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Shenzhen International Holdings Limited

深圳國際控股有限公司

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 00152)**

**(the “Company”)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

The document attached hereto is the Third Quarterly Report of 2014 of Shenzhen Expressway Company Limited (a subsidiary of the Company, the A shares of which are listed on the Shanghai Stock Exchange and the H shares of which are listed on The Stock Exchange of Hong Kong Limited) which has been released to the Shanghai Stock Exchange.

The document is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

Hong Kong, 30 October 2014

*As at the date of this announcement, the board of directors of the Company consists of Messrs. Gao Lei, Li Jing Qi, Li Lu Ning, Liu Jun and Yang Hai as executive directors, Dr. Yim Fung, JP as non-executive director and Messrs. Leung Ming Yuen, Simon, Ding Xun and Nip Yun Wing as independent non-executive directors.*

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## 深圳高速公路股份有限公司

### SHENZHEN EXPRESSWAY COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 00548)

#### THIRD QUARTERLY REPORT OF 2014

This announcement is made pursuant to the disclosure obligation under Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and related requirements.

This quarterly report is prepared in accordance with relevant regulations of the China Securities Regulatory Commission on disclosure of information in quarterly reports for listed companies. The financial information set out in this quarterly report has not been audited. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

#### 1. IMPORTANT NOTICE

1.1 The board of directors, the supervisory committee and the directors, the supervisors, the senior management of Shenzhen Expressway Company Limited (“Company”) confirm the truthfulness, accuracy and completeness of the content of this quarterly report and that there are no false representations or misleading statements contained in or material omissions from this report, and assume several and joint legal responsibility.

1.2 The director who was unable to attend the board meeting in which this quarterly report was approved in person :

| Name of the director unable to attend the board meeting | Position of the director unable to attend the board meeting | Reason for the absence | Name of the director appointed to vote |
|---|---|------------------------|--|
| Zhang Yang  | director  | work engagement        | Zhang Li Min                           |

1.3 The third quarterly financial statements (“Report”) for the three months ended 30 September 2014 (“Reporting Period” or “Period”) of the Company have not been audited.

1.4 Mr. Yang Hai, Chairman, Mr. Wu Ya De, President, Ms. Gong Tao Tao, Financial Controller, and Mr. Sun Bin, General Manager of Finance Department, confirm the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

- 1.5 Unless otherwise stated, the currency of the amounts stated in this announcement is in RMB.
- 1.6 Unless otherwise stated, the abbreviation of the highways/projects operated, invested and managed by the Company in the Report shall have the same meaning as defined in Interim Report 2014 of the Company.

## 2. PRINCIPAL FINANCIAL DATA AND CHANGE IN SHAREHOLDERS

### 2.1 Principal financial data

| <i>(Unit: RMB)</i>                               | As at 30 Sep 2014 | As at 31 Dec 2013<br>(Restated <sup>note</sup> ) | Change |
|--|-------------------|--|--------|
| Total assets                                     | 24,083,428,865.80 | 22,840,107,479.91                                | 5.44%  |
| Net assets attributable to owners of the Company | 11,615,672,679.21 | 9,974,420,429.05                                 | 16.45% |

| <i>(Unit: RMB)</i>                       | Jan ~ Sep 2014   | Jan ~ Sep 2013   | Change |
|--|------------------|------------------|--------|
| Net cash flows from operating activities | 1,318,270,948.00 | 1,268,003,778.21 | 3.96%  |

| <i>(Unit: RMB)</i>   | Jan ~ Sep 2014   | Jan ~ Sep 2013   | Change                           |
|--|------------------|------------------|----------------------------------|
| Revenue  | 2,796,280,082.18 | 2,350,787,523.87 | 18.95%                           |
| Net profit attributable to owners of the Company                                 | 2,004,974,183.37 | 635,186,872.49   | 215.65%                          |
| Net profit attributable to owners of the Company - excluding non-recurring items | 809,398,680.54   | 613,800,200.03   | 31.87%                           |
| Return on equity - weighted average  | 18.54%           | 6.52%            | Increased 12.02 percentage point |
| Earnings per share - basic   | 0.919            | 0.291            | 215.65%                          |
| Earnings per share - diluted   | 0.919            | 0.291            | 215.65%                          |

Note: Since 2014, the seven new/revised accounting standards issued by Ministry of Finance at the beginning of 2014 and the application guidance thereof issued later had been adopted by the Group. Accordingly, certain accounting items were reclassified and listed, and retrospective adjustment was applied to the relevant items of the comparative financial statements. For details, please refer to the illustration set out in 3.5 below. Each of the financial data contained in above tables as at the end of prior year and for the same period last year was not involved in adjustment.

Deducting non-recurring Items and Amounts:

| <b>Non-recurring items</b><br><i>(Unit: RMB)</i>                                     | <b>Jul ~ Sep 2014</b> | <b>Jan ~ Sep 2014</b>   | <b>Illustration</b>  |
|--|-----------------------|-------------------------|--|
| Profit from entrusted operation management services                                  | 4,248,000.00          | 12,743,100.00           | Profits from entrusted operation management services of the equity interests in Shenzhen Longda Expressway Company Limited.  |
| Amortisation of compensation provided by concession grantor                          | 5,910,394.40          | 15,512,896.25           | The amortisation of compensation to Yanpai Expressway and Yanba Expressway provided by concession grantors recognised according to traffic volume method which disclosed as a deduction of the amortisation of the related concession intangible assets. |
| Gains on disposal of assets of the toll free section of Meiguan Expressway           | -                     | 1,499,322,223.93        |  |
| Interest income of the compensation related to toll adjustment of Meiguan Expressway | 29,155,387.16         | 61,314,332.58           |  |
| Other non-operating income and expenses other than above items                       | 5,269,193.85          | 11,514,385.71           |  |
| Income tax effect  | -10,238,552.54        | -404,886,200.47         |  |
| Effect on minority interest (after tax)  | 25,590.38             | 54,764.83               |  |
| <b>Total</b>   | <b>34,370,013.25</b>  | <b>1,195,575,502.83</b> |  |

## 2.2 Shareholders information

As at the end of the Period, based on the shareholders' registers provided by the share registrar and the transfer offices of the Company in Hong Kong and the PRC, the total number of shareholders of the Company is 30,368, of which 30,094 were holders of A shares and 274 were holders of H shares. The top ten shareholders and the top ten holders of non-restricted circulating shares of the Company were as follows:

Unit: share

| The top ten shareholders  |  |            |  |                          |  |   |
|---|--|------------|--|--------------------------|--|---|
| Name of shareholder   | Nature of shareholders   | Percentage | Number of shares held                            | Change during the Period | Number of restricted circulating shares held | Information on shares pledged or frozen |
| HKSCC NOMINEES LIMITED <sup>(Note)</sup>  | Overseas legal person  | 32.36%     | 705,631,098                                      | -266,000                 | 0  | Unknown                                 |
| XIN TONG CHAN DEVELOPMENT (SHENZHEN) COMPANY LIMITED ("XTC Company")                                  | Domestic non-state-owned legal person  | 30.03%     | 654,780,000                                      | 0                        | 0  | None                                    |
| SHENZHEN SHEN GUANG HUI HIGHWAY DEVELOPMENT COMPANY ("SGH Company")                                   | Domestic non-state-owned legal person  | 18.87%     | 411,459,887                                      | 0                        | 0  | None                                    |
| CHINA MERCHANTS HUA JIAN HIGHWAY INVESTMENT CO., LTD  | State-owned legal person   | 4.00%      | 87,211,323                                       | 0                        | 0  | Unknown                                 |
| GUANGDONG ROADS AND BRIDGES CONSTRUCTION DEVELOPMENT COMPANY LIMITED                                  | State-owned legal person   | 2.84%      | 61,948,790                                       | 0                        | 0  | Unknown                                 |
| AU SIU KWOK   | Overseas natural person  | 0.50%      | 11,000,000                                       | 0                        | 0  | Unknown                                 |
| IP KOW  | Overseas natural person  | 0.42%      | 9,100,000  | 0                        | 0  | Unknown                                 |
| ZHONGRONG INTERNATIONAL TRUST CO.,LTD. - RONGJIN NO . 44 CAPITAL TRUST CONTRACT                       | Other  | 0.32%      | 7,000,000  | -381,214                 | 0  | Unknown                                 |
| DEUTSCHE BANK AKTIENGESELLSCHAFT  | Other  | 0.26%      | 5,613,303  | +5,613,303               | 0  | Unknown                                 |
| WONG KIN PING + LI TAO  | Overseas natural person  | 0.23%      | 5,000,000  | 0                        | 0  | Unknown                                 |
| Top ten holders of non-restricted circulating shares  |  |            |  |                          |  |   |
| Name of shareholder   |  |            | Number of non-restricted circulating shares held | Type of shares           |  |   |
| HKSCC NOMINEES LIMITED <sup>Note</sup>  |  |            | 705,631,098                                      | H share                  |  |   |
| XIN TONG CHAN DEVELOPMENT (SHENZHEN) COMPANY LIMITED  |  |            | 654,780,000                                      | A share                  |  |   |
| SHENZHEN SHEN GUANG HUI HIGHWAY DEVELOPMENT COMPANY   |  |            | 411,459,887                                      | A share                  |  |   |
| CHINA MERCHANTS HUA JIAN HIGHWAY INVESTMENT CO., LTD.   |  |            | 87,211,323                                       | A share                  |  |   |
| GUANGDONG ROADS AND BRIDGES CONSTRUCTION DEVELOPMENT COMPANY LIMITED                                  |  |            | 61,948,790                                       | A share                  |  |   |
| AU SIU KWOK   |  |            | 11,000,000                                       | H share                  |  |   |
| IP KOW  |  |            | 9,100,000  | H share                  |  |   |
| ZHONGRONG INTERNATIONAL TRUST CO.,LTD. - RONGJIN NO . 44 CAPITAL TRUST CONTRACT                       |  |            | 7,000,000  | A share                  |  |   |
| DEUTSCHE BANK AKTIENGESELLSCHAFT  |  |            | 5,613,303  | A share                  |  |   |
| WONG KIN PING + LI TAO  |  |            | 5,000,000  | H share                  |  |   |
| <b>Connected relationship or concerted action relationship among the abovementioned shareholders:</b> | <p>XTC Company and SGH Company are connected persons under the same control of Shenzhen International Holdings Limited ("Shenzhen international").</p> <p>Save as the abovementioned relationship, there is no connected relationship among the other state-owned shareholders in the above table. In addition, the Company did not notice any connected relationship among the other abovementioned shareholders or any connected relationship among the above state-owned shareholders and other shareholders.</p> |            |  |                          |  |   |

Note: The H shares held by HKSCC NOMINEES LIMITED were held on behalf of various clients.

### 3. SIGNIFICANT MATTERS

#### 3.1 Financial and operational information

##### 3.1.1 *General illustration*

In the third quarter of 2014, the Company and its consolidated subsidiaries (“Group”) recorded revenue of RMB868,234,000 (same period of 2013: RMB861,743,000), representing a YOY increase of 0.75%, of which toll revenue of RMB823,280,000 (same period of 2013: RMB789,463,000), representing a YOY increase of 4.28%. For the Reporting Period, the Group recorded a net profit attributable to shareholders of the Company (“Net Profit”) of RMB307,644,000 (same period of 2013: RMB249,644,000), representing a YOY increase of 23.23%. The Group recorded a fine YOY increase in Net Profit during the Reporting Period, which was mainly contributed from the significant increase in toll revenue of projects such as Jihe Expressway and Qinglian Expressway and the decrease in borrowing scale and financial cost.

From January to September 2014, the Group recorded revenue of RMB2,796,280,000 (January to September 2013: 2,350,788,000), representing a YOY increase of 18.95%, of which toll revenue of RMB2,289,103,000 (January to September 2013: 2,151,604,000), representing a YOY increase of 6.39%. The Group recorded Net Profit of RMB2,004,974,000 from January to September 2014 (January to September 2013: RMB635,187,000), representing a YOY increase of 215.65%. Excluding the effect of gains after tax on disposal of assets of the Toll Free Section of Meiguan Expressway (“Gains on Disposal of Meiguan Assets”) recognised of RMB1,117,329,000 in the second quarter, the Group recorded a net profit of RMB887,645,000 from January to September 2014, representing a YOY increase of 39.75%. For details on the toll adjustment of Meiguan Expressway and Gains on Disposal of Meiguan Assets, please refer to the Interim Report 2014 of the Company.

The growth of the revenue of the Group from January to September 2014 was mainly attributable to the significant increase in toll revenue of projects such as Jihe Expressway and Qinglian Expressway and the substantial YOY increase of revenue from entrusted construction management service of Coastal Phase I and Guilong Project recognised in the second quarter. As toll-free for Toll Free Section of Meiguan Expressway commenced from 1 April and the revenue from entrusted construction management service recognised during the Reporting Period was lower, the growth of revenue of the Group during the Reporting Period was slower than that of the Group from January to September 2014.

From January to September 2014, the Group recorded cost of services of RMB1,309,435,000, representing a YOY increase of 21.19%, which was mainly attributable to: the recognition of service cost based on the actual settlement of the work and progress of projects such as Coastal Phase I and Guilong Project; the corresponding increase in depreciation and amortisation cost of the Group along with increasing traffic volume; an increase of road maintenance expense as Qinglian Company completed the maintenance and transfer of Qinglian Class 2 Road.

From January to September 2014, affected by the decrease in the average borrowing scale and the recognition of interest income in respect of the compensation receivables as agreed in “Agreement on the Toll Adjustment and Compensation and the Transfer of Assets Regarding Meiguan Expressway” entered into between the Company and Shenzhen government on 27 January 2014, the Group recorded financial expense of RMB330,324,000 with a YOY decrease of 25.13%.

The Group’s capital expenditure from January to September 2014 was approximately RMB274,000,000. As at the end of Reporting Period, outstanding bonds payable and bank borrowings of the Group amounted to RMB8,173,000,000, representing a decrease of 12.10% over the end of 2013 and a decrease of 15.87% over the end of June 2014 respectively, which was mainly attributable to the early repayment of part of the long-term borrowing by the Group according to the Group’s current financial position and fund requirement. The debt-to-asset ratio of the Group as at the end of Reporting Period amounted to 46.19%. From January to September 2014, the Group’s composite borrowing costs amounted to 5.82% (January to September 2013: 5.84%).

*3.1.2 Substantial changes of key financial statements items and financial indicators of the Company and the reasons for the changes:*

*Unit: RMB’000*

|  | As at 30 Sep 2014 | As at 31 Dec 2013 (Restated) | Change  | Primary reasons for the change   |
|--|-------------------|------------------------------|---------|--|
| Accounts receivable                        | 822,327           | 495,331                      | 66.02%  | Entrusted construction management services income of the Coastal Phase I and Guilong Project was recognised.   |
| Advances to suppliers                      | 239,921           | 134,810                      | 77.97%  | A subsidiary of the Company successfully bid the land use right of Guilong Land with an area of approximately 580 mu, part of which has not met the delivery condition.        |
| Inventories                                | 482,569           | 345,018                      | 39.87%  | The land with an area of approximately 296 mu of a subsidiary of the Company was transferred from advances to inventory and further development expense of the land increased. |
| Current portion of non-current assets      | 800,000           | -                            | N/A     | The Group will receive the second compensation installment of RMB800 million relating to the toll adjustment of Meiguan Expressway before the end of August 2015.              |
| Long-term receivables                      | 1,151,748         | -                            | N/A     | The third compensation installment and interests receivables relating to the toll adjustment of Meiguan Expressway.  |
| Construction in progress                   | 11,848            | 36,341                       | -67.40% | The construction of inter-network toll collection system was completed and transferred to fixed assets.  |
| Short-term borrowings                      | 24,275            | 450,400                      | -94.61% | Repayment of part of short-term borrowings.  |
| Accounts payable                           | 193,175           | 375,720                      | -48.59% | Payment of part of project funds and quality deposits for Qinglian Project and the reconstruction and expansion of Meiguan Expressway.   |
| Employee benefits payable                  | 49,304            | 104,361                      | -52.76% | Performance bonuses for the staff for the year 2013 were paid.   |
| Taxes payable                              | 539,800           | 73,911                       | 630.34% | Income tax expenses increased as a result of the recognition of Gains on Disposal of Meiguan Assets.   |
| Interests payable                          | 93,889            | 70,058                       | 34.02%  | Interests on medium-term notes issued this year were accrued.  |
| Other payables                             | 798,285           | 518,800                      | 53.87%  | The Group accrued project fund payable to the contractors of Guilong Project and the costs of entrusted construction management services for Coastal Project Phase I.          |
| Current portion of non-current liabilities | 225,665           | 620,327                      | -63.62% | Repayment of part of long-term borrowings due within one year.   |

|  | As at 30<br>Sep 2014 | As at 31<br>Dec 2013<br>(Restated) | Change     | Primary reasons for the change   |
|--|----------------------|------------------------------------|------------|--|
| Bonds payable                            | 4,088,082            | 3,088,802                          | 32.35%     | Issue of medium-term notes with an amount of RMB1 billion.   |
| Deferred income                          | 162,850              | -                                  | N/A        | Recognition of compensation to the future operating costs of ramp toll stations to be built after the toll adjustment of Meiguan Expressway.   |
| Other non-current liabilities            | 59,874               | -                                  | N/A        | Recognition of the long-term tax related to compensation relating to the toll adjustment of Meiguan Expressway, the part due within one year being deducted.   |
| Undistributed profits                    | 4,585,523            | 2,929,472                          | 56.53%     | The Group recognised Gains on Disposal of Meiguan Assets and made dividend distribution for 2013.  |
|  | Jul ~ Sep<br>2014    | Jul ~ Sep<br>2013                  | Change     | Primary reasons for the change   |
| Financial expenses                       | 90,425               | 147,543                            | -38.71%    | The decrease in borrowing scale and financial costs accordingly, and recognition of interest income from the compensation relating to the toll adjustment of Meiguan Expressway.   |
| Other comprehensive income               | (15,016)             | 1,041                              | N/A        | Currency interest rate swap contract expired for settlement.   |
|  | Jan ~ Sep<br>2014    | Jan ~ Sep<br>2013                  | Change     | Primary reasons for the change   |
| Non-operating income                     | 1,512,713            | 4,177                              | 36,112.95% | Recognition of Gains on Disposal of Meiguan Assets.  |
| Income tax expenses                      | 606,460              | 178,274                            | 240.18%    | Income tax expenses increased as a result of the recognition of gains on disposal of related assets of Meiguan Expressway.   |
| Minority interests                       | 77,477               | 36,579                             | 111.81%    | Profit from Guilong Project recognised by Guizhou Guishen Investment Development Company, a subsidiary of the Company, increased, which led to an increase in the profit attributable to minority interests accordingly. |
| Other comprehensive income               | (14,799)             | 3,233                              | N/A        | Currency interest rate swap contract expired for settlement.   |
| Net cash flows from investing activities | 554,105              | (440,945)                          | N/A        | The Group received the first installment of the compensation of RMB800 million relating to the toll adjustment of Meiguan Expressway, and capital expenditure decreased.   |
| Net cash flows from financing activities | (1,886,305)          | (461,288)                          | 308.92%    | Repayment of part of long-term borrowings.   |

### 3.1.3 Changes in the scope of consolidated financial statements

During the Reporting Period, the Company has established a wholly-owned subsidiary, 深圳高速公路韻工程建設管理有限公司 (Shenzhen Expressway Luyun Construction Management Company Limited), the registered capital of which is RMB100 million. The Company has completed the capital contribution to such company in October 2014.



### 3.1.4 Operational information

| Toll highway                                 | Percentage of interests held by the Group | Percentage of revenue consolidated | Average daily mixed traffic volume<br>(number of vehicles in thousands) <sup>(1)</sup> |       | Average daily toll revenue<br>(RMB'000) |        | Average daily mixed traffic volume<br>(number of vehicles in thousands) <sup>(1)</sup> |       | Average daily toll revenue<br>(RMB'000) |        |
|--|---|------------------------------------|--|-------|---|--------|--|-------|---|--------|
|  |   |                                    | Jul ~ Sep 2014   | YOY   | Jul ~ Sep 2014                          | YOY    | Jan ~ Sep 2014   | YOY   | Jan ~ Sep 2014                          | YOY    |
| <b>Guangdong Province - Shenzhen region:</b> |   |                                    |  |       |   |        |  |       |   |        |
| Meiguan Expressway <sup>(2)</sup>            | 100%                                      | 100%                               | 74   | N/A   | 286                                     | N/A    | 89   | N/A   | 459                                     | N/A    |
| Jihe East                                    | 100%                                      | 100%                               | 215  | 29.0% | 1,852                                   | 26.7%  | 185  | 26.1% | 1,592                                   | 22.3%  |
| Jihe West                                    | 100%                                      | 100%                               | 170  | 25.2% | 1,420                                   | 23.8%  | 146  | 19.7% | 1,231                                   | 18.3%  |
| Yanba Expressway                             | 100%                                      | 100%                               | 49   | 24.2% | 634                                     | 16.7%  | 37   | 16.8% | 516                                     | 14.7%  |
| Yanpai Expressway                            | 100%                                      | 100%                               | 70   | 16.2% | 729                                     | 13.7%  | 59   | 17.6% | 602                                     | 11.9%  |
| Nanguang Expressway                          | 100%                                      | 100%                               | 94   | 14.4% | 904                                     | 5.3%   | 85   | 16.7% | 827                                     | 8.4%   |
| Shuiguan Expressway                          | 40%                                       | —                                  | 182  | 7.0%  | 1,521                                   | 8.1%   | 166  | 7.9%  | 1,373                                   | 6.9%   |
| Shuiguan Extension                           | 40%                                       | —                                  | 67   | 67.3% | 255                                     | 37.2%  | 59   | 68.7% | 226                                     | 36.6%  |
| <b>Guangdong Province - other regions:</b>   |   |                                    |  |       |   |        |  |       |   |        |
| Qinglian Expressway                          | 76.37%                                    | 100%                               | 35   | 18.3% | 2,244                                   | 9.5%   | 34   | 20.0% | 2,244                                   | 15.3%  |
| Yangmao Expressway                           | 25%                                       | —                                  | 40   | 14.9% | 1,624                                   | 8.5%   | 36   | 11.9% | 1,581                                   | 6.5%   |
| Guangwu Project                              | 30%                                       | —                                  | 32   | 14.5% | 850                                     | 16.5%  | 33   | 23.1% | 804                                     | 12.8%  |
| Jiangzhong Project                           | 25%                                       | —                                  | 110  | 15.7% | 1,109                                   | 15.2%  | 101  | 14.4% | 1,021                                   | 11.2%  |
| GZ W2 Expressway                             | 25%                                       | —                                  | 48   | 7.9%  | 974                                     | 11.8%  | 46   | 11.7% | 890                                     | 11.2%  |
| <b>Other provinces in the PRC:</b>           |   |                                    |  |       |   |        |  |       |   |        |
| Wuhuang Expressway                           | 55%                                       | 100%                               | 40   | -1.6% | 880                                     | -14.7% | 40   | 1.3%  | 915                                     | -12.9% |
| Changsha Ring Road                           | 51%                                       | —                                  | 18   | 27.0% | 188                                     | 26.6%  | 17   | 20.9% | 166                                     | 24.2%  |
| Nanjing Third Bridge                         | 25%                                       | —                                  | 27   | -8.9% | 1,072                                   | -14.4% | 29   | -3.9% | 1,114                                   | -4.8%  |

Notes:

- (1) Traffic volume which is toll free during holidays is not included in the figures of average daily mixed traffic volume.
- (2) Toll-free for Meilin to Guanlan section of Meiguan Expressway with a mileage of approximately 13.8 km was implemented from 24:00 on 31 March 2014 and the toll for section from Shenzhen-Dongguan border to Guanlan with a mileage of approximately 5.4 km remained. As there is a relatively great change on the toll mileage, no YOY change data has been provided for the Reporting Period.
- (3) After the implementation of the toll adjustment of Meiguan Expressway, the traffic volume for Toll Free Section increased rapidly. It did not only stimulate the traffic volume of Toll Section, but also enhanced the performance of connecting Jihe Expressway. Moreover, the opening of the second phase of Qingping Expressway has been creating a driving force for the operational performance of neighboring Jihe East and Shuiguan Extension.
- (4) Negatively affected by the further commencement of operation of road networks and the toll sharing model under inter-network toll collection in Hubei Province, and the implementation of traffic control measures in Wuhan district, the toll revenue of Wuhuang Expressway recorded a YOY decrease.

### 3.2 Progress of significant matters and the analysis on the relevant impacts and solutions

On 8 August 2014, the Company and SZ International entered into “the Framework Agreement on Joint Venture in Establishment of the Project Company in Relation to the Meilin Checkpoint Urban Renewal Project”. Pursuant to the agreement, the Company and SZ International, through its wholly-owned subsidiary XTC Company, will make capital contributions to establish a project company to implement the Meilin Checkpoint Urban Renewal Project. The agreement and relevant arrangement have been approved by the general meeting of the Company on 8 October 2014. For details of the agreement and the related progress, please refer to the announcements of the Company dated 8 August 2014, 10 September 2014 and 8 October 2014 and the circular dated 17 September 2014, etc.

#### 3.2.1 *Sell-back and payment of interest for bonds*

Pursuant to the sell-back clauses stipulated in the prospectus of issuance of the 2011 corporate bonds (“11 Shenzhen Expressway”) issued by the Company on 27 July 2011, the bondholders of “11 Shenzhen Expressway” shall have an option to make declaration to sell back whole or part of the “11 Shenzhen Expressway” bonds held by them during the sell-back declaration period (i.e. 30 June 2014 to 4 July 2014). Pursuant to the statistics of the Shanghai branch of China Securities Depository and Clearing Co., Ltd, 3 lots (10 bonds each) of valid sell-back declaration were received with a total sell-back amount of RMB3,000. The sell-back was completed on 28 July 2014. In addition, the interest payment date for “11 Shenzhen Expressway” of this year was 28 July 2014. An interest of RMB60 (tax included) shall be distributed for each lot of “11 Shenzhen Expressway” (with par value of RMB1,000). Payment of annual interests was completed on schedule.

### 3.3 The fulfillment of the undertakings made by the Company, the shareholders holding over 5%

The shareholders of the Company, XTC Company and SGH Company, each of which holds more than 5% shareholding in the Company, have undertaken in the promoters’ agreement in January 1997 that they will not engage in any industry or business in any form in Shenzhen, which, directly or indirectly, competes with the Company. The Company did not notice violation of such undertakings by the above two shareholders up to the end of the Reporting Period.

Shenzhen International and 深國際控股（深圳）有限公司(Shenzhen International Holdings (SZ) Limited, formerly known as 怡萬實業發展（深圳）有限公司(Yiwan Industry Development (Shenzhen) Company Limited)) made undertakings in 《詳式權益變動報告書》(Detailed Report on the Change of Equity Interests) published on 18 October 2007 in the securities market of PRC. The undertakings include avoiding competition and standardising connected transactions, etc. For details thereof, please refer to the abovementioned 《詳式權益變動報告書》(Detailed Report on the Change of Equity Interests) or related contents of the Annual Report 2007 of the Company. Up to the end of the Reporting Period, the Company did not notice violation of such undertakings by the above two companies.

Shenzhen International made undertakings in respect of the matters such as avoiding competitions and supporting the development of the Company in December 2010 and June 2011 respectively. 深圳市投資控股有限公司(Shenzhen Investment Holdings Company Limited, “SIHCL”) made undertakings in respect of the matters such as avoiding competitions and supporting the development of the Company in December 2010 and May 2011 respectively. The undertakings include that the highway assets shall be injected into the Company in 5-8 years in the case of qualified. For details thereof, please refer to 《收購報告書》 (Acquisition Report) published on 4 January 2011 in the securities market of PRC by SIHCL and the announcement of the Company dated 1 June 2011. Up to the end of the Reporting Period, the Company did not notice violation of such undertakings by Shenzhen International or SIHCL .

3.4 Profit alert, with reasons therefor, that the cumulative net profit for the year may be a substantial change as compared to the same period of last year

As the Group recognised Gains on Disposal of Meiguan Assets of approximately RMB1.117 billion in the second quarter of 2014, and there is a higher YOY increase in the profit of the Group’s toll highways business and entrusted construction management services in the first three quarters, the Group’s net profit for the year of 2014 is expected to increase by approximately 180%-230% YOY. The above data, which is unaudited, was preliminary assessment and estimation of the Company based on current information and situation and is subject to the assumption that there is no substantial difference between the operating environment and business activities in future and those expected. The actual performance of the Company may be different from the above expectation due to changes in relevant affecting factors. The specific results information to be formally disclosed by the Company in the Annual Report 2014 shall prevail. Shareholders and investors are reminded to use such information cautiously and beware of investment risks.

3.5 Effects of the implementation of the new accounting policies on the consolidated financial statements

In early 2014, Ministry of Finance newly issued/revised seven specific accounting standards, including “Accounting Standards for Business Enterprises” No. 2, 9, 30, 33, 39, 40 and 41. The Company, as an A share and H share listed company, has early adopted the above seven accounting standards before 1 July 2014 and made relevant changes on accounting policies accordingly. For details, please refer to the relevant content of annual report of 2013 and the first quarterly report or interim report of 2014 of the Company.

In the third quarter of 2014, Ministry of Finance issued the application guidance for above mentioned accounting standards. Specific provisions of the application guidance were adopted by the Group when preparing the financial statement for the third quarter of 2014.

Adoption of the above seven standards and their application guidance by the Group mainly involved reclassifications of “long-term equity investments” and “available-for-sale financial assets” in balance sheets, separate presentation of “deferred income” and “other comprehensive income” and further classification of “other comprehensive income” in income statements. Moreover, retrospective adjustments were applied to the relevant items of the comparative statements. The adjustments above basically have no impact on the Group’s financial position and operating results.

The above changes on accounting policies were already respectively considered and approved in the sixteenth, seventeenth and twenty-second meeting of the sixth session of the board of directors.

3.5.1 *Effects of the changes of long-term equity investments guidelines on the consolidated financial report*

Unit: RMB

| Investee units                                   | Basic information of transactions   | Equity attributable to owners of the Company as at 1 Jan 2013 (+/-) | As at 31 Dec 2013                  |   |  |
|--|-------------------------------------|---|------------------------------------|---|--|
|  |                                     |   | Long-term equity investments (+/-) | Available-for-sale financial assets (+/-) | Equity attributable to owners of the Company (+/-) |
| Guangdong United Electronic Toll Collection Inc. | The Company holds its 15% interests | -   | -30,170,000.00                     | 30,170,000.00                             | -  |
| Total  | -                                   |   | -30,170,000.00                     | 30,170,000.00                             |  |

Notes: According to the revised “Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments”, “Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Assets” is applicable to the Company’s investment in Guangdong United Electronic Toll Collection Inc., and the investment is classified as an equity investment which does not have a quoted market price in an active market and whose fair value cannot be reliably measured. As such, the Company reclassified it from “long-term equity investments” to “available-for-sale financial assets” and the investment was measured at cost when preparing the financial statements of the first quarterly report of 2014. Relevant items in the comparative financial statements were also adjusted retrospectively.

3.5.2 *Effects of other changes of the accounting policies*

According to “Accounting Standards for Business Enterprises No. 30 - Presentation of Financial Statements”, the Group is obligated to further distinguish the “other comprehensive income” of income statements to “other comprehensive income that may be reclassified to profit and loss in subsequent accounting period after meeting the required conditions” and “other comprehensive income that cannot be reclassified to profit and loss in subsequent accounting period”. When preparing the financial statements for 2013, the “other comprehensive income” for 2013 and 2012 amounting to RMB1,742,862.11 and RMB3,534,410.04 were both included to “other comprehensive income that may be reclassified to profit and loss in subsequent accounting period after meeting required conditions” by the Company.

According to the application guidance of “Accounting Standards for Business Enterprises No. 30 - Presentation of Financial Statements”, the Group is obligated to present “other comprehensive income” separately under owners’ equity, which was originally included in “capital surplus” of balance sheets. Relevant items in the comparative statements are adjusted retrospectively at the same time. Accordingly, “capital surplus” and “other comprehensive income” under owners’ equity as at 30 September 2014 were reduced and increased by RMB893,604,159.01 respectively. “Capital surplus” and “other comprehensive income” under owners’ equity as at 31 December 2013 were reduced and increased by RMB908,402,840.07 respectively.

According to the application guidance of “Accounting Standards for Business Enterprises No. 30 - Presentation of Financial Statements”, the Group is obligated to present “deferred income” separately under “other current liabilities” and “other non-current liabilities”, which was originally included in “other current liabilities” and “other non-current liabilities” of balance sheets. Relevant items in the comparative statements are adjusted retrospectively at the same time. Accordingly, “other non-current liabilities” and “other current liabilities” under liabilities as at 30 September 2014 were reduced by RMB162,850,000.00 and RMB2,794,486.25 respectively; “deferred income” under non-current liabilities and current liabilities as at 30 September 2014 were increased by RMB162,850,000.00 and RMB2,794,486.25 respectively. “Other current liabilities” and “deferred income” under current liabilities as at 31 December 2013 were reduced and increased by RMB1,923,817.30 respectively.

By order of the Board

**Yang Hai**

*Chairman*

Shenzhen, the PRC, 30 October 2014

*As at the date of this announcement, the directors of the Company are Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Executive Director and President), Mr. Li Jing Qi (Non-executive Director), Mr. Zhao Jun Rong (Non-executive Director), Mr. Hu Wei (Non-executive Director), Mr. Tse Yat Hong (Non-executive Director), Ms. Zhang Yang (Non-executive Director), Mr. Chiu Chi Cheong, Clifton (Non-executive Director), Mr. Wang Hai Tao (Independent non-executive Director), Mr. Zhang Li Min (Independent non-executive Director), Mr. Au Sing Kun (Independent non-executive Director) and Mr. Lin Chu Chang (Independent non-executive Director).*

*This announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.*

**Appendix:****Consolidated Balance Sheet**

30 Sep 2014

*Unit: RMB; Unaudited*

| <b>Item</b>                           | <b>As at 30 Sep 2014</b> | <b>As at 31 Dec 2013<br/>(Audited, restated)</b> |
|---------------------------------------|--------------------------|--|
| <b>Current assets:</b>                |                          |  |
| Cash at bank and on hand              | 1,200,652,172.11         | 1,094,796,690.93                                 |
| Accounts receivable                   | 822,326,727.09           | 495,330,807.64                                   |
| Advances to suppliers                 | 239,921,193.42           | 134,809,901.75                                   |
| Dividends receivable                  | -                        | 68,146.67  |
| Other receivables                     | 187,017,995.61           | 165,948,978.57                                   |
| Inventories                           | 482,569,098.49           | 345,018,118.72                                   |
| Current portion of non-current assets | 800,000,000.00           | -  |
| Other current assets                  | -                        | 1,755,109.55                                     |
| Total current assets                  | 3,732,487,186.72         | 2,237,727,753.83                                 |
| <b>Non-current assets:</b>            |                          |  |
| Long-term prepayments                 | 3,463,149.00             | 4,814,364.00                                     |
| Available-for-sale financial assets   | 30,170,000.00            | 30,170,000.00                                    |
| Long-term receivable                  | 1,151,747,861.25         | -  |
| Long-term equity investments          | 1,715,319,884.65         | 1,574,214,371.24                                 |
| Investment properties                 | 14,821,750.00            | 15,253,525.00                                    |
| Fixed assets                          | 1,046,273,101.96         | 1,112,824,141.67                                 |
| Construction in progress              | 11,847,943.94            | 36,340,507.58                                    |
| Intangible assets                     | 16,323,172,252.25        | 17,756,263,229.13                                |
| Long-term prepaid expenses            | 2,481,230.41             | 4,650,620.40                                     |
| Deferred tax assets                   | 51,644,505.62            | 67,848,967.06                                    |
| Total non-current assets              | 20,350,941,679.08        | 20,602,379,726.08                                |
| <b>TOTAL ASSETS</b>                   | <b>24,083,428,865.80</b> | <b>22,840,107,479.91</b>                         |

**Consolidated Balance Sheet (continued)**

30 Sep 2014

*Unit: RMB; Unaudited*

| Item   | As at 30 Sep 2014        | As at 31 Dec 2013<br>(Audited, restated) |
|--|--------------------------|--|
| <b>Current liabilities:</b>                        |                          |  |
| Short-term borrowings                              | 24,275,000.00            | 450,400,000.00                           |
| Accounts payable                                   | 193,175,384.65           | 375,719,993.22                           |
| Advances from customers                            | 21,606,304.64            | 18,889,050.32                            |
| Employee benefits payable                          | 49,303,772.15            | 104,360,502.53                           |
| Taxes payable                                      | 539,800,117.15           | 73,910,675.99                            |
| Interests payable                                  | 93,889,085.50            | 70,058,287.20                            |
| Other payables                                     | 798,285,497.78           | 518,799,906.45                           |
| Current portion of non-current liabilities         | 225,664,655.73           | 620,326,885.32                           |
| Deferred income                                    | 2,794,486.25             | 1,923,817.30                             |
| Total current liabilities                          | 1,948,794,303.85         | 2,234,389,118.33                         |
| <b>Non-current liabilities:</b>                    |                          |  |
| Long-term borrowings                               | 3,936,114,000.00         | 5,257,014,000.00                         |
| Bonds payable                                      | 4,088,082,165.86         | 3,088,801,980.40                         |
| Provisions   | 175,432,157.13           | 206,979,215.61                           |
| Deferred income                                    | 162,850,000.00           | -  |
| Deferred tax liabilities                           | 752,502,393.15           | 813,937,505.37                           |
| Other non-current liabilities                      | 59,874,474.33            | -  |
| Total non-current liabilities                      | 9,174,855,190.47         | 9,366,732,701.38                         |
| Total liabilities                                  | 11,123,649,494.32        | 11,601,121,819.71                        |
| <b>Owners' equity:</b>                             |                          |  |
| Share capital                                      | 2,180,770,326.00         | 2,180,770,326.00                         |
| Capital surplus                                    | 2,274,351,523.42         | 2,274,351,523.42                         |
| Other comprehensive income                         | 893,604,159.01           | 908,402,840.07                           |
| Surplus reserve                                    | 1,681,423,475.54         | 1,681,423,475.54                         |
| Undistributed profits                              | 4,585,523,195.24         | 2,929,472,264.02                         |
| Total equity attributable to owners of the Company | 11,615,672,679.21        | 9,974,420,429.05                         |
| Minority interests                                 | 1,344,106,692.27         | 1,264,565,231.15                         |
| Total owners' equity                               | 12,959,779,371.48        | 11,238,985,660.20                        |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>        | <b>24,083,428,865.80</b> | <b>22,840,107,479.91</b>                 |

## Balance Sheet

30 Sep 2014

*Unit: RMB; Unaudited*

| Item                                | As at 30 Sep 2014        | As at 31 Dec 2013<br>(Audited, restated) |
|-------------------------------------|--------------------------|--|
| <b>Current assets:</b>              |                          |  |
| Cash at bank and on hand            | 701,570,446.06           | 420,707,294.65                           |
| Accounts receivable                 | 546,403,693.54           | 338,977,218.48                           |
| Advances to suppliers               | 7,158,547.10             | 5,524,838.14                             |
| Dividends receivable                | -                        | 68,146.67                                |
| Other receivables                   | 656,906,276.51           | 655,248,023.99                           |
| Inventories                         | 1,444,741.48             | 1,425,434.87                             |
| Total current assets                | 1,913,483,704.69         | 1,421,950,956.80                         |
| <b>Non-current assets:</b>          |                          |  |
| Long-term prepayments               | 1,664,880.00             | 3,016,095.00                             |
| Available-for-sale financial assets | 30,170,000.00            | 30,170,000.00                            |
| Long-term receivables               | 1,250,000,000.00         | 1,210,000,000.00                         |
| Long-term equity investments        | 6,636,633,196.21         | 6,456,731,917.37                         |
| Investment properties               | 14,821,750.00            | 15,253,525.00                            |
| Fixed assets                        | 552,263,642.54           | 557,392,774.26                           |
| Construction in progress            | 4,833,250.89             | 22,671,420.10                            |
| Intangible assets                   | 4,582,149,803.80         | 4,739,650,469.50                         |
| Long-term prepaid expenses          | 533,620.82               | 1,219,704.41                             |
| Deferred tax assets                 | 50,262,541.37            | 66,337,054.28                            |
| Total non-current assets            | 13,123,332,685.63        | 13,102,442,959.92                        |
| <b>TOTAL ASSETS</b>                 | <b>15,036,816,390.32</b> | <b>14,524,393,916.72</b>                 |



**Balance Sheet (continued)**

30 Sep 2014

*Unit: RMB; Unaudited*

| <b>Item</b>                                 | <b>As at 30 Sep 2014</b> | <b>As at 31 Dec 2013<br/>(Audited, restated)</b> |
|---|--------------------------|--|
| <b>Current liabilities:</b>                 |                          |  |
| Short-term borrowings                       | 100,500,000.00           | 350,400,000.00                                   |
| Accounts payable                            | 30,533,386.97            | 48,248,517.62                                    |
| Advances from customers                     | 6,333,333.36             | 1,583,333.02                                     |
| Employee benefits payable                   | 12,102,928.37            | 64,618,304.14                                    |
| Taxes payable                               | 65,679,915.80            | 12,129,818.10                                    |
| Interests payable                           | 87,403,671.83            | 62,922,086.97                                    |
| Other payables                              | 514,155,001.59           | 285,996,101.87                                   |
| Current portion of non-current liabilities  | 114,554,655.73           | 428,967,101.05                                   |
| Total current liabilities                   | 931,262,893.65           | 1,254,865,262.77                                 |
| <b>Non-current liabilities:</b>             |                          |  |
| Long-term borrowings                        | -                        | 1,052,500,000.00                                 |
| Bonds payable                               | 4,093,316,036.24         | 3,094,536,966.01                                 |
| Provisions                                  | 175,432,157.13           | 206,979,215.61                                   |
| Total non-current liabilities               | 4,268,748,193.37         | 4,354,016,181.62                                 |
| Total liabilities                           | 5,200,011,087.02         | 5,608,881,444.39                                 |
| <b>Owners' equity:</b>                      |                          |  |
| Share capital                               | 2,180,770,326.00         | 2,180,770,326.00                                 |
| Capital surplus                             | 2,315,587,934.74         | 2,315,587,934.74                                 |
| Surplus reserve                             | 1,681,423,475.54         | 1,681,423,475.54                                 |
| Undistributed profits                       | 3,659,023,567.02         | 2,737,730,736.05                                 |
| Total owners' equity                        | 9,836,805,303.30         | 8,915,512,472.33                                 |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b> | <b>15,036,816,390.32</b> | <b>14,524,393,916.72</b>                         |

## Consolidated Income Statement

Jul ~ Sep 2014

*Unit: RMB; Unaudited*

| Item  | Jul ~ Sep 2014 | Jul ~ Sep 2013 |
|---|----------------|----------------|
| <b>1. Revenue</b>   | 868,233,826.65 | 861,742,585.07 |
| <b>2. Total operating cost</b>                              | 530,019,381.41 | 580,362,583.21 |
| Including: Cost of services                                 | 393,204,117.09 | 387,399,071.48 |
| Business tax and surcharges                                 | 29,735,746.86  | 30,387,924.10  |
| Selling expenses  | 715,705.95     | -              |
| General and administrative expenses                         | 15,938,951.60  | 15,032,514.79  |
| Financial expenses  | 90,424,859.91  | 147,543,072.84 |
| Add: Investment income (“-” indicates loss)                 | 63,321,064.28  | 54,265,839.37  |
| Including: Share of profit of associates and joint ventures | 63,321,064.28  | 54,265,839.37  |
| <b>3. Operating profit (“-” indicates loss)</b>             | 401,535,509.52 | 335,645,841.23 |
| Add: Non-operating income                                   | 5,467,729.31   | 3,401,427.05   |
| Including: Gain on disposal of non-current assets           | -              | 2,724,676.14   |
| Less: Non-operating expenses                                | 198,535.47     | 1,800,738.48   |
| Including: Loss on disposal of non-current assets           | -              | 1,297,738.48   |
| <b>4. Total profit (“-” indicates total loss)</b>           | 406,804,703.36 | 337,246,529.80 |
| Less: Income tax expenses                                   | 83,152,858.50  | 71,391,530.66  |
| <b>5. Net profit (“-” indicates net loss)</b>               | 323,651,844.86 | 265,854,999.14 |
| Net profit attributable to owners of the Company            | 307,644,000.52 | 249,643,885.01 |
| Minority interests  | 16,007,844.34  | 16,211,114.13  |
| <b>6. Earnings per share</b>                                |                |                |
| (1) Basic earnings per share (RMB per share)                | 0.141          | 0.114          |
| (2) Diluted earnings per share (RMB per share)              | 0.141          | 0.114          |
| <b>7. Other comprehensive income</b>                        | -15,015,747.97 | 1,041,020.92   |
| <b>8. Total comprehensive income</b>                        | 308,636,096.89 | 266,896,020.06 |
| Attributable to owners of the Company                       | 292,628,252.55 | 250,684,905.93 |
| Minority interests  | 16,007,844.34  | 16,211,114.13  |

## Consolidated Income Statement

Jan ~ Sep 2014

*Unit: RMB; Unaudited*

| Item  | Jan ~ Sep 2014   | Jan~ Sep 2013    |
|---|------------------|------------------|
| <b>1. Revenue</b>   | 2,796,280,082.18 | 2,350,787,523.87 |
| <b>2. Total operating cost</b>                              | 1,789,827,740.45 | 1,645,792,579.08 |
| Including: Cost of services                                 | 1,309,434,686.05 | 1,080,447,093.48 |
| Business tax and surcharges                                 | 101,884,803.09   | 83,685,085.48    |
| Selling expenses  | 2,805,800.96     | -                |
| General and administrative expenses                         | 45,378,053.45    | 40,444,956.70    |
| Financial expenses  | 330,324,396.90   | 441,215,443.42   |
| Add: Investment income (“-” indicates loss)                 | 171,621,590.03   | 143,583,902.39   |
| Including: Share of profit of associates and joint ventures | 171,621,590.03   | 143,583,902.39   |
| <b>3. Operating profit (“-” indicates loss)</b>             | 1,178,073,931.76 | 848,578,847.18   |
| Add: Non-operating income                                   | 1,512,712,722.91 | 4,177,269.53     |
| Including: Gain on disposal of non-current assets           | 1,500,743,270.25 | 3,097,832.27     |
| Less: Non-operating expenses                                | 1,876,113.28     | 2,716,199.03     |
| Including: Loss on disposal of non-current assets           | 71,358.29        | 1,515,840.91     |
| <b>4. Total profit (“-” indicates total loss)</b>           | 2,688,910,541.39 | 850,039,917.68   |
| Less: Income tax expenses                                   | 606,459,782.27   | 178,273,969.88   |
| <b>5. Net profit (“-” indicates net loss)</b>               | 2,082,450,759.12 | 671,765,947.80   |
| Net profit attributable to owners of the Company            | 2,004,974,183.37 | 635,186,872.49   |
| Minority interests  | 77,476,575.75    | 36,579,075.31    |
| <b>6. Earnings per share</b>                                |                  |                  |
| (1) Basic earnings per share (RMB per share)                | 0.919            | 0.291            |
| (2) Diluted earnings per share (RMB per share)              | 0.919            | 0.291            |
| <b>7. Other comprehensive income</b>                        | -14,798,681.06   | 3,232,759.47     |
| <b>8. Total comprehensive income</b>                        | 2,067,652,078.06 | 674,998,707.27   |
| Attributable to owners of the Company                       | 1,990,175,502.31 | 638,419,631.96   |
| Minority interests  | 77,476,575.75    | 36,579,075.31    |

## Income Statement

Jul ~ Sep 2014

*Unit: RMB; Unaudited*

| Item  | Jul ~ Sep 2014 | Jul ~ Sep 2013 |
|---|----------------|----------------|
| <b>1. Revenue</b>   | 350,428,413.18 | 336,197,038.93 |
| Less: Cost of services                                      | 132,655,190.70 | 131,973,228.12 |
| Business tax and surcharges                                 | 11,767,546.70  | 12,131,261.18  |
| General and administrative expenses                         | 13,312,781.77  | 13,159,220.71  |
| Financial expenses  | 45,830,052.43  | 57,458,707.78  |
| Add: Investment income (“-” indicates loss)                 | 184,134,410.45 | 134,131,631.45 |
| Including: Share of profit of associates and joint ventures | 63,321,064.28  | 54,265,839.37  |
| <b>2. Operating profit (“-” indicates loss)</b>             | 330,997,252.03 | 255,606,252.59 |
| Add: Non-operating income                                   | 3,052,206.64   | 299,571.36     |
| Less: Non-operating expenses                                | 40,092.60      | 538,838.67     |
| Including: Loss on disposal of non-current assets           | -              | 35,838.67      |
| <b>3. Total profit (“-” indicates total loss)</b>           | 334,009,366.07 | 255,366,985.28 |
| Less: Income tax expenses                                   | 36,634,220.26  | 27,314,553.95  |
| <b>4. Net profit (“-” indicates net loss)</b>               | 297,375,145.81 | 228,052,431.33 |
| <b>5. Earnings per share</b>                                |                |                |
| (1) Basic earnings per share (RMB per share)                |                |                |
| (2) Diluted earnings per share (RMB per share)              |                |                |
| <b>6. Other comprehensive income</b>                        | -              | -              |
| <b>7. Total comprehensive income</b>                        | 297,375,145.81 | 228,052,431.33 |

## Income Statement

Jan ~ Sep 2014

*Unit: RMB; Unaudited*

| Item  | Jan ~ Sep 2014   | Jan~ Sep 2013  |
|---|------------------|----------------|
| <b>1. Revenue</b>   | 1,123,454,356.13 | 879,630,073.41 |
| Less: Cost of services                                      | 470,576,343.31   | 311,494,785.11 |
| Business tax and surcharges                                 | 44,249,322.75    | 32,357,448.14  |
| General and administrative expenses                         | 29,443,588.78    | 34,418,744.83  |
| Financial expenses  | 158,289,886.60   | 176,525,120.16 |
| Add: Investment income (“-” indicates loss)                 | 946,509,990.09   | 367,359,173.76 |
| Including: Share of profit of associates and joint ventures | 171,621,590.03   | 143,583,902.39 |
| <b>2. Operating profit (“-” indicates loss)</b>             | 1,367,405,204.78 | 692,193,148.93 |
| Add: Non-operating income                                   | 10,369,118.11    | 301,971.36     |
| Including: Gain on disposal of non-current assets           | 1,419,846.32     | -              |
| Less: Non-operating expenses                                | 1,249,422.47     | 591,676.77     |
| Including: Loss on disposal of non-current assets           | 15,610.35        | 40,676.77      |
| <b>3. Total profit (“-” indicates total loss)</b>           | 1,376,524,900.42 | 691,903,443.52 |
| Less: Income tax expenses                                   | 106,308,817.30   | 76,786,608.34  |
| <b>4. Net profit (“-” indicates net loss)</b>               | 1,270,216,083.12 | 615,116,835.18 |
| <b>5. Earnings per share</b>                                |                  |                |
| (1) Basic earnings per share (RMB per share)                |                  |                |
| (2) Diluted earnings per share (RMB per share)              |                  |                |
| <b>6. Other comprehensive income</b>                        | -                | -              |
| <b>7. Total comprehensive income</b>                        | 1,270,216,083.12 | 615,116,835.18 |

## Consolidated Cash Flow Statement

Jan ~ Sep 2014

*Unit: RMB; Unaudited*

| Item  | Jan ~ Sep 2014    | Jan ~ Sep 2013   |
|---|-------------------|------------------|
| <b>1. Cash flows from operating activities</b>  |                   |                  |
| Cash received from sales of goods and rendering of services                                   | 2,453,333,111.37  | 2,346,870,402.55 |
| Cash received relating to other operating activities  | 222,205,019.78    | 164,637,142.60   |
| Sub-total of cash inflows   | 2,675,538,131.15  | 2,511,507,545.15 |
| Cash paid for goods and services  | 374,091,054.97    | 369,346,812.41   |
| Cash paid to and on behalf of employees   | 259,816,114.61    | 230,349,377.32   |
| Payments of taxes and surcharges  | 299,478,270.57    | 286,905,518.24   |
| Cash paid relating to other operating activities  | 423,881,743.00    | 356,902,058.97   |
| Sub-total of cash outflows  | 1,357,267,183.15  | 1,243,503,766.94 |
| Net cash flows from operating activities  | 1,318,270,948.00  | 1,268,003,778.21 |
| <b>2. Cash flows from investing activities</b>  |                   |                  |
| Cash received from recovery of investments  | -                 | 6,188,944.97     |
| Cash received from returns on investments   | 59,984,223.28     | 44,930,000.00    |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 755,291,770.00    | 7,314,932.84     |
| Cash received relating to other investing activities  | 15,291,410.84     | 23,779,056.38    |
| Sub-total of cash inflows   | 830,567,404.12    | 82,212,934.19    |
| Cash paid to acquire fixed assets and intangible assets                                       | 244,662,056.20    | 518,161,815.57   |
| Net Cash paid to acquire subsidiaries and other business units.                               | 29,400,000.00     | -                |
| Cash paid relating to other investing activities  | 2,400,000.00      | 4,996,035.97     |
| Sub-total of cash outflows  | 276,462,056.20    | 523,157,851.54   |
| Net cash flows from investing activities  | 554,105,347.92    | -440,944,917.35  |
| <b>3. Cash flows from financing activities</b>  |                   |                  |
| Cash received from capital contributions  | 60,265,952.56     | -                |
| Including: Cash received from capital contributions by minority shareholders of subsidiaries  | 60,265,952.56     | -                |
| Cash received from borrowings   | 55,141,000.00     | 1,486,650,000.00 |
| Cash received from bonds  | 994,250,000.00    | -                |
| Sub-total of cash inflows   | 1,109,656,952.56  | 1,486,650,000.00 |
| Cash repayments of borrowings   | 2,182,975,160.00  | 1,154,032,280.00 |
| Cash payments for interest expenses and distribution of dividends or profits                  | 781,315,592.46    | 793,062,542.44   |
| Including: Cash payments for dividends or profit to minority shareholders of subsidiaries     | 58,201,067.18     | 102,935,664.46   |
| Cash payments relating to other financing activities  | 31,670,951.69     | 843,042.82       |
| Sub-total of cash outflows  | 2,995,961,704.15  | 1,947,937,865.26 |
| Net cash flows from financing activities  | -1,886,304,751.59 | -461,287,865.26  |
| <b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>                | -93,790.84        | 656,991.63       |
| <b>5. Net increase in cash and cash equivalents</b>   | -14,022,246.51    | 366,427,987.23   |
| Add: Cash and cash equivalents at beginning of the Period                                     | 1,089,636,663.10  | 1,954,204,126.56 |
| <b>6. Cash and cash equivalents at end of Period</b>  | 1,075,614,416.59  | 2,320,632,113.79 |

**Cash Flow Statement**  
Jan ~ Sep 2014

*Unit: RMB; Unaudited*

| Item  | Jan ~ Sep 2014    | Jan ~ Sep 2013   |
|---|-------------------|------------------|
| <b>1. Cash flows from operating activities</b>  |                   |                  |
| Cash received from sales of goods and rendering of services                                   | 920,950,921.23    | 885,724,880.89   |
| Cash received relating to other operating activities  | 36,184,839.67     | 33,363,016.14    |
| Sub-total of cash inflows   | 957,135,760.90    | 919,087,897.03   |
| Cash paid for goods and services  | 149,849,881.20    | 128,305,763.60   |
| Cash paid to and on behalf of employees   | 134,553,318.25    | 124,568,181.91   |
| Payments of taxes and surcharges  | 83,678,253.85     | 102,224,137.68   |
| Cash paid relating to other operating activities  | 23,408,033.02     | 55,511,281.74    |
| Sub-total of cash outflows  | 391,489,486.32    | 410,609,364.93   |
| Net cash flows from operating activities  | 565,646,274.58    | 508,478,532.10   |
| <b>2. Cash flows from investing activities</b>  |                   |                  |
| Cash received from recovery of investments  | 73,811,313.82     | 87,950,206.62    |
| Cash received from returns on investments   | 927,090,907.10    | 268,705,271.53   |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,504,730.00      | 10,650.00        |
| Cash received relating to other investing activities  | 570,758,497.89    | 833,900,091.02   |
| Sub-total of cash inflows   | 1,573,165,448.81  | 1,190,566,219.17 |
| Cash paid to acquire fixed assets and intangible assets                                       | 60,283,623.46     | 32,302,859.43    |
| Net cash paid to acquire subsidiaries and other business units                                | 160,414,049.21    | -                |
| Cash paid relating to other investing activities  | 570,000,000.00    | 757,694,946.00   |
| Sub-total of cash outflows  | 790,697,672.67    | 789,997,805.43   |
| Net cash flows from investing activities  | 782,467,776.14    | 400,568,413.74   |
| <b>3. Cash flows from financing activities</b>  |                   |                  |
| Cash received from borrowings   | 100,100,000.00    | 1,130,000,000.00 |
| Cash received from bonds  | 994,250,000.00    | -                |
| Sub-total of cash inflows   | 1,094,350,000.00  | 1,130,000,000.00 |
| Cash repayments of borrowings   | 1,682,391,800.00  | 837,709,700.00   |
| Cash payments for interest expenses and distribution of dividends or profits                  | 534,161,742.65    | 467,783,607.88   |
| Cash payments relating to other financing activities  | 242,369.46        | 801,409.43       |
| Sub-total of cash outflows  | 2,216,795,912.11  | 1,306,294,717.31 |
| Net cash flows from financing activities  | -1,122,445,912.11 | -176,294,717.31  |
| <b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>                | -118,155.72       | -2,649.69        |
| <b>5. Net increase in cash and cash equivalents</b>   | 225,549,982.89    | 732,749,578.84   |
| Add: Cash and cash equivalents at beginning of the Period                                     | 415,547,266.82    | 1,166,746,594.53 |
| <b>6. Cash and cash equivalents at end of Period</b>  | 641,097,249.71    | 1,899,496,173.37 |