



**SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT  
(GROUP) LTD.**

**THIRD QUARTER REPORT 2017**

**Announcement No. 2017-42**

**October 2017**

## **Part I Important Statements**

**The board of directors (the “Board”), the supervisory board (the “Supervisory Board”) as well as the directors, supervisors and senior management of ShenZhen Properties & Resources Development (Group) Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.**

**All the directors attended the board meeting for the review of this Report.**

**Chen Yugang, head of the Company, Wang Hangjun, accounting head for this Report, and Shen Xueying, head of the accounting department (head of accounting), hereby guarantee that the Financial Report carried in this Report is factual, accurate and complete.**

**This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.**

## Part II Company Fundamentals

### I Key Consolidated Operating Results

Indicate by tick mark whether the Company needs to retrospectively restate any of its accounting data.

☐ Yes ☒ No

|   | September 30, 2017  |            | December 31, 2016      |  | Change     |  |
|---|---------------------|------------|------------------------|--|------------|--|
| Total assets (RMB)  | 5,447,556,053.87    |            | 6,654,356,144.10       |  | -18.14%    |  |
| Equity attributable to owners of the parent (RMB)   | 2,878,876,884.33    |            | 2,410,434,735.75       |  | 19.43%     |  |
|   | July-September 2017 | YoY change | January-September 2017 |  | YoY change |  |
| Net sales (RMB)   | 1,335,581,077.17    | 747.12%    | 2,652,727,809.60       |  | 400.78%    |  |
| Net margin attributable to owners of the parent (RMB)                                     | 211,810,876.32      | 10,941.08% | 576,166,646.75         |  | 8,099.55%  |  |
| Net margin attributable to owners of the parent before exceptional gains and losses (RMB) | 211,069,206.23      | 9,853.59%  | 578,891,270.26         |  | 7,309.74%  |  |
| Net cash from operating activities (RMB)  | --                  | --         | -354,782,847.37        |  | -116.89%   |  |
| Basic earnings per share (RMB/share)  | 0.3554              | 10,869.70% | 0.9668                 |  | 8,090.08%  |  |
| Diluted earnings per share (RMB/share)  | 0.3554              | 10,869.70% | 0.9668                 |  | 8,090.08%  |  |
| Weighted average return on equity (%)   | 8.03%               | 8.12%      | 21.84%                 |  | 22.19%     |  |

Exceptional gains and losses:

☒ Applicable ☐ Not applicable

Unit: RMB

| Item   | January-September 2017 | Note |
|--|------------------------|------|
| Gains/Losses on disposal of non-current assets (inclusive of offset asset impairment provisions)             | -1,800.04              |      |
| Impairment provision reversal for accounts receivable on which the impairment test is carried out separately | 624,434.78             |      |
| Non-operating income and expense other than above  | -4,709,018.39          |      |
| Less: Income tax effects   | -1,361,760.14          |      |

|       |               |    |
|-------|---------------|----|
| Total | -2,724,623.51 | -- |
|-------|---------------|----|

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

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

## II Total Number of Shareholders and Shareholdings of Top 10 Shareholders at Period-End

### 1. Numbers of Common Shareholders and Preference Shareholders with Resumed Voting Rights, and Shareholdings of Top 10 Shareholders

Unit: share

| Total number of common shareholders at period-end     |                                      | 41,264                  |                                 | Total number of preference shareholders with resumed voting rights at period-end (if any) |                          | 0      |  |
|---|--------------------------------------|-------------------------|---------------------------------|---|--------------------------|--------|--|
| Top 10 shareholders                                   |                                      |                         |                                 |   |                          |        |  |
| Name of shareholder                                   | Nature of shareholder                | Shareholding percentage | Total shares held at period-end | Restricted shares held at period-end  | Pledged or frozen shares |        |  |
|   |                                      |                         |                                 |   | Status                   | Number |  |
| SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS CORPORATION | State-owned corporation              | 54.33%                  | 323,796,324                     | 293,997,370   |                          |        |  |
| SHENZHEN INVESTMENT MANAGEMENT CORPORATION            | State-owned corporation              | 9.49%                   | 56,582,573                      | 56,582,573  |                          |        |  |
| DU XINYE  | Domestic individual                  | 0.65%                   | 3,880,800                       |   |                          |        |  |
| ZHOU QUN  | Domestic individual                  | 0.52%                   | 3,115,450                       |   |                          |        |  |
| DU YUNFENG  | Domestic individual                  | 0.39%                   | 2,323,000                       |   |                          |        |  |
| SHENZHEN DUTY-FREE COMMODITY ENTERPRISES              | Domestic non-state-owned corporation | 0.29%                   | 1,730,300                       | 1,730,300   |                          |        |  |

| CO., LTD.   |  |   |           |      |            |  |
|---|--|---|-----------|------|------------|--|
| YANG YAOCHU   | Domestic individual  | 0.24%   | 1,410,620 |      |            |  |
| MAI FURONG  | Domestic individual  | 0.22%   | 1,330,500 |      |            |  |
| GAO YUANXIONG   | Domestic individual  | 0.19%   | 1,140,401 |      |            |  |
| CHEN LIYING   | Domestic individual  | 0.18%   | 1,102,051 |      |            |  |
| Top 10 non-restricted shareholders                    |  |   |           |      |            |  |
| Name of shareholder                                   | Non-restricted shares held at period-end   | Type of stock                                   |           | Type | Number     |  |
|   |  |   |           |      |            |  |
| SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS CORPORATION | 29,798,954   | RMB common stock                                |           |      | 29,798,954 |  |
| DU XINYE  | 3,880,800  | RMB common stock                                |           |      | 3,880,800  |  |
| ZHOU QUN  | 3,115,450  | RMB common stock                                |           |      | 3,115,450  |  |
| DU YUNFENG  | 2,323,000  | RMB common stock                                |           |      | 2,323,000  |  |
| YANG YAOCHU   | 1,410,620  | Domestically listed stock for foreign investors |           |      | 1,410,620  |  |
| MAI FURONG  | 1,330,500  | Domestically listed stock for foreign investors |           |      | 1,330,500  |  |
| GAO YUANXIONG   | 1,140,401  | RMB common stock                                |           |      | 1,140,401  |  |
| CHEN LIYING   | 1,102,051  | Domestically listed stock for foreign investors |           |      | 1,102,051  |  |
| LI JING   | 962,440  | Domestically listed stock for foreign investors |           |      | 962,440    |  |
| CAO YIFAN   | 848,000  | Domestically listed stock for foreign investors |           |      | 848,000    |  |
| Related or acting-in-concert parties                  | The first and second principal shareholders of the Company are managed by Shenzhen |   |           |      |            |  |

|  |   |
|--|---|
| among shareholders above   | Investment Holding Corporation, the actual controlling shareholder of the Company. And the Company does not know whether there are related parties or acting-in-concert parties among the other 8 shareholders. |
| Top 10 common shareholders conducting securities margin trading (if any) | N/A   |

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yea ☒ No

No such cases in the Reporting Period.

## 2. Total Number of Preference Shareholders and Shareholdings of Top 10 of Them at Period-End

☐ Applicable ☒ Not applicable

## Part III Significant Events

### I Changes in Key Consolidated Financial Statement Items and Reasons for Such Changes

√ Applicable □ Not applicable

1. Accounts receivable increased 45.30% from the December 31, 2016 amount to RMB45,864,363.96 on September 30, 2017, due primarily to a larger amount receivable by property management subsidiaries from house owners.
2. Prepayments decreased 76.96% from the December 31, 2016 amount to RMB27,775,804.00 on September 30, 2017, due primarily to the reclassification of prepaid taxes as a result of project settlement.
3. Other accounts receivable increased 62.59% from the December 31, 2016 amount to RMB15,515,173.88 on September 30, 2017, due primarily to increase in utilities, etc. paid by subsidiaries on behalf of their customers, which were not yet collected from these customers.
4. Inventories decreased 30.70% from the December 31, 2016 amount to RMB1,791,881,804.12 on September 30, 2017, due primarily to project settlement.
5. Assets held for sale increased 100.00% from the December 31, 2016 amount to RMB180,554,122.51 on September 30, 2017, due primarily to the reclassification as assets held for sale of the Company's equity interests in its two tax service subsidiaries, which were to be sold by the Company.
6. Other current assets increased 37.90% from the December 31, 2016 amount to RMB15,138,340.13 on September 30, 2017, due primarily to increase in prepaid VAT.
7. Available-for-sale financial assets decreased 79.36% from the December 31, 2016 amount to RMB3,613,241.23 on September 30, 2017, due primarily to the reclassification as assets held for sale of the Company's equity interests in its two tax service subsidiaries, which were to be sold by the Company.
8. Fixed assets decreased 60.33% from the December 31, 2016 amount to RMB29,328,730.61 on September 30, 2017, due primarily to the reclassification as assets held for sale of the Company's equity interests in its two tax service subsidiaries, which were to be sold by the Company.
9. Intangible assets decreased 100.00% from the December 31, 2016 amount to RMB0.00 on September 30, 2017, due primarily to the reclassification as assets held for sale of the Company's equity interests in its two tax service subsidiaries, which were to be sold by the Company.
10. Long-term deferred expense decreased 33.53% from the December 31, 2016 amount to RMB994,612.92 on September 30, 2017, due primarily to the reclassification as assets held for sale of the Company's equity interests in its two tax service subsidiaries, which were to be sold by the Company.
11. Other non-current assets decreased 100.00% from the December 31, 2016 amount to RMB0.00 on September 30, 2017, due primarily to the reclassification of other non-current assets as fixed assets.
12. Advances received decreased 72.60% from the December 31, 2016 amount to RMB611,457,740.27 on September 30, 2017, due primarily to the shift from advances received from house buyers to sales revenue.
13. Liabilities held for sale increased 100.00% from the December 31, 2016 amount to RMB104,681,866.58 on September 30, 2017, due primarily to the reclassification as liabilities held for sale of the liabilities of the Company's two tax service subsidiaries, whose equity interests were to be sold by the Company.
14. Provisions decreased 100.00% from the December 31, 2016 amount to RMB0.00 on September 30, 2017, due

primarily to payments associated with closed legal cases.

15. Deferred income decreased 100.00% from the December 31, 2016 amount to RMB0.00 on September 30, 2017, due primarily to the reclassification as assets held for sale of the Company's equity interests in its two tax service subsidiaries, which were to be sold by the Company.

16. Other non-current liabilities decreased 51.84% from the December 31, 2016 amount to RMB55,767,137.26 on September 30, 2017, due primarily to the reclassification as liabilities held for sale of the liabilities of the Company's two tax service subsidiaries, whose equity interests were to be sold by the Company.

17. Other comprehensive income decreased 64.26% from the December 31, 2016 amount to RMB-1,145,810.31 on September 30, 2017, due primarily to lower income from translation of foreign currency-denominated financial statements caused by exchange rate fluctuations.

18. Retained earnings increased 32.52% from the December 31, 2016 amount to RMB1,910,522,498.75 on September 30, 2017, due primarily to the margins achieved during the period January through September 2017.

19. The year-over-year increases of 747.12% and 400.78% in net sales to RMB1,335,581,077.17 and RMB2,652,727,809.60 during the period July through September 2017 and the period January through September 2017, respectively, primarily resulted from more real estate projects open for sale and a larger sold floor area.

20. The year-over-year increases of 608.01% and 234.01% in cost of sales to RMB921,480,304.17 and RMB1,420,061,473.10 during the period July through September 2017 and the period January through September 2017, respectively, primarily resulted from a larger sold floor area.

21. The year-over-year increases of 5383.69% and 1694.52% in taxes and surtaxes to RMB102,469,953.31 and RMB459,639,976.26 during the period July through September 2017 and the period January through September 2017, respectively, primarily resulted from higher land VAT, etc. driven by higher real estate income.

22. Finance costs were RMB-4,044,473.36 and RMB-21,808,246.88 during the period July through September 2017 and the period January through September 2017, respectively, with finance income (presented as negative finance costs) seeing a year-over-year decrease of 42.54% and increase of 54.92%, which primarily resulted from changes in interest income.

23. The year-over-year decrease of 1557.08% in asset impairment losses to RMB-55,527,862.18 during the period January through September 2017 primarily resulted from the partial reversal in June 2017 of valuation allowances provided for the Banshan Yujing (Xuzhou) real estate project and the Hupan Yujing (Yangzhou) real estate project caused by rising housing prices.

24. The year-over-year decrease of 37.44% in investment income (or investment income from joint ventures and associates) to RMB479,674.64 during the period July through September 2017 primarily resulted from lower earnings of joint ventures.

25. The year-over-year decrease of 540.58% in net non-operating income/expense to RMB-4,710,818.43 during the period January through September 2017 primarily resulted from higher payments for legal matters.

26. The year-over-year increases of 5905.10% and 11781.67% in income tax expense to RMB67,850,203.05 and RMB171,473,516.73 during the period July through September 2017 and the period January through September 2017, respectively, primarily resulted from higher margins.

27. The year-over-year increases of 8290.23%, 9056.08% and 10941.08% in operating margin, gross margin and net margin (attributable to the parent company), respectively, to RMB279,076,304.55, RMB279,661,079.37 and RMB211,810,876.32 during the period July through September 2017, as well as the year-over-year increases of 11117.76%, 13081.42% and 8099.55% in the aforesaid three items, respectively, to RMB752,350,981.91, RMB747,640,163.48 and RMB576,166,646.75 during the period January through September 2017, primarily resulted from a significantly larger sold floor area.



28. The year-over-year increase of 392.25% and decrease of 172.17% in other comprehensive income, net of tax to RMB1,109,596.95 and RMB-448,261.61 during the period July through September 2017 and the period January through September 2017, respectively, primarily resulted from changes in differences arising from the translation of foreign currency-denominated financial statements caused by exchange rate fluctuations.

29. The year-over-year decrease of 116.89% in net cash from operating activities to RMB-354,782,847.37 during the period January through September 2017 primarily resulted from decrease in payments collected from house buyers.

30. The year-over-year increase of 2523.12% in net cash from investing activities to RMB95,047,565.61 during the period January through September 2017 primarily resulted from a partial payment received in this period for the Company's holdings in its two taxi service subsidiaries, which had been transferred.

31. Net cash from financing activities was RMB-107,246,594.16 during the period January through September 2017, with these net cash outflows seeing a year-over-year decrease of 67.20%, which primarily resulted from a lower repayment amount for loans.

32. The year-over-year decrease of 120.87% in net increase in cash and cash equivalents to RMB-369,690,697.88 during the period January through September 2017 primarily resulted from decrease in payments collected from house buyers.

## II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

(1) The share transfer of two taxi companies under the control of the Company: for more details about the share transfer of two taxi companies under the control of the Company to Shenzhen Bus Group Co., Ltd., please refer to the relative announcements disclosed on June 30 and July 17 in 2017. As of the end of Report Period, the above issue has been approved on the shareholders meeting, and the Company has received 51% of the contract value as the down payment from Shenzhen Bus Group Co., Ltd. At present, procedures of the share transfer are in progress.

In accordance with the ruled Accounting Standard, the total assets and liabilities of the above-mentioned two taxi companies are classified as available-for-sale in the consolidated financial statements. As of the end of Reporting Period, the total of available-for-sale assets is RMB180,550,000, of which, the cash on hand and at bank is RMB25,160,000, available-for-sale financial assets are RMB14,500,000, the investment property is RMB13,810,000, and the fixed assets and intangible assets are respectively RMB41,680,000 and RMB80,130,000. The total of available-for-sale liabilities is RMB104,680,000, of which, the payroll payable is RMB3,540,000, the other accounts payable are RMB27,990,000, the deferred income is RMB14,360,000 and the other non-current liabilities are RMB56,960,000.

As of the end of Reporting Period, the above two taxi companies have generated operating revenue of RMB44,900,000, operating expenses of RMB41,750,000, gross margin of RMB3.2 million, income tax expense of RMB680,000 as well as net margin of RMB2,520,000 (all attributable to the net margin of parent company). During the same period of last year, they had recorded RMB47,320,000 in operating revenue, RMB42,160,000 in operating expenses, RMB8.33 million in gross margin, RMB1.93 million in income tax expense as well as RMB6.4 million in net margin (all attributable to the net margin of parent company).

(2) The Company's state-owned equity management: under the general deployment by the government in Shenzhen for the adjustment of state-owned assets management system, Shenzhen SASAC issued SZSASAC [2004] No. 223 on September 29, 2004 in which it decided to set up Shenzhen Investment Holdings Co., Ltd (hereinafter referred to as "SZIH") taking the form of merger by new establishment. The merged parties involved in are Shenzhen Investment Management Co., Ltd. (hereinafter referred to as "SIM"), Shenzhen Construction Investment Holdings Corporation (hereinafter referred to as "SCIHC") and Shenzhen Business Investment Holdings Corporation (hereinafter referred to as "SBIHC"). Shenzhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as "SZPRD" or "the Company") disclosed *Indicative Announcement on State-owned Equity Management* (No.

2004-15) and *Announcement on the Progress of the Company's State-owned Equity Management* (No. 2016-20) on November 4, 2004 and October 15, 2016 respectively. SCIH held 323,796,324 shares of SZPRD and SIM held 56,582,573 shares of SZPRD, which totally accounted for 63.82% of the total shares of SZPRD.

After the issuing of the decision by Shenzhen SASAC on setting up SZIH taking the form of merger by new establishment, the Company keeps introducing this situation under the item of Shareholders' Profile in annual reports since 2004 (including 2004) and showed investors that the Company's actual controlling shareholder is SZIH and that the Company's actual controller is Shenzhen SASAC.

The Company received the notice from its actual controlling shareholder SZIH on August 6, 2017 that it had acquired the control power over the Company through the acquisition of the Company's share held by SIM and SCIH taking the form of merger by new establishment (hereinafter referred to as "the Acquisition"). In accordance with relative regulations of the *PRC Securities Law* and *Regulations Governing the Purchase of Listed Companies*, SZIH should report to China Securities Regulatory Commission for exempting its obligation of tender offer. To handle the relative historical issues as soon as possible and ensure the stabilization of the governance structure and control power over listed companies, SZIH submitted the application to China Securities Regulatory Commission for exempting tender offer on August 9, 2017. For more details about the Acquisition, please refer to *Abstract of the Report on the Acquisition of Shenzhen Properties & Resources Development (Group) Ltd.*

On August 21, 2017, SZIH received the No. 171644 *the First Feedback Notice on the Review of Administrative Permissive Projects from China Securities Regulatory Commission* (hereinafter referred to as "Feedback") issued by China Securities Regulatory Commission. At the request of China Securities Regulatory Commission, it shall submit its reply in written form and the electronic documents within 30 working days. And it could submit its application for delay in reply if can't reply timely.

After the discussion with financial councils and lawyers, SZIH applies for delay in reply to November 16, 2017 to China Securities Regulatory Commission. After the improvement of relative issues, the reply and relevant materials will be submitted to China Securities Regulatory Commission.

| Announcement of significant event   | Disclosure date | Disclosure website   |
|---|-----------------|--|
| The share transfer of two taxi companies under the control of the Company | 06/30/2017      | No. 2017-30 <i>Announcement on the Share Transfer in Whole of Two Taxi Companies under the Control of the Company to Shenzhen Bus Group Co., Ltd.</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>                                      |
|   | 07/17/2017      | No. 2017-32 <i>Announcement on Resolution of the First Special Meeting of Shareholders in 2017</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>   |
| Management of state-owned shares held by the Company                      | 08/07/2017      | No. 2017-33 <i>Announcement on the Progress of the Company's State-owned Equity Management, Abstract of the Report on the Acquisition, and Shareholding Alteration Report (Short Form)</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> |
|   | 09/27/2017      | No. 2017-40 <i>Announcement on the Application from the Actual controlling Shareholder Shenzhen Investment Holding Co., Ltd. for Delay in Reply to the First Feedback Notice on the Review</i>   |

|  |  |   |
|--|--|---|
|  |  | of Administrative Permissive Projects from China Securities Regulatory Commission on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> |
|--|--|---|

### III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

### IV Forecast of 2017 Annual Operating Results

Warning of a possible loss on or a significant year-over-year change in accumulative net margin during the period the beginning of the current year through the end of the next reporting period, as well as the reasons:

☒ Applicable ☐ Not applicable

Forecast: Considerable increase at the same direction

Type of the forecast data: exact data

|  | 2017   | 2016   | Change |        |
|--|--|--------|--------|--------|
| Forecast accumulative net margin (RMB'0,000) | 60,000   | 35,486 | Up     | 69.08% |
| Basic earnings per share (RMB/share)         | 1.0067   | 0.5954 | Up     | 69.08% |
| Note   | The business performance is expected to record a significant change because the projects and the area of all projects available for settlement for 2017 increases considerably from the same period of last year. The forecasts above are only preliminary estimates provided according to the current sales of the Company's real estate projects. Investors are kindly reminded to note that the actual earnings of the Company for Y2017 shall be subject to the data to be given in the 2017 Annual Report of the Company. |        |        |        |

### V Securities Investments

☒ Applicable ☐ Not applicable

| Variety of securities   | Code of securities    | Name of securities | Initial investment cost | Accounting measurement model | Opening book value | Profit/loss on fair value changes in this Reporting Period | Cumulative fair value changes charged to equity | Purchased in this Reporting Period | Sold in this Reporting Period | Profit/loss in this Reporting Period | Closing book value | Accounting title   | Source of investment funds |
|-------------------------|-----------------------|--------------------|-------------------------|------------------------------|--------------------|--|---|------------------------------------|-------------------------------|--------------------------------------|--------------------|--------------------|----------------------------|
| Domestic/overseas stock | 400016<br>、<br>420016 | PTJTA,<br>PTJTB    | 3,565,856.06            | Fair value method            | 3,003,714.14       |  |   | 609,527.09                         |                               |                                      | 3,613,241.23       | Available-for-sale | Acquired from the          |

|  |  |  |              |    |              |      |      |            |      |      |              |                 |  |
|--|--|--|--------------|----|--------------|------|------|------------|------|------|--------------|-----------------|--|
|  |  |  |              |    |              |      |      |            |      |      |              | financial asset | debt reorganization of JINTI AN INDUSTRY (GROUP) CO., LTD. |
| Total  |  |  | 3,565,856.06 | -- | 3,003,714.14 | 0.00 | 0.00 | 609,527.09 | 0.00 | 0.00 | 3,613,241.23 | --              | --   |
| Disclosure date of the announcement about the board's consent for the securities investment                    |  |  |              |    |              |      |      |            |      |      |              |                 |  |
| Disclosure date of the announcement about the general meeting's consent for the securities investment (if any) |  |  |              |    |              |      |      |            |      |      |              |                 |  |

## VI Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

## VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

☒ Applicable ☐ Not applicable

| Date of visit | Way of visit | Type of visitor | About   |
|---------------|--------------|-----------------|---|
| 07/03/2017    | By phone     | Individual      | Progress of the Company's state-owned equity management                               |
| 07/11/2017    | By phone     | Individual      | Performance of the Company in the first half of 2017                                  |
| 07/17/2017    | By phone     | Individual      | Progress of the share transfer of two taxi companies under the control of the Company |

|            |          |            |  |
|------------|----------|------------|--|
| 07/20/2017 | By phone | Individual | Performance of the Company in the first half of 2017 |
| 08/04/2017 | By phone | Individual | Future development strategy of the Company           |

### **VIII Irregularities Arising from Provision of Guarantees for Third Parties**

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

### **IX Occupation of the Company's Funds by Its Controlling Shareholder or Related Parties for Non-Operating Purposes**

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

### **X Targeted Measures Taken to Help People Lift Themselves out of Poverty**

The Company did not take such measures in the third quarter of the year and has no such plans for now.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by ShenZhen Properties & Resources Development (Group) Ltd.

September 30, 2017

Unit: RMB

| Item  | September 30, 2017 | December 31, 2016 |
|---|--------------------|-------------------|
| Current assets:                                       |                    |                   |
| Cash on hand and at bank                              | 2,474,901,711.24   | 2,869,755,216.85  |
| Settlement reserve                                    |                    |                   |
| Interbank lendings                                    |                    |                   |
| Financial assets at fair value through gains/losses   |                    |                   |
| Derivative financial assets                           |                    |                   |
| Notes receivable                                      |                    |                   |
| Accounts receivable                                   | 45,864,363.96      | 31,564,219.86     |
| Prepayments   | 27,775,804.00      | 120,532,275.38    |
| Premiums receivable                                   |                    |                   |
| Reinsurance premiums receivable                       |                    |                   |
| Receivable reinsurance contract reserve               |                    |                   |
| Interest receivable                                   |                    |                   |
| Dividends receivable                                  |                    |                   |
| Other accounts receivable                             | 15,515,173.88      | 9,542,311.30      |
| Financial assets purchased under agreements to resell |                    |                   |
| Inventories   | 1,791,881,804.12   | 2,585,658,521.65  |
| Assets held for sale                                  | 180,554,122.51     |                   |
| Non-current assets due within one year                |                    |                   |
| Other current assets                                  | 15,138,340.13      | 10,977,557.15     |
| Total current assets                                  | 4,551,631,319.84   | 5,628,030,102.19  |
| Non-current assets:                                   |                    |                   |
| Loans and advances to customers                       |                    |                   |

|  |                  |                  |
|--|------------------|------------------|
| Available-for-sale financial assets                      | 3,613,241.23     | 17,503,714.14    |
| Held-to-maturity investments                             |                  |                  |
| Long-term accounts receivable                            |                  |                  |
| Long-term equity investments                             | 38,644,378.67    | 36,751,891.12    |
| Investment property                                      | 433,158,817.81   | 427,800,613.03   |
| Fixed assets   | 29,328,730.61    | 73,932,007.89    |
| Construction in progress                                 |                  |                  |
| Engineering materials                                    |                  |                  |
| Disposal of fixed assets                                 |                  | 85,556.34        |
| Productive living assets                                 |                  |                  |
| Oil-gas assets   |                  |                  |
| Intangible assets  |                  | 85,487,580.95    |
| R&D expense  |                  |                  |
| Goodwill   |                  |                  |
| Long-term deferred expense                               | 994,612.92       | 1,496,391.11     |
| Deferred income tax assets                               | 390,184,952.79   | 375,997,063.33   |
| Other non-current assets                                 |                  | 7,271,224.00     |
| Total non-current assets                                 | 895,924,734.03   | 1,026,326,041.91 |
| Total assets   | 5,447,556,053.87 | 6,654,356,144.10 |
| Current liabilities:                                     |                  |                  |
| Short-term borrowings                                    |                  |                  |
| Borrowings from Central Bank                             |                  |                  |
| Money deposits accepted and inter-bank deposits          |                  |                  |
| Interbank borrowings                                     |                  |                  |
| Financial liabilities at fair value through gains/losses |                  |                  |
| Derivative financial liabilities                         |                  |                  |
| Notes payable  |                  |                  |
| Accounts payable   | 441,094,299.31   | 419,926,139.39   |
| Advances received  | 611,457,740.27   | 2,231,321,227.65 |
| Financial assets sold for repurchase                     |                  |                  |
| Fees and commissions payable                             |                  |                  |
| Payroll payable  | 55,158,343.14    | 67,340,897.51    |
| Taxes payable  | 1,166,548,335.76 | 1,254,999,384.73 |

|  |                  |                  |
|--|------------------|------------------|
| Interest payable                               |                  |                  |
| Dividends payable                              | 29,642.40        |                  |
| Other accounts payable                         | 133,069,922.36   | 132,082,174.54   |
| Reinsurance premiums payable                   |                  |                  |
| Insurance contract reserve                     |                  |                  |
| Payables for acting trading of securities      |                  |                  |
| Payables for acting underwriting of securities |                  |                  |
| Liabilities held for sale                      | 104,681,866.58   |                  |
| Non-current liabilities due within one year    |                  |                  |
| Other current liabilities                      |                  |                  |
| Total current liabilities                      | 2,512,040,149.82 | 4,105,669,823.82 |
| Non-current liabilities:                       |                  |                  |
| Long-term borrowings                           |                  |                  |
| Bonds payable                                  |                  |                  |
| Of which: Preference shares                    |                  |                  |
| Perpetual bonds                                |                  |                  |
| Long-term accounts payable                     |                  |                  |
| Long-term payroll payable                      |                  |                  |
| Special payables                               |                  |                  |
| Provisions                                     |                  | 5,201,315.32     |
| Deferred income                                |                  | 16,379,403.41    |
| Deferred income tax liabilities                | 9,795.40         | 14,487.51        |
| Other non-current liabilities                  | 55,767,137.26    | 115,794,291.23   |
| Total non-current liabilities                  | 55,776,932.66    | 137,389,497.47   |
| Total liabilities                              | 2,567,817,082.48 | 4,243,059,321.29 |
| Owners' equity:                                |                  |                  |
| Share capital                                  | 595,979,092.00   | 595,979,092.00   |
| Other equity instruments                       |                  |                  |
| Of which: Preference shares                    |                  |                  |
| Perpetual bonds                                |                  |                  |
| Capital reserve                                | 119,951,533.93   | 119,951,533.93   |
| Less: Treasury shares                          |                  |                  |
| Other comprehensive income                     | -1,145,810.31    | -697,548.70      |



|   |                  |                  |
|---|------------------|------------------|
| Special reserve                             |                  |                  |
| Surplus reserve                             | 253,569,569.96   | 253,569,569.96   |
| Provisions for general risks                |                  |                  |
| Retained earnings                           | 1,910,522,498.75 | 1,441,632,088.56 |
| Equity attributable to owners of the parent | 2,878,876,884.33 | 2,410,434,735.75 |
| Minority interests                          | 862,087.06       | 862,087.06       |
| Total owners' equity                        | 2,879,738,971.39 | 2,411,296,822.81 |
| Total liabilities and owners' equity        | 5,447,556,053.87 | 6,654,356,144.10 |

Legal representative: Chen Yugang

Accounting head for this Report: Wang Hangjun

Head of the accounting department: Shen Xueying

## 2. Parent Company Balance Sheet

Unit: RMB

| Item  | September 30, 2017 | December 31, 2016 |
|---|--------------------|-------------------|
| Current assets:                                     |                    |                   |
| Cash on hand and at bank                            | 1,806,875,978.25   | 1,566,655,340.88  |
| Financial assets at fair value through gains/losses |                    |                   |
| Derivative financial assets                         |                    |                   |
| Notes receivable                                    |                    |                   |
| Accounts receivable                                 | 1,582,553.94       | 554,834.29        |
| Prepayments   | 522,729.09         | 34,080,739.67     |
| Interest receivable                                 |                    |                   |
| Dividends receivable                                |                    | 350,000,000.00    |
| Other accounts receivable                           | 1,069,976,707.07   | 1,387,640,781.32  |
| Inventories   | 303,713,408.60     | 473,719,042.17    |
| Assets held for sale                                | 39,742,260.98      |                   |
| Non-current assets due within one year              |                    |                   |
| Other current assets                                | 85,558.19          | 1,241,108.66      |
| Total current assets                                | 3,222,499,196.12   | 3,813,891,846.99  |
| Non-current assets:                                 |                    |                   |
| Available-for-sale financial assets                 | 3,843,741.23       | 3,234,214.14      |
| Held-to-maturity investments                        |                    |                   |
| Long-term accounts receivable                       |                    |                   |

|  |                  |                  |
|--|------------------|------------------|
| Long-term equity investments                             | 243,474,379.67   | 283,309,153.10   |
| Investment property                                      | 341,564,753.69   | 352,884,137.98   |
| Fixed assets   | 8,060,535.90     | 8,696,554.63     |
| Construction in progress                                 |                  |                  |
| Engineering materials                                    |                  |                  |
| Disposal of fixed assets                                 |                  |                  |
| Productive living assets                                 |                  |                  |
| Oil-gas assets   |                  |                  |
| Intangible assets  |                  |                  |
| R&D expense  |                  |                  |
| Goodwill   |                  |                  |
| Long-term deferred expense                               | 994,612.92       | 1,124,345.13     |
| Deferred income tax assets                               | 191,087,501.74   | 163,663,557.65   |
| Other non-current assets                                 |                  |                  |
| Total non-current assets                                 | 789,025,525.15   | 812,911,962.63   |
| Total assets   | 4,011,524,721.27 | 4,626,803,809.62 |
| Current liabilities:                                     |                  |                  |
| Short-term borrowings                                    |                  |                  |
| Financial liabilities at fair value through gains/losses |                  |                  |
| Derivative financial liabilities                         |                  |                  |
| Notes payable  |                  |                  |
| Accounts payable   | 120,024,653.68   | 162,541,223.07   |
| Advances received  | 92,992,399.30    | 931,886,153.43   |
| Payroll payable  | 11,224,995.81    | 9,532,230.14     |
| Taxes payable  | 683,870,620.39   | 551,593,062.41   |
| Interest payable   |                  |                  |
| Dividends payable  | 29,642.40        |                  |
| Other accounts payable                                   | 255,409,518.94   | 758,082,233.48   |
| Liabilities held for sale                                |                  |                  |
| Non-current liabilities due within one year              |                  |                  |
| Other current liabilities                                |                  |                  |
| Total current liabilities                                | 1,163,551,830.52 | 2,413,634,902.53 |
| Non-current liabilities:                                 |                  |                  |
| Long-term borrowings                                     |                  |                  |

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Bonds payable                        |                  |                  |
| Of which: Preference shares          |                  |                  |
| Perpetual bonds                      |                  |                  |
| Long-term payables                   |                  |                  |
| Long-term payroll payable            |                  |                  |
| Special payables                     |                  |                  |
| Provisions                           |                  | 5,201,315.32     |
| Deferred income                      |                  |                  |
| Deferred income tax liabilities      |                  |                  |
| Other non-current liabilities        |                  |                  |
| Total non-current liabilities        |                  | 5,201,315.32     |
| Total liabilities                    | 1,163,551,830.52 | 2,418,836,217.85 |
| Owners' equity:                      |                  |                  |
| Share capital                        | 595,979,092.00   | 595,979,092.00   |
| Other equity instruments             |                  |                  |
| Of which: Preference shares          |                  |                  |
| Perpetual bonds                      |                  |                  |
| Capital reserve                      | 94,057,859.68    | 94,057,859.68    |
| Less: Treasury shares                |                  |                  |
| Other comprehensive income           |                  |                  |
| Special reserve                      |                  |                  |
| Surplus reserve                      | 252,912,759.52   | 252,912,759.52   |
| Retained earnings                    | 1,905,023,179.55 | 1,265,017,880.57 |
| Total owners' equity                 | 2,847,972,890.75 | 2,207,967,591.77 |
| Total liabilities and owners' equity | 4,011,524,721.27 | 4,626,803,809.62 |

### 3. Consolidated Income Statement for July-September

Unit: RMB

| Item                       | July-September 2017 | July-September 2016 |
|----------------------------|---------------------|---------------------|
| 1. Operating revenue       | 1,335,581,077.17    | 157,661,237.17      |
| Including: Net sales       | 1,335,581,077.17    | 157,661,237.17      |
| Interest revenue           |                     |                     |
| Premium revenue            |                     |                     |
| Fee and commission revenue |                     |                     |

|   |                  |                |
|---|------------------|----------------|
| 2. Operating expenses   | 1,056,984,447.26 | 161,835,399.65 |
| Including: Cost of sales  | 921,480,304.17   | 130,151,418.31 |
| Interest expense  |                  |                |
| Fee and commission expense  |                  |                |
| Surrenders  |                  |                |
| Net claims paid   |                  |                |
| Net amount provided as insurance contract reserve                 |                  |                |
| Expenditure on policy dividends                                   |                  |                |
| Reinsurance premium expense                                       |                  |                |
| Taxes and surtaxes  | 102,469,953.31   | 1,868,632.47   |
| Selling expense   | 8,967,303.36     | 10,977,373.74  |
| Administrative expense  | 28,008,041.78    | 25,876,322.92  |
| Finance costs   | -4,044,473.36    | -7,038,347.79  |
| Asset impairment losses   | 103,318.00       |                |
| Add: Gains on fair value changes (“-” for losses)                 |                  |                |
| Investment income (“-” for losses)                                | 479,674.64       | 766,734.31     |
| Including: Share of gains/losses of associates and joint ventures | 479,674.64       | 766,734.31     |
| Exchange gains (“-” for losses)                                   |                  |                |
| Other income  |                  |                |
| 3. Operating margin (“-” for losses)                              | 279,076,304.55   | -3,407,428.17  |
| Add: Non-operating income   | 668,130.40       | 566,686.18     |
| Including: Gains on disposal of non-current assets                |                  |                |
| Less: Non-operating expense                                       | 83,355.58        | 281,842.04     |
| Including: Losses on disposal of non-current assets               | 12,056.87        | 176,586.11     |
| 4. Gross margin (“-” for losses)                                  | 279,661,079.37   | -3,122,584.03  |
| Less: Income tax expense  | 67,850,203.05    | -1,168,803.07  |
| 5. Net margin (“-” for losses)                                    | 211,810,876.32   | -1,953,780.96  |
| Attributable to owners of the parent                              | 211,810,876.32   | -1,953,780.96  |
| Attributable to minority interests                                |                  |                |
| 6. Other comprehensive income, net of tax                         | 1,109,596.95     | -379,677.29    |

|  |                |               |
|--|----------------|---------------|
| Other comprehensive income, net of tax attributable to owners of the parent  | 1,109,596.95   | -379,677.29   |
| 6.1 Other comprehensive income that will not be reclassified into gains/losses   |                |               |
| 6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement                               |                |               |
| 6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method |                |               |
| 6.2 Other comprehensive income to be subsequently reclassified into gains/losses   | 1,109,596.95   | -379,677.29   |
| 6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method   |                |               |
| 6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets  |                |               |
| 6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets                |                |               |
| 6.2.4 Effective gains/losses on cash flow hedges   |                |               |
| 6.2.5 Currency translation differences   | 1,109,596.95   | -379,677.29   |
| 6.2.6 Other  |                |               |
| Other comprehensive income, net of tax attributable to minority interests  |                |               |
| 7. Total comprehensive income  | 212,920,473.27 | -2,333,458.25 |
| Attributable to owners of the parent   | 212,920,473.27 | -2,333,458.25 |
| Attributable to minority interests   |                |               |
| 8. Earnings per share  |                |               |
| 8.1 Basic earnings per share   | 0.3554         | -0.0033       |
| 8.2 Diluted earnings per share   | 0.3554         | -0.0033       |

Where business mergers under the same control occurred in the current period, the net margin achieved by the merged parties before

the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Chen Yugang

Accounting head for this Report: Wang Hangjun

Head of the accounting department: Shen Xueying

#### 4. Parent Company Income Statement for July-September

Unit: RMB

| Item   | July-September 2017 | July-September 2016 |
|--|---------------------|---------------------|
| 1. Operating revenue   | 17,291,326.51       | 16,318,524.86       |
| Less: Operating expenses   | 6,097,177.33        | 4,066,969.06        |
| Taxes and surtaxes   | 1,135,062.22        | 964,178.65          |
| Selling expense  | 259,359.00          | 6,023,179.46        |
| Administrative expense   | 9,209,839.24        | 10,389,433.36       |
| Finance costs  | -2,437,908.35       | -2,781,233.44       |
| Asset impairment losses  |                     |                     |
| Add: Gains on fair value changes (“-” for losses)                                  |                     |                     |
| Investment income (“-” for loss)   | 479,674.64          | 766,734.31          |
| Including: Share of gains/losses of associates and joint ventures                  | 479,674.64          | 766,734.31          |
| Other income   |                     |                     |
| 2. Operating margin (“-” for losses)   | 3,507,471.71        | -1,577,267.92       |
| Add: Non-operating income  | 85,064.00           | -110,802.31         |
| Including: Gains on disposal of non-current assets                                 |                     |                     |
| Less: Non-operating expense  | 37,705.54           |                     |
| Including: Losses on disposal of non-current assets                                | 6,567.27            |                     |
| 3. Gross margin (“-” for losses)   | 3,554,830.17        | -1,688,070.23       |
| Less: Income tax expense   | 840,255.24          | -1,098,164.09       |
| 4. Net margin (“-” for losses)   | 2,714,574.93        | -589,906.14         |
| 5. Other comprehensive income, net of tax  |                     |                     |
| 5.1 Other comprehensive income that will not be reclassified into gains and losses |                     |                     |
| 5.1.1 Changes in net liabilities or  |                     |                     |

|  |              |             |
|--|--------------|-------------|
| assets with a defined benefit plan upon re-measurement   |              |             |
| 5.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method |              |             |
| 5.2 Other comprehensive income to be subsequently reclassified into gains/losses   |              |             |
| 5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method   |              |             |
| 5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets  |              |             |
| 5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets                |              |             |
| 5.2.4 Effective gains/losses on cash flow hedges   |              |             |
| 5.2.5 Currency translation differences   |              |             |
| 5.2.6 Other  |              |             |
| 6. Total comprehensive income  | 2,714,574.93 | -589,906.14 |
| 7. Earnings per share  |              |             |
| 7.1 Basic earnings per share   | 0.0046       | -0.0010     |
| 7.2 Diluted earnings per share   | 0.0046       | -0.0010     |

## 5. Consolidated Income Statement for January-September

Unit: RMB

| Item                       | January-September 2017 | January-September 2016 |
|----------------------------|------------------------|------------------------|
| 1. Operating revenue       | 2,652,727,809.60       | 529,718,717.13         |
| Including: Net sales       | 2,652,727,809.60       | 529,718,717.13         |
| Interest revenue           |                        |                        |
| Premium revenue            |                        |                        |
| Fee and commission revenue |                        |                        |
| 2. Operating expenses      | 1,902,269,315.24       | 538,472,557.97         |

|  |                  |                |
|--|------------------|----------------|
| Including: Cost of sales   | 1,420,061,473.10 | 425,159,240.17 |
| Interest expense   |                  |                |
| Fee and commission expense   |                  |                |
| Surrenders   |                  |                |
| Net claims paid  |                  |                |
| Net amount provided as insurance contract reserve                    |                  |                |
| Expenditure on policy dividends                                      |                  |                |
| Reinsurance premium expense  |                  |                |
| Taxes and surtaxes   | 459,639,976.26   | 25,613,594.87  |
| Selling expense  | 19,823,652.31    | 27,517,133.33  |
| Administrative expense   | 80,080,322.63    | 70,448,478.37  |
| Finance costs  | -21,808,246.88   | -14,076,786.73 |
| Asset impairment losses  | -55,527,862.18   | 3,810,897.96   |
| Add: Gains on fair value changes (“-” for losses)                    |                  |                |
| Investment income (“-” for losses)                                   | 1,892,487.55     | 1,925,310.63   |
| Including: Share of gains/losses of associates and joint ventures    | 1,892,487.55     | 1,925,310.63   |
| Exchange gains (“-” for losses)                                      |                  |                |
| Other income   |                  |                |
| 3. Operating margin (“-” for losses)                                 | 752,350,981.91   | -6,828,530.21  |
| Add: Non-operating income  | 1,276,286.37     | 1,649,786.58   |
| Including: Gains on disposal of non-current assets                   | 23,539.00        |                |
| Less: Non-operating expense  | 5,987,104.80     | 580,564.54     |
| Including: Losses on disposal of non-current assets                  | 25,339.04        | 182,886.11     |
| 4. Gross margin (“-” for losses)                                     | 747,640,163.48   | -5,759,308.17  |
| Less: Income tax expense   | 171,473,516.73   | 1,443,177.42   |
| 5. Net margin (“-” for losses)                                       | 576,166,646.75   | -7,202,485.59  |
| Attributable to owners of the parent                                 | 576,166,646.75   | -7,202,485.59  |
| Attributable to minority interests                                   |                  |                |
| 6. Other comprehensive income, net of tax                            | -448,261.61      | 621,139.47     |
| Other comprehensive income, net of tax attributable to owners of the | -448,261.61      | 621,139.47     |



|  |                |               |
|--|----------------|---------------|
| parent   |                |               |
| 6.1 Other comprehensive income that will not be reclassified into gains/losses   |                |               |
| 6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement                               |                |               |
| 6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method |                |               |
| 6.2 Other comprehensive income to be subsequently reclassified into gains/losses   | -448,261.61    | 621,139.47    |
| 6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method   |                |               |
| 6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets  |                |               |
| 6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets                |                |               |
| 6.2.4 Effective gains/losses on cash flow hedges   |                |               |
| 6.2.5 Currency translation differences   | -448,261.61    | 621,139.47    |
| 6.2.6 Other  |                |               |
| Other comprehensive income, net of tax attributable to minority interests  |                |               |
| 7. Total comprehensive income  | 575,718,385.14 | -6,581,346.12 |
| Attributable to owners of the parent   | 575,718,385.14 | -6,581,346.12 |
| Attributable to minority interests   |                |               |
| 8. Earnings per share  |                |               |
| 8.1 Basic earnings per share   | 0.9668         | -0.0121       |
| 8.2 Diluted earnings per share   | 0.9668         | -0.0121       |

Where business mergers under the same control occurred in the current period, the net margin achieved by the merged parties before the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

**6. Parent Company Income Statement for January-September**

Unit: RMB

| Item   | January-September 2017 | January-September 2016 |
|--|------------------------|------------------------|
| 1. Operating revenue   | 958,287,224.60         | 48,475,539.74          |
| Less: Operating expenses   | 184,949,760.26         | 11,661,164.07          |
| Taxes and surtaxes   | 354,526,244.41         | 3,863,411.73           |
| Selling expense  | 2,270,308.91           | 12,159,722.48          |
| Administrative expense   | 28,040,113.83          | 25,269,669.06          |
| Finance costs  | -12,207,197.73         | -6,912,362.98          |
| Asset impairment losses  | -654,008.70            | -1,191,328.44          |
| Add: Gains on fair value changes (“-” for losses)  |                        |                        |
| Investment income (“-” for loss)   | 450,267,789.82         | 1,925,310.63           |
| Including: Share of gains/losses of associates and joint ventures  | 1,892,487.55           | 1,925,310.63           |
| Other income   |                        |                        |
| 2. Operating margin (“-” for losses)   | 851,629,793.44         | 5,550,574.45           |
| Add: Non-operating income  | 222,418.81             | 326,967.58             |
| Including: Gains on disposal of non-current assets   |                        |                        |
| Less: Non-operating expense  | 5,567,710.31           | 19,444.98              |
| Including: Losses on disposal of non-current assets  | 7,343.52               |                        |
| 3. Gross margin (“-” for losses)   | 846,284,501.94         | 5,858,097.05           |
| Less: Income tax expense   | 99,002,966.40          | 1,135,503.72           |
| 4. Net margin (“-” for losses)   | 747,281,535.54         | 4,722,593.33           |
| 5. Other comprehensive income, net of tax  |                        |                        |
| 5.1 Other comprehensive income that will not be reclassified into gains and losses                                       |                        |                        |
| 5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement                               |                        |                        |
| 5.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method |                        |                        |

|  |                |              |
|--|----------------|--------------|
| 5.2 Other comprehensive income to be subsequently reclassified into gains/losses                                       |                |              |
| 5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method |                |              |
| 5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets  |                |              |
| 5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets              |                |              |
| 5.2.4 Effective gains/losses on cash flow hedges   |                |              |
| 5.2.5 Currency translation differences   |                |              |
| 5.2.6 Other  |                |              |
| 6. Total comprehensive income  | 747,281,535.54 | 4,722,593.33 |
| 7. Earnings per share  |                |              |
| 7.1 Basic earnings per share   | 1.2539         | 0.0079       |
| 7.2 Diluted earnings per share   | 1.2539         | 0.0079       |

## 7. Consolidated Cash Flow Statement for January-September

Unit: RMB

| Item   | January-September 2017 | January-September 2016 |
|--|------------------------|------------------------|
| 1. Cash generated by or used in operating activities:                  |                        |                        |
| Cash generated by sale of commodities and rendering of service         | 1,035,129,398.47       | 3,273,473,246.17       |
| Net increase in money deposits from customers and interbank placements |                        |                        |
| Net increase in loans from Central Bank                                |                        |                        |
| Net increase in funds borrowed from other financial institutions       |                        |                        |
| Cash received as premiums of original insurance contracts              |                        |                        |
| Net cash generated by reinsurance business                             |                        |                        |

|  |                  |                  |
|--|------------------|------------------|
| Net increase in deposits of policy holders and investment fund                               |                  |                  |
| Net increase in disposal of financial assets at fair value through gains/losses              |                  |                  |
| Interest, fees and commissions received  |                  |                  |
| Net increase in interbank borrowings   |                  |                  |
| Net increase in funds in repurchase business   |                  |                  |
| Tax rebates received   |                  |                  |
| Cash generated by other operating activities   | 27,585,392.87    | 27,283,040.99    |
| Subtotal of cash generated by operating activities   | 1,062,714,791.34 | 3,300,756,287.16 |
| Cash paid for goods and services   | 385,275,049.38   | 482,876,335.33   |
| Net increase in loans and advances to customers  |                  |                  |
| Net increase in funds deposited in Central Bank and interbank placements                     |                  |                  |
| Cash paid for claims of original insurance contracts   |                  |                  |
| Interest, fees and commissions paid  |                  |                  |
| Cash paid as policy dividends  |                  |                  |
| Cash paid to and for employees   | 247,670,285.31   | 243,851,267.96   |
| Taxes paid   | 725,099,736.70   | 415,532,706.93   |
| Cash used in other operating activities  | 59,452,567.32    | 57,434,437.02    |
| Subtotal of cash used in operating activities  | 1,417,497,638.71 | 1,199,694,747.24 |
| Net cash from operating activities   | -354,782,847.37  | 2,101,061,539.92 |
| 2. Cash generated by or used in investing activities:  |                  |                  |
| Cash generated by disinvestments   |                  |                  |
| Cash received as investment income   |                  |                  |
| Net cash generated by disposal of fixed assets, intangible assets and other long-term assets | 3,198.63         | 142,265.20       |
| Net cash generated by disposal of subsidiaries or other business units                       | 96,661,830.00    |                  |
| Cash generated by other investing activities   |                  |                  |

|   |                 |                  |
|---|-----------------|------------------|
| Subtotal of cash generated by investing activities                              | 96,665,028.63   | 142,265.20       |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 1,617,463.02    | 4,064,786.82     |
| Cash paid for investments   |                 |                  |
| Net increase in pledged loans   |                 |                  |
| Net cash paid to acquire subsidiaries and other business units                  |                 |                  |
| Cash used in other investing activities   |                 |                  |
| Subtotal of cash used in investing activities                                   | 1,617,463.02    | 4,064,786.82     |
| Net cash from investing activities  | 95,047,565.61   | -3,922,521.62    |
| 3. Cash generated by or used in financing activities:                           |                 |                  |
| Cash received as capital contributions  |                 |                  |
| Including: Cash received from minority shareholder investments by subsidiaries  |                 |                  |
| Cash received as borrowings   |                 | 15,441,282.23    |
| Cash generated by issuance of bonds   |                 |                  |
| Cash generated by other financing activities                                    |                 |                  |
| Subtotal of cash generated by financing activities                              |                 | 15,441,282.23    |
| Repayment of borrowings   |                 | 289,524,641.06   |
| Cash paid for interest expenses and distribution of dividends or profit         | 107,246,594.16  | 52,824,760.80    |
| Including: dividends or profit paid by subsidiaries to minority interests       |                 |                  |
| Cash used in other financing activities   |                 | 96,000.00        |
| Sub-total of cash used in financing activities                                  | 107,246,594.16  | 342,445,401.86   |
| Net cash from financing activities  | -107,246,594.16 | -327,004,119.63  |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents         | -2,708,821.96   | 1,363,567.87     |
| 5. Net increase in cash and cash equivalents                                    | -369,690,697.88 | 1,771,498,466.54 |

|   |                  |                  |
|---|------------------|------------------|
| Add: Opening balance of cash and cash equivalents | 2,857,353,056.85 | 933,337,815.77   |
| 6. Closing balance of cash and cash equivalents   | 2,487,662,358.97 | 2,704,836,282.31 |

## 8. Parent Company Cash Flow Statement for January-September

Unit: RMB

| Item   | January-September 2017 | January-September 2016 |
|--|------------------------|------------------------|
| 1. Cash generated by or used in operating activities:  |                        |                        |
| Cash generated by sale of commodities and rendering of service                               | 47,725,759.96          | 1,957,668,910.52       |
| Tax rebates received   |                        |                        |
| Cash generated by other operating activities   | 851,270,259.53         | 1,682,954,000.92       |
| Subtotal of cash generated by operating activities   | 898,996,019.49         | 3,640,622,911.44       |
| Cash paid for goods and services   | 43,280,298.00          | 113,912,344.03         |
| Cash paid to and for employees   | 14,505,987.13          | 16,523,182.29          |
| Taxes paid   | 336,350,943.00         | 237,602,938.86         |
| Cash used in other operating activities  | 1,042,608,255.74       | 1,794,283,985.56       |
| Subtotal of cash used in operating activities  | 1,436,745,483.87       | 2,162,322,450.74       |
| Net cash from operating activities   | -537,749,464.38        | 1,478,300,460.70       |
| 2. Cash generated by or used in investing activities:  |                        |                        |
| Cash generated by disinvestments   |                        |                        |
| Cash received as investment income   | 798,375,302.27         |                        |
| Net cash generated by disposal of fixed assets, intangible assets and other long-term assets | 1,320.00               |                        |
| Net cash generated by disposal of subsidiaries or other business units                       | 88,010,664.30          |                        |
| Cash generated by other investing activities   |                        |                        |
| Subtotal of cash generated by investing activities   | 886,387,286.57         |                        |
| Cash paid to acquire fixed assets, intangible assets and other long-term                     | 166,352.55             | 71,716.00              |

|   |                  |                  |
|---|------------------|------------------|
| assets  |                  |                  |
| Cash paid for investments   | 1,000,000.00     | 1.00             |
| Net cash paid to acquire subsidiaries and other business units          |                  |                  |
| Cash used in other investing activities                                 |                  |                  |
| Subtotal of cash used in investing activities                           | 1,166,352.55     | 71,717.00        |
| Net cash from investing activities                                      | 885,220,934.02   | -71,717.00       |
| 3. Cash generated by or used in financing activities:                   |                  |                  |
| Cash received as capital contributions                                  |                  |                  |
| Cash received as borrowings   |                  | 15,441,282.23    |
| Cash generated by issuance of bonds                                     |                  |                  |
| Cash generated by other financing activities                            |                  |                  |
| Subtotal of cash generated by financing activities                      |                  | 15,441,282.23    |
| Repayment of borrowings   |                  | 422,491,189.06   |
| Cash paid for interest expenses and distribution of dividends or profit | 107,246,594.16   | 55,449,115.67    |
| Cash used in other financing activities                                 |                  |                  |
| Sub-total of cash used in financing activities                          | 107,246,594.16   | 477,940,304.73   |
| Net cash from financing activities                                      | -107,246,594.16  | -462,499,022.50  |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | -4,238.11        | -35,796.93       |
| 5. Net increase in cash and cash equivalents                            | 240,220,637.37   | 1,015,693,924.27 |
| Add: Opening balance of cash and cash equivalents                       | 1,566,655,340.88 | 296,196,656.86   |
| 6. Closing balance of cash and cash equivalents                         | 1,806,875,978.25 | 1,311,890,581.13 |

## II Auditor's Report

Are the Q3 2017 financial statements audited?

☐ Yes ☒ No

These financial statements are unaudited.