

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

## **The First Quarterly Report 2020**

**April 2020**

## 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)	211,215,592.28	736,437,257.60	-71.32%
Net profit attributable to the shareholders of the listed company (Yuan)	-70,094,226.94	354,064,646.18	-119.80%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-71,989,487.82	353,871,455.69	-120.34%
Net cash generated from /used in operating activities (Yuan)	142,313,822.41	518,337,607.13	-72.54%
Basic earning per share(Yuan/Share)	-0.034	0.17	-120%
Diluted gains per share(Yuan/Share)	-0.034	0.17	-120%
Weighted average return on equity (%)	-0.72%	3.61%	-4.33%

	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Total assets (Yuan)	17,764,608,422.89	17,674,545,340.78	0.51%
Net assets attributable to the shareholders of the listed company (Yuan)	9,620,855,660.12	9,823,426,849.75	-2.06%

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)	54,135.66	
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	634,569.81	Stable post allowance, maternity allowance
Other non-business income and expenditures other than the above	2,469,693.04	
Less :Influenced amount of income tax	747,383.83	
Influenced amount of minor shareholders' equity (after tax)	515,753.80	
Total	1,895,260.88	--

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		54,195	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	Share	Quantity	Amount of	Pledging or freezing

	shareholder	proportion %		tradable shares with Conditional held	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			
Yadong Fuxing Yalian Investment Co., Ltd.	Domestic non State-owned Legal person	9.68%	202,429,149			
Tibet Yingyue Investment Management Co., Ltd.	State-owned legal person	4.84%	101,214,574			
Guangdong Expressway Co., Ltd.	State-owned legal person	2.53%	52,937,491	19,582,228		
China Life Insurance Co., Ltd.—Dividend —Personal dividend -005L-FH002 Shen	Other	1.74%	36,330,529			
China Life Insurance Co., Ltd.—Traditional —Common insurance products-005L-C T001Shen	Other	1.73%	36,225,847			
Orient Securities Co., Ltd.	State-owned legal person	1.08%	22,508,593			
Feng Wuchu	Domestic natural person shares	0.93%	19,545,052			
Hong Kong Securities	Overseas legal person	0.88%	18,408,606			

Clearing Co., Ltd.						
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 Highway Construction Co., Ltd.	466,325,020	RMB Common shares			466,325,020	
Yadong Fuxing Yalian Investment Co., Ltd.	202,429,149	RMB Common shares			202,429,149	
Guangdong Communication Group Co., Ltd.	103,379,742	RMB Common shares			103,379,742	
Tibet Yingyue Investment Management Co., Ltd.	101,214,574	RMB Common shares			101,214,574	
China Life Insurance Co., Ltd.—Dividend —Personal dividend -005L-FH002 Shen	36,330,529	RMB Common shares			36,330,529	
China Life Insurance Co., Ltd.—Traditional—Common insurance products-005L-CT001Shen	36,225,847	RMB Common shares			36,225,847	
Guangdong Expressway Co., Ltd.	33,355,263	RMB Common shares			33,355,263	
Orient Securities Co., Ltd.	22,508,593	RMB Common shares			22,508,593	
Feng Wuchu	19,545,052	RMB Common shares			17,451,789	
		Foreign shares placed in domestic exchange			2,093,263	
Hong Kong Securities Clearing Co., Ltd.	18,408,606	RMB Common shares			18,408,606	
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. and Guangdong Expressway 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 as compared with the beginning of this year.

1. Notes receivable and account receivable

Accounts receivable decreased by 45.61 million yuan and 36.39% from the beginning of the year, mainly due to the decrease in toll income to be split between Guangdong Provincial Expressway Development Co., Ltd. Fokai Branch and Jingzhu Expressway Guangzhou Section Co., Ltd.

2. Construction in process

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

The construction in progress increased by 100.9 million yuan and 44.04% compared with the beginning of the year, mainly due to the influence of the transfer of project funds from the expansion project of Sanbao to Shuikou section of Fokai Expressway.

3. Taxes payable decreased by 55.91 million yuan and 66.36% from the beginning of the year, mainly due to the taxes accrued in the previous year by affiliated branches and subsidiaries and the taxes accrued in the current period affected by the new coronavirus pneumonia epidemic.

4. Non-current liabilities due within one year decreased by 639.36 million yuan and 80.34% from the beginning of the year, which is the combined effect of the company's repayment of 625.35 million yuan of loans due, long-term payables and reclassification of accounts.

5. Bonds payable increased by 747.65 million yuan and 110.25%, from the beginning of the year, which are five-year medium-term notes issued by the company in March 2020.

6. Other comprehensive income decreased by 136.43 million yuan and 35.70% from the beginning of the year, which is the combined effect of the parent company's confirmation of changes in the fair value of shares of China Everbright Bank Corporation Limited and confirmation of changes in other comprehensive income of Guoyuan Securities Corporation Limited by share ratio.

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

1. Operating income decreased by 525.22 million yuan and 71.32 % year on year , Mainly due to the following factors: (1) Due to the sudden new coronary virus pneumonia epidemic, the period of exempting the toll fee for small passenger cars during the 2020 Chinese New Year holiday (January 24-January 30) was extended to February 8; (2) The document-Notice of the Ministry of Transport on Toll-free of Highway Vehicle Tolls during the Prevention and Control of New Coronary Pneumonia Epidemic (No. 62-[2020] Ministry of Transport) stipulates that: From 0:00 on February 17, 2020 to the end of the epidemic prevention and control work, the toll fees for vehicles on roads across the country previously toll charged shall be exempted; (3) ETC implements the new preferential policy, which is adjusted from 98% to 95%.

2. Operating costs decreased by 42.89 million yuan and 16.63% year on year. The main reason is that the company in each section is currently in the free expressway period for new coronavirus pneumonia epidemic prevention and control. The company in each section adopts the predicted vehicle flow to accrue depreciation and adopts 2019 version of predicted vehicle flow as depreciation basis for Fokai Branch and Jingzhu Expressway Guangzhou section company from January 1, 2020.

3. Investment income decreased by 114.15 million yuan and 95.24% year on year, The main reason is that most of the companies that our company participates are highway enterprises. Affected by the new coronavirus

pneumonia epidemic and toll free during the epidemic prevention and control period, the company confirms that the investment income of the companies that our company participates decreases year on year according to the proportion of shares held.

4. Income tax decreased by 118.04 million yuan and 123.00% year on year, The main reasons are as follows: Firstly, the total profit of Fokai Branch has decreased, and deferred income tax assets with unrecovered losses have been recognized as a result of consolidated tax payment by the branch. The current year-on-year decrease in income tax is 51.31 million yuan; Secondly, the total profit of Guangzhou-Foshan Expressway Co., Ltd. and Guangzhou Section of Jiangzhu Expressway Co., Ltd. decreased, with a year-on-year reduction in income tax expense of 66.73 million yuan.

5. The net profit attributable to the owner of the parent company decreased by 424.16 million yuan and 119.80% year on year, mainly due to the combined effects of the above factors.

### (III) Notes of main items of cash flow statement

1. Cash received from sales of goods or rendering of services decreased by 490.67 million yuan dn 66.43% year on year, due to the sudden new coronary virus pneumonia epidemic, the period of exempting the toll fee for small passenger cars during the 2020 Chinese New Year holiday (January 24-January 30) was extended to February 8 From 0:00 on February 17, 2020 to the end of the epidemic prevention and control work, the toll fees for vehicles on roads across the country previously toll charged shall be exempted.

2. Other cash paid for business activities increased by 54.48 million yuan and 666.01% , This is mainly because Fokai Branch, Guangfo Expressway Co., Ltd. and Jingzhu Expressway Guangzhou Section Company have received 35.41 million yuan in subsidies for canceling provincial toll stations.

3. Cash paid for purchasing of merchandise and services, The main accounting payment of special projects, maintenance costs and networking fees, etc. This period witnessed a year-on-year decrease of 21.39 million yuan and 41.02%, mainly due to the year-on-year decrease in project funds paid by Fokai Branch, Guangfo Expressway Co., Ltd. and Jingzhu Expressway Guangzhou Section Company.

4. Cash received from investment retrieving decreased by 47.18 million yuan and 60.10% year on year, mainly due to a decrease in cash dividends of Zhaoqing Yuezhao Highway Co., Ltd.

5. Cash paid for construction of fixed assets, intangible assets and other long-term assets decreased by 132.2 million yuan dn 45.35% year on year, It is mainly because the main line of the reconstruction and expansion project of Sanbao-Shuikou section of Fokai Branch has been completed and opened to traffic, and the amount of progress payment has been reduced.

6. Cash to repay debts decreased by 316.55 million yuan and 33.62% year on year, The reason is that the parent company's loan repayment in this period decreased by 280.9 million yuan year on year, and the loan repayment in this period of Jingzhu Expressway Guangzhou Section Co., Ltd. decreased by 35.65 million yuan 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 Ministry of Transportation issued the Notice of the Ministry of Transportation on Waiving Tolls for Toll Roads During the Prevention and Control Period (hereinafter referred to as the Notice) on February 15, 2020. According to the requirements of the Notice, from 00: 00 on February 17, 2020 until the end of the epidemic prevention and control, all expressways controlled and shared by the company will be free of vehicle tolls for all vehicles that pass through these sections according to law, and the specific deadline will be notified separately.



Suspension of vehicle tolls is expected to adversely affect the company's short-term operating results. As of the disclosure date of this report, the time for resuming the collection of vehicle tolls has not yet been determined, Related supporting policies will be issued separately.

The company will actively respond and do its best to mitigate the adverse impact of the epidemic on the company. On the basis of strict epidemic prevention and control and ensuring smooth traffic flow, the company strictly controlled the cost and actively strived for reasonable policy support. In fact, the company has done the following work well to make sufficient preparations for restarting the charging business and accelerating the development after the epidemic prevention and control work is completed.

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. Investment in securities**

√ Applicable □ Not applicable

In RMB

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	1,037,474,303.04	0.00	331,709,471.04	0.00	0.00	0.00	849,270,347.84	Investment in other equity instruments	Self fund
Total			517,560,876.80	--	1,037,474,303.04	0.00	331,709,471.04	0.00	0.00	0.00	849,270,347.84	--	--
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										

**V. Entrusted Financial Management**

☐ Applicable ☒ Not applicable

There is no Entrusted Financial Management during the report period.

**VI. Investment in derivatives**

☐ Applicable ☒ Not applicable

There is no derivative investment during the report period.

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

☐ Applicable ☒ Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

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

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

**IV. Financial Statement****I. Financial statement****1. Consolidated balance sheet**

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

March 31,2020

In RMB

Items	March 31,2020	December 31,2019
Current asset:		
Monetary fund	3,207,183,328.94	2,817,920,894.50
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	81,940,551.16	125,343,724.66
Financing receivable		
Prepayments	10,910,436.29	10,894,246.41
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	16,701,798.64	26,618,178.57
Including: Interest receivable		
Dividend receivable	1,205,472.90	7,205,472.90
Repurchasing of financial assets		
Inventories	111,683.22	111,683.22
Contract assets	5,095,277.77	
Assets held for sales		
Non-current asset due within 1 year	51,745.32	51,745.32
Other current asset		
Total of current assets	3,321,994,821.34	2,980,940,472.68
Non-current assets:		
Loans and payment on other' s behalf disbursed		

Items	March 31,2020	December 31,2019
Creditor's Investment		
Other Creditor's Investment		
Long-term receivable		
Long term share equity investment	3,244,958,991.90	3,255,739,898.36
Other equity instruments investment	1,647,618,649.57	1,835,822,604.77
Other non-current financial assets		
Property investment	3,276,220.75	3,331,500.37
Fixed assets	8,766,501,362.25	8,925,700,473.65
Construction in progress	329,998,673.90	229,098,299.48
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	5,899,225.58	6,393,895.17
Development expenses		
Goodwill		
Long-germ expenses to be amortized	1,114,764.44	1,114,764.44
Deferred income tax asset	411,904,538.16	385,494,106.13
Other non-current asset	31,341,175.00	50,909,325.73
Total of non-current assets	14,442,613,601.55	14,693,604,868.10
Total of assets	17,764,608,422.89	17,674,545,340.78
Current liabilities		
Short-term loans	250,000,000.00	
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	219,443,159.02	290,657,734.31
Advance receipts	13,008,000.22	15,605,094.69
Contract liabilities	2,787,610.63	
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		

Items	March 31,2020	December 31,2019
Entrusted selling of securities		
Employees' wage payable	19,648,713.12	14,822,524.70
Tax payable	28,348,082.08	84,257,586.94
Other account payable	605,596,839.14	626,180,586.92
Including: Interest payable		
Dividend payable	20,020,119.31	20,020,119.31
Other payable	585,576,719.83	606,160,467.61
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	156,497,285.01	795,861,958.07
Other current liability	96,959.93	189,628.17
Total of current liability	1,295,426,649.15	1,827,575,113.80
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	4,724,660,000.00	4,640,425,000.00
Bond payable	1,425,779,626.12	678,124,972.89
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	41,138,247.84	39,369,379.91
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	35,416,900.00	
Deferred income tax liability	192,796,146.59	238,453,976.29
Other non-current liabilities		
Total non-current liabilities	6,419,790,920.55	5,596,373,329.09
Total of liability	7,715,217,569.70	7,423,948,442.89
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		

Items	March 31,2020	December 31,2019
Sustainable debt		
Capital reserves	2,566,524,645.31	2,562,570,465.31
Less: Shares in stock		
Other comprehensive income	245,762,202.21	382,193,344.90
Special reserve		
Surplus reserves	910,425,068.90	910,425,068.90
Common risk provision		
Retained profit	3,807,337,617.70	3,877,431,844.64
Total of owner' s equity belong to the parent company	9,620,855,660.12	9,823,426,849.75
Minority shareholders' equity	428,535,193.07	427,170,048.14
Total of owners' equity	10,049,390,853.19	10,250,596,897.89
Total of liabilities and owners' equity	17,764,608,422.89	17,674,545,340.78

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, 2020	December 31, 2019
Current asset:		
Monetary fund	3,163,620,290.14	2,791,384,501.78
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable		21,864,051.27
Financing receivable		
Prepayments	1,871,208.06	1,737,598.88
Other account receivable	9,263,878.95	13,435,651.19
Including: Interest receivable		
Dividend receivable	1,205,472.90	7,205,472.90
Other receivable	8,058,406.05	6,230,178.29
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year	164,982,252.56	151,637,139.08
Other current asset		
Total of current assets	3,339,737,629.71	2,980,058,942.20
Non-current assets:		
Creditor's right investment	537,903,684.98	537,903,684.98
Other Creditor's right investment		
Long-term receivable		
Long term share equity investment	4,778,624,000.71	4,789,404,907.17
Other equity instruments investment	1,647,618,649.57	1,835,822,604.77
Other non-current financial assets		
Property investment	3,024,082.50	3,079,362.12
Fixed assets	6,696,160,197.05	6,818,701,482.08
Construction in progress	147,137,194.70	46,952,925.08
Production physical assets		
Oil & gas assets		
Use right assets		



Items	March 31, 2020	December 31, 2019
Intangible assets	2,350,441.04	2,533,878.12
Development expenses		
Goodwill		
Long-term expenses to be amortized		
Deferred income tax asset	411,722,506.14	385,296,935.33
Other non-current asset	17,297,114.17	36,901,029.57
Total of non-current assets	14,241,837,870.86	14,456,596,809.22
Total of assets	17,581,575,500.57	17,436,655,751.42
Current liabilities		
Short-term loans	250,000,000.00	
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	133,476,829.30	129,930,285.56
Advance receipts		
Contract Liabilities		
Employees' wage payable	5,892,751.84	6,340,740.61
Tax payable	1,888,703.95	8,704,510.83
Other account payable	561,437,707.65	582,131,356.01
Including: Interest payable		
Dividend payable	20,020,119.31	20,020,119.31
Other payable	541,417,588.34	562,111,236.70
Liabilities held for sales		
Non-current liability due within 1 year	124,021,209.32	744,589,133.72
Other current liability	848,674,656.72	821,133,339.57
Total of current liability	1,925,391,858.78	2,292,829,366.30
Non-current liabilities:		
Long-term loan	4,243,630,000.00	4,243,730,000.00
Bond payable	1,425,779,626.12	678,124,972.89
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	41,138,247.84	39,369,379.91

Items	March 31, 2020	December 31, 2019
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	16,138,700.00	
Deferred income tax liability	82,927,367.76	129,978,356.56
Other non-current liabilities		
Total non-current liabilities	5,809,613,941.72	5,091,202,709.36
Total of liability	7,735,005,800.50	7,384,032,075.66
Owners' equity		
Share capital	2,090,806,126.00	2,090,806,126.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	2,978,412,876.93	2,974,458,696.93
Less: Shares in stock		
Other comprehensive income	245,762,202.21	382,193,344.90
Special reserve		
Surplus reserves	894,580,785.25	894,580,785.25
Retained profit	3,637,007,709.68	3,710,584,722.68
Total of owners' equity	9,846,569,700.07	10,052,623,675.76
Total of liabilities and owners' equity	17,581,575,500.57	17,436,655,751.42

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

**3.Consolidated Income statement**

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	211,215,592.28	736,437,257.60
Including: Business income	211,215,592.28	736,437,257.60
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	310,872,891.11	352,232,513.86
Including: Business cost	214,952,514.53	257,839,452.31
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	1,411,031.51	3,168,467.28
Sales expense		
Administrative expense	33,888,825.63	36,707,007.01
R & D costs		
Financial expenses	60,620,519.44	54,517,587.26
Including: Interest expense	67,218,676.58	58,652,879.99
Interest income	7,404,419.59	5,041,225.60
Add: Other income	634,569.81	115,533.91
Investment gain (“-” for loss)	5,699,699.42	119,851,621.21
Including: investment gains from affiliates	5,259,044.40	119,198,798.96
Termination of recognition of gains on financial assets at amortized cost		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		

Items	Report period	Same period of the previous year
Loss of credit impairment		
Impairment losses on assets		
Income on disposal of assets	4.37	
III. Operational profit (“-” for loss)	-93,323,025.23	504,171,898.86
Add : Non-operational income	2,675,740.31	332,608.56
Less: Non-operating expense	151,915.98	190,851.47
IV. Total profit (“-” for loss)	-90,799,200.90	504,313,655.95
Less: Income tax expenses	-22,070,118.89	95,971,634.16
V. Net profit	-68,729,082.01	408,342,021.79
(I) Classification by business continuity		
1. Net continuing operating profit	-68,729,082.01	408,342,021.79
2. Termination of operating net profit		
(II) Classification by ownership		
Net profit attributable to the owners of parent company	-70,094,226.94	354,064,646.18
Minority shareholders’ equity	1,365,144.93	54,277,375.61
VI. Net after-tax of other comprehensive income	-136,431,142.69	70,193,314.91
Net of profit of other comprehensive income attributable to owners of the parent company.	-136,431,142.69	70,193,314.91
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-141,152,966.40	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	-141,152,966.40	70,576,483.20
4. Changes in the fair value of the company’s credit risks		
5. Other		

Items	Report period	Same period of the previous year
(II)		
Other comprehensive income that will be reclassified into profit or loss.	4,721,823.71	-383,168.29
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	4,721,823.71	-383,168.29
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Translation differences in currency financial statements		
7. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-205,160,224.70	478,535,336.70
Total comprehensive income attributable to the owner of the parent company	-206,525,369.63	424,257,961.09
Total comprehensive income attributable minority shareholders	1,365,144.93	54,277,375.61
VIII. Earnings per share		
(I) Basic earnings per share	-0.03	0.17
(II) Diluted earnings per share	-0.03	0.17

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 the accounting work: Fang Zhi

Person-in -charge of the accounting organ: Zhou Fang

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

In RMB

Items	Report period	Same period of the previous year
I. Revenue	96,834,013.49	324,156,876.46
Including: Business cost	138,349,439.05	151,217,612.97
Business tax and surcharge	982,137.56	1,724,079.25
Sales expense		
Administrative expense	19,008,010.33	20,909,420.29
R & D costs		
Financial expenses	57,156,264.13	50,832,482.65
Including: Interest expenses	64,517,846.96	55,840,761.99
Interest income	7,384,203.28	5,026,938.55
Add: Other income	251,296.73	
Investment gain (“-” for loss)	18,442,347.73	119,851,621.21
Including: investment gains from affiliates	5,259,044.40	119,198,798.96
Termination of recognition of gains on financial assets at amortized cost		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Asset impairment loss		
Income on disposal of assets	4.37	
II. Operational profit (“-” for loss)	-99,968,188.75	219,324,902.51
Add : Non-operational income	67,487.91	111,869.48
Less: Non -operational expenses	101,882.97	35,895.17
III. Total profit(“-” for loss)	-100,002,583.81	219,400,876.82
Less: Income tax expenses	-26,425,570.81	24,887,313.90
IV. Net profit	-73,577,013.00	194,513,562.92
1.Net continuing operating profit	-73,577,013.00	194,513,562.92
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	-136,431,142.69	70,193,314.91

Items	Report period	Same period of the previous year
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	-141,152,966.40	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	-141,152,966.40	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.	4,721,823.71	-383,168.29
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	4,721,823.71	-383,168.29
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	-210,008,155.69	264,706,877.83
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

## 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	247,991,044.46	738,658,072.58
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		
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	62,657,171.96	8,177,214.62
Sub-total of cash inflow	310,648,216.42	746,835,287.20
Cash paid for purchasing of merchandise and services	30,752,706.57	52,141,942.34
Net increase of client trade and advance		



Items	Report period	Same period of the previous year
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
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	68,502,304.72	73,711,658.04
Taxes paid	62,705,913.66	82,310,582.56
Other cash paid for business activities	6,373,469.06	20,333,497.13
Sub-total of cash outflow from business activities	168,334,394.01	228,497,680.07
Net cash generated from /used in operating activities	142,313,822.41	518,337,607.13
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	31,318,703.34	78,499,342.80
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	6,300.00	31,580.00
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	31,325,003.34	78,530,922.80
Cash paid for construction of fixed assets, intangible assets and other long-term assets	159,341,895.02	291,544,023.52
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	159,341,895.02	291,544,023.52

Items	Report period	Same period of the previous year
investment activities		
Net cash flow generated by investment	-128,016,891.68	-213,013,100.72
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	1,060,000,000.00	1,410,000,000.00
Other financing – related cash received		
Sub-total of cash inflow from financing activities	1,060,000,000.00	1,410,000,000.00
Cash to repay debts	625,100,000.00	941,650,000.00
Cash paid as dividend, profit, or interests	59,184,496.29	64,965,149.34
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	750,000.00	791,384.00
Sub-total of cash outflow due to financing activities	685,034,496.29	1,007,406,533.34
Net cash flow generated by financing	374,965,503.71	402,593,466.66
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	389,262,434.44	707,917,973.07
Add: balance of cash and cash equivalents at the beginning of term	2,816,699,694.50	2,123,303,796.32
VI ..Balance of cash and cash equivalents at the end of term	3,205,962,128.94	2,831,221,769.39

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

**6. Cash Flow Statement of the Parent Company**

In RMB

Items	Amount in this period	Amount in last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	113,507,357.25	317,930,569.57
Tax returned		
Other cash received from business operation	86,723,417.53	227,481,382.77
Sub-total of cash inflow	200,230,774.78	545,411,952.34
Cash paid for purchasing of merchandise and services	3,452,081.46	6,738,037.43
Cash paid to staffs or paid for staffs	26,023,676.00	27,527,028.50
Taxes paid	9,893,866.80	13,682,757.81
Other cash paid for business activities	30,499,503.45	25,373,283.31
Sub-total of cash outflow from business activities	69,869,127.71	73,321,107.05
Net cash generated from /used in operating activities	130,361,647.07	472,090,845.29
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	31,318,703.34	78,499,342.80
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	6,300.00	3,700.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		213,750.00
Sub-total of cash inflow due to investment activities	31,325,003.34	78,716,792.80
Cash paid for construction of fixed assets, intangible assets and other long-term assets	104,578,459.51	276,927,693.99
Cash paid as investment		
Net cash received from subsidiaries and other operational units		

Items	Amount in this period	Amount in last period
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	104,578,459.51	276,927,693.99
Net cash flow generated by investment	-73,253,456.17	-198,210,901.19
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,000,000,000.00	1,410,000,000.00
Other financing – related cash received		
Sub-total of cash inflow from financing activities	1,000,000,000.00	1,410,000,000.00
Cash to repay debts	625,100,000.00	906,000,000.00
Cash paid as dividend, profit, or interests	59,022,402.54	60,068,493.09
Other cash paid for financing activities	750,000.00	791,384.00
Sub-total of cash outflow due to financing activities	684,872,402.54	966,859,877.09
Net cash flow generated by financing	315,127,597.46	443,140,122.91
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	372,235,788.36	717,020,067.01
Add: balance of cash and cash equivalents at the beginning of term	2,790,163,301.78	2,095,376,368.04
VI .Balance of cash and cash equivalents at the end of term	3,162,399,090.14	2,812,396,435.05

Legal Representative: Zheng Renfa

General Manager: Wang Chunhua

Person in charge of accounting: Fang Zhi

Accounting Dept Leader: Zhou Fang

## II Adjustments to the Financial Statements

### 1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2020

√ Applicable □ Not applicable

#### Consolidated balance sheet

In RMB

Items	December 31, 2019	January 1, 2020	Adjustment
Current asset:			
Monetary fund	2,817,920,894.50	2,817,920,894.50	
Account receivable	125,343,724.66	127,694,377.99	2,350,653.33
Prepayments	10,894,246.41	10,894,246.41	
Other account receivable	26,618,178.57	19,172,247.47	-7,445,931.10
Dividend receivable	7,205,472.90	7,205,472.90	
Inventories	111,683.22	111,683.22	
Contract assets		5,095,277.77	5,095,277.77
Non-current asset due within 1 year	51,745.32	51,745.32	
Total of current assets	2,980,940,472.68	2,980,940,472.68	
Non-current assets:			
Long-term equity investment	3,255,739,898.36	3,255,739,898.36	
Other equity instruments investment	1,835,822,604.77	1,835,822,604.77	
Property investment	3,331,500.37	3,331,500.37	
Fixed assets	8,925,700,473.65	8,925,700,473.65	
Construction in progress	229,098,299.48	229,098,299.48	
Intangible assets	6,393,895.17	6,393,895.17	
Long-term expenses to be amortized	1,114,764.44	1,114,764.44	
Deferred tax assets	385,494,106.13	385,494,106.13	
Other non-current asset	50,909,325.73	50,909,325.73	
Total of non-current assets	14,693,604,868.10	14,693,604,868.10	
Total of assets	17,674,545,340.78	17,674,545,340.78	

Items	December 31, 2019	January 1, 2020	Adjustment
Current liabilities			
Account payable	290,657,734.31	290,657,734.31	
Advance payment	15,605,094.69	12,817,484.06	-2,787,610.63
Contract liabilities		2,787,610.63	2,787,610.63
Employees' wage payable	14,822,524.70	14,822,524.70	
Tax payable	84,257,586.94	84,257,586.94	
Other account payable	626,180,586.92	626,180,586.92	
Dividend payable	20,020,119.31	20,020,119.31	
Non-current liability due within 1 year	795,861,958.07	795,861,958.07	
Other current liability	189,628.17	189,628.17	
Total of current liability	1,827,575,113.80	1,827,575,113.80	
Non-current liabilities:			
Long-term loan	4,640,425,000.00	4,640,425,000.00	
Bond payable	678,124,972.89	678,124,972.89	
Long-term payable	39,369,379.91	39,369,379.91	
Deferred income tax asset	238,453,976.29	238,453,976.29	
Total of current liability	5,596,373,329.09	5,596,373,329.09	
Non-current liabilities:	7,423,948,442.89	7,423,948,442.89	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Capital reserves	2,562,570,465.31	2,562,570,465.31	
Other comprehensive income	382,193,344.90	382,193,344.90	
Surplus reserves	910,425,068.90	910,425,068.90	
Retained profit	3,877,431,844.64	3,877,431,844.64	
Total of owner's equity belong to the parent company	9,823,426,849.75	9,823,426,849.75	
Minority shareholders' equity	427,170,048.14	427,170,048.14	
Total of owners' equity	10,250,596,897.89	10,250,596,897.89	
Total of liabilities and owners' equity	17,674,545,340.78	17,674,545,340.78	

Adjustment statement

## Parent Company Balance Sheet

In RMB

Items	December 31, 2019	January 1, 2020	Adjustment
Current asset:			
Monetary fund	2,791,384,501.78	2,791,384,501.78	
Account payable	21,864,051.27	21,864,051.27	
Prepayments	1,737,598.88	1,737,598.88	
Other account receivable	13,435,651.19	13,435,651.19	
Dividend receivable	7,205,472.90	7,205,472.90	
Non-current asset due within 1 year	151,637,139.08	151,637,139.08	
Total of current assets	2,980,058,942.20	2,980,058,942.20	
Non-current assets:			
Creditor's rights investment	537,903,684.98	537,903,684.98	
Long term share equity investment	4,789,404,907.17	4,789,404,907.17	
Other equity instruments investment	1,835,822,604.77	1,835,822,604.77	
Property investment	3,079,362.12	3,079,362.12	
Fixed assets	6,818,701,482.08	6,818,701,482.08	
Construction in progress	46,952,925.08	46,952,925.08	
Intangible assets	2,533,878.12	2,533,878.12	
Deferred tax assets	385,296,935.33	385,296,935.33	
Other non-current asset	36,901,029.57	36,901,029.57	
Total of non-current assets	14,456,596,809.22	14,456,596,809.22	
Total of assets	17,436,655,751.42	17,436,655,751.42	
Current liabilities			
Account payable	129,930,285.56	129,930,285.56	
Employees' wage payable	6,340,740.61	6,340,740.61	
Tax payable	8,704,510.83	8,704,510.83	
Other account payable	582,131,356.01	582,131,356.01	
Dividend payable	20,020,119.31	20,020,119.31	
Non-current liability due within 1 year	744,589,133.72	744,589,133.72	

Items	December 31, 2019	January 1, 2020	Adjustment
Other current liability	821,133,339.57	821,133,339.57	
Total of current liability	2,292,829,366.30	2,292,829,366.30	
Non-current liabilities:			
Long-term loan	4,243,730,000.00	4,243,730,000.00	
Bond payable	678,124,972.89	678,124,972.89	
Long-term payable	39,369,379.91	39,369,379.91	
Deferred income tax liability	129,978,356.56	129,978,356.56	
Total of Non-current liabilities	5,091,202,709.36	5,091,202,709.36	
Total of liability	7,384,032,075.66	7,384,032,075.66	
Owners' equity			
Share capital	2,090,806,126.00	2,090,806,126.00	
Capital reserves	2,974,458,696.93	2,974,458,696.93	
Other comprehensive income	382,193,344.90	382,193,344.90	
Surplus reserves	894,580,785.25	894,580,785.25	
Retained profit	3,710,584,722.68	3,710,584,722.68	
Total of owners' equity	10,052,623,675.76	10,052,623,675.76	
Total of liabilities and owners' equity	17,436,655,751.42	17,436,655,751.42	

Adjustment statement

## 2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2020

√Applicable □Not applicable

On July 5, 2017, the Ministry of Finance issued the Notice on Revising and Issuing Accounting Standards for Enterprises No.14-Income (CK [2017] No.22) (hereinafter referred to as the "New Income Standards"). After the fourth meeting of the ninth board of directors of the company approved the resolution on April 3, 2020, the company will implement the aforesaid New Income Standards from January 1, 2020. According to the relevant requirements of the above-mentioned New Income Standards, the company must make corresponding adjustments to the relevant accounting policies previously adopted.

Under the New Income Standards, the Company shall first recognize the amount of merchandise sales received in advance from customers as a contractual liability and convert it into income when relevant performance obligations are fulfilled; The company has transferred goods to customers and has the right to receive consideration, of which unconditional (only depending on the passage of time) shall be recognized as accounts receivable, and those depending on other factors other than the passage of time shall be recognized as contract assets.



The Company retroactively applied the New Income Standards, but chose not to restate the classification and measurement (including impairment) involving the inconsistency between the data in the previous comparative financial statements and the New Income Standards. Therefore, the Company adjusted the accounts receivable, other receivables, contractual assets, pre-paid accounts and contractual liabilities at the beginning of 2020 for the cumulative impact of the first implementation of the revised standards, and the financial statements for 2019 were not restated.

### **III. Auditors' Report**

Is the First Quarterly Report be audited?

☐ Yes    ☒ No

The First Quarterly report is not audited.