

Guangdong Provincial Expressway Development Co., Ltd.

The Third Quarterly Report 2018

October 2018

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, Leader, 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. Basic information about the company

I. Main financial data and indices

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

Yes No

Reasons for retrospective restatements:

Accounting policy change

	This period	Same period of last year		Changes of this period over same period of last year (%)
		Before adjustment	After adjustment	After adjustment
Gross assets (Yuan)	16,010,228,283.64	16,523,315,093.72	16,523,315,093.72	-3.11%
Net assets attributable to the shareholders of the listed company (Yuan)	9,180,965,779.99	9,023,071,118.45	9,023,071,118.45	1.75%
	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 revenue (Yuan)	850,769,743.92	3.43%	2,386,633,889.06	5.47%
Net profit attributable to the	441,303,002.76	14.69%	1,220,305,249.74	-4.49%

shareholders of the listed company (Yuan)				
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	427,205,756.24	11.05%	1,180,123,467.77	14.95%
Cash flow generated by business operation, net (Yuan)	--	--	1,434,266,698.31	-12.80%
Basic earning per share(RMB/Share)	0.21	16.67%	0.58	-4.92%
Diluted gains per share(Yuan/Share)	0.21	16.67%	0.58	-4.92%
Weighted average income/asset ratio (%)	4.91%	0.43%	13.50%	-1.53%

The reasons for the change of Accounting Policy and the Correction of Accounting errors

According to the notice on revision of the format for issuing General Enterprise Financial statements for 2018 (accounting [2018] No. 15) . The company shall adjust its balance sheet and income statement as required by the notice,,

According to the notice on revision of the format for issuing General Enterprise Financial statement for 2018(accounting {2018}No.15,The company shall adjust its balance sheet and income statement as required by the Notice. This change in accounting policy, and it is only an internal adjustment of the items on the balance sheet and the income statement, which will not have any impact on the company's total assets, total liabilities, net assets and net profits of the current period and the previous period with no such accounting policy change.

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB yuan

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)	66,040,603.46	Mainly due to the Zhuhai High-tech Zone Management Committee withdrew 4.213 km from the Zhuhai section of the Jingzhu Expressway Guangzhu Section Co., Ltd., and confirmed the profit and loss of assets disposal of RMB 66,231,472.

Items	Amount (Year-beginning to the end of the report period.)	Notes
Single impairment test for impairment of receivables transferred back to preparation	1,815,828.92	
Other non-business income and expenditures other than the above	1,442,154.37	
Less :Influenced amount of income tax	16,668,724.65	
Influenced amount of minor shareholders' equity (after tax)	12,448,080.13	
Total	40,181,781.97	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

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	57,628	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%	513,382,595	410,002,853		
Guangdong Highway Construction Co., Ltd,	State-owned legal person	22.30%	466,325,020	466,325,020		
Yadong Fuxing Yalian	Domestic non State-own	9.68%	202,429,149	202,429,149	Pledge	156,652,500

Investment Co., Ltd.	ed Legal person					
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.	State-owned legal person	1.45%	30,364,372	30,364,372		
Feng Wuchu	Domestic natural person shares	1.08%	22,574,543			
Agricultural Bank of China – Jinyuanshun Anfeng Bond Securities Investment fund	Domestic non State-owned Legal person	0.79%	16,583,627			
Agricultural Bank of China – Jingshun Great Wall Energy Infrastructure Mixed Securities Investment Fund	Domestic non State-owned Legal person	0.69%	14,381,528			
UBS AG LONDON BRANCH	Overseas legal person	0.63%	13,222,231			
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	22,574,543	RMB Common shares	20,667,204			

		Foreign shares placed in domestic exchange	1,907,339
Agricultural Bank of China—Jinyuanshun Anfeng Bond Securities Investment fund	16,583,627	RMB Common shares	16,583,627
Agricultural Bank of China—Jingshun Great Wall Energy Infrastructure Mixed Securities Investment Fund	14,381,528	RMB Common shares	14,381,528
UBS AG LONDON BRANCH	13,222,231	Foreign shares placed in domestic exchange	13,222,231
Xinyue Co., Ltd.	13,201,086	Foreign shares placed in domestic exchange	13,201,086
PRUSIK UMBRELLA UCITS FUND PLC	12,999,871	Foreign shares placed in domestic exchange	12,999,871
MATTHEWS CHINA DIVIDEND FUND	11,207,421	Foreign shares placed in domestic exchange	11,207,421
Khazanah Nasional Berhad—Self fund	10,522,779	RMB Common shares	10,522,779
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	9,860,753	Foreign shares placed in domestic exchange	9,860,753
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)	Nil		

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. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

√ Applicable □ Not applicable

(I) Items of balance sheet

1. Advance payment increased by 41.40 million yuan and 929.97% over the beginning of the year, The reason for the increase is the prepaid project payment for the expansion project of Fobao Expressway from Sanbao to Shuikou.
2. Construction in process increased by 475.69 million yuan and 133.60% over the beginning of the year, mainly due to the construction costs of the expansion project of the Sanbao-Shuikou section of the Fokai Expressway.
3. Notes payable and account payable decreased by 92.46 million yuan and 34.64% over the beginning of the year, The main reason is that the company's branch and holding subsidiaries pay the progress of the project.
4. Taxes payable decreased by 306.77 million yuan and 71.57% over the beginning of the year, The main reason is that the company's branch and holding subsidiaries pay the accrued taxes and fees.
5. Other account payable increased by 40.48 million yuan and 33.18% over the beginning of the year, The main reason is that the company borrowed from Guangdong Guanghui Expressway Co., Ltd. for less than one year to entrust loans.
6. Non-current liabilities due 1 year increased by 1243.97 million yuan and 102.08% over the beginning of the year, The main reason is that the company's branch and holding subsidiaries pay the accrued taxes and fees.
7. Long-term borrowing decreased by 1517.45 million yuan and 31.99% over the beginning of the year, The reason is that the company repays the maturity of the borrowings and long-term borrowings to the comprehensive impact of the subject.

(II) Items of income statement

1 Assets disposal income

The disposal income of assets was 66.37 million yuan during the reporting period, which was the asset disposal income confirmed by the Zhuhai High-tech Zone Management Committee's repurchase of the 4.213 km expressway assets of Jingzhu Expressway Guangzhu Section Co., Ltd. ,Guangao Expressway Zhuhai section. There was no balance in the subject during the same period last year.

2. Non-operation income

Non-operation income decreased by 60.16 million yuan and 94.86% year on year, Mainly in the same period of last year, Guangdong Fokai Expressway Co., Ltd. received compensation for the cancellation of the Jiujiang Bridge for RMB 60 million, which was not affected by this factor in the current period.

3. Income tax expenses

Income tax expenses Increased by 257.08 million yuan and 321.28% year on year, The reason is mainly because the parent company confirmed the depreciation income tax assets of the previous year in the same period of last year, and reduced the current income tax expenses. There is no such factor in the current period; Fokai Branch, Guangfo Expressway Co., Ltd. and Jingzhu Expressway Guangzhu Section Co., Ltd. profit increased.

(III) Notes of main items of cash flow statement

1. Cash paid for purchasing of merchandise and services increased by 40.54 million yuan and 39.95% year on year, The reason is mainly because the construction funds paid by Fokai Branch, Guangfo Expressway Co., Ltd. and

Jingzhu Expressway Guangzhu Section have increased year-on-year.

2. Taxes paid increased by 334.19 million yuan and 102.58% year on year, Mainly due to the subsidiary company pays the income tax accrued at the end of last year.
3. Cash received in return on investments increased by 65.22 million yuan and 36.04% year on year, The main reason is that some shareholding companies sent cash dividends to increase.
4. Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets increased by 228.04 million yuan and 164356.43% year on year, The main reason is that Jingzhu Expressway Guangzhu Section Co., Ltd. received the 4.213 km expressway asset compensation and enterprise income tax compensation for the Zhuhai section of the Guang'ao Expressway transferred from the Zhuhai High-tech Zone Management Committee.
5. Cash paid for construction of fixed assets, intangible assets and other long-term assets increased by 253.16 million yuan and 98.60% year on year, The main reason is that the progress of the reconstruction and expansion project of the Sanbao-Shuikou section paid by Fokai Branch in the current period has increased.
6. Cash paid as dividend, profit, or interests increased by 546.06 million yuan and 58.30% year on year, Mainly due to the increase in cash dividends paid by the company during the period, Jingzhu Expressway Guangzhu Section Co., Ltd. and Guangfo Expressway Co., Ltd. paid minority shareholders' cash dividends increased year-on-year.

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

Applicable Not applicable

The Proposal about Guangdong Provincial Expressway Development Co., Ltd's Merger of Guangdong Fokai Expressway Co., Ltd was examined and approved in the eighth meeting(Temporary) of the eighth session board of directors of the company and was approved in the 2016 annual shareholders' general meeting , agreed to the company's merger and consolidation of the wholly-owned subsidiary-Guangdong Fokai Expressway Co., Ltd. In May 2017, the company set up the Guangdong Provincial Expressway Development Co., Ltd Foshan Branch Company, and completed the relevant industrial and commercial registration procedures. On August 1, 2017, the operation and management of the Fokai Expressway was officially transferred to Fokai Branch Company from Fokai Company. In August 2018, Guangdong Fokai Expressway Co.,Ltd. completed the industrial and commercial cancellation work, and obtained the "Notice of Approval for Cancellation of Registration" and the "Notice of Permission for Cancellation of Registration". From September 2018, Guangdong Fokai Expressway Co.,Ltd will no longer be included in the consolidated statement.

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of Resolutions of the 8 th (Provisional) Meeting of the Eighth Board of Directors	April 8,2017	www.cninfo.com.cn
Announcement of Merger	April 8,2017	www.cninfo.com.cn
Announcement of Resolutions of the Shareholders' General Meeting of 2016	April 29,2017	www.cninfo.com.cn
Announcement on the progress of major	May 4,2017	www.cninfo.com.cn

Events		
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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

The company has no commitments completed in period and those without completed till lend of the period from actual controller, shareholders, related parties, purchaser and companies.

IV. Anticipation of Business Performance of 2018

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

In RMB yuan

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Source of the shares
Domestic and foreign stocks	601818	China Everbright Bank	517,560,876.80	FVM	952,782,523.20	-32,935,692.16	402,285,954.24	0.00	0.00	42,581,144.86	919,846,831.04	Financial assets available for sale	Self fund
Total			517,560,876.80	--	952,782,523.20	-32,935,692.16	402,285,954.24	0.00	0.00	42,581,144.86	919,846,831.04	--	--
Disclosure date for the notice of approval by the Board (If any)			July 22,2009										
Disclosure date for the notice of approval by shareholders' Meeting (If any)			August 7,2009										

VI. Entrusted Financial Management

Applicable Not applicable

There is no Entrusted Financial Management during the report period.

VII. Investment in derivatives

Applicable Not applicable

There is no derivative investment during the report period.

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

Applicable Not applicable

Reception time	Way of reception	Types of visitors	Basic index
July 23,2018	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
August 28,2018	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

IX. External guarantee get out of line

Applicable Not applicable

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

X. 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.

September 30, 2018

In RMB yuan

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	2,053,744,068.06	2,363,042,700.42
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable and account receivable	97,539,024.14	92,642,625.45
Including: Notes receivable		
Account receivable	97,539,024.14	92,642,625.45
Advance payment	45,853,206.46	4,451,901.75
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	17,810,306.93	15,415,512.07
Repurchasing of financial assets		
Inventories	127,187.68	
Assets held for sales		
Non-current asset due in 1 year	51,745.32	55,669.14
Other current asset		76,576.08
Total of current assets	2,215,125,538.59	2,475,684,984.91
Non-current assets:		
Loans and payment on other ' s behalf disbursed		
Available for sale of financial assets	1,718,421,932.77	1,751,357,624.93

Items	Year-end balance	Year-beginning balance
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,214,982,779.23	3,047,275,000.00
Property investment	3,713,453.23	2,755,757.68
Fixed assets	7,736,659,064.50	8,505,434,890.71
Construction in progress	833,301,812.32	357,612,211.95
Production physical assets		
Gas & petrol		
Intangible assets	5,196,142.08	7,096,435.17
development expenses		
Goodwill		
Long-germ expenses to be amortized	9,276.73	92,768.83
Deferred income tax asset	246,707,469.99	335,299,025.28
Other non-current asset	36,110,814.20	40,706,394.26
Total of non-current assets	13,795,102,745.05	14,047,630,108.81
Total of assets	16,010,228,283.64	16,523,315,093.72
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		
Notes payable and account payable	174,476,639.63	266,934,026.99
Advance receipts	14,450,419.48	14,856,113.90
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	17,518,602.30	11,334,182.16
Tax payable	121,874,371.46	428,647,394.29
Other account payable	162,474,009.20	121,998,386.07
Reinsurance fee payable		
Insurance contract provision		

Items	Year-end balance	Year-beginning balance
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	2,462,580,000.00	1,218,610,000.00
Other current liability		
Total of current liability	2,953,374,042.07	2,062,380,103.41
Non-current liabilities:		
Long-term loan	3,226,720,000.00	4,744,170,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	2,022,210.11
Long-term payable employee' s remuneration		
Expected liabilities		
Deferred income		
Deferred income tax liability	226,424,569.23	260,632,098.75
Other non-current liabilities		
Total non-current liabilities	3,455,166,779.34	5,006,824,308.86
Total of liability	6,408,540,821.41	7,069,204,412.27
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,536,774,965.31	2,510,069,749.76
Less: Shares in stock		
Other comprehensive income	296,095,920.18	327,263,824.17
Special reserves		
Surplus reserves	544,821,130.03	544,821,130.03
Common risk provision		
Retained profit	3,712,467,638.47	3,550,110,288.49
Total of owner' s equity belong to the parent company	9,180,965,779.99	9,023,071,118.45

Items	Year-end balance	Year-beginning balance
Minority shareholders' equity	420,721,682.24	431,039,563.00
Total of owners' equity	9,601,687,462.23	9,454,110,681.45
Total of liabilities and owners' equity	16,010,228,283.64	16,523,315,093.72

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting: Fang Zhi Accounting Dept Leader: Zhou Fang

2.Parent Company Balance Sheet

In RMB yuan

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	2,035,470,942.10	2,130,475,892.67
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable and account receivable	22,091,269.52	19,001,899.29
Including: Notes receivable		
Account receivable	22,091,269.52	19,001,899.29
Advance payment	44,806,954.96	1,520,014.23
Other account receivable	59,465,215.33	17,368,588.12
Inventories		
Assets held for sales		
Non-current asset due in 1 year	80,000,000.00	80,000,000.00
Other current asset		
Total of current assets	2,241,834,381.91	2,248,366,394.31
Non-current assets:		
Available for sale of financial assets	1,718,421,932.77	1,751,357,624.93
Expired investment in possess		
Long-term receivable		
Long term share equity investment	4,748,647,788.04	8,216,937,219.66
Property investment	3,461,314.98	2,503,619.43
Fixed assets	5,374,535,335.59	5,784,192,105.58

Items	Year-end balance	Year-beginning balance
Construction in progress	829,757,760.32	353,858,869.95
Production physical assets		
Gas & petrol		
Intangible assets	1,939,038.37	2,856,323.67
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	246,529,217.91	335,050,091.31
Other non-current asset	822,918,014.67	827,775,329.66
Total of non-current assets	13,746,210,402.65	17,274,531,184.19
Total of assets	15,988,044,784.56	19,522,897,578.50
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable and account payable	147,803,724.18	200,070,986.17
Advance receipts		
Employees' wage payable	4,451,845.70	5,419,848.48
Tax payable	9,041,815.34	12,893,797.03
Other account payable	127,027,603.77	4,503,328,739.76
Classified as held for sale debt		
Non-current liability due in 1 year	2,319,280,000.00	968,610,000.00
Other current liability	893,038,780.15	644,691,748.64
Total of current liability	3,500,643,769.14	6,335,015,120.08
Non-current liabilities:		
Long-term loan	2,947,670,000.00	4,545,170,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	2,022,210.11	2,022,210.11
Long-term payable to employees		
Expected liabilities		

Items	Year-end balance	Year-beginning balance
Deferred income		
Deferred income tax liability	100,571,488.56	108,805,411.60
Other non-current liabilities		
Total of Non-current liabilities	3,050,263,698.67	4,655,997,621.71
Total of liability	6,550,907,467.81	10,991,012,741.79
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,948,663,196.93	2,921,957,981.38
Less: Shares in stock		
Other comprehensive income	296,095,920.18	327,263,824.17
Special reserves		
Surplus reserves	528,976,846.38	528,976,846.38
Retained profit	3,572,595,227.26	2,662,880,058.78
Total of owners' equity	9,437,137,316.75	8,531,884,836.71
Total of liabilities and owners' equity	15,988,044,784.56	19,522,897,578.50

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting: Fang Zhi Accounting Dept Leader: Zhou Fang

3.Consolidated Income statement of the Report period

In RMB yuan

Items	Amount in this period	Amount in last period
I. Total revenue	850,769,743.92	822,526,484.69
Incl: Business income	850,769,743.92	822,526,484.69
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	374,224,642.79	391,978,517.38
Incl: Business cost	283,488,989.77	281,272,481.97
Interest expenses		

Items	Amount in this period	Amount in last period
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount provided as insurance contract reserves		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	3,887,775.99	3,382,365.58
Sales expense		
Administrative expense	32,160,291.46	36,843,648.73
R & D expenses	541,264.57	3,776,420.24
Financial expenses	55,962,149.92	66,703,600.86
Including: Interest cost	59,606,588.17	71,692,070.66
Interest income	4,644,969.74	6,956,786.65
Asset impairment loss	-1,815,828.92	
Add: Other gains	194,598.16	
Investment gain (“-” for loss)	134,304,872.05	113,907,034.97
Incl: Investment gains from affiliates	134,304,872.05	113,907,034.97
Fair value change income		
Gains from currency exchange (“-” for loss)		
Assets disposal income	21,509,712.51	
III. Operational profit (“-” for loss)	632,554,283.85	544,455,002.28
Add : Non-operational income	571,258.42	1,121,057.31
Less: Non-operational expenses	137,992.92	1,028,790.51
IV .Gross profit(“-” for loss)	632,987,549.35	544,547,269.08
Less: Income tax expenses	123,881,985.59	99,958,901.51
V. Net profit	509,105,563.76	444,588,367.57
(1) Categorized by going concern	509,105,563.76	444,588,367.57
(2) Termination of operating net profit		
Net profit attributable to the owners of parent company	441,303,002.76	384,780,778.72
Minority shareholders’ equity	67,802,561.00	59,807,588.85
VI. After tax net amount of comprehensive income	42,627,645.56	

Items	Amount in this period	Amount in last period
Net of profit of other comprehensive income attributable to owners of the parent company	42,627,645.56	
(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.	42,627,645.56	
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-1,482,656.44	
2.Gains and losses from changes in fair value available for sale financial assets	44,110,302.00	
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	551,733,209.32	444,588,367.57
Total comprehensive income attributable to the owner of the parent company	483,930,648.32	384,780,778.72

Items	Amount in this period	Amount in last period
Total comprehensive income attributable minority shareholders	67,802,561.00	59,807,588.85
VIII. Earnings per share		
(I) Basic earnings per share	0.21	0.18
(II) Diluted earnings per share	0.21	0.18

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

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

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 yuan

Items	Amount in this period	Amount in last period
I. Turnover	380,022,328.89	243,646,856.46
Less: Operation cost	170,355,701.76	107,539,198.57
Taxes and surcharge	2,323,857.60	1,135,202.88
Sales expenses		
Administrative expenses	18,325,889.09	16,820,363.64
R & D cost		
Financial expenses	51,345,142.50	52,147,873.91
Including: Interest cost	55,947,515.48	58,733,287.40
Interest income	4,614,243.77	6,593,195.70
Impairment loss on assets	-1,240,782.92	
Add: Other gains	194,598.16	
Investment gains(“-” for loss)	820,280,096.41	501,673,481.88
Including: investment income from associates and joint ventures	134,304,872.05	113,907,034.97
Fair value change income		
Assets disposal income		
II. Operational profit (“-” for loss)	959,387,215.43	567,677,699.34
Add : Non-operational income	182,721.87	279,044.71
Less: Non-operational expenses	184,874.00	
III. Gross profit(“-” for loss)	959,385,063.30	567,956,744.05

Items	Amount in this period	Amount in last period
Less: Income tax expenses	34,466,045.99	8,943,088.28
IV. Net profit	924,919,017.31	559,013,655.77
(1) Categorized by going concern	924,919,017.31	559,013,655.77
(2) Termination of operating net profit		
V. After tax net amount of comprehensive income	42,627,645.56	
(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.	42,627,645.56	
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-1,482,656.44	
2. Gains and losses from changes in fair value available for sale financial assets	44,110,302.00	
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		
VI. Total comprehensive income	967,546,662.87	559,013,655.77
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting: Fang Zhi Accounting Dept Leader: Zhou Fang

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Total revenue	2,386,633,889.06	2,262,749,048.43
Including: Business income	2,386,633,889.06	2,262,749,048.43
Interest income		
Insurance fee earned		
Commission charge and commission income		
II. Total Business cost	1,103,131,283.22	1,144,258,992.54
Including: Business cost	817,225,556.12	814,962,327.13
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	10,740,890.98	10,278,140.64
Sales expenses		
Administrative expense	105,269,752.40	111,288,226.47
R & D cost	3,026,437.60	7,025,757.34
Financial expenses	168,742,365.39	200,507,959.88
Including: Interest cost	185,358,874.77	223,016,680.03
Interest income	22,721,206.04	22,596,555.68
Asset impairment loss	-1,873,719.27	196,581.08
Add: Other gains	194,598.16	
Investment gain (“-” for loss)	393,663,174.25	337,337,399.41
Including: investment income from associates and joint ventures	351,082,029.39	313,283,142.59

Items	Amount in this period	Amount in last period
Fair value change income		
Gains from currency exchange (“-” for loss)		
Assets disposal income	66,369,899.18	
III. Operational profit (“-” for loss)	1,743,730,277.43	1,455,827,455.30
Add : Non-operational income	3,258,819.00	63,420,135.89
Less: Non-operational expenses	2,145,960.35	4,128,264.77
IV. Gross profit(“-” for loss)	1,744,843,136.08	1,515,119,326.42
Less: Income tax expenses	337,103,704.44	80,018,819.53
V. Net profit	1,407,739,431.64	1,435,100,506.89
(1) Categorized by going concern	1,407,739,431.64	1,435,100,506.89
(2) Termination of operating net profit		
Net profit attributable to the owners of parent company	1,220,305,249.74	1,277,628,791.25
Minority shareholders’ equity	187,434,181.90	157,471,715.64
VI.After tax net amount of comprehensive income	-31,167,903.99	-75,869,719.44
Net of profit of other comprehensive income attributable to owners of the parent company	-31,167,903.99	-75,869,719.44
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II)		
Other comprehensive income that will be reclassified into profit or loss.	-31,167,903.99	-75,869,719.44
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-6,466,134.87	
2.Gains and losses from changes in fair value available for sale financial as	-24,701,769.12	-75,869,719.44

Items	Amount in this period	Amount in last period
sets		
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	1,376,571,527.65	1,359,230,787.45
Total comprehensive income attributable to the owner of the parent company	1,189,137,345.75	1,201,759,071.81
Total comprehensive income attributable minority shareholders	187,434,181.90	157,471,715.64
VIII. Earnings per share		
(I) Basic earnings per share	0.58	0.61
(II)Diluted earnings per share	0.58	0.61

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

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting: Fang Zhi Accounting Dept Leader: Zhou Fang

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Turnover	1,055,916,596.63	281,871,132.87
Less: Business cost	480,666,389.08	107,771,305.27
Taxes and surcharge	5,817,633.50	1,180,772.15
Sales expenses		

Items	Amount in this period	Amount in last period
Administrative expense	60,558,892.12	43,378,310.99
R & D cost		
Financial expenses	155,551,567.44	119,005,596.12
Including: Interest cost	174,813,943.23	138,099,572.86
Interest income	22,420,977.88	19,141,752.56
Asset impairment loss	-1,240,782.92	
Add: Other gains	194,598.16	
Investment gain (“-” for loss)	1,700,859,665.12	1,432,408,272.61
Including: investment income from associates and joint ventures	351,082,029.39	313,283,142.59
Fair value change income		
Assets disposal income	138,427.18	
II. Operational profit (“-” for loss)	2,055,755,587.87	1,442,943,420.95
Add : Non-operational income	1,099,053.86	352,923.13
Less: Non-operational expenses	670,700.09	
III. Gross profit (“-” for loss)	2,056,183,941.64	1,443,296,344.08
Less: Income tax expenses	88,520,873.40	-211,327,478.86
IV. Net profit	1,967,663,068.24	1,654,623,822.94
(1) Categorized by going concern	1,967,663,068.24	1,654,623,822.94
(2) Termination of operating net profit		
V. After tax net amount of comprehensive income	-31,167,903.99	-75,869,719.44
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1. Re-measurement of defined benefit plans of changes in net debt or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II)		
Other comprehensive income that will be reclassified into profit or loss.	-31,167,903.99	-75,869,719.44
1. Other comprehensive income under the equity method investee can be re	-6,466,134.87	

Items	Amount in this period	Amount in last period
classified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-24,701,769.12	-75,869,719.44
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	1,936,495,164.25	1,578,754,103.50
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting: Fang Zhi Accounting Dept Leader: Zhou Fang

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

In RMB yuan

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	2,430,071,550.43	2,269,246,330.63
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		

Items	Amount in this period	Amount in last period
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	54,513,688.32	67,752,504.28
Sub-total of cash inflow	2,484,585,238.75	2,336,998,834.91
Cash paid for purchasing of merchandise and services	142,035,365.51	101,493,279.85
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	200,483,302.33	203,043,259.59
Taxes paid	659,984,230.23	325,795,159.90
Other cash paid for business activities	47,815,642.37	61,842,977.19
Sub-total of cash outflow from business activities	1,050,318,540.44	692,174,676.53
Cash flow generated by business operation, net	1,434,266,698.31	1,644,824,158.38
II.Cash flow generated by investing		
Cash received from investment retrieving		

Items	Amount in this period	Amount in last period
Cash received as investment gains	246,194,475.70	180,974,999.80
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	228,183,292.51	138,750.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	575,046.00	60,287,001.01
Sub-total of cash inflow due to investment activities	474,952,814.21	241,400,750.81
Cash paid for construction of fixed assets, intangible assets and other long-term assets	509,914,271.20	256,756,858.37
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	509,914,271.20	256,756,858.37
Net cash flow generated by investment	-34,961,456.99	-15,356,107.56
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	1,259,000,000.00	1,308,000,000.00
Cash received from bond placing		
Other financing - related ash received	4,861,111.11	
Sub-total of cash inflow from financing activities	1,263,861,111.11	1,308,000,000.00
Cash to repay debts	1,487,480,000.00	1,625,100,000.00
Cash paid as dividend, profit, or interests	1,482,717,100.16	936,660,204.59
Incl: Dividend and profit paid by		

Items	Amount in this period	Amount in last period
subsidiaries to minor shareholders		
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	2,970,197,100.16	2,561,760,204.59
Net cash flow generated by financing	-1,706,335,989.05	-1,253,760,204.59
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,267,884.63	1,447,084.51
V.Net increase of cash and cash equivalents	-309,298,632.36	377,154,930.74
Add: balance of cash and cash equivalents at the beginning of term	2,363,042,700.42	2,603,279,644.25
VI ..Balance of cash and cash equivalents at the end of term	2,053,744,068.06	2,980,434,574.99

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting: Fang Zhi Accounting Dept Leader: Zhou Fang

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

In RMB yuan

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	1,028,479,493.61	204,860,249.44
Tax returned		
Other cash received from business operation	342,818,820.26	711,264,490.94
Sub-total of cash inflow	1,371,298,313.87	916,124,740.38
Cash paid for purchasing of merchandise and services	59,667,495.43	6,155,244.77
Cash paid to staffs or paid for staffs	80,870,547.38	34,315,661.16
Taxes paid	38,553,095.96	4,409,052.82
Other cash paid for business activities	363,020,990.09	285,269,012.07
Sub-total of cash outflow from	542,112,128.86	330,148,970.82

Items	Amount in this period	Amount in last period
business activities		
Cash flow generated by business operation, net	829,186,185.01	585,975,769.56
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	877,415,742.21	1,290,045,873.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	296,095.00	128,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	650,750.00	10,786,916.66
Sub-total of cash inflow due to investment activities	878,362,587.21	1,300,960,789.66
Cash paid for construction of fixed assets, intangible assets and other long-term assets	495,317,031.90	1,413,815.93
Cash paid as investment		4,500,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		10,000,000.00
Sub-total of cash outflow due to investment activities	495,317,031.90	15,913,815.93
Net cash flow generated by investment	383,045,555.31	1,285,046,973.73
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	600,000,000.00	
Cash received from bond placing		
Other financing - related ash received	295,861,111.11	
Sub-total of cash inflow from financing activities	895,861,111.11	
Cash to repay debts	614,100,000.00	50,100,000.00

Items	Amount in this period	Amount in last period
Cash paid as dividend, profit, or interests	1,212,529,917.37	813,656,128.90
Other cash paid for financing activities	374,200,000.00	
Sub-total of cash outflow due to financing activities	2,200,829,917.37	863,756,128.90
Net cash flow generated by financing	-1,304,968,806.26	-863,756,128.90
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,267,884.63	1,447,084.51
V.Net increase of cash and cash equivalents	-95,004,950.57	1,008,713,698.90
Add: balance of cash and cash equivalents at the beginning of term	2,130,475,892.67	1,795,455,123.88
VI ..Balance of cash and cash equivalents at the end of term	2,035,470,942.10	2,804,168,822.78

Legal Representative: Zhen Renfa General Manager : Wang Chunhua

Person in charge of accounting : Fang Zhi Accounting Dept Leader: Zhou Fang

II. Auditor's report

Whether the Q3 report is audited

Yes No

The Q3 Report is not audited.