

The 3rd Quarterly Report 2012 (Full Text)

I. Important Statement

The Board of Directors and the directors of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

Directors other than the followings presented at the Board Meeting on which this report was examined:

Name of the director absented	Position	Reason for not presenting the meeting	Name of consignee
Huang Yaying	Independent Director	Business engagement	Guo Jinlong

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

II. Company Profile

(I) Financial Highlihgts

If retrospective adjustment has been carried out on financial reports of previous periods

Yes No Not applicable

	2012.9.30	2011.12.31		Changed by (%)
Gross Assets (RMB)	2,198,830,368.83	2,163,325,598.14		1.64%
Owners' equity attributable to the shareholders of the listed company (yuan)	1,093,463,299.65	1,073,843,444.65		1.83%
Capital shares (shares)	756,909,905.00	756,909,905.00		0%
Net asset per share attributable to the shareholders of the listed company (Yuan/share)	1.44	1.42		1.41%
	July-Sept. 2012	Changed over the same period of last year (%)	Jan-Sept. 2012	Changed over the same period of last year (%)
Turnover (yuan)	392,243,147.94	23.17%	921,532,745.74	2.66%
Net profit attributable to shareholders of the listed company (yuan)	5,734,975.97	-17.56%	18,378,273.37	-65.36%
Net Cash flow generated by business operation (RMB)	--	--	-4,397,317.41	
Net Cash flow per share generated by business operation (yuan/share)	--	--	-0.01	
Basic earnings per share (Yuan/share)	0.01	0%	0.02	-71.43%
Diluted earnings per share (Yuan/share)	0.01	0%	0.02	-71.43%
Weighted average net income/asset ratio (%)	0.53%	-0.13%	1.7%	-3.42%
Weighted average net income/asset ratio less non-recurring gain/loss(%)	0.65%	-0.12%	1.2%	-3.29%

Income items and amounts after deducting of non-recurring gains/losses

[V] Applicable [] Not applicable

Items	Amount from opening of year to the end of report period	Remarks
Gain/loss of non-current assets	103,505.98	
Tax refunding or exemption without official certification or exceeded authority		
Gains and losses included in the current period of government subsidies, excluding those government grants which are closely related to normal business and in line with national policy , or in accordance with fixed standards or quantities	768,641.36	
Capital adoption fee collected from non-financial organizations and accounted into current gain/loss	1,061,306.08	
Gain/loss from differences between the cost of enterprise merger and the fair value of recognizable net asset of the invested entities		
Gain/loss from non-monetary assets		
Gain/loss from commissioned investment or assets		
Asset impairment provisions provided for force-majeur		
Gain/loss from debt reorganization		
Enterprise reorganizing expenses, such as employee placement fee and integration fee		
Gain/loss from trade departing from fair value		
Current net gain/loss of subsidiaries under same control from beginning of term till date of consolidation		
Gain/loss generated by contingent liabilities without connection with main businesses		
Gain/loss from change of fair value of transactional asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company' s common businesses		
Restoring of receivable account impairment provision tested individually		
Gain/loss from commissioned loans		
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	5,218,024.15	
Influence of one-time adjustment made on current gain/loss account according to the laws and regulations regarding tax and accounting		
Consigning fee received for cosigned operation		
Other non-business income and expenditures other than the above	213,442.27	
Other gain/loss items satisfying the definition of non-recurring gain/loss account		
Influenced amount of minority shareholders' equity	-10,656.05	
Influenced amount of income tax	-2,020,543.55	
Total	5,333,720.23	--

(II) Top 10 shareholders at the end of report period, and total number of shareholders

Total shareholders at the end of the report period (accounts)	75,505(Including 53,218 A-stock accounts and 22,287 B-stock accounts)		
Top ten holders of the shares without subscription limitation			
Name of the shareholder	Amount of unconditional shares holding at the end of report term	Categories and amounts of shares	
		Categories	Amount
Shenzhen Banglin Technologies Development Co., Ltd.	68,774,273	RMB common shares	68,774,273
Liaoning Fangda Group Industry Co., Ltd.	30,765,226	RMB common shares	30,765,226
Shengjiu Investment Ltd.	21,339,867	Foreign shares placed in domestic exchange	21,339,867
Shenzhen Shilihe Investment Co., Ltd.	17,860,992	RMB common shares	17,860,992
Wang Shaolin	16,800,000	RMB common shares	16,800,000
Cao Yifan	3,337,465	Foreign shares placed in domestic exchange	3,337,465
Chen Lihong	2,305,365	Foreign shares placed in domestic exchange	2,305,365
Jianxi International Trust Co., Ltd. (Goldlion 199)	2,117,150	RMB common shares	2,117,150
China Merchants Securities Hong Kong Ltd.	1,754,465	Foreign shares placed in domestic exchange	1,754,465
Zhen Fan	1,568,014	Foreign shares placed in domestic exchange	1,568,014
Situations of the shareholders	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 Shenzhen Shilihe Investment Co., Ltd. are related parties. No other action-in-concert or related parties among the other holders of current shares.		

III. Material Events**(I) Material changes in accounting items and indicies**

[V] Applicable [] Not applicable

- Sellable financial assets increased by 69.75% by the end of period than that of the beginning, which was caused by the closing rate of Tianjin Magnetic Card stock has increased.
- Construction in process increased by 114.73%, which was caused by continuous increase of investment in PV curtain wall and PSD expanding projects.
- Notes receivable has increased by 177.12%, which was caused by enlarging of note payment portion.
- Wage payable has decreased by 43.22%, which was caused by delivering of annual bonus of 2011.
- Tax payable decreased by 31.17%, which was caused by clearing of corporation tax for 2011.
- Asset impairment loss has increased by RMB23.40 million, which was caused by suspending of Shenyang Fangda – one of the subsidiaries of the Company, and impairment provision has been provided.
- Net profit and earnings per share attributable to the owners of the parent company decreased by 65.36% and 71.43% respectively, which was caused by suspending of Shenyang Fangda – one of the subsidiaries of the Company, and impairment provision has been provided.

(II) Progress, influences, and solutions of material events**1. Non-standard opinions**

Applicable; Not applicable

2. Providing of capital to the controlling shareholder or related parties, or illegal providing of external guarantees

Applicable; Not applicable

3. Engaging and executing of material contracts

Applicable Not applicable

- (1) Angola International Airport project is progressing on schedule.
- (2) Shenzhen Airport T3 Tower curtain wall project is proceeding as scheduled by the contract;
- (3) Shenyang Xingmo'er Shopping Mall curtain wall project is proceeding as scheduled by the contract;
- (4) China ASEAN (Liuzhou) Industry Product Trade Center curtain wall project was on schedule according to the contract;
- (5) Shenzhen Zhongguanghe Building curtain wall project is proceeding according to the contract;
- (6) Jiangsu Xinhua Daily News Center project is proceeding according to the contract;
- (7) Dashi PSD project in Singapore is proceeding according to the contract;
- (8) The PSD project of Xi'an Metro Line No.1 is proceeding on schedule;
- (9) Wuhan Rail Line 2 phase I PSD system was on schedule;
- (10) Dalian Metro safe door system project was on schedule.
- (11) Dongguan City Express Railway Line R2 PSD system was on schedule.

4. Others

Applicable Not applicable

- (1) There isn't any shareholder holding over 30% of the Company's shares, thus no shareholders with over 30% of shareholding who has raised any plan to increase shareholding in the Company.
- (2) No dividend distribution implemented in the report period;
- (3) No investment in stock or derivate instruments in the report period;
- (4) No single sales, project construction, or service contract accounting for over 50% of the main business income of the Company, or absolute amount over RMB1 billion signed in the report period.
- (5) Progress of projects financed by public share issuing as of end of the report period: the PV curtain wall expanding project has been partially put into operation; and the PSD expanding project has partially been put into operation.

(III) Commitment issues made by the Company or shareholders holding over 5% of the shares, in the report period or carried down from previous period

Applicable; Not applicable

(IV) Prediction of business performance for 2012

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable Not applicable

Discription: significant delining at the same trend

Type of data filled for the prediction

Actual figures, Interval figures

	From the beginning of year to the end of next report period		Same period last year	Changed by (%)				
Predicted number of accumulative net profit (RMB0,000)	1,800	--	2,800	6,550	-- <input type="checkbox"/> increase <input type="checkbox"/> decrease	57.25%	--	72.52%
Basic earnings per share (Yuan/share)	0.02	--	0.04	0.09	-- <input type="checkbox"/> increase <input type="checkbox"/> decrease	55.56%	--	77.78%
Remarks on the prediction	It is predicted that the net profit and earnings per share will decline significantly, which are caused by suspending of Shenyang Fangda and its assets are disposed or provided impairment provision.							

(V) Other material events to be presented

1. Securities investment

Applicable; Not applicable

2. Investment in derivate instruments

Applicable; Not applicable

3. Derivate instruments in stock

Applicable; Not applicable

4 Reception of investigations, communications, or interviews

Time/date	Place	Way	Type of visitors	Visitors	Main content involved and material provided
July 1 to Sept 30 2012	Off site reception	Telephone communication	Individual	Public investor	Business operation and future development

5. Issuing of corporation bonds

Are there any corporation bonds issued

Yes No

IV. Attachement

(I) Financial Statements

Consolidated or not

Yes No Not applicable

All figures in the financial statements are in RMB Yuan except for otherwise stated.

1. Consolidated Balance Sheet

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Closing balance	Openning balance
Current asset:		
Monetary capital	231,324,881.91	324,780,350.77
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Notes receivable	6,388,506.26	6,303,353.88
Account receivable	705,621,010.81	664,333,498.11
Prepayment	28,609,221.83	25,444,369.81
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	156,201.25	201,961.11
Dividend receivable		
Other account receivable	64,553,636.34	53,412,523.94
Repurchasing of financial assets		
Inventories	248,022,513.27	254,419,907.08
Non-current asset due in 1 year		
Other current asset		
Total of current asset	1,284,675,971.67	1,328,895,964.70
Non-current assets		
Disburse of consigned loans		
Sellable financial asset	3,731,000.00	2,198,000.00
Expired investment in possess		
Long-term receivable		
Long-term share equity investment		
Investment real estates	272,079,961.47	277,705,949.35
Fixed assets	309,835,683.13	316,775,398.58
Construction in process	175,652,057.34	81,799,896.43
Engineering goods		
Fixed asset disposal	27,791.63	
Production physical assets		
Gas & petrol		
Intangible assets	107,155,352.29	110,599,955.27
R&D expense	917,883.63	914,683.63
Goodwill	8,197,817.29	8,197,817.29
Long-term amortizable expenses	2,768,146.00	2,600,195.30
Deferred income tax asset	33,788,704.38	33,637,737.59
Other non-current asset		
Total of non-current assets	914,154,397.16	834,429,633.44
Total of assets	2,198,830,368.83	2,163,325,598.14

Current liabilities		
Short-term loans	390,500,000.00	387,000,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Trade off financial liabilities		
Notes payable	108,236,397.25	39,058,058.47
Account payable	311,002,550.66	324,340,008.15
Prepayment received	103,123,545.45	124,950,664.78
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	11,602,816.82	20,432,966.02
Tax payable	28,220,948.68	41,002,265.87
Interest payable	522,340.08	780,979.73
Dividend payable		
Other account payable	46,885,976.90	36,783,207.38
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	1,000,094,575.84	974,348,150.40
Non-current liabilities		
Long-term borrowings		
Bond payable		
Long-term payable	8,400.00	14,700.00
Special payable		
Anticipated liabilities		288,000.00
Deferred income tax liability	35,128,159.33	32,597,637.16
Other non-recurring liabilities	3,915,000.00	4,020,000.00
Total of non-current liabilities	39,051,559.33	36,920,337.16
Total of liability	1,039,146,135.17	1,011,268,487.56
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	756,909,905.00	756,909,905.00
Capital reserves	81,721,075.55	80,479,493.92
Less: Shares in stock		
Special reserves		
Surplus reserves	24,676,077.16	24,676,077.16
Common risk provision		
Retained profit	230,156,241.94	211,777,968.57
Different of foreign currency translation		
Total of owner's equity belong to the parent company	1,093,463,299.65	1,073,843,444.65
Minor shareholders' equity	66,220,934.01	78,213,665.93
Total of owners' equity (or shareholders' equity)	1,159,684,233.66	1,152,057,110.58
Total of liability and shareholders' equity (or owners' equity)	2,198,830,368.83	2,163,325,598.14

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

2. Balance Sheet of the Parent Company

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	42,891,952.48	24,587,261.80
Transactional financial assets		
Notes receivable		
Account receivable	5,519,788.05	5,603,561.80
Prepayment	13,462.59	122,369.00
Interest receivable		
Dividend receivable	57,338,200.00	57,338,200.00
Other account receivable	260,215,825.33	265,169,612.63
Inventories		
Non-current asset due in 1 year		
Other current asset		
Total of current asset	365,979,228.45	352,821,005.23
Non-current assets		
Sellable financial asset	3,731,000.00	2,198,000.00
Expired investment in possess		
Long-term receivable		
Long-term share equity investment	659,733,745.58	659,733,745.58
Investment real estates	268,550,870.47	271,841,967.35
Fixed assets	66,517,031.95	57,299,884.44
Construction in process	1,087,832.96	298,019.24
Engineering goods		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	9,500,078.96	9,910,673.85
R&D expense		
Goodwill		
Long-term amortizable expenses		
Deferred income tax asset	13,746,396.95	14,415,297.03
Other non-current asset		
Total of non-current assets	1,022,866,956.87	1,015,697,587.49
Total of assets	1,388,846,185.32	1,368,518,592.72
Current liabilities		
Short-term loans	110,000,000.00	210,000,000.00
Trade off financial liabilities		
Notes payable		
Account payable	1,849,090.36	1,851,490.36
Prepayment received	693,045.60	693,045.60
Employees' wage payable	593,733.57	1,251,357.38

Tax payable	565,234.40	655,031.17
Interest payable	163,650.00	441,980.00
Dividend payable		
Other account payable	174,330,571.08	66,697,963.87
Non-current liability due in 1 year		
Other current liability		
Total of current liability	288,195,325.01	281,590,868.38
Non-current liabilities		
Long-term borrowings		
Bond payable		
Long-term payable		
Special payable		
Anticipated liabilities		
Deferred income tax liability	34,775,669.32	32,186,364.40
Other non-recurring liabilities		
Total of non-current liabilities	34,775,669.32	32,186,364.40
Total of liability	322,970,994.33	313,777,232.78
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	756,909,905.00	756,909,905.00
Capital reserves	42,320,420.17	41,078,838.54
Less: Shares in stock		
Special reserves		
Surplus reserves	24,676,077.16	24,676,077.16
Common risk provision		
Retained profit	241,968,788.66	232,076,539.24
Different of foreign currency translation		
Total of owners' equity (or shareholders' equity)	1,065,875,190.99	1,054,741,359.94
Total of liability and shareholders' equity (or owners' equity)	1,388,846,185.32	1,368,518,592.72

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

3. Income Statement (Consolidated) of the Report Period

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Total revenue	392,243,147.94	318,464,683.46
Incl. Business income	392,243,147.94	318,464,683.46
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	383,513,538.27	311,443,469.29
Incl. Business cost	330,006,121.51	263,253,380.35
Interest expense		
Fee and commission paid		
Insurance discharge payment		

Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	5,835,392.31	7,829,049.04
Sales expense	8,744,019.13	6,805,554.94
Administrative expense	29,667,331.12	27,066,517.01
Financial expenses	6,188,068.08	5,249,826.22
Asset impairment loss	3,072,606.12	1,239,141.73
Plus: gains from change of fair value (“-“ for loss)	-718,646.00	
Investment gains (“-“ for loss)		64,444.44
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operational profit (“-“ for loss)	8,010,963.67	7,085,658.61
Plus: non-operational income	1,349,495.45	1,096,590.77
Less: non-operational expenditure	2,224,662.95	1,856,153.56
Incl. Loss from disposal of non-current assets	50,216.24	1,771,989.50
IV. Gross profit (“-“ for loss)	7,135,796.17	6,326,095.82
Less: Income tax expenses	2,667,489.96	978,953.00
V. Net profit (“-“ for net loss)	4,468,306.21	5,347,142.82
Including: Net profit realized by the entity taken over before the takeover	0.00	0.00
Net profit attributable to the owners of parent company	5,734,975.97	6,956,948.06
Minor shareholders' equity	-1,266,669.76	-1,609,805.24
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.01	0.01
(II) Diluted earnings per share	0.01	0.01
VII. Other misc. incomes	1,244,250.00	-654,360.00
VIII. Total of misc. incomes	5,712,556.21	4,692,782.82
Total of misc. incomes attributable to the owners of the parent company	6,979,225.97	6,302,588.06
Total misc gains attributable to the minor shareholders	-1,266,669.76	-1,609,805.24

Merger of entities under common control, the net profit realized by the merged party was RMB0.00.

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

4. Income Statement (Parent Co.) of the Report Period

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Turnover	12,137,858.09	11,099,943.23
Less: Operation cost	3,088,736.06	3,119,008.62
Business tax and surcharge	868,692.11	1,272,146.25
Sales expense		297,014.75
Administrative expense	4,861,548.53	3,878,076.44
Financial expenses	619,098.10	431,914.62
Asset impairment loss	21,681.65	44,168.36

Plus: gains from change of fair value (“-“ for loss)		
Investment gains (“-“ for loss)		64,444.44
Incl. Investment gains from affiliates		
II. Operational profit (“-“ for loss)	2,678,101.64	2,122,058.63
Plus: Non business income	573,820.38	237,270.45
Less: Non-business expenses	15,111.16	
Incl. Loss from disposal of non-current assets	7,904.26	0.00
III. Total profit (“-“ for loss)	3,236,810.86	2,359,329.08
Less: Income tax expenses	325,403.54	288,804.45
IV. Net profit (“-“ for net loss)	2,911,407.32	2,070,524.63
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other misc gains	1,244,250.00	-654,360.00
VII. Total of integrated income	4,155,657.32	1,416,164.63

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

5. Income Statement (Consolidated) (Jan 1 – Sept. 30, 2012)

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Total revenue	921,532,745.74	897,619,077.14
Incl. Business income	921,532,745.74	897,619,077.14
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	911,649,803.23	845,882,922.46
Incl. Business cost	748,092,151.95	723,528,647.73
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	15,586,390.03	16,609,274.35
Sales expense	23,908,048.89	20,843,277.36
Administrative expense	85,563,558.46	73,291,821.99
Financial expenses	17,549,527.33	14,057,612.50
Asset impairment loss	20,950,126.57	-2,447,711.47
Plus: gains from change of fair value (“-“ for loss)	5,218,024.15	5,082,327.66
Investment gains (“-“ for loss)		79,786.91
Incl. Investment gains from affiliates		
Exchange gains (“-“ for loss)		
III. Operational profit (“-“ for loss)	15,100,966.66	56,898,269.25

Plus: non-operational income	4,504,489.95	6,558,391.41
Less: non-operational expenditure	2,644,968.16	2,446,027.51
Incl. Loss from disposal of non-current assets	184,637.43	2,019,855.86
IV. Gross profit (“-“ for loss)	16,960,488.45	61,010,633.15
Less: Income tax expenses	10,574,947.00	11,543,390.14
V. Net profit (“-“ for net loss)	6,385,541.45	49,467,243.01
Including: Net profit realized by the entity taken over before the takeover	0.00	0.00
Net profit attributable to the owners of parent company	18,378,273.37	53,051,646.32
Minor shareholders’ equity	-11,992,731.92	-3,584,403.31
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.02	0.07
(II) Diluted earnings per share	0.02	0.07
VII. Other misc. incomes	1,241,581.63	-680,960.00
VIII. Total of misc. incomes	7,627,123.08	48,786,283.01
Total of misc. incomes attributable to the owners of the parent company	19,619,855.00	52,370,686.32
Total misc gains attributable to the minor shareholders	-11,992,731.92	-3,584,403.31

No merger of entities under common control since the beginning of year till the end of report period, therefore the net profit contributed by the merged entity was RMB0.00.

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

6. Income Statement (Parent Co.) (Jan 1 – Sept. 30, 2012)

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Turnover	34,431,317.81	31,149,869.31
Less: Operation cost	7,819,214.48	8,270,327.13
Business tax and surcharge	2,669,802.44	2,469,488.78
Sales expense	-15,831.98	548,181.73
Administrative expense	13,975,126.09	13,670,769.26
Financial expenses	4,093,375.99	2,354,606.57
Asset impairment loss	144,538.88	-757,962.18
Plus: gains from change of fair value (“-“ for loss)	5,609,909.15	4,547,127.66
Investment gains (“-“ for loss)		64,444.44
Incl. Investment gains from affiliates		
II. Operational profit (“-“ for loss)	11,355,001.06	9,206,030.12
Plus: Non business income	1,483,991.16	698,639.72
Less: Non-business expenses	71,787.80	430,763.39
Incl. Loss from disposal of non-current assets	64,580.90	227,763.39
III. Total profit (“-“ for loss)	12,767,204.42	9,473,906.45
Less: Income tax expenses	2,874,955.00	1,928,361.74
IV. Net profit (“-“ for net loss)	9,892,249.42	7,545,544.71
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		

VI. Other misc gains	1,241,581.63	-680,960.00
VII. Total of integrated income	11,133,831.05	6,864,584.71

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

7. Cash Flow Statement (Consolidated)(Jan 1 – Sept. 30, 2012)

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	887,361,725.54	898,721,509.86
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		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	1,171,203.29	2,209,105.20
Other cash received from business operation	42,764,668.53	54,219,560.45
Sub-total of cash inflow from business activities	931,297,597.36	955,150,175.51
Cash paid for purchasing of merchandise and services	691,603,210.10	798,945,994.44
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 staffs or paid for staffs	95,077,032.09	68,955,283.56
Taxes paid	60,046,017.01	40,406,376.52
Other cash paid for business activities	88,968,655.57	108,229,476.16
Sub-total of cash outflow from business activities	935,694,914.77	1,016,537,130.68
Cash flow generated by business operation, net	-4,397,317.41	-61,386,955.17
II. Cash flow generated by investing		
Cash received from investment retrieving	0.00	
Cash received as investment profit	0.00	79,786.91
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	7,678,900.00	1,675,131.72
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	3,817,823.94	3,280,000.00
Sub-total of cash inflow due to investment activities	11,496,723.94	5,034,918.63
Cash paid for construction of fixed assets, intangible assets and other long-term assets	90,524,758.39	44,230,339.39
Cash paid as investment		

Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	3,177,396.89	1,522,838.00
Sub-total of cash outflow due to investment activities	93,702,155.28	45,753,177.39
Net cash flow generated by investment	-82,205,431.34	-40,718,258.76
III. Cash flow generated by financing		
Cash received as investment		
Incl. Cash received as investment from minor shareholders		
Cash received as loans	499,500,000.00	397,000,000.00
Cash received from bond placing		
Other financing-related cash received		
Subtotal of cash inflow from financing activities	499,500,000.00	397,000,000.00
Cash to repay debts	496,000,000.00	391,000,000.00
Cash paid as dividend, profit, or interests	20,606,713.20	16,310,680.84
Incl. Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	15,150,000.00	231,723.62
Subtotal of cash outflow due to financing activities	531,756,713.20	407,542,404.46
Net cash flow generated by financing	-32,256,713.20	-10,542,404.46
IV. Influence of exchange rate alternation on cash and cash equivalents	17,490.43	-8,502.08
V. Net increase of cash and cash equivalents	-118,841,971.52	-112,656,120.47
Plus: Balance of cash and cash equivalents at the beginning of term	300,177,008.78	468,878,715.15
VI. Balance of cash and cash equivalents at the end of term	181,335,037.26	356,222,594.68

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

8. Cash Flow Statement (Parent Co.)(Jan 1 – Sept. 30, 2012)

Prepared by China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Net cash flow from business operation		
Cash received from sales of products and providing of services	27,265,517.56	29,722,935.07
Tax returned	0.00	
Other cash received from business operation	3,605,331.18	2,569,974.13
Sub-total of cash inflow from business activities	30,870,848.74	32,292,909.20
Cash paid for purchasing of merchandise and services	9,276,770.26	9,000,228.51
Cash paid to staffs or paid for staffs	6,820,862.33	5,833,785.14
Taxes paid	3,187,806.16	2,919,027.80
Other cash paid for business activities	7,989,149.19	8,750,019.01
Sub-total of cash outflow from business activities	27,274,587.94	26,503,060.46
Cash flow generated by business operation, net	3,596,260.80	5,789,848.74
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment profit		28,634,444.44
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	900.00	8,040.00
Net cash received from disposal of subsidiaries or other operational units		

Other investment-related cash received		
Sub-total of cash inflow due to investment activities	900.00	28,642,484.44
Cash paid for construction of fixed assets, intangible assets and other long-term assets	3,324,945.00	1,319,780.00
Cash paid as investment		1,000,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	249,000.00	
Sub-total of cash outflow due to investment activities	3,573,945.00	2,319,780.00
Net cash flow generated by investment	-3,573,045.00	26,322,704.44
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	238,029,774.94	169,431,662.40
Cash received from bond placing		
Other financing-related cash received		
Subtotal of cash inflow from financing activities	238,029,774.94	169,431,662.40
Cash to repay debts	210,000,000.00	200,000,000.00
Cash paid as dividend, profit, or interests	9,557,400.00	8,202,492.50
Other cash paid for financing activities	200,000.00	231,723.62
Subtotal of cash outflow due to financing activities	219,757,400.00	208,434,216.12
Net cash flow generated by financing	18,272,374.94	-39,002,553.72
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	18,295,590.74	-6,890,000.54
Plus: Balance of cash and cash equivalents at the beginning of term	24,337,261.80	30,252,759.44
VI. Balance of cash and cash equivalents at the end of term	42,632,852.54	23,362,758.90

Legal representative: Xiong Jianming CFO: Lin Keping Accounting Manager: Chen Yonggang

(II) Auditors' Report

Auditors' Opinion	Not audited
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China Fangda Group Co., Ltd.

October 31, 2012