

China Fangda Group Co., Ltd.

2016 First Quarter Report

April 2016

I Important Statement

The members of the Board and the Company guarantee that the quarterly report is free from any false information, misleading statement or material omission and are jointly and severally liable for the information's truthfulness, accuracy and integrity.

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

Name of absent director	Position of absent director	Reason	Name of proxy
Deng Lei	Independent director	Business engagement	Guo Wanda

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)	469,103,396.78	478,296,193.16	-1.92%
Net profit attributable to shareholders of the listed company (yuan)	22,188,780.56	15,504,344.70	43.11%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	23,019,578.47	14,487,216.74	58.90%
Net cash flow generated by business operation (RMB)	-59,715,816.88	-235,696,168.76	
Basic earnings per share (yuan/share)	0.03	0.02	50.00%
Diluted Earnings per share (yuan/share)	0.03	0.02	50.00%
Weighted average net income/asset ratio	1.67%	1.25%	0.42%
	End of the report period	End of last year	Year-on-year change
Total asset (RMB)	4,625,948,618.26	4,464,147,811.40	3.62%
Net profit attributable to the shareholders of the listed company (RMB)	1,342,526,986.43	1,319,496,334.84	1.75%

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)	-465,802.92	
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)	206,469.81	
Gain from entrusted investment or assets management	58,345.20	
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of	-1,456,515.68	

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	825,203.17	
Less: Influenced amount of income tax	266,405.16	
Influenced amount of minority shareholders' equity (after-tax)	-267,907.67	
Total	-830,797.91	--

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. Ordinary shareholders, preference shareholders with resumed voting rights and top 10 shareholders

In share

Number of shareholders of common shares at the end of the report period		40,846	Number of shareholders of preferred stocks of which voting rights recovered in the report period		0	
Top 10 Shareholders						
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	2,509
Shengjiu Investment Ltd.	Foreign legal person	6.32%	47,861,730			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	4.44%	33,613,209			
Huang Jupei	Domestic natural person	3.40%	25,701,000			
Shenzhen Shilihe Investment Co.,	Domestic non-state legal	2.36%	17,860,992			

Ltd.	person					
Zhou Shijian	Domestic natural person	2.14%	16,213,500			
Huabao Trust Co., Ltd. – Tiangao Capital No.1 Trust Program	Others	1.99%	15,042,660			
Haitong International Securities Company Limited-Account Client	Foreign legal person	1.56%	11,820,966			
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.15%	8,722,032			
Dongxing Securities	Domestic non-state legal person	1.06%	8,000,429			
Top 10 holders of unconditional shares						
Shareholder	Amount of shares without sales restriction	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.	47,861,730	Foreign shares listed in domestic exchanges	47,861,730			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	33,613,209	Foreign shares listed in domestic exchanges	33,613,209			
Huang Jupei	25,701,000	RMB common shares	25,701,000			
Shenzhen Shilihe Investment Co., Ltd.	17,860,992	RMB common shares	17,860,992			
Zhou Shijian	16,213,500	RMB common shares	16,213,500			
Huabao Trust Co., Ltd. – Tiangao	15,042,660	RMB common	15,042,660			

Capital No.1 Trust Program		shares	
Haitong International Securities Company Limited-Account Client	11,820,966	Foreign shares listed in domestic exchanges	11,820,966
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	8,722,032	Foreign shares listed in domestic exchanges	8,722,032
Dongxing Securities	8,000,429	RMB common shares	8,000,429
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 25,700,000 shares of the Company through the client credit trade securities account of GF Securities; Zhou Shijian holds 16,213,500 shares of the Company through the client credit trade securities account of GF Securities;		

No agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

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

Applicable Inapplicable

III Significant Events

1. Major changes in accounting items and financial data in the report period and reasons

√ Applicable □ Inapplicable

Items	Closing amount	Opening amount	Change	Cause of change
Notes receivable	47,543,213.60	97,247,660.56	-51.11%	Mainly payments received
Prepayment	45,084,219.76	30,057,063.90	50.00%	Mainly due to increase in prepayment for materials
Other current assets	60,794,200.44	11,395,718.05	433.48%	Mainly due to purchase financial products
Construction in process	45,492,707.69	15,134,390.90	200.59%	Mainly due to increased investment in PV power plants
Employees' wage payable	18,527,537.14	40,942,428.05	-54.75%	Annual bonus paid
Prepayment received	282,084,568.87	130,574,319.85	116.03%	Mainly due to increase in payment received from sales of houses
Items	Amount of the Current Term	Last period	Change	Cause of change
Net profit attributable to the owners of parent company	22,188,780.56	15,504,344.70	43.11%	Increase in income and profit from the subway screen door business
Cash flow generated by business operations, net	-59,715,816.88	-235,696,168.76		Prepaid construction payment for Fangda Town renovation project last year
Cash flow generated by investment activities, net	-64,130,091.37	207,321,960.95		Recovery of financial products in the same period last year
Net cash flow generated by financing activities	108,178,237.33	62,129,337.47	74.12%	Mainly due to increase in balance of bank loans

2. Progress of key issues and its impacts and solutions

√ Applicable □ Inapplicable

1. The Company received the Shenzhen House Presales Certificate on December 18, 2015 for the Fangda Town renovation project. The presales area is 40,400 m².
2. The private share issuance in 2015 has been approved by CSRC on March 9, 2016. The formal approval document has not been received.

Key issue	Date of disclosure	Information source
-----------	--------------------	--------------------

Notice on receiving the Shenzhen House Presales Certificate	21.12.15	www.cninfo.com.cn
Private share issuance in 2015	10.03.16	www.cninfo.com.cn

3. Promises fulfilled and not fulfilled by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior management or other associates in the report period

Applicable Inapplicable

There is no promises fulfilled and not fulfilled by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior management or other associates in the report period.

4. Forecast of operating performance between January and June in 2016

Warning and reasons of possible net loss or substantial change from the last period between the beginning of the year and the end of the next report period

Applicable Inapplicable

5. Securities investment

Applicable Inapplicable

Securities	Code	Abbreviation	Initial investment cost	Number of shares held at beginning of the period (share)	Opening shareholding	Number of shares held at end of the period (share)	Closing shareholding	Closing book value (RMB)	Gain/loss (RMB)	Accounting item	Source
Stock	00702	Sino Oil and Gas Holdings Ltd	16,263,675.00	82,680,000	0.47%	82,680,000	0.47%	13,089,690.90	-1,456,515.68	Transactional financial assets	Purchase
Total			16,263,675.00	82,680,000	--	82,680,000	--	13,089,690.90	-1,456,515.68	--	--
Disclosure date of approval by the Board of Directors of securities investment			11.03.14								
Disclosure date of securities investment approval by the Shareholders' Meeting (if any)			None								

6. Derivative investment

√ Applicable □ Inapplicable

In RMB10,000

Derivative investment operator	Relationship	Related transaction	Type	Initial amount	Start date	End date	Initial investment amount	Amount in this period	Amount sold in this period	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	4,759.27	02.03.16	15.12.16	0	4,759.27	0	0	4,759.27	3.55%	0.83
Total				4,759.27	--	--	0	4,759.27	0	0	4,759.27	3.55%	0.83
Capital source				Self-owned fund									
Lawsuit (if any)				None									
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				Fair value of derivatives are measured at open prices in the futures market									

parameters.	
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period	No
Opinions of independent directors on the Company's derivative investment and risk controlling	None

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

Applicable Inapplicable

Time/date	Way	Visitor	Disclosure of information
12.01.16	Onsite investigation	Institution	Business and future development
07.03.16	Onsite investigation	Institution	Business and future development
11.03.16	Onsite investigation	Institution	Business and future development
16.03.16	Onsite investigation	Institution	Business and future development

8. Incompliant external guarantee

Applicable Inapplicable

The Company made no incompliant external guarantee in the report period.

9. Non-operating capital use by the controlling shareholder or related parties in the reporting term

Applicable Inapplicable

The controlling shareholder and its affiliates occupied no capital for non-operating purpose of the Company during the report period.

IV Financial Statements

1. Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

31.03.16

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	370,312,459.61	400,953,337.32
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account	13,089,690.90	14,546,206.58
Derivative financial assets	1,029,750.00	
Notes receivable	47,543,213.60	97,247,660.56
Account receivable	1,453,667,876.63	1,405,718,134.89
Prepayment	45,084,219.76	30,057,063.90
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other receivables	66,172,585.16	53,095,948.46
Repurchasing of financial assets		
Inventory	1,441,005,103.95	1,346,591,303.53
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	60,794,200.44	11,395,718.05
Total current assets	3,498,699,100.05	3,359,605,373.29
Non-current assets:		

Loan and advancement provided		
Sellable financial assets		
Investment held until mature		
Long-term receivable		
Long-term share equity investment	10,314,928.49	10,489,680.93
Investment real estate	335,172,836.88	335,328,805.74
Fixed assets	455,705,836.98	462,648,998.51
Construction in process	45,492,707.69	15,134,390.90
Engineering materials		
Disposal of fixed assets	0.00	5,326.79
Productive biological assets	0.00	
Gas & petrol	0.00	
Intangible assets	94,042,633.60	95,062,982.48
R&D expense	0.00	
Goodwill	19,826,696.97	19,826,696.97
Long-term amortizable expenses	7,325,678.68	6,614,788.88
Deferred income tax assets	66,497,018.01	65,926,810.52
Other non-current assets	92,871,180.91	93,503,956.39
Total of non-current assets	1,127,249,518.21	1,104,542,438.11
Total of assets	4,625,948,618.26	4,464,147,811.40
Current liabilities		
Short-term loans	1,183,000,000.00	1,147,957,775.82
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	39,350.00	
Notes payable	327,052,355.67	303,527,639.63
Account payable	765,840,426.93	867,628,355.65
Prepayment received	282,084,568.87	130,574,319.85
Selling of repurchased financial assets		

Fees and commissions payable		
Employees' wage payable	18,527,537.14	40,942,428.05
Taxes payable	58,894,725.64	67,533,433.70
Interest payable	3,032,433.73	3,241,834.43
Dividend payable		
Other payables	59,251,425.40	82,677,346.81
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	0.00	
Other current liabilities	98,425,600.00	98,425,600.00
Total current liabilities	2,796,148,423.38	2,742,508,733.94
Non-current liabilities:		
Long-term loans	388,850,383.46	300,395,582.06
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable	0.00	
Long-term employees' wage payable		
Special payables		
Anticipated liabilities	1,393,879.27	1,921,446.51
Deferred earning	12,312,125.87	12,284,195.68
Deferred income tax liabilities	73,228,379.61	72,994,768.34
Other non-current liabilities	0.00	
Total of non-current liabilities	475,784,768.21	387,595,992.59
Total liabilities	3,271,933,191.59	3,130,104,726.53
Owner's equity:		
Share capital	756,909,905.00	756,909,905.00
Other equity tools		
Including: preferred stock		
Perpetual bond		

Capital reserves	79,099,650.17	79,099,619.14
Less: Shares in stock		
Other miscellaneous income	933,671.63	91,831.63
Special reserves		
Surplus reserves	51,123,554.51	51,123,554.51
Common risk provisions		
Retained profit	454,460,205.12	432,271,424.56
Total of owner's equity belong to the parent company	1,342,526,986.43	1,319,496,334.84
Minor shareholders' equity	11,488,440.24	14,546,750.03
Total of owners' equity	1,354,015,426.67	1,334,043,084.87
Total of liabilities and owner's interest	4,625,948,618.26	4,464,147,811.40

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Chen Yonggang

2. Balance Sheet of the Parent Company

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	67,149,061.20	25,833,130.83
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable	345,960.74	345,960.74
Prepayment	15,122.97	67,893.61
Interest receivable		
Dividend receivable	0.00	
Other receivables	460,823,651.74	375,591,349.76
Inventory		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	850,844.86	990,624.25
Total current assets	529,184,641.51	402,828,959.19

Non-current assets:		
Sellable financial assets		
Investment held until mature		
Long-term receivable		
Long-term share equity investment	1,017,525,896.69	967,700,649.13
Investment real estate	290,288,531.53	290,288,531.53
Fixed assets	56,991,760.74	57,647,245.73
Construction in process		
Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	1,813,495.98	1,907,601.33
R&D expense		
Goodwill		
Long-term amortizable expenses	377,314.39	403,800.10
Deferred income tax assets	38,086,889.29	37,948,384.39
Other non-current assets	220,000,000.00	220,000,000.00
Total of non-current assets	1,625,083,888.62	1,575,896,212.21
Total of assets	2,154,268,530.13	1,978,725,171.40
Current liabilities		
Short-term loans	300,000,000.00	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	748,421.47
Employees' wage payable	883,569.73	1,868,710.30
Taxes payable	606,123.97	1,338,421.09
Interest payable	606,268.55	726,993.55
Dividend payable		
Other payables	382,733,485.22	155,183,721.49
Liabilities held for sales		

Non-current liabilities due in 1 year		
Other current liabilities	98,425,600.00	98,425,600.00
Total current liabilities	784,555,034.92	608,898,809.75
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	121,032,527.40	120,953,378.63
Other non-current liabilities		
Total of non-current liabilities	121,032,527.40	120,953,378.63
Total liabilities	905,587,562.32	729,852,188.38
Owner's equity:		
Share capital	756,909,905.00	756,909,905.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	38,598,994.79	38,598,963.76
Less: Shares in stock		
Other miscellaneous income	91,831.63	91,831.63
Special reserves		
Surplus reserves	51,123,554.51	51,123,554.51
Retained profit	401,956,681.88	402,148,728.12
Total of owners' equity	1,248,680,967.81	1,248,872,983.02
Total of liabilities and owner's interest	2,154,268,530.13	1,978,725,171.40

3. Consolidated Income Statement

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Total revenue	469,103,396.78	478,296,193.16
Incl. Business income	469,103,396.78	478,296,193.16
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	444,905,754.32	462,837,415.79
Incl. Business cost	391,319,798.18	400,341,153.97
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	5,896,598.98	6,795,101.17
Sales expense	11,110,937.46	14,062,688.37
Administrative expense	36,395,114.82	38,354,341.95
Financial expenses	10,022,552.32	10,470,656.03
Asset impairment loss	-9,839,247.44	-7,186,525.70
Plus: gains from change of fair value ("-" for loss)	-1,456,515.68	688,412.00
Investment gains ("-" for loss)	-116,407.24	490,492.08
Incl. Investment gains from affiliates and joint ventures	-174,752.44	212,000.58
Exchange gains ("-" for loss)		
3. Operational profit ("-" for loss)	22,624,719.54	16,637,681.45
Plus: non-operational income	2,018,111.17	1,241,566.56
Incl. Loss from disposal of non-current assets	22,418.22	47,272.92
Less: non-operational expenditure	1,266,037.76	460,297.05
Incl. Loss from disposal of non-current assets	493,011.35	268,809.50

4. Gross profit (“-“ for loss)	23,376,792.95	17,418,950.96
Less: Income tax expenses	4,246,322.18	3,497,266.94
5. Net profit (“-“ for net loss)	19,130,470.77	13,921,684.02
Net profit attributable to the owners of parent company	22,188,780.56	15,504,344.70
Minor shareholders' equity	-3,058,309.79	-1,582,660.68
6. After-tax net amount of other misc. incomes	841,840.00	1,190,467.50
After-tax net amount of other misc. incomes attributed to parent's owner	841,840.00	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	841,840.00	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 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	841,840.00	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	19,972,310.77	15,112,151.52

Total of misc. incomes attributable to the owners of the parent company	23,030,620.56	16,694,812.20
Total misc gains attributable to the minor shareholders	-3,058,309.79	-1,582,660.68
8. Earnings per share:		
(1) Basic earnings per share	0.03	0.02
(2) Diluted earnings per share	0.03	0.02

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	7,246,856.81	7,393,884.45
Less: Operation cost	350,972.35	353,341.70
Business tax and surcharge	768,784.87	592,342.65
Sales expense		
Administrative expense	5,459,504.20	5,445,073.39
Financial expenses	1,783,122.18	2,262,140.00
Asset impairment loss	26,016.25	-629.56
Plus: gains from change of fair value ("-" for loss)		
Investment gains ("-" for loss)	-169,327.78	267,962.22
Incl. Investment gains from affiliates and joint ventures	-174,752.44	212,000.58
2. Operational profit ("-" for loss)	-1,310,870.82	-990,421.51
Plus: non-operational income	1,148,843.27	220,267.27
Incl. Loss from disposal of non-current assets		
Less: non-operational expenditure	89,374.82	1,172.32
Incl. Loss from disposal of non-current assets		
3. Gross profit ("-" for loss)	-251,402.37	-771,326.56
Less: Income tax expenses	-59,356.13	-199,596.20

4. Net profit (“-“ for net loss)	-192,046.24	-571,730.36
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	-192,046.24	-571,730.36
7. Earnings per share:		
(1) Basic earnings per share	0.00	
(2) Diluted earnings per share	0.00	

5. Consolidated Cash Flow Statement

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	636,891,799.87	457,440,374.67
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	80,888.90	709,995.90
Other cash received from business operation	26,520,638.27	33,201,154.29
Sub-total of cash inflow from business operations	663,493,327.04	491,351,524.86
Cash paid for purchasing products and services	569,855,226.34	591,693,341.18
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	72,576,097.44	79,484,303.73
Taxes paid	43,687,459.47	21,872,458.04
Other cash paid for business activities	37,090,360.67	33,997,590.67
Sub-total of cash outflow from business operations	723,209,143.92	727,047,693.62
Cash flow generated by business operations, net	-59,715,816.88	-235,696,168.76
2. Cash flow generated by investment:		
Cash received from investment recovery	86,000,000.00	311,500,000.00
Cash received as investment profit	87,675.20	1,278,491.50
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,042,427.80	130,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	89,130,103.00	312,908,491.50
Cash paid for construction of fixed assets, intangible assets and other long-term assets	17,210,194.37	18,086,530.55
Cash paid as investment	136,000,000.00	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	50,000.00	
Subtotal of cash outflows	153,260,194.37	105,586,530.55
Cash flow generated by investment activities, net	-64,130,091.37	207,321,960.95
3. Cash flow generated by financing activities:		
Cash received from investment		

Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	513,454,801.40	177,612,000.00
Cash received from bond placing		
Other cash received from financing activities	31.03	261.26
Subtotal of cash inflow from financing activities	513,454,832.43	177,612,261.26
Cash paid to repay debts	386,000,000.00	100,000,000.00
Cash paid as dividend, profit, or interests	18,750,977.53	15,482,923.79
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities	525,617.57	
Subtotal of cash outflow from financing activities	405,276,595.10	115,482,923.79
Net cash flow generated by financing activities	108,178,237.33	62,129,337.47
4. Influence of exchange rate changes on cash and cash equivalents	311,278.28	-30,382.31
5. Net increase in cash and cash equivalents	-15,356,392.64	33,724,747.35
Plus: Balance of cash and cash equivalents at the beginning of term	247,739,243.78	102,638,232.19
6. Balance of cash and cash equivalents at the end of the period	232,382,851.14	136,362,979.54

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	5,118,489.56	5,302,300.24
Tax refunded		

Other cash received from business operation	326,581,279.11	223,117,704.34
Sub-total of cash inflow from business operations	331,699,768.67	228,420,004.58
Cash paid for purchasing products and services	484,636.92	696,453.22
Cash paid to and for the staff	4,211,712.91	4,535,860.40
Taxes paid	1,583,084.62	696,383.10
Other cash paid for business activities	181,651,052.50	262,226,214.90
Sub-total of cash outflow from business operations	187,930,486.95	268,154,911.62
Cash flow generated by business operations, net	143,769,281.72	-39,734,907.04
2. Cash flow generated by investment:		
Cash received from investment recovery	11,000,000.00	30,000,000.00
Cash received as investment profit	3,537,254.69	4,359,295.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	14,537,254.69	34,359,295.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	27,689.11	605,199.92
Cash paid as investment	61,000,000.00	
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	61,027,689.11	605,199.92
Cash flow generated by investment activities, net	-46,490,434.42	33,754,095.08
3. Cash flow generated by financing		

activities:		
Cash received from investment		
Cash received from borrowed loans	200,000,000.00	30,000,000.00
Cash received from bond placing		
Other cash received from financing activities	31.03	
Subtotal of cash inflow from financing activities	200,000,031.03	30,000,000.00
Cash paid to repay debts	250,000,000.00	
Cash paid as dividend, profit, or interests	5,437,331.26	5,614,733.32
Other cash paid for financing activities	525,617.57	
Subtotal of cash outflow from financing activities	255,962,948.83	5,614,733.32
Net cash flow generated by financing activities	-55,962,917.80	24,385,266.68
4. Influence of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	41,315,929.50	18,404,454.72
Plus: Balance of cash and cash equivalents at the beginning of term	25,583,130.83	22,006,065.49
6. Balance of cash and cash equivalents at the end of the period	66,899,060.33	40,410,520.21

2. Auditor's report

Whether the Q1 report is audited

Yes No

The Q1 Report is not audited.

China Fangda Group Co., Ltd.

Legal representative: Xiong Jianming

April 26, 2016