



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

THIRD QUARTER REPORT 2017

2017-075

October 2017

Part I Important Statements

The board of directors (the “Board”), the supervisory board (the “Supervisory Board”) as well as the directors, supervisors and senior management of ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., 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 of the Company attended the board meeting for the review of this Report.

Zhou Jianguo, Board Chairman, Chen Maozheng, GM, Tang Xiaoping, accounting head for this Report, and Qiao Yanjun, head of the accounting organ (head of accounting), hereby guarantee that the Financial Report carried in the Report is 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.

Part II Company Fundamentals

I Key Consolidated Operating Results

Indicate by tick mark whether the Company needs to retrospectively restate any of its accounting data.

Yes No

	September 30, 2017	December 31, 2016	Change	
Total assets (RMB)	3,820,236,889.03	3,785,600,783.23	0.91%	
Equity attributable to owners of the parent (RMB)	2,796,350,633.17	2,643,860,443.09	5.77%	
	July-September 2017	YoY change	January-September 2017	YoY change
Net sales (RMB)	233,287,425.63	-63.92%	964,594,407.66	-44.71%
Net margin attributable to owners of the parent (RMB)	12,356,333.26	-87.90%	149,582,935.10	-36.85%
Net margin attributable to owners of the parent before exceptional gains and losses (RMB)	12,359,686.56	-87.86%	149,439,732.67	-34.78%
Net cash from operating activities (RMB)	--	--	-200,649,011.12	-136.41%
Basic earnings per share (RMB/share)	0.0122	-87.91%	0.1479	-36.82%
Diluted earnings per share (RMB/share)	0.0122	-87.91%	0.1479	-36.82%
Weighted average return on equity (%)	0.45%	-3.61%	5.50%	-4.17%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	January-September 2017	Note
Gains/Losses on disposal of non-current assets (inclusive of offset asset impairment provisions)	-61,706.41	
Non-operating income and expense other than above	252,642.99	
Less: Income tax effects	47,734.15	
Total	143,202.43	--

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

Applicable Not applicable

No such cases in the Reporting Period.

II Total Number of Shareholders and Shareholdings of Top 10 Shareholders at Period-End

1. Numbers of Common Shareholders and Preference Shareholders with Resumed Voting Rights, and Shareholdings of Top 10 Shareholders

Unit: share

Total number of common shareholders at period-end		76,443		Total number of preference shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at period-end	Restricted shares held at period-end	Pledged or frozen shares		
					Status	Number	
Shenzhen Investment Holdings Co., Ltd	State-owned corporation	63.55%	642,884,262				
Shandong Gold Financial Holding Capital Management Co., Ltd. – Shandong Gold Financial Holding Sustaining Fund 1	Domestic non-state-owned corporation	1.02%	10,300,000				
Lu Zhigao	Domestic individual	0.32%	3,246,949				
Tan Shiqing	Domestic individual	0.13%	1,286,701				
Yang Shuilian	Domestic individual	0.13%	1,273,700				
Yang Jianxiong	Domestic individual	0.12%	1,255,750				
Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.12%	1,165,500				
Peng Wei	Domestic individual	0.11%	1,129,082				
Wu Haoyuan	Foreign individual	0.11%	1,109,300				
Guotai Junan Securities (Hong Kong) Limited	Foreign corporation	0.10%	1,015,683				
Top 10 non-restricted shareholders							
Name of shareholder			Non-restricted shares		Type of stock		

	held at period-end	Type	Number
Shenzhen Investment Holdings Co., Ltd	642,884,262	RMB ordinary shares	642,884,262
Shandong Gold Financial Holding Capital Management Co., Ltd. — Shandong Gold Financial Holding Sustaining Fund 1	10,300,000	RMB ordinary shares	10,300,000
Lu Zhigao	3,246,949	RMB ordinary shares	3,246,949
Tan Shiqing	1,286,701	RMB ordinary shares	1,286,701
Yang Shuilian	1,273,700	RMB ordinary shares	1,273,700
Yang Jianxiong	1,255,750	Domestically listed stock for foreign investors	1,255,750
Central Huijin Asset Management Co., Ltd.	1,165,500	RMB ordinary shares	1,165,500
Peng Wei	1,129,082	RMB ordinary shares	1,129,082
Wu Haoyuan	1,109,300	Domestically listed stock for foreign investors	1,109,300
Guotai Junan Securities (Hong Kong) Limited	1,015,683	Domestically listed stock for foreign investors	1,015,683
Related or acting-in-concert parties among shareholders above	The Company has found no related parties or act-in-concert parties as defined in the Administrative Measures for Shareholding Changes in Listed Companies among the shareholders above.		
Top 10 common shareholders conducting securities margin trading (if any)	Shareholder No. 4 holds all his shares in the Company in his account of collateral securities for margin trading. Shareholder No.3 holds some of his shares in the Company in such an account.		

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted 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 Top 10 of Them at Period-End

Applicable Not applicable

Part III Significant Events

I Changes in Key Consolidated Financial Statement Items and Reasons for Such Changes

√ Applicable □ Not applicable

Unit: RMB

Income statement item	January-September 2017	January-September 2016	Change	Main reason for change
Net sales	964,594,407.66	1,744,462,098.00	-44.71%	Decreases in spot housing sales carryforwards and in provision of construction services
Cost of sales	686,017,275.92	1,266,493,613.92	-45.83%	Decreases in spot housing sales carryforwards and in provision of construction services
Taxes and surtaxes	30,671,236.84	135,398,032.24	-77.35%	Decreased real estate income
Selling expense	12,382,407.96	8,844,726.66	40.00%	Increases in sales agency costs and commission expenditure caused by projects newly open for sale
Finance costs	-2,414,867.29	-11,918,313.56	-79.74%	Decreases in interest and capitalized interest associated with real estate projects
Asset impairment losses	0.00	-4,800,000.00	-100.00%	Reversal of bad-debt provision for compensation in Luofu Mountain lawsuit case in period January through September 2016
Non-operating income	320,231.95	5,639,605.16	-94.32%	Return of compensation in Luofu Mountain lawsuit case in period January through September 2016
Cash flow statement item	January-September 2017	January-September 2016	Change	Main reason for change
Net cash flows from operating activities	-200,649,011.12	551,101,766.41	-136.41%	Decrease in cash generated by sale of goods
Net cash flows from investing activities	8,643,770.86	-141,856.79	6193.31%	Receipt of downpayment for transfer of car rental subsidiary
Net cash flows from financing activities	-18,576,803.21	-397,151,521.05	95.32%	Repayment of bank loans in period January through September 2016
Balance sheet item	September 30, 2017	December 31, 2016	Change	Main reason for change
Notes receivable	14,453,488.81	20,606,778.91	-29.86%	Decrease in receivables arising from provision of construction services
Accounts receivable	165,767,740.97	108,298,050.40	53.07%	Receivables arising from sale of housing

				and provision of construction services
Other current assets	31,220,302.17	13,358,714.45	133.71%	Reclassification of prepaid taxes
Accounts payable	88,556,436.28	168,614,299.95	-47.48%	Settlement of balance payment for finished product
Non-current liabilities due within one year	54,000,000.00	37,234,933.67	45.03%	Increase in bank loans due within one year

II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

Because Shenzhen Investment Holdings Co., Ltd., the controlling shareholder of ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (“SPG” or the “Company”), were planning a significant event that involved the Company, the Company’s stock (A-stock: stock name: SPG A, stock code: 000029; B-stock: stock name: SPG B, stock code: 200029) has been suspended since the opening of September 14, 2016. On September 30, 2016, the Company disclosed the *Announcement on Share Trading Suspension Due to Significant Asset Reorganization* (No. 2016-025), and continued the suspension due to major assets reorganization since the market opening on September 30, 2016.

The Company is organizing relevant intermediaries to conduct supplementary due diligence on the parties to the reorganization of assets and trading, carry out supplementary audit and evaluation work, and update the major asset restructuring plan or report (draft) and other relevant documents. The major assets reorganization of the Company involves state-owned enterprise reform in Shenzhen with a complex transaction structure. Because the target assets to be acquired are associated with an industry-leading enterprise of a large size, the intended transaction is considered a significant, unprecedented event. Thus, it is necessary to communicate with the regulatory authorities for further discussions, demonstrations and improvement concerning the reorganization plan. Additionally, due to expiry, the audit report and evaluation report of the target assets need to be renewed, and the renewed evaluation report also needs to be filed with the state-owned assets administration, which altogether requires some time. For more information, please see the Company's subsequent announcements.

During the continued suspension, the Company will keep promoting the work of this major asset reorganization with parties concerned, paying full attention to the progress of the issue and fulfilling the obligation of timely information disclosure in strict accordance with the provisions and requirements of relevant laws and regulations, that is, the Company will disclose the progress of related matters at least every five trading days.

There is considerable uncertainty for the major assets restructuring prepared by the Company. Investors are kindly reminded to pay attention to investment risk.

Summary of significant event	Disclosure date	Index to related announcement
Significant asset reorganization	10/14/2017	Announcement on Postponed Share Trading Resumption Relating to Significant Asset Reorganization in Planning disclosed on www.cninfo.com.cn

III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV Forecast of 2017 Annual Operating Results

Warning of a possible loss on or a significant year-over-year change in accumulative net margin during the period the beginning of the current year through the end of the next reporting period, as well as the reasons:

Applicable Not applicable

Forecast: Significant decrease at the same direction

Type of the forecast data: Interval data

	2017		2016		Change			
Forecast accumulative net margin (RMB'0,000)	16,000	--	21,800	31,150	Decrease	48.64%	--	30.02%
Basic earnings per share (RMB/share)	0.1582	--	0.2155	0.3080	Decrease	48.64%	--	30.03%
Note	Real estate sales carryforwards decreased in Reporting Period compared to Q3 2016							

V Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

VI Investments 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 Reporting Period

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	About
07/18/2017	By phone	Individual	Inquired of semi-annual operating conditions of the Company, the

			progress of assets reorganization and the expected relisting time, and didn't offer written materials
07/28/2017	By phone	Individual	Inquired of the relisting time of assets reorganization, the estimated disclosed time of semi-annual report, and didn't offer written materials
08/10/2017	By phone	Individual	Inquired of the progress of assets reorganization and the relisting time, and didn't offer written materials
08/25/2017	By phone	Individual	Inquired of the progress of assets reorganization and the relisting time, and didn't offer written materials
09/13/2017	By phone	Individual	Inquired of the progress of assets reorganization and the reason for the postponement of relisting, and didn't offer written materials
09/29/2017	By phone	Individual	Inquired of the progress of assets reorganization, the operating conditions of the Company and the estimated disclosed time of third quarter report, and didn't offer written materials

VIII Irregularities Arising from Provision of Guarantees for Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's Funds by Its Controlling Shareholder or Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

X Targeted Measures Taken to Help People Lift Themselves out of Poverty

1. Outline of Targeted Measures in the Reporting Period

2. List of Targeted Measures of Listed Companies in the Reporting Period

Indicator	Measurement unit	Number/Progress
I. General condition	—	—
II. Itemized investment	—	—
1. Out of poverty by industrial development	—	—
2. Out of poverty by transferring employment	—	—
3. Out of poverty by relocating	—	—
4. Out of poverty by education	—	—

5. Out of poverty by improving health	——	——
6. Out of poverty by protecting ecological environment	——	——
7. Subsidy for the poorest	——	——
8. Social poverty alleviation	——	——
9. Other items	——	——
III. Received awards(contents and rank)	——	——

3. Subsequent Targeted Measure Plans

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

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

September 30, 2017

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Cash on hand and at bank	1,057,942,554.74	1,266,057,324.40
Settlement reserve		
Interbank lendings		
Financial assets at fair value through gains/losses		
Derivative financial assets		
Notes receivable	14,453,488.81	20,606,778.91
Accounts receivable	165,767,740.97	108,298,050.40
Prepayments	13,703,629.69	15,865,139.33
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable		
Dividends receivable	1,052,192.76	1,052,192.76
Other accounts receivable	88,021,593.80	67,514,794.65
Financial assets purchased under agreements to resell		
Inventories	1,911,577,458.16	1,734,553,042.10
Assets held for sale		
Non-current assets due within one year		
Other current assets	31,220,302.17	13,358,714.45
Total current assets	3,283,738,961.10	3,227,306,037.00
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	37,447,267.61	37,447,267.61
Investment property	399,523,239.12	416,227,686.30
Fixed assets	40,967,984.94	45,531,813.41
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	4,764,525.00	5,146,080.00
R&D expense		
Goodwill		
Long-term deferred expense	600,744.52	695,720.30
Deferred income tax assets	35,729,926.00	35,781,937.87
Other non-current assets		
Total non-current assets	536,497,927.93	558,294,746.23
Total assets	3,820,236,889.03	3,785,600,783.23
Current liabilities:		
Short-term borrowings	131,697,522.84	111,709,916.44
Borrowings from Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through gains/losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	88,556,436.28	168,614,299.95
Advances received	278,808,406.35	325,851,112.54
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	26,879,422.81	38,949,995.06
Taxes payable	66,343,322.90	65,765,997.90
Interest payable	16,535,277.94	17,142,210.94
Dividends payable		
Other accounts payable	380,693,975.16	358,208,718.03

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	54,000,000.00	37,234,933.67
Other current liabilities		
Total current liabilities	1,043,514,364.28	1,123,477,184.53
Non-current liabilities:		
Long-term borrowings	98,000,000.00	136,000,000.00
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable	8,996,594.99	10,156,728.82
Long-term payroll payable		
Special payables		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	106,996,594.99	146,156,728.82
Total liabilities	1,150,510,959.27	1,269,633,913.35
Owners' equity:		
Share capital	1,011,660,000.00	1,011,660,000.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	978,244,910.11	978,244,910.11
Less: Treasury shares		
Other comprehensive income	13,559,786.67	10,652,531.69
Special reserve		
Surplus reserve	59,394,668.24	59,394,668.24
Provisions for general risks		
Retained earnings	733,491,268.15	583,908,333.05

Equity attributable to owners of the parent	2,796,350,633.17	2,643,860,443.09
Minority interests	-126,624,703.41	-127,893,573.21
Total owners' equity	2,669,725,929.76	2,515,966,869.88
Total liabilities and owners' equity	3,820,236,889.03	3,785,600,783.23

Legal representative: Zhou Jianguo

Accounting head for this Report: Tang Xiaoping

Head of the accounting department: Qiao Yanjun

2. Parent Company Balance Sheet

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Cash on hand and at bank	717,104,701.43	818,261,250.52
Financial assets at fair value through gains/losses		
Derivative financial assets		
Notes receivable		
Accounts receivable	44,515,071.91	7,327,250.98
Prepayments		
Interest receivable		
Dividends receivable	169,393,952.18	
Other accounts receivable	905,005,607.04	844,149,690.07
Inventories	502,249,822.63	538,828,597.52
Assets held for sale		
Non-current assets due within one year		
Other current assets	18,973,760.44	1,884,516.01
Total current assets	2,357,242,915.63	2,210,451,305.10
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 investments	297,461,748.63	297,461,748.63
Investment property	346,767,663.56	360,712,864.13
Fixed assets	24,996,251.06	26,785,752.21
Construction in progress		

Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	82,800.00	331,200.00
R&D expense		
Goodwill		
Long-term deferred expense	497,524.14	623,881.08
Deferred income tax assets	3,313,320.43	3,313,320.43
Other non-current assets		
Total non-current assets	685,119,307.82	701,228,766.48
Total assets	3,042,362,223.45	2,911,680,071.58
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through gains/losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	17,427,447.26	32,687,289.94
Advances received	93,435.00	96,638,512.60
Payroll payable	12,783,415.49	16,433,909.11
Taxes payable	37,908,568.75	30,504,993.33
Interest payable	16,535,277.94	17,142,210.94
Dividends payable		
Other accounts payable	235,859,067.86	232,434,218.15
Liabilities held for sale		
Non-current liabilities due within one year	54,000,000.00	37,234,933.67
Other current liabilities		
Total current liabilities	374,607,212.30	463,076,067.74
Non-current liabilities:		
Long-term borrowings	98,000,000.00	136,000,000.00
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		

Long-term payroll payable		
Special payables		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	98,000,000.00	136,000,000.00
Total liabilities	472,607,212.30	599,076,067.74
Owners' equity:		
Share capital	1,011,660,000.00	1,011,660,000.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	978,244,910.11	978,244,910.11
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	36,265,054.83	36,265,054.83
Retained earnings	543,585,046.21	286,434,038.90
Total owners' equity	2,569,755,011.15	2,312,604,003.84
Total liabilities and owners' equity	3,042,362,223.45	2,911,680,071.58

3. Consolidated Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	233,287,425.63	646,575,128.32
Including: Net sales	233,287,425.63	646,575,128.32
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	212,356,504.34	510,103,979.66
Including: Cost of sales	191,067,478.03	450,466,369.81
Interest expense		
Fee and commission expense		

Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	6,757,925.61	49,029,822.53
Selling expense	5,549,604.20	3,736,985.23
Administrative expense	8,760,792.21	11,740,962.01
Finance costs	220,704.29	-4,870,159.92
Asset impairment losses		
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for losses)		
Including: Share of gains/losses of associates and joint ventures		
Exchange gains (“-” for losses)		
Other income		
3. Operating margin (“-” for losses)	20,930,921.29	136,471,148.66
Add: Non-operating income	3,210.52	426,147.22
Including: Gains on disposal of non-current assets		
Less: Non-operating expense	7,681.58	14,709.01
Including: Losses on disposal of non-current assets	3,518.85	2,374.95
4. Gross margin (“-” for losses)	20,926,450.23	136,882,586.87
Less: Income tax expense	8,520,281.69	34,747,273.16
5. Net margin (“-” for losses)	12,406,168.54	102,135,313.71
Attributable to owners of the parent	12,356,333.26	102,114,004.00
Attributable to minority interests	49,835.28	21,309.71
6. Other comprehensive income, net of tax	2,101,707.56	-475,668.34
Other comprehensive income, net of tax attributable to owners of the parent	1,471,195.30	-332,967.84
6.1 Other comprehensive income that will not be reclassified into gains/losses		
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 gains/losses under equity method		

6.2 Other comprehensive income to be subsequently reclassified into gains/losses	1,471,195.30	-332,967.84
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets		
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences	1,471,195.30	-332,967.84
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests	630,512.26	-142,700.50
7. Total comprehensive income	14,507,876.10	101,659,645.37
Attributable to owners of the parent	13,827,528.56	101,781,036.16
Attributable to minority interests	680,347.54	-121,390.79
8. Earnings per share		
8.1 Basic earnings per share	0.0122	0.1009
8.2 Diluted earnings per share	0.0122	0.1009

Where business mergers under the same control occurred in the current period, the net margin achieved by the merged parties before the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Zhou Jianguo

Accounting head for this Report: Tang Xiaoping

Head of the accounting department: Qiao Yanjun

4. Parent Company Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	13,471,349.96	266,626,675.90
Less: Operating expenses	6,307,313.70	155,326,755.18
Taxes and surtaxes	1,612,856.89	29,125,547.39
Selling expense	266,196.50	1,675,287.56
Administrative expense	3,272,107.52	5,434,083.01
Finance costs	-2,381,767.73	-4,659,769.98
Asset impairment losses		

Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for loss)		
Including: Share of gains/losses of associates and joint ventures		
Other income		
2. Operating margin (“-” for losses)	4,394,643.08	79,724,772.74
Add: Non-operating income		
Including: Gains on disposal of non-current assets		
Less: Non-operating expense		12,234.00
Including: Losses on disposal of non-current assets		
3. Gross margin (“-” for losses)	4,394,643.08	79,712,538.74
Less: Income tax expense	1,873,814.49	19,931,610.08
4. Net margin (“-” for losses)	2,520,828.59	59,780,928.66
5. Other comprehensive income, net of tax		
5.1 Other comprehensive income that will not be reclassified into gains and losses		
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 gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses		
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets		
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	2,520,828.59	59,780,928.66
7. Earnings per share		
7.1 Basic earnings per share	0.0025	0.0591
7.2 Diluted earnings per share	0.0025	0.0591

5. Consolidated Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	964,594,407.66	1,744,462,098.00
Including: Net sales	964,594,407.66	1,744,462,098.00
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	760,136,084.33	1,432,716,353.04
Including: Cost of sales	686,017,275.92	1,266,493,613.92
Interest expense		
Fee and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	30,671,236.84	135,398,032.24
Selling expense	12,382,407.96	8,844,726.66
Administrative expense	33,480,030.90	38,698,293.78
Finance costs	-2,414,867.29	-11,918,313.56
Asset impairment losses		-4,800,000.00
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for losses)	650,000.00	625,209.41
Including: Share of gains/losses of associates and joint ventures		-63,790.59
Exchange gains (“-” for losses)		
Other income		
3. Operating margin (“-” for losses)	205,108,323.33	312,370,954.37
Add: Non-operating income	320,231.95	5,639,605.16
Including: Gains on disposal of non-current assets		
Less: Non-operating expense	129,295.37	115,286.41
Including: Losses on disposal of non-current assets	61,706.41	5,022.45
4. Gross margin (“-” for losses)	205,299,259.91	317,895,273.12

Less: Income tax expense	55,693,421.41	81,031,960.64
5. Net margin (“-” for losses)	149,605,838.50	236,863,312.48
Attributable to owners of the parent	149,582,935.10	236,875,125.51
Attributable to minority interests	22,903.40	-11,813.03
6. Other comprehensive income, net of tax	4,153,221.38	-2,717,649.11
Other comprehensive income, net of tax attributable to owners of the parent	2,907,254.98	-1,902,354.38
6.1 Other comprehensive income that will not be reclassified into gains/losses		
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 gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	2,907,254.98	-1,902,354.38
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets		
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences	2,907,254.98	-1,902,354.38
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests	1,245,966.40	-815,294.73
7. Total comprehensive income	153,759,059.88	234,145,663.37
Attributable to owners of the parent	152,490,190.08	234,972,771.13
Attributable to minority interests	1,268,869.80	-827,107.76
8. Earnings per share		
8.1 Basic earnings per share	0.1479	0.2341
8.2 Diluted earnings per share	0.1479	0.2341

Where business mergers under the same control occurred in the current period, the net margin achieved by the merged parties before the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

6. Parent Company Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	243,028,509.35	578,764,259.97
Less: Operating expenses	117,577,476.14	335,572,846.36
Taxes and surtaxes	7,458,223.71	62,674,556.43
Selling expense	1,230,781.87	4,064,476.96
Administrative expense	14,566,751.21	18,760,239.38
Finance costs	-15,001,382.11	-15,121,347.54
Asset impairment losses		-4,800,000.00
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for loss)	170,043,952.18	625,209.41
Including: Share of gains/losses of associates and joint ventures		-63,790.59
Other income		
2. Operating margin (“-” for losses)	287,240,610.71	178,238,697.79
Add: Non-operating income	2.69	5,011,250.72
Including: Gains on disposal of non-current assets		
Less: Non-operating expense	12,574.69	31,734.06
Including: Losses on disposal of non-current assets		
3. Gross margin (“-” for losses)	287,228,038.71	183,218,214.45
Less: Income tax expense	30,077,031.40	45,659,475.88
4. Net margin (“-” for losses)	257,151,007.31	137,558,738.57
5. Other comprehensive income, net of tax		
5.1 Other comprehensive income that will not be reclassified into gains and losses		
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 gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses		
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets		
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		

5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	257,151,007.31	137,558,738.57
7. Earnings per share		
7.1 Basic earnings per share	0.2542	0.1360
7.2 Diluted earnings per share	0.2542	0.1360

7. Consolidated Cash Flow Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	952,036,798.69	1,697,750,778.39
Net increase in money deposits from customers and interbank placements		
Net increase in loans from Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received as premiums of original insurance contracts		
Net cash generated by reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets at fair value through gains/losses		
Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax rebates received		
Cash generated by other operating activities	63,746,128.65	141,397,167.24
Subtotal of cash generated by operating activities	1,015,782,927.34	1,839,147,945.63
Cash paid for goods and services	851,439,343.84	829,026,819.30
Net increase in loans and advances to customers		
Net increase in funds deposited in 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	111,403,737.30	110,555,686.90
Taxes paid	137,641,963.40	212,631,127.12
Cash used in other operating activities	115,946,893.92	135,832,545.90
Subtotal of cash used in operating activities	1,216,431,938.46	1,288,046,179.22
Net cash from operating activities	-200,649,011.12	551,101,766.41
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	1,376,616.35	
Cash received as investment income	650,000.00	689,000.00
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	14,976.00	5,900.00
Net cash generated by disposal of subsidiaries or other business units	7,286,982.00	
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	9,328,574.35	694,900.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	684,803.49	836,756.79
Cash paid for investments		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	684,803.49	836,756.79
Net cash from investing activities	8,643,770.86	-141,856.79
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	20,900,000.00	18,000,000.00
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities	20,900,000.00	18,000,000.00
Repayment of borrowings	32,216,016.22	394,180,434.67
Cash paid for interest expenses and distribution of dividends or profit	7,260,786.99	20,971,086.38
Including: dividends or profit paid by subsidiaries to		

minority interests		
Cash used in other financing activities		
Sub-total of cash used in financing activities	39,476,803.21	415,151,521.05
Net cash from financing activities	-18,576,803.21	-397,151,521.05
4. Effect of foreign exchange rate changes on cash and cash equivalents	-532,868.23	275,526.59
5. Net increase in cash and cash equivalents	-211,114,911.70	154,083,915.16
Add: Opening balance of cash and cash equivalents	1,265,767,290.57	1,169,756,306.36
6. Closing balance of cash and cash equivalents	1,054,652,378.87	1,323,840,221.52

8. Parent Company Cash Flow Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	122,602,887.22	564,947,718.21
Tax rebates received		
Cash generated by other operating activities	17,886,514.26	200,849,272.34
Subtotal of cash generated by operating activities	140,489,401.48	765,796,990.55
Cash paid for goods and services	68,730,205.88	79,393,857.65
Cash paid to and for employees	29,550,117.76	28,900,972.17
Taxes paid	61,804,843.80	103,944,998.09
Cash used in other operating activities	61,639,460.72	99,666,579.67
Subtotal of cash used in operating activities	221,724,628.16	311,906,407.58
Net cash from operating activities	-81,235,226.68	453,890,582.97
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments		
Cash received as investment income	650,000.00	689,000.00
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets		
Net cash generated by disposal of subsidiaries or other business units	7,286,982.00	
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	7,936,982.00	689,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	112,874.00	38,189.00

Cash paid for investments		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	112,874.00	38,189.00
Net cash from investing activities	7,824,108.00	650,811.00
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Cash received as borrowings		
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		
Repayment of borrowings	21,216,016.22	369,180,434.67
Cash paid for interest expenses and distribution of dividends or profit	6,495,933.73	19,969,650.74
Cash used in other financing activities		
Sub-total of cash used in financing activities	27,711,949.95	389,150,085.41
Net cash from financing activities	-27,711,949.95	-389,150,085.41
4. Effect of foreign exchange rate changes on cash and cash equivalents	-33,480.46	15,773.98
5. Net increase in cash and cash equivalents	-101,156,549.09	65,407,082.54
Add: Opening balance of cash and cash equivalents	818,261,250.52	852,492,165.42
6. Closing balance of cash and cash equivalents	717,104,701.43	917,899,247.96

II Auditor's Report

Are the Q3 2017 financial statements audited?

Yes No

These financial statements are unaudited.