

Guangdong Provincial Expressway Development Co., Ltd.

The Third Quarterly Report 2014

October 2014

I. Important Notice

The Board of Directors and the Supervisory Committee of the Company and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report , and shall take legal responsibilities, individual and /or joint.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr.Zhu Zhanliang, Compant principal , Mr. Xiao Laijiu, General manager, Mr. Yun Wujun,,Chief of the accounting work,Ms.Liu Xiaomei, Chief of the accounting organ (chief of accounting) hereby confirm the authenticity and completeness of the financial report enclosed in this report.

II. Main financial data and changes of shareholders

(1) Main financial data and financial index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

Yes No

	End of the report period	End of last year	Year-on –year change	
Gross assets (RMB)	12,095,478,409.17	12,694,475,514.01	-4.72%	
Net assets attributable to the shareholders of the listed company (RMB)	4,502,042,194.11	4,237,999,072.46	6.23%	
	This report period	Year-on year change(%)	Between beginning of the year to the end of the report period	Change from the same period last year
Operating income (RMB)	379,295,699.87	7.42%	1,068,012,591.73	8.64%
Net profit attributable to the shareholders of the listed company (RMB)	122,815,513.69	212.40%	301,008,457.71	210.56%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	121,167,322.13	208.00%	297,644,013.07	308.93%
Cash flow generated by business operation, net (RMB)	--	--	779,283,830.65	38.93%
Basic earning per share(RMB/Share)	0.10	233.33%	0.24	200.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.10	233.33%	0.24	200.00%
Weighted average income/asset ratio (%)	2.74%	1.81%	6.89%	4.62%

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB

Items	Amount from beginning of the year to the end of the report period	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is	-763,305.71	

made)		
Net amount of non-operating income and expense except the aforesaid items	5,210,236.83	
Less: Amount of influence of income tax	1,082,486.48	
Total	3,364,444.64	--

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

Applicable Not applicable

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

(II) Total number of shareholders and shareholding of top 10 shareholders by the end of the report period

(1) Total number of common shareholders and shareholding of top 10 common shareholders by the end of the report period

In Shares

Total number of shareholders at the end of report period							84,900
Particular about shares held by top ten shareholders							
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing		
					Status of the shares	Quantity	
Guangdong Communication Group Co., Ltd.	State-owned legal person	40.83%	513,328,290	409,948,548	Freezing	103,379,742	
Guangdong Expressway Co., Ltd	State-owned legal person	1.56%	19,582,228	19,582,228			
Haerbin Hali Industry Co., Ltd.	Domestic non State-owned Legal person	1.32%	16,567,054				
Xinyue Co., Ltd.	Overseas legal person	1.05%	13,201,086				
Guangdong Yuecai Trust Investment Co., Ltd.	State-owned legal person	0.97%	12,174,345				
Li Zhuo	Domestic Natural person	0.77%	9,678,994				
Shanxi Huiteng International Freight Forwarding Co., Ltd.	Domestic non State-owned Legal person	0.28%	3,582,289				
China Everbright Bank Co., Ltd. - China Everbright Core Securities Investment Fund	Domestic non State-owned Legal person	0.28%	3,564,313				
Liu Feng	Domestic Natural	0.26%	3,303,452				

	person					
Hu Maohua	Domestic Natural person	0.25%	3,133,868			
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			
Haerbin Hali Industry Co., Ltd.	16,567,054	RMB Common shares	16,567,054			
Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086			
Guangdong Yuecai Trust Investment Co., Ltd.	12,174,345	RMB Common shares	12,174,345			
Li Zhuo	9,678,994	RMB Common shares	9,678,994			
Shanxi Huiteng International Freight Forwarding Co., Ltd.	3,582,289	RMB Common shares	3,582,289			
China Everbright Bank Co., Ltd. - China Everbright Core Securities Investment Fund	3,564,313	RMB Common shares	3,564,313			
Liu Feng	3,303,452	RMB Common shares	3,303,452			
Hu Maohua	3,133,868	Foreign shares placed in domestic exchange	3,133,868			
Lu Weiqiang	2,900,992	Foreign shares placed in domestic exchange	2,900,992			
Explanation on associated relationship among the aforesaid shareholders	Guangdong Communication Group Co., Ltd. is the parent company of 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.					

Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Harbin Hali Industry Co., Ltd. holds 7,586,714 A shares of the Company through stock account with credit transaction and guarantee and holds 8,980,340 A shares through ordinary stock account. hold 16,567,054 shares of the Company's stock totally; Li Zhuo holds 9,635,414 A shares of the Company through stock account with credit transaction and guarantee and holds 43,580 A shares through ordinary stock account, hold 9,678,994 shares of the Company's stock totally; Liu Feng holds 3,294,452 A shares of the Company through stock account with credit transaction and guarantee and holds 9,000 A shares through ordinary stock account. hold 3,303,452 shares of the Company's stock totally.
---	--

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes No

No agreed re-purchasing is performed by the Company's shareholders in the report period.

(2) Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable Not applicable

III. Significant Events

I. Particular about large-margin change of main accounting statement item and financial index and its reason.

√ Applicable Not applicable

(I) Items of balance sheet as compared with the beginning of this year.

1. Monetary capital decreased by RMB 394 million and 40.31% over the beginning of the year mainly due to net cash inflow of RMB 779 million from operating activities, net cash outflow of RMB 49 million from investing activities and net cash outflow of RMB 1.123 billion from financing activities.

2. Accounts payable increased by RMB 19.60 million and 70.26% over the beginning of the year, mainly due to increase of toll income receivable from United Electronic Toll Center by Guangdong Fokai Expressway Co., Ltd.

3. Financial assets available for sale Increased by RMB 774 million and 114.53% over the beginning of the year, The main reasons for the increase were: (1) in accordance with requirements of the new accounting standards for enterprise in 2014, our company turned the 9% shares of Guangdong Guangle Expressway Co., Ltd. held by us from the accounting subject of "long-term equity investment" into the accounting subject of "salable financial assets" to calculate, increasing an amount of RMB 730 million. (2) increasing an investment of RMB 20.2067 million to the Guangdong Guangle Expressway Co., Ltd.; (3) by the end of this term, the stock fair value of China Everbright Bank Co., LTD. we held has increased RMB 26 million.

4. Deferred income tax assets decreased by RMB 45.13 million and 97.11% over the beginning of the year, Due to the reversal of deferred tax assets of Guangdong Fokai Expressway Co., Ltd. in current period.

5. The short-term borrowings balance was 200 million, the beginning balance is zero, which are the new short-term borrowings of Fokai Expressway Co., Ltd. and Guangfo Expressway Co., Ltd. in the current period.

6. Account payables decreased by RMB 168 million and 52.82% over the beginning of the year, The decrease due to the extension project of Xiebian-Sanbao Section of Fokai Expressway project has finished the checking and acceptance and has already been open to traffic. The project payment has been paid faster and the payable for projects currently decreased.

7. Interest payables increased by RMB 38.79 million and 108.09% over the beginning of the year, mainly because the parent company made provision of RMB 50.92 million for the interest of unmatured medium term notes for the first three quarters and repaid interest of RMB 6.4 million for the corporate bonds and insurance funds for which it made provision at the beginning of year.

8. Dividend payables decreased by RMB 26.68 million and 70.48% over the beginning of the year, Mainly due to Guangdong Fokai Expressway Co., Ltd. paid the dividends to minority shareholders.

9. Non-current liabilities to become due within one year decreased by RMB 450 million and 52.11% over the beginning of the year due to the parent company repaid long-term loan due within one year of RMB 800 million; Guangdong Fokai Expressway Co., Ltd. increased RMB352 million long-term loans that due within one year thus reclassified to this statement.

(II) Items of profit statement as compared with the same period of the previous year

1. Operating income increased by RMB 84.92 million and 8.64% year on year, The main reason is that Guangfo Expressway Co., Ltd and Fokai Expressway Co., Ltd have increased their incomes of toll due to the natural increase of traffic volume.

2. Operating cost decreased by RMB 94.15 million and 14.5% year on year, The decrease caused by the following reasons: (1) Xiebian-Sanbao Section of Fokai Expressway project had chang

es in accounting estimates led to the depreciation expense reduced;(2)Guangfo Expressway Co., Ltd. and Guangdong Fokai Expressway Co., Ltd. increased depreciation expense caused by traffic growth.

3.Business tax and surcharge increased by RMB2.84million and 7.85% year on year, mainly due the tax increased caused by the increase of operation income.

4.Administrative expense decreased by RMB 10.37 million and 8.64% year on year, The decrease due to operation cost decreased affected by company operation management improvement.

5.Asset impairment loss decreased by RMB6.65 million year on year, Due to Guangdong Expressway Technology Investment Co., Ltd. received entrusted loans RMB6 million from Beijing Gelinze Organic Fertilizer Co., Ltd. ; (2) company received debts of RMB 0.65 million from Kunlun Securities Co., Ltd..

6.Investment income increased by RMB 65.78million and 24.67% year on year, The main reason: (1) Investment income of China Everbright Bank increased by 26 million RMB.(2) Also duo to the natural increase of traffic volume of Guangdong Guanghui Expressway, and the open to traffic of Boshen Expressway which increased the total traffic volume, the income of Guanghui Expressway Co., Ltd has been increased prominently, while the investment income was increased by RMB 37 million.

7.Non-operating income increased by RMB 6.38million and 249.99% year on year, The main reasons were that Guangdong Fokai Expressway Co., Ltd. Jiujiang Bridge Branch received fund for land acquisition and demolition building and that there is an increasing both on received insurance indemnity and claim income of expressway property by Guangfo Expressway Co., Ltd.

8.Non-operating expenses increased by RMB1.69 million and 123.66% year on year, The main reason was the loss due to the increased repair expenses on expressway property by Guangfo Expressway Co., Ltd.

9.Income tax expenses increased by RMB 41.29million and 224.17% year on year, The reason is that the total profit increase leads to the increase of income tax expense.

10. The net profit for the owners of the parent company increased by RMB 204 million and 210.56% year on year due to the combined influence of the above factors.

(III) Notes of main items of cash flow statement

1.Taxes and levies paid

This item mainly calculates the income tax, business tax and surcharge actually paid in current period. Taxes and levies paid decreased by RMB 24.41 million and 31.97% year on year mainly because the income tax paid retroactively by Guangdong Fokai Expressway Co., Ltd. after final settlement in 2013 decreased year on year.

2.Other cash payment related to operating activities decreased by RMB 63.50 million and 62.30% year on year mainly due to the year-on-year increase of project performance bond and bid bond repaid in current period caused by the completion and start of use of the expansion project of Xiebian-Sanbao Section of Fokai Expressway at the end of the previous year. This item mainly calculates cash outflows of current accounts, the expenses of engaging intermediaries, office expenditure, rental charges and listing fee.

3. Other cash receivable related to operating activities increased by RMB 6.20 million year on year, The main reason was that Guangdong Expressway Technology Investment Co., Ltd. withdrew back RMB 6 million entrust loans from Beijing Gelinze Organic Fertilizer Co., Ltd.

4.Cash paid for purchase or construction of fixed assets, intangible assets and other long-term assets The amount of this item decreased by RMB 196 million and 52.68% year on year, It is mainly affected by following factors: (1) project funds paid for Fokai Expressway's expansion and overhaul reduced by RMB 165

million year on year; (2) management expense paid for Fokai Expressway's expansion reduced by RMB 18 million year on year; (3) project funds for final follow-up paid by Guangfo Expressway Co., Ltd. for Yayao to Xiebian section's expansion reduced by RMB 8.6 million compared with the same period of last year.

5. Cash paid for investment

The amount of this item increased by RMB 39.87 million and 255.50% year on year, The main reason was : (1) parent company increased investment of RMB 20.21 million to Guangdong Guangle Expressway Co., Ltd.; (2) parent company increased investment on reverse repurchase of national debt led to cash outflow.

6. Cash received from absorption of investment decreased by RMB23.46million year on year , There is no transaction this term. Since the extension project of Xiebian-Sanbao Section of Fokai Expressway has been accomplished the project checking and acceptance, and has already been open to traffic, as well as the accomplishment of major maintenance of Guangdong Fokai Expressway Co., Ltd has not received any investment funds from other shareholders within this period.

7. The cash received from obtaining loans decreased by RMB 1.601 billion and 88.41% year on year, Mainly due to the company's current borrowing reduced.

8. Cash paid for debt repayment decreased by RMB 622 million and 39.46% year on year, The cash paid in current period for repayment of debt was RMB 164 million. Guangdong Fokai Expressway Co., Ltd. repaid all the bank loans. The cash repaid for debt this period was RMB 966 million, mainly including RMB 800 million paid for corporate bonds, and RMB 166 million repaid for bank loans by Guangdong Fokai Expressway Co., Ltd.

II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

Applicable Not applicable

When implementing interests distribution, the company had some odd lots that have been registered to a specified account of China Securities Depository and Clearing Co., Ltd. Shenzhen Branch (hereinafter referred to as Depository Company). To properly resolve the odd lots left over historically, according to the provisions of CSRC, the he company signed an agreement that is Listed Company Entrusts China Securities Depository and Clearing Co., Ltd. Shenzhen Branch to Sale Odd Lots with the Depository Company in July 2014 to entrust the sale of the odd lots. The sales net income was RMB 12,507.50 in September, 2014.

Description of provisional announcement	Date of disclosing	Description of the website for disclosing provisional announcements
---	--------------------	---

III. The commitments of the Company and its shareholders holding over 5% of the Company's total shares in the report year of extending to the report year from previous year.

Applicable Not applicable

The Company and shareholders with more than 5% stakes in the Company made no guarantee in the report period or before report period but remaining effective in the report period.

IV. Prediction of Business performance for 2014.

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

V. Investment in Securities

Applicable Not applicable

There is no securities investment during the report period.

State of holding stocks of other PLCs

Applicable Not applicable

Name	Category	Initial investment cost(RMB)	Number of shares held at the beginning of the reporting period(shares)	Shareholding proportion at the beginning of the reporting period(%)	Number of shares held at the end of the reporting period (shares)	Shareholding proportion at the end of the reporting period(%)	Book balance at the end of the reporting period (RMB)	Gain. loss of the reporting period (RMB)	Accounting items	Sauce of the shares
China Everbright Bank	Commercial bank	528,000,000.00	240,000,000	0.59%	235,254,944	0.58%	651,656,194.88	40,463,850.37	Financial assets available for sale;	Subscribe on 2009
Total		528,000,000.00	240,000,000	--	235,254,944	--	651,656,194.88	40,463,850.37	--	--

In the report period ,the Company received cash dividends of RMB 40,463,850.37 from Everbright Bank. The investment income was RMB 40,463,850.37.

VI. Derivative investment

Applicable Not applicable

There is no derivative investment during the report period.

VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Applicable Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

VIII. The effect on consolidated financial statements following the execution of new accounting standards for enterprises

On October 29, 2014, the company held the 12th Provisional meeting of seventh board of directors, which passed the Proposal on Execution of 2014 New Accounting Standards for Enterprises and agreed that the company would begin to execute standards newly revised and issued by the Ministry of Finance from July 1, 2014.

1. The effect on consolidated financial statements following the execution of Accounting Standards for Enterprises No. 2 - Long-term Equity Investment.

In accordance with "Accounting Standards for Enterprises No. 2 - Long-term Equity Investment", to those equity investments over which our company didn't have control, joint control and significant influence, and whose fair value cannot be reliably measured, our company didn't list on the long-term equity investment subject, and turned it into salable financial assets subject for accounting, and adjusted it under Retrospective Application principle.

The detailed adjustment was as follows:

The unit to be invested	Basic trade information	Shareholders' equity attributes to the shareholders of the parent company on Jan. 1, 2013 (+/-)	December 31, 2013		
			Long-term Equity Investment (+/-)	Financial assets available for sale; (+/-)	Shareholders' Equity attributes to the shareholders of the parent company (+/-)
Guangdong Broadcast Television Network Investment No. 1 Limited Partnership	The company holds its 3.11% shares	0	-50,000,000.00	50,000,000.00	0
Huazheng Asset Management Co., Ltd.	The company holds its 0.54 shares	0	-226,800	226,800	0
Total	--	0	-50,226,800.00	50,226,800.00	0

The execution of accounting standards above only affected the "salable financial assets" subject and "long-term equity investment" subject on amounts, and didn't have effect on our company's total assets, total debt, net assets and net profits both in 2013 and this period.

2. The effect on consolidated financial statements following the execution of Accounting Standards for Enterprises No. 30 - Presentation of Financial Statement.

In accordance with the regulations of “Accounting Standards for Enterprises No. 30 - Presentation of Financial Statement”, compared with the old version before revise, new presentation of financial statement’s balance sheet had some changes: (1) “trading financial assets” and “trading financial liabilities” have been changed to “financial assets measured by fair value and reckoned in current profit and loss” and “financial liabilities measured by fair value and reckoned in current profit and loss”; (2) increasing “other comprehensive income” subject on owner's equity, in accordance with the accounting standards above, the company have adjusted it under Retrospective Application principle. The detailed adjustment was as follows:

Adjusted content	Projects affected in statement	Amount affected (Yuan
		December 31, 2013
Reclassified salable financial assets fair value changes into “other comprehensive income” subject from the original “capital reserve	Other comprehensive income	108,217,274.24
	Capital reserve	-108,217,274.24

The execution of accounting standards above only affected the “other comprehensive income” subject and “capital reserve” subject on amounts, and didn't have effect on our company's total assets, total debt, net assets and net profits both in 2013 and this period.

3. related effect following the execution of "Accounting Standards for Enterprises No. 9 - Wages and Salaries of Employees", "Accounting Standards for Enterprises No. 33 - Consolidated Financial Statements", "Accounting Standards for Enterprises No. 37 - Presentation of Financial Instruments ", "Accounting Standards for Enterprises No. 39 - Fair Value of Measurement", "Accounting Standards for Enterprises No. 40 - Joint Venture Arrangement", "Accounting Standards for Enterprises No. 41 - Disclosure of Interests in Other Entities".

The related businesses and events in financial statement both in 2013 and this period about “Wages and Salaries of Employees”, “Consolidated Financial Statements”, Presentation of Financial Instruments, “Fair Value of Measurement”, “Joint Venture Arrangement”, and “Disclosure of Interests in Other Entities” would not have significant effect on our company's accounting project amounts in financial statement both in 2013 and this period.

IV Financial statements

1. Financial statements

1. Consolidated Balance sheet

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

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Monetary fund	582,876,524.85	976,468,685.82
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Bill receivable		
Account receivable	47,500,213.97	27,898,415.37
Prepayments	2,416,813.36	2,921,945.75
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		12,444.44
Dividend receivable	16,290,318.11	16,648,284.74
Other account receivable	19,764,021.20	27,827,811.48
Repurchasing of financial assets		
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	40,101,928.00	5,001,000.00
Total of current assets	708,949,819.49	1,056,778,587.60
Non-current assets :		
Loans and payment on other's behalf disbursed		

Disposable financial asset	1,450,231,296.61	676,004,951.04
Expired investment in possess		
Long-term receivable		
Long term share equity investment	2,619,744,111.77	3,191,410,684.40
Property investment	4,264,451.23	4,612,611.28
Fixed assets	7,299,890,088.05	7,696,941,214.30
Construction in progress	1,549,556.00	8,332,139.39
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	4,060,258.96	5,326,522.51
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	5,446,061.33	8,596,068.39
Differed income tax asset	1,342,765.73	46,472,735.10
Other non-current asset		
Total of non-current assets	11,386,528,589.68	11,637,696,926.41
Total of assets	12,095,478,409.17	12,694,475,514.01
Current liabilities		
Short-term loans	200,000,000.00	
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Bill payable		
Account payable	149,928,067.90	317,797,859.76
Advance payment	5,061,837.86	4,405,334.64
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	3,096,366.16	2,378,720.62
Tax payable	13,531,013.50	11,713,374.15
Interest payable	74,679,901.96	35,887,681.26

Dividend payable	11,177,263.36	37,860,468.95
Other account payable	255,996,763.18	255,719,356.70
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	410,800,000.00	857,757,334.35
Other current liability		
Total of current liability	1,124,271,213.92	1,523,520,130.43
Non-current liabilities :		
Long-term loan	4,485,920,000.00	4,993,761,250.00
Bond payable	997,000,000.00	997,000,000.00
Long-term payable	2,022,210.11	2,022,210.11
Special payable		
Expected liabilities		
Differed income tax liability	125,153,688.49	125,427,487.64
Other non-current liabilities		
Differed income	5,610,095,898.60	6,118,210,947.75
Total of liability	6,734,367,112.52	7,641,731,078.18
Owners' equity		
Share capital	1,257,117,748.00	1,257,117,748.00
Capital reserves	1,534,771,223.07	1,534,758,715.57
Less : Shares in stock		
Special reserves		
Other Comprehensive income	134,095,318.08	108,217,274.24
Surplus reserves	233,750,778.75	233,750,778.75
Common risk provision		
Undistributed profit	1,342,307,126.21	1,104,154,555.90
Different of foreign currency translation		
Total of owner's equity belong to the parent company	4,502,042,194.11	4,237,999,072.46
Minority shareholders' equity	859,069,102.54	814,745,363.37
Total of owners' equity	5,361,111,296.65	5,052,744,435.83

Total of liabilities and owners' equity	12,095,478,409.17	12,694,475,514.01
---	-------------------	-------------------

2. Balance sheet of the Parent Company

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

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Monetary fund	323,909,929.95	782,174,175.59
Financial assets measured at fair value with variations accounted into current income account		
Bill receivable		
Account receivable		
Prepayments	2,628,580.00	1,378,580.00
Interest receivable	353,638.90	1,294,211.12
Dividend receivable	16,290,318.11	90,422,700.78
Other account receivable	2,767,896.54	2,896,626.91
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	220,101,928.00	680,001,000.00
Total of current assets	566,052,291.50	1,558,167,294.40
Non-current assets :		
Disposable financial asset	1,450,231,296.61	676,004,951.04
Expired investment in possess		
Long-term receivable		
Long term share equity investment	5,022,005,360.12	5,592,037,837.88
Property investment	4,012,312.98	4,360,473.03
Fixed assets	5,966,776.16	7,732,964.17
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		

Gas & petrol		
Intangible assets	848,333.36	915,666.67
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	5,380,495.06	5,956,652.35
Differed income tax asset		
Other non-current asset	30,000,000.00	30,000,000.00
Total of non-current assets	6,518,444,574.29	6,317,008,545.14
Total of assets	7,084,496,865.79	7,875,175,839.54
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Bill payable		
Account payable		
Advance payment		
Employees' wage payable	405,591.93	546,839.09
Tax payable	902,675.42	2,335,313.62
Interest payable	68,554,444.33	29,235,694.35
Dividend payable	11,177,263.36	11,013,452.27
Other account payable	3,741,568.95	6,652,222.81
Liabilities held for sales		
Non-current liability due in 1 year		798,713,584.35
Other current liability	151,917,007.78	308,172,232.80
Total of current liability	236,698,551.77	1,156,669,339.29
Non-current liabilities :		
Long-term loan	1,500,000,000.00	1,500,000,000.00
Bond payable	997,000,000.00	997,000,000.00
Long-term payable	2,022,210.11	2,022,210.11
Special payable		
Expected liabilities		
Differed income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	2,499,022,210.11	2,499,022,210.11

Total of liability	2,735,720,761.88	3,655,691,549.40
Owners' equity		
Share capital	1,257,117,748.00	1,257,117,748.00
Capital reserves	1,534,919,363.82	1,534,906,856.32
Less : Shares in stock		
Special reserves		
Other comprehensive income	134,095,318.08	108,217,274.24
Surplus reserves	233,750,778.75	233,750,778.75
Commonly risk Reserves		
Undistributed profit	1,188,892,895.26	1,085,491,632.83
Different of foreign currency translation		
Total of owners' equity	4,348,776,103.91	4,219,484,290.14
Total of liabilities and owners' equity	7,084,496,865.79	7,875,175,839.54

3.Consolidated Profit statement of the report period

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

In RMB

Item	Report period	Same period of the previous year
I. Income from the key business	379,295,699.87	353,108,286.14
Incl : Business income	379,295,699.87	353,108,286.14
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	326,495,624.47	404,491,331.64
Incl : Business cost	185,416,659.01	245,743,464.82
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	13,795,642.79	13,274,403.49

Sales expense		
Administrative expense	33,128,649.76	38,664,987.70
Financial expenses	98,806,684.91	106,808,475.63
Asset impairment loss	-4,652,012.00	
Add : Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	110,733,180.57	95,608,846.19
Incl: investment gains from affiliates	108,609,680.44	92,079,584.54
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss	163,533,255.97	44,225,800.69
Add : Non-business income	7,534,596.02	957,993.95
Less : Non business expenses	652,997.37	1,001,962.79
Incl : Loss from disposal of non-current assets	322,282.93	256,560.45
IV.Total profit(“-”for loss)	170,414,854.62	44,181,831.85
Less : Income tax expenses	28,021,638.83	2,826,351.66
V. Net profit (“-”for net loss	142,393,215.79	41,355,480.19
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	122,815,513.69	39,313,953.56
Minority shareholders’ equity	19,577,702.10	2,041,526.63
VI. Earnings per share :	--	--
(I) Basic earnings per share	0.10	0.03
(II)Diluted earnings per share	0.10	0.03
VII. Other comprehensive income	54,108,637.12	-12,684,286.40
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied	54,108,637.12	-12,684,286.40
VIII. Total comprehensive income	196,501,852.91	28,671,193.79
Total comprehensive income	176,924,150.81	26,629,667.16

attributable to the owner of the parent company		
Total comprehensive income attributable minority shareholders	19,577,702.10	2,041,526.63

4. Profit statement of the Parent Company of the Report period

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

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	9,686,612.19	11,595,801.39
Incl : Business cost	116,053.35	116,053.35
Business tax and surcharge	673,958.94	848,936.98
Sales expense		
Administrative expense	15,037,661.98	20,782,113.53
Financial expenses	44,516,135.24	50,780,835.26
Asset impairment loss	-445,529.50	
Add : Gains from change of fir value ("-"for loss)		
Investment gain ("-"for loss)	111,567,427.59	95,608,846.19
Incl: investment gains from affiliates	109,443,927.46	92,079,584.54
II. Operational profit ("-"for loss	61,355,759.77	34,676,708.46
Add : Non-business income		
Less : Non business expenses		2,034.06
Incl : Loss from disposal of non-current assets		
III.Total profit("-"for loss)	61,355,759.77	34,674,674.40
Less : Income tax expenses		
IV. Net profit ("-"for net loss)	61,355,759.77	34,674,674.40
V. Earnings per share :	--	--
(I) Basic earnings per share	0.05	0.03
(II)Diluted earnings per share	0.05	0.03
VI. Other comprehensive income	54,108,637.12	-12,684,286.40
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent		

accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied	54,108,637.12	-12,684,286.40
VII. Total comprehensive income	115,464,396.89	21,990,388.00

5. Consolidated Profit statement between the beginning of the year and end of the report period

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

In RMB

Items	Report period	Same period of the previous year
I. Total operating income	1,068,012,591.73	983,083,874.32
Including: Operating income	1,068,012,591.73	983,083,874.32
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,001,280,543.70	1,127,145,870.64
Including: Operating cost	555,031,258.74	649,179,025.46
Interest expense		
Commission chare and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	39,079,446.60	36,235,040.26
Sales expenses		
Administration expenses	109,605,183.61	119,971,267.17
Financial expenses	304,216,666.75	321,760,537.75
Losses of devaluation of assets	-6,652,012.00	
Add : Changing income of fair value		

Investment income	332,424,328.11	266,645,729.15
Including: Investment income on affiliate company and joint venture	287,765,347.21	249,196,467.50
Exchange income		
III. Operating profit	399,156,376.14	122,583,732.83
Add : Non-operating income	8,939,035.01	2,554,061.39
Less: Non-operating expense	3,048,788.58	1,363,107.00
Including :Disposal loss of non-current assets	897,231.34	493,846.92
IV. Total profit	405,046,622.57	123,774,687.22
Less: Income tax	59,714,425.69	18,420,682.26
V. Net profit (“-”for net loss	345,332,196.88	105,354,004.96
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	301,008,457.71	96,925,851.09
Minority shareholders’ equity	44,323,739.17	8,428,153.87
VI. Earnings per share :	--	--
(I) Basic earnings per share	0.24	0.08
(II)Diluted earnings per share	0.24	0.08
VII. Other comprehensive income	25,878,043.84	-51,084,286.40
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied	25,878,043.84	-51,084,286.40
VIII. Total comprehensive income	371,210,240.72	54,269,718.56
Total comprehensive income attributable to the owner of the parent company	326,886,501.55	45,841,564.69
Total comprehensive income attributable minority shareholders	44,323,739.17	8,428,153.87

6.Profit Statement of the Parent Between the Beginning of the Year and End of the Report Period

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

In RMB

Items	Report period	Same period of the previous year
I. Business income	32,593,937.68	21,716,152.52
Less: Business cost	348,160.05	348,160.05
Business tax and surcharge	1,987,092.45	1,423,740.58
Sales expense		
Administrative expense	53,733,131.36	66,291,624.42
Financial expenses	144,458,131.07	144,825,129.76
Asset impairment loss	-445,529.50	
Add : Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	334,058,422.98	266,645,729.15
Incl: investment gains from affiliates	289,399,442.08	249,196,467.50
II. Operational profit	166,571,375.23	75,473,226.86
Add : Non-business income	37,574.60	
Less : Non business expenses	351,800.00	208,764.44
Incl : Loss from disposal of non-current assets	351,800.00	206,432.52
III.Total profit	166,257,149.83	75,264,462.42
Less: Income tax expenses		
IV. Net profit	166,257,149.83	75,264,462.42
V. Earnings per share	--	--
(I) Basic earnings per share	0.13	0.06
(II)Diluted earnings per share	0.13	0.06
VI. Other comprehensive income	25,878,043.84	-51,084,286.40
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied	25,878,043.84	-51,084,286.40

VII. Total comprehensive income	192,135,193.67	24,180,176.02
---------------------------------	----------------	---------------

7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

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

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	1,044,010,246.63	940,248,482.10
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	46,813,759.63	36,788,855.13
Sub-total of cash inflow	1,090,824,006.26	977,037,337.23
Cash paid for purchasing of merchandise and services	70,898,491.83	90,396,673.81
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		
Cash paid to staffs or paid for staffs	150,265,845.05	147,425,834.16
Taxes paid	51,948,805.43	76,361,635.98
Other cash paid for business activities	38,427,033.30	101,931,441.70
Sub-total of cash outflow from business activities	311,540,175.61	416,115,585.65
Cash flow generated by business operation, net	779,283,830.65	560,921,751.58
II.Cash flow generated by investing		
Cash received from investment retrieving		10,439,123.20
Cash received as investment gains	176,468,124.64	159,261,804.31
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	71,580.00	120,631.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	6,206,482.50	
Sub-total of cash inflow due to investment activities	182,746,187.14	169,821,558.51
Cash paid for construction of fixed assets, intangible assets and other long-term assets	176,392,346.03	372,735,781.02
Cash paid as investment	55,468,487.00	15,603,078.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	231,860,833.03	388,338,859.02
Net cash flow generated by investment	-49,114,645.89	-218,517,300.51
III.Cash flow generated by financing		
Cash received as investment		23,462,100.00

Incl: Cash received as investment from minor shareholders		
Cash received as loans	210,000,000.00	1,811,300,000.00
Cash received from bond placing		
Other financing –related ash received	12,507.50	
Sub-total of cash inflow from financing activities	210,012,507.50	1,834,762,100.00
Cash to repay debts	966,085,000.00	1,587,930,000.00
Cash paid as dividend, profit, or interests	364,411,187.68	346,857,038.20
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	3,000,000.00	3,000,000.00
Sub-total of cash outflow due to financing activities	1,333,496,187.68	1,937,787,038.20
Net cash flow generated by financing	-1,123,483,680.18	-103,024,938.20
IV. Influence of exchange rate alternation on cash and cash equivalents	-277,665.55	236,514.22
V.Net increase of cash and cash equivalents	-393,592,160.97	239,616,027.09
Add: balance of cash and cash equivalents at the beginning of term	976,468,685.82	798,485,320.49
VI ..Balance of cash and cash equivalents at the end of term	582,876,524.85	1,038,101,347.58

8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

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

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	4,683,552.03	3,941,760.47
Tax returned		
Other cash received from business operation	17,356,133.66	147,152,851.64

Sub-total of cash inflow	22,039,685.69	151,094,612.11
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	33,221,950.20	36,404,755.08
Taxes paid	2,594,082.67	1,150,303.40
Other cash paid for business activities	180,025,387.81	33,708,129.85
Sub-total of cash outflow from business activities	215,841,420.68	71,263,188.33
Cash flow generated by business operation, net	-193,801,734.99	79,831,423.78
II.Cash flow generated by investing		
Cash received from investment retrieving		10,439,123.20
Cash received as investment gains	250,242,540.68	159,261,804.31
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,500.00	13,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	1,028,695,643.07	16,480,288.90
Sub-total of cash inflow due to investment activities	1,278,942,683.75	186,194,216.41
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,403,580.63	3,720,425.06
Cash paid as investment	55,468,487.00	116,781,078.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	505,000,000.00	680,000,000.00
Sub-total of cash outflow due to investment activities	561,872,067.63	800,501,503.06
Net cash flow generated by investment	717,070,616.12	-614,307,286.65
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		

Cash received from bond placing		750,000,000.00
Other financing –related ash received	12,507.50	
Sub-total of cash inflow from financing activities	12,507.50	750,000,000.00
Cash to repay debts	800,000,000.00	
Cash paid as dividend, profit, or interests	178,267,968.72	165,353,973.38
Other cash paid for financing activities	3,000,000.00	3,000,000.00
Sub-total of cash outflow due to financing activities	981,267,968.72	168,353,973.38
Net cash flow generated by financing	-981,255,461.22	581,646,026.62
IV. Influence of exchange rate alternation on cash and cash equivalents	-277,665.55	236,514.22
V.Net increase of cash and cash equivalents	-458,264,245.64	47,406,677.97
Add: balance of cash and cash equivalents at the beginning of term	782,174,175.59	625,270,216.39
VI ..Balance of cash and cash equivalents at the end of term	323,909,929.95	672,676,894.36

II. Auditor’s report

Whether the Q3 report is audited

Yes No

The Q3 Report is not audited.