

Guangdong Provincial Expressway Development Co., Ltd.

The First Quarterly Report 2013

April 2013

1 Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

Mr.Li Xiyuan, The Company leader, Mr. Xiao Laijiu, Chief financial officer and the Mr..Liu Xiaomei, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report .

All the directors attended the board meeting for reviewing the Quarterly Report.

II. Main financial data and changes of shareholders

(1) Main financial data

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

☐ Yes ☒ No

| | January-March 2013 | January-March 2012 | Increase /decrease (%) |
|--|--------------------|--------------------|--------------------------|
| Operating income (RMB) | 309,689,847.08 | 268,377,836.84 | 15.39% |
| Net profit attributable to the shareholders of the listed company (RMB) | 22,318,156.43 | 59,659,108.43 | -62.59% |
| Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB) | 21,742,387.41 | 59,367,995.36 | -63.38% |
| Cash flow generated by business operation, net (RMB) | 140,167,066.60 | 163,716,399.47 | -14.38% |
| Basic earning per share(RMB/Share) | 0.02 | 0.05 | -60% |
| Diluted gains per share(RMB/Share)(RMB/Share) | 0.02 | 0.05 | -60% |
| Weighted average return on equity (%) | 0.52% | 1.44% | -0.92% |
| | March 31, 2013 | December 31, 2012 | Increase /decrease (%) |
| Gross assets (RMB) | 13,614,632,219.68 | 13,154,565,539.37 | 3.5% |
| Net profit attributable to the shareholders of the listed company (RMB) | 4,331,978,120.30 | 4,268,859,963.87 | 1.48% |

Items of non-current gains and losses

☒ applicable ☐ not applicable

Unit: RMB

| Non-recurring gain and loss items | Amount (Year-beginning to the end of the report period.) | Notes (If applicable) |
|---|--|-----------------------|
| Other non-operating income and expense other than above-mentioned | 767,831.31 | |
| Amount of influence of income tax | 192,062.29 | |
| Total | 575,769.02 | -- |

(2) Total number of shareholders at the end of report period and Particular about shares held by top ten shareholders

Unit: Shares

| Total number of shareholders at the end of report period | | 91,381 | | | | |
|--|---------------------------------------|--------------------|-------------|---|----------------------|-------------|
| Particular about shares held by top ten shareholders | | | | | | |
| Shareholder name | Properties of shareholder | Share proportion % | Quantity | Amount of tradable shares with Conditional held | Pledging or freezing | |
| | | | | | Status of the shares | Quantity |
| Guangdong Communication Group Co., Ltd. | State-owned legal person | 56.51% | 513,328,290 | 409,948,548 | Freeze | 103,379,742 |
| China Securities Co., Ltd. credit transaction guarantee securities accounts | Domestic non State-owned Legal person | 3.48% | 31,568,466 | | | |
| Guangdong Expressway Co., Ltd | State-owned legal person | 2.16% | 19,582,228 | 19,582,228 | | |
| China Merchants Securities Co., Ltd credit transaction guarantee securities accounts | Domestic non State-owned Legal person | 1.62% | 14,742,904 | | | |
| Xinyue Co., Ltd. | Overseas legal person | 3.79% | 13,201,086 | | | |
| Guangdong Yuecai Trust Investment Co., Ltd. | State-owned legal person | 1.34% | 12,174,345 | | | |
| Haerbin Daoli District, Treasury Services Dept. | Domestic non State-owned Legal person | 0.65% | 5,898,656 | | | |
| Shanxi Huiteng International | Domestic non State-owned | 0.41% | 3,716,200 | | | |

| Freight Forwarding Co., Ltd. | Legal person | | | | | |
|--|--|--|-------------|--|--|--|
| Hu Maohua | Domestic Natural person | 0.84% | 2,939,600 | | | |
| Lu Weiqiang | Domestic Natural person | 0.83% | 2,888,848 | | | |
| Shareholding of top 10 shareholders of unrestricted shares | | | | | | |
| Name of the shareholder | Quantity of unrestricted shares held at the end of the reporting period (Note 4) | Share type | | | | |
| | | Share type | Quantity | | | |
| Guangdong Communication Group Co., Ltd. | 103,379,742 | RMB Common shares | 103,379,742 | | | |
| China Securities Co., Ltd. credit transaction guarantee securities accounts | 31,568,466 | RMB Common shares | 31,568,466 | | | |
| China Merchants Securities Co., Ltd credit transaction guarantee securities accounts | 14,742,904 | RMB Common shares | 14,742,904 | | | |
| 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 | | | |
| Haerbin Daoli District, Treasury Services Dept. | 5,898,656 | RMB Common shares | 5,898,656 | | | |
| Shanxi Huiteng International Freight Forwarding Co., Ltd. | 3,716,200 | RMB Common shares | 3,716,200 | | | |
| Hu Maohua | 2,939,600 | Foreign shares placed in domestic exchange | 2,939,600 | | | |
| Lu Weiqiang | 2,888,848 | Foreign shares placed in domestic exchange | 2,888,848 | | | |
| Chen Shukai | 2,823,000 | Foreign shares placed in domestic exchange | 2,823,000 | | | |

| | |
|---|---|
| Explanation on associated relationship among the aforesaid shareholders | Guangdong Communication Group Co., Ltd. is the parent company of Guangdong Expressway Co., Ltd. and Xinyue Co., Ltd.. It is unknown whether there is relationship between other shareholders and whether they are persons taking concerted action specified in the Regulations on Disclosure of Information about Change in Shareholding of Shareholders of Listed Companies. |
|---|---|

III. Significant Events

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

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

Monetary capital increased by RMB 515 million and 64.51% over the beginning of the year mainly due to net cash inflow of RMB 140 million from operating activities, net cash outflow of RMB 145 million from investing activities and net cash inflow of RMB 520 million from financing activities.

Accounts receivable increased by RMB 41.80 million and 189.49% over the beginning of the year mainly due to increase of toll income receivable from United Electronic Toll Center by Guangfo Expressway Co., Ltd. and Guangdong Fokai Expressway Co., Ltd.

Prepayments decreased by RMB 24.71 million and 52.39% over the beginning of the year mainly due to the decrease of prepayment for projects with the acceptance and start of use of the expansion project of Xiebian-Sanbao Section of Fokai Expressway.

Dividends receivable decreased by RMB 28 million and 52.47% over the beginning of the year because the parent company received cash dividends of RMB 28 million from Jingzhu Expressway Guangzhu Section Co., Ltd., a joint stock subsidiary, in current period.

Accounts payable decreased by RMB 232 million and 31.49% over the beginning of the year mainly due to quickening of payment for projects and the decrease of balance of accounts payable for projects with the acceptance and start of use of the expansion project of Xiebian-Sanbao Section of Fokai Expressway.

Interest payable increased by RMB 28.78 million and 82.15% over the beginning of the year mainly due to provision for medium term note interest of RMB 16.97 million for the first quarter and corporate bond interest of RMB 10.20 million by the parent company in current period.

Non-current liabilities to become due within one year decreased by RMB 374 million and 28.42% over the beginning of the year because Guangdong Fokai Expressway Co., Ltd. repaid due long-term loan of RMB 374 million in current period.

Long-term loan increased by RMB 902 million and 26.79% over the beginning of the year because the parent company borrowed additional insurance funds of RMB 750 million and Guangdong Fokai Expressway Co., Ltd. borrowed additional long-term loan of RMB 152 million.

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

Operating income increased by RMB 41.31 million and 15.39% year on year mainly due to the increase of toll income caused by the rise in the charging standard of toll and natural increase of vehicle traffic volume after the completion of the expansion project of Xiebian-Sanbao Section of Fokai Expressway.

Operating cost increased by RMB 60.30 million and 44.82% year on year mainly because fixed assets increased by big margin after the construction in progress of the expansion project of Xiebian-Sanbao Section of Fokai Expressway were transferred into fixed assets after its completion and provision for depreciation of fixed assets were made on basis of vehicle traffic volume.

Financial expenses increased by RMB 27.41 million and 34.41% year on year mainly due to the following reasons: (1) The capitalization of the interests of relevant loans stopped in current period after the completion of the expansion project of Xiebian-Sanbao Section of Fokai Expressway at the end of 2012 and all such interests were accounted for as financial expenses; (2) The principal of debts incurring interest payment increased.

Investment income decreased by RMB 5.99 million and 7.39% year on year mainly due to the comprehensive

influence concerning the following joint stock subsidiaries:

(1) Due to special rectification of toll highways and the policy of no toll for small passenger cars with 7 seats or fewer on holidays, the net profit of Jingzhu Expressway Guangzhu Section Co., Ltd. for the current period decreased by RMB 47.32 million. The income from investment in this company decreased by RMB 9.46 million;

(2) Shenzhen Huiyan Expressway Co., Ltd. was affected by the special rectification of toll highways and the policy of no toll for small passenger cars with 7 seats or fewer on holidays for the current period decreased by RMB 9.07 million. The income from investment in this company decreased by RMB3.02 million;

(3) The income of Ganzhou Kangda Expressway Co., Ltd. increased apparently due to improvement of road network and the start of use of Shaogan Expressway for the current period increased by RMB 12.34 million. The income from investment in this company decreased by RMB 3.70 million;

(4) Ganzhou Gankang Expressway Co., Ltd. turned losses into profits in current period due to increase of vehicle traffic volume and change of method of depreciation of fixed assets for the current period decreased by RMB 9.50 million. The income from investment in this company decreased by RMB 2.85 million;

Income tax expenses decreased by RMB 10.31 million and 65.42% year on year mainly due to decrease of total profit.

The net profit for the owners of the parent company decreased by RMB 37.34 million and 62.59% year on year due to the combined influence of the above factors.

(III) Notes of main items of cash flow statement

Cash received from sales of goods and rendering of services increased by RMB 23.35 million and 9.67% year on year mainly due to the increase of toll income. This item mainly calculates the toll income received by Guangfo Expressway Co., Ltd. and Guangdong Fokai Expressway Co., Ltd.

Cash paid for goods and services increased by RMB 15.45 million and 64.44% year on year mainly because the payment for projects made by Guangdong Fokai Expressway Co., Ltd. and Guangfo Expressway Co., Ltd. increased by RMB 16.59 million year on year. This item mainly calculates the payment for special works, maintenance costs and networking paid service fees.

Other cash payment related to operating activities increased by RMB 38.76 million and 371.40% year on year mainly due to the year-on-year increase of project performance bond and bid bond repaid in current period caused by the completion and start of use of the expansion project of Xiebian-Sanbao Section of Fokai Expressway at the end of the previous year. This item mainly calculates cash outflows of current accounts, the expenses of engaging intermediaries, office expenditure, rental charges and listing fee.

Cash received from returns on investment decreased by RMB 37.05 million and 54.59% year on year due to decrease of cash dividends received from joint stock subsidiaries in current period. This item mainly calculates the cash dividends received by the Company from equity investment. In current period, the Company received cash dividends of RMB 28 million from Jingzhu Expressway Guangzhu Section Co., Ltd. and cash dividends of RMB 2.85 million from Zhaoqing Yuezhao Highway Co., Ltd.

Cash paid for construction of fixed assets, intangible assets and other long-term assets decreased by RMB 39.32 million and 18.27% year on year mainly due to the following reasons:

(1) After the expansion project of Xiebian-Sanbao Section of Fokai Expressway was completed and open to traffic at the end of the previous year, the payment for projects decreased by RMB 24.72 million in current period;

(2) The payment related to Yaoyao-Xiebian expansion project made by Guangfo Expressway Co., Ltd. in the first quarter of 2013 decreased by RMB 19.77 million year on year.

Cash received from absorption of investment decreased by RMB 64.82 million and 95.41% due to decrease of other shareholders' investment received by Guangdong Fokai Expressway Co., Ltd. in current period with the acceptance and start of use of the expansion project of Xiebian-Sanbao Section of Fokai Expressway.

The cash received from obtaining loans Increased by RMB 314 million and 33.41% year on year ,The cash received from obtaining loans in current period was RMB 1252 million (1)Including insurance fund of RMB 750 million received by the parent company in current period. (2) Guangdong Fokai Expressway Co., Ltd. borrowed RMB 352 million from banks in current period(not including internal entrusted loan).(3) Guangdong Guangfo Expressway Co., Ltd. borrowed RMB 150 million from banks in current period

Cash paid for debt repayment increased by RMB 220 million and 50.77% year on year due to increase of principal of due loans.

The cash paid in current period for repayment of debt was RMB 654 million. It mainly includes: (1) Guangdong Fokai Expressway Co., Ltd. repaid bank loans of RMB 575 million in current period.(2) Guangdong Guangfo Expressway Co., Ltd. repaid bank loans of RMB 80 million in current period.

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

The Company received the Notice of Guangdong Transportation and Communication Department and Guangdong Price Bureau Regarding Printing and Issuing the Intercommunication Implementation Plan on Annual Ticket for Vehicle Toll in Pearl River Delta Region (Yue Jiao Ming Dian (2012) No. 130 Document) on December 29, 2012. According to the requirements of this notice, Jiujiang Bridge toll station of No. 325 National Highway under the management of Jiujiang Bridge of Guangdong Fokai Expressway Co., Ltd., a controlled subsidiary of the Company, will exempt vehicle toll for the vehicles whose owners have bought annual tickets in nine cities of Pearl River Delta area from 24:00 of December 31, 2012.

At present, the Company is still negotiating with governmental departments including Transportation and Communication Department of Guangdong Province in respect of project interest compensation or scheme of asset disposal after the implementation of the said notice. As the influence of this matter on the Company is quite uncertain and it is unable to appraise its influence on the operating status and financial position of the Company, the Company will timely disclose the progress of this matter according to relevant provisions of Listing Rules of Shenzhen Stock Exchange and investors are advised to pay attention to it.

| Description of provisional announcement | Date of disclosing | Description of the website for disclosing provisional announcements |
|---|--------------------|---|
| The announcement of Important Matters | January 4, 2013 | www.cninfo.com.cn |

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

| Commitment | Commitment maker | Contents | Time of making commitment | Period of commitment | Fulfillment |
|--|------------------|----------|---------------------------|----------------------|-------------|
| Commitment on share reform | | | | | |
| Commitment in the acquisition report or the report on equity changes | | | | | |
| Commitment made upon the assets replacement | | | | | |
| Commitments made upon issuance | | | | | |
| Other commitments made to minority | The Company | The | March 22,2013 | (From March | Under |

| | | | | | |
|---|---|---|----------------|------------------------|-------------------|
| shareholders | | Company will not plan any significant asset reorganization, acquisition, issue of shares concerning itself or other matters having significant influence on itself in the next three months | | 22, 2013). | Fulfillment |
| | Controlling shareholder and The actual controller | The Company will not plan any significant asset reorganization, acquisition, issue of shares concerning itself or other matters having significant influence on itself in the next three months | March 22, 2013 | (from March 22, 2013). | Under Fulfillment |
| Executed timely or not? | Yes | | | | |
| Make commitments on causing the problems of horizontal competition and related-party transactions or not? | No | | | | |

IV. Prediction of Business performance for January- June 2013.

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. Securities investment

| Security category | Security code | Short form of security | Initial investment cost(RMB) | Number of shares held at the beginning of the reporting period(s shares) | Shareholding proportion at the beginning of the reporting period(%) | Number of shares held at the end of the reporting period (shares) | Shareholding proportion at the end of the reporting period(%) | Book balance at the end of the reporting period (RMB) | Gain. loss of the reporting period (RMB) | Accounting items | Sauce of the shares |
|-------------------|---------------|------------------------|------------------------------|--|---|---|---|---|--|------------------|---------------------|
| Total | | | 0.00 | 0 | -- | 0 | -- | 0.00 | 0.00 | -- | -- |

Notes to holding of the equity in other listed companies

VI. Derivative Investment

Derivative investment held at period-end

☐ Applicable ☒ Not applicable

Notes

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

| Date | Place | Mode | Type | Visitor | Content of discussion and materials provided |
|------|-------|------|------|---------|--|
|------|-------|------|------|---------|--|

IV. Financial statement

1. Financial statement

1.Consolidated Balance sheet

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

Unit: RMB

| Items | Year-end balance | Year-beginning balance |
|--|------------------|------------------------|
| Current asset: | | |
| Monetary fund | 1,313,555,335.00 | 798,485,320.49 |
| Settlement provision | | |
| Outgoing call loan | | |
| Trading financial assets | | |
| Bill receivable | | |
| Account receivable | 63,853,429.39 | 22,057,103.81 |
| Prepayments | 22,454,164.50 | 47,164,329.75 |
| Insurance receivable | | |
| Reinsurance receivable | | |
| Provisions of Reinsurance contracts receivable | | |
| Interest receivable | | |
| Dividend receivable | 25,360,130.21 | 53,360,130.21 |
| Other account receivable | 36,741,873.17 | 37,105,814.51 |
| Repurchasing of financial assets | | |
| Inventories | | |
| Non-current asset due in 1 year | | |
| Other current asset | | |
| Total of current assets | 1,461,964,932.27 | 958,172,698.77 |
| Non-current assets : | | |
| Loans and payment on other's behalf disbursed | | |
| Disposable financial asset | 772,800,000.00 | 732,000,000.00 |

| | | |
|---|-------------------|-------------------|
| Expired investment in possess | | |
| Long-term receivable | | |
| Long term share equity investment | 3,086,712,416.86 | 3,014,615,188.63 |
| Property investment | 4,960,771.33 | 5,076,824.68 |
| Fixed assets | 8,065,018,079.36 | 8,219,979,715.32 |
| Construction in progress | 172,654,407.09 | 171,604,290.22 |
| Engineering material | | |
| Fixed asset disposal | | |
| Production physical assets | | |
| Gas & petrol | | |
| Intangible assets | 43,267,974.64 | 45,467,841.10 |
| R & D petrol | | |
| Goodwill | | |
| Long-germ expenses to be amortized | 7,253,638.13 | 7,648,980.65 |
| Differed income tax asset | | |
| Other non-current asset | | |
| Total of non-current assets | 12,152,667,287.41 | 12,196,392,840.60 |
| Total of assets | 13,614,632,219.68 | 13,154,565,539.37 |
| Current liabilities | | |
| Short-term loans | 400,000,000.00 | 330,000,000.00 |
| Loan from Central Bank | | |
| Deposit received and hold for others | | |
| Call loan received | | |
| Trade off financial liabilities | | |
| Bill payable | | |
| Account payable | 505,382,198.06 | 737,647,764.93 |
| Advance payment | 4,583,334.57 | 4,666,667.88 |
| Selling of repurchased financial assets | | |
| Fees and commissions receivable | | |
| Employees' wage payable | 2,986,284.24 | 2,342,361.32 |
| Tax payable | 45,748,771.86 | 40,999,608.03 |

| | | |
|--|------------------|------------------|
| Interest payable | 63,807,787.78 | 35,031,191.54 |
| Dividend payable | 29,348,447.28 | 29,357,933.36 |
| Other account payable | 254,708,898.04 | 265,356,659.21 |
| Reinsurance fee payable | | |
| Insurance contract provision | | |
| Entrusted trading of securities | | |
| Entrusted selling of securities | | |
| Non-current liability due in 1 year | 942,777,403.54 | 1,317,036,103.54 |
| Other current liability | | |
| Total of current liability | 2,249,343,125.37 | 2,762,438,289.81 |
| Non-current liabilities : | | |
| Long-term loan | 4,267,997,400.00 | 3,366,083,700.00 |
| Bond payable | 1,793,805,224.40 | 1,793,186,155.19 |
| Long-term payable | 2,022,210.11 | 2,022,210.11 |
| Special payable | | |
| Expected liabilities | | |
| Differed income tax liability | 118,096,181.32 | 118,372,808.04 |
| Other non-current liabilities | | |
| Total of non-current liabilities | 6,181,921,015.83 | 5,279,664,873.34 |
| Total of liability | 8,431,264,141.20 | 8,042,103,163.15 |
| Owners' equity | | |
| Share capital | 1,257,117,748.00 | 1,257,117,748.00 |
| Capital reserves | 1,779,558,715.57 | 1,738,758,715.57 |
| Less : Shares in stock | | |
| Special reserves | | |
| Surplus reserves | 204,691,882.55 | 204,691,882.55 |
| Common risk provision | | |
| Undistributed profit | 1,090,609,774.18 | 1,068,291,617.75 |
| Different of foreign currency translation | | |
| Total of owner's equity belong to the parent company | 4,331,978,120.30 | 4,268,859,963.87 |
| Minority shareholders' equity | 851,389,958.18 | 843,602,412.35 |

| | | |
|---|-------------------|-------------------|
| Total of owners' equity | 5,183,368,078.48 | 5,112,462,376.22 |
| Total of liabilities and owners' equity | 13,614,632,219.68 | 13,154,565,539.37 |

Legal representative : Li Xiyuan

Person-in-charge of the accounting work: Xiao Laijiu

Person-in -charge of the accounting organ: Liu Xiaomei

2. Balance sheet of Parent Company

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

Unit: RMB

| Items | Year-end balance | Year-beginning balance |
|-----------------------------------|------------------|------------------------|
| Current asset: | | |
| Monetary fund | 1,022,941,206.88 | 625,270,216.39 |
| Trading financial assets | | |
| Bill receivable | | |
| Account receivable | | |
| Prepayments | 500,000.00 | 1,250,000.00 |
| Interest receivable | 403,822.23 | 28,266.67 |
| Dividend receivable | 74,275,706.55 | 102,275,706.55 |
| Other account receivable | 6,390,279.48 | 4,944,777.18 |
| Inventories | | |
| Non-current asset due in 1 year | | |
| Other current asset | 200,000,000.00 | |
| Total of current assets | 1,304,511,015.14 | 733,768,966.79 |
| Non-current assets : | | |
| Disposible financial asset | 772,800,000.00 | 732,000,000.00 |
| Expired investment in possess | | |
| Long-term receivable | | |
| Long term share equity investment | 5,444,121,486.38 | 5,331,873,758.15 |
| Property investment | 4,708,633.08 | 4,824,686.43 |

| | | |
|-------------------------------------|------------------|------------------|
| Fixed assets | 8,158,352.88 | 7,623,424.59 |
| Construction in progress | | |
| Engineering material | | |
| Fixed asset disposal | | |
| Production physical assets | | |
| Gas & petrol | | |
| Intangible assets | | |
| R & D petrol | | |
| Goodwill | | |
| Long-term expenses to be amortized | 7,097,287.96 | 7,477,499.83 |
| Differed income tax asset | | |
| Other non-current asset | 20,000,000.00 | 20,000,000.00 |
| Total of non-current assets | 6,256,885,760.30 | 6,103,799,369.00 |
| Total of assets | 7,561,396,775.44 | 6,837,568,335.79 |
| Current liabilities | | |
| Short-term loans | | |
| Trade off financial liabilities | | |
| Bill payable | | |
| Account payable | | |
| Advance payment | | |
| Employees' wage payable | 511,912.37 | 204,400.17 |
| Tax payable | 1,033,530.64 | 1,211,396.44 |
| Interest payable | 55,864,861.05 | 27,734,652.73 |
| Dividend payable | 13,043,255.16 | 13,052,741.24 |
| Other account payable | 3,609,353.51 | 4,456,147.15 |
| Non-current liability due in 1 year | | |
| Other current liability | 52,589,877.24 | 158,166,691.43 |
| Total of current liability | 126,652,789.97 | 204,826,029.16 |
| Non-current liabilities : | | |
| Long-term loan | 1,500,000,000.00 | 750,000,000.00 |
| Bond payable | 1,793,805,224.40 | 1,793,186,155.19 |
| Long-term payable | 2,022,210.11 | 2,022,210.11 |
| Special payable | | |

| | | |
|---|------------------|------------------|
| Expected liabilities | | |
| Differed income tax liability | | |
| Other non-current liabilities | | |
| Total of Non-current liabilities | 3,295,827,434.51 | 2,545,208,365.30 |
| Total of liability | 3,422,480,224.48 | 2,750,034,394.46 |
| Owners' equity | | |
| Share capital | 1,257,117,748.00 | 1,257,117,748.00 |
| Capital reserves | 1,779,706,856.32 | 1,738,906,856.32 |
| Less : Shares in stock | | |
| Special reserves | | |
| Surplus reserves | 204,691,882.55 | 204,691,882.55 |
| Provision of general risk | | |
| Undistributed profit | 897,400,064.09 | 886,817,454.46 |
| Different of foreign currency translation | | |
| Total of owners' equity | 4,138,916,550.96 | 4,087,533,941.33 |
| Total of liabilities and owners' equity | 7,561,396,775.44 | 6,837,568,335.79 |

Legal representative : Li Xiyuan

Person-in-charge of the accounting work: Xiao Laijiu

Person-in -charge of the accounting organ: Liu Xiaomei

3.Consolidated Profit Statement

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

Unit: RMB

| Items | Amount in this period | Amount in last period |
|---------------------------------|-----------------------|-----------------------|
| I. Income from the key business | 309,689,847.08 | 268,377,836.84 |
| Incl : Business income | 309,689,847.08 | 268,377,836.84 |
| Interest income | | |

| | | |
|---|----------------|----------------|
| Insurance fee earned | | |
| Fee and commission received | | |
| II. Total business cost | 353,321,695.04 | 262,109,520.50 |
| Incl : Business cost | 194,848,874.29 | 134,547,987.47 |
| 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 | 10,876,584.41 | 9,810,430.31 |
| Sales expense | | |
| Administrative expense | 40,507,972.07 | 38,075,321.73 |
| Financial expenses | 107,088,264.27 | 79,675,780.99 |
| Asset impairment loss | | |
| Add : Gains from change of fair value (“-”for loss) | | |
| Investment gain (“-”for loss) | 75,046,562.68 | 81,036,411.20 |
| Incl: investment gains from affiliates | 75,046,562.68 | 81,036,411.20 |
| Gains from currency exchange (“-”for loss) | | |
| III. Operational profit (“-”for loss | 31,414,714.72 | 87,304,727.54 |
| Add : Non-business income | 1,032,236.14 | 519,966.33 |
| Less : Non business expenses | 8,321.77 | 2,432.00 |
| Incl : Loss from disposal of non-current assets | | |

| | | |
|---|---------------|---------------|
| IV.Total profit(“-”for loss) | 32,438,629.09 | 87,822,261.87 |
| Less : Income tax expenses | 5,452,526.83 | 15,767,170.85 |
| V. Net profit (“-”for net loss) | 26,986,102.26 | 72,055,091.02 |
| Including: Net profit realized by the entity taken over before the takeover | | |
| Net profit attributable to the owners of parent company | 22,318,156.43 | 59,659,108.43 |
| Minority shareholders' equity | 4,667,945.83 | 12,395,982.59 |
| VI. Earnings per share : | -- | -- |
| (I) Basic earnings per share | 0.02 | 0.05 |
| (II)Diluted earnings per share | 0.02 | 0.05 |
| VII. Other comprehensive income | 40,800,000.00 | -7,200,000.00 |
| VIII. Total comprehensive income | 67,786,102.26 | 64,855,091.02 |
| Total comprehensive income attributable to the owner of the parent company | 63,118,156.43 | 52,459,108.43 |
| Total comprehensive income attributable minority shareholders | 4,667,945.83 | 12,395,982.59 |

Legal representative : Li Xiyuan

Person-in-charge of the accounting work: Xiao Laijiu

Person-in -charge of the accounting organ: Liu Xiaomei

4. Profit statement of the Parent Company

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

Unit: RMB

| Items | Amount in this period | Amount in last period |
|---------------------------------|-----------------------|-----------------------|
| I. Income from the key business | 1,800,295.99 | 2,643,608.33 |

| | | |
|---|---------------|----------------|
| Less : Business cost | 116,053.35 | 116,053.35 |
| Business tax and surcharge | 37,318.65 | 150,391.22 |
| Sales expense | | |
| Administrative expense | 23,371,368.80 | 19,881,476.80 |
| Financial expenses | 42,739,210.38 | 38,824,872.14 |
| Asset impairment loss | | |
| Add : Gains from change of for value (“-”for loss) | | |
| Investment gain (“-”for loss) | 75,046,562.68 | 105,404,591.53 |
| Incl: investment gains from affiliates | 75,046,562.68 | 81,036,411.20 |
| II. Operational profit(“-”for loss) | 10,582,907.49 | 49,075,406.35 |
| Add : Non-business income | | |
| Less : Non- business expenses | 297.86 | |
| Incl : Loss from disposal of non-current assets | | |
| III.Total profit(“-”for loss) | 10,582,609.63 | 49,075,406.35 |
| Less : Income tax expenses | | |
| IV. Net profit (“-”for net loss) | 10,582,609.63 | 49,075,406.35 |
| V. Earnings per share : | -- | -- |
| (I) Basic earnings per share | 0.01 | 0.04 |
| (II)Diluted earnings per share | 0.01 | 0.04 |
| VI. Other comprehensive income | 40,800,000.00 | -7,200,000.00 |
| VII. Total comprehensive income | 51,382,609.63 | 41,875,406.35 |

Legal representative : Li Xiuyan

Person-in-charge of the accounting work: Xiao Laijiu

Person-in -charge of the accounting organ: Liu Xiaomei

5. Consolidated Cash flow statement

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

Unit: 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 | 264,898,291.00 | 241,545,905.78 |
| Net increase of customer deposits and capital kept for brother company | | |
| Net increase of loans from central bank | | |
| Net increase of inter-bank loans from other financial bodies | | |
| Cash received against original insurance contract | | |
| Net cash received from reinsurance business | | |
| Net increase of client deposit and investment | | |
| Net increase of trade financial asset disposal | | |
| Cash received as interest, processing fee and commission | | |
| Net increase of inter-bank fund received | | |
| Net increase of repurchasing business | | |
| Tax returned | | |
| Other cash received from business operation | 28,395,583.75 | 19,725,884.39 |

| | | |
|---|----------------|----------------|
| Sub-total of cash inflow | 293,293,874.75 | 261,271,790.17 |
| Cash paid for purchasing of merchandise and services | 39,431,044.77 | 23,979,687.23 |
| 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 | 53,319,249.00 | 50,633,847.85 |
| Taxes paid | 11,174,517.99 | 12,504,484.47 |
| Other cash paid for business activities | 49,201,996.39 | 10,437,371.15 |
| Sub-total of cash outflow from business activities | 153,126,808.15 | 97,555,390.70 |
| Cash flow generated by business operation, net | 140,167,066.60 | 163,716,399.47 |
| II.Cash flow generated by investing | | |
| Cash received from investment retrieving | | |
| Cash received as investment gains | 30,949,334.45 | 68,000,000.00 |
| 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 | | |
| Net cash received from disposal of subsidiaries or other operational units | | |
| Sub-total of cash inflow due to investment activities | 30,949,334.45 | 68,000,000.00 |
| Cash paid for construction of fixed assets, intangible assets and | 175,927,848.39 | 215,249,849.41 |

| | | |
|---|------------------|------------------|
| other long-term assets | | |
| 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 | 175,927,848.39 | 215,249,849.41 |
| Net cash flow generated by investment | -144,978,513.94 | -147,249,849.41 |
| III.Cash flow generated by financing | | |
| Cash received as investment | 3,119,600.00 | 67,935,000.00 |
| Incl: Cash received as investment from minor shareholders | | |
| Cash received as loans | 1,252,300,000.00 | 938,690,000.00 |
| Cash received from bond placing | | |
| Other financing –related cash received | | |
| Sub-total of cash inflow from financing activities | 1,255,419,600.00 | 1,006,625,000.00 |
| Cash to repay debts | 654,645,000.00 | 434,190,000.00 |
| Cash paid as dividend, profit, or interests | 77,892,863.20 | 77,769,008.56 |
| Incl: Dividend and profit paid by subsidiaries to minor shareholders | | |
| Other cash paid for financing activities | 3,000,000.00 | 5,470,000.00 |
| Sub-total of cash outflow due to financing activities | 735,537,863.20 | 517,429,008.56 |
| Net cash flow generated by financing | 519,881,736.80 | 489,195,991.44 |
| IV. Influence of exchange rate alternation on cash and cash equivalents | -274.95 | -33.87 |

| | | |
|--|------------------|------------------|
| V.Net increase of cash and cash equivalents | 515,070,014.51 | 505,662,507.63 |
| Add: balance of cash and cash equivalents at the beginning of term | 798,485,320.49 | 1,018,999,531.05 |
| VI.Balance of cash and cash equivalents at the end of term | 1,313,555,335.00 | 1,524,662,038.68 |

Legal representative : Li Xiyuan

Person-in-charge of the accounting work: Xiao Laijiu

Person-in -charge of the accounting organ: Liu Xiaomei

6. Cash flow statement of the Parent Company

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

Unit: 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 | 1,128,279.32 | |
| Tax returned | | |
| Other cash received from business operation | 1,616,318.17 | 88,872,435.18 |
| Sub-total of cash inflow | 2,744,597.49 | 88,872,435.18 |
| Cash paid for purchasing of merchandise and services | | |
| Cash paid to staffs or paid for staffs | 15,734,815.65 | 18,409,487.58 |
| Taxes paid | 366,034.72 | 144,993.02 |
| Other cash paid for business activities | 113,836,772.37 | 76,157,816.07 |
| Sub-total of cash outflow from business activities | 129,937,622.74 | 94,712,296.67 |
| Cash flow generated by business | -127,193,025.25 | -5,839,861.49 |

| | | |
|---|-----------------|----------------|
| operation, net | | |
| II.Cash flow generated by investing | | |
| Cash received from investment retrieving | | |
| Cash received as investment gains | 30,949,334.45 | 68,000,000.00 |
| 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 cash receivable for investment activities | 295,111.11 | 2,623,283.33 |
| Sub-total of cash inflow due to investment activities | 31,244,445.56 | 70,623,283.33 |
| Cash paid for construction of fixed assets, intangible assets and other long-term assets | 940,516.00 | 370,950.00 |
| Cash paid as investment | 40,150,500.00 | 150,000,000.00 |
| Net cash received from subsidiaries and other operational units | | |
| Other cash paid for investment activities | 200,000,000.00 | 10,000,000.00 |
| Sub-total of cash outflow due to investment activities | 241,091,016.00 | 160,370,950.00 |
| Net cash flow generated by investment | -209,846,570.44 | -89,747,666.67 |
| III.Cash flow generated by financing | | |
| Cash received from absorbing investment | | |
| Cash received as loans | 750,000,000.00 | 265,990,000.00 |
| Cash received from bond placing | | |
| Other financing –related ash received | | |
| Sub-total of cash inflow from financing activities | 750,000,000.00 | 265,990,000.00 |

| | | |
|---|------------------|----------------|
| Cash to repay debts | | 215,990,000.00 |
| Cash paid as dividend, profit, or interests | 12,289,138.87 | 10,724,170.42 |
| Other cash paid for financing activities | 3,000,000.00 | 5,470,000.00 |
| Sub-total of cash outflow due to financing activities | 15,289,138.87 | 232,184,170.42 |
| Net cash flow generated by financing | 734,710,861.13 | 33,805,829.58 |
| IV. Influence of exchange rate alternation on cash and cash equivalents | -274.95 | -33.87 |
| V.Net increase of cash and cash equivalents | 397,670,990.49 | -61,781,732.45 |
| Add: balance of cash and cash equivalents at the beginning of term | 625,270,216.39 | 701,899,352.28 |
| VI.Balance of cash and cash equivalents at the end of term | 1,022,941,206.88 | 640,117,619.83 |

Legal representative : Li Xiyuan

Person-in-charge of the accounting work: Xiao Laijiu

Person-in -charge of the accounting organ: Liu Xiaomei

II. Auditor' report

Is the First Quarterly Report be audited?

☐ Yes ☒ No