

**China Fangda Group Co., Ltd.**  
**2017 Third Quarter Report**

**October 2017**

## **I Important Statement**

**The members of the Board and the Company guarantee that the quarterly report is free from any false information, misleading statement or material omission and are jointly and severally liable for the information's truthfulness, accuracy and integrity.**

**All the Directors have attended the meeting of the board meeting at which this report was examined.**

**Mr. Xiong Jianming, the Chairman of Board, Mr. Lin Kebin, the Chief Financial Officer, and Mr. Wu Bohua, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.**

## II. General Information

### 1. Financial Highlight

Whether the Company needs to make retroactive adjustment or restatement of financial data of previous years

Yes  No

	End of the report period	End of last year	Year-on-year change	
Total asset (RMB)	6,971,041,157.32	6,787,051,278.08	2.71%	
Net profit attributable to the shareholders of the listed company (RMB)	2,455,998,778.25	2,364,262,560.28	3.88%	
	This report period	Year-on-year change (%)	Between beginning of the year to the end of the report period	Change from the same period last year
Turnover (yuan)	653,038,212.34	-10.76%	2,052,749,153.63	17.89%
Net profit attributable to shareholders of the listed company (yuan)	133,216,451.43	118.03%	361,219,770.86	216.15%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	127,476,204.06	126.14%	345,975,180.58	243.79%
Net cash flow generated by business operation (RMB)	--	--	394,243,084.96	-12.98%
Basic earnings per share (yuan/share)	0.11	120.00%	0.31	210.00%
Diluted Earnings per share (yuan/share)	0.11	120.00%	0.31	210.00%
Weighted average net income/asset ratio	5.60%	1.86%	14.91%	7.01%

Accidental gain/loss item and amount

Applicable  Inapplicable

In RMB

Items	Amount from beginning of the year to the end of the report period	Notes
Non-current asset disposal gain/loss (including the write-off part	-60,148.15	

for which assets impairment provision is made)		
Subsidies accounted into the current income account (except the government subsidy closely related to the enterprise's business and based on unified national standard quota)	2,697,021.24	
Gain from entrusted investment or assets management	12,143,064.88	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	2,973,747.00	
Other non-business income and expenditures other than the above	2,504,939.74	
Less: Influenced amount of income tax	4,928,259.94	
Influenced amount of minority shareholders' equity (after-tax)	85,774.49	
Total	15,244,590.28	--

Explanation statement should be made for accidental gain/loss items defined and accidental gain/loss items defined as regular gain/loss items according to the Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss mentioned.

Applicable  Inapplicable

No circumstance that should be defined as recurrent profit and loss according to *Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss* occurs in the report period.

## 2. Total number of shareholders and shareholding of top 10 shareholders by the end of the report period

### 1. Ordinary shareholders, preference shareholders with resumed voting rights and top 10 shareholders

In share

Number of shareholders of common shares at the end of the report period	59,052	Number of shareholders of preferred stocks of which voting rights recovered in the report period (if any)	0			
Top 10 Shareholders						
Shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	8.72%	103,161,409		Pledged	24,370,000
Shengjiu Investment Ltd.	Foreign legal person	7.36%	87,165,339			
GUOTAI	Foreign legal	4.10%	48,582,727			

JUNAN SECURITIES(HONGKONG) LIMITED	person					
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	2.26%	26,791,488			
CITIC Securities Brokerage (Hong Kong) Co., Ltd.	Foreign legal person	2.06%	24,375,858			
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.67%	19,708,790			
China Resource SZITIC Trust – China Resource Trust No.13 Collective Trust Program	Others	1.30%	15,383,404			
Yunnan International Trust CO., Ltd. – Juxin No.5 Collective Fund Trust Program	Others	1.12%	13,229,635			
Zhou Shijian	Domestic natural person	0.84%	10,000,000			
Yunnan International Trust CO., Ltd. – Yunxia No.3 Collective Fund Trust Program	Others	0.73%	8,635,314			
Top 10 holders of unconditional shares						
Shareholder	Amount of shares without sales restriction	Category of shares				
		Category of	Amount			

		shares	
Shenzhen Banglin Technologies Development Co., Ltd.	103,161,409	RMB common shares	103,161,409
Shengjiu Investment Ltd.	87,165,339	Foreign shares listed in domestic exchanges	87,165,339
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	48,582,727	Foreign shares listed in domestic exchanges	48,582,727
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	26,791,488	RMB common shares	26,791,488
CITIC Securities Brokerage (Hong Kong) Co., Ltd.	24,375,858	Foreign shares listed in domestic exchanges	24,375,858
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	19,708,790	Foreign shares listed in domestic exchanges	19,708,790
China Resource SZITIC Trust – China Resource Trust No.13 Collective Trust Program	15,383,404	RMB common shares	15,383,404
Yunnan International Trust CO., Ltd. – Juxin No.5 Collective Fund Trust Program	13,229,635	RMB common shares	13,229,635
Zhou Shijian	10,000,000	RMB common shares	10,000,000
Yunnan International Trust CO., Ltd. – Yunxia No.3 Collective Fund Trust Program	8,635,314	RMB common shares	8,635,314
Notes to top ten shareholder relationship or "action in concert"	Among the top 10 shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. and Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise are related parties. The Company is not notified of other action-in-concert or related parties among the other holders of current shares.		
Top-10 common share shareholders participating in margin trade (if any)	Zhou Shijian holds 10,000,000 shares of the company through the client credit transaction guarantee account of GF Securities.		

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes  No

No agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common

shares in the report period

**2. Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period**

Applicable  Inapplicable

### III Significant Events

#### 1. Major changes in accounting items and financial data in the report period and reasons

√ Applicable □ Inapplicable

Items	Closing balance (RMB)	Opening balance (RMB)	YOY change (%)	Cause of change
Monetary capital	1,645,487,558.41	1,095,229,837.90	50.24%	Property sales payment received
Prepayment	77,748,206.13	31,526,326.25	146.61%	Increase in prepayment to suppliers
Other current assets	107,029,683.87	62,206,574.33	72.06%	Increase in bank financial products
Long-term share equity investment	15,831,304.52	12,105,030.68	30.78%	Increase in investment in joint ventures
Other non-current assets	30,567,973.38	61,184,253.71	-50.04%	Decrease in prepaid property purchase amount
Short-term loans	1,000,000,000.00	591,000,000.00	69.20%	Increase in bank borrowings
Taxes payable	65,792,129.45	192,236,574.40	-65.78%	Corporate income tax and VAT paid
Other current liabilities	4,834,975.32	35,148,084.44	-86.24%	Transfer of items to be amortized into unamortized tax
Share capital	1,183,642,254.00	789,094,836.00	50.00%	Capitalization of capital reserve
Capital reserves	72,829,484.96	467,376,902.96	-84.42%	Capitalization of capital reserve
Other miscellaneous income	8,830,094.23	2,130,454.52	314.47%	Transfer of self-used property into property held for investment
Items	Between beginning of the year to the end of the report period (RMB)	Same period last year (RMB)	YOY change (%)	Cause of change
Taxes and surcharges	131,792,673.42	8,606,245.49	1431.36%	Provision of Fangda Town land VAT and VAT surcharge
Financial expenses	41,975,850.30	24,322,562.64	72.58%	Stopping capitalization of interest expense of the phase I of the Fangda Town project
Asset impairment loss	-48,121,560.56	29,771,044.67	-261.64%	Change in the accounting estimate of bad debt provision
Gain caused by changes in fair value	2,973,747.00	9,903,745.77	-69.97%	Adjustment of fair value of investment real estate
Investment income	10,861,727.87	2,424,532.42	347.99%	Increase in gains from bank financial products
Income tax expenses	68,024,588.73	16,889,272.63	302.77%	Increase in the profit of Fangda Town project
Other cash received from	213,901,169.92	104,789,436.94	104.12%	Refunding of property sales



business operation				guarantee by bank mortgage
Taxes paid	358,300,385.82	204,252,974.89	75.42%	Corporate income tax and VAT paid
Other cash paid for business activities	268,199,654.52	129,430,336.40	107.22%	Increase of property sales guarantee by bank mortgage
Cash received from investment recovery	8,092,089,184.54	237,446,806.49	3307.96%	Redemption of financial products
Cash received as investment profit	13,773,697.27	3,595,463.32	283.09%	Increase in gains from bank financial products
Cash paid for construction of fixed assets, intangible assets and other long-term assets	33,608,087.17	62,258,301.30	-46.02%	Delay in investment in PV power plant projects
Cash paid as investment	8,146,400,000.00	477,000,000.00	1607.84%	Increase in bank financial products
Cash paid to repay debts	391,000,000.00	1,107,925,600.00	-64.71%	Decrease in mature bank borrowings
Cash paid as dividend, profit, or interests	337,538,336.38	131,200,941.87	157.27%	Increase in dividend distribution

## 2. Progress of key issues and its impacts and solutions

Applicable  Inapplicable

Property project development progress:

1. By the end of the report period, the total sales area was 65,400 m<sup>2</sup>, of which 64,000 m<sup>2</sup> area has recognized income. The business introduction is ongoing and expects to receive rental in the next year.

2. Nanchang Phoenix Land project: Currently the project is preparing for preliminary design and plan approval and construction. It is an office building, business and apartment project and will be sold and leased. The construction will start in the end of the year. The construction period is about 2 years. The total construction area will be about 66,000 m<sup>2</sup>.

3. As of the disclosure date of the reporting period, the Company and Bangshen Electronics (Shenzhen) Co., Ltd. have signed the cooperation framework agreement for the Fangda Bangshen Industry Park renovation project. The project is located in Furong, Shenzhen and covers 20,714.9m<sup>2</sup>. Currently, the land is used as industrial plant and will be renovated as an M0 new-type industry project. Currently two parties are in the process of agreement negotiation and signing.

## 3. Commitments that have not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

Applicable  Inapplicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

## 4 Forecast of operating performance in 2017

Warning and reasons of possible net loss or substantial change from the last period between the beginning of the year and the end of the next report period

Applicable  Inapplicable

## 5. Securities investment

Applicable  Inapplicable

The Company made no investment in securities in the report period

## 6. Derivative investment

Applicable  Inapplicable

In RMB10,000

Derivative investment operator	Relationship	Related transaction	Type	Initial amount	Start date	End date	Initial investment amount	Amount in this period	Amount sold in this period	Impairment provision (if any)	Closing investment amount	Proportion of closing investment amount in the closing net assets in the report period	Actual gain/loss in the report period
Shanghai Futures Exchange	No	No	Shanghai aluminum	6,220.786	22.12.18	28.02.18	6,220.788	5,343.53	10,276.22		1,288.09	0.52%	930.4
Total				6,220.788	--	--	6,220.788	5,343.53	10,276.22		1,288.09	0.52%	930.4
Capital source				Self-owned fund									
Lawsuit (if any)				None									
Disclosure date of derivative investment approval by the Board of Directors (if any)													
Disclosure date of derivative investment approval by the Shareholders' Meeting (if any)													
Risk analysis and control measures for the derivative holding in the report period (including without limitation market, liquidity, credit, operation and legal risks)				To prevent the risk of fluctuation of raw material prices, the Company adopted the aluminum futures exchanged at the domestic futures exchange to provide hedging for aluminum as a raw material for the Company. The Company has set up and implemented the Provincial Regulations on China Fangda Group Domestic Futures Hedging to prevent risks.									

Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters.	Fair value of derivatives are measured at open prices in the futures market
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period	The Company decides to implement the <i>Temporary Provisions on the Accounting of Commodity Futures Hedging for its aluminum ingot futures contracts in the report period and no longer implement the Enterprise Accounting Standard No.24 – Hedging</i>
Opinions of independent directors on the Company's derivative investment and risk controlling	None

## 7. Reception of investigations, communications, or interviews in the reporting period

Applicable  Inapplicable

Time/date	Way	Visitor	Disclosure of information
02.08.17	Onsite investigation	Institution	Business and future development
16.08.17	Onsite investigation	Institution	Business and future development
31.08.17	Onsite investigation	Institution	Business and future development
08.09.17	Others	Institution	Business and future development

## 8. Incompliant external guarantee

Applicable  Inapplicable

The Company made no incompliant external guarantee in the report period.

## 9. Non-operating capital use by the controlling shareholder or related parties in the reporting term

Applicable  Inapplicable

The controlling shareholder and its affiliates occupied no capital for non-operating purpose of the Company during the report period.

## 10. Performance of poverty relieving responsibilities

### 1. Q3 poverty relieving summary

The Company donated totally RMB911,000 for targeted poverty in the third quarter of 2017:

- (1) Donate RMB600,000 to the Jiangxi CPPCC overseas poverty relief foundation. The donation will be used to build health and family planning service stations for 12 poor villages of Taihe county, Jiangxi.
- (2) Donate RMB100,000 to the Nanchang Juvenile Development Foundation to set up the Nanchang Sanfeng Charity Foundation.

- (3) Donate RMB50,000 to the Shenzhen Nanshan District Yuehai Sub-district Federation of Trade Unions for poverty relief of Lianping county, Shenzhen, Guangdong.
- (4) Donate RMB1,000 to set up the Shenzhen Nanshan District Elder Care Charity Foundation.
- (5) Donate RMB120,000 to the Tibet Linzhi Cha'yu farm 8<sup>th</sup> Tibet support team to help build the Cha'yu Farm Primary.
- (6) Donate RMB10,000 to the Jiangxi Pingxiang Luxi Xuanfeng government for poverty relief and education support.
- (7) Donate RMB30,000 to two students at Jiangxi Ganzhou Zhanggong district Shahe Longcun village.

## 2. Details

Item	Unit	Qty/Description
1. General situation	—	—
Including: 1. capital	(in RMB10,000)	91.1
2. Investment	—	—
1. Industry development poverty relief	—	—
2. Employment transfer	—	—
3. Relocation	—	—
4. Education	—	—
Including: 4.1 Sponsor to students from poor families	(in RMB10,000)	3
4.2 Number of students	Person	2
4.3 Education investment in poor areas	(in RMB10,000)	18
5. Health care support	—	—
Including: 5.1 Contribution to health care sources in poor areas	(in RMB10,000)	60
6. Eco-protection support	—	—
7. Last-line guarantee	—	—
8. Social poverty relieving	—	—
9. Others	—	—
Including: 9.1 Number of projects		2
9.2 Investment	(in RMB10,000)	10.1
3. Prizes	—	—

## 3. Further property relief plans

The Company will donate RMB3 million through the Jiangxi Guangcai Business Promotion Society to support poverty relief in Jiangxi.

## IV Financial Statements

### 1. Financial statements

#### 1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	1,645,487,558.41	1,095,229,837.90
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets	124,128.00	2,232,200.00
Notes receivable	18,499,631.99	18,898,106.11
Account receivable	1,965,776,007.03	2,342,929,628.14
Prepayment	77,748,206.13	31,526,326.25
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		302,950.68
Dividend receivable		
Other receivables	54,473,419.73	57,378,994.72
Repurchasing of financial assets		
Inventory	1,917,297,358.74	1,990,621,059.27
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	107,029,683.87	62,206,574.33
Total current assets	5,786,435,993.90	5,601,325,677.40
Non-current assets:		
Loan and advancement provided		

Sellable financial assets	28,562,575.67	28,562,575.67
Investment held until mature		
Long-term receivable		
Long-term share equity investment	15,831,304.52	12,105,030.68
Investment real estate	343,190,956.29	333,795,631.30
Fixed assets	492,174,639.61	506,819,266.38
Construction in process	2,590,536.68	2,537,725.36
Engineering materials		
Disposal of fixed assets	3,601.59	
Productive biological assets		
Gas & petrol		
Intangible assets	60,249,472.17	60,228,652.69
R&D expense		
Goodwill		
Long-term amortizable expenses	2,665,605.83	3,695,766.33
Deferred income tax assets	208,768,497.68	176,796,698.56
Other non-current assets	30,567,973.38	61,184,253.71
Total of non-current assets	1,184,605,163.42	1,185,725,600.68
Total of assets	6,971,041,157.32	6,787,051,278.08
Current liabilities		
Short-term loans	1,000,000,000.00	591,000,000.00
Loans from Central Bank		
Deposit received and held for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable	454,199,149.00	557,301,320.45
Account payable	1,016,061,011.35	1,275,255,961.34
Prepayment received	230,781,117.14	285,905,444.13
Selling of repurchased financial assets		
Fees and commissions payable		
Employees' wage payable	21,797,164.97	41,972,342.66
Taxes payable	65,792,129.45	192,236,574.40

Interest payable	2,572,755.20	2,634,979.47
Dividend payable		
Other payables	449,875,281.20	366,182,799.41
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liabilities due in 1 year	150,000,000.00	
Other current liabilities	4,834,975.32	35,148,084.44
Total current liabilities	3,395,913,583.63	3,347,637,506.30
Non-current liabilities:		
Long-term loans	943,978,153.39	922,169,568.24
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable		
Long-term employees' wage payable		
Special payables		
Anticipated liabilities	3,530,415.48	3,156,625.24
Deferred earning	11,094,290.35	11,567,224.78
Deferred income tax liabilities	223,203,237.19	200,207,003.35
Other non-current liabilities		
Total of non-current liabilities	1,181,806,096.41	1,137,100,421.61
Total liabilities	4,577,719,680.04	4,484,737,927.91
Owner's equity:		
Share capital	1,183,642,254.00	789,094,836.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	72,829,484.96	467,376,902.96
Less: Shares in stock		
Other miscellaneous income	8,830,094.23	2,130,454.52
Special reserves		

Surplus reserves	88,839,790.50	88,839,790.50
Common risk provisions		
Retained profit	1,101,857,154.56	1,016,820,576.30
Total of owner's equity belong to the parent company	2,455,998,778.25	2,364,262,560.28
Minor shareholders' equity	-62,677,300.97	-61,949,210.11
Total of owners' equity	2,393,321,477.28	2,302,313,350.17
Total of liabilities and owner's interest	6,971,041,157.32	6,787,051,278.08

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Wu Bohua

## 2. Balance Sheet of the Parent Company

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	466,234,131.67	81,148,314.87
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable		454,140.85
Prepayment	59,186.69	110,132.27
Interest receivable		
Dividend receivable		430,000,000.00
Other receivables	639,174,160.37	459,354,983.42
Inventory		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	174,324.14	334,228.97
Total current assets	1,105,641,802.87	971,401,800.38
Non-current assets:		
Sellable financial assets	28,562,575.67	28,562,575.67
Investment held until mature		
Long-term receivable		



Long-term share equity investment	902,704,076.20	897,444,525.03
Investment real estate	307,321,568.00	296,740,660.63
Fixed assets	56,391,741.29	55,081,689.15
Construction in process		
Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	2,253,503.19	1,531,179.93
R&D expense		
Goodwill		
Long-term amortizable expenses	501,849.95	252,857.40
Deferred income tax assets	66,480,165.25	57,076,777.66
Other non-current assets	120,000,000.00	120,000,000.00
Total of non-current assets	1,484,215,479.55	1,456,690,265.47
Total of assets	2,589,857,282.42	2,428,092,065.85
Current liabilities		
Short-term loans	340,000,000.00	190,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		33,692,909.97
Account payable	606,941.85	606,941.85
Prepayment received	693,045.60	965,234.08
Employees' wage payable	1,015,430.85	2,338,896.51
Taxes payable	564,787.44	460,424.30
Interest payable	272,720.83	288,513.75
Dividend payable		
Other payables	357,303,942.79	65,436,929.77
Liabilities held for sales		
Non-current liabilities due in 1 year		
Other current liabilities		
Total current liabilities	700,456,869.36	293,789,850.23
Non-current liabilities:		

Long-term loans		
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable		
Long-term employees' wage payable		
Special payables		
Anticipated liabilities		
Deferred earning		
Deferred income tax liabilities	127,645,942.41	124,088,349.06
Other non-current liabilities		
Total of non-current liabilities	127,645,942.41	124,088,349.06
Total liabilities	828,102,811.77	417,878,199.29
Owner's equity:		
Share capital	1,183,642,254.00	789,094,836.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	71,736,128.89	466,283,546.89
Less: Shares in stock		
Other miscellaneous income	8,756,553.46	91,831.63
Special reserves		
Surplus reserves	88,839,790.50	88,839,790.50
Retained profit	408,779,743.80	665,903,861.54
Total of owners' equity	1,761,754,470.65	2,010,213,866.56
Total of liabilities and owner's interest	2,589,857,282.42	2,428,092,065.85

### 3. Consolidated Income Statement of the Report Period

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Total revenue	653,038,212.34	731,795,188.23
Incl. Business income	653,038,212.34	731,795,188.23
Interest income		
Insurance fee earned		

Fee and commission received		
2. Total business cost	527,570,947.26	669,723,232.46
Incl. Business cost	469,496,033.48	586,182,911.95
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	27,720,396.62	2,248,517.37
Sales expense	16,873,111.63	13,059,085.05
Administrative expense	35,616,297.32	42,074,537.95
Financial expenses	16,078,535.41	6,734,708.08
Asset impairment loss	-38,213,427.20	19,423,472.06
Plus: gains from change of fair value (“-“ for loss)	2,274,935.37	-259,664.68
Investment gains (“-“ for loss)	3,981,131.60	2,714,389.76
Incl. Investment gains from affiliates and joint ventures	-647,094.54	-570,556.79
Exchange gains (“-“ for loss)		
Other gains		
3. Operational profit (“-“ for loss)	131,723,332.05	64,526,680.85
Plus: non-operational income	2,549,594.75	3,671,724.85
Incl. Loss from disposal of non-current assets	37,960.40	38,076.85
Less: non-operational expenditure	1,043,005.95	471,543.40
Incl. Loss from disposal of non-current assets	10,864.23	94,562.96
4. Gross profit (“-“ for loss)	133,229,920.85	67,726,862.30
Less: Income tax expenses	256,484.21	7,987,577.22
5. Net profit (“-“ for net loss)	132,973,436.64	59,739,285.08

Net profit attributable to the owners of parent company	133,216,451.43	61,100,083.90
Minor shareholders' equity	-243,014.79	-1,360,798.82
6. After-tax net amount of other misc. incomes	8,481,869.86	210,601.16
After-tax net amount of other misc. incomes attributed to parent's owner	8,481,869.86	210,601.16
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss	8,481,869.86	210,601.16
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow	96,269.40	173,910.00
5. Translation difference of foreign exchange statement	-279,121.37	36,691.16
6. Others	8,664,721.83	
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	141,455,306.50	59,949,886.24
Total of misc. incomes attributable to the owners of the parent company	141,698,321.29	61,310,685.06
Total misc gains attributable to the	-243,014.79	-1,360,798.82

minor shareholders		
8. Earnings per share:		
(1) Basic earnings per share	0.11	0.05
(2) Diluted earnings per share	0.11	0.05

Net profit contributed by entities merged under common control in the report period was RMB , net profit realized by parties merged during the previous period is RMB .

Legal representative: Xiong Jianming CFO: Lin Kebing Accounting Manager: Wu Bohua

#### 4. Consolidated Income Statement of the Report Period

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Turnover	7,143,696.79	7,463,131.10
Less: Operation cost	863,777.60	1,126,232.22
Taxes and surcharges	333,780.40	230,773.43
Sales expense	0.00	
Administrative expense	5,766,693.63	5,775,984.04
Financial expenses	-1,173,575.45	1,900,739.52
Asset impairment loss	56,567.43	-22,147.35
Plus: gains from change of fair value ("-" for loss)	1,820,847.37	
Investment gains ("-" for loss)	1,479,735.59	-570,556.79
Incl. Investment gains from affiliates and joint ventures	876,182.79	-570,556.79
Other gains		
2. Operational profit ("-" for loss)	4,597,036.14	-2,119,007.55
Plus: non-operational income	4,105.20	1,881,870.81
Incl. Loss from disposal of non-current assets	0.00	
Less: non-operational expenditure	121,000.00	
Incl. Loss from disposal of non-current assets	0.00	
3. Gross profit ("-" for loss)	4,480,141.34	-237,136.74
Less: Income tax expenses	-10,035,082.23	-61,545.95
4. Net profit ("-" for net loss)	14,515,223.57	-175,590.79
5. After-tax net amount of other misc.	8,664,721.83	

incomes		
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss	8,664,721.83	
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow		
5. Translation difference of foreign exchange statement		
6. Others	8,664,721.83	
6. Total of misc. incomes	23,179,945.40	-175,590.79
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

## 5. Consolidated Income Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Total revenue	2,052,749,153.63	1,741,251,237.98
Incl. Business income	2,052,749,153.63	1,741,251,237.98
Interest income		

Insurance fee earned		
Fee and commission received		
2. Total business cost	1,645,174,343.12	1,634,542,062.22
Incl. Business cost	1,372,893,960.45	1,417,490,531.56
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	131,792,673.42	8,606,245.49
Sales expense	40,010,393.40	38,476,387.89
Administrative expense	106,623,026.11	115,875,289.97
Financial expenses	41,975,850.30	24,322,562.64
Asset impairment loss	-48,121,560.56	29,771,044.67
Plus: gains from change of fair value ("-" for loss)	2,973,747.00	9,903,745.77
Investment gains ("-" for loss)	10,861,727.87	2,424,532.42
Incl. Investment gains from affiliates and joint ventures	-1,273,726.16	-970,334.67
Exchange gains ("-" for loss)		
Other gains		
3. Operational profit ("-" for loss)	421,410,285.38	119,037,453.95
Plus: non-operational income	8,498,874.38	10,035,454.01
Incl. Loss from disposal of non-current assets	71,273.94	106,648.92
Less: non-operational expenditure	1,392,891.03	3,816,088.83
Incl. Loss from disposal of non-current assets	131,422.09	2,548,190.24
4. Gross profit ("-" for loss)	428,516,268.73	125,256,819.13
Less: Income tax expenses	68,024,588.73	16,889,272.63

5. Net profit (“-“ for net loss)	360,491,680.00	108,367,546.50
Net profit attributable to the owners of parent company	361,219,770.86	114,256,489.26
Minor shareholders’ equity	-728,090.86	-5,888,942.76
6. After-tax net amount of other misc. incomes	6,699,639.71	1,256,462.41
After-tax net amount of other misc. incomes attributed to parent's owner	6,699,639.71	1,256,462.41
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss	6,699,639.71	1,256,462.41
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow	-1,685,960.75	1,219,771.25
5. Translation difference of foreign exchange statement	-279,121.37	36,691.16
6. Others	8,664,721.83	
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	367,191,319.71	109,624,008.91
Total of misc. incomes attributable to the owners of the parent company	367,919,410.57	115,512,951.67



Total misc gains attributable to the minor shareholders	-728,090.86	-5,888,942.76
8. Earnings per share:		
(1) Basic earnings per share	0.31	0.10
(2) Diluted earnings per share	0.31	0.10

Net profit contributed by entities merged under common control in the report period was RMB , net profit realized by parties merged during the previous period is RMB .

## 6. Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Turnover	20,997,817.08	21,963,021.73
Less: Operation cost	1,667,373.48	2,145,638.58
Taxes and surcharges	987,119.06	1,450,961.07
Sales expense		
Administrative expense	18,323,645.88	17,328,731.88
Financial expenses	-2,618,598.83	5,460,370.26
Asset impairment loss	94,478.76	-6,965.80
Plus: gains from change of fair value ("-" for loss)	1,820,847.37	10,453,596.91
Investment gains ("-" for loss)	2,494,407.02	-964,910.01
Incl. Investment gains from affiliates and joint ventures	249,551.17	-970,334.67
Other gains		
2. Operational profit ("-" for loss)	6,859,053.12	5,072,972.64
Plus: non-operational income	3,618,258.71	5,224,060.55
Incl. Loss from disposal of non-current assets		
Less: non-operational expenditure	152,271.82	89,374.82
Incl. Loss from disposal of non-current assets	31,271.82	
3. Gross profit ("-" for loss)	10,325,040.01	10,207,658.37
Less: Income tax expenses	-8,734,034.85	3,126,867.00
4. Net profit ("-" for net loss)	19,059,074.86	7,080,791.37
5. After-tax net amount of other misc. incomes	8,664,721.83	

(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss	8,664,721.83	
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow		
5. Translation difference of foreign exchange statement		
6. Others	8,664,721.83	
6. Total of misc. incomes	27,723,796.69	7,080,791.37
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

## 7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	2,554,904,276.07	2,626,024,154.09

Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Increase in proposal of financial assets measured at fair value with variations accounted into current income account		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax refunded	1,805,886.66	1,289,574.20
Other cash received from business operation	213,901,169.92	104,789,436.94
Sub-total of cash inflow from business operations	2,770,611,332.65	2,732,103,165.23
Cash paid for purchasing products and services	1,558,159,130.54	1,759,450,109.31
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		

Cash paid to and for the staff	191,709,076.81	185,909,998.13
Taxes paid	358,300,385.82	204,252,974.89
Other cash paid for business activities	268,199,654.52	129,430,336.40
Sub-total of cash outflow from business operations	2,376,368,247.69	2,279,043,418.73
Cash flow generated by business operations, net	394,243,084.96	453,059,746.50
2. Cash flow generated by investment:		
Cash received from investment recovery	8,092,089,184.54	237,446,806.49
Cash received as investment profit	13,773,697.27	3,595,463.32
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,540,531.00	14,192,782.10
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	8,109,403,412.81	255,235,051.91
Cash paid for construction of fixed assets, intangible assets and other long-term assets	33,608,087.17	62,258,301.30
Cash paid as investment	8,146,400,000.00	477,000,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		2,950,000.00
Subtotal of cash outflows	8,180,008,087.17	542,208,301.30
Cash flow generated by investment activities, net	-70,604,674.36	-286,973,249.39
3. Cash flow generated by financing activities:		
Cash received from investment		460,899,992.60
Incl. Cash received from investment attracted by subsidiaries from minority shareholders		

Cash received from borrowed loans	962,503,029.59	1,108,611,236.97
Cash received from bond placing		
Other cash received from financing activities		31.03
Subtotal of cash inflow from financing activities	962,503,029.59	1,569,511,260.60
Cash paid to repay debts	391,000,000.00	1,107,925,600.00
Cash paid as dividend, profit, or interests	337,538,336.38	131,200,941.87
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities		1,307,454.51
Subtotal of cash outflow from financing activities	728,538,336.38	1,240,433,996.38
Net cash flow generated by financing activities	233,964,693.21	329,077,264.22
4. Influence of exchange rate changes on cash and cash equivalents	-1,950,710.61	552,729.65
5. Net increase in cash and cash equivalents	555,652,393.20	495,716,490.98
Plus: Balance of cash and cash equivalents at the beginning of term	935,824,575.40	247,739,243.78
6. Balance of cash and cash equivalents at the end of the period	1,491,476,968.60	743,455,734.76

## 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	19,187,607.97	19,149,196.90
Tax refunded		
Other cash received from business operation	1,056,523,500.53	613,546,935.28

Sub-total of cash inflow from business operations	1,075,711,108.50	632,696,132.18
Cash paid for purchasing products and services	28,685,143.30	8,763,774.47
Cash paid to and for the staff	12,913,713.04	10,673,941.85
Taxes paid	2,790,810.71	3,209,222.02
Other cash paid for business activities	940,326,714.58	921,945,103.13
Sub-total of cash outflow from business operations	984,716,381.63	944,592,041.47
Cash flow generated by business operations, net	90,994,726.87	-311,895,909.29
2. Cash flow generated by investment:		
Cash received from investment recovery	2,206,344,592.27	161,000,000.00
Cash received as investment profit	438,481,932.96	10,047,687.60
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		300,000.00
Net cash received from disposal of subsidiaries or other operational units	10,000,000.00	
Other investment-related cash received		
Sub-total of cash inflow generated from investment	2,654,826,525.23	171,347,687.60
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,573,560.35	221,286.61
Cash paid as investment	2,222,010,000.00	64,000,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	2,223,583,560.35	64,221,286.61
Cash flow generated by investment activities, net	431,242,964.88	107,126,400.99
3. Cash flow generated by financing activities:		
Cash received from investment		460,899,992.60

Cash received from borrowed loans	250,000,000.00	350,000,000.00
Cash received from bond placing		
Other cash received from financing activities		31.03
Subtotal of cash inflow from financing activities	250,000,000.00	810,900,023.63
Cash paid to repay debts	100,000,000.00	448,425,600.00
Cash paid as dividend, profit, or interests	280,390,322.29	90,479,214.49
Other cash paid for financing activities		1,307,454.51
Subtotal of cash outflow from financing activities	380,390,322.29	540,212,269.00
Net cash flow generated by financing activities	-130,390,322.29	270,687,754.63
4. Influence of exchange rate changes on cash and cash equivalents	-22,970.66	
5. Net increase in cash and cash equivalents	391,824,398.80	65,918,246.33
Plus: Balance of cash and cash equivalents at the beginning of term	74,159,732.87	25,582,149.17
6. Balance of cash and cash equivalents at the end of the period	465,984,131.67	91,500,395.50

## 2. Auditor's report

Whether the Q3 report is audited

Yes  No

The Q3 Report is not audited.

Ltd.

Xiong Jianming

China Fangda Group Co.,

Legal representative:

31.10.17