nil

10. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addi onal invest ment	Neg ative inve stme nt	Investment profit and loss recognized under the equity method	Adjustment of other comprehensiv e income	Changes of other equity	Cash bonus or profits announced to issue	Withdra wal of impairm ent provisio n	Othe r		
I. Joint venture											
Guangdong Guanghui Expressway Co., Ltd.	949,906,833.96			134,138,087.25		3,951,780.00	37,805,847.20			1,050,190,854.01	
Zhaoqing Yuezhao Highway Co., Ltd.	291,906,117.18			28,635,945.38			43,088,859.48			277,453,203.08	
Subtotal	1,241,812,951.14			162,774,032.63		3,951,780.00	80,894,706.68			1,327,644,057.09	
2. Affiliated Company											
Shenzhen Huiyan Expressway	196,197,198.21			17,813,868.36						214,011,066.57	
Guangdong Jiangzhong Expressway Co., Ltd.	173,502,304.11			6,897,600.54			3,789,200.79			176,610,703.86	
Ganzhou Kangda Expressway	208,768,922.86			13,838,738.80						222,607,661.66	
Gan Ganzhou Gankang Expressway	204,404,703.35			3,050,213.53						207,454,916.88	

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Addi- tional invest- ment	Neg- ative inve- stme- nt	Investment profit and loss recognized under the equity method	Adjustment of other comprehensiv e income	Changes of other equity	Cash bonus or profits announced to issue	Withdra- wal of impairm- ent provisio- n	Othe- r		
Guangdong Yueke Technology Petty Loan Co., Ltd.	215,548,332.90			7,397,846.46						222,946,179.36	
Guoyuan Securities Co., Ltd.	807,040,587.43			5,004,857.02	-4,983,478.43	-5,404.45	11,940,297.90			795,116,263.67	
Subtotal	1,805,462,048.86			54,003,124.71	-4,983,478.43	-5,404.45	15,729,498.69			1,838,746,792.00	
Total	3,047,275,000.00			216,777,157.34	-4,983,478.43	3,946,375.55	96,624,205.37			3,166,390,849.09	

11. Investment property

(1) Investment property adopted the cost measurement mode

√ Applicable □ Not applicable

In RMB

Items	Houses and buildings	Land use right	Construction in progress	Total
I.Original value				
1.Opening balance	12,664,698.25			12,664,698.25
2.Increased amount of the period				
(1) Outsourcing				
(2)Inventory, Fixed assets and Construction project into				
(3)Enterprise consolidation				

Items	Houses and buildings	Land use right	Construction in progress	Total
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	12,664,698.25			12,664,698.25
II.Accumulated depreciation accumulated amortization				
1.Opening balance	9,908,940.57			9,908,940.57
2.Increased amount of the period	232,106.70			232,106.70
(1)Withdrawal or amortization	232,106.70			232,106.70
3.Decreased amount of the period				
(1) Disposal				
(2) Other Out				
4.Closing balance	10,141,047.27			10,141,047.27
III. Impairment provision				
1.Opening balance				
2.Increased amount of the period				
(1) Withdrawal				
3.Decreased amount of the period				
(1) Disposal				

Items	Houses and buildings	Land use right	Construction in progress	Total
(2) Other Out				
4.Closing balance				
IV. Book value				
1.Closing book value	2,523,650.98			2,523,650.98
2.Opening book	2,755,757.68			2,755,757.68

(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 value	Reason
Transportation and other ancillary facilities	1,661,619.56	Transportation and other ancillary facilities, Not accreditation

12. Fixed assets

(1) List of fixed assets

In RMB

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
I. Original price								
1. Opening balance	1,460,270,190.66	8,947,295,870.80	5,130,574,408.53	351,864,147.46	126,486,080.83	60,529,297.78	640,530,500.31	16,717,550,496.37
2. Increased amount of the period						442,475.45	735,013.97	1,177,489.42
(1) Purchase						442,475.45	735,013.97	1,177,489.42
(2) Transfer of project under construction								
(3) Increased of Enterprise consolidation								
3. Decreased amount of the period			332,304,199.42	5,806,302.94	7,500.00	11,248,529.50	2,005,831.87	351,372,363.73
(1) Disposal or scrap			332,304,199.42	64,392.90	7,500.00	11,248,529.50	7,747,741.91	351,372,363.73
(2) Reclassification adjustment				5,741,910.04			-5,741,910.04	
4. Closing balance	1,460,270,190.66	8,947,295,870.80	4,798,270,209.11	346,057,844.52	126,478,580.83	49,723,243.73	639,259,682.41	16,367,355,622.06
II. Accumulated depreciation								
1. Opening balance	1,460,270,190.66	3,440,540,410.91	2,553,720,215.76	224,291,495.10	60,384,283.80	48,027,809.99	424,881,199.44	8,212,115,605.66
2. Increased amount of the period		248,113,498.44	119,192,484.76	7,015,995.01	5,610,652.80	1,364,344.73	17,456,629.29	398,753,605.03
(1) Withdrawal		248,113,498.44	119,192,484.76	7,015,995.01	5,610,652.80	1,364,344.73	17,456,629.29	398,753,605.03

Items	Guangfo Expressway	Fokai Expressway	Jingzhu Expressway Guangzhu section	House and buildings	Machinery equipment	Transportation equipment	Electricity equipment and other	Total
(2) Reclassification adjustmen								
3.Decreased amount of the period			171,593,287.96	4,639,971.00	7,200.00	10,573,293.09	2,414,348.97	189,228,101.02
(1) Disposal or scrap			171,593,287.96	61,817.18	7,200.00	10,573,293.09	6,992,502.79	189,228,101.02
(2) Reclassification adjustmen				4,578,153.82			-4,578,153.82	
4.Closing balance	1,460,270,190.66	3,688,653,909.35	2,501,319,412.56	226,667,519.11	65,987,736.60	38,818,861.63	439,923,479.76	8,421,641,109.67
II. Accumulated depreciation								
1.Opening balance								
2.Increased amount of the period								
(1) Withdrawal								
3.Decreased amount of the period								
(1) Disposal or scrap								
4.Closing balance								
III. Impairment provision								
1.Opening balance		5,258,641,961.45	2,296,950,796.55	119,390,325.41	60,490,844.23	10,904,382.10	199,336,202.65	7,945,714,512.39
2.Increased amount of the period		5,506,755,459.89	2,576,854,192.77	127,572,652.36	66,101,797.03	12,501,487.79	215,649,300.87	8,505,434,890.71
(1) Withdrawal								
3.Decreased amount of the period								

(2)Temporarily idle fixed assets

Nil

(3)Fixed assets through financial leasing

Nil

(4)Tenancy of fixed assets through operating lease

Nil

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

In RMB

Items	Book value	Reason
House and buildings	89,074,691.12	Transportation and other ancillary facilities, Not accreditation
House and buildings	722,312.46	Due to absorption, merger and reorganization, the formalities for change are in progress

13. Project under construction

(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
Sanbao To Shuikou Expansion project	620,706,752.60		620,706,752.60	347,299,458.95		347,299,458.95
Odd project	8,763,197.00		8,763,197.00	8,763,197.00		8,763,197.00
Total	629,469,949.60		629,469,949.60	356,062,655.95		356,062,655.95

(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
Sanbao	3,426,206,660.00	347,299,	273,407,			620,706,752.60	29.19%	29.19%	20,665,801.20	14,731,029.23	4.57%	Other

To Shuikou Expansion project		458.95	293.65									
Odd project		8,763,197.00				8,763,197.00						Other
Total	3,426,206,660.00	356,062,655.95	273,407,293.65			629,469,949.60	--	--	20,665,801.20	14,731,029.23		--

Notes :

Sanbo to section expansion project has been included in the progress of the new Jiangluo line section of the total amount of river has been transferred to the fixed amount

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

Nil

14. Engineering material

In RMB

Items	Balance in year-end	Balance in year-begin
Signpost	1,549,556.00	1,549,556.00
Total	1,549,556.00	1,549,556.00

15. Liquidation of fixed assets

In RMB

Items	Balance in year-end	Balance in year-begin
Highway mechanical and electrical equipment, etc.	99,127.90	
Total	99,127.90	

16. Intangible assets

(1) List of intangible assets

In RMB

Items	Land use right	Patent right	Non-patent right	Software	Logo	Total
I. Original price						
1. Opening balance	1,311,658.00			27,358,986.21		28,670,644.21
2. Increased amount of the period				-61,025.64		-61,025.64
(1) Purchase				-61,025.64		-61,025.64
(2) Internal Development						
(3) Increased of Enterprise Combination						
3. Decreased amount of the period						
(1) Disposal						

Items	Land use right	Patent right	Non-patent right	Software	Logo	Total
4.Closing balance	1,311,658.00			27,297,960.57		28,609,618.57
II.Accumulated amortization						
1.Opening balance	1,311,658.00			20,262,551.04		21,574,209.04
2.Increased amount of the period				1,357,657.34		1,357,657.34
(1) Withdrawal				1,357,657.34		1,357,657.34
(2)Increased of Enterprise Combination						
3.Decreased amount of the period						
(1) Disposal						
4.Closing balance	1,311,658.00			21,620,208.38		22,931,866.38
III. Impairment provision						
1.Opening balance						
2.Increased amount of the period						
(1) Withdrawal						
3.Decreased amount of the period						
(1) Disposal						
4.Closing balance						
IV. Book value						
1.Closing book value				5,677,752.19		5,677,752.19
2.Opening book value				7,096,435.17		7,096,435.17

At the end of the period, the proportion of intangible assets formed through internal R & D to the balance of intangible assets is 0.00%.

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

Nil

17. Long-term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Advertising column property insurance	92,768.83		55,661.40		37,107.43
Total	92,768.83		55,661.40		37,107.43

18. Deferred income tax assets/deferred income tax liabilities

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deductible loss	582,930,102.77	145,732,525.69	773,658,624.73	193,414,656.18
Amortization of intangible assets	805,761.96	201,440.49	995,735.86	248,933.97
Asset valuation appreciation	541,050,952.86	135,262,738.21	566,541,740.54	141,635,435.13
Total	1,124,786,817.59	281,196,704.39	1,341,196,101.13	335,299,025.28

(2) Deferred income tax liabilities had not been off-set

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes in fair value of available for sale financial assets	343,472,218.24	85,868,054.56	435,221,646.40	108,805,411.60
Deductible temporary differences in the formation of asset impairment	527,408,001.10	131,852,000.28	607,306,748.61	151,826,687.15
Total	870,880,219.34	217,720,054.84	1,042,528,395.01	260,632,098.75

(3) Details of unrecognized deferred tax assets

In RMB

Items	Closing balance	Opening balance
Deductible temporary differences	92,231,097.40	92,288,987.75
Deductible losses	14,837,471.26	11,374,068.41
Total	107,068,568.66	103,663,056.16

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

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2018	4,932,481.22	4,932,481.22	
2019	3,456,570.30	3,456,570.30	
2020			
2021			
2022	2,121,083.91	2,985,016.89	
2023	4,327,335.83		
Total	14,837,471.26	11,374,068.41	--

19. Other Non-current assets

In RMB

Items	Balance in year-end	Balance in year-begin
Prepaid fixed assets engineering fees	59,594,649.15	39,871,644.68
Advance software payment	268,155.00	268,155.00
Prepaid business tax	544,645.74	566,594.58
Prepaid land occupation tax	19,086,895.54	
Total	79,494,345.43	40,706,394.26

20. Account payable

(1) List of Account payable

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year (Including 1 year)	53,329,532.25	104,264,020.37
1-2 year (Including 2 years)	104,510,224.56	135,095,312.76
2-3 year (Including 3 years)	16,838,384.14	16,838,384.14

Over 3 years	10,635,329.23	10,736,309.72
Total	185,313,470.18	266,934,026.99

(2) Notes of the accounts payable aging over one year

In RMB

Items	Balance in year-end	Unpaid reason
Guangdong Highway Construction Co., Ltd.	45,980,021.00	Unsettled
Heshan Land and resources Bureau	38,186,893.60	Unsettled
Foshan Land and resources Bureau	30,507,598.21	Unsettled
Guangdong Expressway Co., Ltd.	8,746,491.18	Unsettled
Luochun Street Office(Finance Office)	1,043,431.50	Unsettled
Total	124,464,435.49	--

21. Advance from customers

(1) List of advance from customers

In RMB

Items	Balance in year-end	Balance in year-begin
Within 1 year (Including 1 year)	1,724,163.36	2,413,914.18
1-2 years (Including 2 years)	437,978.18	459,858.97
2-3 years (Including 3 years)		
Over 3 years	11,442,918.43	11,982,340.75
Total	13,605,059.97	14,856,113.90

(2) Significant advance from customers aging over one year

In RMB

Items	Closing balance	Unpaid/Uncarry over reason
Guangzhou Huanlong Expressway Co., Ltd.	10,074,746.54	Land rent is not in the settlement period
Guangdong Xinle Technology Development Co., Ltd.	1,232,816.45	The Rental is not in the settlement period
Total	11,307,562.99	--

(3)The completion of the final construction contract has been completed and the project is not completed

Nil

22. Payable Employee wage

(1) Payable Employee wage

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
I. Short-term compensation	11,334,182.16	127,056,420.60	123,595,606.21	14,794,996.55
II. Post-employment benefits - defined contribution plans		14,218,112.35	13,483,300.03	734,812.32
III. Dismiss welfare		142,050.00	142,050.00	
Total	11,334,182.16	141,416,582.95	137,220,956.24	15,529,808.87

(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	1,630,363.29	91,375,434.27	88,491,894.81	4,513,902.75
2. Employee welfare		9,386,236.81	9,256,635.81	129,601.00
3. Social insurance premiums		7,252,203.86	7,246,122.84	6,081.02
Including : Medical insurance		5,897,263.37	5,891,862.77	5,400.60
Work injury insurance		258,307.04	258,192.24	114.80
Maternity insurance		676,615.89	676,050.27	565.62
Supplementary medical insurance		420,017.56	420,017.56	
4. Public reserves for housing		14,168,087.52	14,154,984.52	13,103.00
5. Union funds and staff education fee	9,563,059.92	3,861,926.04	3,293,917.18	10,131,068.78
8. Other	140,758.95	1,012,532.10	1,152,051.05	1,240.00
Total	11,334,182.16	127,056,420.60	123,595,606.21	14,794,996.55

(3) List of drawing scheme

In RMB

Items	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
1. Basic old-age insurance premiums		10,680,495.65	10,672,329.73	8,165.92
2. Unemployment insurance		405,702.81	405,383.41	319.40
3. Enterprise annuity payment		3,131,913.89	2,405,586.89	726,327.00
Total		14,218,112.35	13,483,300.03	734,812.32

23. Tax Payable

In RMB

Items	Balance in year-end	Balance in year-begin
VAT	9,747,931.67	14,248,594.77
Enterprise Income tax	110,623,870.14	404,574,001.58
Individual Income tax	236,145.51	6,572,617.38
City Construction tax	598,694.45	1,022,178.29
Land use tax	567,264.70	1,050,431.75
Property tax	504,258.88	253,014.94
Education subjoin	285,127.99	466,899.60
Locality Education subjoin	176,052.44	297,234.60
Stamp tax	37,299.64	63,071.56
Other	56,085.36	99,349.82
Total	122,832,730.78	428,647,394.29

24. Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
Pay the interest for long-term loans by installments.	7,983,129.04	8,494,355.93
Interest payable on entrusted loans	1,349,043.75	
Total	9,332,172.79	8,494,355.93

- Particulars of significant overdue unpaid interest

Nil

25. Dividends payable

In RMB

Items	Year-end balance	Year-Beginning balance
Common stock dividends	18,193,409.32	14,340,792.20
Xinyue Highway Construction Co., Ltd.	25,000,000.00	12,500,000.00
Total	43,193,409.32	26,840,792.20

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

Final dividend payable 14,338,121.94yuan for more than a year in unpaid dividends to shareholders over the year was mainly due to non-payment of shareholder dividends did not provide information on interest-bearing bank, did not share reform of shareholders to receive dividends or provide application to receive dividends the bank information is incorrect, resulting in failure to pay a dividend or refund.

26. Other accounts payable

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

In RMB

Items	Year-end balance	Year-Beginning balance
Quality guarantee fund	60,947,872.26	36,254,269.95
Deposit	1,427,067.00	1,676,667.00
Borrowing	150,000,000.00	
Other	43,223,935.39	48,732,300.99
Total	255,598,874.65	86,663,237.94

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

In RMB

Items	Closing balance	Unpaid/un-carry over reason
Guangdong Guanyue luqiao Co., Ltd.	2,075,848.02	Project Quality guarantees/ Bid Guarantees/Deposit
Guangdong Nengda Grade Highway Maintenance Co., Ltd.	2,123,700.47	Project Quality guarantee
Guangdong Changda Engineering Co., Ltd	1,826,971.58	Project Quality guarantees
Dongguan Yueyu Optoelectronic Technology Co., Ltd.	1,534,850.00	Project Quality guarantees
Guangdong Xinyue Traffic Investment Co., Ltd.	1,105,843.31	Project Quality guarantees/ Bid Guarantees/Deposit
Total	8,667,213.38	--

Other notes

27. Non-current liabilities due within 1 year

In RMB

Items	Balance year-end	Year-beginning balance
Long-term loans due within 1 year	1,583,780,000.00	1,218,610,000.00
Total	1,583,780,000.00	1,218,610,000.00

Other notes: Long-term borrowing rate is 4.275%-5.60%。

28. Other current liabilities

In RMB

Items	Balance year-end	Year-beginning balance
Tax on items to be rescinded	689,978.75	
Total	689,978.75	

29. Long-term loan

(1) Category of long-term loan

Items	Balance year-end	Year-beginning balance
Pledge loan	199,000,000.00	199,000,000.00
Guaranteed loans	750,000,000.00	1,125,000,000.00
Credit loans	3,442,170,000.00	3,420,170,000.00
Total	4,391,170,000.00	4,744,170,000.00

Notes :

The Pledge loan rate is 4.275%-4.35%; the guaranteed loan interest rate is 5.6%; the credit interest rate is 4.20%-4.90%.

30. Long-term payable

(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

31. Stock capital

In RMB

	Balance	Balance Year-beginning	Balance year-end
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	Year-beginning	Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	2,090,806,126.00						2,090,806,126.00

32. Capital reserves

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Share premium	2,508,401,790.51			2,508,401,790.51
Other capital reserves	1,667,959.25	3,946,375.55		5,614,334.80
Total	2,510,069,749.76	3,946,375.55		2,514,016,125.31

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

The capital reserve in this period was increased 3,951,780.00 yuan due to the change of the owner's equity of the joint-stock company ---- Guangdong Guanghui Expressway Co., Ltd. and was decreased 5,404.45 yuan due to the change of owner's equity of the joint-stock company ---- Guoyuan securities Co., Ltd.

33. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less : Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
2.Other comprehensive income reclassifiable to profit or loss in subsequent	327,263,824.17	-96,732,906.59		-22,937,357.04	-73,795,549.55		253,468,274.62
Including: Share of other combined gains and losses that will be reclassified into profits and losses after the invested unit under the equity method	847,589.37	-4,983,478.43			-4,983,478.43		-4,135,889.06
Gains and losses from changes in fair value of available for sale financial assets	326,416,234.80	-91,749,428.16		-22,937,357.04	-68,812,071.12		257,604,163.68
Total of other comprehensive income	327,263,824.17	-96,732,906.59	0.00	-22,937,357.04	-73,795,549.55		253,468,274.62

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

The initial balance and the ending balance refer to other comprehensive incomes in the balance sheet. The initial balance + other comprehensive incomes belong to the parent company after taxes = the ending balance. The occurrence amount in the period refers to other comprehensive incomes in the profit statement, and the occurrence amount before income tax in the period - Other comprehensive income recorded in the earlier stage and transferred into the profits and losses in the current period - income taxes = other comprehensive incomes belong to the parent company after taxes + other comprehensive incomes belong to the minority shareholders after taxes.

34. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	544,821,130.03			544,821,130.03
Total	544,821,130.03			544,821,130.03

35. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Before adjustments: Retained profits in last period end	3,550,110,288.49	2,920,563,328.27
After adjustments: Retained profits at the period beginning	3,550,110,288.49	2,920,563,328.27
Add: Net profit belonging to the owner of the parent company	779,002,246.98	1,509,922,398.70
Less: Statutory surplus reserve		177,864,580.14
Common stock dividend payable	1,057,947,899.76	702,510,858.34
Retained profit at the end of this term	3,271,164,635.71	3,550,110,288.49

As regards the details of adjusted the beginning undistributed profits

(1) As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

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

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

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

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

36. Operation income and operation cost

In RMB

Items	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main operation	1,518,875,852.56	522,317,994.54	1,418,719,988.26	523,456,284.40
Other operation	16,988,292.58	11,418,571.81	21,502,575.48	10,233,560.76
Total	1,535,864,145.14	533,736,566.35	1,440,222,563.74	533,689,845.16

37. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Urban construction tax	2,938,753.34	2,760,207.40
Education surcharge	1,380,805.75	1,290,500.11
Property tax	661,486.13	677,877.95
Land use tax	603,977.11	767,994.64
Stamp tax	242,575.38	358,071.25
Business tax	25,872.66	26,341.89
Locality Education surcharge	920,536.09	860,324.55
Defend expense		384.04
Other	79,108.53	154,073.23
Total	6,853,114.99	6,895,775.06

Other notes:

38. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Wage	49,712,683.56	49,157,515.03
Depreciation and Amortization	5,428,661.13	7,247,599.37
R & D expenses	2,485,173.03	3,249,337.10
Low consumables amortization	279,304.70	245,247.83
Travel expenses	384,417.28	128,401.26
Office expenses	2,828,218.57	2,541,048.21
Leased expenses	5,606,396.14	5,778,380.50

Items	Amount of this period	Amount of last period
The fee for hiring agency	2,202,760.36	2,396,071.67
Consultation expenses	853,466.98	1,524,000.00
Directorate expenses		9,376.00
Listing fee	11,320.76	11,320.76
Information cost and maintenance fee	48,300.00	505,424.13
Other	5,753,931.46	4,900,192.98
Total	75,594,633.97	77,693,914.84

Other notes:

39. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	125,752,286.60	147,292,451.79
Deposit interest income (-)	-18,076,236.30	-15,653,886.22
Exchange Income and loss (Gain-)	2,348,188.17	-1,522,372.61
Bank commission charge	2,755,977.00	3,688,166.06
Total	112,780,215.47	133,804,359.02

Other notes:

40 Asset impairment loss

In RMB

Items	Amount of this period	Amount of last period
I. Bad debt loss	-57,890.35	196,581.08
Total	-57,890.35	196,581.08

Other notes:

41. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	216,777,157.34	199,376,107.62
Hold the investment income during from available-for-sale financial assets	42,581,144.86	24,054,256.82

Total	259,358,302.20	223,430,364.44
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Other notes:

42.Assets disposal income

In RMB

Source	Amount of this period	Amount of last period
Income form disposal of fixed assets	44,860,186.67	

43. Non-Operation income

In RMB

Items	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Government Subsidy		197,210.65	
Total gains from disposal of non-current assets	110,018.02		110,018.02
Including: Gains from disposal of fixed assets	110,018.02		110,018.02
Road property claim income	736,148.53	822,425.45	736,148.53
Other income(Notes)	1,841,394.03	61,279,442.48	1,841,394.03
Total	2,687,560.58	62,299,078.58	

- Government subsidy reckoned into current gains/losses

In RMB

Subsidy items	Issuing body	Issuing reason	Nature	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related
Stable job subsidies							197,210.65	Related to income
Total	--	--	--	--	--		197,210.65	--

Other notes:

Note: the other gains in this period include the early termination of toll payment compensation of 59,995,667.68 yuan received from State Road 325 Jiujiang Bridge, which is included in the cash flow statement Other Cash Received Relating To Investing Activities.

44. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Loss of destruction of assets	505,483.87	2,629,016.43	505,483.87
Fine	357,855.32	32,684.30	357,855.32
Other	1,144,628.24	437,773.53	1,144,628.24
Total	2,007,967.43	3,099,474.26	2,007,967.43

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	179,094,084.83	203,294,551.97
Deferred income tax expense	34,127,634.02	-223,234,633.95
Total	213,221,718.85	-19,940,081.98

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

In RMB

Items	Amount of current period
Total profits	1,111,855,586.73
Current income tax expense accounted by tax and relevant regulations	277,963,896.69
Effect of different tax rates on subsidiary companies	
Influence of income tax before adjustment	-2,858,712.81
Influence of non taxable income	-64,839,575.55
Impact of non-deductible costs, expenses and losses	1,888,749.15
Affect the use of deferred tax assets early unconfirmed deductible losses	
The current period does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	1,067,361.37
Income tax expense	213,221,718.85

46. Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Newwork received toll income		38,176,722.70
Interest income	18,076,236.30	15,653,886.22
Unit current account	21,370,093.68	6,988,367.43
Total	39,446,329.98	60,818,976.35

Notes:

Nil

(2) Other cash paid related to oprating activities

In RMB

Items	Amount of current period	Amount of previous period
Management expense	18,068,478.74	22,338,978.13
Unit current account		11,909,230.86
Network received toll incom	3,803,254.03	2,160,313.24
Total	21,871,732.77	36,408,522.23

Notes:

Nil

(3) Other Cash received related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
Jiujiang bridge to receive compensation		59,995,667.68
Total		59,995,667.68

Notes:

Nil

(4) Other Cash payable related to investment activities

Nil

(5) Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Interest discount	2,500,000.00	

Total	2,500,000.00
-------	--------------

Notes:

(6) Other Cash payable related to financing activities

Nil

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	898,633,867.88	990,512,139.32
Add: Impairment loss provision of assets	-57,890.35	196,581.08
Depreciation of fixed assets, oil and gas assets and consumable biological assets	398,876,127.65	409,188,339.82
Amortization of intangible assets	1,318,922.34	1,772,083.08
Amortization of Long-term deferred expenses	55,661.40	906,502.02
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	-44,860,186.67	
Fixed assets scrap loss	395,465.85	2,629,016.43
Financial cost	128,100,474.77	145,770,079.18
Loss on investment	-259,358,302.20	-223,430,364.44
Decrease of deferred income tax assets	54,102,320.89	-211,984,848.18
Increased of deferred income tax liabilities	-42,912,043.91	-11,249,785.77
Decrease of inventories	-139,076.49	
Decrease of operating receivables	-4,522,183.33	-40,231,085.00
Increased of operating Payable	-312,353,569.73	-41,686,422.17
Net cash flows arising from operating activities	817,279,588.10	1,022,392,235.37

Supplement Information	Amount of current period	Amount of previous period
II. Significant investment and financing activities that without cash flows:	--	--
3. Movement of cash and cash equivalents:	--	--
Ending balance of cash	1,821,466,139.37	2,596,273,900.39
Less: Beginning balance of cash equivalents	2,363,042,700.42	2,603,279,644.25
Net increase of cash and cash equivalents	-541,576,561.05	-7,005,743.86

(2) Net Cash paid of obtaining the subsidiary

Nil

(3) Net Cash receive of disposal of the subsidiary

Nil

(4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
I. Cash	1,821,466,139.37	2,363,042,700.42
Of which: Cash in stock	82,371.11	66,065.04
Bank savings could be used at any time	1,820,722,446.96	2,362,279,050.70
Other monetary capital could be used at any time	661,321.30	697,584.68
III. Balance of cash and cash equivalents at the period end	1,821,466,139.37	2,363,042,700.42

Other notes:

Nil

48. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.: Nil

49. The assets with the ownership or use right restricted

Other notes:

Up to June 30, 2018, Jingzhu Expressway Guangzhu Section Co., Ltd., the controlling grandchildren company of the Company, with the toll collection right of Panyu Tangkeng-Zhuhai Jinding section project in Jingzhu expressway, asked for 449,000,000.00 yuan of loan from Guangzhou Wuyang Branch of ICBC to provide

pledge guarantee(of which the non-current debt balance with 1-year expiration was 250,000,000.00 yuan and the long-term loan balance was 199,000,000.00 yuan).

50. Foreign currency monetary items

(1) Foreign currency monetary items

Nil

(2) Note to oversea entities including: for significant oversea entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

Applicable Not applicable

VIII.Changes of consolidation scope

1.Enterprise consolidation not under the same control

(1) Enterprise consolidation not under the same control in reporting period

Nil.

(2) Consolidation Cost and Goodwill

Nil.

(3) The identifiable assets and liabilities of acquiree at purchase date

Nil

(4) Gains or losses of the equity held before purchasing date, arising from re-measured by fair value

Realized enterprise combine step by step through multi-trading and dealing obtained controlling rights in period

Yes No

(5) On purchasing date or current combine period, fails to determine the combination consideration or acquiree's fair value of identifiable assets and liabilities rationally

Nil

(6) Other notes

2.Enterprise consolidation under the same control

(1) Merger of enterprises under the same control that occurred in the current period

Nil

(2) Combined cost

Nil

(3) Book value of assets and liabilities of party to be consolidated on the date of consolidation

Nil

3. Counter purchase

Basic information of transactions , basis of transactions constituting counter purchase, whether assets and liabilities reserved by listed companies constituting business and their basis, confirmation of combined cost, the amount occurred when adjusting rights and interests in accordance with equity transaction and its calculation

Nil

4. The disposal of subsidiary

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

 Yes No

Dispose subsidiary step by step through multi-dealings and losing controlling rights in the period

 Yes No

5. Other reasons for the changes in combination scope

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

Nil

6. Other

Nil

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		Obtaining Method
				direct	indirect	
Guangdong Fokai Expressway Co., Ltd.	Foshan	Guangzhou	Expressway Management	100.00%		Under the same control business combination

Guangfo Expressway Co., Ltd.	Guangzhou	Guangzhou	Expressway Management	75.00%		Under the same control business combination
Guangdong Expressway Technology Investment Co., Ltd.	Guangzhou	Guangzhou	Investment in technical industries and provision of relevant	100.00%		Investment
Guangzhuo Guangzhu Traffic Investment Management Co., Ltd.	Guangzhou	Guangzhou	Investment management	100.00%		Under the same control business combination
Jingzhu Expressway Guangzhu Section Co.,Ltd. (Notes)	Zhongshan	Guangzhou	Expressway Management	20.00%	55.00%	Under the same control business combination
Yuegao Capital Investment(Hengqin)Co., Ltd.	Guangzhou	Zhuhai	Investment management	100.00%		Investment

Notes: holding proportion in subsidiary different from voting proportion:Nil

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:Nil

Significant structure entities and controlling basis in the scope of combination:Nil

Basis of determine whether the Company is the agent or the principal: Nil

Other notes:

Jingzhu Expressway Guangzhu Section Co., Ltd. is a non-wholly owned subsidiary of Guangzhou Guangzhu Traffic Investment Management Co., Ltd.

(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%	35,608,835.93	53,528,891.62	109,373,543.63
Jingzhu Expressway Guangzhu Section Co.,Ltd.	25.00%	84,022,784.97	144,223,171.04	243,545,577.61

Holding proportion of minority shareholder in subsidiary different from voting proportion:Nil

Nil

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

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities
Guangfo Expressway Co., Ltd.	472,299,438.17	20,952,248.13	493,251,686.30	55,757,511.78		55,757,511.78	544,211,527.04	21,454,392.65	565,665,919.69	56,491,522.41		56,491,522.41
Jingzhu Expressway Guangzhu Section Co.,Ltd.	278,137,611.59	2,401,595,681.34	2,679,733,292.93	606,795,297.17	1,098,755,685.26	1,705,550,982.43	168,092,185.25	2,692,035,039.19	2,860,127,224.44	526,412,997.55	1,118,730,372.13	1,645,143,369.68

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.	226,325,833.32	142,435,343.71	142,435,343.71	145,431,353.01	201,131,785.00	98,378,474.42	98,378,474.42	129,165,512.93
Jingzhu Expressway Guangzhu Section Co.,Ltd.	645,871,184.09	336,091,139.89	336,091,139.89	433,240,710.71	631,857,976.08	292,278,032.76	292,278,032.76	443,338,931.03

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

Nil

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

Nil

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

(1) Description of changes in share of owners' equity in subsidiaries

Nil

(2) The influence of transaction on minority shareholders' equity and ownership of parent company

Nil

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Guangdong Guanghui Expressway Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Expressway Management	30.00%		Equity method
Zhaoqing Yuezhao Highway Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Expressway Management	25.00%		Equity method
Shenzhen Huiyan Expressway Co., Ltd.	Shenzhen Guangdong	Shenzhen Guangdong	Expressway Management	33.33%		Equity method
Guangdong Jiangzhong Expressway Co., Ltd.	Zhongshan , Guangdong	Guangzhou, Guangdong	Expressway Management	15.00%		Equity method
Ganzhou kangda Expressway Co., Ltd.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Expressway Management	30.00%		Equity method
Ganzhou Gankang Expressway Co., Ltd.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Expressway Management	30.00%		Equity method
Guangdong Yueke Technology Petty Loan Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Hande all kinds of small loans	20.00%		Equity method
Guangyuan Securities Co., Ltd.	Hefei, Anhui	Hefei, Anhui	Security business	2.37%		Equity method

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

Nil

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

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

(2) Main financial information of significant joint venture

In RMB

	Year-end balance/ Amount of current period		Year-beginning balance/ Amount of previous period	
	Guangdong Guanghui Expressway Co., Ltd.	Zhaoqing Yuezhao Highway Co., Ltd.	Guangdong Guanghui Expressway Co., Ltd.	Zhaoqing Yuezhao Highway Co., Ltd.
Current assets	1,010,036,752.52	94,167,495.08	398,201,907.66	217,772,715.63
Including: Cash and cash equivalent	439,281,500.91	75,926,440.69	119,447,466.86	199,426,500.59
Non-current assets	3,859,333,751.56	1,622,591,424.78	4,288,934,082.82	1,780,232,314.01
Total assets	4,869,370,504.08	1,716,758,919.86	4,687,135,990.48	1,998,005,029.64
Current liabilities	412,511,339.43	123,542,015.68	330,054,720.57	178,262,191.50
Non-current liabilities	956,222,984.63	483,404,091.87	1,144,392,235.39	626,350,940.66
Total liabilities	1,368,734,324.06	606,946,107.55	1,474,446,955.96	804,613,132.16
Attributable to shareholders of the parent company	3,500,636,180.02	1,109,812,812.31	3,212,689,034.52	1,193,391,897.48
Share of net assets calculated by stake	1,050,190,854.01	277,453,203.08	963,806,710.36	298,347,974.37
Book value of equity investment in joint ventures	1,050,190,854.01	277,453,203.08	963,806,710.36	298,347,974.37
Operating income	878,931,209.54	264,667,911.36	856,966,099.09	247,342,570.61
Financial expenses	18,892,654.01	11,944,947.35	24,124,233.53	14,270,879.40
Income tax expenses	152,535,401.50	39,485,100.11	142,913,805.63	34,089,839.29
Net profit	447,126,957.50	114,543,781.53	427,632,054.17	100,385,189.33
Total comprehensive income	447,126,957.50	114,543,781.53	427,632,054.17	100,385,189.33
Dividends received from joint ventures this year	37,805,847.20	43,088,859.48	81,106,373.29	55,172,678.59

(3) Main financial information of significant associated enterprise

In RMB

	Year-end balance/ Amount of current period						Year-beginning balance/ Amount of previous period					
	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Guoyuan Securities Co., Ltd.	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Guoyuan Securities Co., Ltd.
Current assets	405,207,810.22	248,231,394.20	42,966,757.14	233,084,279.62	1,652,472,098.57	49,397,674,847.66	430,404,563.50	147,279,650.98	21,995,366.33	208,757,705.55	1,573,602,864.36	45,296,573,799.43
Non-current assets	269,450,654.70	1,580,794,827.17	1,486,108,682.60	1,402,532,326.66	40,071,899.26	34,336,691,453.00	190,289,654.66	1,697,555,010.40	1,509,053,324.26	1,434,291,913.76	40,112,141.62	34,917,940,371.90
Total assets	674,658,464.92	1,829,026,221.37	1,529,075,439.74	1,635,616,606.28	1,692,543,997.83	83,734,366,300.66	620,694,218.16	1,844,834,661.38	1,531,048,690.59	1,643,049,619.31	1,613,715,005.98	80,214,514,171.33
Current liabilities	32,625,265.20	141,621,528.98	50,492,867.09	103,913,052.05	310,168,218.91	48,028,217,706.35	32,102,623.52	129,152,634.01	100,119,184.60	114,676,781.53	236,708,624.01	36,083,651,550.94
Non-current Liabilities		510,000,000.00	736,557,033.78	840,187,164.64	2,005,000.00	10,818,777,059.82		559,000,000.00	735,033,096.47	847,023,826.63	2,006,250.00	18,738,432,070.64
Total liabilities	32,625,265.20	651,621,528.98	787,049,900.87	944,100,216.69	312,173,218.91	58,846,994,766.17	32,102,623.52	688,152,634.01	835,152,281.07	961,700,608.16	238,714,874.01	54,822,083,621.58
Minority Shareholders' Equity					265,639,882.10	11,146,865.79					297,258,467.45	12,064,185.84
Shareholders' equity	642,033,199.72	1,177,404,692.39	742,025,538.87	691,516,389.59	1,114,730,896.82	24,876,224,668.70	588,591,594.64	1,156,682,027.37	695,896,409.52	681,349,011.15	1,077,741,664.52	25,380,366,363.91

	Year-end balance/ Amount of current period						Year-beginning balance/ Amount of previous period					
	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Guoyuan Securities Co., Ltd.	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Guoyuan Securities Co., Ltd.
attributable to shareholders of the parent												
Pro rata share of the net assets calculated	214,011,066.57	176,610,703.86	222,607,661.66	207,454,916.88	222,946,179.36	588,390,445.65	196,197,198.21	173,502,304.11	208,768,922.86	204,404,703.35	215,548,332.90	600,314,769.41
--Goodwill						206,725,818.02						206,725,818.02
The book value of equity investments in joint ventures	214,011,066.57	176,610,703.86	222,607,661.66	207,454,916.88	222,946,179.36	795,116,263.67	196,197,198.21	173,502,304.11	208,768,922.86	204,404,703.35	215,548,332.90	807,040,587.43
Fair value of equity investment of associated enterprises with open						589,054,696.40						875,621,846.00

	Year-end balance/ Amount of current period						Year-beginning balance/ Amount of previous period					
	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Guoyuan Securities Co., Ltd.	Shenzhen Huiyan Expressway Co., Ltd.	Guangdong Jiangzhong Expressway Co., Ltd.	Ganzhou Kangda Expressway	Ganzhou Gankang Expressway Co., Ltd.	Guangdong Yueke Technology Petty Loan Co., Ltd	Guoyuan Securities Co., Ltd.
quotation												
Business income	121,958,669.64	238,655,329.27	113,055,381.54	78,967,126.91	91,160,960.52	1,109,717,564.95	111,790,599.41	230,951,536.63	124,080,732.78	71,517,295.42	82,267,976.87	
Net profit	53,441,605.08	45,984,003.63	46,129,129.35	10,167,378.44	36,989,232.30	211,597,500.90	48,844,131.82	45,616,389.11	49,684,621.82	3,931,224.57	44,169,388.24	
Other comprehensive income						-210,693,647.23						
Total comprehensive income	53,441,605.08	45,984,003.63	46,129,129.35	10,167,378.44	36,989,232.30	903,853.67	48,844,131.82	45,616,389.11	49,684,621.82	3,931,224.57	44,169,388.24	
Dividends received from associates during the year		3,789,200.79				11,940,297.90						

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

Nil

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

to the Company

Nil

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

(7) The unrecognized commitment related to joint venture investment

Nil

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

Nil

4. Significant common operation

Nil

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

Notes:

Nil

6. Other

Nil

X. Risks Related to Financial Instruments

The major financial instruments of the company include monetary capital, accounts receivable and accounts payable. These financial instruments are primarily related to operating and financing. For the details of the financial instruments, please refer to the related projects in Notes 5. The risk relevant to these financial instruments and the risk management policy adopted by the company for reducing these risks are described as below:

1. Credit Risk

The credit risk means that the party of the financial instrument fails to perform the obligations, and the risk of the financial loss is caused for the other party. The company is mainly facing the customer credit risk due to the credit sale. In order to reduce the credit risk, the company only makes transactions with the recognized and reputable customers, and carries out the continuous monitoring of accounts receivable through monitoring the credit of the existing customers and the aging analysis, in order to ensure the company not facing the risk of bad debts and control the overall credit risk within the controllable range.

2. Interest Rate Risk

The interest rate risk refers to the fluctuation risk appearing for the fair value of financial instruments or future cash flows due to the changes in market interest rate. The interest rate risk faced by the company is mainly from the bank borrowings. Through the establishment of good relations between banks and enterprises, the company makes the reasonable design of credit range, credit variety and credit limit to guarantee the sufficient credit range of the banks and meet the financing demands. Shortening the duration of single borrowings and especially stating the prepayment terms is to reasonably reduce the risk of the interest rate fluctuations.

3. Foreign Exchange Risk

The foreign exchange risk refers to the fluctuation risk appearing for the fair value of financial instruments or future cash flows due to the changes in foreign exchange rate. The company matches the income and expenditure of foreign currency as far as possible in order to reduce the foreign exchange risk. During the reporting period, the company has little effect on the foreign exchange risk due to the short credit term of revenue and expenditure related to the foreign currency.

4. Liquidity Risk

The liquidity risk means that the risk of the shortage of funds occurs when the settlement obligations by the delivery of the cash or other financial assets are fulfilled by the company. The policy of the company is to ensure the sufficient cash for repaying the matured debts. The liquidity risk is under the centralized control of Finance department of the company, and Finance department shall guarantee the company having the sufficient funds to repay the debts under any reasonable forecast through monitoring the cash balance, the marketable securities available to be cash and the rolling forecast for the cash flow of the next six months.

5. Other Price Risk

The company holds the equity investment of other listed companies, and the management believes that these investments facing the market price risk is acceptable. For the equity investment of other listed companies held by the company, please refer to “Available-for-Sale Financial Assets in Article 8 of Consolidated Financial Statement in Notes 5 of Financial Statements” .

XI. The disclosure of the fair value

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

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fir value measurement items at level 2	Fir value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(II) Available-for-sale Financial Assets	861,033,095.04			861,033,095.04
(2) Equity instrument investment	861,033,095.04			861,033,095.04
Total of Consistent fair value measurement	861,033,095.04			861,033,095.04

II.Non-continuous measurement fair value	--	--	--	--
--	----	----	----	----

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, 2018 of 3.66 yuan, the final calculation of fair value was 861,033,095.04 yuan.

3. Valuation technique adopted and nature and amount determination of important parameters for

consistent and inconsistent fair value measurement items at level 2.

Nil

4. Sensitiveness analysis on unobservable parameters and adjustment information between opening and

closing book value of consistent fair value measurement items at level 3.

Nil

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and

closing book value of consistent fair value measurement items at level 3.

Nil

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion

happens among consistent fair value measurement items at different levels

Nil

7. Changes in the valuation technique in the current period and the reason for change

Nil

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

Nil

9.Other

XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Name	Registered address	Nature	Redistricted capital	The parent company of the Company's shareholding ratio	The parent company of the Company' s

					vote ratio
Guangdong communication Group Co., Ltd	No.83,85, Baiyun Road, Yuexiu District, Guangzhou	Equity management, traffic infrastructure construction and railway project operation	2,680,000.00	24.55%	50.12%

Notes :

Guangdong Communication Group Co., Ltd. is the largest shareholder of the Company. legal representative: Deng Xiaohua. Date of establishment: June 23, 2000. As of June 30, 2018, 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

(if the above mentioned business scope requires licenses to operate, then operation licenses are required) .

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

Other notes:

Nil

2. Subsidiaries of the Company

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

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

The details Notes IX of significant joint venture and associated enterprise of the Company

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or form balance due to related party transactions in previous period:

Nil

4. Other Related parties

Name	Relation with the Company
Guangdong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Chaohui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Kaiyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Maozhan Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Yangmao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangle Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Jiangzhao Expressway Management Center	Managed by the parent company
Guang-Shen-Zhu Expressway Co., Ltd.	Fully owned subsidiary of the parent company

Name	<u>Relation with the Company</u>
Guangdong Jiangzhong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West Coastal Expressway Xinhui Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangzhou West Line Expressway Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Jingzhou Expressway Guangzhou North Section Co., Ltd.	Controlled by the same parent company and equity participation unit
Yunfu Guangyun Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Taishan Coastal Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guanghui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Highway Construction Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Xinyue Traffic Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Humen Bridge Co., Ltd.	Controlled by the same parent company and equity participation unit
Guangdong Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Boda Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Baomao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Guangfozhao Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Nanyue Traffic Shaogan Expressway Management Center	Managed by the parent company
Guangzhongjiang Expressway Project Management	Managed by the parent company
Guangdong Yuedong Expressway Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Road & Bridge Construction Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Shanfen Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Zhaoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hualu Traffic Technology Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Expressway Media Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Tongyi Expressway Service Area Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Union Electron Service Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Changda Highway Engineering Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Lulutong Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Investformation Technology Investment Co., Ltd.	Fully owned subsidiary of the parent company

Name	<u>Relation with the Company</u>
Guangdong Gaoda Property Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Pingxing Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Luoyang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Hehui Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Heyuan Helong Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Two Guang Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong West coastal Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Zhongshan Yueyun Airoort Express Passenger Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong East Thinking Management Technology Development Co., Ltd.	Fully owned subsidiary of the parent company
Guangzhou Yueyun Traffic Co., Ltd.	Fully owned subsidiary of the parent company
Xinyue Highway Construction Co., Ltd.	Minority shareholders of the holding Sun-Subsidiarie
Guangdong Meihe Expressway Co., Ltd.	Fully owned subsidiary of the parent company
Guangdong Litong Real Estate Co., Ltd.	Fully owned subsidiary of the parent company

Other notes

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Guangdong Unionelectronic services co., Ltd.	Service	8,075,494.51			
Guangdong Litong Technology Investment Co., Ltd.	Project fund	784,739.50			203,850.00
Guangdong Humen Bridge Co., Ltd.	Project fund, service	539,307.09			
Guangdong Tongyi Expressway Service Area Co., Ltd	service	259,399.97			

Guangdong Lulutong Co., Ltd.	Project fund	25,393.54			
Guangdong Changda Highway Engineering Co., Ltd.	Project fund				4,238,698.53
Guangdong Xinyue traffic Investment Co., Ltd.	Project fund				55,800.00
Guangdong Guanghui Expressway Co., Ltd.	Interest	1,349,043.75			
Ganzhou Gangkang Expressway Co., Ltd.	Interest	765,623.34			1,051,109.99
Guangdong Expressway Media Co., Ltd.	service	606,132.08			
Guangdong East Thinking Management Technology Development Co., Ltd.	service	60,000.00			178,066.11
Guangdong Changda Highway Engineering Co., Ltd.	Purchasing assets	34,838,755.49			1,924,312.81
Guangdong Hualu Traffic Technology Co., Ltd.	Purchasing assets	1,548,686.53			
Guangdong Xinyue Traffic Investment Co., Ltd.	Purchasing assets				36,761.81
Guangdong Changda highway Co., Ltd.	Project fund				634,217.37

Related transactions on sale goods and receiving services

In RMB

Related party	Content	Amount of current period	Amount of previous period
Jingzhu Expressway Guangzhou North section Co., Ltd.	Commission management fee	8,092,547.17	7,852,830.20
Guangdong Expressway Co., Ltd.	Project fund	2,192,131.13	2,094,489.63
Guangdong Luqiao Construction Development Co., Ltd.	Project fund	267,452.83	162,735.84
Guangdong Guangzhu West Line Expressway Co., Ltd.	Project fund	234,905.66	449,056.61
Guangdong Chaohui Expressway Co., Ltd.	Project fund	192,452.83	192,452.83
Guangdong Guangfozhao Expressway Co., Ltd.	Project fund	154,245.28	141,509.43
Guangdong Guanghui Expressway Co., Ltd.	Project fund	144,339.62	147,169.81
Guangdong Guangle Expressway Co., Ltd.	Project fund	142,924.53	200,943.40
Guangdong Kaiyang Expressway Co., Ltd.	Project fund	134,035.68	235,922.47
Guangdong Boda Expressway Co., Ltd.	Project fund	117,452.83	106,132.08
Guangdong Highway Construction Co., Ltd.	Project fund	116,037.74	
Zhaoqing Yuezhao Highway Co., Ltd.	Project fund	101,886.79	192,452.83
Guangzhongjiang Expressway Project Management	Project fund	89,622.64	
Guangdong Jiangzhong Expressway Co., Ltd.	Project fund	82,075.47	83,490.57
Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	Project fund	80,660.38	107,547.17
Guangdong Taishan Coastal Expressway Co., Ltd.	Project fund	59,433.96	
Guangdong Litong Technology Investment Co., Ltd.	Project fund	35,384.62	95,000.00
Yunfu Guangyun Expressway	Project fund	35,377.36	28,301.89

Co., Ltd.			
Guangdong Humen Bridge Co.,Ltd.	Project fund	26,886.79	19,811.32
Shenzhen Huiyan Expressway Co., Ltd.	Project fund	26,886.79	64,622.64
Guangdong Yueyun Traffic Co.,Ltd.	Project fund	21,226.42	51,415.10
Guangdong West Coastal Expressway Xinhui Section Co., Ltd.	Project fund	15,566.04	7,075.47
Guang-Shen-Zhu Expressway Co., Ltd.	Project fund		594,339.64
Guangdong Xinyue Traffic Investment Co., Ltd.	Project fund		259,260.13

Notes

(2) Related trusteeship/contract

Nil

(3) 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	1,748.41	1,151,248.50
Guangdong Tongyi Expressway Service Area Co., Ltd.	Service Area Lease		1,689,033.25

The company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Litong Property Investment Co., Ltd	Office space	4,406,113.37	4,900,613.34
Guangdong Guanghui Expressway Co., Ltd.	Advertising column lease	884,200.00	
Zhaoqing Yuezhao Highway	Advertising column lease	124,031.25	

Co., Ltd.			
Guangzhou Yueyun Traffic Co., Ltd.	Car Rental	97,530.00	
Guangdong Gaoda Property Development Co., Ltd.	Office space	7,230.00	
Guangdong Highway Construction Co., Ltd.	Office space		109,182.36

Notes

(4) Related-party guarantee

The Company was Guarantor

Nil

The Company was secured party

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Guangdong Communication Group Co., Ltd.	1,725,000,000.00	September 25,2012	March 25,2020	No

Notes:

Controlling shareholder Guangdong Communication Group Co., Ltd. accepted Pacific Asset Management Co., Ltd. insurance debt investment plan to provide joint liability guarantee of principal and interest in full and unconditional irrevocable. The company held Guangzhou Guangzhu Traffic Investment Management Co., Ltd. 75% stake in Guangdong Communication Group Co., Ltd. to provide a counter-guarantee.

(5) Inter-bank lending of capital of related parties

In RMB

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Ganzhou Gankang Expressway Co., Ltd.	50,000,000.00	February 2,2018	June 3,2018	
Guangdong Guanghui Expressway Co., Ltd.	105,000,000.00	March 22,2018	September 21,2018	
Guangdong Guanghui Expressway Co., Ltd.	45,000,000.00	May 22,2018	May 21,2019	
Loaned				

(6) Related party asset transfer and debt restructuring

Nil

(7) Rewards for the key management personnel

Ten thousand yuan

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	241.51	205.84

(8) Other related-party transactions

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

Items	Amount of current period	Amount of previous period
Balance of Deposit	381,881,836.28	366,841,521.49
Interest Income	3,752,689.53	
Pricing Principle	Refer to deposit interest rate at the corresponding period of Bank of China	

On December 25, 2017 and December 22, 2017, the Company signed the Cash Management Business Cooperation Agreement with Guangdong Communications Group Finance Co., Ltd. and Industrial and Commercial Bank of China Guangdong Branch and signed the Cash Management Business Cooperation Agreement with Guangdong Communications Group Finance Co., Ltd. and China Construction Bank Corporation Guangdong Branch respectively, to join in the cash pool of Guangdong Communications Group Finance Co., Ltd.

-On June 15, 2016, The company's 29th meeting (Provisional) of the seventh board of directors was convened. The Proposal on Entrustment of Construction Management of the Renovation and Expansion Project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway was deliberated in the meeting, agreed that Guangdong Provincial Fokai Expressway Co., Ltd entrusts Guangdong Provincial Highway Construction Co., Ltd with the construction management of the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway, and handling the related matters of the entrustment of the construction management.

6. Receivables and payables of related parties

(1) Receivables

In RMB

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Guangdong Union electron Servce Co., Ltd.	43,102,039.46		45,447,260.32	
Account receivable	Guangdong Humen Bridge Co., Ltd.	27,048,223.47		9,425,822.31	
Account receivable	Jingzhu Expressway Guangzhu North Section Co., Ltd.	4,447,474.99		4,821,700.01	
Account receivable	Guangdong Expressway Co., Ltd.	2,588,022.00		1,274,749.50	
Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	2,154,432.04	123,048.52	3,848,556.04	65,052.00
Account receivable	Guanghui Expressway Co., Ltd.	341,639.00		4,025,633.55	
Account receivable	Guangdong Road & Bridge Development Co., Ltd.	283,500.00			
Account receivable	Guangdong Kaiyang Expressway Co., Ltd.	312,321.40	4,425.00	379,837.72	
Account receivable	Guangdong West coastal Expressway Zhuhai Section Co., Ltd.	269,694.00	55,258.20	352,194.00	55,258.00
Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	249,000.00		356,850.40	
Account receivable	Guangdong Chaohui Expressway Co., Ltd.	204,000.00			
Account receivable	Guangdong Guangfozhao Expressway Co., Ltd.	163,500.00			

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Guangdong Guangle Expressway Co., Ltd.	151,500.00			
Account receivable	Guangdong Boda Expressway Co., Ltd.	124,500.00			
Account receivable	Guangdong Highway Construction Co., Ltd.	123,000.00		207,000.00	
Account receivable	Guangdong Road & Bridge Development Co., Ltd.	111,000.00			
Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	108,000.00			
Account receivable	Guangdong Zhongjiang Expressway Project Management	95,000.00			
Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	87,000.00			
Account receivable	Guangdong LitongTechnology Investment Co., Ltd.	68,542.00	6,854.20	201,342.00	
Account receivable	Guangdong Taishan coastal Expressway Co., Ltd.	63,000.00			
Account receivable	Guangdong West coastal Expressway Xinhui Section Co., Ltd.	50,610.00	10,233.00	67,110.00	10,233.00
Account receivable	Yunfu Guangyun Expressway Co., Ltd.	37,500.00			

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Guangdong West coastal Expressway Co., Ltd.	30,000.00	3,000.00	30,000.00	2,830.00
Account receivable	Shenzhen Huiyan Expressway Co., Ltd.	28,500.00			
Account receivable	Guangdong Yueyun Traffic Co., Ltd.	22,500.00			
Account receivable	Guangdong Expressway Media Co., Ltd.			1,799,600.00	
Account receivable	Guang-Shen-Zhu Expressway Co., Ltd.			189,000.00	
Account receivable	Guangdong Nanyue Traffic Shaogan Expressway Management Center			179,424.00	
Account receivable	Guangdong Maozhan Expressway Co., Ltd.			166,196.80	
Account receivable	Guangdong Baomao Expressway Co., Ltd.			145,038.40	
Account receivable	Guangdong Yuedong Expressway Development Co., Ltd.			139,976.80	
Advanced payment	Zhaoqing Yuezhao Highway Co., Ltd.	20,671.75		144,703.00	
Advanced payment	Guangdong Litong Property Investment Co., Ltd.			700,087.62	
Other Account receivable	Guangdong Litong Property Investment Co., Ltd.	1,505,864.00		1,505,864.00	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Other Account receivable	Guangdong Guanghui Expressway Co., Ltd.	1,429,667.72		1,463,995.66	
Other Account receivable	Guangdong Expressway Co., Ltd.	592,083.28		597,164.23	
Other Account receivable	Zhaoqing Yuezhao Highway Co., Ltd.	415,614.00		427,478.09	
Other Account receivable	Guangdong Xinyue Traffic Investment Co., Ltd.	415,442.60		415,442.60	
Other Account receivable	Guangdong Guangzhu West Line Expressway Co., Ltd.	186,876.77		187,560.16	
Other Account receivable	Guang-Shen-Zhu Expressway Co., Ltd.	185,014.40		223,371.78	
Other Account receivable	Guangdong Expressway Media Co., Ltd.	120,568.54		1,213,926.84	
Other Account receivable	Guangdong Highway Construction Co., Ltd.	107,494.67		115,058.75	
Other Account receivable	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	63,502.68		63,612.63	
Other Account receivable	Guangdong Humen Bridge Co., Ltd.	55,981.31		58,139.05	
Other Account receivable	Guangdong Guangle Expressway Co., Ltd.	55,870.49		104,353.10	
Other Account receivable	Guangdong Boda Expressway Co., Ltd.	51,808.80		52,689.46	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Other Account receivable	Guangdong Road & Bridge Construction Development Co., Ltd.	44,713.74		93,172.08	
Other Account receivable	Guangdong West Coastal Expressway Zhuhai section Co., Ltd	40,967.05		40,967.05	
Other Account receivable	Guangdong Jiangzhong Expressway Co., Ltd.	28,120.00		28,942.41	
Other Account receivable	Guangdong Gaoda Property Development Co., Ltd.	21,688.70		9,940.70	
Other Account receivable	Guangdong Yangmao Expressway Co., Ltd.	9,088.02		46,778.36	
Other Account receivable	Guangdong Maozhan Expressway Co., Ltd.	8,747.20		17,591.49	
Other Account receivable	Guangdong Shanfen Expressway Co., Ltd.	8,028.80		8,028.80	
Other Account receivable	Guangdong Baomao Expressway Co., Ltd.	7,633.60		7,633.60	
Other Account receivable	Guangdong Yuedong Expressway Development Co., Ltd.	7,367.20		7,367.20	
Other Account receivable	Guangdong West coastal Expressway Xinhui Section Co.,	5,753.20		5,753.20	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
	Ltd.				
Other Account receivable	Guangdong LitongTechnology Investment Co., Ltd.	5,273.00		5,273.00	
Other Account receivable	Guangdong Zhaoyang Expressway Co., Ltd.	4,304.00		4,309.15	
Other Account receivable	Yunfu Guangyun Expressway Co., Ltd.	3,565.19		11,628.49	
Other Account receivable	Guangdong Yueyunt Traffic Co., Ltd.	3,032.00		3,032.00	
Other Account receivable	Guangdong Chaohui Expressway Co., Ltd.	2,523.91		5,617.45	
Other Account receivable	Guangdong Tongyi Expressway Service Area Co., ltd.	2,182.70			
Other Account receivable	Guangdong Meihe Expressway Co., Ltd.	1,202.78		3,367.47	
Other Account receivable	Guangdong Pingxing Expressway Co., Ltd.	58.06		243.34	
Other Account receivable	Guangdong Kaiyang Expressway Co., Ltd.			88,827.08	
Other Account receivable	Guangdong Jiangzhao Expressway Management Center			9,098.40	
Other Account receivable	Guangdong Nanyue Traffic Zhaogan Expressway Management Center			1,860.07	
Other Account	Guangdong			1,685.28	

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
receivable	Guangfozhao Expressway Co., Ltd.				
Other Account receivable	Heyuan Helong Expressway Co., Ltd.			1,428.35	
Other Account receivable	Guangdong Two Guang Expressway Co., Ltd.			556.32	
Other Non-Current Assets	Guangdong Changda Highway Engineering Co., Ltd.	23,937,725.40		15,937,725.40	
Other Non-Current Assets	Guangdong Hualu Communication Technology Co., Ltd.	865,990.00			
Other Non-Current Assets	Guangdong East Thinking Management Technology Development Co., Ltd.	268,155.00		268,155.00	

Note: if the related transaction is agreed to settle based on net amount, the amount after offsetting the amount due from related parties is filled in.

(2) Payables

In RMB

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Guangdong Highway Construction Co., Ltd.	45,980,021.00	75,980,021.00
Account payable	Guangdong Expressway Co., Ltd.	8,746,491.18	8,746,491.18
Account payable	Guangdong Litong Technology Investment Co., Ltd.	2,500,589.50	2,152,850.00
Account payable	Guangdong Guanghui Expressway Co., Ltd.	1,832,500.00	948,300.00

Name	Related party	Amount at year end	Amount at year beginning
Account payable	Guangdong Union Electron Service Co.,Ltd.	1,001,500.07	1.59
Account payable	Guangdong Xinyue Traffic Investment Co., Ltd.	726,768.36	776,543.24
Account payable	Guangdong Expressway Media Co., Ltd.	642,500.00	
Account payable	Guangdong Changda Highway Engineering Co.,Ltd.	500,931.38	14,449,499.60
Account payable	Guangdong Hualu Communication Technology Co., Ltd.	383,282.00	383,282.00
Account payable	Guangdong Maozhan Expressway Co.,Ltd.		120,000.00
Interest payable	Guangdong Guanghui Expressway Co., Ltd.	1,349,043.75	
Received in advance	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	0.06	0.06
Other Payable account	Guangdong Guanghui Expressway Co.,Ltd.	150,000,000.00	20,221.75
Other Payable account	Guangdong Changda Highway Engineering Co.,Ltd.	6,647,277.11	3,953,559.55
Other Payable account	Guangdong Union Electron Service Co.,Ltd.	4,706,867.08	2,238,981.27
Other Payable account	Guangdong Xinyue Traffic Investment Co., Ltd.	1,545,446.02	1,636,943.30
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	1,470,184.76	
Other Payable account	Guangdong Expressway Co., Ltd.	334,706.01	350,680.10
Other Payable account	Guangdong Kaiyang Expressway Co., Ltd.	272,445.68	272,445.68
Other Payable account	Guangdong East Thinking Management Technology Development Co., Ltd.	230,713.19	230,713.19
Other Payable account	Guangdong Jiangzhong Expressway Co., Ltd.	215,384.63	215,384.63

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Zhongjiang Expressway Project Management	200,000.00	200,000.00
Other Payable account	Guangdong Maozhan Expressway Co., Ltd.	188,931.56	188,931.56
Other Payable account	Guangdong Hualu Communication Technology Co., Ltd.	187,253.14	181,253.14
Other Payable account	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	166,578.00	13,553.00
Other Payable account	Guangdong Lulutong Co., Ltd.	133,249.80	133,249.80
Other Payable account	Guangdong Tongyi Expressway Service Area Co., Ltd.	120,000.00	120,000.00
Other Payable account	Guangdong Expressway Media Co., Ltd.	70,000.00	70,000.00
Other Payable account	Guangdong Jiangzhao Expressway Management Center	55,796.85	62,047.64
Other Payable account	Guangdong Zhaoyang Expressway Co.,Ltd.	49,171.27	49,171.27
Other Payable account	Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	48,146.64	48,146.64
Other Payable account	Guangdong Baomao Expressway Co., Ltd.	45,719.63	48,950.59
Other Payable account	Zhongshan Yueyun Airport EXPRESS Passenger Transport Co., Ltd.	34,568.85	34,568.85
Other Payable account	Guangdong Litong Information Technology Investment Co., Ltd.	30,105.35	465,228.30
Other Payable account	Guang-Shen-Zhu Expressway Co., Ltd.	20,344.23	20,344.23
Other Payable account	Guangdong Guangzhu West Line Expressway Co., Ltd.	18,981.84	18,981.84
Other Payable account	Guangdong Litong Technology Investment Co., Ltd.	16,376.20	16,376.20

Name	Related party	Amount at year end	Amount at year beginning
Other Payable account	Guangdong Highway Construction Co., Ltd.	11,158.46	11,158.46
Other Payable account	Guangdong Shanfen Expressway Co., Ltd.	5,339.49	5,843.90
Other Payable account	Guangdong Yuedong Expressway Development Co., Ltd.	2,472.34	2,566.50
Other Payable account	Zhaoqing Yuezhao Highway Co., Ltd.	2,388.80	2,388.80
Other Payable account	Guangdong Road & Bridge Construction Development Co., Ltd.	1,948.02	2,435.71
Other Payable account	Guangdong Two Guang Expressway Co., Ltd.	1,603.02	1,603.02
Other Payable account	Guangdong West Coastal Expressway Co., Ltd.	1,234.39	3,342.12
Other Payable account	Heyuan Helong Expressway Co., Ltd.	896.89	896.89
Other Payable account	Shenzhen Huiyan Expressway Co., Ltd.	564.92	946.81
Other Payable account	Guangdong Luoyang Expressway Co., Ltd.	477.14	1,202.48
Other Payable account	Guangdong Boda Expressway Co., Ltd.	408.23	408.23
Other Payable account	Guangdong Hehui Expressway Co., Ltd.	216.43	216.43
Other Payable account	Guangdong Yangmao Expressway Co., Ltd.		2,817.71
Dividend payable	Xinyue Highway Construction Co., Ltd.	25,000,000.00	12,500,000.00

XIII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

Nil

5. Other

Nil

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

On June 15, 2016, the Company's 29th meeting (Provisional) of the seventh board of directors was convened. In the meeting, the Proposal on Increasing Funding for Guangdong Fokai Expressway Co., Ltd pertaining to the Renovation and Expansion Project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway was examined and approved, agreed that based on the approved total investment amount by relevant government department, then the company's subsidiary- Guangdong Fokai Expressway Co., Ltd carries out the investment and construction of the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway; the company increases funding for Guangdong Provincial Fokai Expressway Co., Ltd pertaining to the renovation and expansion project of Sanbao-to-Shuikou Section of Shengyang-to-Haikou National Expressway, with the contributed funds as a proportion of 35% of the total investment amount approved by relevant government department. The afore-said item had been examined and approved in the first extraordinary general shareholder meeting, The Company had received the approval of the National Development and Reform Commission about the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project(NO.1874-2016-NDRC Infrastructure Document)from Guangdong Provincial Development and reform Commission On October 11, 2016, agreed with the implementation of the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project. It's estimated that the total investment of this project is about 3.513 billion yuan(the static investment is about 3.289 billion yuan), of which the project capital is 1.23 billion yuan that accounts for 35% of the total investment and such amount of the project capital will be provided by Guangdong Provincial Fokai Expressway Co., Ltd, and the rest amount of 2,283 billion yuan will be solved by using bank loans. According to the "Official Reply to the preliminary design of reconstruction and extension project of Guangdong Sanbao to Shuikou Road by Ministry of Transport" (No.73-2017 Transport Road Document) issued by Guangdong Provincial Department of Transport, the Ministry of Transport checked and ratified that the general estimate of the preliminary design of reconstruction and extension project of Guangdong Sanbao to Shuikou Road is RMB 3.426 billion. As of June 30, 2018, The accumulated expenses

occurred of Guangdong Fokai Expressway Co.,Ltd was 1000.06 million yuan.

2. Contingency

(1) Significant contingency at balance sheet date

This matter. did not occur in this accounting period.

(2) The Company have no significant contingency to disclose, also should be stated
There was no significant contingency in the Company.

XV. Enents after balance sheet date

1. Significant events had not adjusted

The nineteenth (provisional) meeting of the eighth board of directors of the company was held on August 7, 2008. The meeting examined and approved the "Proposal on Issuing Medium-term Notes". It was agreed that the company's registration limit in the China Interbank Market Dealers Association should not exceed 3.4 billion yuan (including), and that the company's latest audit of 40% of its net assets should be within 40%. Medium-term notes within the period of 5 years (including 5 years) are to be issued by one-time or by stages. Funds are raised to repay loans and replenish operation capital. In August 23, 2018, the first provisional shareholders meeting of the company in 2018 passed the above proposal. The final issuance plan for the medium term notes is subject to the approval of the inter bank Dealers Association of China.

1

2.Profit distribution

Nil

3.Sales return

Nil

4.Notes of other significant event after balance sheet date

Nil

XVI.Other significant events

1.The accounting errors correction in previous period

This matter. did not occur in this accounting period. During the reporting period.

2. Debt restructuring

This matter did not occur in this accounting period. During the reporting period.

3. Replacement of assets

This matter did not occur in this accounting period. During the reporting period.

4. Pension plan

The company does not disclose the pension plan undisclosed matter should exist.

5. Discontinuing operation

This matter did not occur in this accounting period. During the reporting period.

6. Segment information

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

7. Other

(1) June 15, 2007 early in the morning, The 325 Jiujiang Bridge collapsed on # 23 pier for —Nanguijii 035# collision owned by the controlling subsidiary of the company Guangdong Fokai Expressway Company leads the collapse and the traffic jam of 200 meters long of the Jiujiang Bridge. On June 10, 2009, Jiujiang Bridge opened to traffic has been restored.

On June 19, 2007, The Ministry of Communications, the State Production Safety Supervision and Administration Commission issued the JiaoAnWeiming File [2007] No. 8 "Notification on the Guangdong" 6.15 "Jiujiang Bridge Collision Accident", initially determined the causes of the accident are: the incident ship suddenly met heavy fog on the way from Foshan Gaoming to Sunde, the captain neglected looking out, did not take proper measures and deviated from the main channel, touched the 325 National Road Jiujiang Bridge the non-navigation bridge pier and caused the collapse of part of the Jiujiang bridge. The accident was an unilateral responsibility of the ship.

On July 19, 2007, Fokai Company applied preservation of property to Guangzhou Maritime Court. On August 22, 2007, Fokai Company officially prosecuted to Guangzhou Maritime Court, asking Foshan South Sea Shipping Company Limited and Yang Xiong to undertake the compensation 25,587,684 yuan for the loss caused by collapse of Jiujiang Bridge. On August 28, 2007, Guangzhou Maritime Court accepted the case. According to the (2007)-Canton Haifa No. 332 ruling book issued by Guangzhou Maritime Court, the proceeding of the case was suspended.

After the court accepted the case, the incident investigation team of Guangdong Provincial Government had not made the final report of Jiujiang Bridge accident. The Court, on November 5, 2007, decided to suspend the proceeding. In September 2008, Jiujiang Bridge accident investigation report was officially reported and resumed

the proceedings. On December 5, 2008, Guangzhou Marine Court opened a court trial to proceeded the case. Currently, Guangzhou Haizhu prosecutorial office was intend to prosecute the accident captain Shi Guide, therefore, on January 5, 2009, Guangzhou Maritime Court ruled the suspension of the case. On September 17, 2013, the Guangzhou Maritime Court issued a notice of civil and eliminate the cause of suspension of proceedings, the court decided to resume the trial. On December 19, 2013, the Guangzhou Maritime Court opened a court session, has not yet made the first-instance judgment. On March 7, 2014 the Court made the first instance verdict: the defendant Foshan Nanhai Yuhang ship Services Co., Ltd. and Yang Xiong compensated the plaintiff Fokai Expressway Co., Ltd. toll revenue losses of 19,357,500.96 yuan; the court dismissed the plaintiff other aspirations. The defendant appealed to the Higher People's Court of Guangdong Province, the Guangdong Provincial Higher People's Court ruled on June 5, 2014, the case discontinued proceedings. By the end of the report period, the abatement of action causes are already removed and the provincial higher court restores the hearing and conducts the investigation on April 21, 2017.

(2)The 26th (Provisional)Meeting of the sixth board of directors of Guangdong Provincial Expressway Development Co., Ltd. was held of May 10, 2012. The meeting examined and adopted the proposal Concerning the Company' s Accepting the insurance Bond Investment Plan of Pacific Asset Management Co., Ltd. The Company was approved to accept the insurance bond investment plan made by Pacific Asset Management Co., Ltd. The amount of proceeds to be raised is not more than 1.5 billion yuan . Floating interest rate plus guaranteed base interest rate applies as the interest rate. The Floaing interest rate shall not exceed the basic interest rate of RMB loan with a term of over five years on the day when the investment fund of the insureance company is transferred into the Company' s account and the corresponding days of the future years, which shall be adjusted once each year. The guaranteed base interest rate is 5.6%. The concrete amount of raised proceeds shall be within maximum limit of investment fund filed with CIRC. The actual amount wholly transferred to the Company shall apply. The final interest rate is subject to investment Contract for Bond Investment Plan between Pacific and Guangdong Expressway Filed with CIRC. It was approved to authorize the management of the Company to implement the above-mentioned matters.

The Company was approved to provide counter guarantee to Guangdong Communication Group Co.,Ltd.with 75% equity of Guangdong Fokai Expressway Co., Ltd. Held by it . as of December 31, 2016, the company has borrowed 1.5 billion yuan.

(3)On February 5, 2016, the company received the 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(CSRC No.230-2016 Zheng Jian Xu ke) issued from CSRC; the company' s scheme on share-issuance for purchasing assets and raising matching funds had been examined and approved by the Audit Committee of CSRC on Verifying and Approving Mergers, Acquisitions and Restructuring of Listed Companies. The company has completed asset restructuring in June 2016.

During the profit compensation period, in the case that the actual profits of the underlying company were less than the committed profits, respectively the counterparts of Guangdong Provincial Expressway Co., Ltd and Guangdong Provincial Highway Construction Co., Ltd shall assume the obligation of compensation for the profit difference according to their equity proportion of Guangdong Provincial Fokai Expressway Co., Ltd and Guangzhou Guangzhu Traffic Investment Management Co., Ltd. The profit compensation period is three years from 2016-2018.

Agreed by the company and Guangdong Provincial Expressway Co., Ltd, the profits of Fokai Expressway Co., Ltd in year-2016, year-2017 and year-2018 by estimation shall accordingly be 250.6973 million yuan, 260.0802 million yuan and 403.1197 million yuan, with the aggregated non-recurring gains and losses were

expected to be 105.5743 million yuan. During the compensation period, in the case that the cumulative net profits of Fokai Expressway Co., Ltd in a certain year realized at the end of the year are less than the estimated cumulative net profits of the year, the company will, at the price of 1.0 yuan per share, buy-back the shares calculated in accordance with the agreement for the purpose of compensation and those shares will be written off, and if the amount of compensation exceeds the consideration of those shares being bought-back, Guangdong Provincial Expressway Co., Ltd will compensate that part in cash. At the expiration of the compensation period, if the accumulative actual non-recurring gains and losses (referring to the government's compensation to Guangdong Provincial Fokai Expressway Co., Ltd due to the cancellation of toll charge of Jiujiang bridge, hereinafter shortly named as "Jiujiang Bridge Compensation") of Fokai Expressway Co., Ltd were less than the estimated accumulative non-recurring gains and losses, Guangdong Provincial Expressway Co., Ltd will, upon the basis of the stake proportion held by Fokai Expressway Co., Ltd before the major asset restructuring, compensate in cash to the company in accordance with the agreement; If it is after the expiration of the compensation period, every time when Fokai Expressway Co., Ltd received Jiujiang Bridge Compensation, the company should refund the corresponding part which had been paid by Guangdong Provincial Expressway Co., Ltd for the compensation in accordance with the agreement to Guangdong Provincial Expressway Co., Ltd within 30 working days started from the date Fokai Expressway Co., Ltd received such compensation.

Agreed by the company and Guangdong Provincial Highway Construction Co., Ltd, the profits of Guangzhou Guangzhu Traffic Investment Management Co., Ltd in year-2016, year-2017 and year-2018 by estimation shall accordingly be 230.3606 million yuan, 263.2329 million yuan and 286.5018 million yuan. During the compensation period, in the case that the cumulative net profits of Guangzhou Guangzhu Traffic Investment Management Co., Ltd realized at the end of the year are less than the estimated cumulative net profits of the year, the company will, at the price of 1.0 yuan per share, buy-back the shares held by Guangdong Provincial Highway Construction Co., Ltd with the quantity being calculated upon the agreement for compensation and those shares will be written off.

Guangdong Fokai Expressway Co., Ltd. in 2016 the actual profit (excluding non-) by 286.1655 million yuan, more than the commitment to profit more than 35.4682 million yuan; Guangzhou Guangzhu Traffic Investment Management Co., Ltd. 2016 annual profit of 271.7759 million yuan, More than the commitment to profit more than 41.4153 million yuan. 2017 annual profit of 321.5.34 million yuan, More than the commitment to profit more than 58.2705 million yuan.

(4)On April 10, 2018, the company received a letter from the shareholder Yadong Fuxing Yalian Investment Co., Ltd. On February 8, 2018, Yadong Fuxing Company pledged in batches of the Guangdong Expressway A shares that were previously pledged in the Guotai Junan Securities Co., Ltd, and handled the stock pledge financing agreement of Guangdong Expressway A shares with the China Yinhe Securities Co., Ltd. The 141,600,000 shares held by the Yadong Fuxing Company and accounted for 6.77% of the company's total share capital were pledged to the China Yinhe Securities Co., Ltd for the financing, with the pledge period starting from April 3, 2018.

As of the date of approval of report of this financial statement, Yadong Fosun holds 202,429,149 A shares of the Company, accounting for 9.68% of the total share capital of the Company, of which 141,600,000 shares are pledged-accounting for 6.77% of the total share capital of the Company.

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

1. Account receivable

(1) Account receivable classified by category

In RMB

Category	Year-end balance					Year-beginning				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable with single major amount and withdrawal bad debt provision for single item	18,091,636.66	100.00%			18,091,636.66	19,001,899.29	100.00%			19,001,899.29
Total	18,091,636.66	100.00%			18,091,636.66	19,001,899.29	100.00%			19,001,899.29

- Receivable accounts with large amount individually and bad debt provisions were provided

√Applicable □Not applicable

In RMB

Name	Year-end balance			
	Receivable accounts	Bad debt provision	Proportion	Reason
Guangdong Union Electronic Services Co., Ltd.	18,091,636.66			Been recovered after the period
Total	18,091,636.66		--	--

Account receivable on which bad debt provisions are provided on age basis in the group:

Applicable Not applicable

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, accounts receivable adopting other methods to accrue bad debt provision: :

Nil

(2) Accrual period, recovery or reversal of bad debts situation

Nil

(3) The current accounts receivable write-offs situation

Nil

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

Name	Amount	Aging	Proportion(%)	Bad debt provision
Guangdong Union Electronic Services Co., Ltd	18,091,636.66	Within 1 year	100.00	
Total	18,091,636.66	--	100.00	

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

Nil

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

Nil

2. Other account receivable

(1) Other account receivable classified by category

In RMB

Category	Year-end balance					Year-beginning				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Account receivable with single major amount and withdrawal bad debt provision for single item	32,084,893.35	15.67%	32,084,893.35	100.00%		32,084,893.35	82.44%	32,084,893.35	100.00%	
Other Account receivable withdrawal bad debt provision by group of credit risk characteristics	172,707,494.33	84.33%	1,533,987.26	0.89%	171,173,507.07	6,832,189.43	17.56%	1,533,987.26	22.45%	5,298,202.17
Total	204,792,387.68	100.00%	33,618,880.61	16.42%	171,173,507.07	38,917,082.78	100.00%	33,618,880.61	86.39%	5,298,202.17

Other Receivable accounts with large amount individually and bad debt provisions were provided

√Applicable □Not applicable

In RMB

Name	Balance at year-end			
	Other receivable	Provision for bad debts	Proportion%	Reason

Name	Balance at year-end			
	Other receivable	Provision for bad debts	Proportion%	Reason
Kunlun Securities Co., Ltd.	32,084,893.35	32,084,893.35	100.00%	For the balance amount of our company's security trading settlement funds 33,683,774.79 yuan deposited in Kunlun Securities Co., Ltd., The Xin' Ning Municipal intermediate People's Court of Qinghai Province had made the judgment in accordance with the law and declared on November 11, 2006. that Kunlun Securities Co., Ltd. was bankrupted for debt payment . In March of 2007, the liquidating group of Kunlun Securities preliminary judged the relationship between our company and Kunlun Securities Co., Ltd.is debtor creditor relationship . as Kunlun Securities Co., Ltd.was bankrupted for debt payment and it is in serious insolvency. Our company had moved the security trading settlement funds deposited in Kunlun Securities Co., Ltd, to other receivables account for reflection, we also have made full amount provision for had debts based on conservatism principle. The recovered debt amount in 2008 is 485,392.67 yuan which had been offset from the provision for bad debts. The recovered debt amount in 2011 is 667,959.27 yuan which had been offset from the provision for bad, The recovered debt amount in 2014 is 445,529.50 yuan which had been offset from the provision for bad debts.debts.
Total	32,084,893.35	32,084,893.35	--	--

In the groups, other accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable Not applicable

In RMB

Aging	Balance at year-end		
	Other receivable	Provision for bad debts	Proportion%
Subitem within 1 year			
Subtotal within 1 year	3,925,741.04		0.00%
1-2 years			10.00%
2-3 years			30.00%
3-4 years			50.00%
4-5 years			90.00%
Over 5 years	1,533,987.26	1,533,987.26	100.00%
Total	5,459,728.30	1,533,987.26	28.10%

Notes

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to withdraw bad debt provision:

Applicable Not applicable

Name	Balance at year-end			
	Other receivable	Bad debt provision	Proportion (%)	Reason
Guangdong Fokai Expressway Co.,Ltd.	164,829,638.45			Related party transaction
Guangdong Litong Real estateInvestment Co., Ltd.	1,505,864.00			Deposit
Guangdong Expressway Co.,Ltd.	463,491.88			Related party transaction
Beijing CBRE property Management Service Co., Ltd.	393,331.00			Deposit
Pengjiang Shunfeng Automobile Leasing Co., Ltd.	25,500.00			Deposit
Guangzhou Longfeng Automobile Leasing Co., Ltd.	20,000.00			Deposit
Guangdong Gaoda Property Development Development Co., Ltd.	9,940.70			Deposit
Total	167,247,766.03			

(2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB0.00; recovery or payback for bad debts Amount is RMB 0.00.

(3) The actual write-off other accounts receivable

Nil

(4) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Related party transaction	164,829,638.45	
Securities trading settlement funds balance	32,084,893.35	32,084,893.35
Guarantee deposit	1,966,383.70	1,929,135.70
Pretty cash	1,555,100.00	1,505,100.00
Advertising and service fee	203,044.13	203,133.13
Other	4,153,328.05	3,194,820.60
Total	204,792,387.68	38,917,082.78

(5) The top five other account receivable classified by debtor at period end

In RMB

Name	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Guangdong Fokai Expressway Co., Ltd.	Current account	164,829,638.45	Within 1 year	80.49%	
Kunlun Securities Co.,Ltd	Securities trading settlement funds	32,084,893.35	Over 5 years	15.67%	32,084,893.35
Guangdong Litong Real estate Investment Co., Ltd.	Deposit	1,505,864.00	1-2 years, Over 5 years	0.74%	
Heshan Communication Real estate Development Company	Current account	1,470,000.00	Over 5 years	0.72%	1,470,000.00
Guangdong Expressway Co.,Ltd.	Current account	466,697.78	Within 1 year, 2-3 years	0.23%	
Total	--	200,357,093.58	--		33,554,893.35

(6) Account receivable involving government subsidies

Nil

(7) Other account receivable derecognized due to the transfer of financial assets

Nil

(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement.

Nil

3. Long- term equity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	5,169,662,219.66		5,169,662,219.66	5,169,662,219.66		5,169,662,219.66
Investment to joint ventures and associated enterprises	3,166,390,849.09		3,166,390,849.09	3,047,275,000.00		3,047,275,000.00
Total	8,336,053,068.75		8,336,053,068.75	8,216,937,219.66		8,216,937,219.66

(1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Guangfo Expressway Co., Ltd.	154,982,475.25			154,982,475.25		
Guangdong Expressway Technology Investment Co., Ltd.	95,731,882.42			95,731,882.42		
Guangdong Fokai Expressway Co.,	3,635,997,210.85			3,635,997,210.85		

Ltd.						
Guangzhou Guangzhu Communication Investment Management Co., Ltd.	859,345,204.26			859,345,204.26		
Jingzhu Expressway Guangzhu Section Co., Ltd.	419,105,446.88			419,105,446.88		
Yuegao Capital Investment (Hengqin) Co., Ltd.	4,500,000.00			4,500,000.00		
Total	5,169,662,219.66			5,169,662,219.66		

(2) Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
Guangdong Guanghui Expressway Co., Ltd.	949,906,833.96			134,138,087.25		3,951,780.00	37,805,847.20			1,050,190,854.01	
Zhaoqing Yuezhaohighway Co., Ltd.	291,906,117.18			28,635,945.38			43,088,859.48			277,453,203.08	
Subtotal	1,241,812,951.14			162,774,032.63		3,951,780.00	80,894,706.68			1,327,644,057.09	
II. Associated enterprises											
Shenzhen Huiyan Expressway Co., Ltd.	196,197,198.21			17,813,868.36						214,011,066.57	
Guangdong Jiangzhong Expressway Co., Ltd.	173,502,304.11			6,897,600.54			3,789,200.79			176,610,703.86	
Ganzhou Kangda Expressway Co.,	208,768,922.86			13,838,738.80						222,607,661.66	

Name	Opening balance	Increase /decrease in reporting period							Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision		
Ltd.										
Ganzhou Gankang Expressway Co., Ltd.	204,404,703.35			3,050,213.53						207,454,916.88
Guangdong Yueke Technology Petty Loan Co., Ltd.	215,548,332.90			7,397,846.46						222,946,179.36
Guoyuan Securities Co.,Ltd.	807,040,587.43			5,004,857.02	-4,983,478.43	-5,404.45	11,940,297.90			795,116,263.67
Subtotal	1,805,462,048.86			54,003,124.71	-4,983,478.43	-5,404.45	15,729,498.69			1,838,746,792.00
Total	3,047,275,000.00			216,777,157.34	-4,983,478.43	3,946,375.55	96,624,205.37			3,166,390,849.09

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Revenue	Cost	Revenue	Cost
Main business	638,591,636.62	306,898,726.06		
Other	37,302,631.12	3,411,961.26	38,224,276.41	232,106.70
Total	675,894,267.74	310,310,687.32	38,224,276.41	232,106.70

Other notes The substantial increase in the main business income of the parent company in the current period is due to the absorption and merger of the Fokai Company and the accounting of the branch business in the parent company since August 1, 2017.

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method	621,221,266.51	707,304,426.29
Long-term equity investment income accounted by equity method	216,777,157.34	199,376,107.62
Investment income received from holding of available-for - sale financial assets	42,581,144.86	24,054,256.82
Total	880,579,568.71	930,734,790.73

XVIII. Supplement information

1. Particulars about current non-recurring gains and loss

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Gains/losses from the disposal of non-current asset	44,464,720.82	
Other non-business income and expenditures other than the above	1,075,059.00	
Less : Influenced amount of income tax	11,126,311.84	
Amount of influence of minority interests	8,328,932.53	
Total	26,084,535.45	--

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

Applicable Not applicable

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

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	8.60%	0.37	0.37
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	8.31%	0.36	0.36

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

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

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) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

4. Other

XI. Documents Available for Inspection

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