



**SHENZHEN PROPERTIES & RESOURCES
DEVELOPMENT (GROUP) LTD.
THIRD QUARTER REPORT 2016**

2016-22

October 2016

Section I Important Statements

The board of directors (the “Board”), the board of supervisors (the “Board of Supervisors”) as well as the directors, supervisors and senior management of Shenzhen Properties & Resources Development (Group) Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.

All the directors attended the board meeting for the review of this Report.

Chen Yugang, head of the Company, Wang Hangjun, accounting head for this Report, and Shen Xueying, head of the accounting organ (head of accounting), hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings 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)	6,649,735,329.52	4,379,763,486.10	51.83%	
Net assets attributable to shareholders of the Company (RMB)	2,045,647,093.13	2,099,906,766.61	-2.58%	
	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues (RMB)	157,661,237.17	-46.97%	529,718,717.13	-16.72%
Net profit attributable to shareholders of the Company (RMB)	-1,953,780.96	-112.78%	-7,202,485.59	-115.50%
Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB)	-2,164,014.76	-114.28%	-8,029,296.67	-119.07%
Net cash flows from operating activities (RMB)	--	--	2,101,061,539.92	5,410.72%
Basic earnings per share (RMB/share)	-0.0033	-112.89%	-0.0121	-115.53%
Diluted earnings per share (RMB/share)	-0.0033	-112.89%	-0.0121	-115.53%
Weighted average return on equity (%)	-0.09%	-0.85%	-0.35%	-2.65%

Unit: RMB

Item	January-September 2016	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	-182,886.11	
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately	11,729.17	
Non-operating revenue and expense other than the above	1,252,108.15	
Less: Corporate income tax	254,140.13	

Total	826,811.08	--
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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	41,123	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 CONSTRUCTION INVESTMENT HOLDINGS CORPORATION	State-owned corporation	54.33%	323,796,324	293,997,370		
SHENZHEN INVESTMENT MANAGEMENT CORPORATION	State-owned corporation	9.49%	56,582,573	56,582,573		
DU XINYE	Domestic individual	0.65%	3,880,800			
ZHOU QUN	Domestic individual	0.52%	3,115,450			
DU YUNFENG	Domestic individual	0.40%	2,223,000			
SHENZHEN DUTY-FREE COMMODITY	Domestic non-state-owned corporation	0.29%	1,730,300	1,730,300		

ENTERPRISES CO., LTD.						
MAI FURONG	Foreign individual	0.27%	1,514,600			
SHENZHEN SONGKAI EQUIPMENT CO., LTD.	Domestic non-state-owned corporation	0.22%	1,315,500			
YANG YAOCHU	Domestic individual	0.22%	1,310,620			
CHEN LIYING	Domestic individual	0.18%	1,076,051			
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 CONSTRUCTION INVESTMENT CORPORATION	HOLDINGS		29,798,954	RMB ordinary share		29,798,954
DU XINYE			3,880,800	RMB ordinary share		3,880,800
ZHOU QUN			3,115,450	RMB ordinary share		3,115,450
DU YUNFENG			2,223,000	RMB ordinary share		2,223,000
MAI FURONG			1,514,600	Domestically listed foreign share		1,514,600
SHENZHEN SONGKAI EQUIPMENT CO., LTD.			1,315,500	RMB ordinary share		1,315,500
YANG YAOCHU			1,310,620	Domestically listed foreign share		1,310,620
CHEN LIYING			1,076,051	Domestically listed foreign share		1,076,051
LI JING			781,740	Domestically listed foreign share		781,740
GUOYUAN SECURITIES			770,754	Domestically		770,754

BROKERAGE (HONG KONG) LIMITED		listed foreign share	
Related or act-in-concert parties among the shareholders above	The biggest shareholder of the Company is under Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. Other than that, it is unknown whether there are related parties or act-in-concert parties among the other nine shareholders.		
Top 10 ordinary shareholders conducting securities margin trading (if any)	Zhou Qun, Du Xinye and Du Yunfeng hold the shares in their credit accounts.		

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

1. Monetary funds at the period-end stood at RMB2,717,238,442.31, up 187.31% from the year-beginning, mainly because the advances from house buyers increased.
2. Accounts paid in advance at the period-end stood at RMB216,593,583.78, up 662.23% from the year-beginning, mainly because the taxes prepaid as required increased.
3. Other current assets at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were transferred to the inventories item as required.
4. Deferred tax assets at the period-end stood at RMB325,220,700.02, up 35.32% from the year-beginning, mainly because the anticipated profits on the pre-sale revenues of real estate subsidiaries increased and the relevant deferred tax assets were recognized.
5. Short-term borrowings at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were repaid upon maturity.
6. Accounts received in advance at the period-end stood at RMB3,350,814,047.99, up 413.64% from the year-beginning, mainly because the advances from house buyers increased.
7. Interest payable at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because bank loans were repaid with interest.
8. Non-current liabilities due within one year at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were repaid upon maturity.
9. Long-term borrowings at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were repaid upon maturity.
10. Operating revenues for July-September 2016 stood at RMB157,661,237.17, down 46.97% year on year, mainly because the settled project area decreased considerably from the same period of last year.
11. Operating costs for July-September 2016 stood at RMB130,151,418.31, down 37.43% year on year, mainly because the settled project area decreased considerably from the same period of last year.
12. The business tax and surtaxes for January-September 2016 and July-September 2016 stood at RMB25,613,594.87 and RMB1,868,632.47 respectively, down 69.76% and 95.07% from the same period of last year, mainly because the decrease in both the settled project incomes and the average gross profit margin on all the settled projects in different regions resulted in the decrease in the land VAT and other relevant taxes and fares.
13. The selling expenses for January-September 2016 and July-September 2016 stood at RMB27,517,133.33 and RMB10,977,373.74 respectively, up 35.98% and 44.85% from the same period of last year, mainly because the advertising, sales service and agency fees increased to enhance marketing.
14. The financial expenses for January-September 2016 and July-September 2016 stood at RMB-14,076,786.73 and RMB-7,038,347.79 respectively, with the gain (stated as a negative expense item) up 138.41% and 491.37% from the same period of last year, mainly because the interest income increased.
15. Asset impairment loss for January-September 2016 stood at RMB3,810,897.96, up 987.28% from the same

period of last year, mainly because a falling price provision was made for the SZPRD•Hupan Yujing Project Phase II.

16. Return on investment for January-September 2016 stood at RMB1,925,310.63, down 73.82% year on year, mainly because the same period of last year saw gain from disposal of available-for-sale financial assets; and return on investment for July-September 2016 stood at RMB766,734.31, up 30.52% year on year, mainly because the profits from joint ventures increased.

17. The share of profit of associates and joint ventures for January-September 2016 and July-September 2016 stood at RMB1,925,310.63 and RMB766,734.31 respectively, up 53.55% and 30.52% from the same period of last year, mainly because the profits from joint ventures increased.

18. The net non-operating revenue/expense for January-September 2016 stood at RMB1,069,222.04, up 420.83% from the same period of last year, mainly because the confiscated deposits, the insurance indemnities for property management accidents and so on increased.

19. The corporate income tax for January-September 2016 and July-September 2016 stood at RMB1,443,177.42 and RMB-1,168,803.07 respectively, down 91.51% and 120.77% from the same period of last year, mainly because the profits achieved decreased.

20. The operating profits, total profits and net profits (attributable to the Company) for July-September 2016 stood at RMB-3,407,428.17, RMB-3,122,584.03 and RMB-1,953,780.96 respectively, down 116.45%, 114.93% and 112.78% from the same period of last year; and the operating profits, total profits and net profits (attributable to the Company) for January-September 2016 stood at RMB-6,828,530.21, RMB-5,759,308.17 and RMB-7,202,485.59 respectively, down 110.71%, 109.08% and 115.50% from the same period of last year, mainly because the settled project area decreased and the average gross profit margin on all the settled projects in different regions decreased significantly.

21. The other comprehensive income net of tax for January-September 2016 stood at RMB621,139.47, up 112.72% from the same period of last year, mainly because the translation difference of foreign-currency financial statements increased and the same period of last year saw the disposal and reclassification into profit/loss of available-for-sale financial assets; and the other comprehensive income net of tax for July-September 2016 stood at RMB-379,677.29, up 80.36% from the same period of last year, mainly because the translation difference of foreign-currency financial statements increased.

22. Net cash flows from operating activities for January-September 2016 stood at RMB2,101,061,539.92, up 5410.72% year on year, mainly because the cash inflows from sale of houses increased.

23. Net cash flows from investing activities for January-September 2016 stood at RMB-3,922,521.62, with the net outflows down 51.10% year on year, mainly because the same period of last year saw a renewal of taxies by the relevant subsidiary.

24. Net cash flows from financing activities for January-September 2016 stood at RMB-327,004,119.63, with the net outflows up 297.02% year on year, mainly because the loans secured decreased and those repaid increased.

25. The net increase in cash and cash equivalents for January-September 2016 and the balance of cash and cash equivalents at the period-end stood at RMB1,771,498,466.54 and RMB2,704,836,282.31 respectively, up 1481.09% and 297.36% from the same period of last year, mainly because the cash inflows from sale of houses increased.

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

Applicable Not applicable

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

Forecast: Considerable increase at the same direction

Type of the forecast data: exact data

	2016	2015	+/-	
Forecast accumulative net profit (RMB'0,000)	30,200	15,682	Up	92.58%
Basic earnings per share (RMB/share)	0.5067	0.2631	Up	92.58%
Notes to the forecast	The business performance is expected to record a significant change because the Qianhai Gangwan Garden project developed by the Company would meet the conditions for settlement by the end of this year and the area of all projects available for settlement for this year is thus expected to increase considerably from the same period of last year. The forecasts above are only preliminary estimates provided according to the current sales of the Company's real estate projects. Investors are kindly reminded to note that the actual earnings of the Company for Y2016 shall be subject to the data to be given in the 2016 Annual Report of the Company.			

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 for purposes of research, communication, interview, etc. during the Reporting Period

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	About
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2016-07-15	By phone	Individual	Semi-Annual Report
2016-08-11	By phone	Individual	Progress on the Jinling Jiari project
2016-09-15	By phone	Individual	Income from the Qianhai project

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 Properties & Resources Development (Group) Ltd.

30 September 2016

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	2,717,238,442.31	945,739,975.77
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	44,763,793.07	38,772,146.41
Accounts paid in advance	216,593,583.78	28,415,733.43
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable		
Dividends receivable		
Other accounts receivable	13,961,229.49	11,619,503.47
Financial assets purchased under agreements to resell		
Inventories	2,878,336,618.82	2,466,342,278.85
Assets held for sale		
Non-current assets due within one year		
Other current assets		174,382,120.00
Total current assets	5,870,893,667.47	3,665,271,757.93
Non-current assets:		
Loans and advances to customers		

Available-for-sale financial assets	18,068,421.28	14,500,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	36,451,488.04	34,526,177.41
Investment property	225,264,653.11	237,260,788.82
Fixed assets	77,657,150.04	85,929,516.37
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	87,275,706.71	92,640,083.99
R&D expenses		
Goodwill		
Long-term deferred expenses	1,628,473.85	2,024,722.07
Deferred tax assets	325,220,700.02	240,335,370.51
Other non-current assets	7,275,069.00	7,275,069.00
Total non-current assets	778,841,662.05	714,491,728.17
Total assets	6,649,735,329.52	4,379,763,486.10
Current liabilities:		
Short-term borrowings		8,000,000.00
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	183,259,011.22	191,524,938.54
Accounts received in advance	3,350,814,047.99	652,369,778.20
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	57,721,151.90	63,791,816.49
Taxes and fares payable	739,342,633.68	833,797,372.43

Interest payable		479,413.09
Dividends payable		
Other accounts payable	136,742,265.49	128,243,079.68
Reinsurance premiums payable		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		121,243,352.00
Other current liabilities		
Total current liabilities	4,467,879,110.28	1,999,449,750.43
Non-current liabilities:		
Long-term borrowings		144,840,006.83
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Special payables		
Provisions	834,999.50	834,999.50
Deferred income	17,052,714.82	19,072,625.05
Deferred tax liabilities	16,761.23	23,985.24
Other non-current liabilities	117,442,563.50	114,773,265.38
Total non-current liabilities	135,347,039.05	279,544,882.00
Total liabilities	4,603,226,149.33	2,278,994,632.43
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	119,951,533.93	119,951,533.93
Less: Treasury shares		
Other comprehensive income	-3,425,463.99	-4,046,603.46

Special reserve		
Surplus reserve	154,664,631.59	154,664,631.59
Provisions for general risks		
Retained earnings	1,178,477,299.60	1,233,358,112.55
Equity attributable to owners of the Company	2,045,647,093.13	2,099,906,766.61
Minority interests	862,087.06	862,087.06
Total owners' equity	2,046,509,180.19	2,100,768,853.67
Total liabilities and owners' equity	6,649,735,329.52	4,379,763,486.10

Legal representative: Chen Yugang

Accounting head for this Report: Wang Hangjun

Head of the accounting organ: Shen Xueying

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	1,311,890,581.13	296,196,656.86
Financial assets at fair value through profit/loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,668,477.14	979,569.49
Accounts paid in advance	130,153,573.00	
Interest receivable		
Dividends receivable		
Other accounts receivable	1,639,392,533.29	1,766,392,354.21
Inventories	829,056,522.31	530,588,344.24
Assets held for sale		
Non-current assets due within one year		
Other current assets		174,382,120.00
Total current assets	3,912,161,686.87	2,768,539,044.80
Non-current assets:		
Available-for-sale financial assets	3,798,921.28	230,500.00
Held-to-maturity investments		
Long-term accounts receivable		

Long-term equity investments	283,008,750.02	281,083,438.39
Investment property	149,130,495.98	157,390,561.34
Fixed assets	8,989,436.80	9,828,388.19
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets		
R&D expenses		
Goodwill		
Long-term deferred expenses	1,167,589.20	1,297,321.41
Deferred tax assets	111,483,006.85	29,561,006.63
Other non-current assets		
Total non-current assets	557,578,200.13	479,391,215.96
Total assets	4,469,739,887.00	3,247,930,260.76
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	25,412,599.13	25,436,021.13
Accounts received in advance	2,222,135,946.00	311,717,646.30
Payroll payable	10,331,021.00	11,467,533.06
Taxes and fares payable	46,206,471.60	62,939,128.44
Interest payable		858,385.21
Dividends payable		
Other accounts payable	941,178,048.39	1,163,240,004.88
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	3,245,264,086.12	1,575,658,719.02
Non-current liabilities:		
Long-term borrowings		404,840,006.83

Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		
Provisions	834,999.50	834,999.50
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	834,999.50	405,675,006.33
Total liabilities	3,246,099,085.62	1,981,333,725.35
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	94,057,859.68	94,057,859.68
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	154,007,821.15	154,007,821.15
Retained earnings	379,596,028.55	422,551,762.58
Total owners' equity	1,223,640,801.38	1,266,596,535.41
Total liabilities and owners' equity	4,469,739,887.00	3,247,930,260.76

3. Consolidated income statement for the Reporting Period

Unit: RMB

Item	July-September 2016	July-September 2015
1. Operating revenues	157,661,237.17	297,288,997.73
Including: Sales income	157,661,237.17	297,288,997.73
Interest income		
Premium income		
Fee and commission income		

2. Operating costs	161,835,399.65	277,160,232.23
Including: Cost of sales	130,151,418.31	208,025,684.89
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	1,868,632.47	37,907,220.01
Selling expenses	10,977,373.74	7,578,180.79
Administrative expenses	25,876,322.92	24,846,620.28
Finance costs	-7,038,347.79	-1,190,173.21
Asset impairment loss		-7,300.53
Add: Profit on fair value changes (“-” means loss)		
Return on investment (“-” means loss)	766,734.31	587,455.97
Including: Share of profit/loss of associates and joint ventures	766,734.31	587,455.97
Foreign exchange profit (“-” means loss)		
3. Operating profit (“-” means loss)	-3,407,428.17	20,716,221.47
Add: Non-operating revenue	566,686.18	252,265.29
Including: Profit on disposal of non-current assets		
Less: Non-operating expense	281,842.04	48,735.30
Including: Loss on disposal of non-current assets	176,586.11	1,558.00
4. Total profit (“-” means loss)	-3,122,584.03	20,919,751.46
Less: Corporate income tax	-1,168,803.07	5,626,782.83
5. Net profit (“-” means loss)	-1,953,780.96	15,292,968.63
Net profit attributable to owners of the Company	-1,953,780.96	15,292,968.63
Minority interests' income		
6. Other comprehensive income net of tax	-379,677.29	-1,932,969.54

Other comprehensive income net of tax attributable to owners of the Company	-379,677.29	-1,932,969.54
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	-379,677.29	-1,932,969.54
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	-379,677.29	-1,932,969.54
6.2.6 Other		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	-2,333,458.25	13,359,999.09
Attributable to owners of the Company	-2,333,458.25	13,359,999.09
Attributable to minority interests		
8. Earnings per share		
8.1 Basic earnings per share	-0.0033	0.0256
8.2 Diluted earnings per share	-0.0033	0.0256

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: Chen Yugang

Accounting head for this Report: Wang Hangjun

Head of the accounting organ: Shen Xueying

4. Income statement of the Company for the Reporting Period

Unit: RMB

Item	July-September 2016	July-September 2015
1. Operating revenues	16,318,524.86	15,351,042.05
Less: Operating costs	4,066,969.06	3,693,681.50
Business tax and surtaxes	964,178.65	1,728,915.06
Selling expenses	6,023,179.46	243,600.00
Administrative expenses	10,389,433.36	10,449,066.27
Finance costs	-2,781,233.44	-468,310.00
Asset impairment loss		
Add: profit on fair value changes (“-” means loss)		
Return on investment (“-” means loss)	766,734.31	587,455.97
Including: Share of profit/loss of associates and joint ventures	766,734.31	587,455.97
2. Operating profit (“-” means loss)	-1,577,267.92	291,545.19
Add: Non-operating revenue	-110,802.31	116,384.20
Including: Profit on disposal of non-current assets		
Less: Non-operating expense		
Including: Loss on disposal of non-current assets		
3. Total profit (“-” means loss)	-1,688,070.23	407,929.39
Less: Corporate income tax	-1,098,164.09	132,570.55
4. Net profit (“-” means loss)	-589,906.14	275,358.84
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	-589,906.14	275,358.84
7. Earnings per share		
7.1 Basic earnings per share	-0.0010	0.0005
7.2 Diluted earnings per share	-0.0010	0.0005

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	529,718,717.13	636,050,308.12
Including: Sales income	529,718,717.13	636,050,308.12
Interest income		
Premium income		
Fee and commission income		
2. Operating costs	538,472,557.97	579,627,409.40
Including: Cost of sales	425,159,240.17	407,079,845.48
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	25,613,594.87	84,688,366.10
Selling expenses	27,517,133.33	20,236,447.48
Administrative expenses	70,448,478.37	73,176,801.98
Finance costs	-14,076,786.73	-5,904,548.71
Asset impairment loss	3,810,897.96	350,497.07
Add: Profit on fair value changes (“-” means loss)		
Return on investment (“-” means loss)	1,925,310.63	7,354,998.23
Including: Share of profit/loss of associates and joint ventures	1,925,310.63	1,253,865.14
Foreign exchange profit (“-” means loss)		
3. Operating profit (“-” means loss)	-6,828,530.21	63,777,896.95
Add: Non-operating revenue	1,649,786.58	813,344.67
Including: Profit on disposal of non-current assets		
Less: Non-operating expense	580,564.54	1,146,613.45
Including: Loss on disposal of non-current assets	182,886.11	428,479.60
4. Total profit (“-” means loss)	-5,759,308.17	63,444,628.17
Less: Corporate income tax	1,443,177.42	16,988,827.80
5. Net profit (“-” means loss)	-7,202,485.59	46,455,800.37
Net profit attributable to owners of the Company	-7,202,485.59	46,455,800.37
Minority interests’ income		
6. Other comprehensive income net of tax	621,139.47	-4,883,870.70
Other comprehensive income net of tax attributable to owners of the Company	621,139.47	-4,883,870.70
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	621,139.47	-4,883,870.70
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		-2,933,175.45
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	621,139.47	-1,950,695.25
6.2.6 Other		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	-6,581,346.12	41,571,929.67
Attributable to owners of the Company	-6,581,346.12	41,571,929.67
Attributable to minority interests		
8. Earnings per share		
8.1 Basic earnings per share	-0.0121	0.0779
8.2 Diluted earnings per share	-0.0121	0.0779

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	48,475,539.74	45,203,996.02
Less: Operating costs	11,661,164.07	11,908,834.16
Business tax and surtaxes	3,863,411.73	5,879,016.54
Selling expenses	12,159,722.48	243,600.00
Administrative expenses	25,269,669.06	30,265,006.30
Finance costs	-6,912,362.98	-2,774,881.44
Asset impairment loss	-1,191,328.44	-616,823.91
Add: profit on fair value changes (“-” means loss)		
Return on investment (“-” means loss)	1,925,310.63	7,188,303.69
Including: Share of profit/loss of associates and joint ventures	1,925,310.63	1,253,865.14
2. Operating profit (“-” means loss)	5,550,574.45	7,487,548.06
Add: Non-operating revenue	326,967.58	132,198.65
Including: Profit on disposal of non-current assets		
Less: Non-operating expense	19,444.98	466,563.12
Including: Loss on disposal of non-current assets		82,007.63
3. Total profit (“-” means loss)	5,858,097.05	7,153,183.59
Less: Corporate income tax	1,135,503.72	1,506,478.76
4. Net profit (“-” means loss)	4,722,593.33	5,646,704.83
5. Other comprehensive income net of tax		-2,933,175.45
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		-2,933,175.45
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		-2,933,175.45
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	4,722,593.33	2,713,529.38
7. Earnings per share		
7.1 Basic earnings per share	0.0079	0.0095
7.2 Diluted earnings per share	0.0079	0.0095

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	3,273,473,246.17	924,011,912.63
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	27,283,040.99	14,557,600.81
Subtotal of cash inflows from operating activities	3,300,756,287.16	938,569,513.44
Cash paid for goods and services	482,876,335.33	442,715,869.91
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	243,851,267.96	231,422,695.09
Taxes and fares paid	415,532,706.93	244,719,087.74
Cash paid for other operating activities	57,434,437.02	59,274,516.20
Subtotal of cash outflows from operating activities	1,199,694,747.24	978,132,168.94
Net cash flows from operating activities	2,101,061,539.92	-39,562,655.50
2. Cash flows from investing activities:		
Cash received from retraction of investments		6,511,297.75
Cash received as return on investments		580,374.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	142,265.20	662,962.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing		

activities		
Subtotal of cash inflows from investing activities	142,265.20	7,754,634.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	4,064,786.82	15,775,725.04
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	4,064,786.82	15,775,725.04
Net cash flows from investing activities	-3,922,521.62	-8,021,090.40
3. Cash flows from financing activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	15,441,282.23	163,353,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	15,441,282.23	163,353,000.00
Repayment of borrowings	289,524,641.06	105,000,000.00
Cash paid for interest expenses and distribution of dividends or profit	52,824,760.80	140,613,914.10
Including: dividends or profit paid by subsidiaries to minority interests		
Cash paid for other financing activities	96,000.00	104,500.00
Sub-total of cash outflows from financing activities	342,445,401.86	245,718,414.10
Net cash flows from financing activities	-327,004,119.63	-82,365,414.10
4. Effect of foreign exchange rate changes on cash and cash equivalents	1,363,567.87	1,680,592.72
5. Net increase in cash and cash equivalents	1,771,498,466.54	-128,268,567.28

Add: Opening balance of cash and cash equivalents	933,337,815.77	808,963,376.68
6. Closing balance of cash and cash equivalents	2,704,836,282.31	680,694,809.40

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	1,957,668,910.52	44,852,046.57
Tax refunds received		
Cash received from other operating activities	438,518,162.35	378,010,218.07
Subtotal of cash inflows from operating activities	2,396,187,072.87	422,862,264.64
Cash paid for goods and services	113,912,344.03	75,997,047.38
Cash paid to and for employees	16,523,182.29	14,484,460.92
Taxes and fares paid	237,602,938.86	56,918,825.92
Cash paid for other operating activities	549,848,146.99	360,182,216.54
Subtotal of cash outflows from operating activities	917,886,612.17	507,582,550.76
Net cash flows from operating activities	1,478,300,460.70	-84,720,286.12
2. Cash flows from investing activities:		
Cash received from retraction of investments		6,511,297.75
Cash received as return on investments		580,374.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,980.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities		7,096,652.64
Cash paid to acquire fixed assets,	71,716.00	54,770.00

intangible assets and other long-term assets		
Cash paid for investment	1.00	
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	71,717.00	54,770.00
Net cash flows from investing activities	-71,717.00	7,041,882.64
3. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received as borrowings	15,441,282.23	75,353,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	15,441,282.23	75,353,000.00
Repayment of borrowings	422,491,189.06	
Cash paid for interest expenses and distribution of dividends or profit	55,449,115.67	145,116,098.15
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	477,940,304.73	145,116,098.15
Net cash flows from financing activities	-462,499,022.50	-69,763,098.15
4. Effect of foreign exchange rate changes on cash and cash equivalents	-35,796.93	-217,671.81
5. Net increase in cash and cash equivalents	1,015,693,924.27	-147,659,173.44
Add: Opening balance of cash and cash equivalents	296,196,656.86	338,036,109.52
6. Closing balance of cash and cash equivalents	1,311,890,581.13	190,376,936.08

II Auditor's report

Is this Report audited?

Yes No

This Report is unaudited.