

# **Guangdong Provincial Expressway Development Co., Ltd.**

## **The First Quarterly Report 2019**

**April 2019**

## 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 of the Company

### (1) Main financial data and financial index

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

Yes  No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating revenue (Yuan)	736,437,257.60	743,043,761.26	-0.89%
Net profit attributable to the shareholders of the listed company (Yuan)	354,064,646.18	341,598,430.84	3.65%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	353,871,455.69	341,067,803.01	3.75%
Net cash generated from /used in operating activities (Yuan)	518,337,607.13	332,977,529.61	55.67%
Basic earning per share(Yuan/Share)	0.17	0.16	6.25%
Diluted gains per share(Yuan/Share)	0.17	0.16	6.25%
Weighted average return on equity (%)	3.61%	3.71%	-0.10%

	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Total assets (Yuan)	17,264,308,203.57	16,295,910,774.45	5.94%
Net assets attributable to the shareholders of the listed company (Yuan)	10,026,134,135.15	9,586,701,904.06	4.58%

## 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
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-54,181.47	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	115,533.91	
Other non-business income and expenditures other than the above	195,938.56	
Less :Influenced amount of income tax	44,768.97	
Influenced amount of minor shareholders' equity (after tax)	19,331.54	
Total	193,190.49	--

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	57,566	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0
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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	24.56%	513,412,507	410,032,765		
Guangdong Highway Construction Co., Ltd.	State-owned legal person	22.30%	466,325,020	466,325,020		
Yadong Fuxing Yalian Investment Co., Ltd.	Domestic non State-owned Legal person	9.68%	202,429,149	202,429,149	Pledge	156,652,500
Tibet Yingyue Investment Management Co., Ltd.	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		
Agricultural Bank of China — Jingshun Great Wall Energy Infrastructure Mixed Securities Investment Fund	Other	1.30%	27,166,803			
Feng Wuchu	Domestic natural person shares	1.07%	22,369,146			

Xinyue Co., Ltd.	Overseas legal person	0.63%	13,201,086		
PRUSIK UMBRELLA UCITS FUND PLC	Overseas legal person	0.62%	12,999,871		
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		
Agricultural Bank of China—Jingshun Great Wall Energy Infrastructure Mixed Securities Investment Fund	27,166,803	RMB Common shares	27,166,803		
Feng Wuchu	22,369,146	RMB Common shares	20,461,807		
		Foreign shares placed in domestic exchange	1,907,339		
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		
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	12,291,518	Foreign shares placed in domestic exchange	12,291,518		
Khazanah Nasional Berhad—Self fund	10,522,779	RMB Common shares	10,522,779		
Huatai Securities Co., Ltd.	10,065,914	RMB Common shares	10,065,914		
VALUE PARTNERS CLASSIC FUND	9,971,395	Foreign shares placed in domestic	9,971,395		

		exchange	
MATTHEWS CHINA DIVIDEND FUND	9,755,290	Foreign shares placed in domestic exchange	9,755,290
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

1. Monetary capital Increased by RMB 707.92 million and 33.32% over the beginning of the year, It's mainly due to the comprehensive impact of various cash flow activities, in which the net cash inflow from operating activities was RMB 518.34 million, the net cash outflow from investment activities was RMB 213.01 million, and the net cash inflow from financing activities was RMB 402.59 million.

2. Construction in process

Construction in progress projects include construction in progress and engineering materials.

Construction in process decreased by RMB 408.35 million and 37.53% over the beginning of the year, It's mainly due to the comprehensive impact of project cost incurred in the expansion project of Sanbao to Shuikou Section of Fokai Expressway and the expansion project asset of Sanbao to Gonghe Section of Fokai Expressway converted into fixed assets.

The capital period of the project has not changed.

3. Bond payable increased by RMB 680 million, A 5-year medium-term note issued for the company.

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

1. Operating income decreased by RMB 6.61 million and 0.89 % year on year, Mainly due to the following factors: Foshan First Ring Road was open to traffic, and it does not restrict trucks, which diverts part of the traffic flow of Fokai Expressway; Humen Bridge restricts the passage of trucks over 10 tons from March 8 to April 2 and the Zhuhai branch line (S9919 K0+945-K5+158) canceled the charges from December 15th, 2018 thereby reduced the income of Guangzhudong tolls; due to the natural growth of traffic volume, the revenue of Guangfo Expressway toll increased.

2. R & D expenses decreased by RMB 1.32 million and 100% year on year, Mainly due to the company did not have R&D expenditures this year.

3. Investment gains increased by RMB 16.84 million and 16.35%, The main reason for the increase was that the investment income of the share-participating companies recognized by the Company according to the shareholding ratio increased YOY.

(III) Notes of main items of cash flow statement

1. Taxes paid

Mainly due to calculate the income tax, value-added tax and its additional taxes and fees actually paid in the current period. The current period decreased by RMB 177 million and 68.26% year on year, Mainly due to in the same period last year, Guangdong Fokai Expressway Co., Ltd (deregistered) paid the assessed value-added income tax, and there was no such situation in the current period.

2. Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets increased by RMB 100.3 million and 99.97% year on year, Mainly due to in the same period last year, Jingzhu Expressway Guangzhu Section Co., Ltd. received the compensation of RMB 100 million for the 4.213 km expressway asset of the Zhuhai section of the Guang'ao Expressway transferred from the Zhuhai High-tech Zone Management Committee. and there was no such situation in the current period.

3. Cash paid for construction of fixed assets, intangible assets and other long-term assets increased by 110.47 million and 61.01% year on year, Mainly due to the payment for the expansion and expansion of the

Sanbao-Shuikou section of the Fokai Expressway paid by the Fokai Branch was increased.

4. Cash received from borrowing increased by RMB 996 million and 240.58% year on year, The reason was that the parent company's borrowing increased by RMB 1,255 million in the current period, and the Jingzhu Expressway Guangzhu Section Co., Ltd's borrowing in the current period decreased by RMB 259 million YOY..

5. Cash to repay debts increased by RMB 633.92 million and 206.00% year on year, The reason was that the parent company's repayment of borrowings increased by RMB 906 million in the current period. The Jingzhu Expressway Guangzhu Section Co., Ltd's repayment for borrowings decreased by RMB 223.35 million in the current period. Guangdong Fokai Expressway Co., Ltd (deregistered) repaid borrowings of RMB 48.73 million in the previous period.

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

Applicable  Not applicable

Progress in the implementation of share repurchase

Applicable  Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

Applicable  Not applicable

## **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 end of the period from actual controller, shareholders, related parties, purchaser and companies.

## **IV. Prediction of Business performance for January- June 2019**

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

Applicable  Not applicable

## **V. Investment in securities**

Applicable  Not applicable

Non-existence

## **VI. Investment in derivatives**

Applicable  Not applicable

Non-existence

## **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
January 9,2019	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
January 16,2019	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
March 29,2019	By phone	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 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.

March 31, 2019

In RMB

Items	March 31, 2019	December 31, 2018
Current asset:		
Monetary fund	2,832,442,969.39	2,124,524,996.32
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	105,447,913.94	91,076,995.07
Including: Notes receivable		
Account receivable	105,447,913.94	91,076,995.07
Prepayments	1,283,038.94	1,912,943.40
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	17,798,021.47	16,487,256.02
Including: Interest receivable		
Dividend receivable	1,205,472.90	1,205,472.90
Other account receivable	16,592,548.57	15,281,783.12
Repurchasing of financial assets		
Inventories	83,931.70	81,017.91
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	51,745.32	51,745.32
Other current asset		
Total of current assets	2,957,107,620.76	2,234,134,954.04
Non-current assets:		

Items	March 31,2019	December 31, 2018
Loans and payment on other' s behalf disbursed		
Debt investment		
Available for sale of financial assets		1,668,791,594.53
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,201,788,350.19	3,145,644,970.07
Other equity instruments investment	1,762,893,572.13	
Other non-current financial assets		
Property investment	3,497,339.23	3,579,007.54
Fixed assets	8,118,342,992.18	7,600,046,319.91
Including : Fixed assets	8,118,342,992.18	7,600,046,319.91
Liquidation of fixed assets		
Construction in progress	681,124,596.93	1,089,473,425.63
Including: Construction in progress	679,575,040.93	1,087,923,869.63
Engineering material	1,549,556.00	1,549,556.00
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	5,106,557.74	5,739,020.48
Development expenses		
Goodwill		
Long-germ expenses to be amortized	1,221,781.88	1,221,781.88
Deferred income tax asset	422,581,407.34	447,485,034.79
Other non-current asset	110,643,985.19	99,794,665.58
Total of non-current assets	14,307,200,582.81	14,061,775,820.41
Total of assets	17,264,308,203.57	16,295,910,774.45
Current liabilities		
Short-term loans		
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations		

Items	March 31,2019	December 31, 2018
accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	154,910,357.26	203,779,190.74
Including: Notes payable		
Account payable	154,910,357.26	203,779,190.74
Advance receipts	12,375,610.28	12,039,708.01
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	18,092,331.40	13,122,437.17
Tax payable	118,882,217.49	104,198,746.06
Other account payable	207,567,174.26	191,254,464.84
Including: Interest payable	11,339,664.52	8,971,576.57
Dividend payable	17,127,446.76	17,191,142.23
Other account payable	179,100,062.98	165,091,746.04
Fees and commissions payable		
Reinsurance fee payable		
Contract Liabilities		
Liabilities held for sales		
Non-current liability due within 1 year	1,967,555,000.00	2,498,480,000.00
Other current liability		
Total of current liability	2,479,382,690.69	3,022,874,546.82
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	3,302,315,000.00	2,983,040,000.00
Bond payable	680,000,000.00	
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	38,022,210.11	38,022,210.11
Including: Long-term payable	38,022,210.11	38,022,210.11
Special payable		

Items	March 31,2019	December 31, 2018
Expected liabilities		
Deferred income		
Deferred income tax liability	224,577,068.14	205,672,389.59
Other non-current liabilities		
Total non-current liabilities	4,244,914,278.25	3,226,734,599.70
Total of liability	6,724,296,968.94	6,249,609,146.52
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,551,949,235.31	2,536,774,965.31
Less: Shares in stock		
Other comprehensive income	315,302,429.72	245,109,114.81
Surplus reserves	775,402,561.35	775,402,561.35
Common risk provision		
Retained profit	4,292,673,782.77	3,938,609,136.59
Total of owner' s equity belong to the parent company	10,026,134,135.15	9,586,701,904.06
Minority shareholders' equity	513,877,099.48	459,599,723.87
Total of owners' equity	10,540,011,234.63	10,046,301,627.93
Total of liabilities and owners' equity	17,264,308,203.57	16,295,910,774.45

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

**2.Parent Company Balance Sheet**

In RMB

Items	March 31, 2019	December 31, 2018
Current asset:		
Monetary fund	2,813,617,635.05	2,096,597,568.04
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	18,536,318.28	18,405,847.15
Including: Notes receivable		
Account receivable	18,536,318.28	18,405,847.15
Prepayments	996,386.44	1,532,057.82
Other account receivable	24,133,924.45	9,323,782.66
Including: Interest receivable	17,087,212.26	1,880,148.12
Dividend receivable	1,205,472.90	1,205,472.90
Other account receivable	5,841,239.29	6,238,161.64
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	100,000,000.00	100,000,000.00
Other current asset		
Total of current assets	2,957,284,264.22	2,225,859,255.67
Non-current assets:		
Debt investment	692,903,684.98	
Available for sale of financial assets		1,668,791,594.53
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	4,735,453,359.00	4,679,309,978.88
Other equity instruments investment	1,762,893,572.13	
Other non-current financial assets		
Property investment	3,245,200.98	3,326,869.29
Fixed assets	5,872,474,309.21	5,292,898,635.00

Items	March 31, 2019	December 31, 2018
Including : Fixed assets	5,872,474,309.21	5,292,898,635.00
Liquidation of fixed assets		
Construction in progress	640,868,926.90	1,060,230,773.10
Including: Construction in progress	640,868,926.90	1,060,230,773.10
Engineering material		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	1,597,159.29	1,741,277.53
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	422,441,216.87	447,328,530.77
Other non-current asset	110,016,836.44	790,720,727.48
Total of non-current assets	14,241,894,265.80	13,944,348,386.58
Total of assets	17,199,178,530.02	16,170,207,642.25
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	116,980,362.46	124,833,335.72
Including: Notes payable		
Account payable	116,980,362.46	124,833,335.72
Advance receipts		
Contract Liabilities		
Employees' wage payable	5,454,825.93	5,669,203.37
Tax payable	5,856,745.80	10,297,144.52
Other account payable	165,929,517.48	142,457,135.79
Including: Interest payable	10,792,926.60	8,373,096.36
Dividend payable	17,127,446.76	17,191,142.23
Other account payable	138,009,144.12	116,892,897.20

Items	March 31, 2019	December 31, 2018
Liabilities held for sales		
Non-current liability due within 1 year	1,796,255,000.00	2,327,180,000.00
Other current liability	1,187,835,865.71	977,236,252.44
Total of current liability	3,278,312,317.38	3,587,673,071.84
Non-current liabilities:		
Long-term loan	3,086,915,000.00	2,731,990,000.00
Bond payable	680,000,000.00	
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	38,022,210.11	38,022,210.11
Including: Long-term payable	38,022,210.11	38,022,210.11
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	111,746,098.40	88,220,604.00
Other non-current liabilities		
Total non-current liabilities	3,916,683,308.51	2,858,232,814.11
Total of liability	7,194,995,625.89	6,445,905,885.95
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,963,837,466.93	2,948,663,196.93
Less: Shares in stock		
Other comprehensive income	315,302,429.72	245,109,114.81
Surplus reserves	759,558,277.70	759,558,277.70
Retained profit	3,874,678,603.78	3,680,165,040.86
Total of owners' equity	10,004,182,904.13	9,724,301,756.30
Total of liabilities and owners' equity	17,199,178,530.02	16,170,207,642.25



**3.Consolidated Income statement**

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	736,437,257.60	743,043,761.26
Including: Business income	736,437,257.60	743,043,761.26
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	352,232,513.86	349,373,491.44
Including: Business cost	257,839,452.31	253,181,541.86
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	3,168,467.28	3,134,608.21
Sales expense		
Administrative expense	36,707,007.01	34,583,248.16
R & D costs		1,318,344.01
Financial expenses	54,517,587.26	57,155,749.20
Including: Interest expense	58,652,879.99	63,343,856.83
Interest income	5,041,225.60	7,183,114.61
Asset impairment loss		
Credit impairment loss		
Add: Other income	115,533.91	
Investment gain (“-” for loss)	119,851,621.21	103,011,034.29
Including: investment gains from affiliates	119,198,798.96	103,011,034.29
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		

Items	Report period	Same period of the previous year
III. Operational profit (“-” for loss)	504,171,898.86	496,681,304.11
Add : Non-operational income	332,608.56	924,878.79
Including: Profits from disposal of non-current assets		92,737.24
Less: Non-operating expense	190,851.47	277,993.40
Including: Loss on disposal of non-current assets	54,181.47	249,184.79
IV. Total profit (“-” for loss)	504,313,655.95	497,328,189.50
Less: Income tax expenses	95,971,634.16	102,250,360.83
V. Net profit	408,342,021.79	395,077,828.67
(I) Classification by business continuity		
1. Net continuing operating profit	408,342,021.79	395,077,828.67
2. Termination of operating net profit		
(II) Classification by ownership		
Net profit attributable to the owners of parent company	354,064,646.18	341,598,430.84
Minority shareholders’ equity	54,277,375.61	53,479,397.83
VI. Net after-tax of other comprehensive income	70,193,314.91	313,345.79
Net of profit of other comprehensive income attributable to owners of the parent company.	70,193,314.91	313,345.79
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	70,576,483.20	
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.		
3. Changes in the fair value of investments in other equity instruments	70,576,483.20	
4. Changes in the fair value of the company’s credit risks		
5. Other		
(II)		
Other comprehensive income that will be reclassified into profit or losses.	-383,168.29	313,345.79
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-383,168.29	-4,979,890.45
2. Changes in the fair value of investments in other debt obligations		

Items	Report period	Same period of the previous year
3.Gains and losses from changes in fair value available for sale financial assets		5,293,236.24
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	478,535,336.70	395,391,174.46
Total comprehensive income attributable to the owner of the parent company	424,257,961.09	341,911,776.63
Total comprehensive income attributable minority shareholders	54,277,375.61	53,479,397.83
VIII. Earnings per share		
(I) Basic earnings per share	0.17	0.16
(II) Diluted earnings per share	0.17	0.16

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

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

## 4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Revenue	324,156,876.46	328,850,035.97
Including: Business cost	151,217,612.97	145,321,328.49
Business tax and surcharge	1,724,079.25	1,715,552.23
Sales expense		
Administrative expense	20,909,420.29	18,510,954.70
R & D costs		
Financial expenses	50,832,482.65	52,730,252.46
Including: Interest expenses	55,840,761.99	58,496,606.84
Interest income	5,026,938.55	5,785,118.92
Asset impairment loss		
Credit impairment loss		
Add: Other income		
Investment gain (“-” for loss)	119,851,621.21	135,011,034.29
Including: investment gains from affiliates	119,198,798.96	103,011,034.29
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
II. Operational profit (“-” for loss)	219,324,902.51	245,582,982.38
Add : Non-operational income	111,869.48	583,307.92
Less: Non- operational expenses	35,895.17	251,804.79
Including: Loss on disposal of non-current assets	35,895.17	249,184.79
III. Total profit (“-” for loss)	219,400,876.82	245,914,485.51
Less: Income tax expenses	24,887,313.90	30,852,242.18
IV. Net profit	194,513,562.92	215,062,243.33
1.Net continuing operating profit	194,513,562.92	215,062,243.33
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	70,193,314.91	313,345.79
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	70,576,483.20	0.00
1.Re-measurement of defined benefit plans of changes in net debt		

Items	Report period	Same period of the previous year
or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	70,576,483.20	
4. Changes in the fair value of the company's credit risks		
5. Other		
(II)		
Other comprehensive income that will be reclassified into profit or loss.	-383,168.29	313,345.79
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	-383,168.29	-4,979,890.45
2. Changes in the fair value of investments in other debt obligations		
3.		
Gains and losses from changes in fair value available for sale financial assets		5,293,236.24
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of a available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9. Other		
VI. Total comprehensive income	264,706,877.83	215,375,589.12
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	738,658,072.58	734,954,247.26
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 amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned		
Other cash received from business operation	8,177,214.62	8,628,131.32
Sub-total of cash inflow	746,835,287.20	743,582,378.58
Cash paid for purchasing of merchandise and services	52,141,942.34	65,925,589.00
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	73,711,658.04	74,728,511.17
Taxes paid	82,310,582.56	259,308,133.22
Other cash paid for business activities	20,333,497.13	10,642,615.58
Sub-total of cash outflow from business activities	228,497,680.07	410,604,848.97
Net cash generated from /used in operating activities	518,337,607.13	332,977,529.61
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	78,499,342.80	80,894,706.68

Items	Report period	Same period of the previous year
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	31,580.00	100,329,850.00
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	78,530,922.80	181,224,556.68
Cash paid for construction of fixed assets, intangible assets and other long-term assets	291,544,023.52	181,076,036.11
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	291,544,023.52	181,076,036.11
Net cash flow generated by investment	-213,013,100.72	148,520.57
III. Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	1,410,000,000.00	414,000,000.00
Cash received from bond placing		
Other financing - related cash received		
Sub-total of cash inflow from financing activities	1,410,000,000.00	414,000,000.00
Cash to repay debts	941,650,000.00	307,730,000.00
Cash paid as dividend, profit, or interests	64,965,149.34	81,854,963.82
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	791,384.00	
Sub-total of cash outflow due to financing activities	1,007,406,533.34	389,584,963.82
Net cash flow generated by financing	402,593,466.66	24,415,036.18
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	707,917,973.07	357,541,086.36
Add: balance of cash and cash equivalents at the beginning of term	2,123,303,796.32	2,363,042,700.42
VI ..Balance of cash and cash equivalents at the end of term	2,831,221,769.39	2,720,583,786.78

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	317,930,569.57	308,153,039.83
Tax returned		
Other cash received from business operation	227,481,382.77	313,698,619.62
Sub-total of cash inflow	545,411,952.34	621,851,659.45
Cash paid for purchasing of merchandise and services	6,738,037.43	29,554,946.50
Cash paid to staffs or paid for staffs	27,527,028.50	30,305,685.91
Taxes paid	13,682,757.81	14,917,622.11
Other cash paid for business activities	25,373,283.31	156,019,307.99
Sub-total of cash outflow from business activities	73,321,107.05	230,797,562.51
Net cash generated from /used in operating activities	472,090,845.29	391,054,096.94
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving		
Cash received as investment gains	78,499,342.80	122,894,706.68
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,700.00	16,250.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	213,750.00	213,750.00
Sub-total of cash inflow due to investment activities	78,716,792.80	123,124,706.68
Cash paid for construction of fixed assets, intangible assets and other long-term assets	276,927,693.99	170,844,583.14
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	276,927,693.99	170,844,583.14
Net cash flow generated by investment	-198,210,901.19	-47,719,876.46
<b>III. Cash flow generated by financing</b>		
Cash received as investment		
Cash received as loans	1,410,000,000.00	155,000,000.00
Cash received from bond placing		
Other financing - related cash received		150,000,000.00
Sub-total of cash inflow from financing activities	1,410,000,000.00	305,000,000.00
Cash to repay debts	906,000,000.00	



Items	Amount in this period	Amount in last period
Cash paid as dividend, profit, or interests	60,068,493.09	40,196,530.42
Other cash paid for financing activities	791,384.00	73,200,000.00
Sub-total of cash outflow due to financing activities	966,859,877.09	113,396,530.42
Net cash flow generated by financing	443,140,122.91	191,603,469.58
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	717,020,067.01	534,937,690.06
Add: balance of cash and cash equivalents at the beginning of term	2,095,376,368.04	2,130,475,892.67
VI ..Balance of cash and cash equivalents at the end of term	2,812,396,435.05	2,665,413,582.73

## II Adjustments to the Financial Statements

### 1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Applicable  Not applicable

#### Consolidated balance sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current asset:			
Monetary fund	2,124,524,996.32	2,124,524,996.32	
Notes receivable & account receivable	91,076,995.07	91,076,995.07	
Account receivable	91,076,995.07	91,076,995.07	
Prepayments	1,912,943.40	1,912,943.40	
Other account receivable	16,487,256.02	16,487,256.02	
Dividend receivable	1,205,472.90	1,205,472.90	
Other account receivable	15,281,783.12	15,281,783.12	
Inventories	81,017.91	81,017.91	
Non-current asset due within 1 year	51,745.32	51,745.32	
Total of current assets	2,234,134,954.04	2,234,134,954.04	
Non-current assets:			
Available-for-sale financial assets	1,668,791,594.53	Not applicable	
Long term share equity investment	3,145,644,970.07	3,145,644,970.07	

Items	December 31, 2018	January 1, 2019	Adjustment
Other equity instruments investment	Not applicable	1,668,791,594.53	
Property investment	3,579,007.54	3,579,007.54	
Fixed assets	7,600,046,319.91	7,600,046,319.91	
Including : Fixed assets	7,600,046,319.91	7,600,046,319.91	
Liquidation of fixed assets			
Construction in progress	1,089,473,425.63	1,089,473,425.63	
Including : Construction in progress	1,087,923,869.63	1,087,923,869.63	
Engineering material	1,549,556.00	1,549,556.00	
Intangible assets	5,739,020.48	5,739,020.48	
Long-germ expenses to be amortized	1,221,781.88	1,221,781.88	
Deferred tax assets	447,485,034.79	447,485,034.79	
Other non-current asset	99,794,665.58	99,794,665.58	
Total of non-current assets	14,061,775,820.41	14,061,775,820.41	
Total of assets	16,295,910,774.45	16,295,910,774.45	
Current liabilities			
Notes payable & account payable	203,779,190.74	203,779,190.74	
Including: Notes payable			
Account payable	203,779,190.74	203,779,190.74	
Advance payment	12,039,708.01	12,039,708.01	
Employees' wage payable	13,122,437.17	13,122,437.17	
Tax payable	104,198,746.06	104,198,746.06	
Other account payable	191,254,464.84	191,254,464.84	
Including: Interest payable	8,971,576.57	8,971,576.57	
Dividend payable	17,191,142.23	17,191,142.23	
Other account payable	165,091,746.04	165,091,746.04	
Non-current liability due within 1 year	2,498,480,000.00	2,498,480,000.00	
Total of current liability	3,022,874,546.82	3,022,874,546.82	
Non-current liabilities:			
Long-term loan	2,983,040,000.00	2,983,040,000.00	
Long-term payable	38,022,210.11	38,022,210.11	
Including : Long-term payable	38,022,210.11	38,022,210.11	
Special payable			

Items	December 31, 2018	January 1, 2019	Adjustment
Deferred income tax liability	205,672,389.59	205,672,389.59	
Total non-current liabilities	3,226,734,599.70	3,226,734,599.70	
Total of liability	6,249,609,146.52	6,249,609,146.52	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Capital reserves	2,536,774,965.31	2,536,774,965.31	
Other comprehensive income	245,109,114.81	245,109,114.81	
Surplus reserves	775,402,561.35	775,402,561.35	
Retained profit	3,938,609,136.59	3,938,609,136.59	
Total of owner's equity belong to the parent company	9,586,701,904.06	9,586,701,904.06	
Minority shareholders' equity	459,599,723.87	459,599,723.87	
Total of owners' equity	10,046,301,627.93	10,046,301,627.93	
Total of liabilities and owners' equity	16,295,910,774.45	16,295,910,774.45	

#### Adjustment statement

According to the No. 22 Accounting Standards for Business Enterprises, the Company designates the former “available financial assets for sale” as “financial assets measured at fair value and whose changes are included in other comprehensive income”.

#### Parent Company Balance Sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current asset:			
Monetary fund	2,096,597,568.04	2,096,597,568.04	
Notes receivable & account receivable	18,405,847.15	18,405,847.15	
Account receivable	18,405,847.15	18,405,847.15	
Prepayments	1,532,057.82	1,532,057.82	
Other account receivable	9,323,782.66	9,323,782.66	
Including: Interest receivable	1,880,148.12	1,880,148.12	
Dividend receivable	1,205,472.90	1,205,472.90	
Other account receivable	6,238,161.64	6,238,161.64	
Non-current asset due within 1 year	100,000,000.00	100,000,000.00	

Items	December 31, 2018	January 1, 2019	Adjustment
Total of current assets	2,225,859,255.67	2,225,859,255.67	
Non-current assets:			
Debt investment	Not applicable	692,903,684.98	
Available-for-sale financial assets	1,668,791,594.53	Not applicable	
Long term share equity investment	4,679,309,978.88	4,679,309,978.88	
Other equity instruments investment	Not applicable	1,668,791,594.53	
Property investment	3,326,869.29	3,326,869.29	
Fixed assets	5,292,898,635.00	5,292,898,635.00	
Including: Fixed assets	5,292,898,635.00	5,292,898,635.00	
Liquidation of fixed assets			
Construction in progress	1,060,230,773.10	1,060,230,773.10	
Including: Construction in progress	1,060,230,773.10	1,060,230,773.10	
Engineering material			
Intangible assets	1,741,277.53	1,741,277.53	
Deferred tax assets	447,328,530.77	447,328,530.77	
Other non-current asset	790,720,727.48	97,817,042.50	-692,903,684.98
Total of non-current assets	13,944,348,386.58	13,944,348,386.58	
Total of assets	16,170,207,642.25	16,170,207,642.25	
Current liabilities			
Notes payable & Account payable	124,833,335.72	124,833,335.72	
Including: Notes payable			
Account payable	124,833,335.72	124,833,335.72	
Employees' wage payable	5,669,203.37	5,669,203.37	
Tax payable	10,297,144.52	10,297,144.52	
Other account payable	142,457,135.79	142,457,135.79	
Including: Interest payable	8,373,096.36	8,373,096.36	
Dividend payable	17,191,142.23	17,191,142.23	
Other account payable	116,892,897.20	116,892,897.20	
Non-current liability due within 1 year	2,327,180,000.00	2,327,180,000.00	

Items	December 31, 2018	January 1, 2019	Adjustment
Other current liability	977,236,252.44	977,236,252.44	
Total of current liability	3,587,673,071.84	3,587,673,071.84	
Non-current liabilities:			
Long-term loan	2,731,990,000.00	2,731,990,000.00	
Long-term payable	38,022,210.11	38,022,210.11	
Including : Long-term payable	38,022,210.11	38,022,210.11	
Special payable			
Deferred income tax liability	88,220,604.00	88,220,604.00	
Total of Non-current liabilities	2,858,232,814.11	2,858,232,814.11	
Total of liability	6,445,905,885.95	6,445,905,885.95	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Capital reserves	2,948,663,196.93	2,948,663,196.93	
Other comprehensive income	245,109,114.81	245,109,114.81	
Surplus reserves	759,558,277.70	759,558,277.70	
Retained profit	3,680,165,040.86	3,680,165,040.86	
Total of owners' equity	9,724,301,756.30	9,724,301,756.30	
Total of liabilities and owners' equity	16,170,207,642.25	16,170,207,642.25	

#### Adjustment statement

According to the No. 22 Accounting Standards for Business Enterprises, the Company designates the former “available financial assets for sale” as “financial assets measured at fair value and whose changes are included in other comprehensive income”, and the entrusted loans accounted through “other non-current assets” are classified as “financial assets measured at amortized cost”, and it’s through “debt investment”.

## 2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

Applicable  Not applicable

### III. Auditor' report

Is the First Quarterly Report be audited?

Yes  No

The First Quarterly report is not audited.