

China Fangda Group Co., Ltd.
2015 Annual Report

April 2016

Chapter 1 Important Statement, Table of Contents and Definitions

The members of the Board and the Company guarantee that the announcement 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.

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.

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

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

The Company has specified market, management and production and operation risks in this report. Please review the potential risks and measures mentioned in the discussion and analysis of future development in IV. Management Discussion and Analysis.

The Board meeting reviewed and approved the profit distribution preplan: distributing cash dividend of RMB1 for each ten shares to all shareholders on the basis of all shares of the Company on 31.12.15 and no dividend share is issued to shareholders. No reserve is capitalized.

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Definitions

Terms	Refers to	Description
Fangda Group, company, the Company	Refers to	China Fangda Group Co., Ltd.
Articles of Association	Refers to	Articles of Association of China Fangda Group Co., Ltd.
Meeting of shareholders	Refers to	Meetings of shareholders of China Fangda Group Co., Ltd.
Board of Directors	Refers to	Board of Directors of China Fangda Group Co., Ltd.
Supervisory Committee	Refers to	Supervisory Committee of China Fangda Group Co., Ltd.
Banglin Co.	Refers to	Shenzhen Banglin Technologies Development Co., Ltd.
Shilihe Co.	Refers to	Shenzhen Shilihe Investment Co., Ltd.
Shengjiu Co.	Refers to	Shengjiu Investment Ltd.
Fangda Jianke, Fangda Decoration	Refers to	Formally Shenzhen Fangda Decoration Engineering Co., Ltd., now renamed as Shenzhen Fangda Jianke Group Co., Ltd.
Fangda Automatic	Refers to	Shenzhen Fangda Automation System Co., Ltd.
Fangda New Material	Refers to	Fangda New Materials (Jiangxi) Co., Ltd.
Fangda New Resource	Refers to	Shenzhen Fangda New Energy Co., Ltd.
Fang SOZN	Refers to	Guangdong Fangda SOZN Lighting Co., Ltd.
Shenyang Fangda	Refers to	Shenyang Fangda Semi-conductor Lighting Co., Ltd.
Shenzhen Woke	Refers to	Shenzhen Woke Semi-conductor Lighting Co., Ltd.
Hong Kong Junjia	Refers to	Hong Kong Junjia Group Co., Ltd.

	to	
Fangda Aluminium	Refers to	Jiangxi Fangda New Type Aluminum Co., Ltd.
Dongguan Fangda New Material	Refers to	Dongguan Fangda New Material Co., Ltd.
Kexunda Co.	Refers to	Shenzhen Kexunda Software Co., Ltd.
Fangda Property	Refers to	Shenzhen Fangda Property Development Co., Ltd.
Chengdu Fangda Jianke	Refers to	Formerly Chengdu Fangda New Material Co., Ltd, now renamed as Chengdu Fangda Construction Technology Co., Ltd.
Shihui International	Refers to	Shihui International Holding Co., Ltd.
Shenyang Decoration	Refers to	Fangda Decoration Engineering (Shenyang) Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange

Charter 2 About the Company and Financial Highlights

1. Company profiles

Stock ID	Fangda Group, Fangda B	Stock code	000055、200055
Modified stock ID (if any)	None		
Stock Exchange	Shenzhen Stock Exchange		
Chinese name	China Fangda Group Co., Ltd.		
Chinese abbreviation	Fangda Group		
English name (if any)	CHINA FANGDA GROUP CO., LTD.		
English abbreviation (if any)	CFGC		
Legal representative	Xiong Jianming		
Registered address	Fangda Building, Kejinan 12 th Avenue, High-tech Zone, Shenzhen, PR China.		
Zip code	518057		
Office address	20F, Fangda Building, Kejinan 12 th Avenue, High-tech Zone, Shenzhen, PR China.		
Zip code	518057		
Website	http://www.fangda.com		
Email	fd@fangda.com		

2. Contacts and liaisons

	Secretary of the Board	Representative of Stock Affairs
Name	Zhou Zhigang	Guo Linchen
Address	20F, Fangda Building, Kejinan 12 th Avenue, Hi-Tech Zone, Shenzhen	20F, Fangda Building, Kejinan 12 th Avenue, Hi-Tech Zone, Shenzhen
Tel.	86(755) 26788571 ext. 6622	86(755) 26788571 ext. 6622
Fax	86(755)26788353	86(755)26788353
Email	zqb@fangda.com	zqb@fangda.com

3. Information disclosure and inquiring

Press medias of information disclosure	China Securities Journal, Security Times, Shanghai Securities Daily, Hong Kong Commercial Daily
Website assigned by CSRC to release the online reports	http://www.cninfo.com.cn

Place for information inquiry	Secretarial Office of the Board
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4. Registration changes

Organization code	19244858-9
Changes in main businesses since the listing of the Company	None
Changes in the controlling shareholders (if any)	In 1996, the Company listed its A and B shares and the controlling shareholder is Shenzhen Fangda Group Co., Ltd. On August 25, 2000, the controlling shareholder changed its name into Shenzhen Fangda Economic Development Co., Ltd. On July 5, 2002, the controlling shareholder changed into Shenzhen Banglin Technologies Development Co., Ltd. By the end of this reporting period, the controlling shareholder remains the Shenzhen Banglin Technologies Development Co., Ltd..

5. Other information

Public accountants employed by the Company

Public accountants	Grant Thornton (special general partner)
Address	5 th Floor, Scitech Place, 22 Jianguomen Wai Avenue, Chaoyang District, Beijing, China
Signing accountant names	Xie Peiren, Hu Gaosheng

Sponsor engaged by the Company to perform continued supervision and guide during the reporting period

Applicable Inapplicable

Financial advisor engaged by the Company to perform continued supervision and guide during the reporting period

Applicable Inapplicable

6. 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

	2015	2014	Increase/decrease	2013
Turnover (yuan)	2,550,467,494.78	1,938,324,435.51	31.58%	1,747,620,845.74
Net profit attributable to shareholders of the listed company (yuan)	107,272,369.77	96,998,429.76	10.59%	85,676,863.78
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	29,070,293.64	69,068,577.10	-57.91%	68,393,391.56

Net cash flow generated by business operation (RMB)	-360,115,114.04	-557,893,929.44		156,544,620.31
Basic earnings per share (yuan/share)	0.14	0.13	7.69%	0.11
Diluted Earnings per share (yuan/share)	0.14	0.13	7.69%	0.11
Weighted average net income/asset ratio	8.42%	8.14%	0.28%	7.61%
	End of 2015	End of 2014	Increase/decrease from the end of last year	End of 2013
Total asset (RMB)	4,464,147,811.40	3,662,719,900.41	21.88%	2,599,557,542.57
Net profit attributable to the shareholders of the listed company (RMB)	1,319,496,334.84	1,234,930,863.46	6.85%	1,160,639,730.85

7. Differences in accounting data under domestic and foreign accounting standards

1. Differences in net profits and assets in financial statements disclosed according to the international and Chinese account standards

Applicable Inapplicable

In RMB

	Net profit attributable to the shareholders of the listed company		Net profit attributable to the shareholders of the listed company	
	This period	Last period	Closing amount	Opening amount
On Chinese accounting standards	107,272,369.77	96,998,429.76	1,319,496,334.84	1,234,930,863.46
Items and amounts adjusted according International Accounting Standards				
On international accounting standards	107,272,369.77	96,998,429.76	1,324,259,733.08	1,239,694,261.70

2. Differences in net profits and assets in financial statements disclosed according to the overseas and Chinese account standards

Applicable Inapplicable

There is no difference in net profits and assets in financial statements disclosed according to the international and Chinese account standards during the report period.

3. Explanation of the differences in accounting data under domestic and foreign accounting standards

Applicable Inapplicable

Net assets attributable to the listed company's shareholders calculated according to the IAS is RMB4,763,398.24 higher than that calculated according to the domestic accounting standards, mainly attributable to the capitalization of borrow expenses before the domestic Enterprise Accounting Standard was implemented on January 1, 2007.

8. Financial highlights by quarters

In RMB

	Q1	Q2	Q3	Q4
Turnover	478,296,193.16	671,819,330.37	692,471,803.42	707,880,167.83
Net profit attributable to the shareholders of the listed company	15,504,344.70	35,813,304.17	20,237,940.89	35,716,780.01
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss	14,487,216.74	20,999,835.66	543,165.95	-6,959,924.71
Cash flow generated by business operations, net	-235,696,168.76	-39,015,902.43	-89,274,391.77	3,871,348.92

Where there is difference between the above-mentioned financial data or sum and related financial data in quarter report and interim report disclosed by the Company

Yes No

9. Accidental gain/loss item and amount

Applicable Inapplicable

In RMB

Items	2015	2014	2013	Notes
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	-522,948.72	-24,398.43	-462,554.08	
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)	2,246,386.84	2,340,175.75	1,815,855.07	
Capital using expense charged to non-financial enterprises and accounted into the current income account		3,649,313.12	2,149,420.09	
Gain from entrusted investment or assets management	250,897.54	2,144,844.80	306,301.37	
Gain/loss from change of fair value of	4,341,316.92	-2,852,885.00		

transactional financial asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses				
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	85,793,780.49	34,897,632.10	16,647,859.74	
Other non-business income and expenditures other than the above	7,624,429.39	-3,671,724.03	1,929,934.59	
Less: Influenced amount of income tax	20,963,417.56	9,526,862.57	5,177,842.87	
Influenced amount of minority shareholders' equity (after-tax)	568,368.77	-973,756.92	-74,498.31	
Total	78,202,076.13	27,929,852.66	17,283,472.22	--

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.

Chapter 3 Business Introduction

1. Major businesses of the Company during the report period

Headquartered in Nanshan District, Shenzhen, the Company is the first private company listed in China. The shares were firstly listed in Shenzhen Stock Exchange on November 29, 2015. Currently, three major business subsidiaries of the Company are national high-tech enterprises with modern production bases in Shenzhen, Beijing, Shanghai, Chengdu, Shengyang, Nanchang, Dongguan and Foshan. The Company was engaged in the following businesses in the report period.

1. Curtain wall system and material industry: The Company is a pioneer and first listed company in this industry. Over the past more than 20 years, the Company has undertaken hundreds of large projects and received the highest award in the industry China Construction Luban Award and Zhan Tianyou Civil Engineering Award for many times. The Company has also received nearly 100 provincial and above awards. The Company ranks among the top 5 players in the globe in terms of the market share of high-end energy-saving curtain walls. The Company has a strong technology lead in the industry with hundreds of patents. The Company also took part in the preparation of more than 10 national or industry standards including the Public Construction Energy Saving Design Standard, making 9 records among Chinese enterprises.

2. Rail transport equipment industry: The Company has developed rail transport screen door systems with independent intellectual property rights. The Company also prepared the first Rail Transport Station Screen Door Standard. Currently, the screen door systems have been used in 23 cities, ranking No.1 in China in terms of the market share. The Company is also the largest supplier of screen doors in the world.

3. New Energy industry: The solar PV power generation industry is largely supported by the government. The Company is one of the first enterprises that obtain the independent intellectual property rights in solar PV system design, production and integration. In 2002, the Company built the first integrated solar PV building project. Currently, the Company has signed solar PV power plant project agreement with an installation capacity of 1.1GW.

4. Real estate industry: the Company has invested RMB2.5 billion to build the Fangda Town. As a high-end industry R&D headquarters, the building integrates office, commercial and recreation functions and will become a landmark in Shenzhen. The project has received the pre-sales certification in the report period.

Read Management Discussion and Analysis for details about the Company's businesses.

2. Major assets change

1. Major assets change

Main assets	Major change
Equity assets	None
Fixed assets	None

Intangible assets	None
Construction in process	Increased by RMB14.7927, due to the increased investment in PV power plants
Investment real estate	Increased by 48.19%, due to increase in leased houses and change in the fair value

2. Major foreign assets

Applicable Inapplicable

3 Core Competitiveness Analysis

(1) Curtain wall system and material

1. Expertise and brand competitiveness

In response to the national call for energy saving and emission reduction, the Company has aggressively develop solar electric and optimal and energy-saving low-carbon curtain walls, developing a series of domestic and global leading solar and energy-saving curtain wall products. The Company owns 385 curtain wall and material patents (including 25 invention patents) and one software copyright, ranking top among domestic peers. It has achieved many firsts in the industry and created incomparable brand equity, making it an optimal choice in the domestic high-end curtain wall and material market. FANGDA is a nationwide well-known trademark in China.

2. Focusing on the high-end market to edge out competitors

Amid the fierce market competition, the Company has focused on the high-end energy-saving curtain wall market and technical integration to improve high-end project quality. Moreover, it has focused resources on high-end curtain wall engineering and won several Luban awards, Zhan Tianyou Civil Engineering awards and Classic Construction for the 50th Anniversary of the Foundation of the People's Republic of China, High-Quality Construction, White Magnolia Prize and Customer Satisfactory Engineering and the title of "Top 10 Competitive Chinese Curtain Wall Provider". The Company has build a leading brand and created a clear edge in the high-end curtain wall market.

3. Well-developed industry base landscape

Thanks to continued investment in facilities, the Company has established a national business landscape with Shenzhen as the headquarters, Dongguan Songshanhu as the base in the south, Beijing in the north, Chengdu in the southwest and Shanghai and Nanchang in the east. The Dongguan Songshanhu and Nanchang bases are the largest and most advanced curtain wall system and material production bases in China and across the world, fueling the Company to increase its market share and competitiveness.

4. General solutions

The Company has integrated the design, production, management and engineering of curtain wall systems to enjoy technological, cost, quality and service advantages.

(2) Rail transport equipment business

1. National development strategy

In 2015, the rail transport equipment is listed in the Made in China 2025 plan as a key industry. The 13th Five-Year Plan specifies that the rail construction will be reinforced to promote the advanced railway equipment manufacturing industry. The One-Belt-One-Road strategy has become a national development strategy. The National Reform and Development Committee indicated that 50 cities will have rail transport in 2020 with a total

mileage of 6,000 km. The industry enjoys a rosy outlook under the background.

2. Technical advantage

Through continued independent innovation, the Company has developed the global leading metro screen door system with full intellectual property right and broken the monopoly of overseas competitors. The Company has also compiled the *Rail Transport Station Screen Door Standard*, which is the first of its kind in China. The standard was approved in April 2006 and was implemented on March 1, 2007. As the first standard in the industry in China, the standard has played a key role in guiding the development of China's rail transport screen door industry and enabled the Company a dominant lead in the industry. Currently, the Company has 223 metro screen door patents, including 44 invention patents. The Company also has eight computer software copyrights.

3. Brand equity

So far, the Company has undertaken railway screen door projects in most domestic cities, Hong Kong, Taipei and Singapore. The Fangda screen door system has grasped a leading market share and established incomparable brand influence thanks to its patents, standard and maintenance services. The Company has emerged as the Chinese No.1 and global No.3 screen door provider, building a large competitive edge in the global market.

(3) New energy industry

The new energy business mainly comprises solar power PV application, PV construction and LED industry.

1. Technical advantage

With more than ten years' experience in developing solar energy PV power generating curtain wall technology, the Company is the earliest company that masters the intelligent property right in the designing, production and integration of solar energy PV curtain wall systems and is a pioneer in the application of PV curtain wall technology. The Company built the first solar energy PV integrated building curtain wall system in China – Shenzhen Fangda Building photoelectric curtain wall system.

2. Relation with other industries

Distributed solar power PV power generation is closely related to the Company's existing businesses. Most distributed solar power PV systems are closely related to construction. Moreover, the Company has more than 10 years' experience in electrical product integration. The Company also has more than 20 years' experience in construction management and has the level-1 construction curtain wall engineering qualification and electrical installation engineering qualification.

(4) Real Estate

The Fangda Town renovation project is well-positioned and enjoys express transport, unique landscape resources, preferential policies and moderate competition in the district. The project will buoy the Company's net assets and total assets, bring strong cash flows for the Company, provide capital support for the development of businesses, and gain experience in the real-estate development industry.

Chapter 4 Management Discussion and Analysis

1. Summary

In 2015, the recovery of the global economy remained weak and the Chinese economy faced a heavy downward pressure. In front of the adverse economic environment, the Company has been able to overcome difficulties and fulfill the annual operation target under the leadership of the Board of Directors and management and joint efforts of all employees. In the report period, the Company secured orders of RMB3.284 billion, up 17% year on year, recorded an operation turnover of RMB2.55 billion, up 31.58% year on year. The net profit attributed to the owner of the parent reached RMB107 million, up 10.59% year on year. By the end of the report period, the Company had secured new orders worth RMB2.944 billion, which 115% of the operating revenue in 2015, paving the way for the Company to complete the whole year's sales target. The Fangda Town renovation project is proceeding as scheduled. The pre-sales certificate has been received in the report period.

1. Continuing to make headway in curtain wall system and material market exploration

As the urbanization accelerates and more and more people realize the importance of energy saving, the market demand for high-end energy-saving curtain walls is on the rise. Over the past more than 20 years, the Company has been committed to the philosophy of building a leading company, products and services. Underpinned by our advantages in technology, hardware, brand and services, we have taken different market strategies to explore the high-end energy-saving curtain wall market. Currently, the Company's curtain wall and material products have emerged as a leading brand in the domestic market. In 2015, the Company won a series of large-sized energy-saving curtain wall and aluminum material projects including the Shenzhen Hanjing Finance Center, Shenzhen Kexing Hi-tech Park D Zone, Shanghai Hongqiao Commercial Area Office Building, Shanghai Wuzhong Road shopping mall, Jinan Shangri-La Hotel, Chengdu Fuli Plaza and Lanzhou International Trade Center. Projects including the Shenzhen Alibab/Ali Cloud Building, Chengdu Wanda Ruihua Hotel, Kunming Wanda, Nanchang Wanda Mao, Shanghai Bund SOHO, Shanghai Vanke Jade Bank, Shanghai China Resource Mix City are proceeding as scheduled. The business recorded a sales income of RMB2.1 billion in 2015, up 27.81% year on year. The remaining orders at the end of the year reached RMB2.28 billion yuan, accounting for 108% of the business's sales income in 2015. Given our advantages, the business will continue growing rapidly over the next few years.

The Company has optimized its organizational structure, management mode and management functions to control safety risks, regulate the project management system, reinforce the payment collection system. These measures will help build a solid foundation for the development and growth of the business.

2. A leader in the rail transport equipment market

In 2015, the rail transport equipment is listed in the Made in China 2025 Plan as a key field to development. The 13th Five-Year Plan also highlights the construction of rail transport and development of the rail transport equipment. In recent years, the Chinese economy has continued growing. Many domestic cities have accelerated the construction of rail transport. By the end of 2015, 26 cities have put rail transport into use with a total mileage of 3,612 km. The National Reform and Development Committee indicated that 50 cities will have rail transport in 2020 with a total mileage of 6,000 km. Therefore, the industry will enter its gold age of rapid growth. The Company will benefit from this trend as a market leader.

With a decade's innovation and development, the Company's screen doors have been used in more than 20 domestic cities and other cities including Singapore, Hong Kong and Taiwan. In 2015, the market share, brand

equity, intellectual property rights, industry standard and engineering services of our products have won wide applause from customers. We won screen door projects in Lanzhou, Xiamen, Wuhan, Hefei, Nanning, Nanchang and Kunming, ranking No.1 in China in terms of the bidding amount. In the report period, Dalian subway line No.1, Nanchang subway line No.1, Dongguan subway line No.2 and Wuhan subway line No.3 equipped with our screen doors have been put into operation. In the report period, the business recorded a sales income of RMB255,753,000, up 59.42% year on year. By the end of 2015, reserved orders reached RMB660 million, accounting for 258% of the sales income in 2015. In the future, the Company will take advantage of the One Belt One road strategy to explore overseas markets in Southeast Asia and West Asia. The Company is likely to make a giant leap in the overseas screen door market.

In 2015, the maintenance market of the screen door business has largely improved. In the future, the Company will expand the business scope to fields related to screen doors including advertisement and intelligent systems underpinned by the solid quality, technology and service reputation.

3. Moving forward steadily in the new energy industry

Since the Company established the new energy company in July 2014, the Company has entered into framework agreement for constructing distributed solar PV power plants in Jiangxi Nanchang, Pingxiang, Xinyu and Longnan with a total installation capacity of 1.1 GWp. In 2015, the solar PV business was developed as planned. The 2MWp distributed solar PV power plant in Dongguan Songshanhu was accepted by Guangdong and Gongguan Power Supply Administration on October 1, 2015. The Company also signed the electricity purchase and sales contract with the Guangdong Power Supply Company of China Southern Power Grid. By December 31, 2015, the project has generated 461,000 kilowatt-hours, reaching the estimated generation efficiency. The Company raised RMB470 million through private share issuance to invest in three PV power plant project with a total capacity of 39.3MWp. The issuance has been approved by CSRC. The three projects will be put into operation in 2016. The business will bring stable income and profit for the Company in the future and become a new profit source.

4. Fangda Town renovation project

In 2015, the Fangda Town renovation project has been proceeding as scheduled. The ceiling of the building No.2 was finished. The pre-sales certification for Phase 1 is received. The phase 1 was put into sales in January 2016 and was largely welcomed in the market. The phase 1 is expected to be finished by the end of 2016 and put into use between 2016 and 2017. The project will substantially increase the Company's assets, bring stable cash flow and lease income for the Company, supporting the Company's future demand for capital.

5. Awards

In the report period, the Company received a series of awards and titles, including the Shenzhen Top 100 Enterprises, National Outstanding Foreign Investment Enterprise, Guangdong Innovation Leader, Shenzhen Industry Award. Mr. Xiong Jianming was elected as one of the Top 35 Chinese Business Leaders in 35 Years. Mr. Lin Kebin is elected as Shenzhen New-Generation Innovation Leader. Mr. Zheng Zheng, head of the Information Management Department was elected as the Guangdong Outstanding Chief Information Officer. The Company applied for 24 new patents, including 7 new invention patents.

A series of curtain wall projects undertaken by Jianke Group won the 2014-2015 China Construction Luban Award, 2015 Guangdong High Quality Project Award, China Construction Curtain Wall Top 100 Enterprise, Shenzhen Decoration Jinpeng Award, Chengdu Jinrong Cup Gold Award, and received titles including Reliable Partner, Best Strategic Partner, High-Quality Supplier and Outstanding Project Team from customers.

Fangda Automatic received the Second Award of the Shenzhen Scientific Achievement, Fucai Cup QCC Achievement Excellent Award, and received titles including Outstanding Management Team, Technological Expert from the Tianjin Subway; a leading group by Nanchang rail transport group.

Jiangxi New Material received titles including Nanchang National High-Tech Industry Park Leading Enterprise, and Leading Company in Standardization.

Fangda Town renovation project received the 2016 Highlighted Project Award and Annual High-Quality Project Award

2. Main business analysis

1. Summary

For details see Management Discussion and Analysis – 1. Profile

2. Income and costs

(1) Turnover composition

In RMB

	2015		2014		YOY change (%)
	Amount	Proportion in operating costs (%)	Amount	Proportion in operating costs (%)	
Total turnover	2,550,467,494.78	100%	1,938,324,435.51	100%	31.58%
Industry					
Metal production	2,100,612,326.46	82.36%	1,643,589,644.97	84.79%	27.81%
Railroad industry	255,752,825.73	10.03%	160,427,755.09	8.28%	59.42%
New energy industry	136,270,215.79	5.34%	92,516,175.40	4.77%	47.29%
Others	57,832,126.80	2.27%	41,790,860.05	2.16%	38.38%
Product					
Curtain wall system and materials	2,100,612,326.46	82.36%	1,643,589,644.97	84.79%	27.81%
Subway screen door and service	255,752,825.73	10.03%	160,427,755.09	8.28%	59.42%
LED products	136,014,530.20	5.33%	92,516,175.40	4.77%	47.02%
PV power generation	255,685.59	0.01%			
Others	57,832,126.80	2.27%	41,790,860.05	2.16%	38.38%
District					
Domestic	2,480,678,272.83	97.26%	1,898,111,499.44	97.93%	30.69%
Overseas	69,789,221.95	2.70%	40,212,936.07	2.07%	73.55%

(2) Industries, products or districts that take more than 10% of the Company's business turnover or profit

√ Applicable □ Inapplicable

In RMB

	Turnover	Operation cost	Gross margin	Year-on-year change in operating revenue	Year-on-year change in operating costs	Year-on-year change in gross margin
Industry						
Metal production	2,100,612,326.46	1,769,172,547.22	15.78%	27.81%	28.30%	-0.33%
Railroad industry	255,752,825.73	202,151,998.82	20.96%	59.42%	73.05%	-6.23%
Product						
Curtain wall system and materials	2,100,612,326.46	1,769,172,547.22	15.78%	27.81%	28.30%	-0.33%
Subway screen door and service	255,752,825.73	202,151,998.82	20.96%	59.42%	73.05%	-6.23%
District						
Domestic	2,480,678,272.83	2,127,455,729.07	14.24%	30.69%	35.99%	-3.34%

Main business statistics adjusted in the recent one year with the statistics criteria adjusted in the report period

Applicable Inapplicable

(3) The physical sales revenue is high the labor service revenue

Yes No

Industry	Items	Unit	2015	2014	YOY change (%)
Curtain wall system and materials	Sales	M ²	2,935,850.86	2,479,915.61	18.39%
	Output	M ²	2,972,936.22	2,593,192.46	14.64%
	Inventory	M ²	257,208.5	220,123.14	16.85%

Explanation for a year-on-year change of over 30%

Applicable Inapplicable

(4) Performance of signed major sales contracts in the report period

Applicable Inapplicable

(5) Operation cost composition

Product

In RMB

Product	Items	2015		2014		YOY change (%)
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	

			(%)		(%)	
Curtain wall system and materials	Raw materials	1,181,842,856.96	66.80%	929,436,079.36	67.40%	27.16%

(6) Change to the consolidation scope in the report period

Yes No

In the period, the Company expanded its direct or indirect control to another eight subsidiaries including Jiangxi Fangda Property Development Co., Ltd., Shenzhen Fangda Property Management Co., Ltd., Shenzhen Qianhai Kechuangyuan Software Co., Ltd., Ganzhou Longneng New Energy Co., Ltd., Pingxiang Fangda Luxin New Energy Co., Ltd., Pingxiang Xiangdong Fangda New Energy Co., Ltd., Nanchang Xinjian Fangda New Energy Co., Ltd. and Dongguan Fangda New Energy Co., Ltd.

In the period, the Company finished the liquidation of directly control subsidiary Hong Kong Junjia, which is removed from the consolidated financial statements.

(7) Major changes or adjustment of business, products or services in the report period

Applicable Inapplicable

(8) Major sales customers and suppliers**Main customers**

Total sales amount to top 5 customers (RMB)	552,235,358.77
Proportion of sales to top 5 customers in the annual sales	21.33%

Information of the Company's top 5 customers

No.	Customer	Sales (RMB)	Percentage in the annual sales
1	No.1	142,066,212.50	5.49%
2	No.2	129,929,168.20	5.02%
3	No.3	96,872,963.97	3.74%
4	No.4	94,429,356.09	3.65%
5	No.5	88,937,658.01	3.43%
Total	--	552,235,358.77	21.33%

Other information about major customers

Applicable Inapplicable

Main suppliers

Purchase amount of top 5 suppliers (RMB)	482,934,163.51
Proportion of purchase amount of top 5 suppliers in the total annual purchase amount	26.90%

Information of the Company's top 5 suppliers

No.	Supplier	Purchase amount (RMB)	Percentage in the annual purchase amount
1	No.1	192,123,453.34	10.70%
2	No.2	113,958,182.88	6.35%
3	No.3	81,538,198.15	4.54%
4	No.4	48,318,649.24	2.69%
5	No.5	46,995,679.91	2.62%
Total	--	482,934,163.51	26.90%

Other information about major suppliers

Applicable Inapplicable

3. Expenses

In RMB

	2015	2014	YOY change (%)	Notes
Sales expense	75,264,951.18	44,684,306.70	68.44%	Mainly due to increase in advertisement and promotion expenses
Administrative expense	167,405,776.25	152,584,713.60	9.71%	
Financial expenses	50,672,490.05	29,165,058.80	73.74%	Mainly due to increase in average loan

4. R&D investment

Applicable Inapplicable

During the report period, the Group focused on low-carbon, energy saving, environmental protection and sustainable development to develop new products, new processes and technologies. The Group has finished the R&D of energy-saving curtain walls, solar PV curtain walls, aluminum compound plates, single-layer aluminum sheets, aluminum honeycomb sheets, subway screen door systems, PV power plants with intellectual property rights. The solid expertise elevates the Group's core competitiveness and underpins the long-term solid development of the Group.

R&D investment

	2015	2014	Change
R&D staff number	351	344	2.03%
R&D staff percentage	15.08%	11.39%	3.69%
R&D investment amount (RMB)	105,200,255.72	86,772,964.18	21.24%
Investment percentage in operation turnover	4.12%	4.48%	-0.36%
Capitalization of R&D investment amount (RMB)	0.00	0.00	

Percentage of capitalization of R&D investment in the R&D investment	0.00%	0.00%	
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Reason for the increase in the percentage of R&D investment in the business turnover

Applicable Inapplicable

Explanation of the increase in the capitalization of R&D investment

Applicable Inapplicable

5. Cash flow

In RMB

Items	2015	2014	YOY change (%)
Sub-total of cash inflow from business operations	2,219,602,450.52	1,684,047,696.92	31.80%
Sub-total of cash outflow from business operations	2,579,717,564.56	2,241,941,626.36	15.07%
Cash flow generated by business operations, net	-360,115,114.04	-557,893,929.44	
Sub-total of cash inflow generated from investment	397,636,935.30	302,123,140.16	31.61%
Subtotal of cash outflows	213,169,919.71	588,172,728.21	-63.76%
Cash flow generated by investment activities, net	184,467,015.59	-286,049,588.05	
Subtotal of cash inflow from financing activities	1,764,927,828.86	1,303,817,100.01	35.37%
Subtotal of cash outflow from financing activities	1,444,458,573.58	642,732,507.84	124.74%
Net cash flow generated by financing activities	320,469,255.28	661,084,592.17	-51.52%
Net increase in cash and cash equivalents	145,101,011.59	-182,599,023.19	-179.46%

Explanation of major changes in related data from the same period last year

Applicable Inapplicable

Increase in net cash flows from investment activities is mainly caused by the large cash flow-out for purchase of financial products in the same period last year;

The increase in the net cash flow from financing activities is mainly caused by the increase in the capital flow-in of bank loans in the same period last year.

Explanation of major difference between the cash flow generated by operating activities and the net profit in the year

Applicable Inapplicable

The net profit this year reached RMB6,812,151,400 with a new cash flow of RMB-360,115,100 from operation activities, mainly the capital flow-out to the Fangda Town renovation project, which has not create cash flow-in yet.

3. Non-core business analysis

√ Applicable □ Inapplicable

In RMB

	Amount	Profit percentage	Reason	Whether continuous
Investment income	280,949.87	0.27%	From transfer of transactional financial assets	No
Gain/loss caused by changes in fair value	89,746,065.58	86.77%	Adjustment of fair value of investment real estate	No
Assets impairment	50,019,679.10	48.36%	Bad debt provision, inventory depreciation provision and goodwill impairment provision	No
Non-operating revenue	29,668,110.25	28.69%	Share transfer payment that does not need to paid because the payment condition is not met	No
Non-business expenses	18,233,740.07	17.63%	Estimated lawsuit indemnity	No

4. Assets and liabilities

1. Major changes in assets composition

In RMB

	End of 2015		End of 2014		Change (%)	Notes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	400,953,337.32	8.98%	212,430,798.87	5.80%	3.18%	
Account receivable	1,405,718,134.89	31.49%	1,105,242,251.46	30.18%	1.31%	
Inventory	1,346,591,303.53	30.16%	982,441,187.05	26.82%	3.34%	Up 37.07 year on year, due to increase in the investment in Fangda Town project
Investment real	335,328,805.7	7.51%	226,279,523.39	6.18%	1.33%	Increased by 48.19%, due to increase

estate	4					in leased houses and change in the fair value
Long-term share equity investment	10,489,680.93	0.23%	11,048,660.43	0.30%	-0.07%	
Fixed assets	462,648,998.51	10.36%	489,714,684.63	13.37%	-3.01%	
Construction in process	15,134,390.90	0.34%	341,749.17	0.01%	0.33%	Increased by RMB14.7927, due to the increased investment in PV power plants
Short-term loans	1,147,957,775.82	25.72%	1,100,000,000.00	30.03%	-4.31%	
Long-term loans	300,395,582.06	6.73%		0.00%	6.73%	Increased by RMB300 million, due to long-term borrowing from banks for Fangda Town project

2. Assets and liabilities measured at fair value

√ Applicable □ Inapplicable

In RMB

Items	Opening amount	Gain/loss caused by changes in fair value	Accumulative changes in fair value accounting into the income account	Impairment provided in the period	Amount purchased in the period	Amount sold in the period	Closing amount
Financial assets							
1. Financial assets measured at fair value with variations accounted into current income account (excluding derivative financial assets)	13,410,790.00	3,952,285.09				2,416,792.96	14,546,206.58
Subtotal	13,410,790.00	3,952,285.09				2,416,792.96	14,546,206.58
Investment real estate	198,513,586.15	85,793,780.49	91,831.63		20,307,845.89		304,615,212.53
Total	211,924,376.15	89,746,065.58	91,831.63		20,307,845.89	2,416,792.96	319,161,419.

							11
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Major changes in the assets measurement property of the Company in the report period

Yes No

5. Investment

1. General situation

Applicable Inapplicable

2. Major equity investment in the report period

Applicable Inapplicable

3. Major non-equity investment in the report period

Applicable Inapplicable

4. Financial assets investment

(1) Securities investment

Applicable Inapplicable

In RMB

Securities	Code	Abbreviation	Initial investment cost	Accounting method	Opening book value	Gain/losses caused by changes in fair value	Accumulative changes in fair value accounting into the income account	Amount purchased in the period	Amount sold in the period	Gain/losses	Closing book value	Accounting item	Capital source
Domestic overseas shares	00702	Sino Oil and Gas Holdings Ltd	16,263,675.00	Measurement at fair value	13,410,790.00	3,952,285.09	0.00	0.00	2,416,792.96	4,341,316.92	14,546,206.58	Transactional financial assets	Self-owned fund
Total			16,263,675.00	--	13,410,790.00	3,952,285.09	0.00	0.00	2,416,792.96	4,341,316.92	14,546,206.58	--	--

Disclosure date of approval by the Board of Directors of securities investment	11.03.14
Disclosure date of approval by the Board of Directors of securities investment	None

(2) Derivative investment

√ Applicable □ Inapplicable

In RMB10,000

Derivative investment operator	Relationship	Related transaction	Type	Initial amount	Start date	End date	Initial investment amount	Amount purchased 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	8,512.72	05.01.15	28.09.15	0	8,512.72	8,512.72	0	0	0.00%	-293.35
Total				8,512.72	--	--	0	8,512.72	8,512.72	0	0	0.00%	-293.35
Capital source				Self-owned fund									
Lawsuit involved				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)				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									

market, liquidity, credit, operation and legal risks)	Provincial Regulations on China Fangda Group Domestic Futures Hedging to prevent risks.
Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters.	The fair value of the derivative should be calculated with the open quotation of the futures market and should be reviewed regularly to ensure effective hedging.
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period	No
Opinions of independent directors on the Company's derivative investment and risk controlling	None

5. Use of raised capital

Applicable Inapplicable

The Company used no raised capital in the report period.

6. Major assets and equity sales

1. Major assets sales

Applicable Inapplicable

The Company sold no assets in the report period.

2. Major equity sales

Applicable Inapplicable

7. Analysis of major joint stock companies

Applicable Inapplicable

Major subsidiaries and joint stock companies affecting more than 10% of the Company's net profit

In RMB

Company	Type	Main business	Registered capital	Total assets	Net assets	Turnover	Operation profit	Net profit
Fangda Jianke	Subsidiary	Curtain wall system	500,000,000.00	2,936,047,116.42	772,966,316.65	1,953,103,188.89	95,850,803.12	67,645,946.18
Fangda	Subsidiary	Subway	105,000,000.00	446,214,437.00	224,286,077.00	258,278,535.00	30,644,833.50	26,511,078.20

Automatic		screen door and service	00	49	17	47	0	1
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Acquisition and disposal of subsidiaries in the report period

Applicable Inapplicable

Company	Acquisition and disposal of subsidiaries in the report period	Impacts on business operation and performance
Hong Kong Junjia	Liquidation	None

Major joint-stock companies

8. Structural entities controlled by the Company

Applicable Inapplicable

9. Future Prospect

(1) Competition map and development trend

1. Curtain wall and material system industry

As China continues urbanizing, the demand for construction curtain walls will grow rapidly, fueling the development of the curtain wall industry. Over recent years, a series of industry policies will be issued to push forward the industry, providing a gold opportunity for the development of energy-saving curtain wall and solar power generation curtain wall business.

2. Rail transport equipment business

In 2015, the rail transport equipment is listed in the Made in China 2025 plan as a key industry. The 13th Five-Year Plan specifies that the rail construction will be reinforced to promote the advanced railway equipment manufacturing industry. The National Reform and Development Committee indicated that 50 cities will have rail transport in 2020 with a total mileage of 6,000 km. By the end of 2015, 26 cities have put rail transport into use with a total mileage of 3,612 km. Therefore, the industry will turn on to a fast track. City rail transport projects are mainly subway projects, for which screen doors are must-have. The screen door market will expand rapidly in the future.

3. New energy industry

The solar PV power generation industry is supported by the government. By the end of 2015, the total installation capacity of PV power generation in China reached 43,180MW, making China the largest country in term of the PV power generation capacity. In the 13th Five-Year Plan period, the capacity will increase by 15-20MW. Over the past few years, the government has issued a series of policies to support the development of the industry, from distributed PV power generation plant pilot zone to subsidies for construction of distributed PV power plants and streamlining related grid connection policies. Although centralized power plants remain the mainstay in terms of the connection power capacity in China currently, it is estimated that distributed power plants will grow faster than the average speed of the industry and become the main mode in the future.

4. Real estate

As the land resource in cities becomes increase scarce, city renovation will become a common task for all major cities. The limited land resource has also become a bottleneck for the development of Shenzhen. City

renovation provides a low-cost solution for this problem and is largely supported by the government.

(2) Company development strategy and business plan

The year 2016 is a beginning year of the 13th Five-Year Plan period with a lot of uncertainties in the domestic and overseas economy and financial environments. The Company will take advantage of the deepening reform and opening up process to improve management efficiency, continue innovation and fulfill the annual business target, making a solid foundation for the long-term development.

In 2016, the curtain wall and material industry will continue exploring the South China region with Shenzhen as the center and also pay attention to high-quality projects in Shanghai, Beijing, Chengdu and Chongqing. Adhering to the high-end market position, the Company will explore the overseas market. As the market leader in the rail transport equipment industry, the Company will stick to the One Road One Belt strategy and seek to explore overseas markets in Southeast Asia and West Asia. The Company will seek to finish the private share issuance to support the development of the solar PV power generation business. The Company will guarantee the quality and schedule of the Fangda Town renovation project to ensure delivery as scheduled.

(3) Capital demand and source for projects in progress

To realize the business target in 2016, the Company will develop suitable financial and capital plans, accelerate the collection of accounts receivable, sales payment from sales of Fangda Town, expand financing channels, and use share issuance, bank loans and other financing products to meet the demand for capital.

(4) Risks and solutions

1. Market risks and measures

As the overall designing and engineering quality continues improving in the domestic construction curtain wall industry, curtain wall products will become increasingly standard, intensifying the market competition. The Company will continue implementing a prudent operation strategy, fine management and technical innovation to lower the management costs and accelerate the recovery of receivables. Through new technologies and processes, we will improve product quality, lower costs and elevate earnings. While consolidating the domestic market, the Company will step up the efforts in exploring overseas markets, thus elevating our competitiveness in global markets and improving our resistance to risks.

2. Management risks and measures

With an increase in orders in recent years and operation of five industry bases, the Company has continued expanding rapidly in terms of capitalization, business and teams. The organizational structure and management system have become more complicated, leading to management risks in industry expansion. The Company will continue to improve the matrix management mode, integrate business management, optimize the business flow, seeking to build a high-efficient and solid management team. We will introduce high-quality, professional technical and management talents in different fields to strengthen the Company's core competitiveness.

3. Production and operation risks and measures

The macro-economy and market demand have added to the fluctuation in prices of main raw materials such as aluminum and steel and labor, affecting the Company's profitability and creating additional production and operation risks for the Company. The Company has sought to lower the purchase and production costs, pay attention to technical R&D, reduce consumption of raw materials, introduce automatic and intelligent production equipment, strengthen staff training to improve working efficiency.

4. Solar PV power plant risks and measures

The industry is closely related to policies of the local government. Changes in policies will have large impacts on the industry. The Company will continue paying attentions to the development of the industry. The Company will conduct adequate verification on project feasibility, control costs, quality and schedules strictly,

and improve its development, construction and maintenance capabilities.

X. Acceptance of investigations, communications, or interviews

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

Applicable Inapplicable

Time/date	Way	Visitor	Disclosure of information
21.01.15	Onsite investigation	Institution	Investor Relationship Record Form on www.cninfo.com.cn
28.04.15	Onsite investigation	Institution	Investor Relationship Record Form on www.cninfo.com.cn
26.05.15	Onsite investigation	Institution	Investor Relationship Record Form on www.cninfo.com.cn
24.07.15	Onsite investigation	Institution	Investor Relationship Record Form on www.cninfo.com.cn
26.11.15	Onsite investigation	Institution	Investor Relationship Record Form on www.cninfo.com.cn
Time	5		
Number of institutes	7		
Number of individuals	8		
Number of other visitors	0		
Disclosure of any non-public information	No		

Chapter 5 Significant Events

1. Profit distribution and reserve capitalization plan

Establishment, implementation or adjustment of profit distribution policies especially the cash dividend policy during the report period

√ Applicable □ Inapplicable

During the report period, the Company implemented the profit distribution plan for 2014. Approved at the Shareholders' Meeting 2014 held on 17.04.15, the Company's profit distribution plan for 2014 is distributing a cash dividend of RMB0.30 (tax-included) for every ten shares of all the shareholders based on a total of 756,909,905 shares on 31.12.14. The plan was implemented on 05.06.15 (see the 2014 Share Equity Distribution Implementation Announce 2015-18).

Explanation of Cash Dividend Distribution Policies	
Comply with the Articles of Association or resolution made at the General Shareholders' Meeting	Yes
Clear and definite distribution standard and proportion	Yes
Decision-making procedure and mechanism	Yes
Independent directors fulfill their duties	Yes
Middle and small shareholders express their opinions and claims. There rights are well protected.	Yes
Cash dividend distribution policies are adjusted or revised according to law	Yes

Profit distribution and reserve capitalizing pre-plans or plans over the recent three years (including the reporting period)

2013: A cash dividend of RMB0.30 (including tax) for each ten shares is issued to all shareholders on the basis of 756,909,905 shares with a total amount of RMB 22,707,297.15, on December 31, 2013. No dividend share or capitalization share is issued in the year.

2014: A cash dividend of RMB0.30 (including tax) for each ten shares is issued to all shareholders on the basis of 756,909,905 shares with a total amount of RMB 22,707,297.15, on 31.12.14. No dividend share or capitalization share is issued in the year.

2015: A cash dividend of RMB1 (including tax) for each ten shares is issued to all shareholders on the basis of 756,909,905 shares with a total amount of RMB 75,690,990.50, on 31.12.15. No dividend share or capitalization share is issued in the year.

Distribution of cash dividend over the recent three years (including this period)

In RMB

Year	Cash dividend	Net profit	Proportion in the net	Cash dividend paid	Proportion of cash
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	(including tax)	attributable to shareholders in the consolidated financial statements	project attributable to shareholders in the consolidated financial statements	in other manners	dividend paid in other manners
2015	75,690,990.50	107,272,369.77	70.56%	0.00	0.00%
2014	22,707,297.15	96,998,429.76	23.41%	0.00	0.00%
2013	22,707,297.15	85,676,863.78	26.50%	0.00	0.00%

Cash dividend proposed despite the Company records profits in the report period and a positive undistributed profit

Applicable Inapplicable

2. Profit Distribution and Reserve Capitalization Plan in the Report Period

Applicable Inapplicable

Bonus shares for every ten shares	0
Cash dividend for every ten shares (yuan, tax-included)	1
Shares capitalized for every 10 shares	0
A total number of shares as the distribution basis	756,909,905
Total cash dividend (yuan, including tax)	75,690,990.50
Distributable profit (yuan)	402,148,728.12
Proportion of cash dividend in the distributable profit	100.00%
Cash dividend	
The Company is in a fast growth stage. Therefore, the cash dividend will reach 20% of the profit distribution at least.	
Details of profit distribution or reserve capitalization plan	
The Company plans to distribute a cash dividend of RMB1 (including tax) for each ten shares issued to all shareholders on the basis of 756,909,905 shares with a total amount of RMB22,707,297.15, on 31.12.15. No dividend share or capitalization share is issued in the year. The plan needs to be reviewed and approved at the General Shareholders' Meeting 2015.	

3. Performance of promises

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

2. Explanation and reason of profit forecasts on assets or projects that remain in the report period

Applicable Inapplicable

4. 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.

5. Statement of the Board of Directors, Supervisory Committee and Independent Directors (if applicable) on the “non-standard auditors’ report” issued by the CPA on the current report period

Applicable Inapplicable

6. Statement of changes to accounting policies, estimates and audit methods compared with the financial report of the previous year

Applicable Inapplicable

No change in accounting policies, assumptions and auditing methods in the report period.

7. Statement of retrospective restatement of major accounting errors in the report period

Applicable Inapplicable

No retrospective restatement of major accounting errors in the report period

8. Statement of change in the financial statement consolidation scope compared with the previous financial report

Applicable Inapplicable

In the period, the Company expanded its direct or indirect control to another eight subsidiaryies including Jiangxi Fangda Property Development Co., Ltd., Shenzhen Fangda Property Management Co., Ltd., Shenzhen Qianhai Kechuangyuan Software Co., Ltd., Ganzhou Longneng New Energy Co., Ltd., Pingxiang Fangda Luxin New Energy Co., Ltd., Pingxiang Xiangdong Fangda New Energy Co., Ltd., Nanchang Xinjian Fangda New Energy Co., Ltd. and Dongguan Fangda New Energy Co., Ltd.

In the period, the Company finished the liquidation of directly control subsidiary Hong Kong Junjia, which is removed from the consolidated financial statements.

9. Engaging and dismissing of CPA

CPA engaged currently

Domestic public accountants name	Grant Thornton (special general partner)
Remuneration for the domestic public accountants (in RMB10,000)	130
Consecutive years of service by the domestic public accountants	4
Name of certified accountants of the domestic public accountants	Xie Peiren, Hu Gaosheng
Overseas public accountants name (if any)	0
Remuneration for the overseas public accountants (in RMB10,000)	0
Consecutive years of service by the overseas public accountants (if any)	None
Name of certified accountants of the overseas public accountants (if any)	None

Whether the CPA is replaced

Yes No

Engaging of internal control audit CPA, financial advisor and sponsor

Applicable Inapplicable

This year, the Company engaged Grand Thornton China (limited liability partnership) as the financial statement and internal control auditing CPA with a fee of RMB1.3 million.

This year, the Company engaged China Merchants Securities as the sponsor with a sponsoring fee of RMB500,000 for the private share issuance issue.

10. Trade suspension and termination after the disclose of the annual report

Applicable Inapplicable

11. Bankruptcy and capital reorganizing

Applicable Inapplicable

The Company has no bankruptcy or reorganization events in the report period.

12. Significant lawsuit and arbitration

Applicable Inapplicable

The Company has no significant lawsuit or arbitration affair in the report period.

13. Punishment and rectification

Applicable Inapplicable

The Company received no penalty and made no correction in the report period.

14. Credibility of the Company, controlling shareholder and actual controller

Applicable Inapplicable

15. Share incentive schemes, staff shareholding program or other incentive plans

Applicable Inapplicable

There are no share incentive schemes, staff shareholding program or other incentive plans in the report period

16. Material related transactions

1. Related transactions related to routine operation

Applicable Inapplicable

The Company made no related transaction related to daily operating in the report period.

2. Related transactions related to assets or equity transactions

Applicable Inapplicable

The Company made no related transaction of assets or equity requisition and sales in the report period.

3. Related transactions related to joint external investment

Applicable Inapplicable

The Company made no related transaction of joint external investment in the report period.

4. Related credits and debts

Applicable Inapplicable

The Company had no related debt in the report period.

(5) Other major related transactions

Applicable Inapplicable

The Company has no other significant related transaction in the report period.

17. Significant contracts and performance

1. Asset entrusting, leasing, contracting

(1) Asset entrusting

Applicable Inapplicable

The Company made no custody in the report period.

(2) Contracting

Applicable Inapplicable

The Company made no contract in the report period

(3) Leasing

Applicable Inapplicable

Leasing

The annual lease income of investment real estate is RMB26,452,881.94.

Projects that create gains accounting for over 10% of the Company's total profit in the report period

Applicable Inapplicable

The Company leased no projects that create gains accounting for over 10% of the Company's total profit in the report period.

2. Significant guarantee

Applicable Inapplicable

(1) Guarantee

In RMB10,000

External guarantees made by the Company and subsidiaries (exclude those made for subsidiaries)								
Guarantee provided to	Date of disclosure	Guarantee amount	Actual date of occurring (signing date of agreements)	Actual amount of guarantee	Type of guarantee	Term	Completed or not	Related party
Guarantee between the Company and its subsidiaries								
Guarantee provided to	Date of disclosure	Guarantee amount	Actual date of occurring (signing date of agreements)	Actual amount of guarantee	Type of guarantee	Term	Completed or not	Related party
Fangda Jianke	27.03.15	71,000	19.06.15	39,789.43	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Jianke	27.03.15	26,000	10.10.15	13,487.71	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Jianke	27.03.15	40,000	17.09.15	23,280.08	Joint liability	since engage of contract to	No	No

						2 years upon due of debt		
Fangda Jianke	01.07.15	20,000	22.07.15	20,000	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Jianke	01.07.15	15,000	22.09.15	3,547.18	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Jianke	29.08.15	15,000	11.11.15	3,150	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Jianke	11.03.14	15,000	31.12.14	6,489.15	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Automatic	27.03.15	20,000	24.09.15	15,346.77	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Automatic	29.08.15	5,000	11.11.15	195.58	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Automatic	27.03.15	5,000	21.10.15	1,463.59	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda New Material	27.03.15	6,200	27.09.15	2,781.95	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda New Material	27.03.15	8,000	27.05.15	7,456.25	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Fangda Property	23.03.13	130,000	03.02.15	30,039.56	Joint liability	since engage of contract to 2 years upon	No	No

						due of debt		
Guangdong Fangda SOZN	27.03.15	2,000	29.01.15	2,000	Joint liability	since engage of contract to 2 years upon due of debt	No	No
Total of guarantee to subsidiaries approved in the report term (B1)		256,000		Total of guarantee to subsidiaries actually occurred in the report term (B2)		152,293.65		
Total of guarantee to subsidiaries approved as of the report term (B3)		386,000		Total of balance of guarantee actually provided to the subsidiaries as of end of report term (B4)		169,027.26		
Guarantee provided to subsidiaries								
Guarantee provided to	Date of disclosure	Guarantee amount	Actual date of occurring (signing date of agreements)	Actual amount of guarantee	Type of guarantee	Term	Completed or not	Related party
Total of guarantee provided by the Company (total of the above three)								
Total of guarantee approved in the report term (A1+B1+C1)		256,000		Total of guarantee occurred in the report term (A2+B2+C2)		152,293.65		
Total of guarantee approved as of end of report term (A3+B3+C3)		386,000		Total of guarantee occurred as of the end of report term (A4+B4+C4)		169,027.26		
Percentage of the total guarantee occurred (A4+B4+C4) on net asset of the Company				128.10%				
Including:								

(2) Incompliant external guarantee

Applicable Inapplicable

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

3. Entrusted cash capital management

(1) Wealth management

Applicable Inapplicable

In RMB10,000

Trustee	Related	Type of	Amount	Start date	End date	Earning	Principal	Impairme	Estimate	Actual	Actual
---------	---------	---------	--------	------------	----------	---------	-----------	----------	----------	--------	--------

	transaction	product				recognition method	recovered actually	nt provision (if any)	return	gain/loss in the report period	recover of gain and loss in the report period
BOC, Shenzhen Branch	No	Non-protected floating earning	1,000	31.12.14	07.01.15	Annual yield 3.12%	1,000		0.61	0.61	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	1,000	31.12.14	15.01.15	Annual yield 3.12%	1,000		1.34	1.34	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	1,000	31.12.14	10.02.15	Annual yield 3.12%	1,000		3.65	3.65	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	6,800	31.12.14	04.01.15	Annual yield 3.12%	6,800		2.33	2.33	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	4,000	08.01.15	22.01.15	Annual yield 3.25%	4,000		4.99	4.99	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	1,000	08.01.15	13.01.15	Annual yield 3.12%	1,000		0.43	0.43	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	1,500	16.02.15	16.03.15	Annual yield 4.65%	1,500		5.35	5.35	Recovered
Bank of China	No	Non-protected floating earning	3,000	26.12.14	04.01.15	Annual yield 2.5%	3,000		2.07	2.07	Recovered
Bank of China	No	Principal and interest	1,000	08.01.15	23.01.15	Annual yield	1,000		1.81	1.81	Recovered

		protected				4.4%					
Bank of China	No	Principal and interest protected	850	12.02.15	02.03.15	Annual yield 4.7%	850		1.97	1.97	Recovered
Bank of China	No	Earning-protected	3,000	31.12.14	04.01.15	Annual yield 2.8%	3,000		0.92	0.92	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	6,000	31.12.14	04.01.15	Annual yield 3.12%	6,000		2.05	2.05	Recovered
Bank of China	No	Principal protected financial product	1,800	02.09.15	08.09.15	Annual yield 2.6%	1,800		0.77	0.77	Recovered
Bank of China	No	Principal protected financial product	3,000	29.09.15	08.10.15	Annual yield 2.5%	3,000		1.85	1.85	Recovered
Bank of China	No	Principal protected financial product	1,000	30.09.15	09.10.15	Annual yield 1.9%	1,000		0.47	0.47	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	1,000	17.06.15	23.06.15	Annual yield 3.12%	1,000		0.51	0.51	Recovered
BOC, Shenzhen Branch	No	Treasury bond	1,000	18.06.15	30.06.15	Annual yield 2.246%	1,000		0.74	0.74	Recovered
BOC, Shenzhen Branch	No	Non-protected floating earning	1,000	26.12.14	03.01.15	Annual yield 3.12%	1,000		0.34	0.34	Recovered
Total			38,950	--	--	--	38,950		32.2	32.2	--
Source of fund			Self-owned fund								
Principal and return due but not covered			0								
Lawsuit (if any)			None								

Disclosure date of approval announcement (if any)	11.03.14
Disclosure date of Shareholders' Meeting approval announcement (if any)	
Whether there will be entrusted wealth management plan	No

(2) Trusted loans

Applicable Inapplicable

The Company borrowed no trust loan in the report period.

4. Other significant contract

Applicable Inapplicable

The Company entered into no other significant contract in the report.

18. Other material events

Applicable Inapplicable

The Company had no other significant event to be explained in the report period.

19. Material events of subsidiaries

Applicable Inapplicable

Fangda SOZN fails to meet the performance target in 2015 with an operation loss of about RMB90.9991 million. The Company has taken measures and signed the Share Repurchasing and Debt Payment Agreement, which will be reviewed at the Shareholders' Meeting in 2015. After the agreement comes into effect, the Company will no longer hold shares of Fangda SOZN, which will no longer be incorporated in the consolidation scope. The share repurchasing and debt payment issue will create an impact of RMB-1.44 million on the net profit in 2016. No further impact will be created.

20. Social responsibilities

Applicable Inapplicable

In the reporting period, the Company has positively assumed social responsibilities by: paying taxes RMB128 million, up 22% year-on-year; donating RMB103,000 and investing RMB198,900 in environment protection, create nearly 10,000 jobs; inputting RMB1.8823 million in employee knowledge and skill training. The company has invested RMB105,200,000 to promote development of new draft, technology, product structure and patent according to clean, safety and efficient production to make contribution for environmental protection.

Are the listed company and subsidiaries involved in a heavy-pollution industry defined by the national environment protection department?

Yes No N/A

21. Information about the Company's securities

Bonds publicly issued and listed in a securities exchange, immature or not fully paid by the approval date of the annual report

No

Chapter 6 Changes in Share Capital and Shareholders

1. Changes in shares

1. Changes in shares

In share

	Before the change		Change (+,-)					After the change	
	Amount	Proportion	Issued new shares	Bonus shares	Transferred from reserves	Others	Subtotal	Amount	Proportion
I. Shares with trade restriction conditions	779,292	0.10%				192,750	192,750	972,042	0.13%
3. Other domestic shares	779,292	0.10%				192,750	192,750	972,042	0.13%
Including: Shares held by domestic natural persons	779,292	0.10%				192,750	192,750	972,042	0.13%
II. Shares without trading limited conditions	756,130,613	99.90%				-192,750	-192,750	755,937,863	99.87%
1. Common shares in RMB	420,179,425	55.51%				-192,750	-192,750	419,986,675	99.87%
2. Foreign shares in domestic market	335,951,188	44.39%				0	0	335,951,188	44.39%
III. Total of capital shares	756,909,905	100.00%				0	0	756,909,905	100.00%

Reasons

Applicable Inapplicable

In July 2015, Mr. Xiong Jianming, the chairman and CEO, increased his shareholding in the secondary market.

Approval of the change

Applicable Inapplicable

Share transfer

Applicable Inapplicable

Impacts on financial indicators including basic and diluted earnings per share, net assets per share attributable to common shareholders of the company in the most recent year and period

Applicable Inapplicable

Others that need to be disclosed as required by the securities supervisor

Applicable Inapplicable

2. Changes in conditional shares

√ Applicable □ Inapplicable

In share

Shareholder	Conditional shares at beginning of the period	Released this period	Increased this period	Conditional shares at end of the period	Reason of condition	Date of releasing
Xiong Jianming	752,078	0	192,750	944,828	Senior management share	None
Total	752,078	0	192,750	944,828	--	--

2. Share placing and listing**1. Securities issuance (excluding preference shares) during the report period**

□ Applicable √ Inapplicable

2. Statement of changes in share number and shareholder structure, assets and liabilities structure

□ Applicable √ Inapplicable

3. Current employees' shares

□ Applicable √ Inapplicable

3. Shareholders and the substantial controller of the Company**1. Shareholders and shareholding**

In share

Number of shareholders of common shares at the end of the report period	47,030	Total number of ordinary share shareholders at the end of the month before the disclosure date of the annual report	40,846	Number of shareholders of preferred stocks of which voting rights recovered in the report period	0	Total number of shareholders of preference shares of which voting rights resumed at the end of the month before the disclosure date of the annual report	0
Shareholders holding 5% of the Company's shares or top-10 shareholders							

Shareholder	Properties of shareholder	Shareholding	Number of shares held at the end of the reporting period	Change in the reporting period	Conditional shares	Amount of shares without sales restriction	Pledging or freezing	
							Share status	Amount
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	9.09%	68,774,273	0		68,774,273	Pledged	39,000,000
Shengjiu Investment Ltd.	Foreign legal person	6.32%	47,861,730	10,016,139		47,861,730		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	4.44%	33,634,890	31,910,039		33,634,890		
China Foreign Economic and Trade Trust Co., Ltd. – Foreign Trade Trust Anying Jinpeng Phase 1 Securities Investment Collective Program	Others	2.44%	18,433,428	18,433,428		18,433,428		
Shenzhen Shilihe Investment Co., Ltd.	Domestic non-state legal person	2.36%	17,860,992	0		17,860,992		
Huabao Trust Co., Ltd. – Tiangao Capital No.1 Trust Program	Others	2.35%	17,782,782	17,782,782		17,782,782		
Zhou Shijian	Domestic natural person	2.14%	16,213,500	-4,909,981		16,213,500		
Haitong International Securities Company Limited-Account Client	Foreign legal person	1.62%	12,267,968	12,267,968		12,267,968		

Huang Jupei	Domestic natural person	1.41%	10,679,800	-19,321,200		10,679,800		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.13%	8,533,186	8,533,186		8,533,186		
A strategic investor or ordinary legal person becomes the Top10 shareholder due a stock issue.		None						
Notes to top ten shareholder relationship or "action in concert"		Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. and Shenzhen Shilihe Investment Co., Ltd. are related parties. The Company is not notified of other action-in-concert or related parties among the other holders of current shares.						
Top 10 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	33,634,890	Foreign shares listed in domestic exchanges	33,634,890					
China Foreign Economic and Trade Trust Co., Ltd. – Foreign Trade Trust Anying Jinpeng Phase 1 Securities Investment Collective Program	18,433,428	RMB common shares	18,433,428					
Shenzhen Shilihe Investment Co., Ltd.	17,860,992	RMB common shares	17,860,992					
Huabao Trust Co., Ltd. – Tiangao Capital No.1 Trust Program	17,782,782	RMB common shares	17,782,782					
Zhou Shijian	16,213,500	RMB common shares	16,213,500					
Haitong International Securities Company Limited-Account Client	12,267,968	Foreign shares listed in domestic exchanges	12,267,968					

Huang Jupei	10,679,800	RMB common shares	10,679,800
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	8,533,186	Foreign shares listed in domestic exchanges	8,533,186
No action-in-concert or related parties among the top10 unconditional shareholders and between the top10 unconditional shareholders and the top10 shareholders	Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. and Shenzhen Shilihe Investment Co., Ltd. are related parties. The Company is not notified of other action-in-concert or related parties among the other holders of current shares.		
Top-10 common share shareholders participating in margin trade	Zhou Shijian holds 16,213,500 shares of the Company through the client credit trade securities account of GF Securities; Huang Jupei holds 10,678,800 shares of the Company through the client credit trade securities account of GF Securities;		

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes No

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

2. Profile of the controlling shareholders

Shareholder nature: natural person holding

Type of shareholder: legal person

Name of controlling shareholder	Legal representative/responsible person	Date of establishment	Organization code	Main business
Shenzhen Banglin Technologies Development Co., Ltd.	Chen Jinwu	07.06.01	914403007298400552	Industrial investment, developing of electronic products, technical consulting, domestic commerce, material trading
Stock ownership of other domestic and overseas listed company controlled or whose shares are held by controlling shareholders	None			

Changes in the controlling shareholder in the reporting period

Applicable Inapplicable

No change in the controlling shareholder in the report period

3. Substantial controller of the Company

Nature of actual controller: domestic natural person

Type of actual controller: natural person

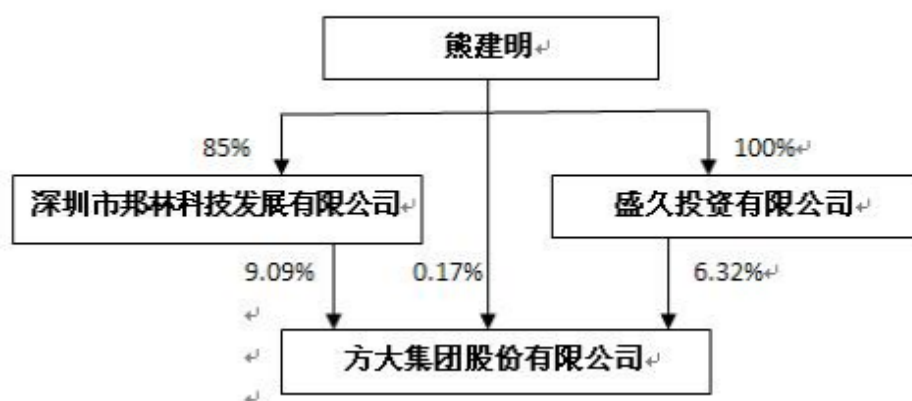
Name of substantial controller	Nationality	Right of residence in another country or region
Xiong Jianming	Chinese	Yes
Job and position	Chair of the Board and president of the Company	
Profiles of domestic and overseas listed companies in which the controller held shares	The controller held no share in other listed companies in the last ten years.	

Change in the actual controller in the report period

Applicable Inapplicable

No change in the actual shareholder in the report period

Chart of the controlling relationship



Controlling over the Company by the substantial controller through trust or other asset management

Applicable Inapplicable

4. Other legal person shareholders with over 10% of total shares

Applicable Inapplicable

5. Conditional decrease of shareholding by controlling shareholder, actual controller, reorganizer and other entities

Applicable Inapplicable

Chapter 7 Preferred Shares

Applicable Inapplicable

The Company had no preferred share in the report period.

Chapter 8 Particulars about the Directors, Supervisors, Senior Management and Employees

1. Changes in shareholding of Directors, Supervisors and Senior Management

Name	Position	Job status	Sex	Age	Starting date of the term	End date of the term	Number of shares held at beginning of the period	Increased shares in this period (share)	Decreased shares in this period (share)	Other increase and decrease (share)	Number of shares held at end of the period
Xiong Jianming	Chairman , president	In office	M	58	20.11.95	31.03.17	1,002,771	257,000	0	0	1,259,771
Wang Shengguo	Director, vice president	In office	M	58	20.11.95	31.03.17	36,286	0	0	0	36,286
Xiong Jianwei	Director	In office	M	47	16.04.99	31.03.17					
Zhou Zhigang	Director	In office	M	53	09.04.07	31.03.17					
Zhou Zhigang	Secretary of the Board	In office	M	53	22.10.03	31.03.17					
Guo Wanda	Independent director	In office	M	50	31.03.14	31.03.17					
Lin Bin	Independent director	In office	M	53	31.03.14	31.03.17					
Deng Lei	Senior partner	In office	M	37	16.02.16	31.03.17					
Zhen Hua	Supervisory Committee meeting convener	In office	F	56	27.05.05	31.03.17					

Yin Changjian	Supervisor	In office	M	47	31.03.14	31.03.17					
Zen Xiaowu	Supervisor	In office	M	46	31.03.14	31.03.17					
Lin Kebin	Vice president and CFO	In office	M	38	06.06.08	31.03.17					
Wei Yuexing	Vice president	In office	M	47	29.07.11	31.03.17					
Huang Yaying	Independent director	Resigned	M	53	25.03.11	16.02.16					
Total	--	--	--	--	--	--	1,039,057	257,000	0	0	1,296,057

2. Changes in the Directors, Supervisors and Senior Executives

Name	Job	Type	Date	Reason
Huang Yaying	Independent director	Resigned	16.02.16	Huang Yaying has resigned due to person reasons

3. Office Description

Professional background, work experience and main duties in the Company of existing directors, supervisors and senior management

Mr. Xiong Jianming: PHD Management; senior engineer; part-time professor of Beijing Institute of Civil Engineering and Architecture and Nanchang University. He was once employed by Jiangxi Provincial Machinery Design Academe, Administration Bureau of Shekou District of Shenzhen government, etc, deputy to the 10th People's Congress of Guangdong Province, deputy to the 2nd and 3rd People's Congress of Shenzhen City. He is now the chairman and CEO of the Company, representative of the 6th Shenzhen People's Congress, president of the Shenzhen Semi-conductor Lighting Industry Promotion Association, chairman of Shenzhen Jiangxi Commerce Chamber, chairman of Shenzhen Nanshan District Industry and Commerce Association and honorary chairman of Shenzhen Nanshan District Charity.

Mr. Wang Shengguo: Master degree; Visiting Scholar from University of Essen, senior engineer. He once held such positions as Chief Engineer of Design Institute of the 2nd Heavy Machinery factory of Machinery Industrial Ministry. Mr. Wang is now a Director and Vice President of the Company.

Mr. Xiong Jianwei: MBA. He is a director of the Company and chairman of the board of directors of Fangda Jianke.

Mr. Zhou Zhigang, bachelor's degree. He is currently a Director, Secretary of Board, and head of the Securities Dept and HR Dept.

Mr. Guo Wanda: He is an Economics Ph. D and researcher. As the executive deputy president of China Development Institute, he has studied in macro-economy, industry policies and enterprise development strategies for years and provided consulting services. He is an independent director of the Company.

Lin Bin is an economics (accounting) Ph. D. He is a professor of the Accounting Department of the Management School of Sun Yat-Sen University, director of the Enterprise and Non-Profit Organization Research Center of Sun Yat-Sen University, and was once the director of the Accounting Department of Sun Yat-Sen University and MPACC Education Center. He is a member of the consultant panel of the enterprise internal control standard committee of the Ministry of Finance, deputy president of Guangdong Auditor Society, vice president of the Guangdong Internal Auditor Association, and independent director of the company.

Mr. Deng Lei is a law Ph. D and post-doctor in the financial securities law of Shenzhen Stock Exchange. He was once the vice director of Corporate Law Affair Commission of Shenzhen Lawyer Association and a senior partner of Guangdong China Commercial Law Firm.

Ms. Zhenghua holds a bachelor's degree and is the convener of supervisory meetings of the Company.

Yin Changjian holds bachelor's degree and is a CPA. He was once the vice general manager of the Beijing branch of Fangda Jianke and is the deputy director of the Company's Supervisory Dept and staff representative supervisor.

Zeng Xiaowu holds a master's degree and is a senior engineer. He was once the vice general manager of Fangda Jianke, president of the design institute. He is now the chief engineer of Fangda Jianke and supervisor of the Company.

Mr. Lin Kebin holds a bachelor's degree. At present he's the Vice President and CFO of the Company.

Mr. Wei Yuexing holds a Bachelor degree and is a senior engineer. He is the vice president of the Company and general manager of Fangda Jianke.

Offices held at shareholders entities

Applicable Inapplicable

Name	Shareholder entity	Office	Starting date of the term	End date of the term	Whether any remuneration is paid at the shareholder entity
Xiong Jianming	Shengjiu Investment Ltd.	Chairman	06.10.11		No
Wang Shengguo	Shenzhen Shilihe Investment Co., Ltd.	Chairman	19.10.06		No
Wang Shengguo	Shenzhen Shilihe Investment Co., Ltd.	General manager	29.09.03		No
Xiong Jianwei	Shenzhen Shilihe Investment Co., Ltd.	Director	12.06.01		No
Zhou Zhigang	Shenzhen Shilihe Investment Co., Ltd.	Director	19.10.06		No
Zhen Hua	Shenzhen Shilihe Investment Co., Ltd.	Supervisor	19.10.06		No
Office description	None				

Offices held at other entities

Applicable Inapplicable

Name	Entity name	Office	Starting date of the term	End date of the term	Whether any remuneration is paid at the shareholder entity
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Guo Wanda	General development research institute (Shenzhen, China)	Standing vice president	01.07.07		Yes
Guo Wanda	Shenzhen Baode Technology Group Co., Ltd.	Independent director	06.06.08		Yes
Lin Bin	Management School of Sun Yat-Sen University	Professor	01.10.98		Yes
Lin Bin	Guangzhou Baiyun International Airport Company Limited	Independent director	27.06.13		Yes
Lin Bin	Guangzhou Pearl River Beer Co., Ltd.	Independent director	19.06.12		Yes
Deng Lei	Guangdong China Commercial Law Firm	Senior partner	01.11.15		Yes
Deng Lei	Guangdong Chaohua Technology Co., Ltd.	Independent director	11.11.15		Yes
Deng Lei	Wuhan Gaode Infrared Co., Ltd.	Independent director	23.04.15		Yes
Deng Lei	Shenzhen Haimingrun Industrial Co., Ltd.	Independent director	18.11.14		Yes
Office description	The above-mentioned three are independent directors of the Company.				

Penalties given by existing securities regulators on directors, supervisors and senior management and those who have resigned in the report period

Applicable Inapplicable

4. Remunerations of the Directors, Supervisors and Senior Executives

Decision making procedures, basis and actual payment of remunerations of the Directors, Supervisors and Senior Executives

Remuneration schemes for directors and supervisors are proposed by the Remuneration and Assessment Committee of the Board, and implemented upon approval of the Board and the Shareholders' Meetings; the remuneration schemes for executives are approved and implemented by the Board.

Remuneration for directors and supervisors are decided by the shareholders' meeting. Remunerations for executives are composed of wages and performance bonus as decided by the Board.

Payment on monthly basis

Remunerations of the Directors, Supervisors and Senior Executives of the Company During the reporting period

In RMB10,000

Name	Position	Sex	Age	Job status	Total remuneration	Remuneration from related parties
Xiong Jianming	Chairman,	M	58	In office	176.7	No

	president					
Wang Shengguo	Director, vice president	M	58	In office	92.65	No
Xiong Jianwei	Director	M	47	In office	93.17	No
Zhou Zhigang	Director, secretary of the Board	M	53	In office	67.81	No
Huang Yaying	Independent director	M	53	Resigned	8	No
Guo Wanda	Independent director	M	50	In office	8	No
Lin Bin	Independent director	M	53	In office	8	No
Zhen Hua	Supervisory Committee meeting convener	F	56	In office	26.38	No
Yin Changjian	Supervisor	M	47	In office	35	No
Zen Xiaowu	Supervisor	M	46	In office	60.24	No
Lin Kebin	Vice president and CFO	M	38	In office	77.09	No
Wei Yuexing	Vice president	M	47	In office	94.84	No
Total	--	--	--	--	747.88	--

Equity incentive programs provided for the Directors, Supervisors and Senior Executives of the Company during the reporting period

Applicable Inapplicable

5. Employees

1. Staff number, professional composition and education

Staff number of the parent	65
Staff number of major subsidiaries	1,531
Total staff number	2,327
Number of employees receiving remuneration in the period	2,327
Resigned and retired staff number to whom the parent and major subsidiaries need to pay remuneration	0
Professional composition	
Categories of professions	Number of people

Production	840
Sales & Marketing	110
Technicians	1,267
Finance & Accounting	66
Executive	44
Total	2,327
Education	
Categories of education	Number of people
High school or below	1,124
College diploma	412
Bachelor	766
Master's degree	23
Doctor's degree	2
Total	2,327

2. Remuneration policy

Staff remuneration policy: The Company's staff remuneration comprises post wage, performance wage, allowance and annual bonus. The Company has set up an economic responsibility assessment system according to the annual operation target and responsibility indicators for all departments. The performance wage is determined by the economic indicators, management indicators, optimization indicators and internal control. The annual bonus is determined by the Company's annual profit and fulfillment of targets set for various departments. The staff remuneration and welfare will be adjusted according to the Company's business operation and changes in the local standard of living and price index.

3. Training program

Staff training plan: The Company has paid continuous attention to training and development of the staff and introduces innovative learning as part of the long-term strategy. We provide training programs through different channels and in different fields for different employees will help them fulfill their works, including new staff training, on-the-job training, operation and management training programs. These programs have largely elevated capabilities of the staff and underpin the success of the Company.

4. Labor outsourcing

Applicable Inapplicable

Total number of hours of labor outsourcing	10,051,369
Total remuneration paid for labor outsourcing (RMB)	301,541,074.02

Chapter 9 Corporate Governance

1. Overview

During the report period, the Company strictly complied with the Company Law, Securities Law, Governance Standards for Listed Companies, Shenzhen Stock Exchange Share Listing Rules, Operation Regulations for Listed Companies in the Main Board of Shenzhen Stock Exchange, continued to improve the legal person governance structure and has formulated a series of internal management systems covering various aspects. The Company has set up a comprehensive and effective internal control system in important decision making, related transaction decision making, financial management, HR management, administration, purchase, production and sales management, confidentiality and information disclosure.

Major difference between the actual corporate governance and regulations on corporate governance of listed companies issued by CSRC

Yes No

There is no major difference between the actual corporate governance and regulations on corporate governance of listed companies issued by CSRC.

2. Independence of the Company from the controlling shareholder in aspects of businesses, personnel, assets, organizations, and accounting

The Company is completely separated from the controlling shareholder in aspects of businesses, personnel, assets, organizations and accounting. The Company has its own completed businesses and capacity of independent business operation.

In the aspect of business: the Company has its own purchasing, production, sales, and customer service system which performing independently. There is not any material related transactions occurred with the controlling shareholders.

In personnel: The labor management, personnel and salary management are operated independently from the controlling shareholder. The senior managements take salaries from the Company and none of them takes senior management position in the controlling party.

In assets: The Company owns its production, supplementary production system and accessory equipments independently, and possesses its own industrial properties, non-patent technologies, and trademark.

In organization: The production and business operation, executive management, and department setting are completely independent from the controlling shareholder. No situation of combined office exists. The Company adjusts its organizing structure only for its own practical requirement of development and management.

In accounting: The company has its own independent accounting and auditing division, established independent and completed accounting system and management rules, has its own bank account, and exercise its liability of taxation independently.

3. Competition

Applicable Inapplicable

4. Annual and extraordinary shareholder meetings held during the report period

1. Annual shareholder meeting during the report period

Meeting	Type	Participation of investors	Date of meeting	Date of disclosure	Index for information disclosure
1 st Extraordinary Shareholders' Meeting 2015	Extraordinary shareholders' meeting	0.18%	13.01.15	14.01.15	Notice on Resolutions of the 1 st Extraordinary Shareholders' Meeting in 2015
2014 Annual Shareholders' Meeting	Annual shareholders' meeting	0.01%	17.04.15	18.04.15	Notice on Resolutions of the Annual Shareholders' Meeting in 2014
2 nd Extraordinary Shareholders' Meeting 2015	Extraordinary shareholders' meeting	0.02%	17.07.15	18.07.15	Notice on Resolutions of the 2 nd Extraordinary Shareholders' Meeting in 2015 (2015-34)
3 rd Extraordinary Shareholders' Meeting 2015	Extraordinary shareholders' meeting	0.02%	23.11.15	24.11.15	Notice on Resolutions of the 3 rd Extraordinary Shareholders' Meeting in 2015 (2015-56)
4 th Extraordinary Shareholders' Meeting 2015	Extraordinary shareholders' meeting	0.04%	10.12.15	11.12.15	Notice on Resolutions of the 4 th Extraordinary Shareholders' Meeting in 2015 (2015-62)

The participation percentage by investors means the percentage of investors in total shareholder number. Investors mean natural person taking no office in the Company.

2. Shareholders of preference shares of which voting right resume convening an extraordinary shareholders' meeting

Applicable Inapplicable

5. Performance of independent directors during the report period

1. Independent directors' presenting of board meetings and shareholders' meetings in the report period

Independent directors' presenting of board meetings							
Name of independent director	Time of board meetings should have attended	Presented personally	Presented by telecom	Presented by proxy	Absent	Absent for two consecutive meetings	
Huang Yaying	10	4	4	2	0	No	
Guo Wanda	10	4	5	1	0	No	
Lin Bin	10	5	4	1	0	No	
Time of presence by independent directors at shareholders' meetings							10

2. Objection raised by independent directors

Any objection raised by independent directors against the Company's related issues

Yes No

Independent directors made no objection on related issued of the Company in the report period.

3. Other statement for performance of independent directors

Adoption of suggestion proposed by independent directors

Yes No

Statement for suggestion adopted or not by the Company

(1) During the report period, the Company's independent directors have paid attention to the Company's operation and performed their duties independent in accordance with applicable laws, regulations and Articles of Association of the Company and have proposed many professional suggestions for improving the Company's system and routine operation decision-making. During the report period, independent directors have made independent and just opinion on issues that need independent directors' opinions, playing positive roles in improving the Company's supervisory system and protecting the rights and interests of the Company and shareholders.

(2) Independent opinions issued in 2015

Date	Issue	Opinion

		type
25.03.15	Use of working capital by controlling shareholder and other associates in 2014, conditions about guarantees made by the Company, self-evaluation report of internal control in 2014, profit distribution pre-plan in 2014, engagement of auditor in 2015, remuneration of directors and senior management in 2014	In favor
03.04.15	Proposal of reducing investment of capital raised from private share issuing in projects	
26.08.15	Cancelling the private A-share issuance plan in 2014, accounts between controlling shareholder and other associates in the first half of 2015 and conditions about external guarantees	
23.11.15	About 2015 private share issuance pre-plan and report on the use of fund raised previously	

6. Performance of specific committees under the Board

(1) Performance of the Development Strategy Committee

During the report period, the Development Strategy Committee of the Company has performed its duties in accordance with the Working Regulations for Development Strategy Committee and played its role in the decision-making process of the Company. Two meetings were convened and details are disclosed as follows:

1. On 25.03.15, the Company held the 2nd meeting of the 7th Development Strategy Commission to listen to the report on production and operation and production and operation plan for 2015.
2. On 27.08.15, the 3rd meeting of the Development Strategy Committee of the 7th term of the Board was held to view the Company's production and operation in the first half of 2015 and studied the fulfillment of the business plan in the first half of the year and places to be improved in the second half.

(2) Performance of the Auditing Committee

During the report period, five Auditing Committee meetings are held to review issues including the arrangement of audit, regular financial reports, engaging the CFA, and use of the fund raised. Details of the meetings are disclosed as follows:

1. On 23.03.15, the 4th meeting of the Auditing Committee of the 7th term of the Board was held to review the financial statements with the initial opinion issued by the CFA for 2014 and approve the auditor report issued by the CFA. After the CFA issued to final auditor's opinion, the Auditing Committee submitted the resolution on the annual financial statements to the Board and issued the summary report on the auditing of the CFA for this year.
2. On March 25, 2015, the Company held the 5th audit committee meeting of the 7th Board of Directors to listen to the 2014 financial and internal audit report and approved (1) audited 2014 financial statements; (2) proposal of engaging the auditor in 2015; (3) 2015 internal audit plan; (4) internal control self-evaluation report in 2014

The audit committee suggests that the internal audit body should increase communication with the audit committee to help the committee better under the Company's condition and make higher requirements on the audit quality.

3. On 17.04.15, the 6th meeting of the Auditing Committee of the 7th term of the Board approved the unaudited Q1 financial statements.
4. On 26.08.15, the 7th meeting of the Auditing Committee of the 7th term of the Board on which the

unaudited interim financial statements were approved.

5. On 26.08.15, the 8th meeting of the Auditing Committee of the 7th term of the Board on which the unaudited Q3 financial statements were approved.

(3) Performance of the Remuneration and Assessment Committee

During the report period, the Remuneration and Assessment Committee issued the Working Regulations for Remuneration and Assessment Committee. On the 2nd meeting of the Remuneration and Assessment Committee of the 6th term of the Board held on 25.03.15, the committee reviewed the main financial indicators and business performance in 2014 and reviewed performance of duties by the Company's directors and senior executives. The committee believes that the directors and senior executives have worked diligently and fulfilled the business target and other tasks in 2014. The remunerations for directors, supervisors and senior executives disclosed in the 2012 annual report comply with the Company's remuneration policy.

7. Performance of Supervisory Committee

(1) Risks for the Company discovered by the Supervisory Committee

Yes No

No disagreement with supervisory issues by the Supervisory Committee during the report period.

(2) The Supervisory Committee' Work Report 2015

In 2015, the Supervisory Committee performed its duties and obligations in supervision and protect shareholders' and the Company's interests in accordance with the Company Law, Share Listing Rules, Articles of Association and Rules of the Procedure of the Supervisory Committee. The 2015 supervisory committee's work plan is as follows:

1. Opinions

(1) Legal compliance

In the report period, the Company has been operated in accordance with law. The convening of meeting of the Board and the decision-making process are compliant with law, regulations and Articles of Association; the internal control system is solid. Directors and senior management have performed their obligations. No violation against law, regulations, Articles of Association and interests of the Company and shareholders was discovered.

(2) Financial condition

During the period, the accounting management has been compliant with the Accounting Law, Enterprise Accounting Standard. No false, misleading statement or significant omission was found in financial statements. The financial reports of the Company reflect the Company's financial position, operation performance, cash flows and major risks truthfully, accurately and completely. The CPA has issued the standard auditor's report in 2015, which is objective, fair and truthful. It reflects the Company's financial position and operation performance.

(3) Implementation of internal control

The design and operation of the internal control is effective and meets the Company's management and development requirements. It can ensure the truthfulness, lawfulness, completeness of the financial materials and ensure the safety and completeness of the Company's property. In 2015, there was no violation by the Company against the Operation Regulations for Listed Companies in the Main Board of Shenzhen Stock Exchange and the Company's internal control system. The 2015 Internal Control Self-evaluation Report truthfully and objectively reflects the establishment, implementation and improvement of the Company's internal control system. There are no significant or important problems in the financial and non-financial reports in the report period.

2. Meetings and resolutions of the supervisory meeting in the report period:

Six meetings were held in 2015, all of which are on-site meetings. All proposal were approved and disclosed

as required:

No.	Meeting	Date	Convening method	Topic
1	6 th meeting of the 7 th Supervisory Committee	25.03.15	On-site	<ol style="list-style-type: none"> 1. Reviewing the Company's 2014 Supervisory Committee's Work Report; 2. Reviewing the Company's 2014 Annual Report and Summary; 3. Reviewing the Company's 2014 Financial Settlement Report; 4. Reviewing the Company's Proposal of Profit Distribution in 2014; 5. Reviewing the Company's Proposal of Engaging Auditor for 2015; 6. Reviewing the Company's 2014 Internal Control Self-evaluation Report; 7. Reviewing the Company's Report on Deposit and Use of Raised Fund in 2014;
2	7 th meeting of the 7 th Supervisory Committee	03.04.15	On-site	<ol style="list-style-type: none"> 1. Reviewing the Company's Proposal of Decreasing the Fund to be Raised by the Private Share Issuance Plan; 2. Reviewing the Company's Proposal of Private A-share Issuance Plan (adjusted); 3. Reviewing the Company's Proposal of Feasibility Report of the Private A-share Issuance Fund Usage; 4. Reviewing the Company's Proposal of Private A-share Issuance Pre-plan (adjusted in April 2015)
3	8 th meeting of the 7 th Supervisory Committee	17.04.15	On-site	Reviewing the 2015 Q1 Report and Text;
4	9 th meeting of the 7 th Supervisory Committee	27.08.15	On-site	<ol style="list-style-type: none"> 1. Reviewing the 2015 Interim Report and Summary; 2. Reviewing the Proposal of Cancelling the Private A-share Issuance Pre-plan for 2014
5	10 th meeting of the 7 th Supervisory Committee	22.10.15	On-site	Reviewing the 2015 Q3 Report and Text;

6	11 th meeting of the 7 th Supervisory Committee	23.11.15	On-site	<ol style="list-style-type: none"> 1. Reviewing Proposal of Compliance with Private Share Issuance Conditions; 2. Reviewing the Proposal of Private A-share Issuance Plan; 3. Reviewing the Proposal of Feasibility Report of the Private A-share Issuance Fund Usage; 4. Reviewing the Proposal of Private A-share Issuance Pre-plan in 2015; 5. Reviewing the Proposal of Authorizing the Board of Directors to Handle All Issues Related to the Private Share Issuance; 6. Reviewing the Proposal of Usage Report of Previously Raised Fund
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8. Assessment and motivation of senior executives

The Company has implemented a remuneration system that combines post wage and performance bonus. The wages and bonus are determined by on the assessment of senior executives' innovation capabilities, general quality, performance, fulfillment of profit and payment collection targets in the Implementation Regulations for 2015 Supervisory and Management Department Target Management and Assessment and Implementation Regulations for 2015 Subordinate Unit Assessment.

9. Internal control

1. Major problems in internal control discovered in the report period

Yes No

2. Internal control self-evaluation report

Date of disclosure of the internal control evaluation report	26.04.16	
Disclosure of the internal control evaluation report	www.cninfo.com.cn	
Percentage of assets in the evaluation scope in the total assets in the consolidated financial statements	98.95%	
Percentage of operation income in the evaluation scope in the total operation income in the consolidated financial statements	100.00%	
Standard		
Type	Financial report	Non-financial report

Standard	<p>1. The following problems are considered major problems: 1. Non-effective control environment; 2. corrupt practice by directors, supervisor and senior management, causing substantial loss and impacts for the Company; 3. Substantial mistakes in the financial statements in the period discovered by the CPA, which are not discovered by the internal control; 4. Ineffective supervision of the internal control by the Company's auditing department</p> <p>2. The following problems are considered significant problems: 1 accounting policies are selected and used without complying to widely accepted accounting standards; 2. No anti-corrupt and important balance system and control measures are taken; 3. Separate or multiple problems in the preparation of financial reports, which are serious enough to affecting the truthfulness and accuracy of the reports; no control system is established and no related compensation system is implemented for accounts of irregular or special transactions</p> <p>3. Other problems are considered normal problems.</p>	<p>I. The following condition indicates significant problems in the internal control of non-financial reports</p> <p>1. Serious violation against national laws, regulations or specifications; 2. Serious business system problems and system ineffectiveness; 3. Major or important problems cannot be corrected; 4. Lack of internal control and poor management; 5. Loss of management personnel or key employees; 6. Safety and environmental accidents that cause major adverse impacts; 7. Other situations that cause major adverse impacts on the Company.</p> <p>II. The following situations indicate that there may be significant problems with the internal control: 1. business system problems and system ineffectiveness; 2. Major or important problems cannot be corrected; 3. Other situations that cause major adverse impacts on the Companies. The following situation indicate likely normal problems in the internal control: 1. Problems in the general business system; 2. Normal problems in the internal control supervision cannot be correctly promptly.</p>
Standard	<p>1. Significant problem: 1. Mistakes affecting 5% and more of the pre-tax profit and more than RMB5 million in the consolidated statements; 2. Mistakes affecting 5% and more of the consolidated assets and more than RMB5 million</p> <p>2. Important problem: 1. Mistakes affecting 1%-5% of the pre-tax profit in the consolidated statements; 2. Mistakes affecting 1%-5% the consolidated assets.</p> <p>III. Normal problem: 1. Mistakes affecting less than 1% of the pre-tax profit and total assets of the consolidate statements.</p>	See the recognition standard of the internal control problems for financial statements
Significant problems in financial statements		0
Significant problems in non-financial statements		0

Important problems in financial statements	0
Important problems in non-financial statements	0

10. Internal control audit report

Applicable Inapplicable

Comments in the internal control audit report	
We believe that China Fangda Group has maintained effective internal control on financial reports according to Basic Regulations on Enterprise Internal Control and related regulations on 31.12.15.	
Disclosure of internal auditor's report	Disclosed
Date of disclosure of the internal control audit report	26.04.16
Source of disclosure of the internal control audit report	www.cninfo.com.cn
Opinion type	Standard opinion auditor's report
Problems in non-financial statements	No

Non-standard internal control audit report by the CFA

Yes No

Consistency between the internal control audit report and self-evaluation report

Yes No

Chapter 10 Financial Statements

I. Auditor's report

Type	Standard opinion auditor's report
Issued on	22.04.16
Auditor	Grant Thornton (special general partner)
Report No.	Grant Thornton (2016) No.350ZA0156
CPA names	Xie Peiren, Hu Gaosheng

Auditors' Report

Auditor's report

Grant Thornton (2016) No.350ZA0156

To the shareholders of China Fangda Group Co., Ltd.:

We have audited the Financial Statements of China Fangda Group Co., Ltd. ("Fangda Group") attached hereafter, including the Balance Sheet and Consolidated Balance Sheet ended 31.12.15 and the Income Statement, Consolidated Income Statement, Cash Flow Statement, Consolidated Cash Flow Statement, Statement on Change of Shareholders' Equity, Consolidated Statement on Change of Shareholders' Equity of the year 2015, as well as the Notes to the Financial Statements.

1. Executives' responsibilities on the Financial Statements

Preparing of the Financial Statements according to Enterprise Accounting Standard is the responsibility of the management of the Company. This responsibility includes: (1) to prepare the financial statements according to the accounting standard, and ensure its fair reflection of business position; (2) to design, implement and maintain the internal control system related to producing of the Financial Statements, to prevent the Financial Statements from major false presentation due to cheating or error.

2. Responsibilities of the CPA

Our responsibility is to express an auditing opinion on the financial statements basing on our audit. We carried out the auditing works with compliance to Chinese CPA Auditing Standard, which requires us to plan and implement our works on the basis of professional ethic standards, and obtain reasonable guarantee that the Financial Statements are free of major false statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the entity's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Auditors' Opinions

We believe that Fangda Group has been following with the Enterprise Accounting Standard in preparing of the Financial Statements. The Financial Statements is reflecting, in all important aspects, the financial situation of Fangda Group as of 31.12.15, and the business performance and cash flow of year 2015.

Grand Thornton CPA
(limited liability partnership)

CPA China Xie Peiren

CPA China Hu Gaosheng

Beijing, China

April 22, 2016

II. Financial statements

Unit for statements in notes to financial statements: RMB yuan

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

31.12.15

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	400,953,337.32	212,430,798.87
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account	14,546,206.58	13,410,790.00

Derivative financial assets		
Notes receivable	97,247,660.56	83,325,725.70
Account receivable	1,405,718,134.89	1,105,242,251.46
Prepayment	30,057,063.90	29,234,231.49
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other receivables	53,095,948.46	48,950,647.67
Repurchasing of financial assets		
Inventory	1,346,591,303.53	982,441,187.05
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	11,395,718.05	234,986,107.72
Total current assets	3,359,605,373.29	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	10,489,680.93	11,048,660.43
Investment real estate	335,328,805.74	226,279,523.39
Fixed assets	462,648,998.51	489,714,684.63
Construction in process	15,134,390.90	341,749.17
Engineering materials		
Disposal of fixed assets	5,326.79	26,918.21
Productive biological assets		
Gas & petrol		
Intangible assets	95,062,982.48	98,947,331.09
R&D expense		
Goodwill	19,826,696.97	26,279,395.89
Long-term amortizable expenses	6,614,788.88	4,119,362.63

Deferred income tax assets	65,926,810.52	52,616,656.38
Other non-current assets	93,503,956.39	43,323,878.63
Total of non-current assets	1,104,542,438.11	952,698,160.45
Total of assets	4,464,147,811.40	3,662,719,900.41
Current liabilities		
Short-term loans	1,147,957,775.82	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	303,527,639.63	227,266,485.57
Account payable	867,628,355.65	685,108,346.73
Prepayment received	130,574,319.85	122,285,231.14
Selling of repurchased financial assets		
Fees and commissions payable		
Employees' wage payable	40,942,428.05	41,703,314.26
Taxes payable	67,533,433.70	58,696,926.25
Interest payable	3,241,834.43	2,055,911.11
Dividend payable		
Other payables	82,677,346.81	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
Other current liabilities	98,425,600.00	
Total current liabilities	2,742,508,733.94	2,290,541,897.50
Non-current liabilities:		

Long-term loans	300,395,582.06	
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable		6,000,000.00
Long-term employees' wage payable		
Special payables		
Anticipated liabilities	1,921,446.51	5,859,045.98
Deferred earning	12,284,195.68	10,049,892.04
Deferred income tax liabilities	72,994,768.34	49,734,436.90
Other non-current liabilities		
Total of non-current liabilities	387,595,992.59	71,643,374.92
Total liabilities	3,130,104,726.53	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	79,099,619.14	79,099,220.38
Less: Shares in stock		
Other miscellaneous income	91,831.63	91,831.63
Special reserves		
Surplus reserves	51,123,554.51	48,842,080.76
Common risk provisions		
Retained profit	432,271,424.56	349,987,825.69
Total of owner's equity belong to the parent company	1,319,496,334.84	1,234,930,863.46
Minor shareholders' equity	14,546,750.03	65,603,764.53
Total of owners' equity	1,334,043,084.87	1,300,534,627.99
Total of liabilities and owner's interest	4,464,147,811.40	3,662,719,900.41

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Chen Yonggang

2. Balance Sheet of the Parent Company

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	25,833,130.83	22,256,065.49
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		
Account receivable	345,960.74	511,660.60
Prepayment	67,893.61	50,903.86
Interest receivable		
Dividend receivable		28,639,627.17
Other receivables	375,591,349.76	254,604,163.79
Inventory		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	990,624.25	31,005,620.01
Total current assets	402,828,959.19	337,068,040.92
Non-current assets:		
Sellable financial assets		
Investment held until mature		
Long-term receivable		
Long-term share equity investment	967,700,649.13	1,130,674,559.01
Investment real estate	290,288,531.53	198,513,586.15
Fixed assets	57,647,245.73	60,145,112.89
Construction in process		
Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	1,907,601.33	2,256,575.64
R&D expense		

Goodwill		
Long-term amortizable expenses	403,800.10	81,367.47
Deferred income tax assets	37,948,384.39	22,623,560.72
Other non-current assets	220,000,000.00	220,000,000.00
Total of non-current assets	1,575,896,212.21	1,634,294,761.88
Total of assets	1,978,725,171.40	1,971,362,802.80
Current liabilities		
Short-term loans	350,000,000.00	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	748,421.47	832,772.45
Employees' wage payable	1,868,710.30	1,956,875.76
Taxes payable	1,338,421.09	567,424.56
Interest payable	726,993.55	659,266.67
Dividend payable		
Other payables	155,183,721.49	270,281,330.40
Liabilities held for sales		
Non-current liabilities due in 1 year		
Other current liabilities	98,425,600.00	
Total current liabilities	608,898,809.75	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	120,953,378.63	97,693,047.19
Other non-current liabilities		
Total of non-current liabilities	120,953,378.63	97,693,047.19
Total liabilities	729,852,188.38	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	38,598,963.76	38,598,565.00
Less: Shares in stock		
Other miscellaneous income	91,831.63	91,831.63
Special reserves		
Surplus reserves	51,123,554.51	48,842,080.76
Retained profit	402,148,728.12	404,322,761.53
Total of owners' equity	1,248,872,983.02	1,248,765,143.92
Total of liabilities and owner's interest	1,978,725,171.40	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	2,550,467,494.78	1,938,324,435.51
Incl. Business income	2,550,467,494.78	1,938,324,435.51
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	2,548,503,653.53	1,867,564,531.44
Incl. Business cost	2,171,524,200.35	1,590,836,786.02
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	33,616,556.60	22,855,639.99
Sales expense	75,264,951.18	44,684,306.70
Administrative expense	167,405,776.25	152,584,713.60
Financial expenses	50,672,490.05	29,165,058.80
Asset impairment loss	50,019,679.10	27,438,026.33
Plus: gains from change of fair value ("-" for loss)	89,746,065.58	32,044,747.10
Investment gains ("-" for loss)	280,949.87	1,720,693.98
Incl. Investment gains from affiliates and joint ventures	-358,979.50	1,054,094.88
Exchange gains ("-" for loss)		
3. Operational profit ("-" for loss)	91,990,856.70	104,525,345.15
Plus: non-operational income	29,668,110.25	16,281,459.18
Incl. Loss from disposal of non-current assets	51,130.66	3,162,999.40
Less: non-operational expenditure	18,233,740.07	10,623,712.10
Incl. Loss from disposal of non-current assets	574,079.38	1,709,152.13
4. Gross profit ("-" for loss)	103,425,226.88	110,183,092.23
Less: Income tax expenses	35,209,871.61	17,493,747.57
5. Net profit ("-" for net loss)	68,215,355.27	92,689,344.66
Net profit attributable to the owners of parent company	107,272,369.77	96,998,429.76
Minor shareholders' equity	-39,057,014.50	-4,309,085.10
6. After-tax net amount of other misc. incomes		
After-tax net amount of other misc. incomes attributed to parent's owner		
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit		

program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss		
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow		
5. Translation difference of foreign exchange statement		
6. Others		
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	68,215,355.27	92,689,344.66
Total of misc. incomes attributable to the owners of the parent company	107,272,369.77	96,998,429.76
Total misc gains attributable to the minor shareholders	-39,057,014.50	-4,309,085.10
8. Earnings per share:		
(1) Basic earnings per share	0.14	0.13
(2) Diluted earnings per share	0.14	0.13

Net profit contributed by entities merged under common control in the report period was RMB0.00, net profit realized by parties merged during the previous period is RMB0.00.

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	29,977,446.65	29,609,371.13
Less: Operation cost	3,788,422.31	5,669,281.13
Business tax and surcharge	3,182,704.86	2,420,213.38
Sales expense		
Administrative expense	25,503,319.50	24,285,538.55
Financial expenses	10,990,269.77	13,398,214.90
Asset impairment loss	50,302,743.84	27,045,993.77
Plus: gains from change of fair value (“-“ for loss)	91,774,945.38	34,897,632.10
Investment gains (“-“ for loss)	-292,417.86	29,805,392.25
Incl. Investment gains from affiliates and joint ventures	-358,979.50	1,054,094.88
2. Operational profit (“-“ for loss)	27,692,513.89	21,493,153.75
Plus: non-operational income	3,063,312.33	2,441,486.71
Incl. Loss from disposal of non-current assets	3,581.20	22,719.41
Less: non-operational expenditure	5,580.96	608,712.42
Incl. Loss from disposal of non-current assets	3,675.31	207,212.42
3. Gross profit (“-“ for loss)	30,750,245.26	23,325,928.04
Less: Income tax expenses	7,935,507.77	-1,203,457.42
4. Net profit (“-“ for net loss)	22,814,737.49	24,529,385.46
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	22,814,737.49	24,529,385.46
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	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	2,136,257,004.69	1,651,025,342.09
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		

Increase in proposal of financial assets measured at fair value with variations accounted into current income account		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax refunded	2,935,298.45	1,735,709.16
Other cash received from business operation	80,410,147.38	31,286,645.67
Sub-total of cash inflow from business operations	2,219,602,450.52	1,684,047,696.92
Cash paid for purchasing products and services	2,044,378,497.19	1,796,240,670.15
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	274,034,752.64	225,245,085.75
Taxes paid	103,333,723.21	86,882,633.93
Other cash paid for business activities	157,970,591.52	133,573,236.53
Sub-total of cash outflow from business operations	2,579,717,564.56	2,241,941,626.36
Cash flow generated by business operations, net	-360,115,114.04	-557,893,929.44
2. Cash flow generated by investment:		
Cash received from investment recovery	392,316,868.51	294,000,000.00
Cash received as investment profit	2,839,929.37	2,144,844.81

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	2,480,137.42	5,912,795.35
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		65,500.00
Sub-total of cash inflow generated from investment	397,636,935.30	302,123,140.16
Cash paid for construction of fixed assets, intangible assets and other long-term assets	43,406,919.71	33,875,128.34
Cash paid as investment	169,500,000.00	538,263,675.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		15,702,424.87
Other cash paid for investment	263,000.00	331,500.00
Subtotal of cash outflows	213,169,919.71	588,172,728.21
Cash flow generated by investment activities, net	184,467,015.59	-286,049,588.05
3. Cash flow generated by financing activities:		
Cash received from investment		
Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	1,764,927,430.10	1,303,817,100.01
Cash received from bond placing		
Other cash received from financing activities	398.76	
Subtotal of cash inflow from financing activities	1,764,927,828.86	1,303,817,100.01
Cash paid to repay debts	1,286,786,500.00	575,000,000.00
Cash paid as dividend, profit, or interests	103,109,040.79	67,732,507.84
Incl. Dividend and profit paid by subsidiaries to minority shareholders		

Other cash paid for financing activities	54,563,032.79	
Subtotal of cash outflow from financing activities	1,444,458,573.58	642,732,507.84
Net cash flow generated by financing activities	320,469,255.28	661,084,592.17
4. Influence of exchange rate changes on cash and cash equivalents	279,854.76	259,902.13
5. Net increase in cash and cash equivalents	145,101,011.59	-182,599,023.19
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	247,739,243.78	102,638,232.19

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	26,164,484.77	25,532,652.79
Tax refunded		
Other cash received from business operation	755,679,626.68	535,560,936.32
Sub-total of cash inflow from business operations	781,844,111.45	561,093,589.11
Cash paid for purchasing products and services	4,416,622.18	6,265,876.89
Cash paid to and for the staff	13,896,383.34	12,900,103.54
Taxes paid	2,788,279.54	2,806,998.73
Other cash paid for business activities	879,561,369.67	144,910,876.80
Sub-total of cash outflow from business operations	900,662,654.73	166,883,855.96
Cash flow generated by business operations, net	-118,818,543.28	394,209,733.15

2. Cash flow generated by investment:		
Cash received from investment recovery	30,000,000.00	20,000,000.00
Cash received as investment profit	44,373,922.22	39,860,211.87
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,190.00	66,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	74,378,112.22	59,926,211.87
Cash paid for construction of fixed assets, intangible assets and other long-term assets	772,927.30	3,257,461.79
Cash paid as investment	2,000,000.00	707,011,633.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	2,772,927.30	710,269,094.79
Cash flow generated by investment activities, net	71,605,184.92	-650,342,882.92
3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans	448,425,600.00	446,000,000.00
Cash received from bond placing		
Other cash received from financing activities	398.76	
Subtotal of cash inflow from financing activities	448,425,998.76	446,000,000.00
Cash paid to repay debts	350,000,000.00	200,000,000.00
Cash paid as dividend, profit, or interests	47,001,477.37	35,741,367.15
Other cash paid for financing activities	624,032.79	

Subtotal of cash outflow from financing activities	397,625,510.16	235,741,367.15
Net cash flow generated by financing activities	50,800,488.60	210,258,632.85
4. Influence of exchange rate changes on cash and cash equivalents	-10,064.90	-93,226.35
5. Net increase in cash and cash equivalents	3,577,065.34	-45,967,743.27
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	25,583,130.83	22,006,065.49

7. Statement of Change in Owners' Equity (Consolidated)

Amount of the Current Term

In RMB

Items	Current period												
	Owners' Equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share capital	Preferred share	Perpetual bond	Other	Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserves	Common risk provisions	Retained profit		
1. Balance at the end of last year	756,909,905.00				79,099,220.38		91,831.63		48,842,080.76		349,987,825.69	65,603,764.53	1,300,534,627.99
Plus: Changes in accounting policies													
Correction of previous errors													
Consolidation of entities under common control													
Others													
2. Balance at the beginning of	756,909,905.00				79,099,220.38		91,831.63		48,842,080.76		349,987,825.69	65,603,764.53	1,300,534,627.99

current year	00				220.38		63		080.76		,825.69	764.53	99
3. Amount of change in current term (“-“ for decrease)					398.76				2,281,473.75		82,283,598.87	-51,057,014.50	33,508,456.88
(1) Total of misc. incomes											107,272,369.77	-39,057,014.50	68,215,355.27
(2) Investment or decreasing of capital by owners					398.76							-12,000,000.00	-11,999,601.24
1. Common shares contributed by shareholders													
2. Capital contributed by other equity instrument holders													
3. Amount of shares paid and accounted as owners' equity													
4. Others					398.76							-12,000,000.00	-11,999,601.24
(3) Profit allotment									2,281,473.75		-24,988,770.90		-22,707,297.15
1. Providing of surplus reserves									2,281,473.75		-2,281,473.75		
2. Common risk provision													
3. Allotment to the owners (or shareholders)											-22,707,297.15		-22,707,297.15
4. Others													
(4) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of													

surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves													
4. Others													
(5) Special reserves													
1. Provided this year													
2. Used this term													
(6) Others													
4. Balance at the end of this period	756,90 9,905. 00				79,099, 619.14		91,831. 63		51,123, 554.51		432,271 ,424.56	14,546, 750.03	1,334,0 43,084. 87

Amount of the Previous Term

In RMB

Items	Last period												Minor shareho lders' equity	Total of owners' equity
	Owners' Equity Attributable to the Parent Company													
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscella neous income	Special reserves	Surplus reserves	Commo n risk provisio ns	Retaine d profit			
	Prefer red share	Perpet ual bond	Other s											
1. Balance at the end of last year	756,90 9,905. 00				79,099, 220.38		91,831. 63		46,389, 142.21		278,149 ,631.63	55,432, 446.89	1,216,0 72,177. 74	
Plus: Changes in accounting policies														
Correction of previous errors														
Consolidation of entities under common control														
Others														

2. Balance at the beginning of current year	756,909,905.00				79,099,220.38		91,831.63		46,389,142.21		278,149,631.63	55,432,446.89	1,216,072,177.74
3. Amount of change in current term (“-“ for decrease)									2,452,938.55		71,838,194.06	10,171,317.64	84,462,450.25
(1) Total of misc. incomes											96,998,429.76	-4,309,085.10	92,689,344.66
(2) Investment or decreasing of capital by owners												16,000,000.00	16,000,000.00
1. Common shares contributed by shareholders												16,000,000.00	16,000,000.00
2. Capital contributed by other equity instrument holders													
3. Amount of shares paid and accounted as owners’ equity													
4. Others													
(3) Profit allotment									2,452,938.55		-25,160,235.70		-22,707,297.15
1. Providing of surplus reserves									2,452,938.55		-2,452,938.55		
2. Common risk provision													
3. Allotment to the owners (or shareholders)											-22,707,297.15		-22,707,297.15
4. Others													
(4) Internal transferring of owners’ equity													
1. Capitalizing of capital reserves (or to capital shares)													

2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves													
4. Others													
(5) Special reserves													
1. Provided this year													
2. Used this term													
(6) Others												-1,519,597.26	-1,519,597.26
4. Balance at the end of this period	756,909,905.00				79,099,220.38		91,831.63		48,842,080.76		349,987,825.69	65,603,764.53	1,300,534,627.99

8. Statement of Change in Owners' Equity (Parent Company)

Amount of the Current Term

In RMB

Items	Current period										
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preferred share	Perpetual bond	Others							
1. Balance at the end of last year	756,909,905.00				38,598,565.00		91,831.63		48,842,080.76	404,322,761.53	1,248,765,143.92
Plus: Changes in accounting policies											
Correction of previous errors											
Others											
2. Balance at the beginning of	756,909,905.00				38,598,565.00		91,831.63		48,842,080.76	404,322,761.53	1,248,765,143.92

current year											
3. Amount of change in current term (“-“ for decrease)					398.76				2,281,473.75	-2,174,033.41	107,839.10
(1) Total of misc. incomes										22,814,737.49	22,814,737.49
(2) Investment or decreasing of capital by owners					398.76						398.76
1. Common shares contributed by shareholders											
2. Capital contributed by other equity instrument holders											
3. Amount of shares paid and accounted as owners’ equity											
4. Others					398.76						398.76
(3) Profit allotment									2,281,473.75	-24,988,770.90	-22,707,297.15
1. Providing of surplus reserves									2,281,473.75	-2,281,473.75	
2. Allotment to the owners (or shareholders)										-22,707,297.15	-22,707,297.15
3. Others											
(4) Internal transferring of owners’ equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital											

shares)											
3. Making up losses by surplus reserves											
4. Others											
(5) Special reserves											
1. Provided this year											
2. Used this term											
(6) Others											
4. Balance at the end of this period	756,909,905.00				38,598,963.76		91,831.63		51,123,554.51	402,148,728.12	1,248,872,983.02

Amount of the Previous Term

In RMB

Items	Last period										
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserves	Retained profit	Total of owners' equity
		Preferred share	Perpetual bond	Others							
1. Balance at the end of last year	756,909,905.00				38,598,565.00		91,831.63		46,389,142.21	404,953,611.77	1,246,943,055.61
Plus: Changes in accounting policies											
Correction of previous errors											
Others											
2. Balance at the beginning of current year	756,909,905.00				38,598,565.00		91,831.63		46,389,142.21	404,953,611.77	1,246,943,055.61
3. Amount of change in current term ("–" for decrease)									2,452,938.55	-630,850.24	1,822,088.31
(1) Total of misc. incomes										24,529,385.46	24,529,385.46

(2) Investment or decreasing of capital by owners											
1. Common shares contributed by shareholders											
2. Capital contributed by other equity instrument holders											
3. Amount of shares paid and accounted as owners' equity											
4. Others											
(3) Profit allotment								2,452,938.55	-25,160,235.70	-22,707,297.15	
1. Providing of surplus reserves								2,452,938.55	-2,452,938.55		
2. Allotment to the owners (or shareholders)									-22,707,297.15	-22,707,297.15	
3. Others											
(4) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves											
4. Others											
(5) Special reserves											
1. Provided this											

year											
2. Used this term											
(6) Others											
4. Balance at the end of this period	756,909,905.00				38,598,565.00		91,831.63		48,842,080.76	404,322,761.53	1,248,765,143.92

III. General Information

China Fangda Group Co., Ltd. (the “Company” or the “Group”) is a joint stock company registered in Shenzhen, Guangdong and was approved by the Government of Shenzhen with Document 深府办函 (1995) 194号, and was founded, on the basis of Shenzhen Fangda Construction Material Co., Ltd., by way of share issuing in October 1995. The Registration No. of the Company’s business license is: 440301501124785; with a registered capital of RMB756,909,905; registered address: Fangda Building, Kejinan Road 12, High-tech Zone, Shenzhen. Mr. Xiong Jianming is the legal representative.

The Company issued foreign currency shares (B shares) and local currency shares (A shares) and listed in November 1995 and April 1996 respectively in Shenzhen Stock Exchange.

The Company has established a corporate governance structure that comprises shareholders’ meeting, board of directors and supervisory committee. Currently, the Company sets up the President Office, Administrative Department, HR Department, Enterprise Management Department, Financial Department, Audit and Supervisory Department, Securities Department, Technology Department and IT Department and has established subsidiaries including Fangda Decoration, Fangda Automatic, Fangda New Material, Shenyang Fangda, Fangda Property and Fangda New Energy.

The business nature and main business operations of the Company and subsidiaries (“the Group”) include (1) production and sales of curtain wall materials, design, production and installation of construction curtain walls; (2) assembly and production of subway screen doors; (3) development and operation of real estate projects on land, of which rights have been obtained lawfully; (4) R&D, installation and sales of PV devices, design and installation of PV power plants, R&D, design, production, sales and installation of lights, electric auxiliaries and other equipment, LED products and metal products.

The financial statements and notes are approved at the 20th meeting of the 7th term of the Board held on 22.04.16.

The consolidation scope for the consolidated financial statements includes the Company and all subsidiaries. The entities newly consolidated this period include eight subsidiaries. Hong Kong Junjia Group Co., Ltd. is written off this period. See Note VI. Change to the Consolidation Scope and Note 7. Disclosure of Interest in Other Entities for details.

IV. Basis for the preparation of financial statements

1. Preparation basis

The financial statements are prepared according to the enterprise financial standard and guidelines, interpretation and other related regulations (“the Standard”) issued by the Ministry of Finance. The Group has also disclosed

related financial information according to the requirement of the Regulations of Information Disclosure No.15 – General Provisions for Financial Statements (Revised in 2014) issued by the CSRC.

The Group prepares the financial statements based on continuous operation.

The Group's auditing is based on the accrual basis. Except for some financial instruments and property held for investment, the financial statements are prepared based on historical costs. In case of any asset impairment, the impairment provision will be made as required.

V. Significant Account Policies and Estimates

Specific accounting policy and estimate prompt:

The Group determines the accounting policies and income recognition policies for investment real estate according to the production and business features. For details, see Note V. 13 and Note V. 22.

1. Statement of compliance to the Enterprise Accounting Standard

The financial report and statements are prepared with compliance to the requirement of the Enterprise Accounting Standard. They reflect the financial position as of 31.12.15, and business performance and cash flow situation in Year 2015 of the Company frankly and completely.

2. Fiscal Period

The fiscal year of the Group is the solar calendar year, that is from January 1 to December 31.

3. Operation period

The operation period of the Group is 12 months.

4. Bookkeeping standard money

The Group takes RMB as the standard currency for bookkeeping.

5. Accounting treatment of the entities under common and different control

(1) Consolidation of entities under common control

Assets and liabilities obtained by the merging party are calculated at their book value with the merged parties at the merger day in the consolidated financial statement of the merging party in addition to the adjustment made given the difference in accounting policies. The differences between the book value of net assets and the book value of consideration price (or the total of face value of share issued) are adjusted to the capital reserve (share capital premium). If the share capital premium is not enough to offset the difference, it will be adjusted to the retained gains.

Enterprise merger under common control through multiple transactions

In separate financial statements, the initial investment cost is the book value of the merged party's net assets that can be shared by the merging party in the consolidated financial statements of the final controlling party according to the shareholding percentage on the merging date; adjust the capital surplus (share premium) according to the difference between the initial investment cost and the book value of the held investment before merger plus the book value of the consideration paid on the merger date. Where the capital surplus falls short, the retained income should be adjusted.

In consolidated financial statements, assets and liabilities obtained by the merging party from the merged party should be measured at the book value in the final controlling party's consolidated financial statements other than the adjustment made due to differences in accounting policies; adjust the capital surplus (share premium) according to the difference between the initial investment cost and the book value of the held investment before merger plus the book value of the consideration paid on the merger date. Where the capital surplus falls short, the retained income should be adjusted. Changes in recognized related profit and loss, other misc. incomes and other owner's equity between the later one of the date when the original stock equity was obtained and the date when the merged party and merging party become under the common control should respectively write down the retained profit in beginning of the report period or current period's profit or loss.

(2) Consolidation of entities under different control

For merger of entities under different control, the merger cost is the fair value of the asset paid, liability undertaken, and equity securities issued for exchanging of control power over the entities at the day of acquisition. On the acquisition day, the assets and liabilities (if any) acquired by the Group from the acquired party are recognized on the fair value.

If the merger costs exceed the fair value of the recognizable net assets of the acquired party in the merger, it is recognized as goodwill and measured based the costs after the accumulative impairment provision is deducted; if the fair value exceeds the costs, it is included in the income statement for the period after being re-examined.

Where there is new or further evidence on the condition existing on the acquisition date 12 months later and adjustment needs to be made, the good will should be adjusted and merged.

(3) Treatment of related transaction fee in enterprise merger

Agency expenses and other administrative expenses such as auditing, legal consulting, or appraisal services occurred relating to the merger of entities are accounted into current income account when occurred. The transaction fees of equity certificates or liability certificates issued by the purchaser for payment for the acquisition are accounted at the initial amount of the certificates.

6. Preparation of Consolidated Financial Statements

(1) Consolidation scope

The consolidated scope of consolidated financial statements is determined based on control. Control means the power possessed by the Group on invested entities to share variable returns by participating in related activities of the invested entities and to impact the amount of the returns by using the power. Subsidiaries are enterprises

controlled by the Company.

(2) Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared by the Company based on financial statements of the Company and subsidiaries and according to other related information. During preparation of consolidated financial statements, the accounting policies and period of the Company and subsidiaries must be the same. Major transactions and balances between companies are offset.

Subsidiaries and businesses increased because of merger of enterprises under the common control during the report period are deemed consolidated into the consolidate scope from the date of becoming controlled by the final party. The operating result and cash flows of the subsidiaries and businesses from the date of becoming controlled by the final party should be incorporated into the consolidate income statement and consolidate cash flow statement.

For subsidiaries and businesses increased because of merger of enterprises not under the common control, their incomes, expenses and profits between the date of acquisition and end of the report period should be incorporated into the consolidated income statement, and the cash flows should be incorporated into the consolidated cash flow statement.

The part of the shareholders' equity in subsidiaries not owned the Company are separately listed under the shareholders' equity as minority shareholders' equity in the consolidated balance sheet. The part of the subsidiaries' net profits and losses for the current period that belongs to minority shareholders is listed as minority shareholders' profits and losses under net profit in the consolidated income statement. If the losses of subsidiaries shared by the minority shareholders exceed the part of the owners' equity of the subsidiaries at the beginning of the period, the excessive part will offset the minority shareholders' equity.

(3) Acquisition of subsidiary minority interests

The difference between the investment cost of the long-term equity obtained from acquisition of minority interests and the share of net assets in the subsidiary calculated continuously based on the increased shareholding percentage, and the difference between the disposal income obtained from the partial disposal of the subsidiary's equity investment without losing the control power and the share of net assets in the subsidiary calculated continuously based on the increased shareholding percentage should be adjusted and consolidated in the capital surplus in the consolidated balance sheet. Where the capital surplus falls short, the retained income should be adjusted.

(4) Treatment of loss of subsidiaries' control power

For loss of control over subsidiaries due to disposal of partial equity investment or other reasons, the remaining equity should be re-measured at the fair value on the date of loss of the control power; the sum of the consideration obtained from the disposal of stock equity and the fair value of the remaining equity, minus the sum of the share of the net assets' book value calculated continuously from the acquisition date according to the original shareholding percentage and the goodwill should be recorded in the investment gain of the current period of the loss of control power.

Other misc. incomes related to the equity investment in the original subsidiary is transferred to the current

period's profit and loss when the control power is lost, except for the other misc. incomes generated by re-measurement and resetting of earning plan or change in the net assets by the invested party.

7. Recognition of cash and cash equivalents

Cash refers to cash on hand and deposits that can be used at any time for payment. Cash equivalent refers to the investments with short term, strong liquidity and small risk of value fluctuation that are held by the Group and easily converted into cash with known amount.

8. Foreign exchange business and foreign exchange statement translation

Trades of the Group made in foreign currencies are translated into RMB basing on the spot exchange rate on the date when the trade is conducted.

At the balance sheet date, foreign currency items are translated on the spot exchange rate of the balance sheet date. The exchange differences caused by the difference in exchange rates on the balance sheet date and initial recognizing date or previous balance sheet date are included in the current profits and losses. Non-monetary items accounted in foreign currency and on historical costs are exchanged with the spot exchange rate on the transaction date. Non-monetary items accounted in foreign currency and on fair value are exchanged with the spot exchange rate on the determination date of the fair value. The exchange difference between the accounting standard-currency amount and the original accounting standard-currency amount are included in the current profits and losses.

9. Financial instrument

Financial instrument refers to a company's financial assets and contracts that form other units of financial liabilities or equity instruments.

(1) Recognition and derecognition of financial instrument

The Group recognizes a financial asset or liability when it becomes one party in the financial instrument contract.

Financial asset is derecognized when:

- (1) The contractual right to receive the cash flows of the financial assets is terminated;
- (2) The financial asset is transferred and meets the following derecognition condition.

When partial or all of the current responsibilities attached to such financial liabilities, the partial or all of the financial liabilities are derecognized. When the Group (debtor) and creditor enter into an agreement to replace the existing financial liabilities by undertaking new financial liabilities and the contract terms for the new financial liabilities are essentially different from those for the existing one, the existing financial liabilities will be derecognized and new financial liabilities will be recognized.

Financial asset transactions in regular ways are recognized and de-recognized on the transaction date.

(2) Classification and measurement of financial assets

Financial assets of the Group are categorized as: financial assets measured at fair value with variations accounted into current income account, loans and account receivables. Financial assets are measured at the fair value at the initial recognition. For financial assets measured at fair value with variations accounted into current income account, related transaction expenses are accounted into the current income. For other financial assets, the related transaction expenses are accounted into the initial recognized amounts.

Financial assets measured at fair value with variations accounted into current income account

It includes transactional financial assets and financial assets measured by fair value and with variations accounted into current gain/loss account at initial recognition. The financial assets are further measured by fair value with the gain/loss created by variations in fair value and related dividends and interest accounted into the current gain/loss account.

Receivables

Receivables refer to non-derivative financial assets without quotations but with fixed recoverable amount or can be confirmed, including receivable accounts and other receivables (Note V. 10). Receivables adopt the effective interest method and are further measured by amortized cost. Gain/loss generated at final recognition, impairment or amortization is accounted into the current gain/loss account.

(3) Classification and measurement of financial liabilities

The Group's financial liabilities are mainly other financial liabilities

Other financial liabilities adopt the effective interest method and are further measured by amortized cost. Gain/loss generated at final recognition or amortization is accounted into the current gain/loss account.

(4) Fair value of financial instrument

See Note III. 10 for the recognition of fair value of financial assets and liabilities.

(5) Impairment of financial assets

Financial assets measured at fair value with variations accounted into current income account. The Group checks the book value of financial assets on the balance sheet date. Impairment provision will be made in case of objective evidence proving impairment to the financial assets. Objective evidence proving impairment to the financial assets refers to events actually occur after the initial recognition of financial assets, with influence on the estimated future cash flows of the financial assets and can be reliably measured by the Group.

Objective evidence proving impairment to the financial assets includes the following observable situations:

Severe financial difficulties in the issuer or debtor;

- ② The debtor violates the contract or defaults or delays the payment of the interest or principal;
- ③ The Group makes compromise to the debtor with financial difficulties due to economic or legal consideration;
- ④ The debtor may go bankruptcy or conduct other financial reorganization;

- ⑤ The financial assets can no longer be traded in an active market due to material financial difficulties in the issuer;
- ⑥ It cannot be recognized whether the cash flow of an asset in a group of financial assets has decreased. However, according to open data, it can be evaluated that the estimated future cash flow of the group of financial assets has decreased and the decrease can be measured, including:
- The payment capacity of the debtor of the financial assets continues weakening;
 - Situations that may lead to the payment failure of the financial assets happen in the country or region where the debtor is located;
- ⑦ Significant adverse changes occurs to the technical, market, economic or legal environment of the debtor, leading to that the equity instrument investor may not be able to recover the investment;
- ⑧ Other objective evidence that can prove the impairment of the financial assets

Financial assets measured at amortized cost

If there is objective evidence proving impairment to the financial assets, the book value of the financial assets will be written down to the present value of the estimated future cash flow (excluding undiscovered future credit loss). The write-down amount is accounted into the current gain/loss account. The present value of the estimated future cash flow is determined by the original effective discount rate with the value of the guarantee considered.

Conduct impairment test separately for major financial assets. If there is objective evidence suggesting impairment, determine the impairment loss and account it into the current gain/loss account. Conduct impairment test for other financial assets including financial assets combination with similar credit risk features. Test financial assets without impairment separately (including major and minor financial assets) and conduct impairment test in the financial assets combination with similar credit risk features. Conduct impairment test for financial assets separately recognized as impaired excluding financial assets combination with similar credit risk features.

After the Group recognizes impair loss to financial assets measured by amortized cost, if there is object evidence suggesting that the value of the financial assets is restored objectively due to an event after the loss, the recognized impairment loss can be reversed and accounted into the current gain/loss account. The book value after the reversal must not exceed the amortized cost of the financial assets on the reversal date assuming that no impairment provision was made.

(6) Transfer of financial assets

The transfer of financial assets refers to transferring or delivering the financial assets to another party (receiver) other than the issuing party of the financial assets.

Recognition of the financial asset is terminated as soon as all of the risks and rewards attached to the financial asset have been transferred to the receiver. Whereas if all of the risks and rewards attached to the financial assets are reserved, recognition of the financial asset shall not be terminated.

When the Group neither transfers nor reserve almost all risks and rewards attached to the financial assets, it will be handled as: When the controlling power over the financial asset is given up, the financial assets will be

derecognized and the generated assets and liabilities will be recognized; when the controlling power is not given up, financial asset and related liability shall be recognized according to the extend the Company is involving in the financial asset.

(7) Deduction of financial assets and liabilities

When the Group has the legal right to deduct recognized financial assets and liabilities, can exercise the legal right, and the Group plans to settle them in net, liquidate and repay the financial assets and liabilities, the amount after the deduction will be presented in the balance sheet. Exception for the deducted part, other financial assets and liabilities are separately presented in the balance sheet.

10. Receivables

(1) Receivables with major individual amount and bad debt provision provided individually

Judging basis or standard of major individual amount	For the current year, the Company recognizes project receivables over RMB8 million (inclusive) as “individual receivable with large amount” while recognizes product receivables over RMB2 million (included) as “individual receivable with large amount” and other receivables over RMB1 million (included) as “individual receivable with large amount”.
Provision method for account receivable with major individual amount and bad debt provision provided individually	The Company performs impairment examination individually on each large amount receivables, and recognizes impairment and provides bad debt provision when the impairment is recognized based on objective evidence. Those not impaired are accounted along with the minor amount receivables and recognized in risk groups.

(2) Recognition and providing of bad debt provisions on groups

Group	Method of bad debt provision
Account age	Aging method

Receivables adopting the aging method in the group:

Applicable Inapplicable

Age	Providing rate for receivable account	Providing rate for other receivables
Within 1 year (inclusive)	3.00%	3.00%
1-2 years	10.00%	10.00%
2-3 years	30.00%	30.00%
Over 3 years	50.00%	50.00%

Receivables adopting the balance percentage method in the group

Applicable Inapplicable

Receivables adopting other methods in the group

Applicable Inapplicable

(3) Receivables with not major individual amount and bad debt provision provided individually

Reasons for separate bad debt provision	Long account age or deterioration of customer creditability
Method of bad debt provision	According to the difference between the present value of future cash flow and the book value

11. Inventories

(1) Classification of inventories

The Company's inventories include purchased materials, raw materials, low-value consumables, OEM materials, products in process, semi-finished goods, finished goods, inventory, development products, and construction in process.

(2) Pricing of delivering inventory

Inventories are measured at cost when procured. Raw materials, products in process, commodity stocks and goods shipped in transit are measured by the weighted average method.

Construction contracts are measured by the effective cost, including direct and indirect expenses generated before the contracts are fulfilled. Costs generated and recognized accumulatively by construction in process and settled payment are listed in the balance sheet as offset net amounts. The excessive part of the sum of the generated costs and recognized gross profit (loss) over the settled payment is listed inventories; the excessive part of the settled payment over the sum of the generated costs and recognized gross profit (loss) is listed as the prepayment received.

Travel and bidding expenses generated by execution of contracts, if they can be separated and reliably measured and it is likely to enter into contracts, are accounted as the contract cost when the contracts are entered into; or into the current gain/loss account if the conditions are not met.

The development costs include land transfer payment, infrastructure and facility costs, installation engineering costs, borrows before completion of the development and other costs during the development process.

(3) Recognition of inventory realizable value and providing of impairment provision

The realizable net value of inventory is the estimated sales prices of the inventory less costs to be incurred until the completion, estimated sales expense and taxes. The realizable net value of inventory should be recognized based on solid evidence with the purpose of the inventory and after-balance-sheet-date events taken into consideration.

If the inventory cost is higher than the realizable net value on the balance sheet date, the inventory depreciation provision should be made. The Group makes inventory depreciation provision for separate or a type of inventory. If factors affecting the inventory value disappear on the balance sheet date, the depreciation provision made should be reversed to the original value.

(4) Inventory system

The Group uses perpetual inventory system.

(5) Amortizing of low-value consumables and packaging materials

Low-value consumables are amortized on on-off amortization basis at using.

12. Long-term share equity investment

The Group's long-term equity investment includes control on invested entities and significant impacts on equity investment. Invested entities on which the Group has significant impacts are associates of the Group.

(1) Recognition of initial investment costs

Long-term equity investment generated by enterprise merger: for long-term equity investment obtained by merger of enterprises under common control, the obtained share of book value of the interests of the merged party's owner in the consolidate financial statements on the merger date is the investment costs; for long-term equity investment obtained by merger of enterprises not under common control, the merger cost is the investment cost.

For long-term equity investment obtained by cash, the actually paid consideration is the initial investment cost.

(2) Subsequent measurement and recognition of gain/loss

Investments by the Company in subsidiaries are calculated using the cost method; in joint ventures are calculated using the equity method.

For the long-term equity investment measured on the cost basis, except for the announced cash dividend or profit included in the practical cost or price when the investment was made, the cash dividends or profit distributed by the invested entity are recognized as investment gains in the current gain/loss account.

When the equity method is used to measure long-term equity investment, the investment cost will not be adjusted if the investment cost of the long-term equity investment is larger than the share of fair value of the recognizable assets of the invested entity. When it is smaller than the share of fair value of the recognizable assets of the invested entity, the book value will be adjusted and the difference is included in the current gains of the investment.

When the equity method is used, the current investment gain is the share of the net gain realized in the current year that can be shared or borne, recognized as investment gain and other misc. income. The book value of the long-term equity investment is adjusted accordingly. The book value of the long-term equity investment should be accordingly decreased based on the share of profit or cash dividend announced by the invested entity; according to other changes in the owner's equity except for net profit and loss, other misc income and profit distribution of the invested entity, adjust the book value of the long-term equity investment and record it in the capital surplus (other capital surplus). When the share of the net gains that can be enjoyed is recognized, it is recognized after the net profit of the invested entity is adjusted based on the fair value of the recognizable assets of the invested entity according to the Company's accounting policies and accounting period.

Where substantial influence on invested entities is imposed or joint control is implemented due to increase in

investment, the sum of the fair value of the original equity and increased investment on the conversion date is the initial investment cost under the equity method. The difference between the fair value and book value of the original equity on the conversion date and the accumulative change in the fair value originally accounted in other misc. income should be transferred into the profit and loss of the current period using the equity method.

Where joint control or substantial influence on invested entities is lost due to disposal of part of investment, the remaining equity after the disposal should be treated according to the Enterprise Accounting Standard No.22 – Recognition and Measurement of Financial Instruments from the date of losing the joint control or substantial influence. The difference between the fair value and book value should be accounted the profit and loss of the current period. For other misc. income recognized due to the calculation of original equity investment using the equity method, when the equity method is no longer used, the accounting treatment should be based on the same principle of disposing related assets or liabilities of the invested entity. Other owner's interests related to the original investment should be transferred to the profit and loss of this period.

Where the disposal of part of the equity investment leads to loss of control on the invested entity, and the remaining equity after the disposal can impose common control or significant impacts on the invested entity, use the equity method and make adjustment as if the equity method was used when the remaining equity was acquired. If not, perform accounting treatment according to provisions in the Enterprise Accounting Standard No.22 – Recognition and Measurement of Financial Tools. The difference between the fair value and book value on the date of losing control should be transferred into the profit and loss of this period.

Where the Company's shareholding decreases and the Company loses the control due to increased investment by another investor, but the Company can still impose common control or significant impacts on the invested entity, the share of increased net assets of the invested entity that can be shared by the Company should be calculated based on the new shareholding, the difference between the net assets and original book value of the original long-term equity investment should be recorded in the profit and loss of this period and adjusted as if equity method was when it was acquired according to the new shareholding proportion.

Internal transaction gain not realized between the Company and affiliates is measured according to the shareholding proportion and the investment gains is recognized after deduction. The unrealized internal transaction loss between the Company and the invested entity is the impairment loss of transferred assets and should not be written off.

(3) Basis for recognition of major influence on invested entities

Major influence refers to the power to participate in decision-making of financial and operation policies of a company, but cannot control or jointly control the making of the policies. When considering whether the Company can impose significant impacts on the invested entity, impacts of conversion of shares with voting rights held directly or indirectly by the investor and voting rights that can be executed in this period held by the investor and other party into shares of the invested entity should be considered.

When Company directly or indirectly holds 20% (inclusive) but less than 50% of the shares with voting rights of the invested entity, it is generally considered that the Company can impose significant impacts unless there is clear evidence proving that the Company shall not participate in the production and business decision making of the company; when the Company holds less than 20% of the shares with voting rights, it is generally not considered that the Company has significant impacts on the invested entity, unless there is clear evidence proving

the contrary.

(4) Impairment examination and providing of impairment provision

See Note V. 18 for the assets impairment provision method for investment in subsidiaries and joint ventures.

13. Investment real estate

Measuring mode of investment real estate

Measurement at fair value

Basis of choosing the measurement at fair value

Investment real estates of the Group are buildings leased.

For investment real estates with an active real estate transaction market and the Group can obtain market price and other information of same or similar real estates to reasonably estimate the investment real estates' fair value, the Group will use the fair value mode to measure the investment real estates subsequently. Variations in fair value are accounted into the current gain/loss account.

The fair value of investment real estates is determined with reference to the current market prices of same or similar real estates in active markets; when no such price is available, with reference to the recent transaction prices and consideration of factors including transaction background, date and district to reasonably estimate the fair value; or based on the estimated lease gains and present value of related cash flows.

For an investment real estate whose fair value is proven unable to be obtained continuously and reliably by objective evidence, the real estate will be measured at cost basis until it is disposed and no residual value remains as assumed.

The difference of the proceeds from sales, transfer, retirement or destruction of investment real estates with book value and related taxes deducted is accounted into the current gain/loss account.

See Note V. 18 for the assets impairment provision method for the investment real estates that are subsequently measured using the cost model.

14. Fixed assets

(1) Recognition conditions

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one accounting year of service life. The fixed assets can only be recognized hen economic interests related to the fixed assets are very likely to flow into the company and the costs of the fixed assets can be reliably measured. The Group measures fixed assets at the actual costs when the fixed assets are obtained

(2) Depreciation method

Type	Depreciation method	Service year	Residual rate	Annual depreciation
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				rate %
Houses & buildings	Average age	35-45	10	2-2.57
Mechanical equipment	Average age	10	10	9
Transportation facilities	Average age	5	10	18
Electronics and other devices	Average age	5	10	18
PV power plants	Average age	20	5	4.75

The Group adopts the straight age average basis to make depreciation provision. The Company will start to make the depreciation provision when the fixed assets reach the preset serviceable condition and stop to make the depreciation provision when it is derecognized or categorized as non-current assets held for sales. Without considering depreciation provision, the Group determines annual depreciation rates for various fixed assets according to types, predicted service life and residual value:

For fixed assets for which depreciation provision is made, the depreciation rate will be determined after the accumulative depreciation provision amount is deducted.

(3) See Note V. 18 for the depreciation testing and provision method for fixed assets.

(4) At end of each fiscal year, verification will be made on the useful life, predicted retained value, and depreciation basis.

The useful life will be adjusted if the useful life is different from the predicted one; the net residual value will be adjusted if the net residual value is different from the predicted one.

(5) Overhaul cost

Overhaul cost generated by regular examination on fixed assets is recognized as fixed assets costs when there is evidence proving that it meets fix assets recognition conditions. If not, it will be accounted into the current gain/loss account. Depreciation provision will be made for fixed assets between two regular overhauls.

15. Construction in process

The Group recognizes the cost of construction in process according to the actual construction expense, including necessary engineering expenses, borrowing costs to be capitalized before the engineering reaches the preset service condition and other related costs.

Construction in process will be transferred to fixed assets when it reaches the preset service condition.

See Note V. 18 for the provision method for construction in process.

16. Borrowing expenses

(1) Recognition principles for capitalization of borrowing expenses

Borrowing expenses occurred to the Group that can be accounted as purchasing or production of asset satisfying the conditions of capitalizing, are capitalized and accounted as cost of related asset. Borrowing expenses start to be capitalized when all of the followings are satisfied:

(1) Asset expense has already occurred. Asset expenses include cash payment, non-cash asset transferring, or undertaking of debt with interest done for purchasing or producing of assets;

(2) The borrowing expense has already occurred;

(3) Purchasing or production activity, which is necessary for the asset to reach the useful status, has already started.

(2) During borrowing expense capitalization

When the asset satisfying the capitalizing conditions has reached its usable or sellable status, capitalizing of borrowing expenses shall be terminated. Borrowing expenses incurred after assets that meet capitalization conditions reach the service or sales conditions are accounted into the current gain/loss account according to the actual amounts.

If the construction or production of assets satisfying the capitalizing conditions is suspended abnormally for over 3 months, capitalizing of borrowing expenses shall be suspended. During the normal suspension period, borrowing expenses will be capitalized continuously.

(3) Calculation of the capitalization amount of borrowing expense

Interest expenses generated by special borrowings less the interests income obtained from the deposit of unused borrowings or investment gains from temporary investment is capitalized; the capitalization amount for general borrowing is determined based on the capitalization rate which is the exceeding part of the accumulative assets expense over weighted average of the assets expense of the special borrowing/used general borrowing. The capitalization ratio is the weighted average interest rate of general borrowings.

In the capitalization period, the exchange difference of special borrowings in foreign currencies should be fully capitalized. The exchange difference should be recorded in the profit and loss of this period.

17. Intangible assets**(1) Pricing method, service life and depreciation test**

The Group's intangible assets include land using rights, trademarks, patent, special technologies, and software.

Intangible assets are initially measured at costs and the useful life will be determined when obtained. Where the useful life is limited, the intangible assets will be amortized within the predicted useful life by using the amortization method that can reflect predicted realization way of the economic benefit of the assets; whether the realization way cannot be reliably confirmed, use the straight-line method. If the useful life is uncertain, the intangible assets are not amortized.

Intangible assets with limited useful life are amortized as followings:

Type	Useful life	Basis of amortization	Notes
Land using right	Beneficial age	Average age	
Trademarks and patents	10	Average age	
Proprietary technology	10	Average age	
Software	5, 10 years	Average age	

At the end of each year, the Group will reexamine the useful life and amortization basis of intangible assets with limited useful life. If they change, adjust the prediction and handle it according to accounting estimate changes.

On the balance sheet day, if the intangible assets become unlikely to bring future economic benefits for the Group, transfer all the intangible assets' book value into the current gain/loss account.

See Note V. 18 for the impairment provision method for intangible assets.

(2) Accounting policies for internal R&D expenses

The Group divides internal R&D project expenses into research and development expenses.

The research expenses are accounted the current gain/loss account.

Development expenses can only be capitalized when the following conditions are satisfied: the technology is feasible for use or sales; there is the intention to use or sell the intangible assets; it can be proven that the product

generated by the intangible assets is demanded or the intangible assets in demanded; if the intangible is used internally, it can be proven that it is useful; with necessary technical and financial resources and other resources to complete the development of the intangible assets and the intangible assets can be used or sold; the development expense can be reliably measured. If not, the development expense is accounted into the current gain/loss account.

If a research project meets the above-mentioned conditions and passes the technical and economic feasibility study, the project will enter the development stage.

Expenses in the development stage capitalized are listed as development expense on the balance sheet and transferred to intangible assets when the project reaches the useful condition.

18. Assets impairment

The Group uses the cost mode to continue measuring the assets impairment to investment real estate, fixed assets construction in progress, intangible assets and goodwill (except for the inventories, investment real estate measured by the fair value mode, deferred income tax assets and financial assets). The method is determined as follows:

The Group judges whether there is a sign of impairment to assets on the balance sheet day. If such sign exists, the Group estimates the recoverable amount and conducts the impairment test. Impairment test is conducted annually for goodwill generated by mergers and intangible assets that have not reached the useful condition no matter whether the impairment sign exists.

The recoverable amount is determined by the higher of the net of fair value minus disposal expense and the present value of the predicted future cash flow. The Group estimates the recoverable amount on the individual asset item basis; whether it is hard to estimate the recoverable amount on the individual asset item basis, determine the recoverable amount based on the asset group that the assets belong to. The assets group is determined by whether the main cash flow generated by the group is independent from those generated by other assets or assets groups.

When the recoverable amount of the assets or assets group is lower than its book value, the Group writes down the book value to the recoverable amount, the write-down amount is accounted into the current income account and the assets impairment provision is made.

For goodwill impairment test, the book value of goodwill generated by mergers is amortized through reasonable measures since the purchase day to related asset groups; those cannot be amortized to related assets groups are amortized to related combination of asset groups. The related asset groups or combination of asset groups refer to those that can benefit from the synergistic effect of mergers and must not exceed to the reporting range determined by the Group.

When the impairment test is conducted, if there is sign of impairment to the asset group or combination of asset groups related to goodwill, first perform impair test for asset group or combination of asset groups without goodwill and calculate the recoverable amount and recognize the related impairment loss. Then conduct impairment test on those with goodwill, compare the book value with recoverable amount. If the recoverable amount is lower than the book value, recognize the impairment loss of the goodwill.

Once recognized, the asset impairment loss cannot be written back in subsequent accounting period.

19. Long-term amortizable expenses

The Group's long-term amortizable expenses are measured at the actual costs and amortized averagely based on the beneficial term. For long-term amortizable expenses that are not beneficial in the subsequent account periods, the residual value is fully accounted into the current gain/loss account.

20. Staff remuneration

(1) Accounting of short-term remuneration

Staff remuneration is the compensation paid by the employer to the staff for the services they provide or for termination of the working relationship. Staff remuneration includes short-term remuneration and post-employment welfare.

The Group pays for the medical insurance, job injury insurance and breeding insurance and housing fund according to employees' wages and bonus and recognizes them as liabilities, which are recorded into the profit and loss or related assets costs in the current period. If the liabilities cannot be fully paid within 12 months upon the end of the report period in which the employees provide service, and the financial impacts are substantial, the liabilities should be measured at the discounted amount.

(2) Accounting of post-employment welfare

The post-employment welfare of the Group is a defined plan, which means that the Company does not need to assume any responsibility after making fixed contribution to an independent fund. The defined plan includes basic pension and unemployment insurance. The contribution of the plan is recognized as liabilities and recorded in the profit and loss of this period or related assets costs.

(3) Accounting of dismiss welfare

Where the Group provides dismiss welfare for employees, the staff remuneration liabilities is recognized on the earlier one of the following two date: when the Group cannot cancel the dismiss welfare provided for termination of employment or layoff; when the Group recognizes the costs or expenses of reorganization related to the payment of dismiss welfare.

21. Anticipated liabilities

When responsibilities occurred in connection to contingent issues, and all of the following conditions are satisfied, they are recognized as expectable liability in the balance sheet:

- (1) This responsibility is a current responsibility undertaken by the Group;
- (2) Execution of this responsibility may cause financial benefit outflow from the Group;
- (3) Amount of the liability can be reliably measured.

Expected liabilities are initially measured at the best estimation on the expenses to exercise the current responsibility. The book value of expected liability is revised at balance sheet day, and adjustment will be made to reflect current best estimation.

22. Revenue

(1) General principles

1. Sales of goods

When all of the following conditions are satisfied, the sales of goods are recognized as sales income according to the contract amount received or receivable from the buyer: (1) Main risks and rewards attached to the ownership of the goods have been transferred to the buyer; (2) No succeeding power of administration or effective control is reserved which are usually attached to ownership; (3) Amount received can be reliably measured; (4) Related financial benefit may inflow to the Company; (5) Relative costs, occurred or will occur, can be reliably measured.

2. Providing of labor service

If they are not in the same year, then use the estimation on percentage basis when it is possible.

The completion percentage is the costs occurred on the total cost.

The reliable estimation of the result of providing of labor service must meet the following conditions: A. the revenue can be reliably measured; B. the economic benefit is very likely to flow into the company; C. the completion can be determined reliably; D. costs incurred or will be incurred can be reliably measured.

If the result cannot be reliably estimated, use the service cost amount of the compensation obtained or will be obtained to recognize the revenue of the providing of labor service and recognize the incurred labor service cost as the current expense. If no compensation can be obtained for incurred labor service cost, no revenue can be recognized.

3. Demising of asset using rights

The revenue is recognized when the financial benefit in connection with the demising of asset using right was received and the amount can be reliably measured.

4. Construction contracts

On the balance sheet day, the Group recognizes the contract income and costs using the completion percentage method if the result of the construction contract can be reliably estimated. If not, such contracts are treated differently. If the contract cost can be recovered, the revenue is recognized according to the actual contract costs that can be recovered and the contract cost is recognized as the current expense; if not, the contract cost is recognized as the current expense and no revenue is recognized.

If the estimated total costs exceed the total revenue, the Group recognizes the estimated loss as the current expense.

The completion percentage is determined by the share of the costs incurred in the total cost.

The reliable estimation of the result of a construction contract must meet the following conditions: A. the revenue can be reliably measured; B. the economic benefit is very likely to flow into the company; C. the completion cost can be clearly distinguished and determined reliably; D. the completion and costs that will be incurred for completion of the contract can be reliably recognized.

(2) Specific revenue recognition method

Metro screen door projects of the Company and Shenzhen Fangda Automatic System, and curtain wall project of Fangda Jianke are individual construction contracts. They are accounted by the following means:

Construction contracts completed within a fiscal year are recognized for their income and cost upon completion.

Income and expenses of the construction contracts carried over-year are recognized on percentage basis at balance sheet day when all of the following conditions are satisfied: contract income can be reliably measured, relative financial benefit can inflow to the Company; progress of the project and costs to complete the contract can be reliably recognized; cost occurred to complete the contract can be clearly distinguished and reliably measured, which enables comparing of actual cost with predicted cost.

Contract costs are direct and indirect expenses occurred since the date when the contract is engaged till the completion day. The completion percentage is determined by the share of the costs incurred in the total cost.

Construction contracts completed in current term are recognized for income according to the actual total income of the contract less income recognized in previous terms; meanwhile, the total costs of the contract less costs recognized in previous terms are recognized as current contract costs. If the total contract cost is predicted to be greater than the predicted total income, the predicted loss shall be recognized as current cost instantly.

Revenue of products for domestic sales is recognized when the Group delivers the products and receives the sales payment or obtains the payment voucher; revenue for products for overseas sales is recognized at departure of the products.

23. Government subsidy

(1) Judgment basis and accounting treatment of assets-related government subsidy

Government subsidies related to assets are obtained by the Group to purchase, build or formulate in other manners long-term assets; or subsidies related to benefits.

For subsidies that can formulate long-term assets without clear government regulations, the part of the subsidies corresponding to the asset value will be measured as assets-related government subsidies, while the rest of them will be measured as benefit-related government subsidies. Where it is difficult to distinguish them from each other, the whole subsidies will be measured as benefit-related government subsidies.

Government subsidies in connection with capital are recognized as differed income, and amortized straight to its useful life, and accounted into current income account.

If a recognized government subsidy needs to be returned, if there are relative differed gains, the balance of differed gains will be set off, the exceeded part shall be recorded into current income account; if there is no

relative differed gain, record to current income account directly.

(2) Judgment basis and accounting treatment of return-related government subsidy

Government subsidies in connection with gains, which are used to cover current expenses or losses, are recognized as current gain/loss, if used to cover future expenses or losses, recognized as differed gains, and recorded to current income account to the period when the expenses are recognized. Government subsidy measured at the nominal amount is accounted into current income account.

If a recognized government subsidy needs to be returned, if there are relative differed gains, the balance of differed gains will be set off, the exceeded part shall be recorded into current income account; if there is no relative differed gain, record to current income account directly.

24. Deferred income tax assets and deferred income tax liabilities

Income tax includes current and deferred income tax Except for the adjustment goodwill generated by mergers or deferred income tax related to transactions or events directly accounted into the owners' equity, income tax is accounted as income tax expense into the current gain/loss account.

The Group uses the temporary difference between the book value of the assets and liabilities on the balance sheet day and the tax base and the liabilities method to recognize the deferred income tax.

The taxable temporary difference recognizes the related deferred income tax liabilities, unless the taxable temporary difference is created by the following transactions:

- (1) Initial recognition of goodwill, or of assets or liabilities generated in transactions with the following features: the transaction is not a merger and the transaction does not affect the accounting profit or taxable proceeds;
- (2) For taxable temporary difference related to investment in subsidiaries, joint ventures and affiliates, the reversal timing for the temporary difference can be controlled and the difference is unlikely to be reversed in the foreseeable future.

For deductible temporary difference, deductible loss and tax deduction that can be accounted in subsequent years, the Group recognizes the incurred deferred income tax assets to the extent to the future income tax proceeds that is very likely to be received for deducting deductible temporary difference, deductible loss and tax deduction, unless the deductible temporary difference is generated in following transactions:

- (1) the transaction is not a merger and the transaction does not affect the accounting profit or taxable proceeds;
- (2) for the taxable temporary difference related to investment in subsidiaries, joint ventures and affiliates, the corresponding deferred income tax assets are recognized when the following condition is met: the temporary difference is very likely to be reversed in the foreseeable future and it is very likely to receive the taxable proceeds that can be used to deduct the deductible temporary difference.

On the balance sheet day, the Group measures the deferred income tax assets and liabilities with the tax rate applicable during the predicted period during which the assets are recovered or the liabilities are paid off and reflects the income tax influence of the assets recovery and liabilities repayment way on the balance sheet day.

On the balance sheet day, the Group re-examines the book value of the deferred income tax assets. If it is unlikely to have adequate taxable proceeds to reduce the benefits of the deferred income tax assets, less the deferred income tax assets' book value. When there is adequate taxable proceeds, the lessened amount will be reversed.

25. Leasing

(1) Accounting of operational leasing

(1) The Group is the lessor

Rentals from operational leasing are recognized as current gains on straight basis to the periods of leasing. Initial direct expenses are recorded to current income account.

(1) The Group is the lessee

Rentals in operational leasing are recorded to relative capital cost or current income account on straight basis to the periods of leasing. Initial direct expenses are recorded to current income account.

(2) Accounting of financing leasing

The Group transfers all the risks and rewards attached to the asset at substantially transferred to the lessee, it is recognized as financial leasing, and the others are operational leasing.

(1) The Group is the lessor

In financial leasing, the book value of financial rental is the sum of lowest amount of the rent and the initial expenses since the date when the lease is started. The difference between the sum of lowest rental, initial direct expense and unsecured balance and the current value is recognized as the unrealized financial income. Unrealized financial income is recognized as financial income at actual interest basis to the periods of the leasing period.

(1) The Group is the lessee

The Group measures the leased assets as the lower of the fair value and the present value of minimum lease payment of the leased assets on the starting date of the lease and records the minimum lease payment as long-term payable and the difference between the two as unrecognized financing expense. The initial direct expense is accounted into asset value. Unrecognized financial cost is recognized as financial cost at actual interest basis to the periods of the leasing period. The Group adopts the depreciation policy same as the self-owned fixed assets to made provision for depreciation of leased assets.

26. Other significant accounting policies and estimates

Accounting of hedging

Significant accounting judgment and estimate

The Group continuously reviews significant accounting judgment and estimate adopted for the reasonable forecast of future events based on its historical experience and other factors.

Significant accounting judgment and assumptions that may lead to major adjustment of the book value of assets and liabilities in the next accounting year are listed as follows:

(1) Goodwill impairment

The Group judges whether there is impairment to goodwill at least annually. This required valuation of the use value of the asset groups with goodwill. While estimating the use value, the Group needs to estimate the cash flow from the asset group in the future and choose the proper discount rate to calculate the present value of the future cash flow.

(2) Estimate of fair value

The Group uses fair value to measure investment real estate and needs to estimate the fair value of investment real estate at least quarterly. This requires the management to reasonably estimate the fair value of the investment real estate with the help of valuation experts.

(3) Deferred income tax assets

If there is adequate taxable profit to deduct the loss, the deferred income tax assets should be recognized by all the unused tax loss. This requires the management to make a lot of judgment to forecast the time and amount of future taxable profit and determine the amount of the deferred tax assets based on the taxation strategy.

(4) Construction contracts

The Group recognizes the income according to the completion percentage of each construction contract. The management estimates the completion percentage according to the actual costs in the total budget. Given the nature of activities in construction contracts, activity and completion dates are usually in different accounting periods. The Group will revise the estimated contract incomes and costs (if the actual contract income is smaller than the actual cost, impairment loss provision will be made).

27. Major changes in accounting policies and estimates

(1) Changes in accounting policies

Applicable Inapplicable

(2) Changes in major accounting estimates

Applicable Inapplicable

VI. Taxation

1. Major taxes and tax rates

Tax	Tax basis	Tax rate
VAT	Taxable income	6%、13%、17%
Business tax	Taxable turnover	3%、5%

City maintenance and construction tax	Taxable turnover	1%、5%、7%
Enterprise income tax	Taxable income	15%、25%
Education surtax		3%

Tax rates applicable for different tax payers

Tax payer	Income tax rate
The Company	25%
Shenzhen Fangda Jianke Group Co., Ltd.	15%
Shenzhen Fangda Automation System Co., Ltd.	15%
Shenzhen Woke Semi-conductor Lighting Co., Ltd.	25%
Fangda New Materials (Jiangxi) Co., Ltd.	15%
Jiangxi Fangda New Type Aluminum Co., Ltd.	25%
Shenyang Fangda Semi-conductor Lighting Co., Ltd.	25%
Dongguan Fangda New Material Co., Ltd.	25%
Shenzhen Kexunda Software Co., Ltd.	25%
Chengda Fangda Construction Technology Co., Ltd.	15%
Fangda Decoration Engineering (Shenyang) Co., Ltd.	25%
Shenzhen Fangda Property Development Co., Ltd.	25%
Shenzhen Fangda New Energy Co., Ltd.	25%
Guangdong Fangda SOZN Lighting Co., Ltd.	25%
Shenzhen Fangda Property Management Co., Ltd.	25%
Shenzhen Qianhai Kechuangyuan Software Co., Ltd.	15%
Jiangxi Fangda Property Development Co., Ltd.	25%
Ganzhou Longneng New Energy Co., Ltd.	25%
Pingxiang Fangda Luxin New Energy Co., Ltd.	25%
Pingxiang Xiangdong Fangda New Energy Co., Ltd.	25%
Nanchang Xinjian Fangda New Energy Co., Ltd.	25%
Dongguan Fangda New Energy Co., Ltd.	25%

2. Tax preference

(1) According to the Certification of High-tech Enterprise issued by Shenzhen Commission of Technological Innovation, Shenzhen Commission of Finance, Shenzhen National Tax Bureau, and Shenzhen Local Tax Bureau on 19.06.15, Fangda Jianke was entitled to enjoy a tax preference of enterprise income tax of 15% for three years (2015-2017) since the qualifications were awarded.

(2) According to the Certification of High-tech Enterprise issued by Shenzhen Commission of Technological Innovation, Shenzhen Commission of Finance, Shenzhen National Tax Bureau, and Shenzhen Local Tax Bureau

on 19.06.15, Fangda Decoration was entitled to enjoy a tax preference of enterprise income tax of 15% for three years (2015-2017) since the qualifications were awarded.

(3) According to the Certification of High-tech Enterprise issued by Jiangxi Ministry of Science and Technology, Jiangxi Ministry of Finance, Jiangxi National Tax Bureau, and Jiangxi Local Tax Bureau on 25.09.15, Fangda New Material was entitled to enjoy a tax preference of enterprise income tax of 15% for three years (2015-2017) since the qualifications were awarded.

(4) On December 25, 2013, Kexunda was certified by Shenzhen Nanshan National Tax Bureau as a software and integrated circuit designer according to the Shenzhen National Tax Reduction Registration [2013] No.739 and will enjoy exemption from the enterprise income tax for two years and 50% reduction of the same tax for another three years from the year that the company starts making a net profit. Kexunda started making profits in 2013 and therefore starts to enjoy the exemption. Kexunda entered the semi-exemption period in 2015.

(5) On November 7, 2014, Chengdu Fangda was certified by Sichuan Xinjin National Tax Bureau as an encourage industry company in the west China (Xin Jin National Tax Doc. [zzy024]) and started to enjoy a tax rate of 15%.

(6) On November 2, 2015, Dongguan New Energy was certified by Dongguan National Tax Bureau Songshanhu branch as the national supported public infrastructure project according to the Song Shan Hu Tax Doc [2015] 3305. The company is exempted from enterprise income tax for three years and halfly exempted for another three years. In 2015, the company entered the exemption period.

(7) According the Notice of Providing Guangdong Hengqing New District, Fujian Pingtan Pilot Zone and Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Cooperation Zone with Tax Preference Policies, Kechuangyuan Software enjoys an income tax rate of 15%.

VII. Notes to the consolidated financial statements

1. Monetary capital

In RMB

Items	Closing balance	Opening balance
Inventory cash	28,072.46	40,733.33
Bank deposits	266,315,876.39	114,515,874.25
Other monetary capital	134,609,388.47	97,874,191.29
Total	400,953,337.32	212,430,798.87
Including: total amount deposited in overseas	5,722,165.37	2,370,695.75

(3) Others

(1) The balance of the bank deposit at the end of the period includes the bank deposit of RMB23 million of Fangda Jianke frozen by the court (see Note XIII.1 for details) and the bank deposit of RMB538,264.14 of Fangda SOZN.

(2) The closing balance of the book value of the other monetary capital is mainly the futures, bank acceptance bill and guarantee deposit and investment, including a deposit of RMB129,675,829.40. The deposit and frozen deposit shall not be treated as cash and cash equivalent in the preparation of cash flow statements.

(3) The closing monetary capital increased by 88.75% from the beginning of the year. It is mainly due to that no more bank financial products were purchased at the end of the year.

2. Financial assets measured at fair value with variations accounted into current income account

In RMB

Items	Closing balance	Opening balance
Transactional financial assets	14,546,206.58	13,410,790.00
Investment in equity tools	14,546,206.58	13,410,790.00
Total	14,546,206.58	13,410,790.00

Others:

The closing balance is the fair value of the shares of SINO OIL & GAS acquired by Shihui International Holding Co., Ltd.

3. Derivative financial assets

Applicable Inapplicable

4. Notes receivable

(1) Classification of notes receivable

In RMB

Items	Closing balance	Opening balance
Bank acceptance	10,289,884.74	2,697,145.86
Commercial acceptance	86,957,775.82	80,628,579.84
Total	97,247,660.56	83,325,725.70

(2) The Group has no endorsed or discounted immature receivable notes at the end of the period.

In RMB

Items	De-recognized amount	Not de-recognized amount
Bank acceptance	104,701,283.62	
Commercial acceptance	1,056,126.00	4,957,775.82
Total	105,757,409.62	4,957,775.82

(3) Notes transferred to accounts receivable due to default of the issue at the end of period

In RMB

Items	Amount transferred to accounts receivable at the end of the period
Commercial acceptance	19,846,579.84
Total	19,846,579.84

5. Account receivable**(1) Account receivable disclosed by categories**

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision rate		Amount	Proportion	Amount	Provision rate	
Recognition and providing of bad debt provisions on groups	1,611,975,331.93	99.41%	206,824,197.04	12.83%	1,405,151,134.89	1,280,504,982.91	98.68%	175,879,731.45	13.74%	1,104,625,251.46
Account receivable with minor individual amount and bad debt provision provided individually	9,541,655.45	0.59%	8,974,655.45	94.06%	567,000.00	17,154,285.41	1.32%	16,537,285.41	96.40%	617,000.00
Total	1,621,516,987.38	100.00%	215,798,852.49	13.31%	1,405,718,134.89	1,297,659,268.32	100.00%	192,417,016.86	14.83%	1,105,242,251.46

Account receivable with major individual amount and bad debt provision provided individually at the end of the period:

Applicable Inapplicable

In the group, the account receivable of which bad debt provision is made through the account aging method:

Applicable Inapplicable

In RMB

Age	Closing balance		
	Account receivable	Bad debt provision	Provision rate
Sub-item of within 1 year			
Subtotal for less than 1 year	988,440,956.29	29,353,228.69	2.98%

1-2 years	252,343,963.99	25,321,425.23	10.00%
2-3 years	167,228,313.66	50,168,494.10	30.00 %
Over 3 years	203,962,097.99	101,981,049.02	50.00 %
Total	1,611,975,331.93	206,824,197.04	12.83%

Group recognition basis:

Account receivable adopting the balance percentage method in the group:

Applicable Inapplicable

Account receivable adopting other methods in the group:

(2) Bad debt provision made, returned or recovered in the period

A bad debt provision of RMB34,811,396.51 was made in the period. RMB0.00 was recovered or reversed.

(3) Written-off account receivable during the period

In RMB

Items	Amount
Account receivable written off	11,429,560.88

Including significant account receivable:

In RMB

Entity	Nature	Amount	Reason	Writing-off procedure	Related transaction
Guodu Real Estate Development (Shenzhen) Co., Ltd.	Engineering payment	803,340.45	Unrecoverable	Management	No
Shenzhen Zaoyunda Machinery Co., Ltd.	Engineering payment	660,625.41	Unrecoverable	Management	No
Total	--	1,463,965.86	--	--	--

(4) Balance of top 5 accounts receivable at the end of the period

The total balance of top-five accounts receivable at the end of the period is RMB209,543,439.19, accounting for 12.92% of the total remaining balance of all accounts receivable. The bad debt provision made at the end of the period is RMB6,766,281.58.

6. Prepayment

(1) Account age of prepayments

In RMB

Age	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Less than 1 year	23,448,649.55	73.89%	24,526,989.72	83.90%
1-2 years	3,490,224.16	12.05%	2,991,743.88	10.23%
2-3 years	1,418,149.13	5.15%	163,672.10	0.56%
Over 3 years	1,700,041.06	8.91%	1,551,825.79	5.31%
Total	30,057,063.90	--	29,234,231.49	--

(2) Balance of top 5 prepayments at the end of the period

The total balance of top-five prepayments at the end of the period is RMB11,614,739.09, accounting for 36.60% of the total remaining balance of all accounts receivable. The bad debt provision made at the end of the period is RMB587,828.51.

7. Other receivables

(1) Other receivables disclosed by categories

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision rate		Amount	Proportion	Amount	Provision rate	
Recognition and providing of bad debt provisions on groups	65,503,587.52	99.78%	12,407,639.06	18.94%	53,095,948.46	62,085,155.66	99.64%	13,134,507.99	21.16%	48,950,647.67
Other receivables with minor individual amount and bad debt provision provided individually	146,100.95	0.22%	146,100.95	100.00%	0.00	223,146.95	0.36%	223,146.95	100.00%	0.00
Total	65,649,688.47	100.00%	12,553,740.01	19.12%	53,095,948.46	62,308,302.61	100.00%	13,357,654.94	21.44%	48,950,647.67

Other receivables with major individual amount and bad debt provision provided individually at the end of the period:

Applicable Inapplicable

In the group, the other receivables of which bad debt provision are made through the account aging method:

Applicable Inapplicable

In RMB

Age	Closing balance		
	Other receivables	Bad debt provision	Provision rate
Sub-item of within 1 year			
Subtotal for less than 1 year	35,506,425.19	1,063,824.56	3.00%
1-2 years	6,535,574.83	653,557.50	10.00%
2-3 years	5,202,683.55	1,560,805.07	30.00%
Over 3 years	18,258,903.95	9,129,451.93	50.00%
Total	65,503,587.52	12,407,639.06	18.94%

Group recognition basis:

Other receivables adopting the balance percentage method in the group:

Applicable Inapplicable

Other receivables adopting other methods in the group:

Applicable Inapplicable

(2) Bad debt provision made, returned or recovered in the period

A bad debt provision of RMB-722,264.33 was made in the period. RMB0.00 was recovered or reversed.

(3) Other receivable written off in the current period

In RMB

Items	Amount
Other receivable written off	81,650.60

(4) Other receivables are disclosed by nature

In RMB

By nature	Closing balance of book value	Opening balance of book value
Deposit	36,529,862.27	37,088,745.12
Construction borrowing and advanced payment	17,242,358.04	14,869,519.46
House disposal receivable		2,136,200.00
Staff borrowing and petty cash	3,062,219.75	1,410,387.87
Receivable refund of VAT	80,888.90	576,297.37
Others	8,734,359.51	6,227,152.79
Total	65,649,688.47	62,308,302.61

(5) Balance of top 5 other receivables at the end of the period

In RMB

Entity	By nature	Closing balance	Age	Percentage in the closing balance of other receivables(%)	Balance of bad debt provision at the end of the period
Wang Weihong	Advanced construction fee	695.00	1-2 years	0.00%	69.50
Wang Weihong	Advanced construction fee	352,178.17	2-3 years	0.54%	105,653.45
Wang Weihong	Advanced construction fee	4,591,514.98	Over 3 years	6.99%	2,295,757.49
Xin Song	Advanced construction fee	2,620,327.61	Over 3 years	3.99%	1,310,163.81
Zeng Liang	Advanced construction fee	2,360,324.74	Less than 1 year	3.60%	70,809.74
Hainan GreenTown Investment Co., Ltd.	Deposit	1,746,000.00	2-3 years	2.66%	523,800.00
Cixi Fanshi Property Development Co., Ltd.	Deposit	1,222,473.75	Over 3 years	1.86%	611,236.88
Total	--	12,893,514.25	--	19.64%	4,917,490.87

8. Inventories**(1) Classification of inventories**

In RMB

Items	Closing balance			Opening balance		
	Remaining book value	Depreciation provision	Book value	Remaining book value	Depreciation provision	Book value
Raw materials	85,916,458.16	7,069,471.61	78,846,986.55	101,814,705.80	2,551,138.82	99,263,566.98
Product in process	6,971,619.92		6,971,619.92	6,682,625.91	2,277.73	6,680,348.18
Finished goods in stock	18,325,455.59	5,513,219.11	12,812,236.48	22,999,746.67	2,470,651.68	20,529,094.99
Assets unsettled for finished construction contracts	226,526,505.83	1,830,742.67	224,695,763.16	251,262,257.58	1,830,742.67	249,431,514.91

Low price consumable	69,223.68		69,223.68	59,672.66		59,672.66
OEM materials	8,791,959.78	1,218,716.77	7,573,243.01	3,358,174.63		3,358,174.63
Development cost	986,708,925.20		986,708,925.20	603,118,814.70		603,118,814.70
Goods delivered	28,913,305.53		28,913,305.53			
Total	1,362,223,453.69	15,632,150.16	1,346,591,303.53	989,295,997.95	6,854,810.90	982,441,187.05

(2) Inventory depreciation provision

In RMB

Items	Opening balance	Increase in this period		Decrease in this period		Closing balance
		Provision	Others	Recover or write-off	Others	
Raw materials	2,551,138.82	4,623,290.48		104,957.69		7,069,471.61
Product in process	2,277.73			2,277.73		
Finished goods in stock	2,470,651.68	3,143,105.85		100,538.42		5,513,219.11
Assets unsettled for finished construction contracts	1,830,742.67					1,830,742.67
OEM materials		1,218,716.77				1,218,716.77
Total	6,854,810.90	8,985,113.10		207,773.84		15,632,150.16

(3) Balance at the end of the period includes capitalization of borrowing expense

The balance at the end of the period includes capitalization of borrowing expense of RMB44,371,221.40.

(4) Assets unsettled for finished construction contracts at the end of the period

In RMB

Items	Amount
Accumulative occurred costs	5,458,293,985.56
Accumulative recognized gross margin	923,989,118.87
Less: estimated loss	1,830,742.67
Settled amount	6,155,756,598.60
Assets unsettled for finished construction contracts	224,695,763.16

Others:

(5) Development cost

Project	Starting time	Estimated finish time	Estimated total investment	Closing amount	Opening amount	Closing depreciation provision
Fangda Town	May. 2014	December 2016	RMB2,421,911,100	886,932,360.20	603,118,814.70	
Jiangxi Property project				99,776,565.00		
Total				986,708,925.20	603,118,814.70	

9. Other current assets

In RMB

Items	Closing balance	Opening balance
Input tax to be deducted	11,083,687.96	6,986,107.72
Bank financial products		228,000,000.00
Prepaid income tax	312,030.09	
Total	11,395,718.05	234,986,107.72

Others:

10. Long-term share equity investment

In RMB

Invested entity	Opening balance	Change (+,-)								Closing balance	Balance of impairment provision at the end of the period
		Increased investment	Decreased investment	Investment gain and loss recognized using the equity method	Other miscellaneous income adjustment	Other equity change	Cash dividend or profit announced	Impairment provision	Others		
1. Joint venture											
2. Associate											
Shenzhen Ganshang Joint Investment Co., Ltd.	11,048,660.43			-337,462.45			2,200,000.00			8,511,197.98	

Shenzhen Huihai Yirong Internet Service Co., Ltd.		2,000,000.00		-21,517.05					1,978,482.95	
Subtotal	11,048,660.43	2,000,000.00		-358,979.50			2,200,000.00		10,489,680.93	
Total	11,048,660.43	2,000,000.00		-358,979.50			2,200,000.00		10,489,680.93	

Others:

Note: A new associate Shenzhen Huihai Yirong Internet Service Co., Ltd. was increased this year. The Company contributed RMB2 million, holds 10% in its stake and designated a director in its board of directors.

Investment real estate

(1) Investment real estate measured at costs

Applicable Inapplicable

In RMB

Items	Houses & buildings	Land using right	Construction in process	Total
I. Book value				
1. Opening balance	32,081,268.14			32,081,268.14
2. Increase in this period				
(1) External purchase				
(2) Transfer-in from inventory\fixed assets\construction in progress	5,095,047.32			5,095,047.32
(3) Increase due to enterprise merger				
3. Decrease in this period				
(1) Purchase				
(2) Other transfer-out				

4. Closing balance	37,176,315.46			37,176,315.46
II. Accumulative depreciation and amortization				
1. Opening balance	4,315,330.90			4,315,330.90
2. Increase in this period	2,147,391.35			2,147,391.35
(1) Provision or amortization	888,212.55			888,212.55
(2) Other increases	1,259,178.80			1,259,178.80
3. Decrease in this period				
(1) Purchase				
Other transfer-out				
4. Closing balance	6,462,722.25			6,462,722.25
III. Impairment provision				
1. Opening balance				
2. Increase in this period				
(1) Provision				
3. Decrease in this period				
(1) Purchase				
Other transfer-out				
4. Closing balance				
IV. Book value				
1. Closing book value	30,713,593.21			30,713,593.21
2. Opening book value	27,765,937.24			27,765,937.24

(2) Investment real estate measured at fair value

√ Applicable □ Inapplicable

In RMB

Items	Houses & buildings	Land using right	Construction in process	Total
I. Opening balance	198,513,586.15			198,513,586.15
II. Change in this period				
Add: external purchase				
Transfer-in from inventory\fixed assets\construction in progress	20,307,845.89			20,307,845.89
Increase due to enterprise merger				
Less: disposal				
Other transfer-out				
Change in fair value	85,793,780.49			85,793,780.49
III. Closing balance	304,615,212.53			304,615,212.53

(3) Investment real estate without ownership certificate

In RMB

Items	Book value	Reason
Houses in Dalian of Fangda Jianke for offsetting debt	9,306,570.00	Applying for

(3) Others

The fair value of the investment real estate is determined based on 深同诚评字(2,016A)01YQC 第 025 号 Real Estate Valuation Report issued by TOUCHSTONE.

12. Fixed assets**(1) Fixed assets**

In RMB

Items	Houses & buildings	PV power plants	Mechanical equipment	Transport equipment	Electronics and other devices	Total
I. Original book value:						
1. Opening balance	414,676,207.19		244,520,117.16	23,352,273.72	55,787,441.33	738,336,039.40
2. Increase in this period	44,302.29	11,976,788.22	7,798,151.92	639,637.24	6,456,437.81	26,915,317.48
(1) Purchase	30,000.00		7,798,151.92	639,637.24	6,456,437.81	14,924,226.97
(2) Transfer-in of construction in progress	14,302.29	11,976,788.22				11,991,090.51
(3) Increase due to enterprise merger						
3. Decrease in this period	28,872,867.11		4,981,945.53		532,448.20	34,387,260.88
(1) Disposal or retirement			4,981,945.53		532,448.20	5,514,393.77
(2) Other decrease	28,872,867.11					28,872,867.11
4. Closing balance	385,847,642.37	11,976,788.22	247,336,323.55	23,991,910.96	61,711,430.90	730,864,096.00
II. Accumulative depreciation						
1. Opening balance	38,473,077.25		159,921,185.98	10,047,751.18	23,247,074.02	231,689,088.43
2. Increase in this period	10,785,178.07	142,224.36	8,968,629.26	2,694,364.56	6,188,860.87	28,779,257.12
(1) Provision	10,785,178.07	142,224.36	8,968,629.26	2,694,364.56	6,188,860.87	28,779,257.12
3. Decrease in this period	4,729,152.70		4,066,991.78		389,369.92	9,185,514.40
(1) Disposal or retirement			4,066,991.78		389,369.92	4,456,361.70
(2) Other	4,729,152.70					4,729,152.70

decrease						
4. Closing balance	44,529,102.62	142,224.36	164,822,823.46	12,742,115.74	29,046,564.97	251,282,831.15
III. Impairment provision						
1. Opening balance	277,744.50		16,654,521.84			16,932,266.34
2. Increase in this period						
(1) Provision						
3. Decrease in this period						
(1) Disposal or retirement						
4. Closing balance	277,744.50		16,654,521.84			16,932,266.34
IV. Book value						
1. Closing book value	341,040,795.25	11,834,563.86	65,858,978.25	11,249,795.22	32,664,865.93	462,648,998.51
2. Opening book value	375,925,385.44		67,944,409.34	13,304,522.54	32,540,367.31	489,714,684.63

(2) Temporary idle fixed assets

In RMB

Items	Book value	Accumulative depreciation	Impairment provision	Book value	Notes
Houses & buildings	46,833,628.81	6,428,790.74	277,744.50	40,127,093.57	
Mechanical equipment	105,591,939.34	70,551,467.09	15,300,132.34	19,740,339.91	
Transportation facilities	358,087.84	336,344.98		21,742.86	
Electronics and other devices	7,822,284.94	7,591,621.38		230,663.56	
Total	160,605,940.93	84,908,224.19	15,577,876.84	60,119,839.90	

(3) Fixed assets without ownership certificate

In RMB

Items	Book value	Reason
Houses in Urumuqi for offsetting debt	566,436.05	Applying for
Yuehai Office Building C 502	154,944.66	Historical reasons
Houses in Dalian of Fangda Jianke for offsetting debt	5,013,253.78	Applying for
Shenyang Fangda extension workshop	17,093,244.13	Entering into liquidation
Shenyang Fangda dorm and workshop 2#	7,919,804.71	Entering into liquidation
Dining hall and power station of Shenyang Fangda	3,804,945.60	Entering into liquidation

(3) Others

On December 31, 2015, the original value of house and buildings of the Group of RMB58,834,355.09 with an accumulative depreciation of RMB5,883,107.64 and a net value of RMB52,951,247.45 was pledged to China Construction Bank Shenzhen OCT Branch.

By December 31, 2015, the original value of equipment of RMB19,890,185.65, with an accumulative depreciation of RMB834,314.60 and a net value of RMB19,055,871.05 was frozen by the court due to the sales contract lawsuit of Fangda SOZN.

Other decreases in the fixed assets are part of plants in Jiangxi Nanchang Fangda High-Tech Park and pledged houses in Dalian, Chongqing and Ningbo, which were transferred from self-use to leases, from fixed assets to investment real estate.

13. Construction in process**(1) Construction in progress**

In RMB

Items	Closing balance			Opening balance		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Xinjin energy saving environmental protection curtain wall project	816,356.71		816,356.71	341,749.17		341,749.17
Xuanfeng 20MWp PV power plant project	10,257,959.91		10,257,959.91			
Xiabu 20MWp	1,657,715.18		1,657,715.18			

PV power plant project						
Isuzu part place PV power plant project	1,093,343.24		1,093,343.24			
Engineering project management platform	761,792.44		761,792.44			
Dongguan Songshanhu showroom No.1 display	531,689.44		531,689.44			
Shangbu 18MWp PV power plant project	15,533.98		15,533.98			
Total	15,134,390.90		15,134,390.90	341,749.17		341,749.17

(2) Changes in major construction in process in this period

In RMB

Project	Budget	Opening balance	Increase in this period	Amount transfer-in to fixed assets in this period	Other decrease in this period	Closing balance	Proportion of accumulative engineering investment in the budget	Project progress	Accumulative capitalized interest	Including: capitalized interest for the current period	Interest capitalization rate	Capital source
Xuanfeng 20MWp PV power plant project	93,103,100.00		10,257,959.91			10,257,959.91	11.02%	Equipment installation				Others
Fangda Songshanhu industrial part	13,162,400.00		11,976,788.22	11,976,788.22			90.99%	Completed				Others

Total	106,265, 500.00		22,234,7 48.13	11,976,7 88.22		10,257,9 59.91	--	--				--
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14. Disposal of fixed assets

In RMB

Items	Closing balance	Opening balance
Mechanical equipment	5,326.79	26,918.21
Total	5,326.79	26,918.21

Others:

15. Intangible assets

(1) Intangible assets

In RMB

Items	Land using right	Patent	Unpatented technologies	Computer software	Total
I. Book value					
1. Opening balance	98,015,399.41	9,448,727.46	24,019,238.42	7,456,636.99	138,940,002.28
2. Increase in this period		36,388.39		490,714.53	527,102.92
(1) Purchase		36,388.39		490,714.53	527,102.92
(2) Internal R&D					
(3) Increase due to enterprise merger					
3. Decrease in this period		87,820.00		143,726.50	231,546.50
(1) Purchase		87,820.00		143,726.50	231,546.50
4. Closing balance	98,015,399.41	9,397,295.85	24,019,238.42	7,803,625.02	139,235,558.70
II. Accumulative amortization		0.00			
1. Opening	11,365,168.18	3,542,247.06	15,724,158.37	3,835,233.81	34,466,807.42

balance					
2. Increase in this period	1,971,700.04	1,492,038.48		767,930.15	4,231,668.67
(1) Provision	1,971,700.04	920,049.60	571,988.88	767,930.15	4,231,668.67
3. Decrease in this period		32,815.35		18,948.29	51,763.64
(1) Purchase		32,815.35		18,948.29	51,763.64
4. Closing balance	13,336,868.22	4,429,481.31	16,296,147.25	4,584,215.67	38,646,712.45
III. Impairment provision					
1. Opening balance			5,525,863.77		5,525,863.77
2. Increase in this period					
(1) Provision					
3. Decrease in this period					
(1) Purchase					
4. Closing balance			5,525,863.77		5,525,863.77
IV. Book value					
1. Closing book value	84,678,531.19	4,967,814.54	2,197,227.40	3,219,409.35	95,062,982.48
2. Opening book value	86,650,231.23	5,906,480.40	2,769,216.28	3,621,403.18	98,947,331.09

Intangible asset formed by internal R&D of the period takes up 3.39% in the closing total book value of intangible assets.

(2) Failure to obtain the land use right certificates

In RMB

Items	Book value	Reason
Xinjin Jinhua Hongyan Village Group 1 industrial land 33,314.58 m ²	4,758,304.86	Applying for

Others:

Shenyang Fangda, a subsidiary of the Company, entered the liquidation procedure in the period. The amortizable value RMB5,525,863.77 of non-patent technology without realizable value is fully provided for intangible assets impairment.

16. Goodwill

(1) Original book value of goodwill

In RMB

Invested entity or item of goodwill	Opening balance	Increase		Decrease		Closing balance
Shenzhen Woke	8,197,817.29					8,197,817.29
Fangda SOZN	26,279,395.89					26,279,395.89
Total	34,477,213.18					34,477,213.18

(2) Goodwill impairment provision

In RMB

Invested entity or item of goodwill	Opening balance	Increase		Decrease		Closing balance
Shenzhen Woke	8,197,817.29					8,197,817.29
Fangda SOZN		6,452,698.92				6,452,698.92
Total	8,197,817.29	6,452,698.92				14,650,516.21

Test process of goodwill impairment, parameters and recognition method of goodwill impairment loss:

Notes:

The Company acquired the 100% control power over Shenzhen Woke Co. by merger of enterprise under common control in May 2007. The difference between the initial investment cost and recognizable fair value of the investee has formed the goodwill of RMB8,197,817.29. For Shenzhen Woke was not in good business operation for successive years, impairment provision has been provided fully upon the goodwill.

The Company acquired the 60% control power over Fangda SOZN by merger of enterprise under common control in August 2014. The difference between the initial investment cost of RMB48 million and recognizable fair value of the investee has formed the goodwill of RMB26,279,395.89. The Company performed impairment test on the goodwill of the investment and made impairment provision of RMB6,452,698.92 based on the current value of future cash flows.

(3) Others

17. Long-term amortizable expenses

In RMB

Items	Opening balance	Increase in this	Amortized amount	Other decrease	Closing balance
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		period	in this period		
Epoxy floor	958,526.63		162,004.50		796,522.13
Plant and dormitory decoration	1,039,476.73		443,246.64		596,230.09
Upgrading of workshop rented by Fangda Jianke Nanchang Branch	243,227.20		41,108.82		202,118.38
Upgrading of workshop rented by Fangda Jianke	68,666.67		68,666.67		0.00
Renovation of office and plants rented by Chengdu Fangda	9,112.60		7,810.80		1,301.80
Jinshan factory renovation of Fangda Jianke Shanghai Branch	412,028.66		109,874.16		302,154.50
Expense of renovation of leased fixed assets by Fangda Property Development	334,423.17		111,474.36		222,948.81
Dongguan separation project	311,269.21		77,817.36		233,451.85
Upgrading of workshop rented by Fangda SOZN	562,044.31	2,872,375.28	940,109.51		2,494,310.08
Anti-junk email module service fee	33,013.06		16,506.60		16,506.46
Fangda Building Floor #5 wiring project	68,442.72		30,419.04		38,023.68
Xuanfeng Chayuan village and Zhuyuan village land transfer compensation		1,340,062.50	35,735.04		1,304,327.46
Membership fee		300,000.00			300,000.00
Others	79,131.67	95,071.70	67,309.73		106,893.64
Total	4,119,362.63	4,607,509.48	2,112,083.23		6,614,788.88

(3) Others

18. Differed income tax assets and differed income tax liabilities**(1) Non-deducted deferred income tax assets**

In RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	216,918,204.09	37,575,529.18	215,379,455.02	33,823,708.10
Unrealized profit of internal transactions	23,008,088.13	3,788,898.02	11,839,968.61	2,579,827.55
Deductible loss	85,665,697.71	20,944,182.55	56,605,182.29	13,897,641.41
Reserved expense	2,153,753.44	323,063.02	3,055,220.98	458,283.15
Reserved wage	3,519,976.72	527,996.51	3,087,427.61	463,114.14
Deferred earning	2,563,904.83	619,823.84	2,161,818.23	515,225.13
Anticipated liabilities	1,921,446.51	288,216.98	5,859,045.98	878,856.90
Advertisement fee	3,847,702.76	961,925.69		
Adjustment of fair value of investment real estate	5,981,164.89	897,174.73		
Total	345,579,939.08	65,926,810.52	297,988,118.72	52,616,656.38

(2) Non-deducted deferred income tax liabilities

In RMB

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Gain/loss caused by changes in fair value	291,979,073.34	72,994,768.34	198,937,747.60	49,734,436.90
Total	291,979,073.34	72,994,768.34	198,937,747.60	49,734,436.90

(3) Details of unrecognized deferred income tax assets

In RMB

Items	Closing balance	Opening balance
Deductible temporary difference	51,201,110.67	40,015,820.28

Deductible loss	151,155,750.92	70,274,405.85
Total	202,356,861.59	110,290,226.13

(4) Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Closing amount	Opening amount	Notes
2015		7,240,577.12	
2016	19,999,060.04	19,999,060.04	
2017	20,241,373.78	20,241,373.78	
2018	11,130,985.83	11,130,985.83	
2019	11,662,409.08	11,662,409.08	
2020	88,121,922.19		
Total	151,155,750.92	70,274,405.85	--

Others:

The form does not include suspension of subsidiaries in advance.

19. Other non-current assets

In RMB

Items	Closing balance	Opening balance
Prepaid house and equipment amount	91,863,898.92	41,684,590.97
Input tax to be deducted	1,640,057.47	1,639,287.66
Total	93,503,956.39	43,323,878.63

Others:

Notes:

- (1) The closing balance of other non-current assets is mainly the prepaid house payment of Fangda Jianke.
- (2) The closing balance of input tax to be deducted is mainly due to the suspension of operations of Shenyang Fangda and Shenzhen Woke.

20. Short-term borrowings

(1) Classification of short-term borrowings

In RMB

Items	Closing balance	Opening balance
Loan by pledge	200,000,000.00	200,000,000.00
Guarantee loan	943,000,000.00	900,000,000.00

Discount borrowing of commercial acceptance bills	4,957,775.82	
Total	1,147,957,775.82	1,100,000,000.00

Notes to classification of short-term borrowings:

Note: By December 31, 2015, the Group's pledge borrowing is mainly obtained by pledging buildings. For details, please see Note VII. 52.

21. Notes payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance	78,934,714.94	12,106,210.45
Bank acceptance	224,592,924.69	215,160,275.12
Total	303,527,639.63	227,266,485.57

At the end of period, the amount of payable bills mature but not paid is RMB218,971.93.

22. Account payable

(1) Account payable

In RMB

Items	Closing balance	Opening balance
Account repayable and engineering repayable	611,292,302.23	558,886,064.80
Construction payable	27,529,577.05	21,675,087.66
Payable installation and implementation fees	225,793,206.11	102,780,295.76
Others	3,013,270.26	1,766,898.51
Total	867,628,355.65	685,108,346.73

(2) Significant payables aging more than 1 year

In RMB

Items	Closing balance	Reason
Liaoning Jindi 2 nd Construction Co., Ltd.	3,819,140.02	Due from Shenzhen Fangda, unable to repay
Shenzhen Gongkan Geotechnical Group Co., Ltd.	2,393,148.65	Immature
Total	6,212,288.67	--

Others:

23. Prepayment received**(1) Prepayment received**

In RMB

Items	Closing balance	Opening balance
Curtain wall and screen door engineering payment	123,894,561.69	115,346,105.96
Material loan	5,515,676.69	6,106,352.73
Others	1,164,081.47	832,772.45
Total	130,574,319.85	122,285,231.14

Others:

No significant prepayment aged more than 1 year at the end of the year

24. Employees' wage payable**(1) Employees' wage payable**

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
1. Short-term remuneration	41,651,071.51	267,413,651.10	268,259,252.77	40,805,469.84
2. Retirement pension program-defined contribution plan	52,242.75	14,628,993.82	14,674,278.36	6,958.21
3. Dismiss compensation		714,187.67	584,187.67	130,000.00
Total	41,703,314.26	282,756,832.59	283,517,718.80	40,942,428.05

(2) Short-term remuneration

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidies	39,519,553.05	248,931,185.07	249,822,808.61	38,627,929.51
2. Employee welfare		7,577,825.03	7,577,825.03	0.00
3. Social insurance	39,612.75	4,710,163.33	4,681,775.81	68,000.27
Including:	33,570.00	3,569,804.99	3,535,891.94	67,483.05

medical insurance				
Labor injury insurance	3,357.00	707,423.27	710,264.75	515.52
Breeding insurance	2,685.75	432,935.07	435,619.12	1.70
4. Housing fund	42,585.20	4,866,929.95	4,812,433.15	97,082.00
5. Labor union budget and staff education fund	2,049,320.51	1,327,547.72	1,364,410.17	2,012,458.06
Total	41,651,071.51	267,413,651.10	268,259,252.77	40,805,469.84

(3) Defined contribution plan

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
1. Basic pension	49,755.00	13,672,689.58	13,716,007.83	6,436.75
2. Unemployment insurance	2,487.75	956,304.24	958,270.53	521.46
Total	52,242.75	14,628,993.82	14,674,278.36	6,958.21

Others:

25. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	6,981,753.65	6,739,115.69
Business tax	32,136,293.62	25,489,264.49
Enterprise income tax	16,555,365.28	16,071,901.30
Personal income tax	1,201,365.12	1,228,564.47
City maintenance and construction tax	2,824,794.21	2,329,212.21
Land using tax	3,683,884.01	2,534,674.36
Property tax	2,083,844.87	2,287,765.04
Education surtax	1,315,453.14	1,123,167.45
Local education surtax	489,642.89	298,064.57
Others	261,036.91	595,196.67
Total	67,533,433.70	58,696,926.25

Others:

26. Interest payable

In RMB

Items	Closing balance	Opening balance
Long-term borrowing with interest installment and repayment of principal upon maturity	510,166.05	
Short-term borrowing interests payable	2,578,576.91	2,055,911.11
Others	153,091.47	
Total	3,241,834.43	2,055,911.11

Significant interest overdue but not paid

In RMB

Borrower	Overdue amount	Reason

Note:

27. Other payables**(1) Other payables presented by nature**

In RMB

Items	Closing balance	Opening balance
Performance and quality deposit	21,697,760.34	22,806,218.88
Deposit	9,027,418.36	6,264,664.14
Reserved expense	11,714,478.57	9,369,196.08
Fangda Town pledge	2,900,000.00	
Lawsuit indemnity	23,456,765.40	
Others	13,880,924.14	8,985,603.34
Total	82,677,346.81	47,425,682.44

Note: The lawsuit indemnity is the engineering, deposit and interest payable to Wang Weihong provided according to the second instance. See Note XIII, 1 for details.

(2) Significant payables aging more than 1 year

In RMB

Items	Closing balance	Reason
Guangzhou Nanjian Civil Engineering Co., Ltd.	11,289,683.50	Performance deposit immature

Total	11,289,683.50	--
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(3) Others

28. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance
Long-term payables due within 1 year		6,000,000.00
Total		6,000,000.00

Others:

29. Other current liabilities

In RMB

Items	Closing balance	Opening balance
Loan financing of precious metal	98,425,600.00	
Total	98,425,600.00	

Others:

Note: The Company and Industrial Bank Shenzhen Branch signed the noble metal leasing contract on September 25, 2015. The Company borrowed gold from Industrial Bank Shenzhen Branch and entrusted the bank to provide noble metal quotation service. The transaction amount is RMB98,425,600.00. The transaction date is September 28, 2015. The maturity date is September 19, 2016. The Company irrevocably authorizes the bank to provide noble metal returning service upon maturity.

30. Long-term borrowings

(1) Classification of long-term borrowings

In RMB

Items	Closing balance	Opening balance
Loan by pledge	300,395,582.06	
Total	300,395,582.06	

Notes to classification of long-term borrowings:

Note: The above-mentioned borrowing is the 100% stock pledging of Fangda Property Development held by the Company. The interest rate is between 5.39-6.785%.

31. Long-term payables

Item	Closing amount	Opening amount
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Stock transfer payment payable		12,000,000.00
Less: Long-term payables due within 1 year		6,000,000.00
Total		6,000,000.00

32. Anticipated liabilities

In RMB

Items	Closing balance	Opening balance	Reason
Pending lawsuit		5,039,045.98	
Others	1,921,446.51	820,000.00	
Total	1,921,446.51	5,859,045.98	--

Note: including related significant assumptions and estimates for anticipated liabilities

33. Deferred earning

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Reason
Government subsidy	10,049,892.04	2,487,600.00	253,296.36	12,284,195.68	Assets-related
Total	10,049,892.04	2,487,600.00	253,296.36	12,284,195.68	--

Items involving government subsidies:

In RMB

Liabilities	Opening balance	Amount of new subsidy	Amount included in non-operating revenue	Other change	Closing balance	Related to assets/earning
Major investment project prize from Industry and Trade Development Division of Dongguan Finance Bureau	1,909,523.90		57,142.80		1,852,381.10	Assets-related
Massive production project of air-breathing double-layer hollow glass energy-saving	7,888,073.81		122,256.30		7,765,817.51	Assets-related

curtain call						
Railway transport screen door controlling system and information transmission technology	252,294.33		40,770.60		211,523.73	Assets-related
LED production expansion technology renovation project		1,906,100.00	31,768.33		1,874,331.67	Assets-related
Scientific achievement purchase and technological innovation service subsidy		81,500.00	1,358.33		80,141.67	Assets-related
Nanshan District micro-business loan discount		500,000.00			500,000.00	Assets-related
Total	10,049,892.04	2,487,600.00	253,296.36		12,284,195.68	--

Others:

Notes:

(1) The Dongguan Finance Bureau Industry and Trade Development Division major subsidy project is a subsidized project not stipulated in Dongguan Financial Circular [2013] No.779. As the project has formed into long-term assets, the Company treats it as an assets-related government subsidy.

(2) The massive production project of air-breathing double-layer hollow glass energy-saving curtain wall is a subsidized project stipulated in Guangdong Financial Doc [2013] No.183. As the project has formed into long-term assets, the Company treats it as an assets-related government subsidy.

(3) The railway transport screen door controlling system and information transmission technology is a subsidized project stipulated in Shenzhen Tech Innovation [2013] No.242. RMB300,000 is used to purchase equipment and RMB900,000 is used to purchase materials and for travel fees. As the project has formed into long-term assets, the Company treats RMB300,000 as assets-related government subsidy and RMB900,000 as earning-related government subsidy.

资助内容: It provides subsidy on the interest of loans obtained by registered small and micro businesses in Nanshan District from any banks in Shenzhen. Small and micro businesses registered in Nanshan District without default records can apply for 5% of the loan amount at the highest to the Nanshan special fund management team. A single subsidy is no more than RMB500,000. It provides subsidy on the interest of loans obtained by registered small and micro businesses in Nanshan District from any banks in Shenzhen. Small and micro businesses registered in Nanshan District without default records can apply for 5% of the loan amount at the highest to the

Nanshan special fund management team. A single subsidy is no more than RMB500,000. The item will become a long-term assets. The Company treats it as assets-related government subsidy.

(5) The technological achievement or innovative service purchase subsidy is the subsidy obtained by Fangda SOZN according to the Notice on Applying for 2015 Zhongshan Scientific and Technological Development Fund and Patent Fund (Zhong Shan Ke Fa [2015] No.104), Notice on Temporary Regulations on Zhongshan Scientific and Technological Development Fund and Notice on Temporary Regulations on Zhongshan Special Patent Fund. As the item is related to assets, the Company treats it as assets-related government subsidy.

(6) The Nanshan District Micro-Business Development Load Discount is provided to promote the development small and micro businesses and solve financing problems for small and micro businesses. It provides subsidy on the interest of loans obtained by registered small and micro businesses in Nanshan District from any banks in Shenzhen. Small and micro businesses registered in Nanshan District without default records can apply for 5% of the loan amount at the highest to the Nanshan special fund management team. A single subsidy is no more than RMB500,000. As the interest is capitalized in unsold inventory, the Company treats it as assets-related government subsidy.

34. Capital share

In RMB

	Opening balance	Change (+,-)					Closing balance
		Issued new shares	Bonus shares	Transferred from reserves	Others	Subtotal	
Total of capital shares	756,909,905.00						756,909,905.00

Others:

(1) There is no change in the Company's capital shares in the period.

(2) By 31.12.15, the Company has 972,042 restricted shares, all of which are held by senior management natural person.

34. Capital reserve

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	38,238,222.48			38,238,222.48
Other capital reserves	40,860,997.90	398.76		40,861,396.66
Total	79,099,220.38	398.76		79,099,619.14

Other note, including explanation about the reason of the change:

The other capital reserves increased by RMB3.9876 million, which is the historical dividend refunded by the Shenzhen branch of China Securities Depository and Clearing Company Limited.

35. Other miscellaneous income

In RMB

Items	Opening balance	Amount occurred in the current period					Closing balance
		Amount before income tax	Less: amount written into other gains and transferred into gain/loss in previous terms	Less: Income tax expenses	After-tax amount attributed to the parent	After-tax amount attributed to minority shareholders	
2. Other misc. incomes that will be re-classified into gain and loss	91,831.63						91,831.63
Investment real estate measured at fair value	91,831.63						91,831.63
Other miscellaneous income	91,831.63						91,831.63

Other note, including the adjustment of the initial recognition amount of the effective part of the cash flow hedging profit and loss transferred to the hedged item:

36. Surplus reserves

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	48,842,080.76	2,281,473.75		51,123,554.51
Total	48,842,080.76	2,281,473.75		51,123,554.51

Note, including explanation about the reason of the change:

The increase in the surplus reserve is attributable to the 10% provision on the after-tax net profit of the parent according to Articles of Association of the Company.

37. Retained profit

In RMB

Items	Current period	Last period
Adjustment on retained profit of previous period	349,987,825.69	278,149,631.63
Retained profit adjusted at beginning of year	349,987,825.69	278,149,631.63
Plus: Net profit attributable to owners of the parent	107,272,369.77	96,998,429.76
Less: Statutory surplus reserves	2,281,473.75	2,452,938.55
Common share dividend payable	22,707,297.15	22,707,297.15

Closing retained profit	432,271,424.56	349,987,825.69
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Details of retained profit adjusted at beginning of the period

- 1) Retrospective adjustment due to adopting of the Enterprise Accounting Standard and related regulations, included the retained profit by RMB0.
- 2). Variation of accounting policies, influenced the retained profit by RMB0.
- 3). Correction of material accounting errors, influenced the retained profit by RMB0.
- 4) Change of consolidation range caused by merger of entities under common control, influenced the retained profit by RMB0.
- 5) Other adjustment influenced the retained profit by RMB0.

38. Operational revenue and costs

In RMB

Items	Amount occurred in the current period		Occurred in previous period	
	Income	Cost	Income	Cost
Main business	2,492,635,367.98	2,135,389,422.03	1,896,533,575.46	1,573,131,645.17
Other businesses	57,832,126.80	36,134,778.32	41,790,860.05	17,705,140.85
Total	2,550,467,494.78	2,171,524,200.35	1,938,324,435.51	1,590,836,786.02

39. Business tax and surcharge

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Business tax	23,143,208.47	14,227,005.22
City maintenance and construction tax	5,128,049.65	4,077,936.61
Education surtax	3,704,749.51	2,163,665.87
Property tax	1,024,088.16	1,019,630.24
Land using tax	125,624.48	107,681.50
Others	490,836.33	1,259,720.55
Total	33,616,556.60	22,855,639.99

Others:

See VI. Tax for the calculation standard of business tax and surcharges.

40. Sales expense

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Labor costs	28,418,273.77	23,748,948.40

Freight and miscellaneous charges	6,900,391.34	6,207,886.36
Travel expense	5,536,009.56	5,067,027.92
Entertainment expense	2,068,156.06	2,204,861.40
Material consumption	1,693,577.61	1,449,539.85
Office costs	1,440,412.04	1,246,910.58
Rental	1,572,252.20	1,295,860.13
Advertisement and promotion fee	25,047,722.73	2,041,379.42
Others	2,588,155.87	1,421,892.64
Total	75,264,951.18	44,684,306.70

Others:

The increase from last year is mainly because that Fangda SOZN increased its advertisement and promotion expense to expand its business.

41. Management expenses

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Labor costs	83,667,856.48	75,477,871.56
Depreciation and amortization	20,481,357.98	18,501,963.63
Agencies	2,656,463.76	3,603,925.17
Tax	6,751,421.27	6,689,450.36
Maintenance costs	3,412,131.84	4,055,124.83
Water and electricity	1,184,279.09	1,594,371.07
Office expense	3,571,187.92	3,010,166.04
Travel expense	4,045,460.27	2,577,863.90
R&D	15,984,404.14	16,901,351.15
Entertainment expense	2,645,057.19	2,024,918.27
Rental	4,785,932.74	2,334,921.30
Lawsuit	649,572.33	1,950,459.20
Material consumption	778,422.18	1,754,537.01
Property management fee	2,516,885.44	2,386,763.59
Waste loss	4,691,551.61	
Others	9,583,792.01	9,721,026.52
Total	167,405,776.25	152,584,713.60

Others:

The waste loss is the loss of waste of poor-quality products of Fangda SOZN.

42. Financial expenses

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Interest expense	80,931,355.63	46,439,424.36
Less: interest capitalization	28,904,802.93	15,466,418.47
Less: Interest income	3,457,387.56	3,193,733.32
Acceptant discount	65,135.33	248,232.09
Exchange gain/loss	-1,714,534.78	-383,218.13
Commission charges and others	3,752,724.36	1,520,772.27
Total	50,672,490.05	29,165,058.80

Others:

43. Assets impairment loss

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Bad debt loss	34,581,867.08	23,199,527.20
2. Inventory depreciation loss	8,985,113.10	1,587,161.72
7. Fixed assets impairment loss		2,651,337.41
13. Goodwill impairment loss	6,452,698.92	
Total	50,019,679.10	27,438,026.33

Others:

44. Income from fair value fluctuation

In RMB

Source of income from fluctuation of fair value	Amount occurred in the current period	Occurred in previous period
Financial assets measured at fair value with variations accounted into current income account	3,952,285.09	-2,852,885.00
Investment real estate measured at fair value	85,793,780.49	34,897,632.10
Total	89,746,065.58	32,044,747.10

Others:

45. Investment income

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Gains from long-term equity investment measured by equity	-358,979.50	1,054,094.88
Investment gain obtained from disposal of long-term equity investment		-1,478,245.70
Investment gain obtained from disposal of financial assets measured at fair value with variations accounted into current income account	389,031.83	
Other investment gains	250,897.54	2,144,844.80
Total	280,949.87	1,720,693.98

Others:

46. Non-business income

In RMB

Items	Amount occurred in the current period	Occurred in previous period	Amount accounted into the current accidental gain/loss
Total of gains from disposal of non-current assets	51,130.66	3,162,999.40	
Including: Gains from disposal of fixed assets	51,130.66	3,162,999.40	
Government subsidy	2,246,386.84	2,340,175.75	
Penalty income	1,339,217.86	217,749.21	
Payable account not able to be paid	2,269,833.14	1,447,458.99	
Compensation received	51,499.74	41,826.64	
VAT rebated into revenue	2,086,502.67	1,886,134.97	
Others	21,623,539.34	7,185,114.22	
Total	29,668,110.25	16,281,459.18	

Government subsidies accounted into current profit or loss:

In RMB

Item	Issuer	Reason	Nature	Whether affecting gain and loss in this year	Whether it is a special subsidy	Amount occurred in the current period	Occurred in previous period	Related to assets/earning
								g

Railway transport screen door controlling system and information transmission technology	Shenzhen Technology Innovation Committee	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No	40,770.60	42,142.45	Assets-related
Major investment project prize from Industry and Trade Development Division of Dongguan Finance Bureau	Gongguan Trade and Industry Bureau	Subsidy	Local subsidy for encouraging investment	No	No	57,142.80	57,142.80	Assets-related
Massive production project of air-breathing double-layer hollow glass energy-saving curtain call	Guangdong Development and Reform Commission	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No	122,256.30	106,646.64	Assets-related
LED production expansion technology renovation project	Zhongshan Reform and Development Bureau	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No	31,768.33		Assets-related
Scientific achievement purchase or technological innovation service subsidy	Zhongshan Reform and Development Bureau	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No	1,358.33		Assets-related
Shenzhen hi-tech technology	Shenzhen National Tax Bureau	Subsidy	Subsidy for research development, technology	No	No		1,011,800.00	Earning-related

subsidy			upgrade and improvement					
China well-known trademark, Guangdong well-known trademark and Guangdong well-known brand subsidy	National Trademark Administration	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No		200,000.00	Earning-related
Nanchang Industrial and Information Commission, Finance Bureau industry subsidy	Nanchang Industrial and Information Commission, Finance Bureau industry	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No		200,000.00	Earning-related
Nanchang hi-tech industrial park management committee and finance bureau project subsidy	Nanchang Hi-tech Industry Park management committee, Finance Bureau	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No		100,000.00	Earning-related
Chengdu New Material subsidy	Xinjin Economy and Development Bureau	Award	Subsidy for research development, technology upgrade and improvement	No	No		100,000.00	Earning-related
Nanchang hi-tech area management committee industry subsidy	Nanchang Hi-tech Area management committee	Subsidy	Subsidy for research development, technology upgrade and improvement	No	No		150,000.00	Earning-related

Nanchang hi-tech finance bureau industry development zone committee exhibition subsidy	Nanchang Hi-tech Industry Park management committee, Finance Bureau	Subsidy		No	No	162,900.00	141,100.00	Earning-related
Jiangxi Finance Department export exhibition subsidy	Jiangxi Finance Department	Subsidy		No	No		136,700.00	Earning-related
Zhongshan Finance Bureau Dubai exhibition subsidy	Zhongshan Finance Bureau	Subsidy		No	No	403,590.48		Earning-related
Shenzhen Market and Quality Supervisory Committee, Nanshan Market Supervisory Management Bureau, 2014 Nanshan People's Government high quality award	Shenzhen Market and Quality Supervisory Administration, Nanshan Market and Quality Supervisory Administration	Award	Subsidy for research development, technology upgrade and improvement	No	No	1,000,000.00		Earning-related
Xinjin Technology Commission 2015 plant lease subsidy	Xinjin Economic and Technology Committee	Subsidy		No	No	173,200.00		Earning-related
Dongguan Economic	Gongguan Economy and	Subsidy		No	No	100,000.00		Earning-related

and Information Bureau enterprise development training subsidy	Information Bureau							ed
Micro-busine ss load discount		Subsidy		No	No	100,000.00		Earning-relat ed
Others				No	No	53,400.00	94,643.86	Earning-relat ed
Total	--	--	--	--	--	2,246,386.84	2,340,175.75	--

Others:

(1) Major projects are disclosed as follows:

1. A total of RMB18 million does not need to be paid as the share transfer payment and reduced as minority interests because the promised performance condition was not met. See Note XV.3 for details.
2. The waste income is RMB2,919,631.00.

47. Non-business expenses

In RMB

Items	Amount occurred in the current period	Occurred in previous period	Amount accounted into the current accidental gain/loss
Total of losses from disposal of non-current assets	574,079.38	1,709,152.13	
Including: Losses from disposal of fixed assets	572,147.30	1,709,152.13	
Intangible asset disposal loss	1,932.08		
Donation	103,000.00	958,000.00	
Penalty and overdue fine	745,502.42	364,256.62	
Lawsuit indemnity	16,072,719.43	5,039,045.98	
Others	738,438.84	2,553,257.37	
Total	18,233,740.07	10,623,712.10	

Others:

Note: The lawsuit indemnity is the engineering, deposit and interest payable to Wang Weihong provided according to the second instance. See Note XIII. 1 for details.

48. Income tax expenses**(1) Details about income tax expense**

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Income tax expenses in this period	25,259,694.31	18,618,875.30
Deferred income tax expenses	9,950,177.30	-1,125,127.73
Total	35,209,871.61	17,493,747.57

(2) Adjustment process of accounting profit and income tax expense

In RMB

Items	Amount occurred in the current period
Total profit	103,425,226.88
Income tax expenses calculated based on the legal (or applicable) tax rates	25,856,306.73
Impacts of different tax rates applicable for some subsidiaries	-15,524,249.92
Impacts of income tax before adjustment	-891,669.66
Impacts of non-deductible cost, expense and loss	3,177,009.40
Impacts of using deductible loss of unrecognized deferred income tax assets	-124,836.15
Deductable temporary difference and deductible loss of unrecognized deferred income tax assets	24,823,213.25
Taxation impact of R&D expense and (presented with “-”)	-769,745.00
Non-taxable income	-4,158,274.96
Others	2,732,373.04
Income tax expenses	35,209,871.61

Other note

Others mainly include the provided income tax of RMB1,119,198.31 paid for liquidation of Hong Kong Junjia and income tax not provided for goodwill impairment loss in this period.

49. Other miscellaneous income

See Note 35

50. Notes to the cash flow statement**(1) Other cash inflow related to operation**

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Interest income	3,457,387.56	3,230,120.82
Subsidy income	4,424,840.91	2,134,243.86
Retrieving of deposits for exchange bills	21,616,730.24	
Retrieving of bidding deposits	32,627,388.88	9,893,934.66
Other operating accounts	18,283,799.79	16,028,346.33
Total	80,410,147.38	31,286,645.67

Notes to other cash inflow related to operation:

(2) Other cash paid related to operation

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Sales expense	45,847,988.68	17,958,181.41
Administrative expense	47,475,924.55	38,615,205.18
Bidding deposit paid	20,962,337.79	868,076.30
Net draft deposit net paid		61,152,900.09
Other trades	43,684,340.50	14,978,873.55
Total	157,970,591.52	133,573,236.53

Notes to other cash paid related to operation:

(3) Other cash received related to investment activities

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Bidding and contract deposit related to construction projects		65,500.00
Total		65,500.00

Notes to other cash received related to investment activities:

(4) Other cash paid related to investment activities

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Bidding deposit paid related to construction projects	263,000.00	331,500.00
Total	263,000.00	331,500.00

Notes to other cash paid related to investment activities:

(5) Other cash received related to financing

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Fractional historical dividend	398.76	
Total	398.76	

Notes to other cash received related to financing:

(6) Other cash paid related to financing

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Financing commissioning	1,063,032.79	
Financing deposit	53,500,000.00	
Total	54,563,032.79	

Notes to other cash paid related to financing:

51. Supplementary data of cash flow statement

(1) Supplementary data of cash flow statement

In RMB

Supplementary information	Amount of the Current Term	Amount of the Previous Term
1. Net profit adjusted to cash flow of business operation	--	--
Net profit	68,215,355.27	92,689,344.66
Plus: Asset impairment provision	50,019,679.10	27,438,026.33
Fixed asset depreciation, gas and petrol depreciation, production goods depreciation	29,667,469.67	26,131,186.99
Amortization of intangible assets	4,231,668.67	3,670,872.39
Amortization of long-term amortizable expenses	2,112,083.23	1,336,953.32

Loss from disposal of fixed assets, intangible assets, and other long-term assets (“-“ for gains)	467,841.04	-1,453,847.27
Loss from fixed asset discard (“-“ for gains)	55,107.68	
Loss from fair value fluctuation (“-“ for gains)	-89,746,065.58	-32,044,747.10
Financial expenses (“-“ for gains)	53,288,131.52	30,961,335.85
Investment losses (“-“ for gains)	-280,949.87	-1,720,693.98
Decrease of deferred income tax asset (“-“ for increase)	-13,310,154.14	-10,202,800.67
Increase of deferred income tax asset (“-“ for increase)	23,260,331.44	9,077,672.93
Decrease of inventory (“-“ for increase)	-344,116,557.17	-523,064,898.18
Decrease of operational receivable items (“-“ for increase)	-382,966,262.27	-292,111,913.10
Increase of operational receivable items (“-“ for decrease)	296,786,891.68	172,552,478.48
Others	-58,424,681.46	-61,152,900.09
Cash flow generated by business operations, net	-360,115,114.04	-557,893,929.44
2. Major investment and financing operation not involving with cash	--	--
3. Net change of cash and cash equivalents	--	--
Balance of cash at period end	247,739,243.78	102,638,232.19
Less: Initial balance of cash	102,638,232.19	285,237,255.38
Net increase in cash and cash equivalents	145,101,011.59	-182,599,023.19

(2) Composition of cash and cash equivalents

In RMB

Items	Closing balance	Opening balance
I. Cash	247,739,243.78	102,638,232.19
Including: Cash in stock	28,072.46	40,733.33
Bank savings can be used at any time	242,777,612.25	102,515,874.25
Other monetary capital can be used at any time	4,933,559.07	81,624.61
3. Balance of cash and cash equivalents at	247,739,243.78	102,638,232.19

end of term		
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Others:

The amount of endorsed and transferred bank acceptance bills received from sales of products is RMB201,753,470.87.

52. Ownership- or use-right-restricted assets

In RMB

Items	Closing book value	Reason
Monetary capital	153,214,093.54	Frozen deposit and pledge
Notes receivable	0.00	Loan by pledge
Fixed assets	72,007,118.50	Borrowing pledge or frozen by a court
Investment real estate	285,817,691.53	Loan by pledge
100% stake in Fangda Property Development held by the Company	200,000,000.00	Loan by pledge
Total	711,038,903.57	--

Others:

53. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing RMB balance
Monetary capital			
Including: USD	386,078.46	6.4936	2,506,998.05
HK Dollar	3,837,788.15	0.83778	3,215,222.42
SGD	158,228.36	4.5875	725,872.60
Including: USD	7,867,710.91	6.4936	51,089,767.53
HK Dollar	-28,385,668.25	0.83778	-23,780,958.22
SGD	2,710,000.00	4.5875	12,432,125.00
AUD	-40,000.00	4.7276	-189,104.00
Other receivables			
Including: SGD	74,235.00	4.5875	340,553.06
Account payable			
Including: SGD	225,000.00	4.5875	1,032,187.50

Other payables			
Including: USD	6,120.00	6.4936	39,740.83
HK Dollar	100.00	0.83778	78.89

Others:

54. Hedging

Hedging items and related tools, qualitative and quantitative information about hedging risks:

VIII. Change to Consolidation Scope

1. Change to the consolidation scope for other reasons

In the period, the Company expanded its direct or indirect control to another eight subsidiaryies including Jiangxi Fangda Property Development Co., Ltd., Shenzhen Fangda Property Management Co., Ltd., Shenzhen Qianhai Kechuangyuan Software Co., Ltd., Ganzhou Longneng New Energy Co., Ltd., Pingxiang Fangda Luxin New Energy Co., Ltd., Pingxiang Xiangdong Fangda New Energy Co., Ltd., Nanchang Xinjian Fangda New Energy Co., Ltd. and Dongguan Fangda New Energy Co., Ltd.

In the period, the Company finished the liquidation of directly control subsidiary Hong Kong Junjia, which is removed from the consolidated financial statements.

IX. Equity in Other Entities

1. Interests in subsidiaries

(1) Group Composition

Company	Place of business	Registered address	Business	Shareholding		Obtaining method
				Direct	Indirect	
Fangda Jianke	Shenzhen	Shenzhen	Designing, manufacturing, and installation of curtain walls	98.39%	1.61%	Incorporation
Fangda Automatic	Shenzhen	Shenzhen	Production, processing and installation of subway screen doors	14.00%	86.00%	Incorporation
Fangda New Material	Nanchang	Nanchang	Production and sales of new-type materials composite	75.00%	25.00%	Incorporation

			materials and production of curtain walls			
Fangda Aluminium	Nanchang	Nanchang	Design, production, sales and installation of aluminum materials, doors and windows	99.00%	1.00%	Incorporation
Shenyang Fangda	Shenyang	Shenyang	Manufacturing of semiconductor lighting material and chips; lighting source encapsulation; developing, designing, manufacturing, engineering, installation and trading of semiconductor lighting system	64.58%		Incorporation
Kexunda	Shenzhen	Shenzhen	Computer software development		100.00%	Incorporation
Fangda Property	Shenzhen	Shenzhen	Real estate development and operation	100.00%		Incorporation
Fangda New Energy	Shenzhen	Shenzhen	Design and construction of PV power plants	100.00%		Incorporation
Chengdu Fangda	Chengdu	Chengdu	Trusted processing of building curtain wall materials		100.00%	Incorporation
Shihui International Holding Co., Ltd.	Virgin Islands	Virgin Islands	Investment	100.00%		Incorporation
Dongguan New Material	Dongguan	Dongguan	Installation and sales of building curtain walls		100.00%	Incorporation

Shenyang Decoration	Shenyang	Shenyang	Designing, manufacturing, and installation of curtain walls		100.00%	Incorporation
Shenzhen Woke	Shenzhen	Shenzhen	Installation of LED color curtain wall, city and road lamps		64.58%	Consolidation of entities not under common control
Fangda SOZN	Zhongshan	Zhongshan	Production and sales of light products		60.00%	Consolidation of entities not under common control
Shenzhen Fangda Property Management Co., Ltd.	Shenzhen	Shenzhen	Property management		100.00%	Incorporation
Jiangxi Fangda Property Development Co., Ltd.	Nanchang	Nanchang	Real estate development and operation	100.00%		Incorporation
Ganzhou Longneng New Energy Co., Ltd.	Ganzhou	Ganzhou	Design and construction of PV power plants		100.00%	Incorporation
Pingxiang Fangda Luxin New Energy Co., Ltd.	Pingxiang	Pingxiang	Design and construction of PV power plants		100.00%	Incorporation
Pingxiang Xiangdong Fangda New Energy Co., Ltd.	Pingxiang	Pingxiang	Design and construction of PV power plants		100.00%	Incorporation
Nanchang Xinjian Fangda New Energy Co., Ltd.	Nanchang	Nanchang	Design and construction of PV power plants		100.00%	Incorporation
Dongguan Fangda New Energy Co., Ltd.	Dongguan	Dongguan	Design and construction of PV power plants		100.00%	Incorporation
HK Junjia	Hong Kong	Hong Kong	Investment	100.00%		Incorporation
Kechuangyuan Software	Shenzhen	Shenzhen	Software development		100.00%	Incorporation

Others:

Hong Kong Junjia was liquidated in 2015.

(2) Major non wholly-owned subsidiaries

In RMB

Company	Shareholding of minority shareholders	Profit and loss attributed to minority shareholders	Dividend to be distributed to minority shareholders	Interest balance of minority shareholders in the end of the period
Shenyang Fangda	35.42%	-2,655,608.29		49,731,810.66
Fangda SOZN	40.00%	-36,399,621.90		-32,191,155.69

Note to the difference between shareholdings of minority shareholders in subsidiaries and percentage of votes:

Others:

(3) Financial highlights of major non wholly owned subsidiaries

In RMB

Company	Closing balance						Opening balance					
	Current asset	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities	Current asset	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities
Shenyang Fangda	11,015,301.41	96,973,889.70	107,989,191.11	26,628,449.55		26,628,449.55	11,169,316.98	102,807,842.68	113,977,159.66	25,118,935.62		25,118,935.62
Fangda SOZN	86,090,153.63	17,680,888.58	103,771,042.21	182,294,458.10	1,954,473.34	184,248,931.44	98,422,161.21	24,060,401.24	122,482,562.45	111,961,396.93		111,961,396.93

In RMB

Company	Amount occurred in the current period				Occurred in previous period			
	Turnover	Net profit	Total of misc. incomes	Business operation cash flows	Turnover	Net profit	Total of misc. incomes	Business operation cash flows
Shenyang Fangda		-7,497,482.48	-7,497,482.48			-16,384,819.43	-16,384,819.43	-95,859.16
Fangda SOZN	148,759,807.01	-90,999,054.75	-90,999,054.75	-6,183,507.98	95,761,317.84	4,320,158.67	4,320,158.67	-13,259,799.73

Others:

2. Interests in joint ventures or associates**(1) Financial summary of insignificant joint ventures and associates**

In RMB

	Closing balance/amount occurred in this period	Opening balance/amount occurred in previous period

Joint venture:	--	--
Total shareholding	--	--
Associate:	--	--
Total book value of investment	10,489,680.93	11,048,660.43
Total shareholding	--	--
Net profit	-358,979.50	1,058,094.88
Total of misc. incomes	-358,979.50	1,058,094.88

Other note

X. Risks of Financial Tools

Major financial tools of the Group include monetary fund, accounts receivable, receivable bills, other receivables, other current assets, financial assets measured at fair value and whose change recorded in the profit and loss of this period, accounts payable, interest payable, payable bills, other payables, short-term borrowings, other current liabilities, non current liabilities due within one year and long-term borrowings. Details about the Group's financial instruments are disclosed in related notes. The following explains risks related to the financial instruments and risk management policies adopted by the Group to lower the risks. The management of the Group manages and monitor the risks to ensure that the risks are within the acceptable range.

1. Risk management target and policy

The target of the risk management is to balance between risk and benefit and lower financial risks' impacts on the Group's financial performance. Based on the target, the Group has formulated risk management policy to identify and analyze risks facing the Group and set an appropriate acceptable level and internal control procedures to monitor the risks. The Group regularly reviews the risk management policies and related internal control system to suit the market status and changes in the Group's operating activities. The internal auditing department of the Group will regularly or randomly check the implementation of the internal control system.

Risks caused by the Group's financial instruments are credit risk, liquidity risk and market risk (including interest, exchange rate and product price/equity tool price risks).

(1) Credit risk

Credit risk is caused by the failure of one party of a financial instrument in performing its obligations, causing the risk of financial loss for the other party.

The Group manages credit risks through classification. The credit risk is mainly caused by bank deposit and receivables.

The Group's bank deposit is mainly deposited in state-owned banks and large-sized listed banks. The credit risk caused by bank deposited is minor.

For receivables, the Group sets up related policies to control the credit risk. The Group set the credit line and term for debtors according to their financial status, external rating, and possibility of getting third-party guarantee, credit record and other factors. The Group regularly monitors debtors' credit record. For those with poor credit

record, the Group will send written payment reminders, shorten or cancel credit term to lower the general credit risk.

The largest credit risk facing the Group is the book value of each financial asset on the balance sheet. The Group makes no guarantee that may cause the Group credit risks.

Among the Group's receivables, accounts receivable from top 5 customers account for 12.92% of the total accounts receivable (2014: 11.26%); among other receivables, other receivables from top 5 customers account for 19.64% of the total other receivables (2014: 27.06%).

(2) Liquidity risk

Liquidity risk is the risk of capital shortage when the Group needs to pay cash or settled with other financial assets.

The Group keeps adequate cash and cash equivalent, and monitors the level to ensure that the cash and cash equivalent can meet the operation needs. The management of the Group monitors the use of bank loans and ensures that they are used as agreed. The Group also obtains guarantee from financial institutions for adequate standby fund to meet short-term and long-term capital demand.

The Group can also use fund generated by operating activities and bank and other loans. On December 31, 2015, bank loan credit that the Group has not used was RMB2,493,301,800 (December 31, 2014: RMB1,046,395,900).

Financial liabilities and excluded guarantees held by the Group by undiscounted residual contract cash flow (in RMB10,000) at the end of the period:

Assets	Closing amount			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Financial liabilities:				
Short-term loans	114,795.78			114,795.78
Notes payable	30,352.76			30,352.76
Account payable	86,262.17	500.67		86,762.84
Interest payable	324.18			324.18
Other payables	8,267.73			8,267.73
Other current liabilities	9,842.56			9,842.56
Long-term loans			30,039.56	30,039.56
Total liabilities	249,845.18	500.67	30,039.56	280,385.41

Financial liabilities and excluded guarantees held by the Group by undiscounted residual contract cash flow (in RMB10,000) at the beginning of the period:

Assets	Opening amount			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Financial liabilities:				
Short-term loans	110,000.00			110,000.00
Notes payable	22,726.65			22,726.65

Account payable	68,359.80	25.50	125.53	68,510.83
Interest payable	205.59			205.59
Other payables	4,535.77	206.80		4,742.57
Non-current liabilities due in 1 year	600.00			600.00
Long-term payable		600.00		600.00
Total liabilities	206,427.81	832.30	125.53	207,385.64

(3) Market risk

Market risk of financial instrument is caused by changes in the fair value of financial instruments or future cash flow, including interest risk, exchange rate and other price risks.

Interest rate risk is caused by fluctuation of the fair value or future cash flow of financial instruments caused by changes in the market interest rate. The interest rate risk can be caused by recognized interest-bearing financial instruments and unrecognized financial instruments.

The Group's interest rate risk is mainly caused by short-term borrowings, other current liabilities and long-term borrowings. Financial liabilities with floating interest rate cause cash flow interest rate risk for the Group. Financial liabilities with fixed interest rate cause fair value interest rate risk for the Group. The Group decides the proportion between fixed interest rate and floating interest rate according to the market environment and regularly reviews and monitors the combination of fixed and floating interest rate instruments. All financial liabilities of the Group at the end of the period bear fixed interest rates.

The Group pays close attention to the risks of changing interest rates. The Group adopts no hedging policies currently. The management is responsible for monitoring the interest risks. As fixed deposits are short-term borrowing, the interest rate risk of the fair value of bank deposit is minor.

On December 31, 2015, if the interest rate of borrowings with floating interest rates rises or drops 50 base points, the net profit of the Group and shareholders' interest will decrease or increase about RMB25,000.00 (December 31, 2014: RMB30,694.44).

Exchange rate risk

Exchange rate risk is caused by fluctuation of the fair value or future cash flow of financial instruments caused by changes in the foreign exchange rates. The exchange rate risk can be caused by financial instruments priced in foreign currencies.

The Group mainly operates in China and use RMB as the settlement currency. Therefore, the exchange rate risk facing the Group is minor.

See Note VII. 53 Foreign Currency Item Note for the Group's financial assets and liabilities priced in foreign currencies.

Other price risks

Other price risks refer to risks of fluctuations caused by changes to market prices, regardless of whether the changes are caused by factors related to a single financial tool or issuer, or factors related to all similar financial

tools traded in the market. Other price risks come from changes in product prices or equity tool prices.

Investment in financial assets held by the Group, classified as measured at fair value and whose changes recorded into the gain and loss in this period is measured at its fair value on the balance sheet date. Therefore, the Group bears risks of changes in the securities market.

The Group closely follows impacts of price changes to the Company's securities investment price risks. The Group takes no measure to prevent other price risks currently. The management is responsible for monitoring the other price risks.

2. Capital management

The Group's capital management aims to ensure continuous operation of the Group, provide returns for shareholders, help other interested parties make benefit, and maintain the best capital structure and lower capital cost.

The Group may adjust the dividend distributed to shareholders, issue new shares or sell assets to maintain or adjust the capital structure.

The Group monitors the capital structure based on the assets/liability ratio. On December 31, 2015, the Group's assets/liability ratio is 70.12% (December 31, 2014: 64.49%).

XI. Fair Value

1. Closing fair value of assets and liabilities measured at fair value

In RMB

Items	Closing fair value			
	First level fair value	Second level fair value	Third level fair value	Total
1. Continuous fair value measurement	--	--	--	--
(2) Investment in equity tools	14,546,206.58			14,546,206.58
2. Leased building		304,615,212.53		304,615,212.53
Total assets measured at fair value continuously	14,546,206.58	304,615,212.53		319,161,419.11
2. Discontinuous fair value measurement	--	--	--	--

2. Recognition basis of market value of continuous and discontinuous items measured at first level fair value

The Group determines the fair value using quotation in an active market for financial instruments traded in an active market;

Valuation technique and qualitative and quantitative information for key parameters of continuous and discontinuous second level fair value items

For investment in real estate similar with real estate transaction, the Group uses valuation techniques to determine its fair value. The technique is comparison method. Inputs include transaction date, status, region and other factors.

4. Switch between different levels, switch reason and switching time policy

In the period, there is no switch in the financial assets measured at fair value between the first and second level or transfer in or out of the third level.

5. Fair value of financial assets and liabilities not measured at fair value

Financial assets and liabilities measured at amortized cost include: monetary capital, bills receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payables, other payables, and long-term payables.

The difference between book value and fair value of financial assets and liabilities not measured at fair value is small.

XII. Related Parties and Transactions

1. Parent of the Company

Parent	Registered address	Business	Registered capital	Share of the parent co. in the Company	Voting power of the parent company
Shenzhen Banglin Technologies Development Co., Ltd.	Shenzhen	Industrial investment	3,000.00	9.09%	9.09%
Shenzhen Shilihe Investment Co., Ltd.	Shenzhen	Industrial investment	1,978.0992	2.36%	2.36%
Shengjiu Investment Ltd.	Hong Kong	Industrial investment	HKD1.00	5.00%	5.00%

Particulars about the parent of the Company

(1) All of the investors of Shenzhen Banglin Technology Development Co., Ltd. – the holding shareholder of the Company, are natural persons. Among them, Chairman Xiong Jianming is holding 85% of the shares, and Mr. Xiong Xi – son of Mr. Xiong Jianming, is holding 15% of the shares.

(2) 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.

The final controller of the Company is Xiong Jianming.

Others:

2. Subsidiaries of the Company

See Note IX. (1).

3. Joint ventures and associates

Information about other joint ventures or associates with related transactions in this period or with balance generated by related transactions in previous period:

Joint venture or associate	Relationship with the Company
Shenzhen Ganshang Joint Investment Co., Ltd.	Associate
Shenzhen Huihai Yirong Internet Service Co., Ltd.	Associate

Other note

4. Other associates

Other related parties	Relationship with the Company
Directors, manager, CFO and secretary of the Board of Directors	Key management

Other note

5. Related transactions

(1) Related leasing

The Company is the lessor:

In RMB

Name of the leasee	Category of asset for lease	Rental recognized in the period	Rental recognized in previous period
Shenzhen Ganshang Joint Investment Co., Ltd.	Houses & buildings	125,213.36	77,354.20

Note to related leasing

(2) Related guarantees

The Company is the guarantor:

In RMB

Beneficiary party	Amount guaranteed	Start date	Due date	Completed or not
Fangda New Material	62,000,000.00	27.09.15	27.09.16	No

Fangda New Material	80,000,000.00	27.05.15	24.05.16	No
Fangda Automatic	200,000,000.00	24.09.15	23.09.16	No
Fangda Automatic	50,000,000.00	21.10.15	17.09.16	No
Fangda Jianke	710,000,000.00	19.06.15	18.06.16	No
Fangda Jianke	400,000,000.00	17.09.15	16.09.16	No
Fangda Jianke	260,000,000.00	10.10.15	17.09.16	No
Fangda Jianke	200,000,000.00	22.07.15	21.07.16	No
Fangda Jianke	150,000,000.00	22.09.15	22.09.16	No
Fangda Jianke	150,000,000.00	01.01.15	01.01.16	No
Fangda Jianke	45,000,000.00	21.04.15	13.04.16	No
Fangda Property	1,300,000,000.00	03.02.15	02.02.23	No
Fangda SOZN	20,000,000.00	29.01.15	30.01.16	No

The Company is the guaranteed party:

In RMB

Guarantor	Amount guaranteed	Start date	Due date	Completed or not
Fangda Jianke, Fangda Automatic	15,000,000.00	22.09.15	22.09.16	No
Fangda Jianke	20,000,000.00	29.10.15	28.10.16	No
Fangda Jianke, Fangda New Energy	20,000,000.00	08.09.15	08.09.16	No

Note to related guarantees

Note: The above-mentioned guarantees are all associated guarantees within interested entities of the Group.

(3) Remuneration of key management

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Directors, supervisors and senior management	6,801,794.99	7,089,310.00

XIII. Contingent events

1. Contingencies

(1) Significant contingencies on the balance sheet date

1) Contingent liabilities formed by material lawsuit or arbitration, and their influences on the financial position

In 2010, Wang Weihong filed a lawsuit to the 1st Middle Court of Chongqing against Fangda Jianke, demanding engineering payment and loss of RMB17.07 million and interest. In June 2015, the court made the first-instance judgment (2014) Yu 1st Court No.00322. Fangda Jianke is required to pay RMB14,020,443.99 and interest to Wang Weihong in 10 days upon the effectiveness of the judgment and refund deposit of RMB2,345,000.00 and interest to Wang Weihong. Fangda Jianke appeal to Supreme People's Court in October 2015. By the report date, Fangda Jianke has made the provision of the construction payable, deposit and interest of RMB23,456,800 with RMB23 million Frozen by the court. In June 2015, Fangda Jianke filed a lawsuit against Wang Weihong, requiring an indemnity of RMB23 million and de-freezing of the amount RMB23 million by the bank. By the report date, the lawsuit remains pending.

In 2013, Fangda Jianke filed a lawsuit to Shenyang Middle People's Court again Shenyang Lidu Commerce Co., Ltd., requiring construction payment and loss of RMB9,375,483.47 and the interest. By the report, the construction quality certificate is in application and the second trial remains pending.

(2) Pending major lawsuits

On January 2, 2003, Guangzhou Middle Court issued a civil case conciliation statement (2002) 穗中法民三初字第 No. 00596 to rule that the Guangzhou Yi An Square Real Estate Development Co., Ltd. to make the engineering payment of RMB5,621,329.63 to Fangda Jianke within 15 days of the effectiveness of the conciliation statement. By December 31, 2014, Fangda Jianke has recovered RMB1,950,000.00.

On December 23, 2015, Zhongshan Guzhen People's Court judged according to 中二法古民二初字第1040号 that Fangda SOZN make the payment of RMB10,331,348.20, interest and the lawsuit fee to Foshan Youfeng Trading Co., Ltd. within 15 days. By the report date, Fangda SOZN has not made the payment.

(3) Contingent liabilities formed by providing of guarantee to other companies' debts and their influences on financial situation

By December 31, 2015, the Group has provided loan guarantees for the following entities:

Name of guaranteed entity	Amount	Amount	Start date	End date	Notes
Fangda New Material	Guarantee	100.00	2015-5-30	2016-5-30	
Fangda New Material	Guarantee	2,000.00	2015-11-5	2016-9-27	
Fangda New Material	Guarantee	10,000.00	2015-6-1	2016-5-27	
Fangda Automatic	Guarantee	2,000.00	2015-8-28	2016-3-1	
Fangda Jianke	Guarantee	5,600.00	2015-12-3	2016-12-2	
Fangda Jianke	Guarantee	2,500.00	2015-2-11	2016-2-11	
Fangda Jianke	Guarantee	5,000.00	2015-6-29	2016-6-28	
Fangda Jianke	Guarantee	5,000.00	2015-8-3	2016-8-2	
Fangda Jianke	Guarantee	5,000.00	2015-8-28	2016-8-27	
Fangda Jianke	Guarantee	5,000.00	2015-1-16	2016-1-16	
Fangda Jianke	Guarantee	5,000.00	2015-11-20	2016-11-20	
Fangda Jianke	Guarantee	5,000.00	2015-7-28	2016-7-28	
Fangda Jianke	Guarantee	5,000.00	2015-7-30	2016-7-30	
Fangda Jianke	Guarantee	2,000.00	2015-9-23	2016-9-20	

Fangda Jianke	Guarantee	2,100.00	2015-7-21	2016-1-21	
Fangda Jianke	Guarantee	5,000.00	2015-8-21	2016-8-20	
Fangda Jianke	Guarantee	5,000.00	2015-10-30	2016-10-29	
Fangda Jianke	Guarantee	4,500.00	2015-4-21	2016-4-13	
Fangda Property	Pledge guarantee	2,761.20	2015-2-12	2023-2-11	
Fangda Property	Pledge guarantee	7,009.77	2015-4-23	2023-2-11	
Fangda Property	Pledge guarantee	4,334.40	2015-6-8	2023-2-11	
Fangda Property	Pledge guarantee	426.63	2015-8-11	2023-2-11	
Fangda Property	Pledge guarantee	3,525.73	2015-9-11	2023-2-11	
Fangda Property	Pledge guarantee	518.82	2015-9-23	2023-2-11	
Fangda Property	Pledge guarantee	480.00	2015-10-14	2023-2-11	
Fangda Property	Pledge guarantee	3,433.95	2015-11-6	2023-2-11	
Fangda Property	Pledge guarantee	545.76	2015-11-20	2023-2-11	
Fangda Property	Pledge guarantee	2,388.91	2015-12-9	2023-2-11	
Fangda Property	Pledge guarantee	4,614.39	2015-12-28	2023-2-2	
Fangda SOZN	Guarantee	2,000.00	2015-1-29	2016-1-30	
Total		107,839.56			

Note: Contingent liabilities caused by guarantees provided for other entities are all related guarantees between interested entities in the Group.

On December 31, 2015, the Company has no other contingent events that should be disclosed.

XIV. Post-balance-sheet events

1. Profit distribution

In RMB

Profit or dividend to be distributed	75,690,990.50
Profit or dividend approved to be distributed	75,690,990.50

2. Notes to other issues in post balance sheet period

On April 14, 2016, the Company, Fangda New Energy, Fangda SOZN, Shenzhen Jinma Yinke Electronics Co., Ltd., Luo Huichi and Jin Yaping (sponse of Luo Huichi) signed the Stock Repurchasing and Debt Pyament Agreement. For details, see Note XIII.3.

On January 27, 2016, the Company paid RMB20 million to the Henglan branch of BOC to repay the bank loan borrowed by Fangda SOZN.

On 22.04.16, the Company has no other contingent events that should be disclosed.

XV. Other material events

1. Suspension of operations

In RMB

Items	Income	Expense	Total profit	Income tax expenses	Net profit	Suspended operation profit attributable to the owners of parent company
Suspension of operations	285,943.62	8,346,179.91	-8,060,236.29	1,119,198.31	-9,179,434.60	-6,522,042.00

Other note

(1) Shenyang Fangda has been suspended from operating since 2012 and is in the liquidation process. Shenzhen Woke has been liquidated according to the resolution of the Shareholders' Meeting in 2012, the company's business has been suspended. Fangda Aluminium has been suspended from operating since 2011 and is in the liquidation process. Hong Kong Junjia was liquidated in 2015.

(2) The net profit from suspended business in 2015 includes: the net profit of RMB-7,502,520.05 of Shenyang Fangda and its subsidiaries, RMB-1,568,260.36 of Hong Kong Jiajun and RMB-108,654.19 of Fangda Aluminium.

2. Segment information

(1) Recognition basis and accounting policy for segment report

The Group divides its businesses into five reporting segments. The reporting segments are determined based on financial information required by routine internal management. The Group's management regularly review the operating results of the reporting segments to determine resource distribution and evaluate their performance.

The reporting segments are:

(1) Curtain wall segment, production and sales of curtain wall materials, construction curtain wall design, production and installation;

- (2) Rail transport segment, assembly and processing of metro screen doors;
- (3) Real estate segment, development and operating of real estate on land of which land use right is legally obtained by the Company; property management;
- (4) New energy segment, R&D, installation and sales of PV devices, design and construction of PV power plants; R&D, design, production, sales and installation of light accessories, and other lights, LED products and hardware.
- (5) Others

The segment report information is disclosed based on the accounting policies and measurement standards used by the segments when reporting to the management. The policies and standards should be consistent with those used in preparing the financial statement.

(2) Financial information

In RMB

Items	Curtain wall	Rail transport	Real estate	New energy	Others	Offset between segments	Total
Operation income	2,125,881,648.28	258,278,535.47		149,151,356.13	29,977,446.65	12,821,491.75	2,550,467,494.78
Including: external transaction income	2,121,525,966.51	258,246,785.73		149,015,492.60	21,679,249.94		2,550,467,494.78
Inter-segment transaction income	4,355,681.77	31,749.74		135,863.53	8,298,196.71	12,821,491.75	
Including: major business turnover	2,104,936,397.26	255,752,825.73		136,406,079.32		4,459,934.33	2,492,635,367.98
Operation cost	1,789,359,293.12	202,658,617.93		180,736,929.14	3,788,422.31	5,019,062.15	2,171,524,200.35
Including: major business cost	1,773,677,797.09	202,170,744.76		164,200,739.52		4,659,859.34	2,135,389,422.03
Operation cost	242,786,794.78	14,389,183.48	9,931,426.21	65,261,777.77	-670,394.04	44,746,350.47	286,952,437.73
Operating profit/(loss)	93,735,560.38	41,230,734.06	-9,931,426.21	-96,847,350.78	26,859,418.38	-36,943,920.87	91,990,856.70
Total assets	3,321,292,070.11	438,339,346.47	1,246,929,440.20	180,085,472.66	1,963,760,383.48	2,686,258,901.52	4,464,147,811.40
Total liabilities	2,170,642,731.	210,440,175.37	1,057,358,475.	164,107,950.67	738,414,314.45	1,210,858,920.	3,130,104,726.

	15		01			12	53
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3. Acquisition of shares of Fangda SOZN

(1) About the acquisition

Fangda New Energy entered into an investment agreement with Luo Huichi on July 18, 2014. According to the agreement, Fangda Energy and Shenzhen Jinma Yinke entered into a share transfer agreement on July 29, 2014. Content of the investment and share transfer agreement:

1. Terms of the transaction

Luo Huichi makes contribution to a newly established company with limited liability using fixed assets, intangible assets, sales network and teams in three companies under her actual control: Zhongshan SOZN Lighting, Zhongshan Henglan Tengding Lighting Factory, Shenzhen Jinma Yinke. After confirming the Target Company's assets, both parties entered into the stock transfer and capital increment agreement, under which the Company acquires 60% stack in the Target Company by acquiring stocks and injecting capital.

2. Transaction amount

The acquisition amount does not exceed RMB48 million, including a conditional payment to Luo Huichi of RMB18 million and a conditional capital injection to the Target Company of RMB30 million.

3. Payment term

The stock transfer amount is up to RMB18 million. Fangda New Energy shall pay the amount to Luo Huichi in three installments: The first installment of RMB 6 million shall be paid after both parties sign the stock transfer agreement, complete the transfer and registration procedures, and Fangda New Energy holds 60% of the Target Company's stocks. The second installment of RMB 6million shall be paid after the Target Company realizes 90% or higher of the sales or net profit target for 2014 (between July and December); the first installment of RMB6 million will be paid after the Target Company realizes 90% or higher of the sales or net profit target for 2015. If the conditions for the second and third installments are not met, Fangda New Energy does not need to pay the stock transfer amounts to the Counterpart and the 60% shareholding of the Target Company by Fangda New Energy remains unchanged.

Fangda New Energy will provide loans of RMB30 million to the Fangda SOZN with a mature date of December 31, 2016 after the share transfer agreement is signed, both parties complete the commercial and industrial registration, Fangda New Energy holds 60% of Fangda SOZN's shares. If Fangda SOZN completes 90% of the sales target or accumulative net profit target between July 2014 and December 2016, the loans will be transferred to the acquisition payment of 60% of the Target Company and the Target Company does not need to repay the loans. Otherwise, Luo Huichi shall transfer 30% of Fangda SOZN's shares held by her to the Company at the price of RMB1/share.

4. Result guaranty

Period	Target sales (tax-inclusive)	Target net profit
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July to December, 2014	RMB150 million	RMB3 million
July to December, 2015	RMB600 million	RMB36 million
July to December, 2016	RMB1 billion	RMB60 million
Total	RMB1.75 billion	RMB99 million

5. Special agreement

Luo Huichi agrees to sign a three-year labor contract, non-disclosure agreement and non-competition agreement with Fangda SOZN and agrees not to be involved in the same or similar business directly, indirectly, paid or not paid, full-time or part-time, by starting a company or cooperating with others. If Luo fails to honor the guaranty, the Company has the right to terminate the agreement and require Luo to return the stock transfer amount and bear the liability of the breach.

Both parties agree that Fangda SOZN will not distribute profit between July 2014 and December 2016, which will be fully used to push the development of Fangda SOZN.

(2) Performance

Between July and December 2014, Fangda SOZN recorded a tax-included income of RMB136,832,900 and net profit of RMB521,200, reaching 90% of the sales target for 2014. Fangda New Energy made the second installment of RMB6 million to Shenzhen Jinma Yinke.

In 2015, Fangda SOZN recorded a tax-included income of RMB174,049,000 and a net profit of RMB-90,999,100, which does not reach 90% of the sales target or net profit target for 2015. Therefore, Fangda New Energy does not need to pay the third installment of RMB6 million to Shenzhen Jinma Yinke. The amount is recognized as non-business income. The interest-free loan provided to Fangda SOZN of RMB30 million does not need to be transferred to the acquisition payment. Fangda SOZN shall repay the loan to Fangda New Energy upon maturity. Therefore, the Group transfers RMB12 million back to the minority interest and recognized a non-business income of RMB12 million.

(3) Share repurchasing and debt payment agreement

On 22.04.16, the Company, Fangda New Energy, Fangda SOZN, Shenzhen Jinma Yinke Electronics Co., Ltd., Luo Huichi and Jin Yaping (sponse of Luo Huichi) signed the Stock Repurchasing and Debt Pyament Agreement. According to the agreement, Shenzhen Jinma Yinke shall pay RMB12 million to repurchase the 60% stake in Fangda SOZN held by Fangda New Energy and all parties are released from all rights and obligations under the Investment Agreement. All parties agree, if Fangda SOZN repays the debt of RMB23 million within the agreed period, the Company and Fangda New Energy shall give up all remaining debt on Fangda SOZN. The agreement was approved at the 20th meeting of the 7th Board of Directors held on April 22, 2016 and comes into effect after being approved at the Shareholders' Meeting.

4. Private share issuance

The Group's private share issuance proposal was approved at the 18th meeting of the 7th Board of Directors held on November 23, 2015. The Proposal of Private A-share Issuance in 2015 was approved at the 4th extraordinary shareholders' meeting held on December 10, 2015. No more than

48,000,000 shares will be issued (In case ex-dividend or ex-interest events happened during the period from pricing ex-day to issuing day, such as dividend distribution, bonus shares, or capitalizing of common reserves, the price shall be adjusted correspondingly.) to raise no more than RMB469,900,000.

The pricing ex-day is the announcement day of the resolutions of the 18th meeting of the 7th Board of Directors. The price will be 90% of the average price in 20 days prior to the pricing ex-date, namely RMB9.79 per share. The raised fund will be fully used to invest in the Jiangxi Pingxiang Luxi 13 MWp, Jiangxi Pingxiang Xiangdong District 20MWp and Jiangxi Nanchang Isuzu parking place roof 6.3MWp distributed PV power generation project and working capital.

On March 9, 2016, the CSRC's issuance committee reviewed and approved the issuance application. By the report date, the Company has not received the approval document from CSRC.

XVI. Notes to Financial Statements of the Parent

1. Account receivable

(1) Account receivable disclosed by categories

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision rate		Amount	Proportion	Amount	Provision rate	
(2) Recognition and providing of bad debt provisions on groups	356,660.56	100.00%	10,699.82	3.00%	345,960.74	527,485.15	100.00%	15,824.55	3.00%	511,660.60
Total	356,660.56	100.00%	10,699.82	3.00%	345,960.74	527,485.15	100.00%	15,824.55	3.00%	511,660.60

Account receivable with major individual amount and bad debt provision provided individually at the end of the period:

Applicable Inapplicable

In the group, the account receivable of which bad debt provision is made through the account aging method:

Applicable Inapplicable

In RMB

Age	Closing balance		
	Account receivable	Bad debt provision	Provision rate
Sub-item of within 1 year			

Subtotal for less than 1 year	356,660.56	10,699.82	3.00%
Total	356,660.56	10,699.82	3.00%

Group recognition basis:

Account receivable adopting the balance percentage method in the group

Applicable Inapplicable

Account receivable adopting other methods in the group:

(2) Bad debt provision made, returned or recovered in the period

A bad debt provision of RMB-5,124.73 was made in the period. RMB0.00 was recovered or reversed.

(3) Balance of top 5 accounts receivable at the end of the period

The total balance of top-five accounts receivable at the end of the period is RMB342,415.38, accounting for 96.01% of the total remaining balance of all accounts receivable. The bad debt provision made at the end of the period is RMB10,272.46.

2. Other receivables

(1) Other receivables disclosed by categories

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision rate		Amount	Proportion	Amount	Provision rate	
Other receivables with major individual amount and bad debt provision provided individually	57,108,420.31	13.71%	40,452,127.75	70.83%	16,656,292.56					
(2) Recognition and providing of bad debt provisions on groups	359,478,173.41	86.29%	543,116.21	0.15%	358,935,057.20	255,152,639.18	99.97%	548,475.39	0.21%	254,604,163.79
Other receivables with minor individual amount and bad debt provision provided individually						77,046.00	0.03%	77,046.00	100.00%	

Total	416,586, 593.72	100.00%	40,995.2 43.96	9.84%	375,591.3 49.76	255,229 ,685.18	100.00%	625,521.3 9	0.25%	254,604.16 3.79
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Other receivables with major individual amount and bad debt provision provided individually at the end of the period:

Applicable Inapplicable

In RMB

Other receivables (by entity)	Closing balance			
	Other receivables	Bad debt provision	Provision rate	Reason
Fangda SOZN	57,108,420.31	40,452,127.75	70.83%	Unrecoverable according to the agreement
Total	57,108,420.31	40,452,127.75	--	--

In the group, the other receivables of which bad debt provision are made through the account aging method:

Applicable Inapplicable

In RMB

Age	Closing balance		
	Other receivables	Bad debt provision	Provision rate
Sub-item of within 1 year			
	98,416.60	2,952.50	3.00%
Subtotal for less than 1 year	98,416.60	2,952.50	3.00%
1-2 years	2,619.35	261.94	10.00%
2-3 years	20,000.00	6,000.00	30.00%
Over 3 years	1,067,803.54	533,901.77	50.00%
Total	1,188,839.49	543,116.21	45.68%

Group recognition basis:

Other receivables adopting the balance percentage method in the group:

Applicable Inapplicable

Other receivables adopting other methods in the group

Applicable Inapplicable

(2) Bad debt provision made, returned or recovered in the period

A bad debt provision of RMB40,446,768.57 was made in the period. RMB0.00 was recovered or reversed.

(3) Other receivables are disclosed by nature

In RMB

By nature	Closing balance of book value	Opening balance of book value
Associate accounts	415,397,754.23	253,944,828.64

Deposit	100,699.54	100,699.54
Other trades	1,088,139.95	1,184,157.00
Total	416,586,593.72	255,229,685.18

(4) Balance of top 5 other receivables at the end of the period

In RMB

Entity	By nature	Closing balance	Age	Percentage (%)	Balance of bad debt provision at the end of the period
Shenzhen Fangda Property Development Co., Ltd.	Associate accounts	216,721,332.99	Less than 1 year	52.02%	
Fangda (Jiangxi) Property Development Co., Ltd.	Associate accounts	99,776,565.00	Less than 1 year	23.95%	
Shihui International Holding Co., Ltd.	Associate accounts	30,430,197.80	Less than 1 year	7.31%	
Shihui International Holding Co., Ltd.	Associate accounts	20,271.90	1-2 years	0.00%	
Guangdong Fangda SOZN Lighting Co., Ltd.	Associate accounts	57,096,878.05	Less than 1 year	13.71%	40,440,585.49
Guangdong Fangda SOZN Lighting Co., Ltd.	Associate accounts	11,542.26	1-2 years	0.00%	11,542.26
Shenyang Fangda Semi-conductor Lighting Co., Ltd.	Associate accounts	36,000.00	Less than 1 year	0.01%	
Shenyang Fangda Semi-conductor Lighting Co., Ltd.	Associate accounts	6,906,771.58	1-2 years	1.66%	
Total	--	410,999,559.58	--	98.66%	40,452,127.75

3. Long-term share equity investment

In RMB

Items	Closing balance	Opening balance
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	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Investment in subsidiaries	1,013,991,568.20	56,780,600.00	957,210,968.20	1,166,555,998.58	46,930,100.00	1,119,625,898.58
Investment in associates and joint ventures	10,489,680.93		10,489,680.93	11,048,660.43		11,048,660.43
Total	1,024,481,249.13	56,780,600.00	967,700,649.13	1,177,604,659.01	46,930,100.00	1,130,674,559.01

(1) Investment in subsidiaries

In RMB

Invested entity	Opening balance	Increase	Decrease	Closing balance	Provision made in this period	Balance of impairment provision at the end of the period
Fangda Jianke	491,950,000.00			491,950,000.00		
Fangda Aluminium	19,800,000.00			19,800,000.00		19,800,000.00
HK Junjia	10,600.00		10,600.00			
Fangda Automatic	170,385,071.73		151,553,830.38	18,831,241.35		
Fangda New Material	74,496,600.00			74,496,600.00		
Shenyang Fangda	108,852,073.85			108,852,073.85	9,861,100.00	36,980,600.00
Kexunda	1,000,000.00		1,000,000.00	0.00		
Fangda Property	200,000,000.00			200,000,000.00		
Shihui International Holding Co., Ltd.	61,653.00			61,653.00		
Fangda New Energy	100,000,000.00			100,000,000.00		
Total	1,166,555,998.58		152,564,430.38	1,013,991,568.20	9,861,100.00	56,780,600.00

(2) Investment in associates and joint ventures

In RMB

Invested entity	Opening balance	Change (+,-)								Closing balance	Balance of impairment
		Increased investment	Decreased	Investment gain	Other miscellaneous	Other equity	Cash dividend	Impairment	Others		

		t	investmen t	and loss recognize d using the equity method	eous income adjustmen t	change	or profit announce d	provision			nt provision at the end of the period
1. Joint venture											
2. Associate											
Shenzhen Ganshang Joint Investme nt Co., Ltd.	11,048,66 0.43			-337,462. 45			2,200,000 .00			8,511,197 .98	
Shenzhen Huihai Yirong Internet Service Co., Ltd.		2,000,000 .00		-21,517.0 5						1,978,482 .95	
Subtotal	11,048,66 0.43	2,000,000 .00		-358,979. 50			2,200,000 .00			10,489,68 0.93	
Total	11,048,66 0.43	2,000,000 .00		-358,979. 50			2,200,000 .00			10,489,68 0.93	

4. Operational revenue and costs

In RMB

Items	Amount occurred in the current period		Occurred in previous period	
	Income	Cost	Income	Cost
Other businesses	29,977,446.65	3,788,422.31	29,609,371.13	5,669,281.13
Total	29,977,446.65	3,788,422.31	29,609,371.13	5,669,281.13

Others:

5. Investment income

In RMB

Items	Amount occurred in the current period	Occurred in previous period
Gains from long-term equity investment measured by costs		28,639,627.17
Gains from long-term equity investment	-358,979.50	1,054,094.88

measured by equity		
Investment gain obtained from disposal of long-term equity investment	10,600.00	
Others	55,961.64	111,670.20
Total	-292,417.86	29,805,392.25

XVII. Supplementary Materials

1. Detailed accidental gain/loss

Applicable Inapplicable

In RMB

Items	Amount	Notes
Gain/loss of non-current assets	-522,948.72	
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)	2,246,386.84	
Gain from entrusted investment or assets management	250,897.54	
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses	4,341,316.92	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	85,793,780.49	
Other non-business income and expenditures other than the above	7,624,429.39	
Less: Influenced amount of income tax	20,963,417.56	
Influenced amount of minority shareholders' equity	568,368.77	
Total	78,202,076.13	--

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

2. Net income on asset ratio and earning per share

Profit of the report period	Weighted average net income/asset ratio	Earning per share	
		Basic earnings per share (yuan/share)	Diluted Earnings per share (yuan/share)
Net profit attributable to common shareholders of the Company	8.42%	0.14	0.14
Net profit attributable to the common owners of the PLC after deducting of non-recurring gains/losses	2.28%	0.04	0.04

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profits and assets in financial statements disclosed according to the international and Chinese account standards

Applicable Inapplicable

In RMB

	Net profit		Net assets	
	Amount occurred in the current period	Occurred in previous period	Closing balance	Opening balance
On Chinese accounting standards	107,272,369.77	96,998,429.76	1,319,496,334.84	1,234,930,863.46
Items and amounts adjusted according International Accounting Standards:				
On international accounting standards	107,272,369.77	96,998,429.76	1,324,259,733.08	1,239,694,261.70

(2) Differences in net profits and assets in financial statements disclosed according to the international and Chinese account standards

Applicable Inapplicable

(3) Differences in financial data using domestic and foreign accounting standards, the overseas institution name should be specified if the difference in data audited by an overseas auditor is adjusted

Net assets attributable to the listed company's shareholders calculated according to the IAS is RMB4,763,398.24 higher than that calculated according to the domestic accounting standards, mainly attributable to the capitalization of borrow expenses before the domestic Enterprise Accounting Standard was implemented on January 1, 2007.

Chapter 11 Documents for Reference

1. The Annual Report 2015 and the Summary with signature of the legal representative (Chinese and English);
2. Accounting Statements with signatures and seals of the legal representative and financial principal and chief of accounting department;
3. Original copy of the Auditors' Report under the seal of the CPA and signed by and under the seal of certified accountants.
4. Originals of all documents and manuscripts of Public Notices of the Company disclosed in public in the newspapers as designated by China Securities Regulatory Commission.

China Fangda Group Co., Ltd.

Legal representative: Xiong Jianming

April 26, 2016