

# Guangdong Provincial Expressway Development Co., Ltd.

## The Third Quarterly Report 2016

**October 2016**

## 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. Zheng Renfa, Person in charge of the Company, Mr.Wang Chunhua ,General Manager, Mr. Fang Zhi, Chief of the accounting work, Ms.Zhou Fang, 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

### I. 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

	As at the end of the reporting period	As at the end of last year		Changes of this period over same period of last year ( % )
		Before adjustment	After adjustment	After adjustment
Gross assets ( RMB )	16,342,858,120.71	12,110,281,652.65	15,126,912,516.70	8.04%
Net assets attributable to the shareholders of the listed company ( RMB )	8,056,958,981.93	5,048,500,361.61	5,855,404,300.43	37.60%
	Reporting period	Increase/decrease over the same period of last year ( % )	Between beginning of the year to the end of the report period	Changed ( % ) over end of prev. year
Operating income ( RMB )	741,459,581.99	3.82%	2,074,951,761.76	5.63%
Net profit attributable to the shareholders of the listed company ( RMB )	291,476,074.93	26.15%	797,375,219.22	39.91%
Net profit after deducting of	290,837,468.16	31.89%	647,719,183.00	44.40%

non-recurring gain/loss attributable to the shareholders of listed company (RMB)				
Cash flow generated by business operation, net (RMB)	--	--	1,476,195,616.68	10.88%
Basic earning per share(RMB/Share)	0.14	7.69%	0.43	30.30%
Diluted gains per share(RMB/Share)(RMB/Share)	0.14	7.69%	0.43	30.30%
Weighted average income/asset ratio (%)	3.53%	-0.74%	11.92%	1.62%

Note 1. On the table over the same period last year (before adjusting) performance for the company implementation of a major reorganization of assets before the third Quarterly report 2016 semi annual report to disclose data; over the same period last year (adjusted) data of the Department of the company a major reorganization of assets, according to enterprises under the same control combined with related standards on the same period last year financial data retrospective restatement data.

Note 2. The company during the reporting period, the implementation of the issuance of shares to buy assets of matters, over the same period last year (before adjusting) basic earnings per share to total share capital 1,257,117,748 shares is estimated; over the same period last year (adjusted) basic earnings per share to the company non public offering of shares weighted average equity 1,723,442,768 estimates; newspaper report that the basic earnings per share of the company non - public offering of shares weighted average equity 1,849,603,361 estimates.

The causes of changes in accounting policies and the information about accounting error correction

Due to the implementation of major asset restructuring in the reporting period, the financial data of the same period of last year was retraced and restated with in accordance with the relevant standards of corporate merge under common control.

In RMB

Items	Amount (Year-beginning 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 made)	-25,439.50	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	61,444,645.87	
Current net gains and losses occurred from period-begin to combination day by subsidiaries resulting from	102,025,476.76	

business combination under common control		
Other non-business income and expenditures other than the above	2,530,662.38	
Less: Amount of influence of income tax	15,987,467.19	
Influence on minority shareholders' equity (after tax)	331,842.10	
Total	149,656,036.22	--

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 Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period**

1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	69,125	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 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	24.55%	513,356,893	409,977,151		
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	202,429,000
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	1.06%	22,139,197			
Haerbin Hali Industry Co., Ltd	Domestic non State-owned Legal person	0.71%	14,850,682			
Xinyue Co., Ltd.	Overseas legal person	0.63%	13,201,086			
GUOTAI JUNAN SECURITIES(HONGKON	Overseas legal person	0.61%	12,815,182			

G) LIMITED						
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held	Share type				
		Share type	Quantity			
Guangdong Communication Group Co., Ltd.	103,379,742	RMB Common shares	103,379,742			
Feng Wuchu	22,139,197	RMB Common shares	20,207,609			
		Foreign shares placed in domestic exchange	1,931,588			
Haerbin Hali Industry Co., Ltd	14,850,682	RMB Common shares	14,850,682			
Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	12,815,182	Foreign shares placed in domestic exchange	12,815,182			
Bank of Communications—Hybrid securities investment fund in Huaan strategy optimizatio	12,636,870	RMB Common shares	12,636,870			
PERSHING LLC	12,363,377	Foreign shares placed in domestic exchange	12,363,377			
MATTHEWS CHINA DIVIDEND FUND	7,026,181	Foreign shares placed in domestic exchange	7,026,181			
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	6,541,331	Foreign shares placed in domestic exchange	6,541,331			
Li Zhuo	6,417,090	RMB Common shares	6,417,090			

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.
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Harbin Hali Industry Co., Ltd. holds 14,849,774 A shares of the Company through stock account with credit transaction and guarantee and holds 908 A shares through ordinary stock account. hold 14,850,682 shares of the Company's stock totally; Li Zhuo holds 6,321,109 A shares of the Company through stock account with credit transaction and guarantee and holds 95,981 A shares through ordinary stock account, hold 6,417,90 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 Increased by RMB 1892.72 million and 157.78% over the beginning of the year, mainly due to net cash inflow of RMB 1476.20 million from operating activities, net cash inflow of RMB 1531.72 million from investing activities and net cash outflow of RMB 1948.77 billion from financing activities.

2.Inventory increased by RMB 0.38 million and 47.98% over the beginning of the year, Mainly due to the increase in the inventory materials for the electromechanical project of Guangdong Provincial Expressway Technology Investment Co., Ltd.

3.Construction in process increased by RMB 8.98 million and 38.02% over the beginning of the year, Mainly due to the up-front fees of the expansion project of southern section of Fokai Expressway occurred in the current period.

4. Deferred income tax assets Increased by RMB 7.64 million and 1702.93% over the beginning of the year, The main reason for the increase is: Due to the difference between the accounting method and the method of the tax law in calculating the road assets depreciation of Guangfo Expressway Company, the deferred income tax is recognized.

5. Interest payable Increased by RMB 90.94 million and 392.96% over the beginning of the year, The main reason for the increase is: The parent company made a provision of RMB 50.92 million for the payable interests of medium-term notes in the first three quarters, Jingzhu Expressway Guangzhu Section Co., Ltd made a provision of RMB 37.37 million for the January-to-June payable interests of entrusted loans of its original shareholder-Guangdong Provincial Highway Construction Co. Ltd

6. Long-term Payable decreased by RMB 967.90 million and 99.79% over the beginning of the year, The reason is that the parent company purchased the creditor's rights of Jingzhu Expressway Guangzhu Section Co., Ltd in June 2016, thus to be offset in the consolidated statements.

7. Paid-up capital Increased by RMB 833.69 million and 66.32% over the beginning of the year, The reason is due to the share issuance during the current reporting period.

8. Capital reserve Increased by RMB 864.92 million and 52.63% over the beginning of the year.

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

1. Operating income increased by RMB 110.61 million and 5.63% year on year, The main reason is that Guangfo Expressway Co., Ltd, Fokai Expressway Co., Ltd. And Jingzhu Expressway Guangzhu Section Co., Ltd. have increased their incomes of toll due to the natural increase of traffic volume.

2. Operating cost increased by RMB 23.60 million and 2.81% year on year, Mainly caused by that Guangfo Expressway Co., Ltd. Guangdong Fokai Expressway Co., Ltd and Jingzhu Expressway Guangzhu Section Co., Ltd. were influenced by the increase of traffic flow, which resulted in an increase in depreciation funds.

3. Business tax and surcharge decreased by RMB 33.53 million and 48.94% year on year, The main reason for the decrease is: As the full implementation on replacing the BT with VAT from May 1, 2016, the company pays VAT instead of business tax for the company's toll revenue and its relevant revenue, but VAT is not calculated in this accounting item.

4. Administrative expense decreased by RMB 5.90 million and 4.72% year on year, Mainly for that the Company increased revenue and reduced expenditure, which resulted in a decrease in administrative expense.

5. Financial expenses decreased by RMB 103.23 million and 27.46% year on year, Mainly due to the combined impact of the lower interest rate and the repayment of the interest-bearing debt led to a decrease in the total debt amount

6. Investment income increased by RMB 20.14 million and 6.37% year on year, The main reason for the increase is: (1) As the traffic flow naturally grows, the toll revenue of Guangdong Guanghui Expressway Co. Ltd, Zhaoqing Yuezhao Highway Co. Ltd and Ganzhou Kangda Expressway Co. Ltd increased, thus leading to the increase in the profits, so the investment income has a year-on-year increase of RMB 44.80 million; (2) As Shenzhen Huiyan Expressway Co. Ltd transferred Yantianao tunnel in the same period of last year, which led to an increase in the net profits of the same period last year, but there is no such factor in the current reporting period, so the investment income decreased RMB 22.08 million.

7. Non-operating income increased by RMB 39.12 million and 147.74% year on year, The main reason of increase is: Guangdong Provincial Fokai Expressway Co., Ltd received the second compensation of RMB 60.77 million in the current period due to the early termination of toll charge of Jiujiang Bridge of National Highway 325, and last year received RMB 20 million.

8. Income tax expenses increased by RMB 58.27 million and 31.12% year on year, Mainly due to the increase in total profits of Guangfo Expressway Co., Ltd, Guangdong Provincial Fokai Expressway Co., Ltd and Jingzhu Section Expressway Co., Ltd.

9. The net profit for the owners of the parent company increased by RMB 227.48 million and 39.91% year on year due to the combined influence of the above factors.

(III) Notes of main items of cash flow statement



1. Cash received from returns on investment decreased by RMB 40.55 million year on year while no increase occurred last period.
- 2 Cash paid for investment increased by RMB 803.50 million year on year, included the cash payment for purchasing the 25% stake of Guangdong Provincial Fokai Expressway Co., Ltd held by Guangdong Provincial Expressway Co., Ltd.
3. Payment of other cash related to investment activities increased by RMB 987.90 million year on year, paying cash to purchase the creditor's rights of Jingzhu Expressway Guangzhu Section Co., Ltd possessed by Guangdong Provincial Highway Construction Co., Ltd.
4. Cash received from investment increased by RMB 1633.50 million year on year, All because the company's major asset restructuring, The cash of the raised matching funds after deducting issuance cost
5. The cash received from obtaining loans increased by RMB 960.10 million and 92.50% year on year, Mainly due to the company's current borrowing increase.
- 6 Other financing –related Cash received increased by RMB 51.73 million and 100% year on year, The dividend income of fractional shares

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

√Applicable ☐Not applicable

(1) The related transaction and the issuance of shares and paying cash to purchase the assets and raise matching funds

The 18th Meeting of the Seventh Board of Directors (provisional) meeting, 20th (provisional) meeting, the 23rd (provisional) meeting and 25th (provisional) meetings and on 2015 the second provisional General Meeting by the issue of shares and cash to buy assets and raise matching funds connected transaction matters. The transaction is divided into issue of shares and payment of cash to buy assets and raise matching funds of two parts.

(1) Issue of Share and Cash to Buy Asset

The Company planned to purchase the 25% stock rights of Fokai Co., Ltd. which is held by Guangdong Provincial Expressway Co., Ltd. (hereinafter referred to as —Provincial Expressway II) with issue of A shares and cash to buy; The Company planned to purchase the 100% stock rights of Guangzhu Co., Ltd. which is held by Guangdong Provincial Highway Construction Co., Ltd. (hereinafter referred to as —Construction Company II) with issue of A shares and cash to buy, and planned to purchase the creditor's rights of Guangzhu East Co., Ltd. from the Construction Company with cash to buy.

(2) Raise of Matching Funds

On Asian Union Investment Co., Ltd., Tibet Yingyue Investment and Management Co., Ltd., and GF Securities Co., Ltd. to raise matching funds which is to used for the payment of this transaction's partial cash consideration and transaction tax as well as supplementing the cash flow of listed company, of which the raised matching funds' amount shall not be over 1650 million RMB and 100% transaction price of the asset planned to buy

On January 14, 2016, the Company received the notice from CSRC. After being examined by the 4th working conference in 2016 of Merger and Reorganization Committee held by Merger and Reorganization Audit Committee for Listed Companies of CRSC on January 14, 2016, the Company's issue of shares and cash to buy assets and raise matching funds and related transactions was adopted conditionally.

The company received the China Securities Regulatory Commission, "the approval of Guangdong Provincial Expressway Development Co., Ltd. issued shares to Guangdong Expressway Co., Ltd. to buy assets and raise matching funds of approval" on February 5, 2016 (Commission license [2016] No. 230).

On June 17, 2016, the Company completed the transfer procedures of the underlying assets purchased by the

Company in this major asset reorganization.

On July 8, 2016, the Company completed the issuance of new shares and the going public work in this major asset reorganization. On June 17, 2016, the Company completed the transfer procedures of the underlying assets

(II) The progress about the expansion project of southern section of Fokai Expressway

The National Development and Reform Commission recently disclosed its Approval to Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project (No.1874-2016-NDRC Infrastructure Document) on its website, agreed with the implementation of the Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project., the company received the Approval to Guangdong Provincial Sanbao-Shuikou Expressway Section Rebuilding and Expansion Project by The National Development and Reform Commission (No.1874-2016-NDRC Infrastructure Document) forwarded by Guangdong Provincial Development and Reform Commission.

According to the article, It's estimated that the total investment of this project is about RMB 3.513 billion (The static investment is about RMB 3.289 billion), of which the project capital is RMB 1.23 billion 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 RMB 2.283 billion will be solved by using bank loans.

(III) The item of the investment to subscribe the non-publicly issued A-shares by Guoyuan Securities Co.,Ltd

The Proposal on the Company's Subscription of the Non-publicly Issued A-shares by Guoyuan Securities Co.,Ltd was examined and approved in the Company's thirty-first meeting (Provisional) of the seventh board of directors and the company's 2016 third provisional shareholders' general meeting, agreed that the company shall not invest more than RMB 0.8 billion for the subscription of the non-publicly issued A-shares by Guoyuan Securities Co.,Ltd.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
(I) The related transaction and the issuance of shares and paying cash to purchase the assets and raise matching funds	January 15,2016	www.cninfo.com.cn. Announcement on the Company's Significant Asset Reorganization Adopted by Mergers and Acquisitions Committee of CSRC and Trade Resumption
	February 6,2016	www.cninfo.com.cn Announcement on the acquirement of CSRC's approval for the company's major asset restructuring
	February 16,2016	www.cninfo.com.cn. The report of the related transaction and the issuance of shares and paying cash to purchase the assets and raise matching funds(Revised)
	March 29,2016	www.cninfo.com.cn . Related transaction announcement
	June 17,2016	www.cninfo.com.cn .

		Announcement regarding a major asset restructuring transfer completed
	July 7,2016	www.cninfo.com.cn. Issue of shares and cash to buy assets and raise matching funds of non-public issuance Report and the listing announcement of the Related Transaction
( II ) The progress about the expansion project of southern section of Fokai Expressway	October 12,2016	www.cninfo.com.cn Announcement of major events follow-up progress
( III ) The item of the investment to subscribe the non-publicly issued A-shares by Guoyuan Securities Co.,Ltd	July 8,2016	www.cninfo.com.cn .Announcement of Resolutions of the 31th Meeting of the Seventh Board of directors
	July 8,2016	www.cninfo.com.cn. Announcement of External Investment
	August 5,2016	www.cninfo.com.cn .Announcement of Resolutions of the Third provisional shareholders' general meeting in 2016

**III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period**

√Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
Commitments made upon the assets replacement	Guangdong Highway Construction Co., Ltd.		Guangdong Expressway A shares acquired by the Company through subscription in this major asset reorganization cannot be transferred or listed for transaction within thirty-six months from the date of the completion of the shares issuance in this major asset reorganization. Upon the expiry of the lock-up period, the transfer and transaction of these shares will be made in accordance with the effective laws and regulations, and relevant provisions of CSRS and Shenzhen Stock Exchange (SSE). Upon the completion of this major asset reorganization, if the closing price of the A-share of Guangdong Expressway is below the issue price for 20 consecutive trading days within six months, or at the end of six months after the completion of the transaction the closing price is below the issue price, the lock-up period of the A-share of Guangdong Expressway acquired by the Company through this major asset reorganization will be automatically extended for six months.	June 26,2015	The date of the expiration of the share lock.	Fulfill the commitment normally
	Yadong Fuxing Yalian Investment Co., Ltd.		Guangdong Expressway A shares acquired by the Company through subscription in this major asset reorganization cannot be transferred or listed for transaction within thirty-six months from the date of the completion of the shares issuance in this major asset reorganization. Upon the expiry of the lock-up period, the transfer and transaction of	June 18,2015	The date of the expiration of the share lock.	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			these shares will be made in accordance with the effective laws and regulations, and relevant provisions of CSRS and SSE. The company guarantees that the company and the controlling shareholder or actual controller of the company in a timely manner to provide the major asset restructuring related information, and to ensure that the information provided is true, accurate and complete. If the information provided by the existence of false records, misleading statements or material omissions, the Guangdong Expressway or investors caused losses, will be liable for compensation in accordance with law.			
	Guangdong Highway Construction Co., Ltd.		Upon the mutual agreement by the Company and the Guangdong Provincial Highway Construction Co., Ltd., the predicted annual net profit of the Guangzhou Guangzhu Transportation Investment Management Co., Ltd. is RMB 230.3606 million in 2016, RMB 263.2329 million in 2017, and RMB 286.5018 million in 2018. Within the term of compensation, if the cumulated net profit of Guangzhou Guangzhu Transportation Investment Management Co., Ltd. by the end of a year is lower than the accumulated predicted net profit of that year, the Company will buy back the compensated shares at the price of RMB 1 from the Guangzhou Guangzhu Transportation Investment Management Co., Ltd. that should be calculated in accordance with the agreement, and deregister such shares.	August 26, 2015	The period of compensation and the date of completion of the agreement.	Fulfill the commitment normally
	Guangdong Communication Group Co., Ltd., Guangdong Highway Construction Co., Ltd.		The commitment to avoid horizontal competition: 1. the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, will not use the controlling shareholders to damage the legitimate interests of the business activities of Guangdong Expressway and its medium and small shareholders and its subsidiaries. 2. The Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, will not use the information acquired from Guangdong Expressway and its subsidiaries to engage in core business which competes with Guangdong Expressway and its subsidiaries and will not conduct any activity that damages or may damage the	June 26, 2015	This commitment is valid from the date of signing this letter of commitment to the date on which the	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>legitimate interests of Guangdong Expressway and its medium and small shareholders and its subsidiaries. 3. As for the transfer of toll roads, bridges, tunnels and related ancillary facilities or equity invested, constructed or managed by the Company or companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries to the Company or any company that is under direct or indirect control of the company, unless it is a transferee expressly designated by the relevant government departments, to the extent permitted by relevant laws and regulations, Guangdong Expressway has the right of preemption under the same conditions. 4. In the future, if the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, invest and construct a parallel highway or a highway in the same direction on either side of the Highway within 20 km, to the extent permitted by relevant laws and regulations, except in the project whose investors have been expressly specified by the relevant government departments, Guangdong Expressway has the priority right to invest ahead of the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries,. This commitment, when signed, constitutes the irrevocable legal obligations of the Company. If the circumstances arise that cause damage to Guangdong Expressway because of the Company's breach of the commitment, the Company will bear the corresponding liability according to laws.</p> <p>The commitment to reduce and regulate the connected transactions: 1. After the completion of this major asset reorganization, the Company and the companies that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, and other related parties will try to avoid the connected transaction with Guangdong Expressway and its subsidiaries; the necessary and unavoidable connected transactions shall be conducted in accordance with the principles of fairness and compensation of equal value, the transaction prices shall be determined according to the reasonable market price, the transaction approval procedures</p>		<p>shares of Company is no longer controlled by the controlling shareholder of the Guangdong Expressway.</p>	

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			and the disclosure obligations should be conducted in accordance with relevant laws, regulations and regulatory documents, to effectively protect the interests of medium and small shareholders of Guangdong Expressway . 2. The Company guarantees to be in strict accordance with relevant laws and regulations, the regulations and regulatory documents promulgated by CSRC, the business rules promulgated by Shenzhen Stock Exchange (SSE) and the rules of the system such as the <i>Articles of Association of Guangdong Provincial Expressway Development Co., Ltd.</i> , exercise the shareholder rights and fulfill the obligations of shareholders according to laws, without using controlling shareholders' holding position to seek improper interests, without damage to the legitimate rights and interests of Guangdong Expressway and its medium and small shareholders. Once in violation of the above-stated commitment, the company conducts a transaction with Guangdong Expressway and its subsidiaries, causing damages to them, it shall bear the liability for compensation according to laws.			
	Guangdong Provincial Expressway Development Co., Ltd.		(1) The commitment to the authenticity, accuracy and completeness of the information disclosure and application documents: The Company guarantees that there is no false, misleading statement or major omission in the information disclosure and application documents for the major asset reorganization, and it bears the legal liability for the authenticity, accuracy and completeness of the above-mentioned information disclosure and application documents. (2) The commitment of Guangdong Expressway to not violate Article 39 of the <i>Administrative Measures for the Issuance of Securities by Listed Companies</i> . The Company confirms and warrants that there is no violation of the following matters regulated by the Article 39 of the <i>Administrative Measures for the Issuance of Securities by Listed Companies</i> : 1. The issuance application documents have false, misleading statements or major omissions; 2. The interests of the Company are seriously damaged by the controlling shareholders or the actual controller, and such damages have not been eliminated; 3. The Company and its subsidiaries illegally provide	June 26, 2015	No commitment period.	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			external guarantees and such guarantees have not been eliminated; 4. The Board of Directors or senior management have recently been subject to administrative penalty by CSRC within thirty-six months, or within 12 months have been publicly condemned by the Stock Exchange; 5. The current Board of Directors and senior management of the Company are suspected of a crime and investigated by the judiciary authorities or suspected of breaking the laws or the regulations and investigated by CSRC; 6. In the financial report of the most recent year or period, the CPA issues an audit report with qualified opinion, adverse opinion or disclaimer of opinion, except that the significant impact of matters concerning the qualified opinion, adverse opinion and disclaimer of opinion has been eliminated or that the issue relates to the major reorganization; 7. Other cases seriously damaging the legitimate interests of investors and the public interests. (3) Other commitments: urge Fokai Expressway Co., Ltd. to transfer the Xiebian Office to Guangfo Expressway Co., Ltd.			
	Guangdong Communication Group Co., Ltd.		(1) The commitment to the authenticity, accuracy and completeness of the information provided: The Company guarantees that there is no false, misleading statement or major omission in the information disclosure and application documents for the major asset reorganization. If it is suspected that there is false, misleading statement or major omission in the information disclosed or provided for the major asset reorganization, and it is investigated by the judiciary authorities or by CSRC, before the clear conclusion of the case is reached, the Company will suspend the transfer of shares of Guangdong Expressway held by the Company, and within two business days upon receipt of the notice of filing a case and inspection, the written application for suspending the transfer and the stock account should be submitted to the Board of Directors of Guangdong Expressway, and the Board of Directors of Guangdong Expressway, shall, on behalf of the Company, apply for the lockout towards Shenzhen Securities Exchange (SSE) and Registration and Clearing Company; if the application for the lockout is not submitted	June 18, 2015	(1) a promise without a commitment period. (2) the date of the validity of the term commitment from the date of this letter of commitment to the date of the company	Fulfill the commitment normally



Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			<p>within two business days, after verification the Board of Directors authorized by the Company will directly submits the Company's identity and account information to the Registration and Clearing Company and apply for the lockout; if the Board of Directors fails to do so, the Securities Exchange and the Registration and Clearing Company will be authorized to directly lock the related shares. If it is found that the Company has illegal circumstances, the Company promises that the lockout shares should be automatically used for the compensation for the relevant investors. (2) The commitment to maintain the independence of the listed company. The Company and the companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its subsidiaries, have increased their shares of Guangdong Expressway after the completion of the major asset reorganization; however they will not damage the independence of Guangdong Expressway. They will continue to be separated from Guangdong Expressway in assets, personnel, finance, organization and business and strictly abide by the relevant provisions on the independence of listed companies of CSRC. They will not illegally use Guangdong Expressway to provide guarantee, or occupy its capital, and they will keep and maintain the its independence and safeguard the legitimate rights and interests of other shareholders of it. (3)The company confirmed and guaranteed: 1, the company set up and effectively exist in accordance with the law of the enterprise, the company has an independent legal personality, independent of the ability to assume legal responsibility. 2, as the commitment letter issued by the Japanese, the company does not exist in the listed company acquisition management approach "the provisions of Article 6 of the acquisition of a listed company may not be under any of the following circumstances: (1) bears a relatively large amount of debt, due and outstanding, and in persistent state; (2) in recent 3 years, have major violations or suspected of major violations; (3) in recent 3 years, have severe stock market acts of dishonesty; (4) the laws, administrative regulations and recognized by the CSRC shall not purchase of Listed Companies in other circumstances. This commitment is issued to</p>		<p>no longer is the date of the controlling shareholder of guangdong. (3) the date of the validity of the term commitment to the completion of the completion of the completion of the major asset restructuring.</p>	

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			the completion of the reorganization before, if the company does not conform to the fact that these commitments, the company that will be occurring in the facts, from within 3 days notice of Guangdong expressway, otherwise it will bear incurred in the full legal responsibility.			
	Guangdong Highway Construction Co., Ltd.		(1) The commitment to the authenticity, accuracy and completeness of the information provided: 1. The Company guarantees to provide the information related to the major asset reorganization for Guangdong Expressway and ensures its authenticity, accuracy and completeness; if there is false, misleading statement or major omission in the information provided, which causes losses to Guangdong Expressway or the investors, the Company will assume the compensation liabilities in accordance with laws. If it is suspected that there is false, misleading statement or major omission in the information disclosed or provided for the major asset reorganization, and it is investigated by the judiciary authorities or by CSRC, before the clear conclusion of the case is reached, the Company will suspend the transfer of shares of Guangdong Expressway held by the Company, and within two business days upon receipt of the notice of filing a case and inspection, the written application for suspending the transfer and the stock account should be submitted to the Board of Directors of Guangdong Expressway , and the Board of Directors of Guangdong Expressway , shall, on behalf of the Company apply for the lockout towards Shenzhen Securities Exchange (SSE) and Registration and Clearing Company; if the application for the lockout is not submitted in two business days, after verification the Board of Directors authorized by the Company will directly submits the Company's identity and account information to the Registration and Clearing Company and apply for the lockout; if the Board of Directors fails to do so, the Securities Exchange and the Registration and Clearing Company will be authorized to directly lock the related shares. If it is found that the Company has illegal circumstances, the company promises that the lockout shares should be automatically used for the compensation for	June 26,2015	(1) a promise without a commitment period. (2) the date of the validity of the term commitment from the date of this letter of commitment to the date of the company no longer is the date of the controlling shareholder of guangdong. (3) the date of the validity of the term	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
			the relevant investors. (2) The commitment to maintain the independence of the listed company. The Company and the companies, that are under direct or indirect control of the Company, except Guangdong Expressway and its holding subsidiaries, have increased their shares of Guangdong Expressway after the completion of the major asset reorganization; however they will not damage the independence of Guangdong Expressway . They will continue to be separated from Guangdong Expressway in assets, personnel, finance, organization and business and strictly abide by the relevant provisions on the independence of listed companies of CSRC. They don't illegally use Guangdong Expressway to provide guarantee, or occupy its capital so as to keep and maintain its independence and safeguard the legitimate rights and interests of other shareholders of Guangdong Expressway . All losses will be borne by the Company if it breaks the above commitments and causes losses to Guangdong Expressway .		commitment to the completion of the completion of the completion of the major asset restructuring.	
	Guangdong Communication Group Co., Ltd. Jingzhu Expressway Guangzhu Section Co., Ltd.		Guangdong Communication Group Co., Ltd. and Guangzhu Section of Jingzhu Expressway , Ltd. commit: within 10 working days after the closing of the transferred equities of the Guangzhou Guangzhu Investment Management Co., Ltd., the cash pooling of the Guangzhu Section of Jingzhu Expressway Co., Ltd will be dispersed ( including: Guangdong Transportation Group Co., Ltd., Guangzhu Section of Jingzhu Expressway Co., Ltd., and Industrial and Commercial Bank of China agree to terminate the <i>Settlement Agreement on the Group Account Fund</i> , Guangdong Transportation Group Co., Ltd. and Guangzhu Section of Jingzhu Expressway Co., Ltd. agree to terminate the <i>Agreement on Settlement and Credit Management System Service of Guangdong Transportation Group Co., Ltd.</i> ).	August 26,2015	June 24,2016	Completed
	Guangdong Expressway Co.,		Guangdong Expressway Co., Ltd. and Guangdong Fokai Expressway Co., Ltd commit: within 30 working days after the effective date of the agreement (December 7, 2015), the	December 7,2015	January 18,2016	Completed

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
	Ltd., Guangdong Fokai Expressway Co., Ltd.		application for transfer procedures of the ownership of Heshan hostel shall be submitted to the relevant departments.			
	Guangdong Communication Group Co., Ltd.		Guangdong Communication Group Co., Ltd. commits: within 3 years from the date of completion of the reorganized underlying asset transfer, in which Guangzhu Section of Jingzhu Highway Co., Ltd. shall hire professional organizations to sort out and prepare the documents needed for the ownership registration and complete the ownership registration procedures within 1 year for the relevant lands or real estates in Guangzhou and Zhuhai city for which the Guangdong Fokai Expressway Co., Ltd and Guangzhu Section of Jingzhu Expressway Co., Ltd. have not gone through the procedures of ownership registration.	January 19,2016	June 14,2019	Fulfill the commitment normally
	Guangdong Communication Group Co., Ltd.		Guangdong Communication Group Co., Ltd. commits: for the lands, real estates and allocated lands for which the Guangdong Fokai Expressway Co., Ltd. and Guangzhu Section of Jingzhu Expressway Co., Ltd. have not gone through the procedures of ownership registration (1) the property rights of the above-mentioned lands are clear, and can be legally used by the target company; (2) assist or ask the Guangdong Highway Co., Ltd. and Guangdong Highway Construction Co., Ltd to assist in conducting the ownership registration of the real estates; (3) the land can continue to be used unscathed before the ownership registration; (4) once losses arise, bear the losses of Guangdong Expressway according to its shareholding ratio.	January 19,2016	Related land, real estate managemen t authority certificate or related land to complete the	Fulfill the commitment normally

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
					transfer procedures of the day.	
	Guangdong Highway Constrution Co., Ltd. Jingzhu Expressway Guangzhu Section Co., Ltd.		Guangdong Highway Construction Co., Ltd. transfers its shareholder loans from Guangzhu Section of Jingzhu Expressway Co., Ltd. into entrusted loans.	August 26,2015	The company submitted to the China Securities Regulatory Commission before a major asset restructuring application documents.	Completed
Commitments make in initial public offering or re-financing						
Equity incentive commitment						
Other commitments for medium and small						

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

#### IV. Prediction of Business performance for 2016.

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

☐ Applicable ☒ Not applicable

#### V. Investment in securities

☐ Applicable ☒ Not applicable

No Securities investment in period

#### VI. Investment in derivatives

☐ Applicable ☒ Not applicable

There is no derivative investment during the report period.

#### VII. Registration form of such Activities as Reception, Research, Communication, Interview in the Reporting Period

☒ Applicable ☐ Not applicable

Reception time	Way of reception	Types of visitors	Basic index
August 23,2016	Telephone	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
August 23,2016	Telephone	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports
August 25,2016	Onsite investigation	Organization	1. The main content of research:1. the daily operation; 2. the company's financial data analysis;3. development strategy; 4. analysis on the industry. 2.Primary data investigation: Public information company regularly reports

#### VIII. Outward Guarantee against the Regulations

☐ Applicable ☒ Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

#### IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties

☐ Applicable ☒ Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

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

September 30, 2016

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	3,092,347,803.12	1,199,629,276.85
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable	90,273,234.71	77,396,705.54
Prepayments	3,655,794.38	7,390,264.97
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	19,984,735.07	18,265,472.13
Repurchasing of financial assets		
Inventories	1,178,127.02	800,998.80
Assets held for sales		
Non-current asset due in 1 year	55,744.14	
Other current asset		
Total of current assets	3,207,495,438.44	1,303,482,718.29
Non-current assets:		
Loans and payment on other's behalf disbursed		



Disposable financial asset	1,690,191,339.49	1,796,056,064.29
Expired investment in possess		
Long-term receivable		
Long term share equity investment	2,294,234,652.57	2,250,314,577.89
Property investment	3,336,024.43	3,684,184.48
Fixed assets	9,095,623,286.90	9,733,198,359.00
Construction in progress	32,605,195.26	23,624,279.71
Engineering material	1,549,556.00	1,549,556.00
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	5,795,204.14	8,634,141.79
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	2,217,217.08	3,576,970.11
Deferred income tax asset	8,084,273.43	448,397.20
Other non-current asset	1,725,932.97	2,343,267.94
Total of non-current assets	13,135,362,682.27	13,823,429,798.41
Total of assets	16,342,858,120.71	15,126,912,516.70
Current liabilities		
Short-term loans		
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		
Derivative financial liabilities		
Bill payable		
Account payable	140,529,599.84	173,079,084.60
Advance payment	39,446,553.05	35,079,806.09
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	9,717,148.16	6,616,356.87
Tax payable	115,068,540.36	90,711,647.65

Interest payable	114,087,872.74	23,143,564.41
Dividend payable	12,506,777.92	11,681,423.74
Other account payable	138,902,836.42	192,607,238.67
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	1,670,680,000.00	1,379,080,000.00
Other current liability		
Total of current liability	2,240,939,328.49	1,911,999,122.03
Non-current liabilities:		
Long-term loan	5,233,760,000.00	4,830,760,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	969,925,895.09
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	284,284,683.90	297,540,718.21
Other non-current liabilities		
Total non-current liabilities	5,520,066,894.01	6,098,226,613.30
Total of liability	7,761,006,222.50	8,010,225,735.33
Owners' equity		
Share capital	2,090,806,126.00	1,257,117,748.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,508,408,342.98	1,643,484,871.70
Less: Shares in stock		
Other comprehensive income	374,055,360.96	479,920,085.76

Special reserves		
Surplus reserves	295,642,270.96	295,642,270.96
Common risk provision		
Undistributed profit	2,788,046,881.03	2,179,239,324.01
Total of owner's equity belong to the parent company	8,056,958,981.93	5,855,404,300.43
Minority shareholders' equity	524,892,916.28	1,261,282,480.94
Total of owners' equity	8,581,851,898.21	7,116,686,781.37
Total of liabilities and owners' equity	16,342,858,120.71	15,126,912,516.70

Legal Representative: Zheng Renfa    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	2,146,163,143.56	822,286,507.11
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable		
Prepayments	971,698.09	1,994,822.56
Interest receivable	21,403,966.59	137,958.34
Dividend receivable		
Other account receivable	4,087,699.86	2,256,822.99
Inventories		
Assets held for sales		
Non-current asset due in 1 year	60,000,000.00	
Other current asset		
Total of current assets	2,232,626,508.10	826,676,111.00
Non-current assets:		
Disposable financial asset	1,690,191,339.49	1,796,056,064.29
Expired investment in possess		

Long-term receivable		
Long term share equity investment	6,959,396,872.23	5,053,688,539.24
Property investment	3,083,886.18	3,432,046.23
Fixed assets	3,072,108.00	3,734,470.83
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	821,703.40	1,056,003.37
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	1,985,294.75	3,261,555.68
Deferred income tax asset		
Other non-current asset	932,903,684.98	75,000,000.00
Total of non-current assets	9,591,454,889.03	6,936,228,679.64
Total of assets	11,824,081,397.13	7,762,904,790.64
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable		
Advance payment		
Employees' wage payable	995,183.07	1,022,391.27
Tax payable	513,624.70	4,915,239.62
Interest payable	72,410,994.22	17,625,272.46
Dividend payable	12,506,777.92	11,681,423.74
Other account payable	2,001,028.83	6,378,723.77
Classified as held for sale debt		
Non-current liability due in 1 year	1,047,000,000.00	997,000,000.00
Other current liability	459,271,411.61	309,154,118.44
Total of current liability	1,594,699,020.35	1,347,777,169.30

Non-current liabilities:		
Long-term loan	2,500,000,000.00	1,500,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	52,022,210.11
Long-term payable to employees		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	2,502,022,210.11	1,552,022,210.11
Total of liability	4,096,721,230.46	2,899,799,379.41
Owners' equity		
Share capital	2,090,806,126.00	1,257,117,748.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	3,359,791,693.12	1,534,920,742.49
Less: Shares in stock		
Other comprehensive income	374,055,360.96	479,920,085.76
Special reserves		
Surplus reserves	279,797,987.31	279,797,987.31
Undistributed profit	1,622,908,999.28	1,311,348,847.67
Total of owners' equity	7,727,360,166.67	4,863,105,411.23
Total of liabilities and owners' equity	11,824,081,397.13	7,762,904,790.64

### 3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	741,459,581.99	714,204,217.20
Incl: Business income	741,459,581.99	714,204,217.20

Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	428,810,522.37	495,889,288.96
Incl: Business cost	305,283,543.01	312,963,207.85
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	2,696,476.12	24,567,749.10
Sales expense		
Administrative expense	38,686,992.60	39,878,152.84
Financial expenses	82,143,510.64	118,480,179.17
Asset impairment loss		
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	109,156,739.38	118,898,393.83
Incl: investment gains from affiliates	109,156,739.38	117,887,555.88
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	421,805,799.00	337,213,322.07
Add: Non-business income	1,913,046.35	20,443,266.52
Incl: Gains from disposal of non-current assets	35,674.48	1,638.80
Less: Non business expenses	765,994.15	1,603,931.24
Incl: Loss from disposal of non-current assets	69,835.80	12,284.85
IV.Total profit(“-”for loss)	422,952,851.20	356,052,657.35
Less: Income tax expenses	88,169,879.72	70,192,892.17
V. Net profit (“-”for net loss)	334,782,971.48	285,859,765.18
Net profit attributable to the owners of	291,476,074.93	231,062,859.76

parent company		
Minority shareholders' equity	43,306,896.55	54,796,905.42
VI. Net after-tax of Other comprehensive income	7,057,648.32	-348,177,317.12
Net after-tax of other comprehensive income attributable to owners of the parent company.	7,057,648.32	-348,177,317.12
(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.	7,057,648.32	-348,177,317.12
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	7,057,648.32	-348,177,317.12
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 after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	341,840,619.80	-62,317,551.94
Total comprehensive income attributable to the owner of the parent	298,533,723.25	-117,114,457.36

company		
Total comprehensive income attributable minority shareholders	43,306,896.55	54,796,905.42
VIII. Earnings per share		
(I) Basic earnings per share	0.14	0.13
(II) Diluted earnings per share	0.14	0.13

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 102,025,476.76, last period the combined party realized RM106,981,773.68.

Legal Representative: Zheng Renfa    Person in charge of accounting: Fang Zhi    Accounting Dept Leader: Zhou Fang

#### 4. Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	20,658,732.80	2,801,641.76
Less: Business cost	116,053.35	116,053.35
Business tax and surcharge		156,891.95
Sales expense		
Administrative expense	13,019,284.71	15,877,775.35
Financial expenses	42,042,957.40	40,354,014.61
Asset impairment loss		
Add: Gains from change of fair value ("-" for loss)		
Investment gain ("-" for loss)	336,768,519.45	141,754,006.05
Incl: investment gains from affiliates	109,156,739.37	140,743,168.10
II. Operational profit ("-" for loss)	302,248,956.79	88,050,912.55
Add : Non-operational income		
Including: Income from disposal of non-current assets		
Less: Non business expenses		116,650.81
Incl: Loss from disposal of non-current assets		115,075.00
III. Total profit ("-" for loss)	302,248,956.79	87,934,261.74
Less: Income tax expenses		
IV. Net profit ("-" for net loss)	302,248,956.79	87,934,261.74
V. Net of profit of other comprehensive i	7,057,648.32	-348,177,317.12



income		
(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.	7,057,648.32	-348,177,317.12
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	7,057,648.32	-348,177,317.12
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	309,306,605.11	-260,243,055.38
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

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

In RMB

Items	Amount in this period	Amount in last period
I. Total operating income	2,074,951,761.76	1,964,338,360.43
Including: Operating income	2,074,951,761.76	1,964,338,360.43
Interest income		

Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,291,061,746.90	1,410,380,734.86
Including: Operating cost	864,231,016.09	840,635,532.67
Interest expense		
Commission chare and commission expense		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	34,979,823.57	68,510,498.89
Sales expense		
Administrative expense	119,266,608.44	125,170,256.10
Financial expenses	272,761,745.85	375,993,065.54
Asset impairment loss	-177,447.05	71,381.66
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	336,587,426.70	316,444,941.22
Incl: investment gains from affiliates	290,889,715.03	270,822,473.40
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss	1,120,477,441.56	870,402,566.79
Add: Non-business income	65,594,191.49	26,476,745.03
Incl: Gains from disposal of non-current assets	146,849.95	12,320.80
Less: Non business expenses	1,644,322.74	2,453,414.22
Incl: Loss from disposal of non-current assets	172,289.45	378,014.94
IV.Total profit(“-”for loss)	1,184,427,310.31	894,425,897.60
Less: Income tax expenses	245,502,700.15	187,237,062.97

V. Net profit (“-”for net loss	938,924,610.16	707,188,834.63
Net profit attributable to the owners of parent company	797,375,219.22	569,900,003.49
Minority shareholders’ equity	141,549,390.94	137,288,831.14
VI. Net after-tax of Other comprehensive income	-105,864,724.80	-235,254,944.00
Net after-tax of other comprehensive income attributable to owners of the parent company.	-105,864,724.80	-235,254,944.00
(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.	-105,864,724.80	-235,254,944.00
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-105,864,724.80	-235,254,944.00
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 after-tax of other comprehensive income attributable to Minority shareholders’ equity		

VII. Total comprehensive income	833,059,885.36	471,933,890.63
Total comprehensive income attributable to the owner of the parent company	691,510,494.42	334,645,059.49
Total comprehensive income attributable minority shareholders	141,549,390.94	137,288,831.14
VIII. Earnings per share		
(I) Basic earnings per share	0.43	0.33
(II) Diluted earnings per share	0.43	0.33

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 102,025,476.76, last period the combined party realized RMB106,981,773.68.

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

In RMB

Items	Amount in this period	Amount in last period
I. Business income	31,163,735.61	12,129,110.37
Less: Business cost	348,160.05	348,160.05
Business tax and surcharge	361,322.43	730,075.30
Sales expense		
Administrative expense	44,002,056.60	52,986,222.75
Financial expenses	115,490,339.57	125,871,739.15
Asset impairment loss		
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	629,165,956.85	401,519,305.58
Incl: investment gains from affiliates	325,057,770.08	328,722,259.68
II. Operational profit	500,127,813.81	233,712,218.70
Add: Non-business income		26,300.00
Incl: Gains from disposal of non-current assets		
Less: Non business expenses		124,348.25
Incl: Loss from disposal of non-current assets		122,652.44
III. Total profit	500,127,813.81	233,614,170.45
Less: Income tax expenses		
IV. Net profit	500,127,813.81	233,614,170.45

V. Net after-tax of Other comprehensive income	-105,864,724.80	-235,254,944.00
Net after –tax of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
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.	-105,864,724.80	-235,254,944.00
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-105,864,724.80	-235,254,944.00
2.Gains and losses from changes in fair value available for sale financial assets		
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	394,263,089.01	-1,640,773.55
V. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

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

In RMB

Items	Amount in this period	Amount in last period
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I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	2,090,706,476.39	1,867,551,212.00
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 the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
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	64,414,941.26	85,490,024.37
Sub-total of cash inflow	2,155,121,417.65	1,953,041,236.37
Cash paid for purchasing of merchandise and services	77,747,481.21	63,673,763.99
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	202,712,813.20	212,878,382.11
Taxes paid	312,423,889.98	268,045,921.07

Other cash paid for business activities	86,041,616.58	77,058,267.25
Sub-total of cash outflow from business activities	678,925,800.97	621,656,334.42
Cash flow generated by business operation, net	1,476,195,616.68	1,331,384,901.95
II.Cash flow generated by investing		
Cash received from investment retrieving		40,549,909.00
Cash received as investment gains	292,667,352.01	311,676,183.82
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	656,801.00	17,107.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	61,275,293.24	
Sub-total of cash inflow due to investment activities	354,599,446.25	352,243,199.82
Cash paid for construction of fixed assets, intangible assets and other long-term assets	94,916,306.81	89,777,640.47
Cash paid as investment	803,500,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	987,903,684.98	
Sub-total of cash outflow due to investment activities	1,886,319,991.79	89,777,640.47
Net cash flow generated by investment	-1,531,720,545.54	262,465,559.35
III.Cash flow generated by financing		
Cash received as investment	1,633,499,989.30	
Incl: Cash received as investment from minor shareholders		
Cash received as loans	1,998,000,000.00	1,037,903,684.98
Cash received from bond placing		
Other financing –related cash received	5,173.81	
Sub-total of cash inflow from financing	3,631,505,163.11	1,037,903,684.98

activities		
Cash to repay debts	1,283,400,000.00	1,824,623,684.98
Cash paid as dividend, profit, or interests	394,611,135.28	401,928,946.01
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	4,727,368.84	3,000,000.00
Sub-total of cash outflow due to financing activities	1,682,738,504.12	2,229,552,630.99
Net cash flow generated by financing	1,948,766,658.99	-1,191,648,946.01
IV. Influence of exchange rate alternation on cash and cash equivalents	-523,203.86	-500,338.15
V.Net increase of cash and cash equivalents	1,892,718,526.27	401,701,177.14
Add: balance of cash and cash equivalents at the beginning of term	1,199,629,276.85	737,462,446.86
VI ..Balance of cash and cash equivalents at the end of term	3,092,347,803.12	1,139,163,624.00

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

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	8,146,814.48	4,340,087.24
Tax returned		
Other cash received from business operation	171,178,904.77	11,626,230.90
Sub-total of cash inflow	179,325,719.25	15,966,318.14
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	27,376,371.77	34,605,679.08
Taxes paid	4,606,170.36	1,012,868.13
Other cash paid for business activities	29,074,861.23	99,667,792.25
Sub-total of cash outflow from business activities	61,057,403.36	135,286,339.46



Cash flow generated by business operation, net	118,268,315.89	-119,320,021.32
II.Cash flow generated by investing		
Cash received from investment retrieving		40,549,909.00
Cash received as investment gains	551,077,827.12	328,973,857.11
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		1,425.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	73,220,416.67	137,891,227.77
Sub-total of cash inflow due to investment activities	624,298,243.79	507,416,418.88
Cash paid for construction of fixed assets, intangible assets and other long-term assets	394,590.00	334,184.41
Cash paid as investment	803,500,000.00	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	987,903,684.98	
Sub-total of cash outflow due to investment activities	1,791,798,274.98	334,184.41
Net cash flow generated by investment	-1,167,500,031.19	507,082,234.47
III.Cash flow generated by financing		
Cash received as investment	1,633,499,989.30	
Cash received as loans	1,000,000,000.00	50,000,000.00
Cash received from bond placing		
Other financing –related cash received	5,173.81	
Sub-total of cash inflow from financing activities	2,633,505,163.11	50,000,000.00
Cash to repay debts		
Cash paid as dividend, profit, or interests	255,146,238.66	198,356,144.32
Other cash paid for financing activities	4,727,368.84	3,000,000.00
Sub-total of cash outflow due to	259,873,607.50	201,356,144.32

financing activities		
Net cash flow generated by financing	2,373,631,555.61	-151,356,144.32
IV. Influence of exchange rate alternation on cash and cash equivalents	-523,203.86	-500,338.15
V.Net increase of cash and cash equivalents	1,323,876,636.45	235,905,730.68
Add: balance of cash and cash equivalents at the beginning of term	822,286,507.11	332,632,828.69
VI ..Balance of cash and cash equivalents at the end of term	2,146,163,143.56	568,538,559.37

## II. Auditor's report

If the 3rd quarterly report been audited

☐ Yes ☒ No

The 3rd quarterly report has not been audited.