

Konka Group Co., Ltd.
Third Quarter Report 2017

2017-54

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 Konka 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.

Liu Fengxi, head of the Company, Li Chunlei, accounting head for this Report, and Feng Junxiu, head of the accounting department (head of accounting) of the Company, 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.

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)	23,001,136,641.03	17,243,119,597.97	33.39%	
Equity attributable to owners of the parent (RMB)	3,044,154,733.72	2,901,481,607.04	4.92%	
	July-September 2017	YoY change	January-September 2017	YoY change
Net sales (RMB)	8,757,653,006.20	45.76%	20,163,618,985.63	37.94%
Net margin attributable to shareholders of the Company (RMB)	97,974,481.26	271.39%	128,845,749.12	390.65%
Net margin attributable to shareholders of the Company before exceptional gains and losses (RMB)	-34,435,053.99	63.11%	-78,891,266.16	35.38%
Net cash from operating activities (RMB)	--	--	-3,562,577,656.53	-767.70%
Basic earnings per share (RMB/share)	0.0407	271.73%	0.0535	390.76%
Diluted earnings per share (RMB/share)	0.0407	271.73%	0.0535	390.76%
Weighted average return on equity (%)	3.31%	5.36%	4.33%	5.92%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	January-September 2017	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	142,149,089.54	
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	109,706,318.21	
Profit/loss on entrusting others with investments or asset management	43,911,870.36	

Profit/loss on fair value changes of transactional financial assets and liabilities & investment profit on disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effectively hedging business related to normal business operations of the Company	-49,884,612.46	
Profit/loss on entrusted loans	521,749.21	
Non-operating income and expense other than the above	5,257,764.10	
Less: Income tax effects	42,046,367.18	
Minority interests effects (after tax)	1,878,796.50	
Total	207,737,015.28	--

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

Item	Involved amount (RMB)	Reason
Tax rebates on software	42,945,541.02	Government grants closely related to the Company's normal operation and constantly given at certain quotas or amounts according to the government's policies and standards

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	93,915	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
OCT ENTERPRISES CO.	State-owned corporation	21.75%	523,746,932	0		
CITIC SECURITIES BROKERAGE (HK) CO., LIMITED	Foreign corporation	7.56%	182,100,202	0		
HOLY TIME GROUP LIMITED	Foreign corporation	2.33%	56,049,824	0		
GUOYUAN SECURITIES	Foreign	2.27%	54,755,145	0		

BROKERAG (HK) CO., LIMITED	corporation					
GAOLING FUND,L.P.	Foreign corporation	2.19%	52,801,250	0		
WANG LEI	Domestic individual	1.55%	37,406,339	0		
CMS (HK) CO., LIMITED	State-owned corporation	0.93%	22,502,120	0		
NAM NGAI	Foreign individual	0.92%	22,240,040	0		
YUNNAN INTERNATIONAL TRUST CO., LTD-JULI NO.48 SINGLE CAPITAL TRUST	Other	0.84%	20,216,860	0		
CSI CAPITAL MANAGEMENT LIMITED	Foreign corporation	0.83%	20,050,928	0		
Top 10 non-restricted shareholders						
Name of shareholder	Non-restricted shares held at period-end	Type of stock				
		Type	Number			
OCT ENTERPRISES CO.	523,746,932	RMB common stock	523,746,932			
CITIC SECURITIES BROKERAG (HK) CO., LIMITED	182,100,202	Domestically listed stock for foreign investors	182,100,202			
HOLY TIME GROUP LIMITED	56,049,824	Domestically listed stock for foreign investors	56,049,824			
GUOYUAN SECURITIES BROKERAG (HK) CO., LIMITED	54,755,145	Domestically listed stock for foreign investors	54,755,145			
GAOLING FUND,L.P.	52,801,250	Domestically listed stock for foreign investors	52,801,250			
WANG LEI	37,406,339	RMB common stock	37,406,339			
CMS (HK) CO., LIMITED	22,502,120	Domestically listed stock for foreign investors	22,502,120			
NAM NGAI	22,240,040	Domestically listed stock for foreign investors	22,240,040			

YUNNAN INTERNATIONAL TRUST CO., LTD-JULI NO.48 SINGLE CAPITAL TRUST	20,216,860	RMB common stock	20,216,860
CSI CAPITAL MANAGEMENT LIMITED	20,050,928	Domestically listed stock for foreign investors	20,050,928
Related or acting-in-concert parties among shareholders above	The wholly owned subsidiary Jialong Investment Co., Ltd. of the first majority shareholder OVERSEAS CHINESE TOWN ENTERPRISES CO. respectively hold the common share of the Company of 180,001,110 shares and 18,360,000 shares through CITIC SECURITIES BROKERAG (HK) CO., LIMITED and CMS (HK) CO., LIMITED, and Jialong Investment Co., Ltd. and OVERSEAS CHINESE TOWN ENTERPRISES CO. were persons acting in concert; the Company does not know whether the other shareholders are related parties and whether they are acting-in-concert parties.		
Top 10 common shareholders conducting securities margin trading (if any)	A-share shareholder Mr. Wang Lei held 37,406,339 shares through customer credit collateral securities trading account of GF SECURITIES CO., LTD.		

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

(I) During the Reporting Period, the Company adopted measures such as mechanism reform, increasing R&D and marketing investments, as well as further exploring customer value, in order to drive growth in its primary business lines.

The Company has become a top sponsor of the Jiangsu Suning Football Club at the beginning of 2017 and an official partner of La Liga in China in the third quarter of the year, which will bring new vitality to the Konka brand and help take it to a new level of recognition. Also in the third quarter of 2017, the Company introduced a series of new TV products, including A1 TV (smart TV), R1 TV (inverter TV) and M1 TV (music TV).

(II) Exceptional gains and losses have an effect of RMB208 million on the net margin achieved during the nine months ended September 30, 2017.

(III) Changes in Selected Consolidated Financial Statement Items

Unit: RMB'0,000

Item	September 30, 2017	December 31, 2016	Change	Change (%)	Main reason for change
Long-term equity investments	131,580.58	30,964.81	100,615.77	324.94%	New such investments in Guangdong Chutian Dragon Smart Card Co., Ltd., Shenzhen Yaode Technology Co., Ltd., etc.
Interest payable	7,242.62	2,134.42	5,108.20	239.33%	Larger total loan amount
Short-term borrowings	1,224,201.70	656,283.42	567,918.28	86.54%	New such borrowings obtained by the parent company and subsidiary Shenzhen Kangqiao Jiacheng Property Investment Co., Ltd.
Item	January-September 2017	January-September 2016	Change	Change (%)	Main reason for change
Finance costs	19,706.10	10,150.89	9,555.21	94.13%	Higher interest costs caused by a larger total loan amount

II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

(I) Regarding the transfer of the 70% stake held by the Company in Shenzhen Kangqiao Jiacheng Property Investment Co., Ltd. (“Kangqiao Jiacheng”): The Proposal on Transfer of Interests in Kangqiao Jiacheng has been considered and approved both at the 34th Meeting of the 8th Board of

Directors and the 4th Special Meeting of Shareholders in 2017 of the Company. As per the rules governing trading of state-owned equities, the Company has listed on October 13, 2017 the said stake with the China Beijing Equity Exchange for sale. As for the land in the Konka Headquarters urban renewal project under Kangqiao Jiacheng's control, Kangqiao Jiacheng has signed a contract to transfer all of it to the Company. The Company has paid the contractual price in full and is awaiting the land use certificate.

(II) About the Kunshan Shuiyue Zhouzhuang real estate project: Phase III has been completed and accepted is awaiting house buyers to make payments and move in. Phase IV is under construction.

(III) About the Konka Technological Innovation Center project: The land use right transfer agreement has been signed. And planning is currently ongoing.

Announcement on significant event	Disclosure date	Website link to announcement
Announcement on Renewal of Konka's Old Plant in Dongguan and Incorporation of New Plant in Dongguan	03/11/2017	http://www.cninfo.com.cn/finalpage/2017-03-11/1203148742.PDF
Announcement on Listing Enraytek Equities for Sale	05/23/2017	http://www.cninfo.com.cn/finalpage/2017-05-23/1203553959.PDF
Announcement on Progress on Listing Enraytek Equities for Sale	06/22/2017	http://www.cninfo.com.cn/finalpage/2017-06-22/1203637987.PDF
Announcement on Intention to Joint Industry Fund	06/30/2017	http://www.cninfo.com.cn/finalpage/2017-06-30/1203665190.PDF
Announcement on Listing Partial Equities in Kunshan Konka Electronic for Sale	06/30/2017	http://www.cninfo.com.cn/finalpage/2017-06-30/1203665201.PDF
Announcement on Progress on Listing Partial Equities in Kunshan Konka Electronic for Sale	09/23/2017	http://www.cninfo.com.cn/finalpage/2017-09-23/1203995662.PDF
Announcement on Completion of Equity Ownership Transfer Formalities with Industrial and Commercial Administration Regarding Transfer of Partial Equities in Kunshan Konka Electronic	09/28/2017	http://www.cninfo.com.cn/finalpage/2017-09-28/1204006821.PDF
Announcement on Investment in Chutian Dragon	06/30/2017	http://www.cninfo.com.cn/finalpage/2017-06-30/1203665191.PDF
Announcement on Investment Progress in Chutian Dragon	07/05/2017	http://www.cninfo.com.cn/finalpage/2017-07-05/1203681608.PDF
Announcement on Signing of Strategic Cooperation Agreement	07/13/2017	http://www.cninfo.com.cn/finalpage/2017-07-13/1203699941.PDF
Announcement on Intention to List Certain Properties for Sale	08/25/2017	http://www.cninfo.com.cn/finalpage/2017-08-25/1203862779.PDF

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

V Securities Investments

Applicable Not applicable

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Opening book value	Gain/loss on fair value changes in Reporting Period	Cumulative fair value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Closing book value	Accounting title	Source of investments funds
Domestic/Foreign stock	002879	CLKJ	6,270.96	Fair value method	6,270.96	0	0	0	12,841.20	6,570.24	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300666	JFDZ	1,624.00	Fair value method	6,681.50	0	0	0	10,850.00	4,168.50	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002881	MGZ N	2,804.48	Fair value method	7,155.18	0	0	0	10,898.66	3,743.48	0	Available-for-sale financial	The Company

												assets	's own fund s
Domestic/Foreign stock	002882	JLY	5,232.80	Fair value method	5,232.80	0	0	0	13,504.00	8,271.20	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300669	HNG F	1,551.00	Fair value method	2,456.22	0	0	0	4,452.78	1,996.56	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300670	DYZ N	2,306.23	Fair value method	2,306.23	0	0	0	6,093.68	3,787.45	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300671	FMD Z	2,132.93	Fair value method	2,132.93	0	0	0	6,856.41	4,723.48	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300672	GKW	1,958.88	Fair value method	0	0	0	1,958.88	5,775.00	3,816.12	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300675	JKY	1,277.34	Fair value method	0	0	0	1,277.34	6,497.40	5,220.06	0	Available-for-sale financial assets	The Company's own

													fund s
Domesti c/Foreig n stock	300676	HDJY	4,242.04	Fair value method	0	0	0	4,242.04	34,147. 80	29,905.76	0	Available-fo r-sale financial assets	The Com pany 's own fund s
Domesti c/Foreig n stock	002888	HWK J	1,148.16	Fair value method	0	0	0	1,148.16	3,590.4 0	2,442.24	0	Available-fo r-sale financial assets	The Com pany 's own fund s
Domesti c/Foreig n stock	300677	YKY L	4,873.21	Fair value method	0	0	0	4,873.21	10,475. 37	5,602.16	0	Available-fo r-sale financial assets	The Com pany 's own fund s
Domesti c/Foreig n stock	300678	ZKX X	1,208.90	Fair value method	0	0	0	1,208.90	3,977.8 2	2,768.92	0	Available-fo r-sale financial assets	The Com pany 's own fund s
Domesti c/Foreig n stock	002889	DFJS	3,260.88	Fair value method	0	0	0	3,260.88	7,401.2 4	4,140.36	0	Available-fo r-sale financial assets	The Com pany 's own fund s
Domesti c/Foreig n stock	300679	DLJS	17,878.08	Fair value method	0	0	0	17,878.0 8	29,568. 00	11,689.92	0	Available-fo r-sale financial assets	The Com pany 's own fund s

Domestic/Foreign stock	300682	LXKJ	1,790.75	Fair value method	0	0	0	1,790.75	4,842.50	3,051.75	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300686	ZDL	1,765.32	Fair value method	0	0	0	1,765.32	3,838.96	2,073.64	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300683	HTSW	8,169.12	Fair value method	0	0	0	8,169.12	14,681.60	6,512.48	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300691	LHGD	3,192.00	Fair value method	0	0	0	3,192.00	14,978.00	11,786.00	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002892	KLE	3,810.52	Fair value method	0	0	0	3,810.52	14,137.55	10,327.03	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300692	ZHHB	2,326.70	Fair value method	0	0	0	2,326.70	14,310.00	11,983.30	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign	300693	SHGF	3,316.60	Fair value	0	0	0	3,316.60	11,654.10	8,337.50	0	Available-for-sale	The Com

n stock				method								financial assets	pany's own funds
Domestic/Foreign stock	002891	ZCGF	2,767.34	Fair value method	0	0	0	2,767.34	8,119.44	5,352.10	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002895	CHGF	2,776.85	Fair value method	0	0	0	2,776.85	12,008.00	9,231.15	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300698	WMKJ	1,980.00	Fair value method	0	0	0	1,980.00	15,849.90	13,869.90	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300699	GWFC	7,623.02	Fair value method	0	0	0	7,623.02	48,744.00	41,120.98	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300697	DGHJ	1,968.54	Fair value method	0	0	0	1,968.54	9,178.06	7,209.52	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002898	SLY	2,999.91	Fair value method	0	0	0	2,999.91	11,631.42	8,631.51	0	Available-for-sale financial assets	The Company's

													own funds
Domestic/Foreign stock	002897	YHGF	5,004.56	Fair value method	0	0	0	5,004.56	12,888.92	7,884.36	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300700	DLXC	1,930.16	Fair value method	0	0	7,665.44	1,930.16	0	0	9,595.60	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002899	YPS	3,498.90	Fair value method	0	0	0	3,498.90	10,311.40	6,812.50	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002893	HTRL	2,602.24	Fair value method	0	0	5,435.52	2,602.24	0	0	8,037.76	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300702	TYGF	6,005.88	Fair value method	0	0	0	6,005.88	17,714.80	11,708.92	0	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002900	HSL	8,312.20	Fair value method	0	0	10,961.80	8,312.20	0	0	19,274.00	Available-for-sale financial assets	The Company's own funds

													s
Domestic/Foreign stock	002901	DBYL	3,248.36	Fair value method	0	0	4,290.87	3,248.36	0	0	7,539.23	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300654	SJTH	1,542.00	Fair value method	0	0	1,412.00	1,542.00	0	0	2,954.00	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	002902	MPGC	4,267.26	Fair value method	0	0	1,878.44	4,267.26	0	0	6,145.70	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300705	JDZY	2,551.02	Fair value method	0	0	0	2,551.02	0	0	2,551.02	Available-for-sale financial assets	The Company's own funds
Domestic/Foreign stock	300241	RFGD	232,711,950.00	Fair value method	168,120,900	13,418,100.00	0	0	0	13,418,100.00	181,539,000.00	Available-for-sale financial assets	The Company's own funds
Other securities investments held at period-end			0	--	0	0	0	0	0	0	0	--	--
Total			232,853,169.14	--	168,153,135.82	13,418,100.00	31,644.07	119,296.74	391,818.41	13,682,839.09	181,595,097.31	--	--
Disclosure date of announcement about Board's consent for securities investment							N/A						
Disclosure date of announcement about shareholders' meeting's consent for securities investment (if any)							N/A						

VI Investments in Derivative Financial Instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Capital source for derivative investment	U.S. dollar financings
Lawsuits involved (if applicable)	N/A
Disclosure date of board announcement approving derivative investment (if any)	05/24/2014
Disclosure date of shareholders' meeting announcement approving derivative investment (if any)	06/10/2014
Analysis of risks and control measures associated with derivative investments held in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	We engage in forward forex transactions to reduce the currency risk when securing foreign-currency financing. This is very needed in our routine operation and is in compliance with the applicable laws and regulations. We have formulated the Management Rules of Konka Group Co., Ltd. for Investment In Derivative Financial Instruments, making clear the relevant consideration and approval procedure, risk control, etc.. We always sign forward forex contracts with large banks such as the Bank of China, which operate steadily and have good credit standing, which could help prevent loss on forward forex contracts due to bank failure.
Changes in market prices or fair value of derivative investments during the Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	How we usually measure the fair value of derivative financial instruments: Based on the forward forex sales and purchase contracts that are signed between the Company and banks and have not expired in a Reporting Period, we recognize the differences between the quotations for these contracts on the balance sheet dates provided by the banks and the contractual prices as transactional financial assets or liabilities, and the profit/loss on fair value changes is recognized accordingly. Because these contracts have locked in exchange rates, no changes will occur when comparing the fair value on signing dates with that on delivery dates.
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to previous reporting period	None
Opinion of independent directors on derivative investments and risk control	It is considered necessary for the Company to lock in foreign-currency financing costs through financial instruments, because it could effectively reduce the currency risk when securing foreign-currency financing. The Company has formulated the internal control mechanism for investment in derivative financial instruments, and the relevant risk control measures that the Company has taken are considered effective.

Unit: RMB'0,000

Type of derivative financial instrument	Opening contractual amount	Closing contractual amount	Gain/loss in Reporting Period	Closing investment amount as a percentage of the Company's closing net assets
Forward forex contract	137,247.18	175,534.44	-2,622.26	57.66%

VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

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

In the Reporting Period, the Company continuously carried out the "Heart Journey" activity with the theme of caring for the affection in the left-behind children family in the poor area and built "Heart Journey Affection House" in the western poor primary school to let the children have the face-to-face communication with the relatives in other countries via the video, and help left-behind children to gather with the parents in the city during the summer vacation.

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

Indicator	Measurement unit	Number/Progress
I. General condition	—	—
Of which: 1. funds	RMB'0,000	10
II. Itemized investment	—	—
4. Out of poverty by education	—	—
Of which: 4.1 invested amount of supporting students in poverty	RMB'0,000	10

3. Subsequent Targeted Measure Plans

In the fourth quarter of 2017, our company will continue to carry out the “Heart Journey” public welfare activity with the theme of caring for the affection in the left-behind children family in the poor area, build “Heart Journey Affection House” in the western poor primary school.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	2,692,203,387.51	2,617,606,256.42
Settlement reserve		
Interbank lendings		
Financial assets at fair value through gains/losses	186,620,542.13	252,084,994.12
Derivative financial assets		
Notes receivable	3,126,410,386.16	2,871,633,498.82
Accounts receivable	2,586,118,790.93	2,307,965,548.49
Prepayments	469,186,670.75	274,810,658.72
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	2,610,732.87	1,342,063.84
Dividends receivable		10,171,609.48
Other accounts receivable	307,585,180.11	222,389,921.80
Financial assets purchased under agreements to resell		
Inventories	7,526,401,822.92	4,287,413,944.35
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,376,814,445.86	562,204,116.20
Total current assets	18,273,951,959.24	13,407,622,612.24
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	290,379,320.67	314,967,639.36
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investments	1,315,805,842.83	309,648,120.37
Investment property	217,863,448.56	222,086,904.26
Fixed assets	1,634,393,480.21	1,573,978,914.03
Construction in progress	72,844,779.62	315,536,437.05
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	202,318,456.68	302,045,627.44
R&D expense		
Goodwill	3,597,657.15	3,597,657.15
Long-term deferred expense	138,603,216.64	91,901,533.39
Deferred income tax assets	831,378,479.43	701,734,152.68
Other non-current assets	20,000,000.00	
Total non-current assets	4,727,184,681.79	3,835,496,985.73
Total assets	23,001,136,641.03	17,243,119,597.97
Current liabilities:		
Short-term borrowings	12,242,016,996.08	6,562,834,226.51
Borrowings from Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through gains/losses	65,289,755.55	337,263.13
Derivative financial liabilities		
Notes payable	1,122,048,001.88	863,709,138.39
Accounts payable	2,219,065,147.93	3,160,073,575.56
Advances received	1,112,703,992.64	1,201,426,223.70
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	177,416,333.95	273,059,516.65
Taxes payable	224,832,066.52	121,905,421.18
Interest payable	72,426,214.72	21,344,172.45
Dividends payable		
Other accounts payable	1,900,155,483.95	1,444,349,986.74

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	394,871.76	41,025.60
Other current liabilities		
Total current liabilities	19,136,348,864.98	13,649,080,549.91
Non-current liabilities:		
Long-term borrowings	197,000,000.00	70,000,000.00
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable	30,051,282.10	30,102,564.14
Long-term payroll payable	14,194,392.36	18,151,659.90
Special payables		
Provisions	6,181,865.10	7,551,985.10
Deferred income	110,797,093.51	130,571,125.42
Deferred income tax liabilities	20,335,245.64	19,162,818.83
Other non-current liabilities		
Total non-current liabilities	378,559,878.71	275,540,153.39
Total liabilities	19,514,908,743.69	13,924,620,703.30
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	89,757,418.37	79,723,092.04
Less: Treasury shares		
Other comprehensive income	-3,139,053.42	-6,932,104.65
Special reserve		
Surplus reserve	847,908,466.28	847,908,466.28
Provisions for general risks		
Retained earnings	-298,317,505.51	-427,163,254.63

Equity attributable to owners of the parent	3,044,154,733.72	2,901,481,607.04
Minority interests	442,073,163.62	417,017,287.63
Total owners' equity	3,486,227,897.34	3,318,498,894.67
Total liabilities and owners' equity	23,001,136,641.03	17,243,119,597.97

Legal representative: Liu Fengxi

Accounting head for this Report: Li Chunlei

Head of the accounting department: Feng Junxiu

2. Parent Company Balance Sheet

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	753,820,064.05	982,562,273.45
Financial assets at fair value through gains/losses	731,547.17	39,894,844.12
Derivative financial assets		
Notes receivable	2,350,625,845.35	2,513,459,083.61
Accounts receivable	3,724,596,263.45	3,145,529,199.35
Prepayments	1,245,235,267.64	523,905,219.52
Interest receivable	3,640,038.51	4,502,350.43
Dividends receivable		
Other accounts receivable	4,576,669,476.00	1,725,494,161.08
Inventories	2,295,660,440.60	1,926,824,243.11
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,269,592,685.71	505,418,961.79
Total current assets	16,220,571,628.48	11,367,590,336.46
Non-current assets:		
Available-for-sale financial assets	255,073,223.36	270,217,639.36
Held-to-maturity investments	170,000,000.00	170,000,000.00
Long-term accounts receivable		
Long-term equity investments	3,018,840,622.38	2,383,970,009.87
Investment property	217,863,448.56	222,086,904.26
Fixed assets	488,641,897.11	499,826,176.39
Construction in progress	43,754,488.35	11,754,885.34
Engineering materials		
Disposal of fixed assets		

Productive living assets		
Oil-gas assets		
Intangible assets	86,618,581.92	90,880,022.23
R&D expense		
Goodwill		
Long-term deferred expense	72,415,509.03	66,995,753.17
Deferred income tax assets	732,322,179.02	656,704,805.39
Other non-current assets	20,000,000.00	
Total non-current assets	5,105,529,949.73	4,372,436,196.01
Total assets	21,326,101,578.21	15,740,026,532.47
Current liabilities:		
Short-term borrowings	8,391,390,785.77	5,436,958,840.80
Financial liabilities at fair value through gains/losses	65,289,755.55	337,263.13
Derivative financial liabilities		
Notes payable	2,229,094,189.49	1,454,982,347.31
Accounts payable	5,677,931,708.34	3,710,175,718.31
Advances received	691,930,638.61	322,402,357.59
Payroll payable	100,082,946.12	131,415,800.19
Taxes payable	18,623,644.70	19,823,949.08
Interest payable	84,776,643.18	23,767,528.97
Dividends payable		
Other accounts payable	1,287,206,035.08	1,760,751,455.81
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	18,546,326,346.84	12,860,615,261.19
Non-current liabilities:		
Long-term borrowings	167,000,000.00	40,000,000.00
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		

Provisions	6,181,865.10	7,551,985.10
Deferred income	80,665,394.34	82,166,818.30
Deferred income tax liabilities		12,026,251.50
Other non-current liabilities		
Total non-current liabilities	253,847,259.44	141,745,054.90
Total liabilities	18,800,173,606.28	13,002,360,316.09
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	63,627,505.93	64,794,108.39
Less: Treasury shares		
Other comprehensive income	-5,570,215.04	6,714,437.62
Special reserve		
Surplus reserve	847,908,466.28	847,908,466.28
Retained earnings	-787,983,193.24	-589,696,203.91
Total owners' equity	2,525,927,971.93	2,737,666,216.38
Total liabilities and owners' equity	21,326,101,578.21	15,740,026,532.47

3. Consolidated Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	8,757,653,006.20	6,008,160,392.02
Including: Net sales	8,757,653,006.20	6,008,160,392.02
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	8,752,019,700.99	6,164,163,892.40
Including: Cost of sales	7,922,849,249.06	5,373,432,183.80
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	71,791,544.49	11,154,354.58
Selling expense	510,030,189.59	603,589,647.33
Administrative expense	163,217,946.83	148,379,863.98
Finance costs	86,178,068.83	33,135,473.20
Asset impairment losses	-2,047,297.81	-5,527,630.49
Add: Gains on fair value changes (“-” for losses)	-33,599,441.19	-3,399,672.74
Investment income (“-” for losses)	108,748,021.30	35,392,521.44
Including: Share of gains/losses of associates and joint ventures	-5,172,588.27	6,372,776.66
Exchange gains (“-” for losses)		
Other income	8,824,888.51	
3. Operating margin (“-” for losses)	89,606,773.83	-124,010,651.68
Add: Non-operating income	32,615,396.90	24,733,287.65
Including: Gains on disposal of non-current assets	-93,760.50	15,335.65
Less: Non-operating expense	5,496,656.85	2,249,495.48
Including: Losses on disposal of non-current assets	544,179.63	195,730.08
4. Gross margin (“-” for losses)	116,725,513.88	-101,526,859.51
Less: Income tax expense	16,307,135.59	-42,408,552.94
5. Net margin (“-” for losses)	100,418,378.29	-59,118,306.57
Attributable to owners of the parent	97,974,481.26	-57,165,694.07
Attributable to minority interests	2,443,897.03	-1,952,612.50
6. Other comprehensive income, net of tax	6,030,691.93	-8,256,379.72
Other comprehensive income, net of tax attributable to owners of the parent	6,042,757.71	-8,137,854.78
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	6,042,757.71	-8,137,854.78
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	21,330.65	-1,440,103.75

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	6,021,427.06	-6,697,751.03
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests	-12,065.78	-118,524.94
7. Total comprehensive income	106,449,070.22	-67,374,686.29
Attributable to owners of the parent	104,017,238.97	-65,303,548.85
Attributable to minority interests	2,431,831.25	-2,071,137.44
8. Earnings per share		
8.1 Basic earnings per share	0.0407	-0.0237
8.2 Diluted earnings per share	0.0407	-0.0237

Where business mergers under the same control occurred in this 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: Liu Fengxi

Accounting head for this Report: Li Chunlei

Head of the accounting department: Feng Junxiu

4. Parent Company Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	3,637,822,430.85	3,617,192,362.26
Less: Operating expenses	3,285,464,737.51	3,284,925,525.21
Taxes and surtaxes	6,078,418.20	3,790,230.21
Selling expense	369,047,354.26	424,922,336.88
Administrative expense	105,351,849.43	95,261,400.94
Finance costs	84,765,740.63	44,847,628.16
Asset impairment losses		
Add: Gains on fair value changes ("-" for losses)	-47,067,901.39	-3,399,672.74
Investment income ("-" for loss)	91,017,958.19	37,453,620.68
Including: Share of gains/losses of associates and joint ventures	-4,372,739.06	2,523,420.07
Other income	5,955,256.85	
2. Operating margin ("-" for losses)	-162,980,355.53	-202,500,811.20
Add: Non-operating income	8,944,099.57	6,828,609.03
Including: Gains on disposal of non-current assets	-71,270.87	-99,390.03

Less: Non-operating expense	1,422,633.94	1,746,185.21
Including: Losses on disposal of non-current assets	48,087.38	127,063.14
3. Gross margin (“-” for losses)	-155,458,889.90	-197,418,387.38
Less: Income tax expense	-45,753,296.57	-49,196,799.99
4. Net margin (“-” for losses)	-109,705,593.33	-148,221,587.39
5. Other comprehensive income, net of tax	-476,538.62	-2,140,403.86
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	-476,538.62	-2,140,403.86
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		-1,442,913.00
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	-476,538.62	-697,490.86
5.2.6 Other		
6. Total comprehensive income	-110,182,131.95	-150,361,991.25
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	20,163,618,985.63	14,617,241,214.26
Including: Net sales	20,163,618,985.63	14,617,241,214.26
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	20,247,905,896.83	14,905,733,137.33
Including: Cost of sales	18,033,040,507.13	12,551,157,276.22

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	106,221,136.53	67,304,296.12
Selling expense	1,484,033,496.13	1,712,736,570.94
Administrative expense	427,326,047.80	439,299,154.00
Finance costs	197,060,964.29	101,508,905.20
Asset impairment losses	223,744.95	33,726,934.85
Add: Gains on fair value changes (“-” for losses)	-136,677,198.92	-21,541,328.13
Investment income (“-” for losses)	175,753,593.36	45,978,903.06
Including: Share of gains/losses of associates and joint ventures	-9,746,882.46	-1,158,799.02
Exchange gains (“-” for losses)		
Other income	45,663,280.02	
3. Operating margin (“-” for losses)	452,763.26	-264,054,348.14
Add: Non-operating income	155,962,505.19	178,920,950.29
Including: Gains on disposal of non-current assets	33,504,035.07	3,162,497.32
Less: Non-operating expense	9,132,194.96	5,780,513.84
Including: Losses on disposal of non-current assets	1,609,572.53	813,295.65
4. Gross margin (“-” for losses)	147,283,073.49	-90,913,911.69
Less: Income tax expense	12,468,362.62	-41,702,555.84
5. Net margin (“-” for losses)	134,814,710.87	-49,211,355.85
Attributable to owners of the parent	128,845,749.12	-44,330,957.31
Attributable to minority interests	5,968,961.75	-4,880,398.54
6. Other comprehensive income, net of tax	3,804,131.34	-23,696,604.49
Other comprehensive income, net of tax attributable to owners of the parent	3,793,051.23	-23,296,493.02
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	3,793,051.23	-23,296,493.02
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	-11,326,667.93	-1,441,978.75
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	15,119,719.16	-21,854,514.27
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests	11,080.11	-400,111.47
7. Total comprehensive income	138,618,842.21	-72,907,960.34
Attributable to owners of the parent	132,638,800.35	-67,627,450.33
Attributable to minority interests	5,980,041.86	-5,280,510.01
8. Earnings per share		
8.1 Basic earnings per share	0.0535	-0.0184
8.2 Diluted earnings per share	0.0535	-0.0184

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	9,910,535,075.58	10,063,172,900.42
Less: Operating expenses	8,729,304,645.07	8,923,684,652.89
Taxes and surtaxes	16,947,221.66	24,999,390.73
Selling expense	1,080,921,951.42	1,233,429,048.82
Administrative expense	293,662,479.34	248,111,963.10
Finance costs	212,325,826.30	117,670,481.29
Asset impairment losses	2,244,928.43	24,699,388.50
Add: Gains on fair value changes (“-” for losses)	-110,323,281.75	4,270,970.36
Investment income (“-” for loss)	168,781,887.76	58,081,642.80
Including: Share of gains/losses of associates and joint ventures	-10,868,433.24	6,636,136.04

Other income	32,371,847.25	
2. Operating margin (“-” for losses)	-334,041,523.38	-447,069,411.75
Add: Non-operating income	55,898,870.46	105,453,118.72
Including: Gains on disposal of non-current assets	495.98	164,913.82
Less: Non-operating expense	4,011,872.35	2,935,780.09
Including: Losses on disposal of non-current assets	189,097.04	272,185.91
3. Gross margin (“-” for losses)	-282,154,525.27	-344,552,073.12
Less: Income tax expense	-83,867,535.94	-84,825,295.39
4. Net margin (“-” for losses)	-198,286,989.33	-259,726,777.73
5. Other comprehensive income, net of tax	-12,284,652.66	-1,499,383.90
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	-12,284,652.66	-1,499,383.90
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	-11,358,312.00	-1,444,788.00
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	-926,340.66	-54,595.90
5.2.6 Other		
6. Total comprehensive income	-210,571,641.99	-261,226,161.63
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

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	21,955,843,068.81	15,184,869,339.34
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	237,253,154.71	272,927,227.76
Cash generated by other operating activities	1,096,637,681.38	339,356,257.44
Subtotal of cash generated by operating activities	23,289,733,904.90	15,797,152,824.54
Cash paid for goods and services	24,259,763,724.19	13,509,836,467.28
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	1,169,365,639.63	1,255,016,825.23
Taxes paid	359,010,759.67	533,287,050.15
Cash used in other operating activities	1,064,171,437.94	909,591,033.01
Subtotal of cash used in operating activities	26,852,311,561.43	16,207,731,375.67
Net cash from operating activities	-3,562,577,656.53	-410,578,551.13
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	12,283,746.20	12,351,724.03
Cash received as investment income	114,059,530.81	29,084,576.02
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	79,031,062.12	349,958.28
Net cash generated by disposal of subsidiaries or other business units	168,915,846.59	
Cash generated by other investing activities	1,469,901,449.68	9,238,481,232.27
Subtotal of cash generated by investing activities	1,844,191,635.40	9,280,267,490.60
Cash paid to acquire fixed assets, intangible assets and other long-term assets	193,253,515.91	106,682,158.73

Cash paid for investments	824,356,279.92	6,017,970.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities	2,248,069,403.23	8,861,934,225.29
Subtotal of cash used in investing activities	3,265,679,199.06	8,974,634,354.02
Net cash from investing activities	-1,421,487,563.66	305,633,136.58
3. Cash generated by or used in financing activities:		
Cash received as capital contributions	30,730,511.80	9,817,738.00
Including: Cash received from minority shareholder investments by subsidiaries	30,730,511.80	9,817,738.00
Cash received as borrowings	8,804,504,929.73	3,366,615,353.71
Cash generated by issuance of bonds		
Cash generated by other financing activities	444,475,802.89	1,114,445,232.65
Subtotal of cash generated by financing activities	9,279,711,244.42	4,490,878,324.36
Repayment of borrowings	3,517,039,317.11	3,545,455,084.37
Cash paid for interest expenses and distribution of dividends or profit	210,911,004.80	81,880,268.08
Including: dividends or profit paid by subsidiaries to minority interests	746,714.88	
Cash used in other financing activities	574,376.15	45,886,956.93
Sub-total of cash used in financing activities	3,728,524,698.06	3,673,222,309.38
Net cash from financing activities	5,551,186,546.36	817,656,014.98
4. Effect of foreign exchange rate changes on cash and cash equivalents	-31,433,458.63	24,344,476.24
5. Net increase in cash and cash equivalents	535,687,867.54	737,055,076.67
Add: Opening balance of cash and cash equivalents	2,020,902,945.14	1,488,154,851.35
6. Closing balance of cash and cash equivalents	2,556,590,812.68	2,225,209,928.02

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	10,211,158,433.12	8,538,983,012.64
Tax rebates received	76,021,688.23	126,233,515.53
Cash generated by other operating activities	2,170,305,324.47	1,356,473,038.10
Subtotal of cash generated by operating activities	12,457,485,445.82	10,021,689,566.27

Cash paid for goods and services	8,461,788,230.31	9,762,065,352.00
Cash paid to and for employees	706,071,622.42	702,251,202.16
Taxes paid	94,128,545.77	233,896,365.68
Cash used in other operating activities	4,917,518,293.15	2,520,362,805.93
Subtotal of cash used in operating activities	14,179,506,691.65	13,218,575,725.77
Net cash from operating activities	-1,722,021,245.83	-3,196,886,159.50
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	180,900,000.00	2,317,433.07
Cash received as investment income	163,986,057.87	33,915,695.73
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	189,841.88	313,107.85
Net cash generated by disposal of subsidiaries or other business units		
Cash generated by other investing activities	1,508,699,563.18	9,138,291,591.96
Subtotal of cash generated by investing activities	1,853,775,462.93	9,174,837,828.61
Cash paid to acquire fixed assets, intangible assets and other long-term assets	51,879,502.86	17,959,270.01
Cash paid for investments	804,349,598.00	14,016,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities	2,361,142,417.74	9,140,572,463.21
Subtotal of cash used in investing activities	3,217,371,518.60	9,172,547,733.22
Net cash from investing activities	-1,363,596,055.67	2,290,095.39
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Cash received as borrowings	5,407,249,831.51	4,081,439,101.51
Cash generated by issuance of bonds		
Cash generated by other financing activities	141,159,174.39	22,940,000.00
Subtotal of cash generated by financing activities	5,548,409,005.90	4,104,379,101.51
Repayment of borrowings	2,483,733,952.31	244,827,402.55
Cash paid for interest expenses and distribution of dividends or profit	199,132,587.57	41,121,454.13
Cash used in other financing activities	574,376.15	335,822,516.60
Sub-total of cash used in financing activities	2,683,440,916.03	621,771,373.28
Net cash from financing activities	2,864,968,089.87	3,482,607,728.23
4. Effect of foreign exchange rate changes on cash and cash equivalents	-1,161,524.85	11,304,902.99

5. Net increase in cash and cash equivalents	-221,810,736.48	299,316,567.11
Add: Opening balance of cash and cash equivalents	973,613,753.40	478,267,624.53
6. Closing balance of cash and cash equivalents	751,803,016.92	777,584,191.64

II Auditor's Report

Are the Q3 2017 financial statements audited?

Yes No

These financial statements are unaudited.

The Board of Directors
Konka Group Co., Ltd.
October 27, 2017