

TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Report for the Third Quarter of 2015

October 2015

Section I. Important Reminders

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Tsann Kuen (China) Enterprise Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

Other Directors attended the board meeting that reviewed the quarterly report personally except the following Directors

Name	Position	Reason	Name of the entrusted person
Bai Shaoxiang	Independent Directors	On a business trip	Tang Jinmu

Mr. Pan Zhirong, company principal, and Mr. Wu Yanru, head of the accounting work & the accounting division (head of accounting) jointly declare that the financial statements carried in this report are factual, accurate and complete.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II. Financial Highlights & Change of Shareholders

I. Financial highlights

Does the Company adjust retrospectively or restate financial data of previous periods?

Yes No

Unit: RMB Yuan

Item	30 Sept. 2015	31 Dec. 2014	Increase/decrease (%)	
Total assets	1,826,569,790.69	1,651,024,619.41	10.63	
Net assets attributable to shareholders of the Company	549,589,276.40	546,574,409.55	0.55	
Item	Jul.-Sept. 2015	YoY increase/decrease (%)	Jan.-Sept. 2015	YoY increase/decrease (%)
Operating revenues	579,140,206.32	6.40	1,474,334,364.39	2.77
Net profit attributable to shareholders of the Company	12,960,350.00	-45.79	28,071,375.18	-27.58
Net profit attributable to shareholders of the Company after extraordinary gains and losses	19,466,416.78	30.84	23,132,923.92	-27.54
Net cash flows from operating activities	-53,558,201.77	102.37	-104,121,841.58	74.86
Basic EPS	0.07	-46.15	0.15	-28.57
Diluted EPS	0.07	-46.15	0.15	-28.57
Weighted average ROE (%)	2.36	-2.12	5.09	-2.21

Total share capital of the Company up to the former exchange date before the disclosure:

Total share capital of the Company up to the former exchange date before the disclosure (share)	185,391,680
---	-------------

Whether there were changes caused from the Company issuing the new shares, additional issuance, allotment, equity incentive exercise and repurchase that influenced the amount of the owners' equities

Yes No

Items and amounts of extraordinary gains and losses

√Applicable □Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2015	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	1,391,390.00	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents		
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	1,774,449.00	
Capital occupation charges on non-financial enterprises that recorded into current gains and losses		
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments		
Gain/loss on non-monetary asset swap		
Gain/loss on entrusting others with investments or asset management		
Asset impairment provisions due to acts of God such as natural disasters		
Gain/loss on debt restructuring		
Expenses for business reorganization, such as expenses for staffing, reorganization etc.		
Gain/loss on the part over the fair value due to transactions with distinctly unfair prices		
Current gains and losses of subsidies acquired from business combination under the same control as from period-begin to combination date		
Gain/loss on contingent events irrelevant to the Company's normal business		
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sales, except for effective hedging related with normal businesses of the Company	3,012,812.34	Gains on sale of forward exchange contracts, fair value changes, wealth management products and other current assets
Reversal of impairment provisions for the accounts receivable on which impairment tests were carried out separately		
Gain/loss on external entrustment loans		
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method		
Effect on current gains/losses when a one-off adjustment is made to current gains/losses according to requirements of taxation, accounting and other relevant laws and regulations		
Custody fee income when entrusted with operation		
Non-operating incomes and expenses other than the above	1,554,104.77	
Other gain/loss items that meet the definition of an extraordinary gain/loss		
Less: Income tax effects	1,158,481.06	
Minority interests effects (after tax)	1,635,823.79	
Total	4,938,451.26	

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

□ Applicable √ Inapplicable

In the reporting period, the Company did not classify any extraordinary gain/loss item as defined or particularized in the <Explanatory Public Notice No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses> as a recurrent gain/loss item.

II. Total number of shareholders and shareholdings of the top ten shareholders at the period-end

1. Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the period-end		18,231				
Shareholdings of top 10 common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
FORDCHEE DEVELOPMENT LIMITED	Foreign corporation	29.10%	53,940,530		N/A	N/A
EUPA INDUSTRY CORPORATION LIMITED	Foreign corporation	13.04%	24,172,340		N/A	N/A
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	5.89%	10,920,091		N/A	N/A
FILLMAN INVESTMENTS LIMITED	Foreign corporation	2.49%	4,621,596		N/A	N/A
WU CHI LI	Foreign natural person	1.46%	2,715,200		N/A	N/A
Chen Yongquan	Domestic natural person	1.02%	1,888,819		N/A	N/A
Chen Yongqing	Foreign natural person	0.77%	1,436,149		N/A	N/A
Chen Lijuan	Foreign natural person	0.69%	1,287,817		N/A	N/A
Xie Qingjun	Domestic natural person	0.60%	1,112,276		N/A	N/A
Shanghai Hong Kong Wanguo Securities	Foreign corporation	0.59%	1,093,356		N/A	N/A
Shareholdings of top 10 non-restricted common shareholders						
Name of shareholder	Number of non-restricted common shares held	Variety of shares				
		Variety	Number			
FORDCHEE DEVELOPMENT LIMITED	53,940,530	Domestically listed foreign shares	53,940,530			
EUPA INDUSTRY CORPORATION LIMITED	24,172,340	Domestically listed foreign shares	24,172,340			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	10,920,091	Domestically listed foreign shares	10,920,091			
FILLMAN INVESTMENTS LIMITED	4,621,596	Domestically listed foreign shares	4,621,596			
WU CHI LI	2,715,200	Domestically listed foreign shares	2,715,200			
Chen Yongquan	1,888,819	Domestically listed foreign shares	1,888,819			
Chen Yongqing	1,436,149	Domestically listed foreign shares	1,436,149			

Chen Lijuan	1,287,817	Domestically listed foreign shares	1,287,817
Xie Qingjun	1,112,276	Domestically listed foreign shares	1,112,276
Shanghai Hong Kong Wanguo Securities	1,093,356	Domestically listed foreign shares	1,093,356
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	The first, the second and the fourth largest shareholders are the Company's corporate controlling shareholders. It is unknown to the Company whether there exists associated relationship among the shareholders above or they are acting-in-concert entities as stipulated in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.		

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repo during the reporting period?

Yea No

None of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company carried out any agreed buy-back in the reporting period.

2. Total number of preferred shareholders at the period-end and shareholdings of top 10 preferred shareholders

Applicable Inapplicable

Section III. Significant Events

I. Major changes in main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

√ Applicable □ Inapplicable

Unit: RMB Yuan

Item	30 Sept. 2015	31 Dec. 2014	Increase/decrease (%)	Main reason for the change
Financial assets measured at fair value and of which changes are recorded into current gains and losses	473,250.00	2,610,000.00	-81.87	The value of the uncompleted forward exchange contracts decreased.
Notes receivable	1,211,475.00	2,004,498.59	-39.56	Due notes receivable were honored.
Accounts receivable	390,473,324.52	247,336,334.86	57.87	The shipment in September increased.
Prepayments	6,398,747.99	12,758,696.10	-49.85	The raw materials prepaid for were put in storage upon check.
Interest receivable	5,628,024.99	3,590,399.84	56.75	Undue term deposits
Other receivables	94,406,041.33	34,873,104.97	170.71	The unreceived export tax rebate receivable
Other current assets	234,879,972.20	13,087,495.75	1,694.69	RMB 230 million was invested in financial products.
Construction in progress	542,189.69	233,968.67	131.74	The expense on land certificate alteration and land preparation increased.
Intangible assets	17,252,210.16	12,145,423.16	42.05	The leases on some premises expired and the premises have been adjusted for the Company's own use. Meanwhile, some software was purchased.
Other non-current assets	4,567,247.22	1,929,374.75	136.72	The molds prepaid for and the multifunctional test equipment that have not yet been checked and accepted
Short-term borrowings	222,645,500.00	61,190,000.00	263.86	Short-term borrowings from banks increased.
Interest payable	1,210,088.58	68,275.80	1,672.35	The undue short-term borrowings from banks
Deferred income tax liabilities	307,459.59	618,966.78	-50.33	The value of the uncompleted forward exchange contracts decreased.
Other comprehensive incomes	1,852,863.47	-899,380.20	-306.02	The translation difference of foreign-currency statements increased.

Item	Current period	Same period of last year	Increase/decrease (%)	Main reason for the change
Business tax and surtaxes	4,272,747.17	8,249,924.72	-48.21	The exempted and deducted taxes decreased.
Financial expenses	-24,906,680.93	-14,125,625.27	76.32	The appraised gain on exchange rates due to the depreciation of the RMB
Gains on fair value changes	-3,029,390.15	-21,610,150.00	85.98	The appraised losses on forward exchange contracts decreased.
Investment gains	6,042,202.49	20,446,066.98	-70.45	The decreased gains on uncompleted forward exchange contracts and the undue gains on financial products
Non-business incomes	4,854,787.57	11,558,038.21	-58.00	Subsidy incomes decreased.
Non-business expense	134,843.80	870,000.91	-84.50	Some idle equipment were scrapped in the same period of last year.
Net cash flows from operating activities	-104,121,841.57	-59,545,501.43	74.86	The export tax rebate decreased.
Net cash flows from investing activities	-239,918,515.37	-841,214,480.14	71.48	The alterations in two restricted term deposits
Net cash flows from financing activities	111,687,491.87	329,318,253.75	-66.09	Export financings and the borrowings from the controlling shareholder decreased.

II. Progress of significant events and analysis & explanations on their influence and solutions

√ Applicable □ Inapplicable

(I) Contingent events

Tsann Kuen Zhangzhou, one of the Company's subsidiaries, and Xinda Motor Co., Ltd. (hereinafter refer to as "Xinda Motor") signed a product supply contract on 20 Jul. 2009, with the valid period for the contract being from 1 Jul. 2009 to 30 Jun. 2012. Both parties also signed the 2011 ED Procurement Contract of Tsann Kuen Zhangzhou Enterprises Co., Ltd., the Special Agreement and other agreements, according to which Tsann Kuen Zhangzhou would purchase products from Xinda Motor. Later, Tsann Kuen Zhangzhou refused to pay for the products and chose to terminate the contract due to quality problems found in Xinda Motor's products. On 2 Nov. 2011, Xinda Motor filed a civil action against Tsann Kuen Zhangzhou to Zhangzhou Intermediate People's Court, asking the court to order Tsann Kuen Zhangzhou to pay USD 479,089.06 (RMB 3,071,535.78) to it for the part of the contract that had been executed but not yet paid for, to bear the damages for overdue payment, and to continue to execute the unexecuted contractual obligation (equivalent to a payment of USD 189,423.25 for goods).

Tsann Kuen Zhangzhou filed a cross action on 8 Jan. 2012. Xinda Motor had caused serious economic loss and reputation damage on Tsann Kuen Zhangzhou for the products it provided for Tsann Kuen Zhangzhou did not go with the contract, due to which Tsann Kuen Zhangzhou produced products of ill quality, goods were returned and orders were canceled. On that basis, Tsann Kuen Zhangzhou asked Zhangzhou Intermediate People's Court to terminate the contract between both parties and order Xinda Motor to pay to Tsann Kuen Zhangzhou a damage of RMB 1,000,000.00, and a compensation of RMB 7,621,576.00.

On 15 Aug. 2013, Zhangzhou Intermediate People's Court issued the judgment of the first trial, with its contents as follows: 1. Defendant Tsann Kuen Zhangzhou Enterprise Co., Ltd. shall pay a product payment of USD 479,089.06 (RMB 3,071,535.78) to plaintiff Xinda Motor Co., Ltd. within 15 days from the date of entry into force of this Judgment; 2. Plaintiff Xinda Motor Co., Ltd. and third party Boluo County Lian Yuan Industry Technology Co., Ltd. shall jointly pay liquidated damages of RMB 1,233,399.70 to defendant Tsann Kuen Zhangzhou Enterprise Co., Ltd. within 15 days from the date of entry into force of this Judgment; 3. The 10 orders that have not been executed between plaintiff Xinda Motor Co., Ltd. & third party Boluo County Lian Yuan Industry Technology Co., Ltd. and defendant Tsann Kuen Zhangzhou Enterprise Co., Ltd. shall be cancelled; 4. The other claims of plaintiff Xinda Motor Co., Ltd. shall be overruled; and 5. The other claims of defendant Tsann Kuen Zhangzhou Enterprise Co., Ltd. shall be overruled. Both parties were not satisfied with the judgment of the first trial and filed appeals. Fujian Province Higher People's Court had held a hearing on 26 Mar. 2014.

Up to the date of this report, the outstanding carrying amount due from Tsann Kuen Zhangzhou to Xinda Motor was USD 479,089.06. Since the case is currently in the second trial, Tsann Kuen Zhangzhou has not yet recognized the contingent asset of RMB 1,233,399.70 on Xinda Motor.

Meanwhile, the defective motor products provided by Xinda Motor were 104,691 units and only 23,035 units of them were handled in this case, leaving 81,656 units un-handled. Therefore, Tsann Kuen Zhangzhou filed another suit in Zhangzhou Intermediate People's Court on 24 Dec. 2013, with the involved amount being RMB 3,770,430.64 and Zhangzhou Intermediate People's Court had accepted and heard the case. Zhangzhou Tsann Kuen had submitted the nol-pros application on 9 Sep. 2015 to the Zhangzhou Intermediate People's Court, Zhangzhou Intermediate People's Court made an order granting that Zhangzhou Tsann Kuen could

withdraw the prosecute.

Significant lawsuits and arbitrations

√ Applicable □ Inapplicable

Unit: RMB Ten Thousand Yuan

Basic information of lawsuit (arbitration)	Amount	Whether formed into estimated liabilities	Progress	Results and influences of the hearing	Execution information of the judgment	Disclosure date	Disclosure index
Events of the appeal progress of the controlling subsidiary of the Company, Zhangzhou Tsann Kuen sued Xinda Motor Co., Ltd.	430.49	No	Fujian Province Higher People's Court had held a hearing on 26 Mar. 2014.	Pending	N/A	22 Feb. 2014	www.cninfo.com.cn
Events of another prosecution of the controlling subsidiary of the Company, Zhangzhou Tsann Kuen sued Xinda Motor Co., Ltd.	377.04	No	Zhangzhou Tsann Kuen had submitted the nol-pros application on 9 Sep. 2015 to the Zhangzhou Intermediate People's Court, Zhangzhou Intermediate People's Court made an order granting that Zhangzhou Tsann Kuen could withdraw the prosecute.	Withdrawn	N/A	23 Sep. 2015	www.cninfo.com.cn

(II) Sale of assets

Due to operating needs, the following assets were sold in the reporting period:

Unit: RMB Ten Thousand Yuan

Transaction party	Asset sold	Selling date	Selling price	Net profit contributed by the sold asset to the listed companies from period-begin to date of sale	Influence on the Company	Proportion of the net profit contributed by the sold asset to the listed companies of the total amount of the net profit (%)	Pricing principle	Whether was related party transaction	Related relationship with the counterparty (applied for the related transaction)	Whether the involving property right had wholly transferred	Whether the involving claims and debts had wholly transferred	Disclosure date	Disclosure index
Xinwang	Machinery devices	2015.1.31	2.50	2.45	2.45	0.09	The transaction prices were decided based on the market price and settled according to the signed contract of both parties	Non-related party	Inapplicable	Yes	Yes	2015.08.08	www.cninfo.com.cn
Nanyanghuan	Other devices	2015.1.31	1.51	1.29	1.29	0.05							
Jinyuan	Machinery devices	2015.1.31	8.00	3.09	3.09	0.11							
Li Qinghua	Machinery devices	2015.1.31	9.00	3.20	3.20	0.11							
Ruicheng	Mould devices	2015.1.31	3.40	3.26	3.26	0.12							
Liao Sezhong	Machinery devices	2015.1.31	12.80	2.04	2.04	0.07							
Zheng Wenhui	Machinery devices	2015.1.31	1.30	0.54	0.54	0.02							
SHANGHAI EXCELLENCE	Mould devices	2015.1.31	115.00	22.72	22.72	0.81							
Li Yiming	Machinery devices	2015.3.31	10.50	3.72	3.72	0.13							
Xinwang	Machinery devices	2015.3.31	0.25	0.25	0.25	0.01							
Haichengxing	Electronic devices	2015.3.31	0.80	0.78	0.78	0.03							
Baoxing	Mould devices	2015.3.31	0.40	0.39	0.39	0.01							
Hongyuan	Mould devices	2015.3.31	13.93	13.34	13.34	0.48							
Gusong	Transportation devices	2015.3.31	6.50	6.36	6.36	0.23							
Yongkun	Transportation devices	2015.4.30	3.00	2.94	2.94	0.10							
Kunsheng	Mould devices	2015.4.30	1.25	1.23	1.23	0.04							
Hu Songchun	Machinery devices	2015.4.30	23.60	-8.54	-8.54	-0.30							
Yixin	Mould devices	2015.4.30	3.00	2.92	2.92	0.10							
Liao Sezhong	Other devices	2015.4.30	1.10	0.94	0.94	0.03							
Hongyuan	Mould devices	2015.4.30	2.62	2.54	2.54	0.09							
Haicheng Xingxin	Electronic devices	2015.5.31	0.80	0.78	0.78	0.03							
Hufeng Industrial	Machinery devices	2015.5.31	0.50	0.48	0.48	0.02							

Report for the Third Quarter of 2015 of Tsann Kuen (China) Enterprise Co., Ltd.

Transaction party	Asset sold	Selling date	Selling price	Net profit contributed by the sold asset to the listed companies from period-begin to date of sale	Influence on the Company	Proportion of the net profit contributed by the sold asset to the listed companies of the total amount of the net profit (%)	Pricing principle	Whether was related party transaction	Related relationship with the counterparty (applied for the related transaction)	Whether the involving property right had wholly transferred	Whether the involving claims and debts had wholly transferred	Disclosure date	Disclosure index
Jingjing	Machinery devices	2015.5.31	0.08	0.08	0.08	0.00							
Jingjing	Other devices	2015.5.31	0.08	0.08	0.08	0.00							
Yixin	Mould devices	2015.5.31	1.50	1.45	1.45	0.05							
Haikun	Mould devices	2015.5.31	3.70	3.50	3.50	0.12							
Xiamen Nanyang University	Mould devices	2015.5.31	1.28	1.24	1.24	0.04							
Hongyuan	Mould devices	2015.5.31	3.06	3.00	3.00	0.11							
Hongyuan	Other devices	2015.5.31	0.19	0.16	0.16	0.01							
Dakun	Mould devices	2015.6.30	6.35	6.20	6.20	0.22							
Suyuan	Machinery devices	2015.6.30	5.10	-1.78	-1.78	-0.06							
Hongyuan	Mould devices	2015.7.31	14.90	14.61	14.61	0.52							
INDIA-HAVELLS	Mould devices	2015.8.31	59.92	26.41	26.41	0.94							
Lianming	Mould devices	2015.8.31	0.54	0.53	0.53	0.02							
Liu Chengjiang	Electronic devices	2015.8.31	0.50	0.49	0.49	0.02							
Hongyuan	Mould devices	2015.8.31	3.37	3.30	3.30	0.12							
Yixin	Mould devices	2015.9.30	0.85	0.83	0.83	0.03							
Hecheng	Mould devices	2015.9.30	1.50	1.37	1.37	0.05							
Hongyuan	Mould devices	2015.9.30	8.00	7.82	7.82	0.28							
Xin Jiafeng	Machinery devices	2015.9.30	3.05	2.99	2.99	0.11							
Xin Jiafeng	Leasehold improvement	2015.9.30	0.75	0.39	0.39	0.01							
Wang Chunzhi	Transportation devices	2015.9.30	3.25	-1.30	-1.30	-0.05							
Shui Guohai	Transportation devices	2015.9.30	2.40	2.35	2.35	0.08							
Total			342.13	140.44	140.44	5.00							

Inapplicable

Inapplicable

III. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

√ Applicable □ Inapplicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitments made in a share reform					
Commitments made in an acquisition report or a report on equity changes					
Commitments made in asset reorganization					
Commitments made in the first public offering or refinancing.					
Other commitments made to minority shareholders Executed in time or not?	FILLMAN INVESTMENTS LIMITED	Based on the confidence on the continuous and stable development of the Company, it committed to increase the shareholding if the Company's stock price was lower than HKD2.40 per share after the implementation of the shares contraction and trading resumption, and it would increase no more than 2% shares (i.e. 3,707,800 shares) of the total shares issued by the Company within one year since the date of initial shareholding increase. If the plan on increasing holding 2% shares of the total shares is completed, if the stock price hasn't reached the target price, it will perform relevant approval procedures, and propose to CSRC on continuous implementation of shareholding increase by exemption of offering.	28 Dec. 2012	Long-term effective	The Company's stocks resumed trading on 31 Dec. 2012, but the Company's stock price hasn't met the condition for shareholding increase since the date of trading resumption, FILLMAN Investment Limited hasn't implemented the shareholding increase plan.
	EUPA INDUSTRY CORPORATION LIMITED	The Company had received the Notices from the controlling shareholder EUPA INDUSTRY CORPORATION LIMITED on 10 Jul. 2015 (Chinese name: 优柏工业有限公司, which was called "EUPA INDUSTRY" for short): based on responding the appeal of the CSRC about maintaining the stabilization of the capital market, maintaining the legitimate interest of the investors and the confidence of the sustainable and stable development of the future of the Company, EUPA INDUSTRY committed to no more decrease the shareholding of the stocks of the Company within 6 months (10 Jul. 2015-9 Jan. 2016), and to increase the shareholding in appropriate time within 6 months.	10 Jul. 2015	9 Jan. 2016	Since the announcement date on 10 Jul. 2015 up to now, EUPA INDUSTRY had not carried out the decrease or increase of the shareholding of the stocks of the Company.
Detailed reason for failing to execute and the plan for the next step (If any)	Yes				
Commitments made in a share reform	The Company's stocks resumed trading on 31 Dec. 2012, but the Company's stock price hasn't met the condition for shareholding increase since the date of trading resumption, FILLMAN Investment Limited hasn't implemented the shareholding increase plan.				

IV. Predict the 2015 annual operating results

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

Applicable Inapplicable

V. Securities investment

Applicable Inapplicable

The Company was not involved in any securities investment of the reporting period.

VI. Shareholdings in other listed companies

Applicable Inapplicable

The Company was not involved in any shareholding in other listed companies.

VII. Investments in derivatives

√ Applicable □ Inapplicable

Unit: RMB Ten thousand Yuan

Operator	Relation	Related-party transaction or not	Type of derivative investment	Initial investment amount	Beginning date	Ending date	Opening investment amount	Impairment provision	Closing investment amount	Proportion of the closing investment amount in the Company's closing net assets (%)	Actual gain/loss in reporting period
Bank	No	No	Forward exchange	90,143.64	1 Jan. 2015	30 Sep. 2015	61,298.55		42,920.43	78.10	166.95
Total				90,143.64	--	--	61,298.55		42,920.43	78.10	166.95
Capital source for derivative investment				Self-owned funds							
Litigation cases situation				N/A							
Disclosure date of the board announcement approving the wealth management entrustment				2013/3/12							
Disclosure date of the general meeting announcement approving the wealth management entrustment				2013/5/18							
Analysis on risks and control measures of derivative products held in the reporting period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)				<p>1. Analysis on risks from holding of derivative products: gains or losses from difference between contracted exchange rate and market exchange rate on value date.</p> <p>2. Control measures</p> <p>(1) Principle: The purpose of the financial derivative operation is to avoid risks. The Company shall not conduct transactional operation for other purposes than risk avoidance. The Company shall not conduct complex derivative trading above the actual operation needs and shall not speculate in derivative trading with hedging as an excuse. The overall contractual amount for risk avoidance of the Company shall not exceed the summation of the net risk exposure of the existing assets and liabilities and the net risk exposure of assets and liabilities arising from the operation of the Company in the coming year.</p> <p>(2) Staff requirements: Personnel taking part in the investment shall all fully understand the risks of derivative investment and strictly execute the business operation and risk management mechanisms for derivative investment.</p> <p>(3) Operation standardization: Before making a derivative investment, the Company shall rationally equip itself with professional personnel for investment decision-making, business operation, risk control, etc. It shall also inquire and compare among various markets and products. Besides, it shall strictly control the variety and size of derivative investment and try to choose derivative trading on exchange as much as possible.</p> <p>(4) Periodic evaluation: Derivative investments shall be evaluated at least twice for a month and the evaluation report shall be sent to a high-ranking executive authorized by the Board of Directors. And a derivative investment report shall be sent to the Board of Directors annually.</p> <p>(5) Loss limit: The investment loss on a single derivative and all the investment loss shall not exceed 20% of the total investment</p>							

	amount. (6) Audit system: The audit department audits derivative product trading periodically and submits audit reports to relevant units.
Changes of market prices or fair values in the reporting period of the invested derivatives. And the analysis on the fair value of the derivatives should include the specific use methods and the relevant assumptions and parameters.	(1) In the reporting period, the gain and loss effect of the delivered derivative contracts was RMB 4.6989 million; the appraised losses on the undelivered contracts were RMB 3.0294 million, including a reversed appraised loss of RMB 1.3463 million on undelivered forward exchange contracts of last year; (2) The former contracted bank provided monthly sheets of estimated exchange rates for the undue contracted forward exchanges on the last trading day of the month; (3) The profit and loss from fair value changes of the derivative was confirmed according to the difference between the contracted amount undue by the month*the estimated exchange rate and the currency amount when bought in.
Whether significant changes occurred to the Company's accounting policy and specific accounting principles of derivatives in the reporting period compared to the previous reporting period	There were no significant changes between the Company's accounting policy and specific accounting principles of derivatives in the reporting period and those in the last reporting period.
Special opinion from independent directors, sponsor or financial consultant on the Company's derivatives investment and risk control	The Company has carried out a strict internal assessment for the financial derivative business and has established a corresponding supervision mechanism. We are of the opinion that the financial derivative business conducted by the Company is fairly necessary in its routine operation and is in compliance with relevant laws and regulations, with the risks controllable.

VIII. Researches, visits and interviews received in the reporting period√ Applicable Inapplicable

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
23 Sep. 2015		Telephone Communication	Individual	Mr. Zhang	Inquired of the reform situation of the Share B and the basic information of the Company as well as the intelligent R&D situation of the Company.

Section IV. Financial Statements

I. Financial statements

1. Consolidated balance sheet

Prepared by TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Unit: (RMB) Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	639,606,104.56	886,464,448.01
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value of which changes are recorded in current profits and losses	473,250.00	2,610,000.00
Derivative financial assets		
Notes receivable	1,211,475.00	2,004,498.59
Accounts receivable	390,473,324.52	247,336,334.86
Accounts paid in advance	6,398,747.99	12,758,696.10
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable	5,628,024.99	3,590,399.84
Dividend receivable		
Other accounts receivable	94,406,041.33	34,873,104.97
Financial assets purchased under agreements to resell		
Inventories	198,300,800.67	193,150,144.07
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	234,879,972.20	13,087,495.75
Total current assets	1,571,377,741.26	1,395,875,122.19
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	40,000.00	40,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment		
Investing real estate	38,661,224.79	51,731,414.90
Fixed assets	171,931,761.47	165,560,208.64
Construction in progress	542,189.69	233,968.67
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	17,252,210.16	12,145,423.16
R&D expense		
Goodwill		
Long-term deferred expenses	5,069,513.99	4,797,144.17
Deferred income tax assets	17,127,902.11	18,711,962.93
Other non-current assets	4,567,247.22	1,929,374.75
Total of non-current assets	255,192,049.43	255,149,497.22
Total assets	1,826,569,790.69	1,651,024,619.41
Current liabilities:		
Short-term borrowings	222,645,500.00	61,190,000.00
Borrowings from the Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses	4,848,900.00	3,956,259.85

Item	Closing balance	Opening balance
Derivative financial liabilities		
Notes payable	34,106,530.95	29,749,982.77
Accounts payable	532,650,997.68	533,071,295.43
Accounts received in advance	13,725,729.67	14,769,179.12
Financial assets sold and repurchased		
Handling charges and commissions payable		
Payroll payable	46,333,697.97	45,910,725.14
Tax payable	5,395,584.18	6,521,778.61
Interest payable	1,210,088.58	68,275.80
Dividend payable		
Other accounts payable	60,073,681.15	53,159,623.33
Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	920,990,710.18	748,397,120.05
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	307,459.59	618,966.78
Other non-current liabilities		
Total non-current liabilities	307,459.59	618,966.78
Total liabilities	921,298,169.77	749,016,086.83
Owners' equity:		
Share capital	185,391,680.00	185,391,680.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	278,458,862.55	278,458,862.55
Less: Treasury stock		
Other comprehensive income	1,852,863.47	-899,380.20
Specific reserves		
Surplus reserves	16,400,043.27	16,400,043.27
Provisions for general risks		
Retained profits	67,485,827.11	67,223,203.93
Total equity attributable to owners of the Company	549,589,276.40	546,574,409.55
Minority interests	355,682,344.52	355,434,123.03
Total owners' equity	905,271,620.92	902,008,532.58
Total liabilities and owners' equity	1,826,569,790.69	1,651,024,619.41

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

2. Balance sheet of the Company

Unit: (RMB) Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	6,784,115.28	3,236,270.65
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable	1,211,475.00	2,004,498.59
Accounts receivable	11,565,334.01	28,535,190.86
Accounts paid in advance	905,923.07	159,129.74
Interest receivable		
Dividend receivable		
Other accounts receivable	598,921.70	618,435.08
Inventories	12,491,009.36	9,123,446.86
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	248,982.79	259,083.99
Total current assets	33,805,761.21	43,936,055.77
Non-current assets:		
Available-for-sale financial assets	40,000.00	40,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	985,814,030.83	985,814,030.83
Investing real estate	31,365,907.78	43,650,654.94
Fixed assets	7,752,529.74	573,821.18
Construction in progress	200,000.00	
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	3,347,903.31	
R&D expense		
Goodwill		
Long-term deferred expenses	1,021,498.52	758,014.49
Deferred income tax assets	1,480,913.40	1,902,042.53
Other non-current assets	28,385.00	4,000.00
Total of non-current assets	1,031,051,168.58	1,032,742,563.97
Total assets	1,064,856,929.79	1,076,678,619.74
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	44,272,389.52	52,496,435.80

Item	Closing balance	Opening balance
Accounts received in advance	2,202,141.94	5,652,792.49
Payroll payable	2,152,788.11	2,347,177.91
Tax payable	432,473.87	898,026.25
Interest payable		
Dividend payable		
Other accounts payable	474,953,978.71	475,204,952.74
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	524,013,772.15	536,599,385.19
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	524,013,772.15	536,599,385.19
Owners' equity:		
Share capital	185,391,680.00	185,391,680.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	271,489,596.88	271,489,596.88
Less: Treasury stock		
Other comprehensive income		
Specific reserves		
Surplus reserves	16,400,043.27	16,400,043.27
Retained profits	67,561,837.49	66,797,914.40
Total owners' equity	540,843,157.64	540,079,234.55
Total liabilities and owners' equity	1,064,856,929.79	1,076,678,619.74

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

3. Consolidated income statement for the reporting period

Unit: (RMB) Yuan

Item	Jul.-Sept. 2015	Jul.-Sept. 2014
I. Operating revenues	579,140,206.32	544,321,965.08
Including: Sales income	579,140,206.32	544,321,965.08
Interest income		
Premium income		
Handling charge and commission income		
II. Operating costs	548,892,463.28	525,887,541.49
Including: Cost of sales	496,371,056.95	460,219,102.58
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	1,188,384.99	3,319,615.53
Selling and distribution expenses	22,069,831.45	19,897,087.88
Administrative expenses	41,664,771.57	42,240,352.84
Financial expenses	-15,708,735.27	-2,908,650.92
Asset impairment loss	3,307,153.59	3,120,033.58
Add: Gain/(loss) from change in fair value (“-” means loss)	-11,830,300.00	5,158,021.00
Gain/(loss) from investment (“-” means loss)	11,533.67	6,445,948.48
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	18,428,976.71	30,038,393.07
Add: non-operating income	1,625,298.40	2,737,189.92
Including: Gains on disposal of non-current assets	611,012.33	707,991.80
Less: non-operating expense	16,648.18	128,227.96
Including: Losses on disposal of non-current assets	12,219.06	66,177.57
IV. Total profit (“-” means loss)	20,037,626.93	32,647,355.03
Less: Income tax expense	2,435,769.58	1,711,949.34
V. Net profit (“-” means loss)	17,601,857.35	30,935,405.69
Net profit attributable to owners of the Company	12,960,350.00	23,906,043.41
Minority shareholders' income	4,641,507.35	7,029,362.28
VI. After-tax net amount of other comprehensive incomes	3,747,922.14	5,510.99
After-tax net amount of other comprehensive incomes attributable to owners of the Company	2,810,941.60	4,133.24
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into	2,810,941.60	4,133.24

Item	Jul.-Sept. 2015	Jul.-Sept. 2014
gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	2,810,941.60	4,133.24
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	936,980.54	1,377.75
VII. Total comprehensive incomes	21,349,779.49	30,940,916.68
Attributable to owners of the Company	15,771,291.60	23,910,176.65
Attributable to minority shareholders	5,578,487.89	7,030,740.03
VIII. Earnings per share		
(I) Basic earnings per share	0.07	0.13
(II) Diluted earnings per share	0.07	0.13

Where business mergers under the same control occurred in the reporting period, the net profit achieved by the merged parties before the business mergers was RMB 0.00, with the corresponding amount for the same period of last year being RMB 0.00.

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

4. Income statement of the Company for the reporting period

Unit: (RMB) Yuan

Item	Jul.-Sept. 2015	Jul.-Sept. 2014
I. Total sales	13,495,092.82	58,442,043.78
Less: cost of sales	9,569,195.18	48,755,369.75
Business taxes and surcharges	237,633.66	485,845.98
Distribution expenses	1,260,115.65	2,041,280.17
Administrative expenses	3,823,193.17	2,695,990.94
Financial costs	-34,646.87	-35,304.63
Impairment loss	310,192.06	899,716.50
Add: gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)		
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	-1,670,590.03	3,599,145.07
Add: non-operating income	36,918.98	107,652.70
Including: Gains on disposal of non-current assets	23,533.98	79,148.08
Less: non-operating expense	12,952.66	
Including: Losses on disposal of non-current assets	12,952.66	
III. Total profit (“-” means loss)	-1,646,623.71	3,706,797.77
Less: Income tax expense	-90,906.24	1,346,073.08
IV. Net profit (“-” means loss)	-1,555,717.47	2,360,724.69
V. After-tax net amount of other comprehensive incomes		
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	-1,555,717.47	2,360,724.69
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

5. Consolidated income statement for Jan.-Sept. 2015

Unit: (RMB) Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Operating revenues	1,474,334,364.39	1,434,538,264.59
Including: Sales income	1,474,334,364.39	1,434,538,264.59
Interest income		
Premium income		
Handling charge and commission income		
II. Operating costs	1,439,488,730.13	1,389,310,291.72
Including: Cost of sales	1,267,854,353.96	1,222,193,517.04
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	4,272,747.17	8,249,924.72
Selling and distribution expenses	63,193,960.77	54,280,542.64
Administrative expenses	124,663,461.78	115,152,940.25
Financial expenses	-24,906,680.93	-14,125,625.27
Asset impairment loss	4,410,887.38	3,558,992.34
Add: Gain/(loss) from change in fair value (“-” means loss)	-3,029,390.15	-21,610,150.00
Gain/(loss) from investment (“-” means loss)	6,042,202.49	20,446,066.98
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	37,858,446.60	44,063,889.85
Add: non-operating income	4,854,787.57	11,558,038.21
Including: Gains on disposal of non-current assets	1,520,804.68	2,241,842.00
Less: non-operating expense	134,843.80	870,000.91
Including: Losses on disposal of non-current assets	129,414.68	615,040.69
IV. Total profit (“-” means loss)	42,578,390.37	54,751,927.15
Less: Income tax expense	5,736,527.36	4,669,389.24
V. Net profit (“-” means loss)	36,841,863.01	50,082,537.91
Net profit attributable to owners of the Company	28,071,375.18	38,764,033.17
Minority shareholders' income	8,770,487.83	11,318,504.74
VI. After-tax net amount of other comprehensive incomes	3,669,658.23	373,684.95
After-tax net amount of other comprehensive incomes attributable to owners of the Company	2,752,243.67	280,263.71
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
(II) Other comprehensive incomes that will be reclassified into gains and losses	2,752,243.67	280,263.71
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	2,752,243.67	280,263.71
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	917,414.56	93,421.24
VII. Total comprehensive incomes	40,511,521.24	50,456,222.86
Attributable to owners of the Company	30,823,618.85	39,044,296.88
Attributable to minority shareholders	9,687,902.39	11,411,925.98
VIII. Earnings per share		
(I) Basic earnings per share	0.15	0.21
(II) Diluted earnings per share	0.15	0.21

Where business mergers under the same control occurred in this period, the net profit achieved by the merged parties before the business mergers was RMB 0.00, with the corresponding amount for the same period of last year being RMB 0.00.

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

6. Income statement of the Company for Jan.-Sept. 2015

Unit: (RMB) Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Total sales	92,169,899.28	101,050,036.42
Less: cost of sales	73,644,929.63	77,835,613.62
Business taxes and surcharges	765,552.24	1,152,004.18
Distribution expenses	5,460,113.47	5,040,950.06
Administrative expenses	11,147,771.28	8,274,173.54
Financial costs	451,509.01	236,803.63
Impairment loss	37,341.13	-598,460.81
Add: gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)	28,286,287.22	38,189,978.21
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	28,948,969.74	47,298,930.41
Add: non-operating income	96,763.54	128,575.86
Including: Gains on disposal of non-current assets	23,533.98	83,894.34
Less: non-operating expense	12,952.66	35,791.72
Including: Losses on disposal of non-current assets	12,952.66	
III. Total profit (“-” means loss)	29,032,780.62	47,391,714.55
Less: Income tax expense	460,105.53	2,742,335.10
IV. Net profit (“-” means loss)	28,572,675.09	44,649,379.45
V. After-tax net amount of other comprehensive incomes		
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	28,572,675.09	44,649,379.45
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

7. Consolidated cash flow statement for Jan.-Sept. 2015

Unit: (RMB) Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,314,183,043.25	1,360,412,327.85
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of financial assets measured at fair value of which changes are recorded into current gains and losses		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	102,311,292.95	154,669,374.04
Other cash received relating to operating activities	46,920,557.30	73,864,346.39
Subtotal of cash inflows from operating activities	1,463,414,893.50	1,588,946,048.28
Cash paid for goods and services	1,181,254,376.36	1,257,184,026.76
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	200,883,474.33	184,072,607.32
Various taxes paid	18,022,371.12	22,474,160.98
Other cash payment relating to operating activities	167,376,513.27	184,760,754.65
Subtotal of cash outflows from operating activities	1,567,536,735.08	1,648,491,549.71
Net cash flows from operating activities	-104,121,841.58	-59,545,501.43
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	104,698,869.16	231,422,984.72
Cash received from return on investments	1,343,333.33	8,692,082.35
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,340,201.65	3,330,778.97
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	834,157,694.00	
Subtotal of cash inflows from investing activities	943,540,098.14	243,445,846.04

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
Cash paid to acquire fixed assets, intangible assets and other long-term assets	51,555,680.88	33,255,449.23
Cash paid for investment	330,000,000.00	440,000,000.00
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities	801,902,932.63	611,404,876.95
Subtotal of cash outflows from investing activities	1,183,458,613.51	1,084,660,326.18
Net cash flows from investing activities	-239,918,515.37	-841,214,480.14
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	583,727,183.61	672,464,728.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		143,957,350.00
Subtotal of cash inflows from financing activities	583,727,183.61	816,422,078.00
Repayment of borrowings	434,082,752.61	410,050,948.00
Cash paid for interest expenses and distribution of dividends or profit	37,956,939.13	43,214,926.25
Including: dividends or profit paid by subsidiaries to minority shareholders	8,485,886.15	12,877,215.94
Other cash payments relating to financing activities		33,837,950.00
Sub-total of cash outflows from financing activities	472,039,691.74	487,103,824.25
Net cash flows from financing activities	111,687,491.87	329,318,253.75
IV. Effect of foreign exchange rate changes on cash and cash equivalents	17,749,283.00	2,644,547.11
V. Net increase in cash and cash equivalents	-214,603,582.08	-568,797,180.71
Add: Opening balance of cash and cash equivalents	469,965,448.01	834,088,959.68
VI. Closing balance of cash and cash equivalents	255,361,865.93	265,291,778.97

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

8. Cash flow statement of the Company for Jan.-Sept. 2015

Unit: (RMB) Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	108,538,211.67	94,631,963.05
Tax refunds received		
Other cash received relating to operating activities	33,426,268.98	37,492,388.45
Subtotal of cash inflows from operating activities	141,964,480.65	132,124,351.50
Cash paid for goods and services	95,873,694.77	115,910,450.05
Cash paid to and for employees	9,089,806.07	5,402,684.19
Various taxes paid	5,331,450.02	5,504,014.56
Other cash payment relating to operating activities	25,969,329.55	19,623,261.39
Subtotal of cash outflows from operating activities	136,264,280.41	146,440,410.19
Net cash flows from operating activities	5,700,200.24	-14,316,058.69
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		
Cash received from return on investments	28,286,287.22	38,189,978.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		85,700.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	28,286,287.22	38,275,678.21
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,565,567.30	400,135.90
Cash paid for investment		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	2,565,567.30	400,135.90
Net cash flows from investing activities	25,720,719.92	37,875,542.31
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	27,883,693.93	25,337,391.98
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	27,883,693.93	25,337,391.98
Net cash flows from financing activities	-27,883,693.93	-25,337,391.98
IV. Effect of foreign exchange rate changes on cash and cash equivalents	10,618.40	-13,623.73
V. Net increase in cash and cash equivalents	3,547,844.63	-1,791,532.09
Add: Opening balance of cash and cash equivalents	3,236,270.65	11,811,615.43
VI. Closing balance of cash and cash equivalents	6,784,115.28	10,020,083.34

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Yanru

Chief of the accounting organ: Wu Yanru

II. Auditor's report

Is this report audited?

Yes No

This report is not audited.