



**SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE
& PROPERTIES (GROUP) CO., LTD.**

THIRD QUARTER REPORT 2016

2016-034

October 2016

Section I Important Reminders

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors attended the board session for reviewing this report.

Zhou Jianguo, Board Chairman, Chen Maozheng, General Manager, Tang Xiaoping, chief of the accounting work, and Qiao Yanjun, chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

This Report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II Financial Highlights & Shareholder Changes

I Highlights of accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes No

| | 30 September 2016 | 31 December 2015 | +/- (%) | |
|--|---------------------|------------------|------------------------|-------------|
| Total assets (RMB) | 4,090,379,307.23 | 4,179,937,120.75 | -2.14% | |
| Net assets attributable to shareholders of the Company (RMB) | 2,566,676,887.20 | 2,331,704,116.07 | 10.08% | |
| | July-September 2016 | YoY +/- (%) | January-September 2016 | YoY +/- (%) |
| Operating revenues (RMB) | 646,575,128.32 | 40.36% | 1,744,462,098.00 | 8.47% |
| Net profit attributable to shareholders of the Company (RMB) | 102,114,004.00 | 114.60% | 236,875,125.51 | 1.23% |
| Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB) | 101,810,300.34 | 112.10% | 229,131,886.44 | -2.13% |
| Net cash flows from operating activities (RMB) | -- | -- | 551,101,766.41 | -31.43% |
| Basic earnings per share (RMB/share) | 0.1009 | 114.68% | 0.2341 | 1.21% |
| Diluted earnings per share (RMB/share) | 0.1009 | 114.68% | 0.2341 | 1.21% |
| Weighted average return on equity (%) | 4.06% | 1.91% | 9.67% | 2.10% |

Unit: RMB

| Item | January-September 2016 | Note |
|--|------------------------|--|
| Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions) | -5,022.45 | |
| Impairment provision reversal for accounts receivable on which the impairment test is carried out separately | 4,800,000.00 | The lawsuit amount of the Company with Luofu Mountain Travel Corp. had withdrawn, thus the withdrawn bad debt provision reserves had been took back. |

| | | |
|---|--------------|--|
| Non-operating income and expense other than the above | 5,529,341.20 | Mainly were the lawsuit compensation received from the case between the Company and Luofu Mountain Travel Corp.. |
| Less: Income tax effects | 2,581,079.68 | |
| Total | 7,743,239.07 | -- |

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

No such cases in the Reporting Period.

II Total number of shareholders and shareholdings of top 10 shareholders at the period-end

1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

| Total number of ordinary shareholders at the end of the Reporting Period | 74,719 | Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any) | 0 | | | |
|---|--------------------------------------|--|-----------------------|----------------------------------|--------------------------|--------|
| Shareholdings of top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding percentage | Number of shares held | Number of restricted shares held | Pledged or frozen shares | |
| | | | | | Status | Number |
| Shenzhen Investment Holdings Ltd. | State-owned corporation | 63.55% | 642,884,262 | 0 | | |
| Shanjin Jinkong Capital Management Co., Ltd. — Shanjin Jinkong Wenjian No. 1 Fund | Domestic non-state-owned corporation | 1.09% | 11,000,050 | 0 | | |
| Lu Zhigao | Domestic individual | 0.39% | 3,999,862 | 0 | | |
| Tan Shiqing | Domestic individual | 0.39% | 3,891,700 | 0 | | |
| Yang Shuilian | Domestic individual | 0.37% | 3,736,949 | 0 | | |

| Yang Jianxiong | Domestic individual | 0.13% | 1,356,200 | 0 | | |
|---|--|---------------------------|-----------|-------------|--|--|
| Central Huijin Asset Management Co., Ltd. | State-owned corporation | 0.13% | 1,312,600 | 0 | | |
| Peng Wei | Domestic individual | 0.13% | 1,266,000 | 0 | | |
| Wu Haoyuan | Overseas individual | 0.12% | 1,165,500 | 0 | | |
| GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED | Overseas corporation | 0.11% | 1,115,750 | 0 | | |
| Shareholdings of top 10 non-restricted shareholders | | | | | | |
| Name of shareholder | Number of non-restricted shares held at the period-end | Type of shares | | | | |
| | | Type | Number | | | |
| Shenzhen Investment Holdings Ltd. | 642,884,262 | RMB share | ordinary | 642,884,262 | | |
| Shanjin Jinkong Capital Management Co., Ltd. — Shanjin Jinkong Wenjian No. 1 Fund | 10,300,000 | RMB share | ordinary | 10,300,000 | | |
| Lu Zhigao | 3,246,949 | RMB share | ordinary | 3,246,949 | | |
| Tan Shiqing | 1,286,701 | RMB share | ordinary | 1,286,701 | | |
| Yang Shuilian | 1,273,700 | RMB share | ordinary | 1,273,700 | | |
| Yang Jianxiong | 1,255,750 | Domestically listed share | foreign | 1,255,750 | | |
| Central Huijin Asset Management Co., Ltd. | 1,165,500 | RMB share | ordinary | 1,165,500 | | |
| Peng Wei | 1,129,082 | RMB share | ordinary | 1,129,082 | | |
| Wu Haoyuan | 1,109,300 | Domestically listed share | foreign | 1,109,300 | | |

| | | | |
|--|---|------------------------------|----------------------|
| GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED | 1,015,683 | Domestically listed share | foreign 1,015,683 |
| Related or act-in-concert parties among the shareholders above | It is unknown whether the tradable share holders above are related parties or whether they are parties acting in concert as stipulated in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies. | | |
| Top 10 ordinary shareholders conducting securities margin trading (if any) | Shareholders ranked in No. 3 and No. 5 among the top 10 shareholders had participated in the securities margin trading. | | |

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top 10 of them at the period-end

Applicable Not applicable

Section III Significant Events

I Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

√ Applicable □ Not applicable

For January-September 2016, the Company achieved operating revenues of RMB1,744.46 million, up 8.47% when compared with the same period of last year; total profits of RMB317.90 million, representing a year-on-year rise of 0.45%; and net profits attributable to shareholders of the Company of RMB236.88 million, up 1.23% year on year. These were mainly because the real estate revenue increased.

YoY changes in major financial data

Unit: RMB

| Item | January-September 2016 | January-September 2015 | +/- (%) | Main reason for change |
|--|------------------------|------------------------|-----------|---|
| Operating costs | 1,266,493,613.92 | 1,031,161,819.97 | 22.82% | Decrease in the gross profit margin |
| Selling expenses | 8,844,726.66 | 27,783,991.06 | -68.17% | Decrease in sales agent fees and commissions |
| Finance costs | -11,918,313.56 | 28,827,032.23 | -141.34% | Capitalization of interest due to the start of construction of new real estate projects |
| Asset impairment loss | -4,800,000.00 | 159,351.00 | -3112.22% | Reversal of bad-debt provisions |
| Non-operating revenue | 5,639,605.16 | 721,429.25 | 681.73% | Compensation from the lawsuit case against Luofu Mountain Travel Corp. |
| Net cash flows from operating activities | 551,101,766.41 | 803,676,523.78 | -31.43% | Decrease in cash received from sale of goods |
| Net cash flows from investing activities | -141,856.79 | -2,062,238.27 | 93.12% | Increase in cash received as return on investment and decrease in cash paid to acquire fixed assets, intangible assets and other long-term assets |
| Net cash flows from financing activities | -397,151,521.05 | -300,031,379.19 | -32.37% | Decrease in bank loans |
| Item | 30 September 2016 | 31 December 2015 | +/- (%) | Main reason for change |
| Accounts receivable | 184,309,552.51 | 112,543,908.66 | 63.77% | Increase in receivables for construction |
| Long-term deferred | 844,626.02 | 397,608.64 | 112.43% | Increase in office decoration |

| | | | | |
|---|----------------|----------------|---------|---|
| expenses | | | | expenses |
| Accounts payable | 161,757,150.67 | 290,453,110.50 | -44.31% | The remaining payments for the finished products were made |
| Accounts received in advance | 669,504,429.76 | 475,620,347.35 | 40.76% | Increase in revenue from house presale and construction services provided |
| Payroll payable | 28,170,306.11 | 38,750,019.72 | -27.30% | Payment of annual salaries for last year |
| Non-current liabilities due within one year | 29,145,556.45 | 168,727,608.54 | -82.73% | Repayment of bank loans |
| Long-term borrowings | 152,634,942.30 | 382,233,324.88 | -60.07% | Repayment of bank loans |

II Progress on significant events, as well as the influence and solutions

√ Applicable □ Not applicable

Owning to the planning of the controlling shareholder Shenzhen Investment Holding Co., Ltd. of the Company (referred to as “Shenzhen Investment Holding” for short) involved with the significant events of the Company, the stocks of the Company (Share A: abbr. of the securities: SSFA and the code of the securities: 000029; Share B: abbr. of the securities: SSFB and the code of the securities: 200029) had suspended since the open of the market on 14 September 2016 through the application for SZSE. On 29 September 2016, Shenzhen Investment Holding confirmed the foresaid planned significant events constituted the reorganization of the significant assets and the stocks of the Company transferred into the significant assets reorganization process for continued delisting since the open of the market on 30 September 2016.

On 10 October 2016, the Company disclosed the announcement on the Cooperation Agreement about the Reorganization and Listing (No. 2016-027). The Company originally planned to disclose the preplan on the reorganization of the significant assets or the report before 14 October 2016, while owing to the rather large workload involved with the significant assets reorganization, the reorganization proposal still needed to be further negotiated, confirmed as well as improved and through the application for SZSE, the stocks of the Company continued to delist since the open of the market on 14 October 2016 with the details on the Announcement on the Progress of the Significant Assets Reorganization and the Postponed Resumption (No. 2016-028).

| Summary of the significant events | Disclosure date | Index of the interim report disclosure website |
|--|-------------------|--|
| Planning the delisting of the significant events | 14 September 2016 | Announcement on Planning the Delisting of the Significant Events (2016-022) (http://www.cninfo.com.cn/) |
| Planning the delisting of the significant assets reorganization | 30 September 2016 | Announcement on Planning the Delisting of the Significant Assets Reorganization (2016-025) (http://www.cninfo.com.cn/) |
| Signing the cooperation agreement about the reorganization and listing | 10 October 2016 | Announcement on Signing the Cooperation Agreement about the Reorganization and Listing (2016-027) |

| | | |
|---|-----------------|---|
| | | (http://www.cninfo.com.cn/) |
| Disclosure of the significant assets reorganization progress and the postponed resumption | 14 October 2016 | Announcement on Significant Assets Reorganization Progress and the Postponed Resumption (2016-028) (http://www.cninfo.com.cn/) |

III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Applicable Not applicable

No such cases in the Reporting Period.

IV Performance forecast for Y2016

Warning of possible loss or considerable YoY change in the accumulative net profit made during the year-beginning to the end of the next reporting period, as well as the reasons

Applicable Not applicable

V Securities investment

Applicable Not applicable

No such cases in the Reporting Period.

VI Investment in derivative financial instruments

Applicable Not applicable

No such cases in the Reporting Period.

VII Visits paid to the Company in the Reporting Period for purposes of research, communication, interview, etc.

Applicable Not applicable

| Date of visit | Way of visit | Type of visitor | About |
|---------------|--------------|-----------------|---|
| 2016-07-25 | By phone | Individual | Inquiry the disclosure estimate time of the semi-annual report of 2016, situation of the project development and the progress of SOE Reform, had not offer the written sources. |
| 2016-08-17 | By phone | Individual | Inquiry the influence of SOE Reform to the Company and the operation situation of the Company in the first half, had not offer the written sources. |

| | | | |
|------------|----------|------------|--|
| 2016-09-14 | By phone | Individual | Inquiry the reason of suspension of and the resumption time, had not offer the written sources |
| 2016-09-28 | By phone | Individual | Inquiry the reason of the information and the resumption time and the expected disclosure time of report for the third quarter of 2016 |

VIII Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties

Applicable Not applicable

No such cases in the Reporting Period.

Section IV Financial Statements

I Financial statements

1. Consolidated balance sheet

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB

| Item | Closing balance | Opening balance |
|--|------------------|------------------|
| Current assets: | | |
| Monetary funds | 1,329,914,185.18 | 1,175,756,306.36 |
| Settlement reserves | | |
| Lendings to banks and other financial institutions | | |
| Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period | | |
| Derivative financial assets | | |
| Notes receivable | 16,762,760.07 | 18,663,872.02 |
| Accounts receivable | 184,309,552.51 | 112,543,908.66 |
| Accounts paid in advance | 21,187,331.17 | 22,952,379.40 |
| Premiums receivable | | |
| Reinsurance premiums receivable | | |
| Receivable reinsurance contract reserves | | |
| Interest receivable | | |
| Dividends receivable | 1,052,192.76 | 1,052,192.76 |
| Other accounts receivable | 65,011,964.56 | 61,673,343.42 |
| Financial assets purchased under agreement to resell | | |
| Inventories | 1,849,999,208.64 | 2,146,223,895.61 |
| Assets held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 43,050,754.13 | 40,315,831.06 |
| Total current assets | 3,511,287,949.02 | 3,579,181,729.29 |
| Non-current assets: | | |

| | | |
|---|------------------|------------------|
| Loans and advances to customers | | |
| Available-for-sale financial assets | 17,464,240.74 | 17,464,240.74 |
| Held-to-maturity investments | | |
| Long-term accounts receivable | | |
| Long-term equity investments | 57,705,013.77 | 57,768,804.36 |
| Investment property | 420,245,580.74 | 435,058,564.20 |
| Fixed assets | 47,050,109.58 | 52,213,985.31 |
| Construction in progress | | |
| Engineering materials | | |
| Disposal of fixed assets | | |
| Productive living assets | | |
| Oil-gas assets | | |
| Intangible assets | 5,273,265.00 | 5,654,820.00 |
| R&D expense | | |
| Goodwill | | |
| Long-term deferred expenses | 844,626.02 | 397,608.64 |
| Deferred income tax assets | 30,508,522.36 | 32,197,368.21 |
| Other non-current assets | | |
| Total non-current assets | 579,091,358.21 | 600,755,391.46 |
| Total assets | 4,090,379,307.23 | 4,179,937,120.75 |
| Current liabilities: | | |
| Short-term borrowings | 118,681,931.93 | 143,418,286.29 |
| Borrowings from the Central Bank | | |
| Money deposits accepted and inter-bank deposits | | |
| Loans from banks and other financial institutions | | |
| Financial liabilities measured at fair value with fair value changes included in the profit and loss for the Reporting Period | | |
| Derivative financial liabilities | | |
| Notes payable | | |
| Accounts payable | 161,757,150.67 | 290,453,110.50 |
| Accounts received in advance | 669,504,429.76 | 475,620,347.35 |
| Financial assets sold for repurchase | | |
| Handling charges and commissions | | |

| | | |
|--|------------------|------------------|
| payable | | |
| Payroll payable | 28,170,306.11 | 38,750,019.72 |
| Taxes and fares payable | 65,275,158.74 | 63,459,415.42 |
| Interest payable | 16,535,277.94 | 17,535,277.94 |
| Dividends payable | | |
| Other accounts payable | 400,399,947.73 | 385,811,304.33 |
| Reinsurance premiums payable | | |
| Insurance contract reserves | | |
| Payables for acting trading of securities | | |
| Payables for acting underwriting of securities | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 29,145,556.45 | 168,727,608.54 |
| Other current liabilities | | |
| Total current liabilities | 1,489,469,759.33 | 1,583,775,370.09 |
| Non-current liabilities: | | |
| Long-term borrowings | 152,634,942.30 | 382,233,324.88 |
| Bonds payable | | |
| Of which: Preference shares | | |
| Perpetual bonds | | |
| Long-term accounts payable | 10,681,145.80 | 10,480,629.35 |
| Long-term payroll payable | | |
| Special payables | | |
| Estimated liabilities | | |
| Deferred income | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 163,316,088.10 | 392,713,954.23 |
| Total liabilities | 1,652,785,847.43 | 1,976,489,324.32 |
| Owners' equity: | | |
| Share capital | 1,011,660,000.00 | 1,011,660,000.00 |
| Other equity instruments | | |
| Of which: Preference shares | | |
| Perpetual bonds | | |

| | | |
|--|------------------|------------------|
| Capital reserves | 978,244,910.11 | 978,244,910.11 |
| Less: Treasury stock | | |
| Other composite income | 8,161,237.23 | 10,063,591.61 |
| Special reserves | | |
| Surplus reserves | 40,823,841.35 | 40,823,841.35 |
| Provisions for general risks | | |
| Retained profit | 527,786,898.51 | 290,911,773.00 |
| Total equity attributable to owners of the Company | 2,566,676,887.20 | 2,331,704,116.07 |
| Minority interests | -129,083,427.40 | -128,256,319.64 |
| Total owners' equity | 2,437,593,459.80 | 2,203,447,796.43 |
| Total liabilities and owners' equity | 4,090,379,307.23 | 4,179,937,120.75 |

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Tang Xiaoping

Chief of the accounting division: Qiao Yanjun

2. Balance sheet of the Company

Unit: RMB

| Item | Closing balance | Opening balance |
|---|-----------------|-----------------|
| Current Assets: | | |
| Monetary funds | 923,899,246.96 | 858,492,165.42 |
| Financial assets measured at fair value of which changes are recorded in current profits and losses | | |
| Derivative financial assets | | |
| Notes receivable | | |
| Accounts receivable | 5,131,776.41 | 9,412,675.23 |
| Accounts paid in advance | | |
| Interest receivable | | |
| Dividend receivable | | 140,763,284.58 |
| Other accounts receivable | 758,227,396.15 | 682,468,446.16 |
| Inventories | 622,150,514.29 | 892,015,463.86 |
| Assets held for sale | | |
| Non-current assets due within 1 year | | |
| Other current assets | 13,868,244.18 | 24,782,301.67 |

| | | |
|--|------------------|------------------|
| Total current assets | 2,323,277,177.99 | 2,607,934,336.92 |
| Non-current assets: | | |
| Available-for-sale financial assets | 12,000,000.00 | 12,000,000.00 |
| Held-to-maturity investments | | |
| Long-term accounts receivable | | |
| Long-term equity investment | 316,339,969.11 | 316,403,759.70 |
| Investing real estate | 365,378,988.98 | 379,377,363.53 |
| Fixed assets | 26,912,880.47 | 28,849,484.59 |
| Construction in progress | | |
| Engineering materials | | |
| Disposal of fixed assets | | |
| Production biological assets | | |
| Oil-gas assets | | |
| Intangible assets | 414,000.00 | 662,400.00 |
| R&D expense | | |
| Goodwill | | |
| Long-term deferred expenses | 666,000.06 | 377,908.74 |
| Deferred income tax assets | 5,717,550.76 | 5,717,550.76 |
| Other non-current assets | | |
| Total of non-current assets | 727,429,389.38 | 743,388,467.32 |
| Total assets | 3,050,706,567.37 | 3,351,322,804.24 |
| Current liabilities: | | |
| Short-term borrowings | | |
| Financial liabilities measured at fair value of which changes are recorded in current profits and losses | | |
| Derivative financial liabilities | | |
| Notes payable | | |
| Accounts payable | 35,107,620.20 | 69,300,670.37 |
| Accounts received in advance | 220,410,168.60 | 243,559,137.60 |
| Payroll payable | 11,675,238.29 | 13,579,802.91 |
| Tax payable | 37,239,955.41 | 37,099,690.34 |
| Interest payable | 16,535,277.94 | 17,535,277.94 |
| Dividend payable | | |
| Other accounts payable | 283,503,334.65 | 292,391,556.70 |

| | | |
|---|------------------|------------------|
| Liabilities held for sale | | |
| Non-current liabilities due within 1 year | 29,145,556.45 | 168,727,608.54 |
| Other current liabilities | | |
| Total current liabilities | 633,617,151.54 | 842,193,744.40 |
| Non-current liabilities: | | |
| Long-term borrowings | 152,634,942.30 | 382,233,324.88 |
| Bonds payable | | |
| Of which: preferred shares | | |
| Perpetual bonds | | |
| Long-term payables | | |
| Long-term payroll payables | | |
| Specific payables | | |
| Estimated liabilities | | |
| Deferred income | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 152,634,942.30 | 382,233,324.88 |
| Total liabilities | 786,252,093.84 | 1,224,427,069.28 |
| Owners' equity: | | |
| Share capital | 1,011,660,000.00 | 1,011,660,000.00 |
| Other equity instruments | | |
| Of which: preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 978,244,910.11 | 978,244,910.11 |
| Less: Treasury stock | | |
| Other comprehensive income | | |
| Specific reserves | | |
| Surplus reserves | 17,694,227.94 | 17,694,227.94 |
| Retained profits | 256,855,335.48 | 119,296,596.91 |
| Total owners' equity | 2,264,454,473.53 | 2,126,895,734.96 |
| Total liabilities and owners' equity | 3,050,706,567.37 | 3,351,322,804.24 |

3. Consolidated income statement for the Reporting Period

Unit: RMB

| Item | July-September 2016 | July-September 2015 |
|--|---------------------|---------------------|
| 1. Operating revenues | 646,575,128.32 | 460,650,552.32 |
| Including: Sales income | 646,575,128.32 | 460,650,552.32 |
| Interest income | | |
| Premium income | | |
| Fee and commission income | | |
| 2. Operating costs | 510,103,979.66 | 393,508,104.90 |
| Including: Cost of sales | 450,466,369.81 | 333,515,943.82 |
| Interest expenses | | |
| Fee and commission expenses | | |
| Surrenders | | |
| Net claims paid | | |
| Net amount provided as insurance contract reserve | | |
| Expenditure on policy dividends | | |
| Reinsurance premium | | |
| Business tax and surtaxes | 49,029,822.53 | 33,561,524.58 |
| Selling expenses | 3,736,985.23 | 10,537,814.31 |
| Administrative expenses | 11,740,962.01 | 12,021,721.81 |
| Finance costs | -4,870,159.92 | 3,871,100.38 |
| Asset impairment loss | | |
| Add: Profit on fair value changes (“-” means loss) | | |
| Return on investment (“-” means loss) | | |
| Including: Share of profit/loss of associates and joint ventures | | |
| Exchange gains (“-” means loss) | | |
| 3. Operating profit (“-” means loss) | 136,471,148.66 | 67,142,447.42 |
| Add: Non-operating revenue | 426,147.22 | 259,724.13 |
| Including: Profit on disposal of non-current assets | | |
| Less: Non-operating expense | 14,709.01 | 759,062.41 |
| Including: Loss on disposal of non-current assets | 2,374.95 | 571.90 |
| 4. Total profit (“-” means loss) | 136,882,586.87 | 66,643,109.14 |
| Less: Corporate income tax | 34,747,273.16 | 19,029,906.71 |

| | | |
|---|----------------|---------------|
| 5. Net profit (“-” means loss) | 102,135,313.71 | 47,613,202.43 |
| Net profit attributable to owners of the Company | 102,114,004.00 | 47,584,448.58 |
| Minority interests’ income | 21,309.71 | 28,753.85 |
| 6. Other comprehensive income net of tax | -475,668.34 | -3,193,591.50 |
| Other comprehensive income net of tax attributable to owners of the Company | -332,967.84 | -2,350,252.46 |
| 6.1 Other comprehensive income that will not be reclassified into profit/loss | | |
| 6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement | | |
| 6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method | | |
| 6.2 Other comprehensive income to be subsequently reclassified into profit/loss | -332,967.84 | -2,350,252.46 |
| 6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method | | |
| 6.2.2 Profit/loss on fair value changes of available-for-sale financial assets | | |
| 6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets | | |
| 6.2.4 Effective profit/loss on cash flow hedges | | |
| 6.2.5 Currency translation differences | -332,967.84 | -2,350,252.46 |
| 6.2.6 Other | | |
| Other comprehensive income net of tax attributable to minority interests | -142,700.50 | -843,339.04 |
| 7. Total comprehensive income | 101,659,645.37 | 44,419,610.93 |
| Attributable to owners of the Company | 101,781,036.16 | 45,234,196.12 |

| | | |
|------------------------------------|-------------|-------------|
| Attributable to minority interests | -121,390.79 | -814,585.19 |
| 8. Earnings per share | | |
| 8.1 Basic earnings per share | 0.1009 | 0.0470 |
| 8.2 Diluted earnings per share | 0.1009 | 0.0470 |

Where business mergers under the same control occurred in the Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB0.00.

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Tang Xiaoping

Chief of the accounting division: Qiao Yanjun

4. Income statement of the Company for the Reporting Period

Unit: RMB

| Item | July-September 2016 | July-September 2015 |
|--|---------------------|---------------------|
| 1. Operating revenues | 266,626,675.90 | 168,709,253.87 |
| Less: Operating costs | 155,326,755.18 | 111,289,278.49 |
| Business tax and surtaxes | 29,125,547.39 | 14,272,249.47 |
| Selling expenses | 1,675,287.56 | 8,294,132.91 |
| Administrative expenses | 5,434,083.01 | 6,075,587.04 |
| Finance costs | | -6,582,280.28 |
| Asset impairment loss | | |
| Add: profit on fair value changes (“-” means loss) | | |
| Return on investment (“-” means loss) | | |
| Including: Share of profit/loss of associates and joint ventures | | |
| 2. Operating profit (“-” means loss) | 79,724,772.74 | 35,360,286.24 |
| Add: Non-operating revenue | | 50,000.00 |
| Including: Profit on disposal of non-current assets | | |
| Less: Non-operating expense | 12,234.00 | 20,158.36 |
| Including: Loss on disposal of non-current assets | | |
| 3. Total profit (“-” means loss) | 79,712,538.74 | 35,390,127.88 |
| Less: Corporate income tax | 19,931,610.08 | 8,760,256.56 |
| 4. Net profit (“-” means loss) | 59,780,928.66 | 26,629,871.32 |
| 5. Other comprehensive income net of | | |

| | | |
|---|---------------|---------------|
| tax | | |
| 5.1 Other comprehensive income that will not be reclassified into profit and loss | | |
| 5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement | | |
| 5.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method | | |
| 5.2 Other comprehensive income to be subsequently reclassified into profit/loss | | |
| 5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method | | |
| 5.2.2 Profit/loss on fair value changes of available-for-sale financial assets | | |
| 5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets | | |
| 5.2.4 Effective profit/loss on cash flow hedges | | |
| 5.2.5 Currency translation differences | | |
| 5.2.6 Other | | |
| 6. Total comprehensive income | 59,780,928.66 | 26,629,871.32 |
| 7. Earnings per share | | |
| 7.1 Basic earnings per share | | |
| 7.2 Diluted earnings per share | | |

5. Consolidated income statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

| Item | January-September 2016 | January-September 2015 |
|-------------------------|------------------------|------------------------|
| 1. Operating revenues | 1,744,462,098.00 | 1,608,203,326.28 |
| Including: Sales income | 1,744,462,098.00 | 1,608,203,326.28 |

| | | |
|--|------------------|------------------|
| Interest income | | |
| Premium income | | |
| Fee and commission income | | |
| 2. Operating costs | 1,432,716,353.04 | 1,291,833,759.19 |
| Including: Cost of sales | 1,266,493,613.92 | 1,031,161,819.97 |
| Interest expenses | | |
| Fee and commission expenses | | |
| Surrenders | | |
| Net claims paid | | |
| Net amount provided as insurance contract reserve | | |
| Expenditure on policy dividends | | |
| Reinsurance premium | | |
| Business tax and surtaxes | 135,398,032.24 | 163,173,859.22 |
| Selling expenses | 8,844,726.66 | 27,783,991.06 |
| Administrative expenses | 38,698,293.78 | 40,727,705.71 |
| Finance costs | -11,918,313.56 | 28,827,032.23 |
| Asset impairment loss | -4,800,000.00 | 159,351.00 |
| Add: Profit on fair value changes (“-” means loss) | | |
| Return on investment (“-” means loss) | 625,209.41 | 220,307.27 |
| Including: Share of profit/loss of associates and joint ventures | -63,790.59 | -129,692.73 |
| Exchange gains (“-” means loss) | | |
| 3. Operating profit (“-” means loss) | 312,370,954.37 | 316,589,874.36 |
| Add: Non-operating revenue | 5,639,605.16 | 721,429.25 |
| Including: Profit on disposal of non-current assets | | |
| Less: Non-operating expense | 115,286.41 | 837,877.56 |
| Including: Loss on disposal of non-current assets | 5,022.45 | 10,609.22 |
| 4. Total profit (“-” means loss) | 317,895,273.12 | 316,473,426.05 |
| Less: Corporate income tax | 81,031,960.64 | 82,456,198.15 |
| 5. Net profit (“-” means loss) | 236,863,312.48 | 234,017,227.90 |
| Net profit attributable to owners of the Company | 236,875,125.51 | 233,992,272.96 |

| | | |
|---|----------------|----------------|
| Minority interests' income | -11,813.03 | 24,954.94 |
| 6. Other comprehensive income net of tax | -2,717,649.11 | -3,213,508.09 |
| Other comprehensive income net of tax attributable to owners of the Company | -1,902,354.38 | -2,249,455.66 |
| 6.1 Other comprehensive income that will not be reclassified into profit/loss | | |
| 6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement | | |
| 6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method | | |
| 6.2 Other comprehensive income to be subsequently reclassified into profit/loss | -1,902,354.38 | -2,249,455.66 |
| 6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method | | |
| 6.2.2 Profit/loss on fair value changes of available-for-sale financial assets | | |
| 6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets | | |
| 6.2.4 Effective profit/loss on cash flow hedges | | |
| 6.2.5 Currency translation differences | -1,902,354.38 | -2,249,455.66 |
| 6.2.6 Other | | |
| Other comprehensive income net of tax attributable to minority interests | -815,294.73 | -964,052.43 |
| 7. Total comprehensive income | 234,145,663.37 | 230,803,719.81 |
| Attributable to owners of the Company | 234,972,771.13 | 231,742,817.30 |
| Attributable to minority interests | -827,107.76 | -939,097.49 |
| 8. Earnings per share | | |

| | | |
|--------------------------------|--------|--------|
| 8.1 Basic earnings per share | 0.2341 | 0.2313 |
| 8.2 Diluted earnings per share | 0.2341 | 0.2313 |

Where business mergers under the same control occurred in the Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB0.00.

6. Income statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

| Item | January-September 2016 | January-September 2015 |
|---|------------------------|------------------------|
| 1. Operating revenues | 578,764,259.97 | 697,633,946.33 |
| Less: Operating costs | 335,572,846.36 | 352,028,685.00 |
| Business tax and surtaxes | 62,674,556.43 | 88,853,194.93 |
| Selling expenses | 4,064,476.96 | 16,047,071.09 |
| Administrative expenses | 18,760,239.38 | 20,918,490.04 |
| Finance costs | -15,121,347.54 | -2,206,221.97 |
| Asset impairment loss | -4,800,000.00 | 159,351.00 |
| Add: profit on fair value changes (“-” means loss) | | |
| Return on investment (“-” means loss) | 625,209.41 | 163,042,176.21 |
| Including: Share of profit/loss of associates and joint ventures | | |
| 2. Operating profit (“-” means loss) | 178,238,697.79 | 384,875,552.45 |
| Add: Non-operating revenue | 5,011,250.72 | 93,669.98 |
| Including: Profit on disposal of non-current assets | | |
| Less: Non-operating expense | 31,734.06 | 50,158.36 |
| Including: Loss on disposal of non-current assets | | |
| 3. Total profit (“-” means loss) | 183,218,214.45 | 384,919,064.07 |
| Less: Corporate income tax | 45,659,475.88 | 55,517,646.85 |
| 4. Net profit (“-” means loss) | 137,558,738.57 | 329,401,417.22 |
| 5. Other comprehensive income net of tax | | |
| 5.1 Other comprehensive income that will not be reclassified into profit and loss | | |
| 5.1.1 Changes in net liabilities or | | |

| | | |
|---|----------------|----------------|
| assets with a defined benefit plan upon re-measurement | | |
| 5.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method | | |
| 5.2 Other comprehensive income to be subsequently reclassified into profit/loss | | |
| 5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method | | |
| 5.2.2 Profit/loss on fair value changes of available-for-sale financial assets | | |
| 5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets | | |
| 5.2.4 Effective profit/loss on cash flow hedges | | |
| 5.2.5 Currency translation differences | | |
| 5.2.6 Other | | |
| 6. Total comprehensive income | 137,558,738.57 | 329,401,417.22 |
| 7. Earnings per share | | |
| 7.1 Basic earnings per share | | |
| 7.2 Diluted earnings per share | | |

7. Consolidated cash flow statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

| Item | January-September 2016 | January-September 2015 |
|--|------------------------|------------------------|
| 1. Cash flows from operating activities: | | |
| Cash received from sale of commodities and rendering of service | 1,697,750,778.39 | 2,016,735,096.96 |
| Net increase in money deposits from customers and interbank placements | | |
| Net increase in loans from the Central Bank | | |

| | | |
|--|------------------|------------------|
| Net increase in funds borrowed from other financial institutions | | |
| Cash received from premium of original insurance contracts | | |
| Net cash received from reinsurance business | | |
| Net increase in deposits of policy holders and investment fund | | |
| Net increase in disposal of financial assets at fair value through profit/loss | | |
| Interest, fees and commissions received | | |
| Net increase in interbank borrowings | | |
| Net increase in funds in repurchase business | | |
| Tax refunds received | | |
| Cash received from other operating activities | 141,397,167.24 | 92,720,982.55 |
| Subtotal of cash inflows from operating activities | 1,839,147,945.63 | 2,109,456,079.51 |
| Cash paid for goods and services | 829,026,819.30 | 773,834,438.41 |
| Net increase in loans and advances to customers | | |
| Net increase in funds deposited in the Central Bank and interbank placements | | |
| Cash paid for claims of original insurance contracts | | |
| Interest, fees and commissions paid | | |
| Cash paid as policy dividends | | |
| Cash paid to and for employees | 110,555,686.90 | 102,477,692.19 |
| Taxes and fares paid | 212,631,127.12 | 312,484,510.27 |
| Cash paid for other operating activities | 135,832,545.90 | 116,982,914.86 |
| Subtotal of cash outflows from operating activities | 1,288,046,179.22 | 1,305,779,555.73 |
| Net cash flows from operating activities | 551,101,766.41 | 803,676,523.78 |
| 2. Cash flows from investing activities: | | |
| Cash received from retraction of investments | | |
| Cash received as return on investments | 689,000.00 | 350,000.00 |

| | | |
|---|----------------|----------------|
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 5,900.00 | 8,250.00 |
| Net cash received from disposal of subsidiaries or other business units | | |
| Cash received from other investing activities | | |
| Subtotal of cash inflows from investing activities | 694,900.00 | 358,250.00 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 836,756.79 | 2,420,488.27 |
| Cash paid for investment | | |
| Net increase in pledged loans | | |
| Net cash paid to acquire subsidiaries and other business units | | |
| Cash paid for other investing activities | | |
| Subtotal of cash outflows from investing activities | 836,756.79 | 2,420,488.27 |
| Net cash flows from investing activities | -141,856.79 | -2,062,238.27 |
| 3. Cash flows from financing activities: | | |
| Cash received from capital contributions | | |
| Including: Cash received from minority shareholder investments by subsidiaries | | |
| Cash received as borrowings | 18,000,000.00 | 314,034,573.83 |
| Cash received from issuance of bonds | | |
| Cash received from other financing activities | | 2,785,000.00 |
| Subtotal of cash inflows from financing activities | 18,000,000.00 | 316,819,573.83 |
| Repayment of borrowings | 394,180,434.67 | 574,477,236.26 |
| Cash paid for interest expenses and distribution of dividends or profit | 20,971,086.38 | 42,373,716.76 |
| Including: dividends or profit paid by subsidiaries to minority interests | | |
| Cash paid for other financing activities | | |
| Sub-total of cash outflows from | 415,151,521.05 | 616,850,953.02 |

| | | |
|---|------------------|------------------|
| financing activities | | |
| Net cash flows from financing activities | -397,151,521.05 | -300,031,379.19 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | 275,526.59 | 377,800.83 |
| 5. Net increase in cash and cash equivalents | 154,083,915.16 | 501,960,707.15 |
| Add: Opening balance of cash and cash equivalents | 1,169,756,306.36 | 670,119,849.03 |
| 6. Closing balance of cash and cash equivalents | 1,323,840,221.52 | 1,172,080,556.18 |

8. Cash flow statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

| Item | January-September 2016 | January-September 2015 |
|---|------------------------|------------------------|
| 1. Cash flows from operating activities: | | |
| Cash received from sale of commodities and rendering of service | 564,947,718.21 | 931,500,682.48 |
| Tax refunds received | | |
| Cash received from other operating activities | 200,849,272.34 | 19,201,911.52 |
| Subtotal of cash inflows from operating activities | 765,796,990.55 | 950,702,594.00 |
| Cash paid for goods and services | 79,393,857.65 | 118,857,467.40 |
| Cash paid to and for employees | 28,900,972.17 | 28,797,140.54 |
| Taxes and fares paid | 103,944,998.09 | 182,264,489.08 |
| Cash paid for other operating activities | 99,666,579.67 | 67,386,424.79 |
| Subtotal of cash outflows from operating activities | 311,906,407.58 | 397,305,521.81 |
| Net cash flows from operating activities | 453,890,582.97 | 553,397,072.19 |
| 2. Cash flows from investing activities: | | |
| Cash received from retraction of investments | | |
| Cash received as return on investments | 689,000.00 | 350,000.00 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| Net cash received from disposal of | | |

| | | |
|---|-----------------|----------------|
| subsidiaries or other business units | | |
| Cash received from other investing activities | | |
| Subtotal of cash inflows from investing activities | 689,000.00 | 350,000.00 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 38,189.00 | 302,034.00 |
| Cash paid for investment | | |
| Net cash paid to acquire subsidiaries and other business units | | |
| Cash paid for other investing activities | | |
| Subtotal of cash outflows from investing activities | 38,189.00 | 302,034.00 |
| Net cash flows from investing activities | 650,811.00 | 47,966.00 |
| 3. Cash flows from financing activities: | | |
| Cash received from capital contributions | | |
| Cash received as borrowings | | 200,000,000.00 |
| Cash received from issuance of bonds | | |
| Cash received from other financing activities | | 0.00 |
| Subtotal of cash inflows from financing activities | | 200,000,000.00 |
| Repayment of borrowings | 369,180,434.67 | 253,336,204.36 |
| Cash paid for interest expenses and distribution of dividends or profit | 19,969,650.74 | 33,088,373.69 |
| Cash paid for other financing activities | | |
| Sub-total of cash outflows from financing activities | 389,150,085.41 | 286,424,578.05 |
| Net cash flows from financing activities | -389,150,085.41 | -86,424,578.05 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | 15,773.98 | 961.84 |
| 5. Net increase in cash and cash equivalents | 65,407,082.54 | 467,021,421.98 |
| Add: Opening balance of cash and cash equivalents | 852,492,165.42 | 326,170,340.34 |
| 6. Closing balance of cash and cash equivalents | 917,899,247.96 | 793,191,762.32 |

II Auditor's report

Is this Report audited?

Yes No

This Report is unaudited.