

China Fangda Group Co., Ltd.

2015 First Quarter Report

April 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.

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

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

II Financial Highlight and Changes in Shareholders

1. Financial Highlight

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

Yes No

| | This report period | Same period last year | Year-on-year change (%) |
|--|--------------------------|-----------------------|-------------------------|
| Turnover (yuan) | 478,296,193.16 | 355,756,883.37 | 34.44% |
| Net profit attributable to shareholders of the listed company (yuan) | 15,504,344.70 | 11,482,984.40 | 35.02% |
| Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB) | 14,487,216.74 | 12,517,571.36 | 15.74% |
| Net cash flow generated by business operation (RMB) | -235,696,168.76 | -136,031,996.42 | |
| Basic earnings per share (yuan/share) | 0.0205 | 0.0152 | 34.87% |
| Diluted Earnings per share (yuan/share) | 0.0205 | 0.0152 | 34.87% |
| Weighted average net income/asset ratio | 1.25% | 0.98% | 0.27% |
| | End of the report period | End of last year | Year-on-year change |
| Total asset (RMB) | 3,651,477,914.96 | 3,662,719,900.41 | -0.31% |
| Net profit attributable to the shareholders of the listed company (RMB) | 1,251,625,675.66 | 1,234,930,863.46 | 1.35% |

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) | -221,536.58 | |
| 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) | 52,401.41 | |
| Gain from entrusted investment or assets management | 278,491.50 | |
| Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of | 688,412.00 | |

| | | |
|--|--------------|----|
| transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses | | |
| Other non-business income and expenditures other than the above | 435,635.38 | |
| Less: Influenced amount of income tax | 167,052.38 | |
| Influenced amount of minority shareholders' equity (after-tax) | 49,223.37 | |
| Total | 1,017,127.96 | -- |

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 | | 54,807 | | | | |
|---|---------------------------------|--------------|------------------|--------------------|----------------------|------------|
| 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 | | Pledged | 62,310,000 |
| Shengjiu Investment Ltd. | Foreign legal person | 5.92% | 44,834,580 | | | |
| Huang Jupei | Domestic natural person | 3.96% | 30,001,000 | | | |
| Shenzhen Shilihe Investment Co., Ltd. | Domestic non-state legal person | 2.36% | 17,860,992 | | | |
| Zhou Shijian | Domestic natural person | 2.33% | 17,627,550 | | | |

| | person | | | | | |
|---|---------------------------------------|---|------------|--|--|--|
| Yu Liandi | Domestic natural person | 1.34% | 10,121,923 | | | |
| Jiang Jing | Domestic natural person | 1.19% | 9,029,914 | | | |
| ICBC - AXA SPDB Growth Value Stock Fund | Others | 0.67% | 5,076,600 | | | |
| China Life Insurance – Dividend – Personal Dividend – 005L-FH002 Shen | Others | 0.55% | 4,149,945 | | | |
| Shao Feichun | Domestic natural person | 0.45% | 3,401,332 | | | |
| 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. | 44,834,580 | Foreign shares listed in domestic exchanges | 44,834,580 | | | |
| Huang Jupei | 30,001,000 | RMB common shares | 30,001,000 | | | |
| Shenzhen Shilihe Investment Co., Ltd. | 17,860,992 | RMB common shares | 17,860,992 | | | |
| Zhou Shijian | 17,627,550 | RMB common shares | 17,627,550 | | | |
| Yu Liandi | 10,121,923 | RMB common shares | 10,121,923 | | | |
| Jiang Jing | 9,029,914 | RMB common shares | 9,029,914 | | | |
| ICBC - AXA SPDB Growth Value Stock Fund | 5,076,600 | RMB common shares | 5,076,600 | | | |
| China Life Insurance – Dividend – | 4,149,945 | RMB common | 4,149,945 | | | |

| | | | |
|---|--|----------------------|-----------|
| Personal Dividend – 005L-FH002 Shen | | shares | |
| Shao Feichun | 3,401,332 | RMB common shares | 3,401,332 |
| Notes to top ten shareholder relationship or "action in concert" | Among the top 10 shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. and 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 | Huang Jupei holds 30,000,000 shares of the Company through GF Securities customer credit transaction guarantee securities account; Zhou Shijian holds 17,627,550 shares of the Company through GF Securities customer credit transaction guarantee securities account, Yu Liandi holds 10,121,923 shares of the Company through GF Securities customer credit transaction guarantee securities account; Jiang Jing holds 9,024,914 shares of the Company through Everbright Securities customer credit transaction guarantee securities account. | | |

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

III Significant Events

一、Major changes in accounting items and financial data in the report period and reasons

| Items | Closing amount | Opening amount | Change | Cause of change |
|---|-----------------|-----------------|---------|---|
| Prepayment | 126,226,566.34 | 29,234,231.49 | 331.78% | Prepaid engineering amount for Fangda Town renovation project and increase in prepaid material amount in construction in progress |
| Other current assets | 4,015,529.92 | 234,986,107.72 | -98.29% | Increase in maturity of financial products |
| Employees' wage payable | 23,704,661.51 | 41,703,314.26 | -43.16% | Annual bonus paid |
| Interest payable | 4,421,561.14 | 2,055,911.11 | 115.07% | Increase in undue interest |
| Items | This period | Last period | Change | Reason |
| Turnover | 478,296,193.16 | 355,756,883.37 | 34.44% | Increase in sales of LED products, curtain walls and material products |
| Operation cost | 400,341,153.97 | 293,391,122.49 | 36.45% | Increase in sales revenue |
| Sales expense | 14,062,688.37 | 8,701,307.65 | 61.62% | Increase in advertising cost |
| Financial expenses | 10,470,656.03 | 5,625,896.86 | 86.12% | Increase in average loan |
| Income tax | 3,497,266.94 | 2,118,855.16 | 65.05% | Income tax on transferring of stocks |
| Cash flow generated by business operations, net | -235,696,168.76 | -136,031,996.42 | | Development cost of Fangda Town renovation project |
| Cash flow generated by investment activities, net | 207,321,960.95 | -3,481,685.95 | | Increase in maturity of financial products |
| Net cash flow generated by financing activities | 62,129,337.47 | 239,340,250.00 | -74.04% | Increase in bank loans during the same period last year |

2. Progress of key issues and its impacts and solutions

| Key issue | Date of disclosure | Information source |
|--|--------------------|--|
| The Company decreases the amount to be | April 4, 2015 | 10 th meeting of the 7 th Board of |

| | | |
|---|--|---|
| raised from private issuance from RMB1.008 billion to RMB856 million. | | Directors, Private A-share Issuing Plan (Revised in April 2015), Feasibility Study Report on the Use of Raised Fund form the Private A-Share Issuing (Revised in April 2015) are published on www.cninfo.com.cn . |
|---|--|---|

3. 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 between January and June 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

| 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 | 00702 | Sino Oil and Gas Holdings Ltd | 16,263,675.00 | 100,000,000 | 0.56% | 100,000,000 | 0.56% | 14,099,202.00 | 688,412.00 | Transactional financial assets | Purchase |
| Total | | | 16,263,675.00 | 100,000,000 | -- | 100,000,000 | -- | 14,099,202.00 | 688,412.00 | -- | -- |
| 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. The Company holds no stock of other list companies in the report period.

7. Derivative investment

In RMB10,000

| Derivative investment operator | Relationship | Related transaction | Type | Initial amount | Start date | End date | Initial investment amount | Impairment provision (if any) | Closing investment amount | Proportion of closing investment amount in the closing net assets in the report period | Actual gain/loss in the report period |
|---|--------------|---------------------|-------------------|--|-----------------|-----------------|---------------------------|-------------------------------|---------------------------|--|---------------------------------------|
| Shanghai Futures Exchange | None | No | Shanghai aluminum | 6,388.36 | January 8, 2015 | August 15, 2015 | 0 | 0 | 4,972.53 | 3.97% | 8.53 |
| Total | | | | 6,388.36 | -- | -- | 0 | 0 | 4,972.53 | 3.97% | 8.53 |
| Capital source | | | | Self-owned fund | | | | | | | |
| Lawsuit (if any) | | | | Inapplicable | | | | | | | |
| Disclosure date of derivative investment approval by the Board of Directors (if any) | | | | | | | | | | | |
| Disclosure date of derivative investment approval by the Shareholders' Meeting (if any) | | | | | | | | | | | |
| Risk analysis and control measures for the derivative holding in the report period (including without limitation market, liquidity, credit, operation and legal risks) | | | | To prevent the risk of fluctuation of raw material prices, the Company adopted the aluminum futures exchanged at the domestic futures exchange to provide hedging for aluminum as a raw material for the Company. The Company has set up and implemented the Provincial Regulations on China Fangda Group Domestic Futures Hedging to prevent risks. | | | | | | | |
| Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters. | | | | 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 | | | | No | | | | | | | |

| | |
|---|------|
| policies and rules related to the derivative in the report period compared to last period | |
| 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

| Time/date | Place | Way | Visitor | Visitor | Main content involved and materials provided |
|------------------|----------|----------------------|-------------|-------------------------|--|
| January 21, 2015 | Shenzhen | Onsite investigation | Institution | China Galaxy Securities | Business and future development |

IV Financial Statements

1. Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

March 31, 2015

In RMB

| Items | Closing balance | Ending balance |
|---|------------------|------------------|
| Current asset: | | |
| Monetary capital | 244,452,494.45 | 212,430,798.87 |
| Settlement provision | | |
| Outgoing call loan | | |
| Financial assets measured at fair value with variations accounted into current income account | 14,099,202.00 | 13,410,790.00 |
| Derivative financial assets | 1,400,550.00 | |
| Notes receivable | 82,590,349.84 | 83,325,725.70 |
| Account receivable | 1,128,679,107.27 | 1,105,242,251.46 |
| Prepayment | 126,226,566.34 | 29,234,231.49 |
| Insurance receivable | | |
| Reinsurance receivable | | |
| Provisions of Reinsurance contracts receivable | | |
| Interest receivable | | |
| Dividend receivable | | |
| Other receivables | 62,357,005.91 | 48,950,647.67 |
| Repurchasing of financial assets | | |
| Inventory | 1,041,167,625.17 | 982,441,187.05 |
| Assets held for sales | | |
| Non-current assets due in 1 year | | |
| Other current assets | 4,015,529.92 | 234,986,107.72 |
| Total current assets | 2,704,988,430.90 | 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 | 10,260,661.01 | 11,048,660.43 |
| Investment real estate | 226,072,931.60 | 226,279,523.39 |
| Fixed assets | 485,233,974.85 | 489,714,684.63 |
| Construction in process | 425,749.17 | 341,749.17 |
| Engineering materials | | |
| Disposal of fixed assets | 28,236.42 | 26,918.21 |
| Productive biological assets | 0.00 | |
| Gas & petrol | 0.00 | |
| Intangible assets | 98,055,435.98 | 98,947,331.09 |
| R&D expense | 0.00 | |
| Goodwill | 26,279,395.89 | 26,279,395.89 |
| Long-term amortizable expenses | 3,740,796.07 | 4,119,362.63 |
| Deferred income tax assets | 53,348,240.19 | 52,616,656.38 |
| Other non-current assets | 43,044,062.88 | 43,323,878.63 |
| Total of non-current assets | 946,489,484.06 | 952,698,160.45 |
| Total of assets | 3,651,477,914.96 | 3,662,719,900.41 |
| Current liabilities | | |
| Short-term loans | 1,150,000,000.00 | 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 | | |
| Notes payable | 218,867,536.66 | 227,266,485.57 |
| Account payable | 599,088,229.21 | 685,108,346.73 |
| Prepayment received | 131,682,718.05 | 122,285,231.14 |
| Selling of repurchased financial assets | | |

| | | |
|---------------------------------------|------------------|------------------|
| Fees and commissions payable | | |
| Employees' wage payable | 23,704,661.51 | 41,703,314.26 |
| Taxes payable | 55,723,997.24 | 58,696,926.25 |
| Interest payable | 4,421,561.14 | 2,055,911.11 |
| Dividend payable | | |
| Other payables | 46,973,387.00 | 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 | | |
| Total current liabilities | 2,236,462,090.81 | 2,290,541,897.50 |
| Non-current liabilities: | | |
| Long-term loans | 27,612,000.00 | |
| Bond payable | | |
| Including: preferred stock | | |
| Perpetual bond | | |
| Long-term payable | 6,000,000.00 | 6,000,000.00 |
| Long-term employees' wage payable | | |
| Special payables | | |
| Anticipated liabilities | 5,735,885.84 | 5,859,045.98 |
| Deferred earning | 9,997,490.63 | 10,049,892.04 |
| Deferred income tax liabilities | 50,023,668.17 | 49,734,436.90 |
| Other non-current liabilities | 0.00 | |
| Total of non-current liabilities | 99,369,044.64 | 71,643,374.92 |
| Total liabilities | 2,335,831,135.45 | 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 | | |
| Other miscellaneous income | 1,282,299.13 | 91,831.63 |
| Special reserves | | |
| Surplus reserves | 48,842,080.76 | 48,842,080.76 |
| Common risk provisions | | |
| Retained profit | 365,492,170.39 | 349,987,825.69 |
| Total of owner's equity belong to the parent company | 1,251,625,675.66 | 1,234,930,863.46 |
| Minor shareholders' equity | 64,021,103.85 | 65,603,764.53 |
| Total of owners' equity | 1,315,646,779.51 | 1,300,534,627.99 |
| Total of liabilities and owner's interest | 3,651,477,914.96 | 3,662,719,900.41 |

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Chen Yonggang

2. Balance Sheet of the Parent Company

In RMB

| Items | Closing balance | Ending balance |
|---|-----------------|----------------|
| Current asset: | | |
| Monetary capital | 40,660,521.08 | 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 | 28,639,627.17 | 28,639,627.17 |
| Other receivables | 324,722,211.04 | 254,604,163.79 |
| Inventory | | |
| Assets held for sales | | |
| Non-current assets due in 1 year | | |
| Other current assets | 1,032,022.40 | 31,005,620.01 |
| Total current assets | 395,566,042.29 | 337,068,040.92 |

| | | |
|--|------------------|------------------|
| Non-current assets: | | |
| Sellable financial assets | | |
| Investment held until mature | | |
| Long-term receivable | | |
| Long-term share equity investment | 1,129,886,559.59 | 1,130,674,559.01 |
| Investment real estate | 198,513,586.15 | 198,513,586.15 |
| Fixed assets | 59,531,153.32 | 60,145,112.89 |
| Construction in process | | |
| Engineering materials | | |
| Disposal of fixed assets | | |
| Productive biological assets | | |
| Gas & petrol | | |
| Intangible assets | 2,256,241.65 | 2,256,575.64 |
| R&D expense | | |
| Goodwill | | |
| Long-term amortizable expenses | 68,631.78 | 81,367.47 |
| Deferred income tax assets | 22,902,305.69 | 22,623,560.72 |
| Other non-current assets | 220,000,000.00 | 220,000,000.00 |
| Total of non-current assets | 1,633,158,478.18 | 1,634,294,761.88 |
| Total of assets | 2,028,724,520.47 | 1,971,362,802.80 |
| Current liabilities | | |
| Short-term loans | 380,000,000.00 | 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 | 693,045.60 | 832,772.45 |
| Employees' wage payable | 934,359.20 | 1,956,875.76 |
| Taxes payable | 555,962.71 | 567,424.56 |
| Interest payable | 715,733.34 | 659,266.67 |
| Dividend payable | | |
| Other payables | 299,252,868.25 | 270,281,330.40 |
| Liabilities held for sales | | |

| | | |
|---|------------------|------------------|
| Non-current liabilities due in 1 year | | |
| Other current liabilities | 0.00 | |
| Total current liabilities | 682,758,910.95 | 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 | 97,772,195.96 | 97,693,047.19 |
| Other non-current liabilities | | |
| Total of non-current liabilities | 97,772,195.96 | 97,693,047.19 |
| Total liabilities | 780,531,106.91 | 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 | | |
| Other miscellaneous income | 91,831.63 | 91,831.63 |
| Special reserves | | |
| Surplus reserves | 48,842,080.76 | 48,842,080.76 |
| Retained profit | 403,751,031.17 | 404,322,761.53 |
| Total of owners' equity | 1,248,193,413.56 | 1,248,765,143.92 |
| Total of liabilities and owner's interest | 2,028,724,520.47 | 1,971,362,802.80 |

3. Consolidated Income Statement

In RMB

| Items | Amount occurred in the current period | Occurred in previous period |
|---|---------------------------------------|-----------------------------|
| 1. Total revenue | 478,296,193.16 | 355,756,883.37 |
| Incl. Business income | 478,296,193.16 | 355,756,883.37 |
| Interest income | | |
| Insurance fee earned | | |
| Fee and commission received | | |
| 2. Total business cost | 462,837,415.79 | 341,772,009.46 |
| Incl. Business cost | 400,341,153.97 | 293,391,122.49 |
| 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 | 6,795,101.17 | 5,730,224.57 |
| Sales expense | 14,062,688.37 | 8,701,307.65 |
| Administrative expense | 38,354,341.95 | 33,628,424.84 |
| Financial expenses | 10,470,656.03 | 5,625,896.86 |
| Asset impairment loss | -7,186,525.70 | -5,304,966.95 |
| Plus: gains from change of fair value ("-" for loss) | 688,412.00 | |
| Investment gains ("-" for loss) | 490,492.08 | 93,054.05 |
| Incl. Investment gains from affiliates and joint ventures | 212,000.58 | 35,277.68 |
| Exchange gains ("-" for loss) | | |
| 3. Operational profit ("-" for loss) | 16,637,681.45 | 14,077,927.96 |
| Plus: non-operational income | 1,241,566.56 | 551,881.06 |
| Incl. Gain from disposal of non-current assets | 47,272.92 | 7,364.40 |
| Less: non-operational expenditure | 460,297.05 | 1,790,684.83 |
| Incl. Loss from disposal of non-current assets | 268,809.50 | 1,475,955.63 |

| | | |
|---|---------------|---------------|
| 4. Gross profit (“-“ for loss) | 17,418,950.96 | 12,839,124.19 |
| Less: Income tax expenses | 3,497,266.94 | 2,118,855.16 |
| 5. Net profit (“-“ for net loss) | 13,921,684.02 | 10,720,269.03 |
| Net profit attributable to the owners of parent company | 15,504,344.70 | 11,482,984.40 |
| Minor shareholders' equity | -1,582,660.68 | -762,715.37 |
| 6. After-tax net amount of other misc. incomes | 1,190,467.50 | |
| After-tax net amount of other misc. incomes attributed to parent's owner | 1,190,467.50 | |
| (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 | 1,190,467.50 | |
| 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 sales | | |
| 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 | 1,190,467.50 | |
| 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 | 15,112,151.52 | 10,720,269.03 |

| | | |
|---|---------------|---------------|
| Total of misc. incomes attributable to the owners of the parent company | 16,694,812.20 | 11,482,984.40 |
| Total misc gains attributable to the minor shareholders | -1,582,660.68 | -762,715.37 |
| 8. Earnings per share: | | |
| (1) Basic earnings per share | 0.0205 | 0.0152 |
| (2) Diluted earnings per share | 0.0205 | 0.0152 |

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

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

4. Income Statement of the Parent Company

In RMB

| Items | Amount occurred in the current period | Occurred in previous period |
|---|---------------------------------------|-----------------------------|
| 1. Turnover | 7,393,884.45 | 7,254,079.85 |
| Less: Operation cost | 353,341.70 | 883,388.21 |
| Business tax and surcharge | 592,342.65 | 582,497.54 |
| Sales expense | | |
| Administrative expense | 5,445,073.39 | 5,710,805.48 |
| Financial expenses | 2,262,140.00 | 2,152,949.71 |
| Asset impairment loss | -629.56 | -33,017.42 |
| Plus: gains from change of fair value ("-" for loss) | | |
| Investment gains ("-" for loss) | 267,962.22 | 35,277.68 |
| Incl. Investment gains from affiliates and joint ventures | 212,000.58 | 35,277.68 |
| 2. Operational profit ("-" for loss) | -990,421.51 | -2,007,265.99 |
| Plus: non-operational income | 220,267.27 | 7,757.02 |
| Incl. Loss from disposal of non-current assets | | |
| Less: non-operational expenditure | 1,172.32 | 313,701.67 |
| Incl. Loss from disposal of non-current assets | | 113,701.67 |
| 3. Gross profit ("-" for loss) | -771,326.56 | -2,313,210.64 |
| Less: Income tax expenses | -199,596.20 | -534,297.64 |

| | | |
|---|-------------|---------------|
| 4. Net profit (“-“ for net loss) | -571,730.36 | -1,778,913.00 |
| 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 | -571,730.36 | -1,778,913.00 |
| 7. Earnings per share: | | |
| (1) Basic earnings per share | | |
| (2) Diluted earnings per share | | |

5. Consolidated Cash Flow Statement

In RMB

| Items | Amount occurred in the current period | Amount occurred in previous period |
|--------------------------------|---------------------------------------|------------------------------------|
| 1. Net cash flow from business | | |

| | | |
|---|----------------|----------------|
| operations: | | |
| Cash received from sales of products and providing of services | 457,440,374.67 | 327,320,310.44 |
| 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 | 709,995.90 | 57,932.17 |
| Other cash received from business operation | 33,201,154.29 | 37,109,217.85 |
| Sub-total of cash inflow from business operations | 491,351,524.86 | 364,487,460.46 |
| Cash paid for purchasing products and services | 591,693,341.18 | 379,515,482.34 |
| 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 | 79,484,303.73 | 56,720,544.81 |
| Taxes paid | 21,872,458.04 | 14,516,817.48 |
| Other cash paid for business activities | 33,997,590.67 | 49,766,612.25 |
| Sub-total of cash outflow from business operations | 727,047,693.62 | 500,519,456.88 |
| Cash flow generated by business operations, net | -235,696,168.76 | -136,031,996.42 |
| 2. Cash flow generated by investment: | | |
| Cash received from investment recovery | 311,500,000.00 | 0.00 |
| Cash received as investment profit | 1,278,491.50 | 58,267.73 |
| Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets | 130,000.00 | 3,044,140.00 |
| Net cash received from disposal of subsidiaries or other operational units | | |
| Other investment-related cash received | | 48,500.00 |
| Sub-total of cash inflow generated from investment | 312,908,491.50 | 3,150,907.73 |
| Cash paid for construction of fixed assets, intangible assets and other long-term assets | 18,086,530.55 | 6,502,093.68 |
| Cash paid as investment | 87,500,000.00 | |
| Net increase of loan against pledge | | |
| Net cash paid for acquiring subsidiaries and other operational units | | |
| Other cash paid for investment | | 130,500.00 |
| Subtotal of cash outflows | 105,586,530.55 | 6,632,593.68 |
| Cash flow generated by investment activities, net | 207,321,960.95 | -3,481,685.95 |
| 3. Cash flow generated by financing activities: | | |
| Cash received from investment | | 0.00 |

| | | |
|--|----------------|----------------|
| Incl. Cash received from investment attracted by subsidiaries from minority shareholders | | |
| Cash received from borrowed loans | 177,612,000.00 | 246,000,000.00 |
| Cash received from bond placing | | |
| Other cash received from financing activities | 261.26 | 0.00 |
| Subtotal of cash inflow from financing activities | 177,612,261.26 | 246,000,000.00 |
| Cash paid to repay debts | 100,000,000.00 | |
| Cash paid as dividend, profit, or interests | 15,482,923.79 | 6,659,750.00 |
| Incl. Dividend and profit paid by subsidiaries to minority shareholders | | |
| Other cash paid for financing activities | | |
| Subtotal of cash outflow from financing activities | 115,482,923.79 | 6,659,750.00 |
| Net cash flow generated by financing activities | 62,129,337.47 | 239,340,250.00 |
| 4. Influence of exchange rate changes on cash and cash equivalents | -30,382.31 | 26,330.43 |
| 5. Net increase in cash and cash equivalents | 33,724,747.35 | 99,852,898.06 |
| 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 | 136,362,979.54 | 385,090,153.44 |

6. Cash Flow Statement of the Parent Company

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 | 5,302,300.24 | 6,692,417.04 |
| Tax refunded | | |

| | | |
|---|----------------|----------------|
| Other cash received from business operation | 223,117,704.34 | 351,667,932.11 |
| Sub-total of cash inflow from business operations | 228,420,004.58 | 358,360,349.15 |
| Cash paid for purchasing products and services | 696,453.22 | 1,503,641.21 |
| Cash paid to and for the staff | 4,535,860.40 | 4,431,296.48 |
| Taxes paid | 696,383.10 | 704,468.11 |
| Other cash paid for business activities | 262,226,214.90 | 390,871,370.64 |
| Sub-total of cash outflow from business operations | 268,154,911.62 | 397,510,776.44 |
| Cash flow generated by business operations, net | -39,734,907.04 | -39,150,427.29 |
| 2. Cash flow generated by investment: | | |
| Cash received from investment recovery | 30,000,000.00 | |
| Cash received as investment profit | 4,359,295.00 | |
| Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets | | 45,036,600.00 |
| Net cash received from disposal of subsidiaries or other operational units | | |
| Other investment-related cash received | | |
| Sub-total of cash inflow generated from investment | 34,359,295.00 | 45,036,600.00 |
| Cash paid for construction of fixed assets, intangible assets and other long-term assets | 605,199.92 | 811,150.15 |
| Cash paid as investment | | |
| Net cash paid for acquiring subsidiaries and other operational units | | |
| Other cash paid for investment | | |
| Subtotal of cash outflows | 605,199.92 | 811,150.15 |
| Cash flow generated by investment activities, net | 33,754,095.08 | 44,225,449.85 |
| 3. Cash flow generated by financing | | |

| | | |
|---|---------------|----------------|
| activities: | | |
| Cash received from investment | | |
| Cash received from borrowed loans | 30,000,000.00 | 96,000,000.00 |
| Cash received from bond placing | | |
| Other cash received from financing activities | | |
| Subtotal of cash inflow from financing activities | 30,000,000.00 | 96,000,000.00 |
| Cash paid to repay debts | | |
| Cash paid as dividend, profit, or interests | 5,614,733.32 | 2,275,500.00 |
| Other cash paid for financing activities | | |
| Subtotal of cash outflow from financing activities | 5,614,733.32 | 2,275,500.00 |
| Net cash flow generated by financing activities | 24,385,266.68 | 93,724,500.00 |
| 4. Influence of exchange rate changes on cash and cash equivalents | | |
| 5. Net increase in cash and cash equivalents | 18,404,454.72 | 98,799,522.56 |
| 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 | 40,410,520.21 | 166,773,331.32 |

2. Auditor's report

The Q2 Report is not audited.