

# Guangdong Provincial Expressway Development Co., Ltd.

## The First Quarterly Report 2016

**April 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.Zhu Zhanliang, Leader, Mr.Wang Chunhua,General Manager, Mr. Fang Zhi, 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

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (RMB)	384,703,107.66	357,469,802.88	7.62%
Net profit attributable to the shareholders of the listed company (RMB)	127,187,345.72	89,949,365.89	41.40%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	126,779,718.66	87,373,228.21	45.10%
Cash flow generated by business operation, net (RMB)	274,943,372.62	240,651,340.48	14.25%
Basic earning per share(RMB/Share)	0.10	0.07	42.86%
Diluted gains per share(RMB/Share)(RMB/Share)	0.10	0.07	42.86%
Weighted average return on equity (%)	2.44%	1.78%	0.66%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	12,131,854,608.39	12,107,767,967.86	0.20%
Net assets attributable to the shareholders of the listed company (RMB)	5,222,375,592.56	5,209,289,822.59	0.25%

Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Other non-operating income and expenditure except for the aforementioned items	721,970.60	
Less: Amount of influence of income tax	134,718.66	

Amount of influence of minority interests (After tax)	179,624.88	
Total	407,627.06	--

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		80,002		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	40.84%	513,356,893	409,977,151			
Feng Wuchu	Domestic Natural person	1.71%	21,520,979				
Guangdong Expressway Co., Ltd	State-owned legal person	1.56%	19,582,228	19,582,228			
Haerbin Hali Industry Co., Ltd	Domestic Natural person	1.18%	14,850,682				
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	0.75%	9,458,390				
China Everbright Bank Co., Ltd—China Europe new dynamic equity securities investment fund (LOF)	Domestic non State-owned Legal person	0.53%	6,678,925				
China Securities Finance Corporation	Domestic non State-owned	0.33%	4,144,500				

Limited.	Legal person					
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Domestic non State-owned Legal person	0.28%	3,490,900			
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	21,520,979	RMB Common shares	19,655,709			
		Foreign shares placed in domestic exchange	1,865,270			
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			
Guangdong Yuecai Trust Investment Co., Ltd.	12,174,345	RMB Common shares	12,174,345			
Li Zhuo	9,458,390	RMB Common shares	9,458,390			
China Everbright Bank Co., Ltd— China Europe new dynamic equity securities investment fund (LOF)	6,678,925	RMB Common shares	6,678,925			
China Securities Finance Corporation Limited.	4,144,500	RMB Common shares	4,144,500			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,490,900	Foreign shares placed in domestic exchange	3,490,900			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,388,866	Foreign shares placed in domestic exchange	3,388,866			

Explanation on associated relationship or concerted action of the above 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.
Note to the top 10 common stockholders involved in margin financing & securities lending (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 9,362,409 A shares of the Company through stock account with credit transaction and guarantee and holds 95,981 A shares through ordinary stock account, hold 9,458,390 shares of the Company's stock totally.

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

Yes  No

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

2.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 300.90 million and 30.49% over the beginning of the year, mainly due to net cash inflow of RMB 275 million from operating activities, net cash inflow of RMB 85 million from investing activities and net cash outflow of RMB59 million from financing activities.

2. Dividend receivable Increased by RMB 12.38 million and 100% over the beginning of the year, Balance at the beginning of RMB 0, All are the accrued receivable dividends of Zhaoqing Yuezhao Highway Co.,Ltd. in the current period.

3. Deferred income tax assets Increased by RMB 2.2138 million and 2,122.83% over the beginning of the year, The main reason for the increase is the accounting depreciation of Guangfo Expressway Co. Ltd is more than the tax depreciation, confirming the deferred tax assets.

4. Tax payable Increased by RMB 11.21 million and 29.96% over the beginning of the year, The main reason for the increase is the increase in the total profits of the current period, which leads to the increase of the enterprise income tax in the current period

5. Interest payable Increased by RMB 16.66 million and 75.48% over the beginning of the year, The main reason for the increase is the provision of RMB 16.97 million for the interest of the medium-term notes by the parent company.

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

1. Operating income increased by RMB27.23 million and 7.62% 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 increased by RMB 18.81 million and 10.88% year on year, The main reasons for the increase are due to the following combined effects of the factors: (1) the depreciation of the road assets of Guangdong Provincial Fokai Expressway Co., Ltd increased RMB 7.94 million and the depreciation of the road assets of Guangfo Expressway Co., Ltd increased RMB 3.80 million; (2) the operating costs of Guangdong Expressway Technology Investment Co., Ltd. increased RMB 5.13 million.

3. Business tax and surcharge increased by RMB0.54 million and 4.24% year on year, The main reason for the increase is that the increase in operating income leads to the increase of tax.

4. Administrative expense decreased by RMB 6.97 million and 18.83% year on year, Mainly due to the management strengthening and the cost-saving

5. Financial expenses decreased by RMB 23.60 million and 24.63% year on year, The main reasons for the reduction are: (1) the total amount of loans of Guangdong Provincial Fokai Expressway Co., Ltd decreased RMB 400 million compared with the previous period, resulted in a corresponding reduction of interest payments; (2) the effect of the lower interest rate of the loan.

6. Investment income Increased by RMB14.81 million and 16.55% year on year, The main reason for the increase is the confirming of the increase of the investment gains on the company's share-participating companies that participated in each section of the highway compared with the previous period.

7. Non-operating income Decreased by RMB 4.04 million and 82.89% year on year, The main reason for the decline is due to Guangfo Expressway Co. Ltd received claims of RMB 3.90 million in the previous period, but

none in the current period.

8. Income tax expenses increased by RMB 6.76million and 27.19% year on year, The reason for the increase is the increase in total profits resulting in the increase in the income tax expense.

9. The net profit for the owners of the parent company increased by RMB 37.24 million and 41.40% 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 absorption of investment

Mainly accounting the cash dividends gained due to the equity investments. This term increased by RMB 40.54 million and 44.82% year on year The reason is the increase on the cash dividends the company received in the current period.

#### 2. Cash paid for purchase or construction of fixed assets, intangible assets and other long-term assets

The amount of this item decreased by RMB 21.40 million and 31.52% year on year, The main reason for the reduction is that Guangdong Provincial Fokai Expressway Co., Ltd's payments on the Fokai Expressway's expansion and the major engineering repair decreased compared with the previous period.

#### 3. Cash paid for investment

The amount of this item decreased by RMB 10.43 million and 100% year on year, The main reason for the reduction is the company invested on the reverse repo bond products in the previous period, but none happened in the current period.

4. Cash paid for debt repayment decreased by RMB 150 million and 100% year on year, Guangdong Provincial Fokai Expressway Co., Ltd repaid the bank loans of RMB 150 million in the previous period, but none in the current period.

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

Applicable Not applicable

The Company received the Approval of the Share-Issuing to Parties such as Guangdong Provincial Expressway Co., Ltd to Purchase Assets and Raise Matching Funds by Guangdong Provincial Expressway Co., Ltd from the CSRC. (Zheng Jian Xu ke No.230-2016), which means the scheme of the Company's share-issuing and paying cash to purchase assets and raise matching funds(hereinafter referred to as "the major asset restructuring") was approved by CSRC. The company had disclosed the main contents of the approval on Feb 6, 2016.

The company disclosed the announcement on the implementation of the major asset restructuring on April 6, 2016. The status of the implementation of the major asset restructuring is as follows:

1. The transaction parties of Guangdong Provincial Expressway Development Co., Ltd and Guangdong Provincial Highway Construction Co., Ltd have been actively promoting the prerequisite procedures for assets delivery.

2. The Proposal of the Annual Profit Distribution Plan of Year 2015 was examined and approved in the 26<sup>th</sup> board meeting of the company's 7<sup>th</sup> session board of directors, of which per 10shares will gain cash dividends of RMB 1.50(Tax inclusive), and the plan still needs to be approved in the general shareholder meeting which will be convened on Apr 28, 2016.

3. According to the Related Transaction Report on Share Issuing and Paying Cash to purchase Assets and Raise Matching Funds by Guangdong Provincial Expressway Development Co., Ltd, if there are any share dividend or/and cash dividend distribution events such as dividend distribution, share-granting, capital reserve converted for increasing shares, newly issuing shares and share allotment occurred in the period commenced from the base

date of issuing shares and to the final completed date of issuing shares, there shall be corresponding adjustment in the quantity and the price of the share-issuing. Hence, after the completion of the annual cash dividends distribution of year 2015, the company shall adjust the quantity and the price of the share-issuing accordingly, then carry out the implementation work of the major asset restructuring, including but not limited to the works of the asset delivery and the share-issuing related to the major asset restructuring. The company will continuously impel the implementation of the major asset restructuring and timely disclose its implementation status according to the relevant provisions.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
The share-trading suspension announcement on the deliberation by CSRC's M&A committee for the company's major asset restructuring	January 8,2016	www.cninfo.com.cn
Announcement on the Company's Significant Asset Reorganization Adopted by Mergers and Acquisitions Committee of CSRC and Trade Resumption	January 15,2016	www.cninfo.com.cn
Announcement on the acquirement of CSRC's approval for the company's major asset restructuring	February 6,2016	www.cninfo.com.cn
The revise explanation on the report of the related transaction and the issuance of shares and paying cash to purchase the assets and raise matching funds(Revised)	February 6,2016	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)	February 6,2016	www.cninfo.com.cn
Announcement on the Implementation Status of the Major Asset Restructuring	April 6,2016	www.cninfo.com.cn

### **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

During the reporting period, there is no commitment that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

### **IV. Anticipation of Business Performance from January to June, 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

Security category	Security code	Short form of security	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	Source of the shares
Stock	601818	China Everbright Bank	517,560,876.80	235,254,944	0.50%	235,254,944	0.50%			Financial assets available for sale	Subscribe on 2009
Total			517,560,876.80	235,254,944	--	235,254,944	--			--	--
Disclosure date for the notice of approval by the Board (If any)			July , 2009								
Disclosure date for the notice of approval by shareholders' Meeting (If any)			August 7, 2008								

## VI. Investment in derivatives

Applicable  Not applicable

The Company had no derivatives investment in 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
March 31,2016	Onsite investigation	Organization	<p>The main contents of the research included: (1) the status of the company's daily operation; (2) the analysis of the company's financial data; (3) the company's development strategy; (4) the company's analysis on its industry.</p> <p>(b) The main documents for the research: regular reports and other public information of the company</p>

**VIII. External guarantee get out of line**

Applicable  Not applicable

The Company has no external guarantee get out of the line in the Period

**IX. Controlling shareholder and its related parties occupying non-business capital of the listed company**

Applicable  Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

#### IV. Financial Statement

##### I. Financial statement

##### 1. Consolidated balance sheet

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

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	1,287,640,539.06	986,737,635.38
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	59,694,250.62	48,147,335.85
Prepayments	645,234.93	1,914,808.89
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable	12,376,405.10	
Other account receivable	15,932,565.63	16,436,699.69
Repurchasing of financial assets		
Inventories	800,998.80	800,998.80
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	1,377,089,994.14	1,054,037,478.61
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	1,680,781,141.73	1,796,056,064.29

Expired investment in possess		
Long-term receivable		
Long term share equity investment	2,596,222,384.14	2,635,251,969.72
Property investment	3,568,131.13	3,684,184.48
Fixed assets	6,439,098,029.41	6,591,106,343.61
Construction in progress	23,302,184.20	17,125,070.14
Engineering material	1,549,556.00	1,549,556.00
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	3,582,361.33	4,099,611.48
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	3,123,719.10	3,576,970.11
Deferred income tax asset	2,318,114.66	104,286.87
Other non-current asset	1,218,992.55	1,176,432.55
Total of non-current assets	10,754,764,614.25	11,053,730,489.25
Total of assets	12,131,854,608.39	12,107,767,967.86
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	129,364,999.39	154,217,021.14
Advance payment	5,307,842.88	4,709,312.20
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	3,239,224.99	3,105,804.37
Tax payable	48,620,525.97	37,412,104.25
Interest payable	38,744,054.18	22,079,344.97

Dividend payable	11,679,234.33	11,681,423.74
Other account payable	170,493,503.03	186,766,854.50
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	1,309,080,000.00	1,309,080,000.00
Other current liability		
Total of current liability	1,716,529,384.77	1,729,051,865.17
Non-current liabilities:		
Long-term loan	4,081,760,000.00	4,081,760,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	52,022,210.11	52,022,210.11
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	116,322,792.69	116,526,766.79
Other non-current liabilities		
Total non-current liabilities	4,250,105,002.80	4,250,308,976.90
Total of liability	5,966,634,387.57	5,979,360,842.07
Owners' equity		
Share capital	1,257,117,748.00	1,257,117,748.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,534,777,775.55	1,534,772,601.74
Less: Shares in stock		
Other comprehensive income	364,645,163.20	479,920,085.76
Special reserves		

Surplus reserves	279,797,987.31	279,797,987.31
Common risk provision		
Undistributed profit	1,786,036,918.50	1,657,681,399.78
Total of owner's equity belong to the parent company	5,222,375,592.56	5,209,289,822.59
Minority shareholders' equity	942,844,628.26	919,117,303.20
Total of owners' equity	6,165,220,220.82	6,128,407,125.79
Total of liabilities and owners' equity	12,131,854,608.39	12,107,767,967.86

Legal Representative: Zhu Zhanliang    Person in charge of accounting: Fang Zhi    Accounting Dept Leader: Liu Xiaomei

## 2. Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	1,058,067,291.20	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	500,000.00	1,994,822.56
Interest receivable	128,791.66	137,958.34
Dividend receivable	12,376,405.10	
Other account receivable	2,509,103.01	2,256,822.99
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	1,073,581,590.97	826,676,111.00
Non-current assets:		
Disposable financial asset	1,680,781,141.73	1,796,056,064.29
Expired investment in possess		
Long-term receivable		

Long term share equity investment	5,014,658,953.66	5,053,688,539.24
Property investment	3,315,992.88	3,432,046.23
Fixed assets	3,378,814.10	3,734,470.83
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	977,903.38	1,056,003.37
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	2,836,135.37	3,261,555.68
Deferred income tax asset		
Other non-current asset	75,000,000.00	75,000,000.00
Total of non-current assets	6,780,948,941.12	6,936,228,679.64
Total of assets	7,854,530,532.09	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	1,101,461.53	1,022,391.27
Tax payable	4,071,066.37	4,915,239.62
Interest payable	34,538,315.92	17,625,272.46
Dividend payable	11,679,234.33	11,681,423.74
Other account payable	15,671,140.48	6,378,723.77
Classified as held for sale debt		
Non-current liability due in 1 year	997,000,000.00	997,000,000.00
Other current liability	434,353,329.87	309,154,118.44
Total of current liability	1,498,414,548.50	1,347,777,169.30
Non-current liabilities:		

Long-term loan	1,500,000,000.00	1,500,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	52,022,210.11	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	1,552,022,210.11	1,552,022,210.11
Total of liability	3,050,436,758.61	2,899,799,379.41
Owners' equity		
Share capital	1,257,117,748.00	1,257,117,748.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,534,925,916.30	1,534,920,742.49
Less: Shares in stock		
Other comprehensive income	364,645,163.20	479,920,085.76
Special reserves		
Surplus reserves	279,797,987.31	279,797,987.31
Undistributed profit	1,367,606,958.67	1,311,348,847.67
Total of owners' equity	4,804,093,773.48	4,863,105,411.23
Total of liabilities and owners' equity	7,854,530,532.09	7,762,904,790.64

## 3.Consolidated Income statement

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	384,703,107.66	357,469,802.88
Incl: Business income	384,703,107.66	357,469,802.88
Interest income		
Insurance fee earned		

Fee and commission received		
II. Total business cost	307,231,221.67	318,457,896.36
Incl: Business cost	191,719,596.88	172,908,806.38
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	13,214,271.44	12,676,975.39
Sales expense		
Administrative expense	30,064,936.93	37,040,337.40
Financial expenses	72,232,416.42	95,831,777.19
Asset impairment loss		
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	104,346,091.82	89,529,756.25
Incl: investment gains from affiliates	103,346,819.52	89,100,075.80
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	181,817,977.81	128,541,662.77
Add : Non-operational income	834,535.36	4,877,878.15
Including: Income from disposal of non-current assets		
Less: Non business expenses	112,564.76	292,090.94
Incl: Loss from disposal of non-current assets		
IV.Total profit(“-”for loss)	182,539,948.41	133,127,449.98
Less: Income tax expenses	31,625,277.63	24,865,313.61
V. Net profit	150,914,670.78	108,262,136.37
Net profit attributable to the owners of parent company	127,187,345.72	89,949,365.89
Minority shareholders' equity	23,727,325.06	18,312,770.48
VI. Other comprehensive income	-115,274,922.56	-35,288,241.60

Net of profit of other comprehensive income attributable to owners of the parent company.	-115,274,922.56	-35,288,241.60
(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.	-115,274,922.56	-35,288,241.60
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	-115,274,922.56	-35,288,241.60
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	35,639,748.22	72,973,894.77
Total comprehensive income attributable to the owner of the parent company	11,912,423.16	54,661,124.29
Total comprehensive income attributable minority shareholders	23,727,325.06	18,312,770.48
VIII. Earnings per share		
(I) Basic earnings per share	0.10	0.07

(II) Diluted earnings per share	0.10	0.07
---------------------------------	------	------

If there are entities merged under common control, their net profit realized before the merger were totaled to RMB\*\*\*. While it was RMB\*\*\* previous period.

Legal Representative: Zhu Zhanliang    Person in charge of accounting: Fang Zhi    Accounting Dept Leader: Liu Xiaomei

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

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	2,165,724.61	5,028,239.96
Less: Business cost	116,053.35	116,053.35
Business tax and surcharge	121,280.31	306,989.04
Sales expense		
Administrative expense	13,076,357.09	20,606,795.44
Financial expenses	36,940,014.68	43,732,633.73
Asset impairment loss		
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	104,346,091.82	90,453,462.46
Incl: investment gains from affiliates	103,346,819.52	90,023,782.01
II. Operational profit (“-”for loss)	56,258,111.00	30,719,230.86
Add : Non-operational income		
Including: Income from disposal of non-current assets		
Less: Non business expenses		7,697.44
Incl: Loss from disposal of non-current assets		
III. Total profit (“-”for loss)	56,258,111.00	30,711,533.42
Less: Income tax expenses		
IV. Net profit (“-”for net loss)	56,258,111.00	30,711,533.42
V. Net of profit of other comprehensive income	-115,274,922.56	-35,288,241.60
(1) 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.	-115,274,922.56	-35,288,241.60
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	-115,274,922.56	-35,288,241.60
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	-59,016,811.56	-4,576,708.18
VII. Earnings per share:		
(I) Basic earnings per share	0.04	0.02
(II) Diluted earnings per share	0.04	0.02

## 5. Consolidated Cash flow statement

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	371,262,765.70	317,519,096.15
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from		

other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
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	16,099,565.32	20,833,676.79
Sub-total of cash inflow	387,362,331.02	338,352,772.94
Cash paid for purchasing of merchandise and services	12,403,004.65	16,967,355.13
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	52,008,190.07	56,500,358.92
Taxes paid	34,231,437.76	14,267,952.73
Other cash paid for business activities	13,776,325.92	9,965,765.68
Sub-total of cash outflow from business activities	112,418,958.40	97,701,432.46
Cash flow generated by business operation, net	274,943,372.62	240,651,340.48
II. Cash flow generated by investing		

Cash received from investment retrieving		
Cash received as investment gains	130,999,272.30	90,453,685.45
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	126,657.00	500.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	131,125,929.30	90,454,185.45
Cash paid for construction of fixed assets, intangible assets and other long-term assets	46,501,667.37	67,900,945.14
Cash paid as investment		10,428,570.00
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	46,501,667.37	78,329,515.14
Net cash flow generated by investment	84,624,261.93	12,124,670.31
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans		
Cash received from bond placing		
Other financing –related ash received	5,173.81	
Sub-total of cash inflow from financing activities	5,173.81	
Cash to repay debts		150,000,000.00
Cash paid as dividend, profit, or interests	58,218,904.68	76,521,124.54
Incl: Dividend and profit paid by subsidiaries to minor shareholders		

Other cash paid for financing activities	451,000.00	3,000,000.00
Sub-total of cash outflow due to financing activities	58,669,904.68	229,521,124.54
Net cash flow generated by financing	-58,664,730.87	-229,521,124.54
IV. Influence of exchange rate alternation on cash and cash equivalents		269.98
V.Net increase of cash and cash equivalents	300,902,903.68	23,255,156.23
Add: balance of cash and cash equivalents at the beginning of term	986,737,635.38	561,800,403.72
VI ..Balance of cash and cash equivalents at the end of term	1,287,640,539.06	585,055,559.95

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,048,494.68	1,852,718.34
Tax returned		
Other cash received from business operation	137,956,058.57	843,838.72
Sub-total of cash inflow	139,004,553.25	2,696,557.06
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	10,038,866.36	15,423,043.56
Taxes paid	300,681.47	424,191.47
Other cash paid for business activities	2,099,374.84	12,031,758.75
Sub-total of cash outflow from business activities	12,438,922.67	27,878,993.78
Cash flow generated by business operation, net	126,565,630.58	-25,182,436.72
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	130,999,272.30	90,453,685.45

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	1,074,625.01	3,129,894.45
Sub-total of cash inflow due to investment activities	132,073,897.31	93,583,579.90
Cash paid for construction of fixed assets, intangible assets and other long-term assets		229,745.41
Cash paid as investment		10,428,570.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities		10,658,315.41
Net cash flow generated by investment	132,073,897.31	82,925,264.49
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Cash received from bond placing		
Other financing –related cash received	5,173.81	
Sub-total of cash inflow from financing activities	5,173.81	
Cash to repay debts		
Cash paid as dividend, profit, or interests	22,412,917.61	24,576,045.58
Other cash paid for financing activities	451,000.00	3,000,000.00
Sub-total of cash outflow due to financing activities	22,863,917.61	27,576,045.58
Net cash flow generated by financing	-22,858,743.80	-27,576,045.58
IV. Influence of exchange rate alternation on cash and cash equivalents		269.98
V. Net increase of cash and cash	235,780,784.09	30,167,052.17

equivalents		
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	1,058,067,291.20	362,799,880.86

## II. Auditor' report

Is the First Quarterly Report be audited?

Yes  No

The First Quarterly report is not audited.