

**China Fangda Group Co., Ltd.**  
**2015 Third Quarter Report**

**October 2015**

## 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.

Directors other than the following ones have attended the Board meeting to review the quarterly report.

Name of absent director	Position of absent director	Reason	Name of proxy
Guo Wanda	Independent director	Business engagement	Huang Yaying

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)	4,452,270,338.77	3,662,719,900.41	21.56%	
Net profit attributable to the shareholders of the listed company (RMB)	1,283,779,156.07	1,234,930,863.46	3.96%	
	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)	692,471,803.42	38.47%	1,842,587,326.95	39.29%
Net profit attributable to shareholders of the listed company (yuan)	20,237,940.89	9.21%	71,555,589.76	20.67%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	543,165.95	-96.13%	36,030,218.35	-32.30%
Net cash flow generated by business operation (RMB)	--	--	-363,986,462.96	
Basic earnings per share (yuan/share)	0.027	12.50%	0.095	21.79%
Diluted Earnings per share (yuan/share)	0.027	12.50%	0.095	21.79%
Weighted average net income/asset ratio	1.62%	0.06%	5.66%	0.61%

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)	-476,368.96	
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)	867,111.79	
Gain from entrusted investment or assets management	305,106.85	
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	542,980.00	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	58,255,835.22	
Other non-business income and expenditures other than the above	-10,206,457.42	
Less: Influenced amount of income tax	13,473,169.87	
Influenced amount of minority shareholders' equity (after-tax)	289,666.20	
Total	35,525,371.41	--

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) 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		50,213				
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	68,774,273	Pledged	57,769,900
Shengjiu Investment Ltd.	Foreign legal person	6.15%	46,569,330	46,569,330		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	4.46%	33,792,702	33,792,702		
NCF- China Minsheng Bank – Zhongke Jiutai No.1 Assets Management Program	Others	2.43%	18,379,190	18,379,190		
Shenzhen Shilihe Investment Co., Ltd.	Domestic non-state legal person	2.36%	17,860,992	17,860,992		
Zhou Shijian	Domestic natural person	2.14%	16,213,500	16,213,500		
Huang Jupei	Domestic natural person	1.42%	10,710,900	10,710,900		
Shanghai Hong Kong Wanguo Securities	Foreign legal person	1.31%	9,885,935	9,885,935		
Jiang Jing	Domestic natural person	0.97%	7,340,514	7,340,514		
Yu Peidi	Overseas natural person	0.67%	5,054,200	5,054,200		
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.	46,569,330	Foreign shares listed in domestic exchanges	46,569,330
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	33,792,702	Foreign shares listed in domestic exchanges	33,792,702
NCF- China Minsheng Bank – Zhongke Jiutai No.1 Assets Management Program	18,379,190	RMB common shares	18,379,190
Shenzhen Shilihe Investment Co., Ltd.	17,860,992	RMB common shares	17,860,992
Zhou Shijian	16,213,500	RMB common shares	16,213,500
Huang Jupei	10,710,900	RMB common shares	10,710,900
Shanghai Hong Kong Wanguo Securities	9,885,935	Foreign shares listed in domestic exchanges	9,885,935
Jiang Jing	7,340,514	RMB common shares	7,340,514
Yu Peidi	5,054,200	RMB common shares	5,054,200
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.		
Top-10 common share shareholders participating in margin trade	Zhou Shijian holds 16,213,500 stocks of the Company through the GF securities customer credit transaction guarantee securities account; Huang Jupei holds 10,709,900 stocks of the Company through the GF securities customer credit transaction guarantee securities account; Jiang Jing holds 7,340,514 stocks of the Company through the Everbright Securities customer credit transaction guarantee securities account.		
By the close on September 30, 2015, China Securities Finance Corporation Limited held 2,512,300 A-shares of the Company, accounting for 0.33% of the aggregate.			
By the close on September 30, 2015, Central Huijin Investment Ltd. held 841,900 A-shares of the Company, accounting for 0.11% of the aggregate.			

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

In RMB

Items	Closing amount	Opening amount	Change	Cause of change
Notes receivable	14,609,951.82	83,325,725.70	-82.47%	Collection of mature bills and accounts receivable
Account receivable	1,450,379,147.99	1,105,242,251.46	31.23%	Increase in income
Prepayment	107,964,979.40	29,234,231.49	269.31%	Prepaid engineering amount for Fangda Town renovation project and increase in prepaid material amount in construction in progress
Other current assets	45,942,278.93	234,986,107.72	-80.45%	Increase in maturity of financial products
Notes payable	307,093,945.97	227,266,485.57	35.13%	Increase in acceptance bills issued
Employees' wage payable	24,226,386.93	41,703,314.26	-41.91%	Payment of reserved bonus
Interest payable	4,205,484.18	2,055,911.11	104.56%	Increase in undue interest
Other payables	74,030,233.89	47,425,682.44	56.10%	Provision of litigation indemnity
Other current liabilities	98,425,600.00	0.00		Loan financing of precious metal
Items	January-September 2015	January-September 2014	Change	Cause of change
Turnover	1,842,587,326.95	1,322,866,822.74	39.29%	New orders
Operation cost	1,544,694,083.05	1,088,874,433.97	41.86%	Increase in sales revenue
Business tax and surcharge	24,243,193.35	15,465,996.01	56.75%	Increase in sales revenue
Sales expense	58,059,078.68	28,767,603.81	101.82%	Increase in advertising cost
Financial expenses	39,341,301.37	15,700,216.25	150.58%	Increase in average loan
Asset impairment loss	33,045,931.86	10,104,141.91	227.05%	Increase in the balance of accounts receivable and account age



Gain/loss caused by changes in fair value	58,798,815.22	2,279,889.00	2479.02%	Adjustment of fair value of investment real estate
Non-business expenses	15,672,186.75	2,546,716.34	515.39%	Provision of litigation indemnity
Income tax	15,919,999.63	7,021,212.14	126.74%	Change in earnings of companies with different tax rates

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

Applicable  Inapplicable

1. Canceling 2014 Private A-Share Issuing: The 2014 Private A-share Issuing Plan was canceled at the 15<sup>th</sup> meeting of the 7<sup>th</sup> Board of Directors held on August 27, 2015. Application materials submitted to the CSRC were withdrawn by the Company on September 7, 2015. The Company received the CSRC Administrative Application Termination Notice ([2015] No.136) issued by CSRC on September 30, 2015. Details are disclosed as follows:

Key issue	Date of disclosure	Information source
<i>Announcement of Proposal of the 15<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors, Notice on Canceling 2014 Private A-Share Issuing</i>	August 29, 2015	<i>China Securities Journal, Shanghai Securities Daily, Securities Times, HKCD (English) and www.cninfo.com.cn</i>
Notice on Receiving the CSRC Administrative Application Termination Notice	October 8, 2015	<i>China Securities Journal, Shanghai Securities Daily, Securities Times, HKCD (English) and www.cninfo.com.cn</i>

2. Update of the Fangda Town renovation: The renovation of Fangda Town is proceeding as scheduled. Presales formalities are being applied for currently. The presales will begin by the end of this year.

## 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 2015

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	100,000,000	0.66%	100,000,000	0.56%	13,953,770.00	542,980.00	Transactional financial assets	Purchase
Total			16,263,675.00	100,000,000	--	100,000,000	--	13,953,770.00	542,980.00	--	--
Disclosure date of approval by the Board of Directors of securities investment			March 11, 2014								
Disclosure date of securities investment approval by the Shareholders' Meeting (if any)			None								

## 6. Notes to shareholding in other listed companies

Applicable  Inapplicable

The Company holds no stock of other list companies in the report period.

## 7. 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	Actual gain/loss in the report period
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										assets in the report period	
Shanghai Futures Exchange	None	No	Shanghai aluminum	8,512.72	January 5, 2015	September 28, 2015	0	0	0	0.00%	-249.35
Total				8,512.72	--	--	0	0	0	0.00%	-249.35
Capital source				Self-owned fund							
Lawsuit (if any)				Inapplicable							
Disclosure date of derivative investment approval by the Board of Directors				None							
Disclosure date of derivative investment approval by the shareholders' meeting				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							

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

Applicable  Inapplicable

Time/date	Place	Way	Visitor	Visitor	Main content involved and materials provided

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July 24, 2015	Shenzhen	Onsite investigation	Institution	Founder Securities	Business and future development
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## IV Financial Statements

### 1. Financial statements

#### 1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

September 30, 2015

In RMB

Items	Closing balance	Ending balance
Current asset:		
Monetary capital	450,300,612.69	212,430,798.87
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account	13,953,770.00	13,410,790.00
Derivative financial assets	0.00	
Notes receivable	14,609,951.82	83,325,725.70
Account receivable	1,450,379,147.99	1,105,242,251.46
Prepayment	107,964,979.40	29,234,231.49
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other receivables	61,871,777.64	48,950,647.67
Repurchasing of financial assets		
Inventory	1,272,828,152.70	982,441,187.05
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	45,942,278.93	234,986,107.72

Total current assets	3,417,850,671.17	2,710,021,739.96
Non-current assets:		
Loan and advancement provided		
Sellable financial assets		
Investment held until mature		
Long-term receivable		
Long-term share equity investment	10,061,818.36	11,048,660.43
Investment real estate	287,015,353.09	226,279,523.39
Fixed assets	488,265,517.18	489,714,684.63
Construction in process	2,455,845.61	341,749.17
Engineering materials		
Disposal of fixed assets	5,397.79	26,918.21
Productive biological assets	0.00	
Gas & petrol	0.00	
Intangible assets	96,291,896.66	98,947,331.09
R&D expense	0.00	
Goodwill	26,279,395.89	26,279,395.89
Long-term amortizable expenses	4,558,987.41	4,119,362.63
Deferred income tax assets	68,528,076.13	52,616,656.38
Other non-current assets	50,957,379.48	43,323,878.63
Total of non-current assets	1,034,419,667.60	952,698,160.45
Total of assets	4,452,270,338.77	3,662,719,900.41
Current liabilities		
Short-term loans	1,344,717,148.45	1,100,000,000.00
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	0.00	
Notes payable	307,093,945.97	227,266,485.57

Account payable	832,984,233.20	685,108,346.73
Prepayment received	96,725,675.40	122,285,231.14
Selling of repurchased financial assets		
Fees and commissions payable		
Employees' wage payable	24,226,386.93	41,703,314.26
Taxes payable	65,205,967.95	58,696,926.25
Interest payable	4,205,484.18	2,055,911.11
Dividend payable		
Other payables	74,030,233.89	47,425,682.44
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	6,000,000.00	6,000,000.00
Other current liabilities	98,425,600.00	
Total current liabilities	2,853,614,675.97	2,290,541,897.50
Non-current liabilities:		
Long-term loans	185,765,450.98	
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable	0.00	6,000,000.00
Long-term employees' wage payable		
Special payables		
Anticipated liabilities	374,384.78	5,859,045.98
Deferred earning	9,886,990.43	10,049,892.04
Deferred income tax liabilities	64,535,842.02	49,734,436.90
Other non-current liabilities	0.00	
Total of non-current liabilities	260,562,668.21	71,643,374.92
Total liabilities	3,114,177,344.18	2,362,185,272.42
Owner's equity:		

Share capital	756,909,905.00	756,909,905.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	79,099,220.38	79,099,220.38
Less: Shares in stock		
67. Other miscellaneous income	91,831.63	91,831.63
Special reserves		
Surplus reserves	48,842,080.76	48,842,080.76
Common risk provisions		
Retained profit	398,836,118.30	349,987,825.69
Total of owner's equity belong to the parent company	1,283,779,156.07	1,234,930,863.46
Minor shareholders' equity	54,313,838.52	65,603,764.53
Total of owners' equity	1,338,092,994.59	1,300,534,627.99
Total of liabilities and owner's interest	4,452,270,338.77	3,662,719,900.41

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

## 2. Balance Sheet of the Parent Company

In RMB

Items	Closing balance	Ending balance
Current asset:		
Monetary capital	112,930,106.34	22,256,065.49
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable	511,660.60	511,660.60
Prepayment	0.00	50,903.86
Interest receivable		
Dividend receivable	15,972,427.17	28,639,627.17
Other receivables	468,393,392.15	254,604,163.79



Inventory		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	1,115,215.15	31,005,620.01
Total current assets	598,922,801.41	337,068,040.92
Non-current assets:		
Sellable financial assets		
Investment held until mature		
Long-term receivable		
Long-term share equity investment	977,133,886.56	1,130,674,559.01
Investment real estate	256,769,421.37	198,513,586.15
Fixed assets	58,314,723.16	60,145,112.89
Construction in process		
Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	2,018,506.71	2,256,575.64
R&D expense		
Goodwill		
Long-term amortizable expenses	343,160.40	81,367.47
Deferred income tax assets	23,963,650.21	22,623,560.72
Other non-current assets	220,000,000.00	220,000,000.00
Total of non-current assets	1,538,543,348.41	1,634,294,761.88
Total of assets	2,137,466,149.82	1,971,362,802.80
Current liabilities		
Short-term loans	400,000,000.00	350,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		

Account payable	606,941.85	606,941.85
Prepayment received	694,620.60	832,772.45
Employees' wage payable	880,743.93	1,956,875.76
Taxes payable	525,049.98	567,424.56
Interest payable	601,388.88	659,266.67
Dividend payable		
Other payables	258,209,698.60	270,281,330.40
Liabilities held for sales		
Non-current liabilities due in 1 year		
Other current liabilities	98,425,600.00	
Total current liabilities	759,944,043.84	624,904,611.69
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	112,494,452.31	97,693,047.19
Other non-current liabilities		
Total of non-current liabilities	112,494,452.31	97,693,047.19
Total liabilities	872,438,496.15	722,597,658.88
Owner's equity:		
Share capital	756,909,905.00	756,909,905.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	38,598,565.00	38,598,565.00
Less: Shares in stock		
67. Other miscellaneous	91,831.63	91,831.63

income		
Special reserves		
Surplus reserves	48,842,080.76	48,842,080.76
Retained profit	420,585,271.28	404,322,761.53
Total of owners' equity	1,265,027,653.67	1,248,765,143.92
Total of liabilities and owner's interest	2,137,466,149.82	1,971,362,802.80

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

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Total revenue	692,471,803.42	500,074,083.72
Incl. Business income	692,471,803.42	500,074,083.72
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	702,340,264.75	486,029,695.50
Incl. Business cost	604,206,824.70	420,426,989.66
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	6,705,953.13	4,107,536.30
Sales expense	17,049,941.22	10,522,482.95
Administrative expense	41,972,129.03	41,082,991.15
Financial expenses	13,731,566.70	4,652,738.11
Asset impairment loss	18,673,849.97	5,236,957.33

Plus: gains from change of fair value (“-“ for loss)	23,353,053.91	2,279,889.00
Investment gains (“-“ for loss)	-29,732.90	944,870.82
Incl. Investment gains from affiliates and joint ventures	-43,837.01	-55,752.10
Exchange gains (“-“ for loss)		
3. Operational profit (“-“ for loss)	13,454,859.68	17,269,148.04
Plus: non-operational income	2,430,547.71	2,637,678.88
Incl. Loss from disposal of non-current assets		15,380.85
Less: non-operational expenditure	29,054.96	484,813.06
Incl. Loss from disposal of non-current assets	22,418.03	2,602.43
4. Gross profit (“-“ for loss)	15,856,352.43	19,422,013.86
Less: Income tax expenses	-248,196.41	2,658,308.60
5. Net profit (“-“ for net loss)	16,104,548.84	16,763,705.26
Net profit attributable to the owners of parent company	20,237,940.89	18,530,437.37
Minor shareholders’ equity	-4,133,392.05	-1,766,732.11
6. After-tax net amount of other misc. incomes	1,229,057.50	-35,700.00
After-tax net amount of other misc. incomes attributed to parent’s owner	1,229,057.50	-35,700.00
(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	1,229,057.50	-35,700.00
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	1,229,057.50	-35,700.00
5. Translation difference of foreign exchange statement		
6. Others		
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	17,333,606.34	16,728,005.26
Total of misc. incomes attributable to the owners of the parent company	21,466,998.39	18,494,737.37
Total misc gains attributable to the minor shareholders	-4,133,392.05	-1,766,732.11
8. Earnings per share:		
(1) Basic earnings per share	0.027	0.024
(2) Diluted earnings per share	0.027	0.024

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 Keping Accounting Manager: Chen Yonggang

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

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Turnover	7,295,422.90	7,642,085.27
Less: Operation cost	1,283,898.45	1,677,315.63
Business tax and surcharge	575,670.62	616,462.21
Sales expense		
Administrative expense	6,942,135.20	5,705,314.37

Financial expenses	3,141,232.06	2,882,171.63
Asset impairment loss	-1,237,554.45	9,157.18
Plus: gains from change of fair value (“-“ for loss)	25,486,927.91	
Investment gains (“-“ for loss)	-33,237.01	29,617.76
Incl. Investment gains from affiliates and joint ventures	-43,837.01	-55,752.10
2. Operational profit (“-“ for loss)	22,043,731.92	-3,218,717.99
Plus: non-operational income	722,641.52	470,029.19
Incl. Loss from disposal of non-current assets		3,600.98
Less: non-operational expenditure	989.33	199,914.53
Incl. Loss from disposal of non-current assets	989.33	
3. Gross profit (“-“ for loss)	22,765,384.11	-2,948,603.33
Less: Income tax expenses	5,831,632.85	-418,160.91
4. Net profit (“-“ for net loss)	16,933,751.26	-2,530,442.42
5. After-tax net amount of other misc. 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		
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		
6. Total of misc. incomes	16,933,751.26	-2,530,442.42
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	1,842,587,326.95	1,322,866,822.74
Incl. Business income	1,842,587,326.95	1,322,866,822.74
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	1,816,903,028.98	1,267,180,886.26
Incl. Business cost	1,544,694,083.05	1,088,874,433.97
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	24,243,193.35	15,465,996.01
Sales expense	58,059,078.68	28,767,603.81
Administrative expense	117,519,440.67	108,268,494.31
Financial expenses	39,341,301.37	15,700,216.25
Asset impairment loss	33,045,931.86	10,104,141.91
Plus: gains from change of fair value ("-" for loss)	58,798,815.22	2,279,889.00
Investment gains ("-" for loss)	1,518,264.78	1,913,989.32
Incl. Investment gains from affiliates and joint ventures	1,213,157.93	-97,559.67
Exchange gains ("-" for loss)		
3. Operational profit ("-" for loss)	86,001,377.97	59,879,814.80
Plus: non-operational income	5,856,472.16	5,679,197.28
Incl. Loss from disposal of non-current assets	50,854.12	233,476.25
Less: non-operational expenditure	15,672,186.75	2,546,716.34
Incl. Loss from disposal of non-current assets	527,223.08	1,572,509.10
4. Gross profit ("-" for loss)	76,185,663.38	63,012,295.74
Less: Income tax expenses	15,919,999.63	7,021,212.14
5. Net profit ("-" for net loss)	60,265,663.75	55,991,083.60
Net profit attributable to the owners of parent company	71,555,589.76	59,300,395.61
Minor shareholders' equity	-11,289,926.01	-3,309,312.01
6. After-tax net amount of other misc. incomes		
After-tax net amount of other misc. incomes attributed to parent's owner		
(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		
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		
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	60,265,663.75	55,991,083.60
Total of misc. incomes attributable to the owners of the parent company	71,555,589.76	59,300,395.61
Total misc gains attributable to the minor shareholders	-11,289,926.01	-3,309,312.01
8. Earnings per share:		
(1) Basic earnings per share	0.095	0.078
(2) Diluted earnings per share	0.095	0.078

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	22,672,732.63	21,974,339.52
Less: Operation cost	2,954,114.33	3,806,918.59
Business tax and surcharge	1,803,497.27	1,795,575.87
Sales expense		
Administrative expense	18,219,065.91	17,022,158.29
Financial expenses	8,262,038.92	8,247,166.15
Asset impairment loss	8,851.54	-44,002.40
Plus: gains from change of fair value (“-“ for loss)	58,255,835.22	
Investment gains (“-“ for loss)	1,279,719.57	-12,189.81
Incl. Investment gains from affiliates and joint ventures	1,213,157.93	-97,559.67
2. Operational profit (“-“ for loss)	50,960,719.45	-8,865,666.79
Plus: non-operational income	1,474,496.81	1,796,297.93
Incl. Loss from disposal of non-current assets	3,581.20	22,719.41
Less: non-operational expenditure	4,093.73	526,936.87
Incl. Loss from disposal of non-current assets	2,921.41	125,522.34
3. Gross profit (“-“ for loss)	52,431,122.53	-7,596,305.73
Less: Income tax expenses	13,461,315.63	-1,518,922.58
4. Net profit (“-“ for net loss)	38,969,806.90	-6,077,383.15
5. After-tax net amount of other misc. 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		
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		
6. Total of misc. incomes	38,969,806.90	-6,077,383.15
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	1,476,173,288.50	1,168,322,724.05
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	2,191,881.76	889,173.36
Other cash received from business operation	68,990,592.93	70,054,311.35
Sub-total of cash inflow from business operations	1,547,355,763.19	1,239,266,208.76
Cash paid for purchasing products and services	1,496,112,218.86	1,297,947,089.10
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	212,820,541.03	160,019,118.12
Taxes paid	77,538,406.71	64,990,093.66
Other cash paid for business activities	124,871,059.55	74,918,865.75
Sub-total of cash outflow from business operations	1,911,342,226.15	1,597,875,166.63
Cash flow generated by business	-363,986,462.96	-358,608,957.87

operations, net		
2. Cash flow generated by investment:		
Cash received from investment recovery	349,500,000.00	100,000,000.00
Cash received as investment profit	2,505,106.85	2,015,277.59
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	134,190.00	4,579,733.50
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		133,500.00
Sub-total of cash inflow generated from investment	352,139,296.85	106,728,511.09
Cash paid for construction of fixed assets, intangible assets and other long-term assets	41,971,808.53	28,385,573.09
Cash paid as investment	171,700,000.00	116,340,675.00
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	306,400.00	270,500.00
Subtotal of cash outflows	213,978,208.53	135,152,607.78
Cash flow generated by investment activities, net	138,161,088.32	-28,424,096.69
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	1,371,417,018.19	944,000,000.00
Cash received from bond		

placing		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	1,371,417,018.19	944,000,000.00
Cash paid to repay debts	843,132,851.55	283,000,000.00
Cash paid as dividend, profit, or interests	84,496,924.61	52,661,058.83
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities	53,939,000.00	156,090.75
Subtotal of cash outflow from financing activities	981,568,776.16	335,817,149.58
Net cash flow generated by financing activities	389,848,242.03	608,182,850.42
4. Influence of exchange rate changes on cash and cash equivalents	-24,807.16	664,894.09
5. Net increase in cash and cash equivalents	163,998,060.23	221,814,689.95
Plus: Balance of cash and cash equivalents at the beginning of term	102,638,232.19	285,237,255.38
6. Balance of cash and cash equivalents at the end of the period	266,636,292.42	507,051,945.33

## 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	16,554,613.66	18,385,573.41
Tax refunded		
Other cash received from business operation	1,075,111,750.73	1,132,208,446.25
Sub-total of cash inflow from	1,091,666,364.39	1,150,594,019.66

business operations		
Cash paid for purchasing products and services	43,918,453.72	4,594,088.02
Cash paid to and for the staff	11,510,697.67	11,592,919.43
Taxes paid	2,111,259.38	2,107,786.71
Other cash paid for business activities	1,104,733,516.84	1,128,883,942.80
Sub-total of cash outflow from business operations	1,162,273,927.61	1,147,178,736.96
Cash flow generated by business operations, net	-70,607,563.22	3,415,282.70
2. Cash flow generated by investment:		
Cash received from investment recovery	30,000,000.00	20,000,000.00
Cash received as investment profit	25,034,495.04	39,441,369.86
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,190.00	171,007,300.50
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	55,038,685.04	230,448,670.36
Cash paid for construction of fixed assets, intangible assets and other long-term assets	761,887.01	1,269,764.57
Cash paid as investment		245,061,653.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	761,887.01	246,331,417.57
Cash flow generated by investment activities, net	54,276,798.03	-15,882,747.21

3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans	447,801,567.21	396,000,000.00
Cash received from bond placing		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	447,801,567.21	396,000,000.00
Cash paid to repay debts	300,000,000.00	200,000,000.00
Cash paid as dividend, profit, or interests	40,796,763.77	31,127,433.82
Other cash paid for financing activities		156,090.75
Subtotal of cash outflow from financing activities	340,796,763.77	231,283,524.57
Net cash flow generated by financing activities	107,004,803.44	164,716,475.43
4. Influence of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	90,674,038.25	152,249,010.92
Plus: Balance of cash and cash equivalents at the beginning of term	22,006,065.49	67,973,808.76
6. Balance of cash and cash equivalents at the end of the period	112,680,103.74	220,222,819.68

## 2. Auditor's report

Whether the Q3 report is audited

Yes  No

The Q3 Report is not audited.

China Fangda Group Co., Ltd.  
Legal representative: Xiong Jianming  
October 24, 2015