



# **ANHUI GUJING DISTILLERY COMPANY LIMITED**

## **THIRD QUARTER REPORT 2016**

**October 2016**



## **Section I Important Statements**

**The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Anhui Gujing Distillery Company Limited (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.**

**All directors attended the board session for reviewing this report.**

**Liang Jinhui, company principal, Ye Changqing, chief of the accounting work, and Zhu Jiafeng, chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed 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 & Shareholder Changes

### I Highlights of accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes  No

	30 September 2016	31 December 2015	+/- (%)	
Total assets (RMB)	8,940,411,922.95	7,183,147,641.13	24.46%	
Net assets attributable to shareholders of the Company (RMB)	5,362,246,493.56	4,833,721,630.08	10.93%	
	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues (RMB)	1,460,526,002.88	12.23%	4,505,560,709.61	12.23%
Net profit attributable to shareholders of the Company (RMB)	151,384,181.93	26.04%	582,439,644.55	16.35%
Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB)	128,287,249.62	23.54%	551,523,602.11	16.82%
Net cash flows from operating activities (RMB)	--	--	1,202,847,188.47	80.19%
Basic earnings per share (RMB/share)	0.30	25.00%	1.160	17.17%
Diluted earnings per share (RMB/share)	0.30	25.00%	1.160	17.17%
Weighted average return on equity (%)	2.74%	0.38%	11.21%	-0.18%

Unit: RMB

Item	January-September 2016	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	-4,039,636.27	
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	25,285,600.82	

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	15,509,185.22	
Non-operating income and expense other than the above	6,840,504.74	
Less: Income tax effects	10,898,913.63	
Minority interests (after tax)	1,780,698.44	
Total	30,916,042.44	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable  Not applicable

No such cases in the Reporting Period.

## II Total number of shareholders and shareholdings of top 10 shareholders at the period-end

### 1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	24,876	Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	Not applicable			
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
ANHUI GUJING GROUP COMPANY LIMITED	State-owned corporation	53.89%	271,404,022		Pledged	114,000,000
GAOLING FUND,L.P.	Foreign corporation	2.47%	12,446,408			
UBS (LUXEMBOURG) S.A.	Foreign corporation	2.41%	12,150,199			

NORGES BANK	Foreign corporation	2.35%	11,853,146			
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign corporation	1.60%	8,040,454			
GREENWOODS CHINA ALPHA MASTER FUND	Foreign corporation	1.52%	7,648,898			
CENTRAL HUIJIN INVESTMENT CO., LTD.	State-owned corporation	1.30%	6,543,600			
3W GREATER CHINA FOCUS FUND	Foreign corporation	0.70%	3,529,479			
CHINA MERCHANTS SECURITIES (HK) CO., LIMITED	State-owned corporation	0.70%	3,504,116			
GOLDEN CHINA MASTER FUND	Foreign corporation	0.68%	3,416,434			

Shareholdings of top 10 non-restricted shareholders

Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares	
		Type	Number
ANHUI GUJING GROUP COMPANY LIMITED	271,404,022	RMB ordinary share	271,404,022
GAOLING FUND,L.P.	12,446,408	Domestically listed foreign share	12,446,408
UBS (LUXEMBOURG) S.A.	12,150,199	Domestically listed foreign share	12,150,199
NORGES BANK	11,853,146	Domestically listed foreign share	11,853,146
CHINA INT'L CAPITAL CORP	8,040,454	Domestically	8,040,454

HONG KONG SECURITIES LTD		listed share	foreign	
GREENWOODS CHINA ALPHA MASTER FUND	7,648,898	Domestically listed share	foreign	7,648,898
CENTRAL HUIJIN INVESTMENT CO., LTD.	6,543,600	RMB share	ordinary	6,543,600
3W GREATER CHINA FOCUS FUND	3,529,479	Domestically listed share	foreign	3,529,479
CHINA MERCHANTS SECURITIES (HK) CO., LIMITED	3,504,116	Domestically listed share	foreign	3,504,116
GOLDEN CHINA MASTER FUND	3,416,434	Domestically listed share	foreign	3,416,434
Related or act-in-concert parties among the shareholders above	Among the shareholders above, no affiliated relationship exists between the Company's controlling shareholder—Anhui Gujing Group Company Limited—and other shareholders, nor they are parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies. As for other shareholders, the Company does not know whether they are related parties or whether they belong to parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.			
Top 10 ordinary shareholders conducting securities margin trading (if any)	Not applicable			

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea  No

No such cases in the Reporting Period.

## 2. Total number of preference shareholders and shareholdings of the top 10 of them at the period-end

Applicable  Not applicable

## Section III Significant Events

### I Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

√ Applicable □ Not applicable

Balance sheet item	Closing amount (RMB)	Opening amount (RMB)	Change (%)	Main reason for change
Notes receivable	751,361,298.12	539,442,903.31	39.28%	Notes were adopted more often in settlement with customers
Accounts receivable	10,769,881.03	4,948,074.84	117.66%	Expanded consolidated scope
Other accounts receivable	17,517,209.93	8,617,955.68	103.26%	Expanded consolidated scope
Intangible assets	704,446,488.79	298,372,239.96	136.10%	Expanded consolidated scope
Notes payable	4,408,583.00	93,768,583.00	-95.30%	Notes were adopted less often in settlement with suppliers
Accounts received in advance	944,818,296.99	608,565,152.50	55.25%	Increase in sales orders
Other accounts payable	777,232,836.07	452,193,188.94	71.88%	Increase in earnest money received
Deferred tax liabilities	108,886,322.76	20,463,660.87	432.10%	Assessed appreciation in asset value in business merger not under the same control
Cash flow statement item	Current period (RMB)	Same period of last year (RMB)	Change (%)	Main reason for change
Cash received from other operating activities	382,955,144.81	252,465,602.57	51.69%	Increase in earnest money received
Cash received from retraction of investments	2,687,852,537.76	1,698,775,053.18	58.22%	Increase in retraction of funds on wealth management products
Cash received as return on investments	68,398,591.73	49,005,653.33	39.57%	Increase in return on investment
Cash received from other investing activities	314,000.00	2,264,000.00	-86.13%	Decrease in investment
Cash paid for investment	2,671,617,710.68	1,736,888,380.40	53.82%	Wealth management products were purchased

Cash received as borrowings	1,000,000.00	0.00	100.00%	Interest-free borrowing of subsidiary
Net cash flows from financing activities	-49,360,000.00	-100,720,000.00	-50.99%	Decrease in cash dividends paid

## II Progress on significant events, as well as the influence and solutions

Applicable  Not applicable

## III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Applicable  Not applicable

No such cases in the Reporting Period.

## IV Performance forecast for Y2016

Warning of possible loss or considerable YoY change in the accumulative net profit made during the year-beginning to the end of the next reporting period, as well as the reasons

Applicable  Not applicable

## V Securities investments

Applicable  Not applicable

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB)	Number of shares held at period-begin	Shareholding percentage at period-begin	Number of shares held at period-end	Shareholding percentage at period-end	Closing book value (RMB)	Gain/losses for reporting period (RMB)	Accounting title	Source of stock
Stock	601988	ZGYH	43,374,616.10	10,485,100	0.00%	14,877,100	0.00%	50,135,827.00	141,172.16	Available-for-sale financial assets	Self-owned funds
Stock	000001	PAYH	71,277,724.48	2,219,720	0.00%	8,040,889	0.00%	72,930,863.23	170,480.24	Available-for-sale financial assets	Self-owned funds
Stock	600373	ZWCM	91,133,996.80	6,445,120	0.00%	6,445,120	0.00%	150,622,454.40	0.00	Available-for-sale financial assets	Self-owned funds
Total			205,786,337.38	19,149,940	--	29,363,109	--	273,689,144.63	311,652.40	--	--



Disclosure date of the board announcement on approval of the securities investment	
Disclosure date of the general meeting announcement on approval of the securities investment (if any)	

## **VI Investment in derivative financial instruments**

Applicable  Not applicable

No such cases in the Reporting Period.

## **VII Visits paid to the Company for purposes of research, communication, interview, etc. during the Reporting Period**

Applicable  Not applicable

No such cases in the Reporting Period.

## **VIII Illegal provision of guarantees for external parties**

Applicable  Not applicable

No such cases in the Reporting Period.

## **IX Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties**

Applicable  Not applicable

No such cases in the Reporting Period.

## Section IV Financial Statements

### I Financial statements

#### 1. Consolidated balance sheet

Prepared by Anhui Gujing Distillery Company Limited.

30 September 2016

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	1,367,934,109.44	1,087,319,158.77
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss	377,985.93	322,223.28
Derivative financial assets		
Notes receivable	751,361,298.12	539,442,903.31
Accounts receivable	10,769,881.03	4,948,074.84
Accounts paid in advance	73,342,618.97	80,373,083.59
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable		
Dividends receivable		
Other accounts receivable	17,517,209.93	8,617,955.68
Financial assets purchased under agreements to resell		
Inventories	1,631,314,347.14	1,396,712,050.87
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,420,424,861.11	1,500,970,860.37
Total current assets	5,273,042,311.67	4,618,706,310.71
Non-current assets:		
Loans and advances to customers		

Available-for-sale financial assets	373,689,144.63	313,881,190.47
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments		
Investment property	8,617,432.39	9,715,451.89
Fixed assets	1,904,637,388.83	1,691,028,804.32
Construction in progress	45,498,655.51	62,562,971.78
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	704,446,488.79	298,372,239.96
R&D expenses		
Goodwill	473,325,507.30	0.00
Long-term deferred expenses	96,090,442.08	127,815,668.37
Deferred tax assets	61,064,551.75	61,065,003.63
Other non-current assets		
Total non-current assets	3,667,369,611.28	2,564,441,330.42
Total assets	8,940,411,922.95	7,183,147,641.13
Current liabilities:		
Short-term borrowings	1,000,000.00	0.00
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable	4,408,583.00	93,768,583.00
Accounts payable	537,753,826.66	378,187,452.07
Accounts received in advance	944,818,296.99	608,565,152.50
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	235,359,533.77	253,901,700.72
Taxes and fares payable	341,934,385.61	358,087,353.80

Interest payable		
Dividends payable		
Other accounts payable	777,232,836.07	452,193,188.94
Reinsurance premiums payable		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	245,424,959.30	138,135,604.82
Total current liabilities	3,087,932,421.40	2,282,839,035.85
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Special payables		
Provisions		
Deferred income	43,022,240.18	46,123,314.33
Deferred tax liabilities	108,886,322.76	20,463,660.87
Other non-current liabilities		
Total non-current liabilities	151,908,562.94	66,586,975.20
Total liabilities	3,239,840,984.34	2,349,426,011.05
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	1,294,938,493.19	1,294,938,493.19
Less: Treasury shares		
Other comprehensive income	50,927,105.44	54,481,886.51

Special reserve		
Surplus reserve	256,902,260.27	256,902,260.27
Provisions for general risks		
Retained earnings	3,255,878,634.66	2,723,798,990.11
Equity attributable to owners of the Company	5,362,246,493.56	4,833,721,630.08
Minority interests	338,324,445.05	0.00
Total owners' equity	5,700,570,938.61	4,833,721,630.08
Total liabilities and owners' equity	8,940,411,922.95	7,183,147,641.13

Legal representative: Liang Jinhui

Person-in-charge of the accounting work: Ye Changqing

Chief of the accounting division: Zhu Jiafeng

## 2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	291,752,126.32	548,650,832.84
Financial assets at fair value through profit/loss	321,272.09	322,223.28
Derivative financial assets		
Notes receivable	690,048,419.62	288,101,188.68
Accounts receivable	5,962,445.76	4,350,437.24
Accounts paid in advance	30,208,778.86	5,876,678.41
Interest receivable		
Dividends receivable		
Other accounts receivable	101,625,106.41	107,625,019.85
Inventories	1,404,866,746.08	1,374,311,894.88
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,420,000,000.00	1,500,000,000.00
Total current assets	3,944,784,895.14	3,829,238,275.18
Non-current assets:		
Available-for-sale financial assets	351,104,684.63	313,881,190.47
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investments	1,175,089,408.32	354,089,408.32
Investment property	31,190,760.47	9,715,451.89
Fixed assets	1,400,642,604.21	1,471,584,047.66
Construction in progress	43,491,173.91	62,355,022.07
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	183,522,573.22	187,468,810.92
R&D expenses		
Goodwill		
Long-term deferred expenses	96,090,442.08	127,815,668.37
Deferred tax assets	42,154,627.44	42,154,627.44
Other non-current assets		
Total non-current assets	3,323,286,274.28	2,569,064,227.14
Total assets	7,268,071,169.42	6,398,302,502.32
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable	28,583.00	828,583.00
Accounts payable	461,852,175.63	371,636,772.06
Accounts received in advance	1,164,368,102.94	659,484,624.07
Payroll payable	80,946,130.34	88,513,920.05
Taxes and fares payable	275,852,930.86	237,459,964.06
Interest payable		
Dividends payable		
Other accounts payable	267,492,281.95	268,035,753.60
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	67,068,098.38	61,660,494.13
Total current liabilities	2,317,608,303.10	1,687,620,110.97
Non-current liabilities:		

Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		
Provisions		
Deferred income	42,713,834.01	46,123,314.33
Deferred tax liabilities	21,071,560.49	20,463,660.87
Other non-current liabilities		
Total non-current liabilities	63,785,394.50	66,586,975.20
Total liabilities	2,381,393,697.60	1,754,207,086.17
Owners' equity:		
Share capital	503,600,000.00	503,600,000.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	1,247,162,107.35	1,247,162,107.35
Less: Treasury shares		
Other comprehensive income	51,352,306.84	54,481,886.51
Special reserve		
Surplus reserve	251,800,000.00	251,800,000.00
Retained earnings	2,832,763,057.63	2,587,051,422.29
Total owners' equity	4,886,677,471.82	4,644,095,416.15
Total liabilities and owners' equity	7,268,071,169.42	6,398,302,502.32

### 3. Consolidated income statement for the Reporting Period

Unit: RMB

Item	July-September 2016	July-September 2015
1. Operating revenues	1,460,526,002.88	1,301,371,823.31
Including: Sales income	1,460,526,002.88	1,301,371,823.31
Interest income		
Premium income		

Fee and commission income		
2. Operating costs	1,295,538,071.74	1,170,459,885.53
Including: Cost of sales	379,261,657.76	360,463,128.96
Interest expenses		
Fee and commission expenses		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Business tax and surtaxes	227,083,386.54	189,620,376.33
Selling expenses	522,299,572.98	461,777,830.14
Administrative expenses	168,327,112.65	164,865,865.05
Finance costs	-1,469,126.50	-6,299,837.29
Asset impairment loss	35,468.31	32,522.34
Add: Profit on fair value changes (“-” means loss)	-2,064,863.14	-150,642.58
Return on investment (“-” means loss)	24,896,841.30	10,707,480.39
Including: Share of profit/loss of associates and joint ventures		
Exchange gains (“-” means loss)		
3. Operating profit (“-” means loss)	187,819,909.30	141,468,775.59
Add: Non-operating revenue	25,413,316.24	21,891,342.70
Including: Profit on disposal of non-current assets	375,882.42	4,902.91
Less: Non-operating expense	377,941.64	671,106.84
Including: Loss on disposal of non-current assets	96,960.62	200,357.67
4. Total profit (“-” means loss)	212,855,283.90	162,689,011.45
Less: Corporate income tax	59,011,681.50	42,582,886.60
5. Net profit (“-” means loss)	153,843,602.40	120,106,124.85
Net profit attributable to owners of the Company	151,384,181.93	120,106,124.85
Minority interests' income	2,459,420.47	0.00
6. Other comprehensive income net of tax	14,565,128.27	-29,792,215.65



Other comprehensive income net of tax attributable to owners of the Company	14,565,128.27	-29,792,215.65
6.1 Other comprehensive income that will not be reclassified into profit/loss		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
6.2 Other comprehensive income to be subsequently reclassified into profit/loss	14,565,128.27	-29,792,215.65
6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
6.2.2 Profit/loss on fair value changes of available-for-sale financial assets	14,565,128.27	-29,792,215.65
6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective profit/loss on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	168,408,730.67	90,313,909.20
Attributable to owners of the Company	165,949,310.20	90,313,909.20
Attributable to minority interests	2,459,420.47	0.00
8. Earnings per share		
8.1 Basic earnings per share	0.30	0.24
8.2 Diluted earnings per share	0.30	0.24

Legal representative: Liang Jinhui

Person-in-charge of the accounting work: Ye Changqing

Chief of the accounting division: Zhu Jiafeng

**4. Income statement of the Company for the Reporting Period**

Unit: RMB

Item	July-September 2016	July-September 2015
1. Operating revenues	804,435,303.66	759,165,722.93
Less: Operating costs	350,189,125.02	361,673,949.83
Business tax and surtaxes	204,951,334.28	179,646,268.11
Selling expenses	75,015,225.25	12,895,437.37
Administrative expenses	120,782,364.91	100,325,566.05
Finance costs	-1,303,334.98	-5,764,196.34
Asset impairment loss	170,676.54	-17,872.14
Add: profit on fair value changes (“-” means loss)	-2,097,346.45	-150,642.58
Return on investment (“-” means loss)	22,268,798.87	10,679,360.39
Including: Share of profit/loss of associates and joint ventures		
2. Operating profit (“-” means loss)	74,801,365.06	120,935,287.86
Add: Non-operating revenue	19,196,694.62	18,505,943.17
Including: Profit on disposal of non-current assets		
Less: Non-operating expense	95,984.32	574,887.23
Including: Loss on disposal of non-current assets	95,984.32	374,887.23
3. Total profit (“-” means loss)	93,902,075.36	138,866,343.80
Less: Corporate income tax	23,653,702.19	36,194,875.85
4. Net profit (“-” means loss)	70,248,373.17	102,671,467.95
5. Other comprehensive income net of tax	14,589,310.33	-29,792,214.90
5.1 Other comprehensive income that will not be reclassified into profit and loss		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other		

comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
5.2 Other comprehensive income to be subsequently reclassified into profit/loss	14,589,310.33	-29,792,214.90
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
5.2.2 Profit/loss on fair value changes of available-for-sale financial assets	14,589,310.33	-29,792,214.90
5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective profit/loss on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	84,837,683.50	72,879,253.05
7. Earnings per share		
7.1 Basic earnings per share	0.14	0.20
7.2 Diluted earnings per share	0.14	0.20

## 5. Consolidated income statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Operating revenues	4,505,560,709.61	4,014,414,652.23
Including: Sales income	4,505,560,709.61	4,014,414,652.23
Interest income		
Premium income		
Fee and commission income		
2. Operating costs	3,808,343,755.26	3,417,491,703.16
Including: Cost of sales	1,159,656,092.42	1,188,041,656.55
Interest expenses		
Fee and commission expenses		

Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Business tax and surtaxes	698,322,570.89	581,803,110.70
Selling expenses	1,536,222,706.22	1,256,004,654.03
Administrative expenses	425,404,568.37	402,792,635.69
Finance costs	-11,233,287.64	-14,893,813.03
Asset impairment loss	-28,895.00	3,743,459.22
Add: Profit on fair value changes (“-” means loss)	15,147.04	-110,210.00
Return on investment (“-” means loss)	69,221,696.66	49,005,653.33
Including: Share of profit/loss of associates and joint ventures		
Exchange gains (“-” means loss)		
3. Operating profit (“-” means loss)	766,453,798.05	645,818,392.40
Add: Non-operating revenue	33,553,013.41	31,875,929.21
Including: Profit on disposal of non-current assets	381,359.64	87,856.20
Less: Non-operating expense	5,466,544.12	1,950,331.72
Including: Loss on disposal of non-current assets	4,420,995.91	844,777.83
4. Total profit (“-” means loss)	794,540,267.34	675,743,989.89
Less: Corporate income tax	203,993,450.18	175,133,060.87
5. Net profit (“-” means loss)	590,546,817.16	500,610,929.02
Net profit attributable to owners of the Company	582,439,644.55	500,610,929.02
Minority interests’ income	8,107,172.61	0.00
6. Other comprehensive income net of tax	-3,554,781.07	25,629,601.68
Other comprehensive income net of tax attributable to owners of the Company	-3,554,781.07	25,629,601.68
6.1 Other comprehensive income that will not be reclassified into profit/loss		

6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
6.2 Other comprehensive income to be subsequently reclassified into profit/loss	-3,554,781.07	25,629,601.68
6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
6.2.2 Profit/loss on fair value changes of available-for-sale financial assets	-3,554,781.07	25,629,601.68
6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective profit/loss on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	586,992,036.09	526,240,530.70
Attributable to owners of the Company	578,884,863.48	526,240,530.70
Attributable to minority interests	8,107,172.61	0.00
8. Earnings per share		
8.1 Basic earnings per share	1.160	0.990
8.2 Diluted earnings per share	1.160	0.990

## 6. Income statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Operating revenues	2,543,139,218.98	2,285,327,000.60
Less: Operating costs	1,116,821,291.46	1,211,082,864.83
Business tax and surtaxes	643,663,363.49	549,952,286.34
Selling expenses	181,479,242.23	62,826,096.63
Administrative expenses	305,915,030.32	262,629,626.57
Finance costs	-9,686,500.62	-13,847,416.03
Asset impairment loss	0.00	2,930,339.03
Add: profit on fair value changes (“-” means loss)	-58,568.17	-110,210.00
Return on investment (“-” means loss)	65,648,174.23	48,376,634.72
Including: Share of profit/loss of associates and joint ventures		
2. Operating profit (“-” means loss)	370,536,398.16	258,019,627.95
Add: Non-operating revenue	27,932,610.15	25,728,834.99
Including: Profit on disposal of non-current assets		
Less: Non-operating expense	4,414,060.57	649,418.60
Including: Loss on disposal of non-current assets	4,414,060.57	444,974.31
3. Total profit (“-” means loss)	394,054,947.74	283,099,044.34
Less: Corporate income tax	97,983,312.40	76,972,895.48
4. Net profit (“-” means loss)	296,071,635.34	206,126,148.86
5. Other comprehensive income net of tax	-3,129,579.67	25,629,602.43
5.1 Other comprehensive income that will not be reclassified into profit and loss		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
5.2 Other comprehensive income to be subsequently reclassified into profit/loss	-3,129,579.67	25,629,602.43

5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
5.2.2 Profit/loss on fair value changes of available-for-sale financial assets	-3,129,579.67	25,629,602.43
5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective profit/loss on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	292,942,055.67	231,755,751.29
7. Earnings per share		
7.1 Basic earnings per share	0.590	0.410
7.2 Diluted earnings per share	0.590	0.410

## 7. Consolidated cash flow statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	4,665,181,632.59	4,231,368,596.59
Net increase in money deposits from customers and interbank placements		
Net increase in loans from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets at fair value through profit/loss		

Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax refunds received	16,075,251.07	13,999,000.00
Cash received from other operating activities	382,955,144.81	252,465,602.57
Subtotal of cash inflows from operating activities	5,064,212,028.47	4,497,833,199.16
Cash paid for goods and services	813,734,763.05	1,084,236,354.72
Net increase in loans and advances to customers		
Net increase in funds deposited in the Central Bank and interbank placements		
Cash paid for claims of original insurance contracts		
Interest, fees and commissions paid		
Cash paid as policy dividends		
Cash paid to and for employees	774,961,969.54	716,002,327.13
Taxes and fares paid	1,623,032,665.41	1,472,228,702.92
Cash paid for other operating activities	649,635,442.00	557,834,788.49
Subtotal of cash outflows from operating activities	3,861,364,840.00	3,830,302,173.26
Net cash flows from operating activities	1,202,847,188.47	667,531,025.90
2. Cash flows from investing activities:		
Cash received from retraction of investments	2,687,852,537.76	1,698,775,053.18
Cash received as return on investments	68,398,591.73	49,005,653.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	971,279.86	115,600.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities	314,000.00	2,264,000.00
Subtotal of cash inflows from investing activities	2,757,536,409.35	1,750,160,306.51
Cash paid to acquire fixed assets,	116,075,478.32	150,355,092.86



intangible assets and other long-term assets		
Cash paid for investment	2,671,617,710.68	1,736,888,380.40
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	795,770,032.45	0.00
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	3,583,463,221.45	1,887,243,473.26
Net cash flows from investing activities	-825,926,812.10	-137,083,166.75
3. Cash flows from financing activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	1,000,000.00	0.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	1,000,000.00	0.00
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	50,360,000.00	100,720,000.00
Including: dividends or profit paid by subsidiaries to minority interests		
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	50,360,000.00	100,720,000.00
Net cash flows from financing activities	-49,360,000.00	-100,720,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	327,560,376.37	429,727,859.15
Add: Opening balance of cash and cash equivalents	1,040,373,733.07	682,360,442.79
6. Closing balance of cash and cash equivalents	1,367,934,109.44	1,112,088,301.94

## 8. Cash flow statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	2,585,404,219.49	2,530,023,227.63
Tax refunds received	15,009,167.60	13,999,000.00
Cash received from other operating activities	249,909,533.84	117,324,762.35
Subtotal of cash inflows from operating activities	2,850,322,920.93	2,661,346,989.98
Cash paid for goods and services	588,723,963.61	718,482,532.33
Cash paid to and for employees	357,751,167.07	327,495,115.18
Taxes and fares paid	1,032,959,847.90	811,077,421.99
Cash paid for other operating activities	260,998,167.70	104,729,691.11
Subtotal of cash outflows from operating activities	2,240,433,146.28	1,961,784,760.61
Net cash flows from operating activities	609,889,774.65	699,562,229.37
2. Cash flows from investing activities:		
Cash received from retraction of investments	2,685,870,391.93	1,648,744,468.68
Cash received as return on investments	65,404,965.00	48,376,634.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	514,500.00	0.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities	0.00	2,264,000.00
Subtotal of cash inflows from investing activities	2,751,789,856.93	1,699,385,103.40
Cash paid to acquire fixed assets, intangible assets and other long-term assets	104,776,556.58	146,066,166.95
Cash paid for investment	3,463,441,781.52	1,690,032,857.38
Net cash paid to acquire subsidiaries and other business units		

Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	3,568,218,338.10	1,836,099,024.33
Net cash flows from investing activities	-816,428,481.17	-136,713,920.93
3. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received as borrowings		
Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	50,360,000.00	100,720,000.00
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	50,360,000.00	100,720,000.00
Net cash flows from financing activities	-50,360,000.00	-100,720,000.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-256,898,706.52	462,128,308.44
Add: Opening balance of cash and cash equivalents	548,650,832.84	584,601,536.78
6. Closing balance of cash and cash equivalents	291,752,126.32	1,046,729,845.22

## II Auditor's report

Is this Report audited?

Yes  No

This Report is unaudited.