



**China Fangda Group Co., Ltd.**

**2014 Third Quarter Report**

**October 2014**

## 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. Chen Yonggang, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.

## II Financial Highlight and Changes in Shareholders

### 1. Financial Highlight

The Company retroactively adjusts or restates financial statistics of the previous years because of changes in account policies and correction of accounting errors.

Yes  No

	End of the report period	End of last year	Year-on-year change	
Total asset (RMB)	3,504,823,683.92	2,599,557,542.57	34.82%	
Net profit attributable to the shareholders of the listed company (RMB)	1,197,232,829.31	1,160,639,730.85	3.15%	
	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)	500,074,083.72	13.23%	1,322,866,822.74	12.25%
Net profit attributable to shareholders of the listed company (yuan)	18,530,437.37	6.79%	59,300,395.61	4.56%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	14,035,814.91	-15.40%	53,705,363.29	-0.88%
Net cash flow generated by business operation (RMB)	--	--	-354,082,741.68	-1,918.86%
Basic earnings per share (yuan/share)	0.03	50.00%	0.08	14.29%
Diluted Earnings per share (yuan/share)	0.03	50.00%	0.08	14.29%
Weighted average net income/asset ratio	1.56%	0.05%	5.05%	-0.03%

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 for which assets impairment provision is made)	-1,339,032.85	
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)	1,516,299.51	
Gain from entrusted investment or assets management	630,009.86	Earns from financial products purchased
Gain/loss from change of fair value of transactional financial 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	2,279,889.00	
Other non-business income and expenditures other than the above	1,918,197.11	
Other gain/loss items satisfying the definition of non-recurring gain/loss account	1,381,539.13	Gains from reverse repurchase of treasury bonds
Less: Influenced amount of income tax	787,738.59	
Influenced amount of minority shareholders' equity (after-tax)	4,130.85	
Total	5,595,032.32	--

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

Items	Amount	Reason
Gains from reverse repurchase of treasury bonds	1,381,539.13	Gains from reverse repurchase of treasury bonds
Tax refunded related to software products	1,037,017.17	It is related to the Company's business. The amount is refunded to the Company according to the tax rate provided by the taxation administration.

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

### (1) Total number of common shareholders and shareholding of top 10 common shareholders by the end of the report period

	In share
Number of shareholders of common shares at the end of the report period	46,740
Top 10 Shareholders of Common Shares	

Shareholder	Properties of shareholder	Shareholding	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	9.09%	68,774,273	0	Pledged	32,510,000
Shengjiu Investment Ltd.	Foreign legal person	4.75%	35,929,581	0		
Huang Jupei	Domestic natural person	4.20%	31,801,000	0		
Zhou Shijian	Domestic natural person	2.79%	21,123,481	0		
Shenzhen Shilihe Investment Co., Ltd.	Domestic non-state legal person	2.36%	17,860,992	0		
Zhao Bing	Domestic natural person	2.34%	17,699,000	0		
Wang Shaolin	Domestic natural person	1.82%	13,792,932	0		
Bank of Communication – Huaan Chuangxin Securities Investment Fund	Others	1.79%	13,555,026	0		
Jiang Jing	Domestic natural person	1.41%	10,635,440	0		
Harvest Fund – CCB - Ping An Life Insurance Company of China	Others	0.66%	5,029,358	0		
Top 10 shareholders of unconditional common shares						
Shareholder	Amount of unconditional common shares	Category of shares				
		Category of shares	Amount			
Shenzhen Banglin Technologies Development Co., Ltd.	68,774,273	RMB common shares	68,774,273			
Shengjiu Investment Ltd.	35,929,581	Foreign shares listed in domestic exchanges	35,929,581			

Huang Jupei	31,801,000	RMB common shares	31,801,000
Zhou Shijian	21,123,481	RMB common shares	21,123,481
Shenzhen Shilihe Investment Co., Ltd.	17,860,992	RMB common shares	17,860,992
Zhao Bing	17,699,000	RMB common shares	17,699,000
Wang Shaolin	13,792,932	RMB common shares	13,792,932
Bank of Communication – Huaan Chuangxin Securities Investment Fund	13,555,026	RMB common shares	13,555,026
Jiang Jing	10,635,440	RMB common shares	10,635,440
Harvest Fund – CCB - Ping An Life Insurance Company of China	5,029,358	RMB common shares	5,029,358
Notes to top ten shareholder relationship or "action in concert"	Among the 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. The Company is not notified of other action-in-concert or related parties among the other holders of current shares.		
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Huang Jupei holds 31,800,000 stocks of the Company through the GF securities customer credit transaction guarantee securities account; Zhou Shijian holds 21,123,481 stocks of the Company through the GF securities customer credit transaction guarantee securities account; Zhao Bing holds 17,699,000 stocks of the Company through the Everbright Securities customer credit transaction guarantee securities account.		

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 is performed by the Company's shareholders 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 amount	Opening amount	Change	Cause of change
Prepayment	53,882,784.90	28,364,016.21	89.97%	Caused by increase in prepaid material fees for construction in progress
Inventory	864,763,972.63	428,537,851.82	101.79%	Caused in increase in investment of the Fangda Town renovation project which has entered the development stage
Goodwill	25,322,869.47	-	-	Caused by acquiring Guangdong SOZN
Other non-current assets	33,656,151.10	15,978,789.90	110.63%	House prepayment to Tianjin Wanda Center Investment Company
Short-term loans	1,030,000,000.00	369,000,000.00	179.13%	Additional financing demand
Account payable	707,401,426.32	489,216,140.32	44.60%	Fangda Town land transfer payment unpaid
Prepayment received	99,222,201.22	168,386,251.94	-41.07%	Transfer of received engineering payment into income
Employees' wage payable	18,479,501.68	30,182,851.80	-38.77%	2013 bonus paid
Other payables	79,295,904.90	41,687,580.72	90.21%	Increase in bidding deposit received
Items	Amount of the Current Term	Same period last year	Change	Cause of change
Asset impairment loss	10,104,141.91	14,625,807.80	-30.92%	Caused by increase in previous receivable collected
Non-operating revenue	5,679,197.28	4,196,811.56	35.32%	Increase in governmental subsidy
Non-business expenses	2,546,716.34	992,003.35	156.72%	Caused by increase in disposal of long-term asset losses
Income tax	7,021,212.14	12,371,750.46	-43.25%	Decrease in deferred income tax
Other cash received from business operation	70,054,311.35	38,275,896.85	83.02%	Increase in bidding deposit received
Cash paid for purchasing products and services	1,297,947,089.10	941,055,438.35	37.92%	Caused in increase in development expenditure of the Fangda Town renovation project which has entered the development stage
Cash paid to and for the staff	160,019,118.12	121,844,649.34	31.33%	Increase in staff remuneration
Cash received from	100,000,000.00	20,000,000.00	400.00%	Increase in maturity of financial

investment recovery				products
Cash flows generated by operating activities, net	-358,608,957.87	19,467,237.44	-1942.12%	Caused by increase in the development expenditure of Fangda Town renovation project and delay in collection of accounts receivable
Cash paid for construction of fixed assets, intangible assets and other long-term assets	28,385,573.09	41,497,821.99	-31.60%	Increase in payment of long-term asset investment
Cash paid as investment	116,340,675.00	21,000,000.00	454.00%	Purchase of financial products and investment in Sino Oil and Gas Holdings Ltd
Cash received from borrowed loans	944,000,000.00	100,000,000.00	844.00%	Additional financing demand
Cash paid to repay debts	283,000,000.00	110,000,000.00	157.27%	Repayment of short-term borrowing
Cash paid as dividend, profit, or interests	52,661,058.83	30,971,678.77	70.03%	Increase in paid interest fee due to increase in short-term borrowing

The Ministry of Financial has issued or amended the Enterprise Accounting Standard No.2 – Long-term Stock Investment, Enterprise Accounting Standard No.9 – Staff Remuneration, Enterprise Accounting Standard No.30 – Presentation of Financial Statements, Enterprise Accounting Standard No.33 – Consolidate Financial Statements, Enterprise Accounting Standard No.39 – Measurement of Fair Value, Enterprise Accounting Standard No.40 – Joint Venue Arrangement, Enterprise Accounting Standard No.41 – Disclosure of Interest in Other Entities, Enterprise Accounting Standard No.37 – Presentation of Financial Tools, of which seven standards have been implemented since July 1, 2014. Changes to the above-mentioned financial standards have no major impact on the Company’s consolidated financial statements.

#### (1) Long-term share equity investment

1. According to the amended Enterprise Accounting Standard No.2 – Long-term Stock Investment, the Company has no following circumstances. Consolidated financial statements are not affected and no retroactive adjustment is needed:

Impose substantial influence on invested entities or implement joint control due to increase in investment;

(2) Lose joint control or substantial influence on invested entities due to disposal of part of investment

2. According to the amended long-term stock investment standard, the Company has calculated the investment in Shenzhen Ganshang Joint Investment Co., Ltd. using the interest method. The change in the owner’s interest in the invested entity is a change in the net gain/loss rather than other owner’s interest change other than comprehensive income and profit allocation. The change has no impact on the consolidated financial statements and no retroactive adjustment is needed.

#### (2) Retirement pension program

The Company has re-evaluated the staff remuneration according to the amended *Enterprise Accounting Standard No.9 – Staff Remuneration* and no problem has been found in the benefit program and other long-term



staff remuneration. Therefore, the change has no impact on the consolidated financial statements and no retroactive adjustment is needed.

(3) Consolidation scope

The Company has re-evaluated the scope of consolidated financial statements according to the *Enterprise Accounting Standard No.33 – Consolidated Financial Statements* and no change has been found to the consolidation scope according to the standard. Therefore, the change has no impact on the consolidated financial statements and no retroactive adjustment is needed.

(4) Joint venture arrangement

According to *Enterprise Accounting Standard No.40 – Joint Venue Arrangement*, the Company has no joint venture arrangement of any form. Therefore, the change has no impact on the consolidated financial statements and no retroactive adjustment is needed.

(5) Impacts of other standard changes

In addition to the above-mentioned items, there is no impact on the Company's financial statements caused by new or amended enterprise accounting standards.

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

Applicable  Inapplicable

### 1. Progress of Fangda Town renovation project

The Fangda Town renovation project undertaken by Shenzhen Fangda Property Development Co., Ltd., a wholly-owned subsidiary of the Company, has been proceeded as scheduled since commencement on May 18 this year. The project will complete by the end of this year.

### 2. Business progress of Shenzhen Fangda New Energy Co., Ltd.:

No.	Progress	Date of announcement	Announcement	Media of disclosure
1	Fangda New Energy and Luo Huichi (natural person) entered into an agreement to acquire a LED company controlled by Luo	July 22, 2014	Announcement on Acquiring Zhongshan SOZN Lighting Co., Ltd. and LED Lighting Business of Its Affiliates	<i>China Securities Journal, Shanghai Securities Daily, Securities Times,</i> <i>HKCD</i> and www.cninfo.com.cn
2	The Company and Shenzhen BOC signed a strategic cooperation framework agreement.	July 23, 2014	Announcement of the Strategic Cooperation Agreement entered into between the Company and Shenzhen BOC	
3	the Company entered into the new energy PV project cooperation framework agreement with Information Industry Electronics 11 <sup>th</sup> Design Institute Sci & Tech Engineering Co., Ltd.	August 14, 2014	Announcement of Signing the New Energy PV Project Cooperation Framework Agreement	

### 3. Commitments of shareholders with over 5% of shares made in the report term or carried over from previous terms

Applicable  Inapplicable

The Company and shareholders with more than 5% stakes in the Company made no guarantee in the report period or before report period but remaining effective in the report period.

#### 4. Forecast of operating performance in 2014

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

Securities	Code	Abbreviation	Initial investment cost	Number of shares held at beginning of the period (share)	Opening shareholding	Number of shares held at end of the period (share)	Closing shareholding	Closing book value (RMB)	Gain/loss (RMB)	Accounting item	Source
Stock	(HK) 00702	Sino Oil and Gas Holdings Ltd	16,263,675.00	0	0.00%	100,000,000	0.66%	18,543,564.00	2,279,889.00	Transactional financial assets	Purchase
Total			16,263,675.00	0	--	100,000,000	--	18,543,564.00	2,279,889.00	--	--
Disclosure date of approval by the Board of Directors of securities investment			None								
Disclosure date of securities investment approval by the Shareholders' Meeting (if any)			None								

Notes to shareholding in other listed companies

Applicable  Inapplicable

The Company holds no stock of other list companies 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	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	None	No	Shanghai aluminum	1,459.21	May 5, 2014	July 23, 2014	0	0	0	0.00%	21.94
Total				1,459.21	--	--	0	0	0	0.00%	21.94
Capital source				Self-owned fund							
Lawsuit (if any)				Inapplicable							
Disclosure date of derivative investment approval by the Board of Directors (if any)				None							
Disclosure date of derivative investment approval by the Shareholders' Meeting (if any)				None							
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.				The fair value of the derivative should be calculated with the open quotation of the futures market and should be reviewed regularly to ensure effective hedging.							
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period				No							
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	Place	Way	Visitor	Visitor	Main content involved and materials provided
September 3, 2014	Shenzhen	Onsite investigation	Institution	Hong Yuan Securities	Business and future development

## IV Financial Statements

### 1. Financial statements

#### 1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Closing balance	Ending balance
Current asset:		
Monetary capital	571,439,392.82	333,876,921.97
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account	18,543,564.00	
Notes receivable	25,394,667.10	21,898,770.43
Account receivable	1,031,801,555.08	898,780,981.93
Prepayment	53,882,784.90	28,364,016.21
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		36,387.50
Dividend receivable		
Other receivables	61,753,786.13	66,298,730.17
Repurchasing of financial assets		
Inventory	864,763,972.63	428,537,851.82
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	9,622,154.59	
Total current assets	2,637,201,877.25	1,777,793,660.03
Non-current assets:		
Disburse of consigned loans		
Sellable financial assets		

Investment held until mature		
Long-term receivable		
Long-term share equity investment	9,897,005.88	9,994,565.55
Investment real estate	189,280,840.99	195,249,069.13
Fixed assets	461,739,619.77	462,930,269.98
Construction in process	282,151.59	940,841.00
Engineering materials		
Disposal of fixed assets	32,625.31	177,298.11
Productive biological assets		
Gas & petrol		
Intangible assets	94,807,737.66	91,527,650.52
R&D expense		
Goodwill	25,322,869.47	
Long-term amortizable expenses	4,119,165.99	3,799,354.79
Deferred income tax assets	48,483,638.91	41,166,043.56
Other non-current assets	33,656,151.10	15,978,789.90
Total of non-current assets	867,621,806.67	821,763,882.54
Total of assets	3,504,823,683.92	2,599,557,542.57
Current liabilities		
Short-term loans	1,030,000,000.00	369,000,000.00
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		
Notes payable	194,163,378.47	188,570,850.63
Account payable	707,401,426.32	489,216,140.32
Prepayment received	99,222,201.22	168,386,251.94
Selling of repurchased financial assets		
Fees and commissions payable		
Employees' wage payable	18,479,501.68	30,182,851.80
Taxes payable	59,656,349.92	44,839,947.77

Interest payable	1,092,483.32	689,153.75
Dividend payable		
Other payables	79,295,904.90	41,687,580.72
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		
Other current liabilities		
Total current liabilities	2,189,311,245.83	1,332,572,776.93
Non-current liabilities:		
Long-term loans		
Bond payable		
Long-term payable		
Special payables		
Anticipated liabilities		
Deferred income tax liabilities	40,930,880.10	40,656,763.97
Other non-current liabilities	10,107,506.78	10,255,823.93
Total of non-current liabilities	51,038,386.88	50,912,587.90
Total liabilities	2,240,349,632.71	1,383,485,364.83
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	756,909,905.00	756,909,905.00
Capital reserves	79,191,052.01	79,191,052.01
Less: Shares in stock		
Special reserves		
Surplus reserves	46,389,142.21	46,389,142.21
Common risk provisions		
Retained profit	314,742,730.09	278,149,631.63
Difference caused by translation of foreign currency statements		
Total of owner's equity belong to the parent company	1,197,232,829.31	1,160,639,730.85

Minor shareholders' equity	67,241,221.90	55,432,446.89
Total of owners' equity (or shareholders' equity)	1,264,474,051.21	1,216,072,177.74
Total of liability and owners' equity (or shareholders' equity)	3,504,823,683.92	2,599,557,542.57

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Chen Yonggang

## 2. Balance Sheet of the Parent Company

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Closing balance	Ending balance
Current asset:		
Monetary capital	220,495,414.35	68,223,808.76
Financial assets measured at fair value with variations accounted into current income account		
Notes receivable		
Account receivable	604,459.49	604,459.49
Prepayment	33,962.26	218,984.07
Interest receivable		
Dividend receivable		39,356,000.00
Other receivables	531,945,499.80	571,620,659.73
Inventory		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	702,381.34	
Total current assets	753,781,717.24	680,023,912.05
Non-current assets:		
Sellable financial assets		
Investment held until mature		
Long-term receivable		
Long-term share equity investment	944,692,404.46	719,728,311.13
Investment real estate	163,615,954.05	174,778,756.62
Fixed assets	59,820,539.50	48,117,849.19
Construction in process		914,126.00



Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	2,044,102.48	1,351,845.98
R&D expense		
Goodwill		
Long-term amortizable expenses	68,586.18	50,314.43
Deferred income tax assets	14,135,469.08	12,342,430.37
Other non-current assets		
Total of non-current assets	1,184,377,055.75	957,283,633.72
Total of assets	1,938,158,772.99	1,637,307,545.77
Current liabilities		
Short-term loans	300,000,000.00	104,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Notes payable		
Account payable	606,941.85	1,849,090.36
Prepayment received	693,045.60	798,586.70
Employees' wage payable	829,075.23	1,881,681.86
Taxes payable	532,069.16	260,761.30
Interest payable	350,833.33	193,930.00
Dividend payable		
Other payables	328,098,942.12	192,765,065.68
Liabilities held for sales		
Non-current liabilities due in 1 year		
Other current liabilities		
Total current liabilities	631,110,907.29	301,749,115.90
Non-current liabilities:		
Long-term loans		
Bond payable		
Long-term payable		
Special payables		

Anticipated liabilities		
Deferred income tax liabilities	88,889,490.39	88,615,374.26
Other non-current liabilities		
Total of non-current liabilities	88,889,490.39	88,615,374.26
Total liabilities	720,000,397.68	390,364,490.16
Owners' equity (or shareholders' equity)		
Capital paid in (or share capital)	756,909,905.00	756,909,905.00
Capital reserves	38,690,396.63	38,690,396.63
Less: Shares in stock		
Special reserves		
Surplus reserves	46,389,142.21	46,389,142.21
Common risk provisions		
Retained profit	376,168,931.47	404,953,611.77
Difference caused by translation of foreign currency statements		
Total of owners' equity (or shareholders' equity)	1,218,158,375.31	1,246,943,055.61
Total of liability and owners' equity (or shareholders' equity)	1,938,158,772.99	1,637,307,545.77

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

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

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Total revenue	500,074,083.72	441,652,030.98
Incl. Business income	500,074,083.72	441,652,030.98
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	486,029,695.50	422,049,826.39
Incl. Business cost	420,426,989.66	363,673,640.07
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	4,107,536.30	5,643,697.09
Sales expense	10,522,482.95	9,467,499.65
Administrative expense	41,082,991.15	31,529,238.86
Financial expenses	4,652,738.11	5,135,374.03
Asset impairment loss	5,236,957.33	6,600,376.69
Plus: gains from change of fair value (“-“ for loss)	2,279,889.00	
Investment gains (“-“ for loss)	944,870.82	233,972.60
Incl. Investment gains from affiliates and joint ventures	-55,752.10	
Exchange gains (“-“ for loss)		
3. Operational profit (“-“ for loss)	17,269,148.04	19,836,177.19
Plus: non-operational income	2,637,678.88	1,692,109.82
Less: non-operational expenditure	484,813.06	319,704.19
Incl. Loss from disposal of non-current assets	2,602.43	4,725.37
4. Gross profit (“-“ for loss)	19,422,013.86	21,208,582.82
Less: Income tax expenses	2,658,308.60	4,575,842.04
5. Net profit (“-“ for net loss)	16,763,705.26	16,632,740.78
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	18,530,437.37	17,352,459.65
Minor shareholders' equity	-1,766,732.11	-719,718.87
6. Earnings per share:	--	--

(1) Basic earnings per share	0.03	0.02
(2) Diluted earnings per share	0.03	0.02
7. Other misc. incomes	-35,700.00	
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied	-35,700.00	
8. Total of misc. incomes	16,728,005.26	16,632,740.78
Total of misc. incomes attributable to the owners of the parent company	18,494,737.37	17,352,459.65
Total misc gains attributable to the minor shareholders	-1,766,732.11	-719,718.87

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Chen Yonggang

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

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Turnover	7,642,085.27	11,457,016.90
Less: Operation cost	1,677,315.63	3,216,944.02
Business tax and surcharge	616,462.21	836,566.81
Sales expense		
Administrative expense	5,705,314.37	5,461,079.65
Financial expenses	2,882,171.63	4,831,460.14
Asset impairment loss	9,157.18	21,501.47
Plus: gains from change of fair value (“-“ for loss)		0.00
Investment gains (“-“ for loss)	29,617.76	0.00
Incl. Investment gains from affiliates and joint ventures	-55,752.10	0.00
2. Operational profit (“-“ for loss)	-3,206,528.18	-2,910,535.19
Plus: non-operational income	470,029.19	41,918.34

Less: non-operational expenditure	199,914.53	61,631.00
Incl. Loss from disposal of non-current assets		1,631.00
3. Gross profit (“-“ for loss)	-2,936,413.52	-2,930,247.85
Less: Income tax expenses	-418,160.91	-323,215.06
4. Net profit (“-“ for net loss)	-2,518,252.61	-2,607,032.79
5. Earnings per share:	--	--
(1) Basic earnings per share		
(2) Diluted earnings per share		
6. Other misc. incomes		
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
7. Total of misc. incomes	-2,518,252.61	-2,607,032.79

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

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

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Total revenue	1,322,866,822.74	1,178,480,070.86
Incl. Business income	1,322,866,822.74	1,178,480,070.86
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	1,267,180,886.26	1,115,378,320.92
Incl. Business cost	1,088,874,433.97	948,167,460.51
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	15,465,996.01	19,276,935.18
Sales expense	28,767,603.81	27,082,486.74
Administrative expense	108,268,494.31	88,876,734.26
Financial expenses	15,700,216.25	17,348,896.43
Asset impairment loss	10,104,141.91	14,625,807.80
Plus: gains from change of fair value (“-“ for loss)	2,279,889.00	
Investment gains (“-“ for loss)	1,913,989.32	233,972.60
Incl. Investment gains from affiliates and joint ventures	-97,559.67	
Exchange gains (“-“ for loss)		
3. Operational profit (“-“ for loss)	59,879,814.80	63,335,722.54
Plus: non-operational income	5,679,197.28	4,196,811.56
Less: non-operational expenditure	2,546,716.34	992,003.35
Incl. Loss from disposal of non-current assets	1,572,509.10	174,448.90
4. Gross profit (“-“ for loss)	63,012,295.74	66,540,530.75
Less: Income tax expenses	7,021,212.14	12,371,750.46
5. Net profit (“-“ for net loss)	55,991,083.60	54,168,780.29
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	59,300,395.61	56,714,053.07
Minor shareholders' equity	-3,309,312.01	-2,545,272.78
6. Earnings per share:	--	--
(1) Basic earnings per share	0.08	0.07

(2) Diluted earnings per share	0.08	0.07
7. Other misc. incomes		
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
8. Total of misc. incomes	55,991,083.60	54,168,780.29
Total of misc. incomes attributable to the owners of the parent company	59,300,395.61	56,714,053.07
Total misc gains attributable to the minor shareholders	-3,309,312.01	-2,545,272.78

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

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

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Turnover	21,974,339.52	35,037,418.48
Less: Operation cost	3,806,918.59	7,959,134.09
Business tax and surcharge	1,795,575.87	2,666,384.63
Sales expense		0.00
Administrative expense	17,022,158.29	15,842,714.14
Financial expenses	8,247,166.15	6,918,105.00
Asset impairment loss	-44,002.40	36,319.22
Plus: gains from change of fair value ("-" for loss)		
Investment gains ("-" for loss)	-12,189.81	
Incl. Investment gains from affiliates and joint ventures	-97,559.67	
2. Operational profit ("-" for loss)	-8,853,476.98	1,614,761.40
Plus: non-operational income	1,796,297.93	1,066,929.44
Less: non-operational expenditure	526,936.87	434,879.83

Incl. Loss from disposal of non-current assets	125,522.34	35,916.02
3. Gross profit (“-“ for loss)	-7,584,115.92	2,246,811.01
Less: Income tax expenses	-1,518,922.58	671,224.93
4. Net profit (“-“ for net loss)	-6,065,193.34	1,575,586.08
5. Earnings per share:	--	--
(1) Basic earnings per share		
(2) Diluted earnings per share		
6. Other misc. incomes		
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
7. Total of misc. incomes	-6,065,193.34	1,575,586.08

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

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

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	1,168,322,724.05	1,188,588,557.12
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 refunded	889,173.36	1,402,551.72
Other cash received from business operation	70,054,311.35	38,275,896.85
Sub-total of cash inflow from business operations	1,239,266,208.76	1,228,267,005.69
Cash paid for purchasing products and services	1,297,947,089.10	941,055,438.35
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	160,019,118.12	121,844,649.34
Taxes paid	64,990,093.66	57,147,153.49
Other cash paid for business activities	74,918,865.75	88,752,527.07
Sub-total of cash outflow from business operations	1,597,875,166.63	1,208,799,768.25
Cash flow generated by business operations, net	-358,608,957.87	19,467,237.44
2. Cash flow generated by investment:		
Cash received from investment recovery	100,000,000.00	20,000,000.00

Cash received as investment profit	2,015,277.59	233,972.60
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,579,733.50	230,729.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	133,500.00	1,401,800.10
Sub-total of cash inflow generated from investment	106,728,511.09	21,866,501.70
Cash paid for construction of fixed assets, intangible assets and other long-term assets	28,385,573.09	41,497,821.99
Cash paid as investment	116,340,675.00	21,000,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units	-9,844,140.31	
Other cash paid for investment	270,500.00	2,023,903.10
Subtotal of cash outflows	135,152,607.78	64,521,725.09
Cash flow generated by investment activities, net	-28,424,096.69	-42,655,223.39
3. Cash flow generated by financing activities:		
Cash received from investment		
Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	944,000,000.00	100,000,000.00
Cash received from bond placing		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	944,000,000.00	100,000,000.00
Cash paid to repay debts	283,000,000.00	110,000,000.00
Cash paid as dividend, profit, or interests	52,661,058.83	30,971,678.77
Incl. Dividend and profit paid by		

subsidiaries to minority shareholders		
Other cash paid for financing activities	156,090.75	131,621.53
Subtotal of cash outflow from financing activities	335,817,149.58	141,103,300.30
Net cash flow generated by financing activities	608,182,850.42	-41,103,300.30
4. Influence of exchange rate changes on cash and cash equivalents	664,894.09	-7.06
5. Net increase in cash and cash equivalents	221,814,689.95	-64,291,293.31
Plus: Balance of cash and cash equivalents at the beginning of term	285,237,255.38	240,167,372.86
6. Balance of cash and cash equivalents at the end of the period	507,051,945.33	175,876,079.55

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Chen Yonggang

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

Prepared by: China Fangda Group Co., Ltd.

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	18,385,573.41	26,341,564.44
Tax refunded		
Other cash received from business operation	1,132,208,446.25	499,639,535.86
Sub-total of cash inflow from business operations	1,150,594,019.66	525,981,100.30
Cash paid for purchasing products and services	4,594,088.02	9,654,563.50
Cash paid to and for the staff	11,592,919.43	9,712,788.14
Taxes paid	2,107,786.71	3,460,417.50
Other cash paid for business activities	1,128,883,942.80	346,256,016.42
Sub-total of cash outflow from business	1,147,178,736.96	369,083,785.56

operations		
Cash flow generated by business operations, net	3,415,282.70	156,897,314.74
2. Cash flow generated by investment:		
Cash received from investment recovery	20,000,000.00	
Cash received as investment profit	39,441,369.86	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	171,007,300.50	729.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	230,448,670.36	729.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,269,764.57	192,948.50
Cash paid as investment	245,061,653.00	41,000,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	246,331,417.57	41,192,948.50
Cash flow generated by investment activities, net	-15,882,747.21	-41,192,219.50
3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans	396,000,000.00	15,000,000.00
Cash received from bond placing		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	396,000,000.00	15,000,000.00
Cash paid to repay debts	200,000,000.00	90,000,000.00
Cash paid as dividend, profit, or	31,127,433.82	28,574,895.10

interests		
Other cash paid for financing activities	156,090.75	131,621.53
Subtotal of cash outflow from financing activities	231,283,524.57	118,706,516.63
Net cash flow generated by financing activities	164,716,475.43	-103,706,516.63
4. Influence of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	152,249,010.92	11,998,578.61
Plus: Balance of cash and cash equivalents at the beginning of term	67,973,808.76	25,540,604.84
6. Balance of cash and cash equivalents at the end of the period	220,222,819.68	37,539,183.45

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

## 2. Auditor's report

Whether the Q3 report is audited

 Yes  No

The Q3 Report is not audited.