

# **Dongxu Optoelectronic Technology Co., Ltd.**

## **The Third Quarterly Report 2017**

**October 2017**

## I. Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Li Zhaoting, The Company leader, Mr.Huang Jinliang, Chief financial officer and the Mr.Gao Feipeng, the person in charge of the accounting department (the person in charge of the accounting )declare: the financial report carried in this report is authentic and completed

## II. Basic information about the company

### I. Main financial data and financial index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

Yes  No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (RMB)	48,694,131,849.40	46,826,319,570.41	3.99%	
Net assets attributable to the shareholders of the listed company (RMB)	22,897,698,801.62	22,216,300,365.86	3.07%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (RMB)	3,227,360,295.67	133.93%	7,868,645,823.58	84.64%
Net profit attributable to the shareholders of the listed company (RMB)	390,258,136.00	52.52%	1,026,113,886.37	27.97%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	378,226,991.24	138.86%	938,217,539.65	51.76%
Cash flow generated by business operation, net (RMB)	--	--	332,635,634.84	-79.58%
Basic earning per share(RMB/Share)	0.080	33.33%	0.210	5.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.080	33.33%	0.210	5.00%
Weighted average income/asset ratio (%)	1.72%	0.21%	4.51%	-0.72%

Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-36,971.00	

Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	76,061,917.45	
Gain from entrusted investment or assets management	38,932,047.17	
Gain/loss on loans obtained by entrusting others	6,811,112.87	
Other non-operating income and expenditure beside for the above items	-439,080.66	
Less: Influenced amount of income tax	18,977,141.62	
Amount of influence of minority interests (After tax)	14,455,537.49	
Total	87,896,346.72	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable  Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

**II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period**  
**1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders**

In shares

Total number of common shareholders at the period-end	405,506 (Including 388047 shareholders holding A shares and 17459 shareholders holding B shares)			Total preference shareholders with the voting power recovered at the end of the reporting period (if any)	0	
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Tunghsu Group Co., Ltd.	Domestic Non-State-owned legal person	11.32%	558,968,800	439,882,697	Pledge	553,962,697
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	6.73%	332,382,171	0	Pledge	153,520,000
China Fund Management Co., Ltd. – Huaxia Bank – TTCO Trust Co., Ltd. – TTCO Trust Co., Ltd. – Shunjing No.5 Single capital trust	Other	3.51%	173,239,116	0		
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	Other	1.86%	91,642,280			
Qianhai Equity Investment Fund (LP)	Domestic Non-State-owned legal person	1.74%	86,024,545			
Dongxu Optoelectronic Technology Co., Ltd. – The Iphase of ESOP	Other	1.47%	72,639,296	72,639,296		
Nuoan Fund – Xingye Securities – Nanjing Shuangan Assets Management Co., Ltd.	Other	1.45%	71,494,714			
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non-State-owned legal person	1.39%	68,765,682		Pledge	61,165,682
Penghua Fund – Ningbo Bank	Other	1.25%	61,987,758			

—Daye Trust—Daye Trust Dongxu Optoelectronic increase funds II Single fund trust						
STAS Asset Management—Ningbo Bank—Minsheng Trust—China Minsheng Trust Zhixin No.208 Dongxu Optoelectronic increase collective fund trust plan	Other	1.25%	61,987,758			
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held		Share type		Quantity	
			Share type	Quantity		
Shijiazhuang Baoshi Electronic Group Co., Ltd.			332,382,171	RMB Common shares	332,382,171	
China Fund Management Co., Ltd.—Huaxia Bank—TTCO Trust Co., Ltd.—TTCO Trust Co., Ltd.—Shunjing No.5 Single capital trust			173,239,116	RMB Common shares	173,239,116	
Tunghsu Group Co., Ltd.			119,086,103	RMB Common shares	119,086,103	
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust			91,642,280	RMB Common shares	91,642,280	
Qianhai Equity Investment Fund (LP)			86,024,545	RMB Common shares	86,024,545	
Nuoan Fund—Xingye Securities—Nanjing Shuangan Assets Management Co., Ltd.			71,494,714	RMB Common shares	71,494,714	
Shenzhen Taianer Information Technology Co., Ltd.			68,765,682	RMB Common shares	68,765,682	
Penghua Fund—Ningbo Bank—Daye Trust—Daye Trust Dongxu Optoelectronic increase funds II Single fund trust			61,987,758	RMB Common shares	61,987,758	
STAS Asset Management—Ningbo Bank—Minsheng Trust—China Minsheng Trust Zhixin No.208 Dongxu Optoelectronic increase collective fund trust plan			61,987,758	RMB Common shares	61,987,758	
HuaAn Future Asset-ICBC-No.1 Asset Management Plan of Dongxu Optoelectronic's Private Placement			49,877,765	RMB Common shares	49,877,765	
Explanation on shareholders participating in the margin trading business	Among the top ten shareholders holding non-restricted negotiable shares, Tunghsu Group and Baoshi Group have relationship and constitute persons taking concerted action. The Company does not know whether					

	there is any relationship among the rest 8 ordinary shareholders or between the rest eight top shareholders of unlimited-sale common stock and the rest 8 ordinary shareholders, nor know whether they belong to the persons acting in concert stipulated by "Measures for the administration of the takeover by listed companies".
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Not applicable

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

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

Applicable  Not applicable

### III Significant Events

#### I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable  Not applicable

No	Items in statements	Amount at the end of period/ This period	Amount at the beginning of period /Same period of last year	Rate of change (%)	Reason for change
1	Account receivable	2,815,556,458.91	1,652,714,640.77	70.36	Mainly due to the expansion of business scale and income
2	Advance payments	1,986,345,935.58	862,432,895.10	130.32	Mainly due to the new prepaid payment and equity purchase
3	Other account receivable	319,700,792.58	186,071,085.24	71.82	Mainly due to the increase in margin
4	Inventories	3,706,559,024.47	2,688,967,436.27	37.84	Mainly due to stocking
5	Long term share equity investment	505,025,114.92	72,354,803.70	597.98	Mainly due to the increase in equity investment
6	Construction in progress	2,932,425,322.50	1,772,629,310.84	65.43	Mainly due to the construction of production line

7	Goodwill	156,849,701.01	33,935,384.57	362.20	Mainly due to the merger under the same control
8	Long-term prepaid expenses	18,712,963.05	11,756,506.76	59.17	Mainly due to the increase in the use of patents and housing renovation fees
9	Notes payable	263,884,722.25	393,136,676.05	-32.88	Mainly due to payment due
10	Account payable	1,809,200,506.64	1,165,418,491.73	55.24	Mainly due to the increase in inventories
11	Advances from customers	893,259,362.12	414,078,061.38	115.72	Mainly due to the increase in construction equipment
12	Interest payable	238,293,444.92	81,610,513.91	191.99	Mainly due to the votes and corporate bonds
13	Other payable	238,163,230.93	114,993,136.80	107.11	Mainly due to the increase in margin
14	Business revenue	7,868,645,823.58	4,261,683,547.71	84.64	Mainly due to the expansion of business scale in the current period
15	Operating cost	5,937,363,039.53	2,883,454,282.36	105.91	Mainly due to the increase in operating costs due to the increase in operating costs
16	Business taxes and surcharges	58,051,137.61	25,082,445.26	131.44	Mainly due to the increase in operating income due to the increase in tax revenue
17	Financial expenses	411,695,344.38	189,141,367.36	117.67	Mainly due to the current corporate bonds and interest accrued
18	Investment income	21,302,358.40	-29,947.57	71,232.18	Mainly due to the equity method of accounting for investment income and financial benefits
19	Non-operating income	76,654,784.57	196,230,891.80	-60.94	Mainly due to the reclassification of new government subsidies
20	Income tax expense	274,936,572.22	131,886,161.05	108.47	Mainly due to the increase in the scale of business profits



## II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

Applicable Not applicable

### (I) The Phase II Employee Stock Ownership Plan of the company

The Company held the 19th meeting of the 8th Board of Directors and the 5th extraordinary shareholders' general meeting respectively on July 30, 2017 and on August 15, 2017, examined and approved the Proposal about the Phase II Employee Stock Ownership Plan (draft) of Dongxu Optoelectronic Technology Co., Ltd and its Summary. On September 5, 2017, the Collective Fund Trust Plan of Zhonghai Trust-Dongxu Optoelectronics ESOP was set up. As of the date of this report, the company's Phase II ESOP has not yet bought the company's stock due to the factors such as the company's third quarterly report disclosure window period.

The company's Phase II ESOP planned to complete the purchase of the company's stock in the secondary market within the valid period.

### (II) The matter of the Company's share issuance and paying cash to purchase the assets and raise the matching funds namely the related transaction

On August 24, 2017, the company received the notice from the CSRC that the Company's share issuance and paying cash to purchase the assets and raise the matching funds namely the related transaction matter was conditionally approved by CSRC through the forty-ninth merger and reorganization committee work conference held on August 24, 2017 by CSRC's Audit Committee of Mergers and Reorganization of listed companies.

The Company will complete the issuance of shares to buy assets and raise the matching funds and complete the registration, listing of new shares and other related work as soon as possible after receiving the approval document from the China Securities Regulatory Commission.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcement
The restructuring project was reviewed and approved	August 24,2017	China securities Journal, Hongkong Commercial Daily, Securities Daily , Securities Times, Shanghai Securities News and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .
The Phase II employee stock ownership plan was reviewed and approved	August 16,2017	China securities Journal, Hongkong Commercial Daily, Securities Daily , Securities Times, Shanghai Securities News and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> .

## III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Applicable  Not applicable

The company has no commitments completed in period and those without completed till lend of the period from actual controller, shareholders, related parties, purchaser and companies.

**IV. Prediction of Business performance for 2017**

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable  Not applicable

**III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period**

Applicable  Not applicable

The company has no commitments completed in period and those without completed till lend of the period from actual controller, shareholders, related parties, purchaser and companies.

**IV. Prediction of Business performance for January- June 2017**

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable  Not applicable

**V. Investment in securities**

Applicable  Not applicable

No securities investment in period.

**VI. Investments in derivatives**

Applicable  Not applicable

There is no derivative investment during the report period.

**VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference**

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
September 19,2017	Field research	Organization	Shenzhen Stock Exchange site interactive company zone
From January 1,2017 to September 30,2017	By Phone	Individual	Nil

### **VIII. Outward Guarantee against the Regulations**

Applicable  Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

### **IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties**

Applicable  Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

### **X. Implementation of the social Responsibility of taking targeted measures to alleviate poverty in light of local Conditions.**

The third Quarter poverty relieving summary

In December 2016, the company, for promoting the original old liberated area culture of “Jinsui revolutionary base area” in Shanxi and the sustainable development of the educational business as well as inheriting the spirit of arduous struggle for the nation and people of the older generation of revolutionaries, entered into the Donation Agreement with Shanxi Jinsui Culture and Education Development Foundation (hereinafter referred to as “Jinsui Foundation”), under which, the company would donate 3 million yuan to Shanxi Jinsui Culture and Education Development Foundation freely from the its own fund. The donation money is mainly used for the financing of the outstanding students of the poor families in the old liberated areas, the establishment of the Jinsui base information database, the landscaping project of Memorial Cemetery of Jinsui Martyrs, the relocated burial of the revolutionary martyrs, etc.

During the reporting period, the Company actively followed up and supervised the use of donation funds for poverty alleviation. From August 17, 2017 to August 19, 2017, the company and the Jin Sui Cultural and Educational Development Foundation together carried out the sunshine activities to aid students in Xing county and Shilou County in Shanxi province, and each of the 207 outstanding students of the poor families selected by Jin Sui Cultural and Educational Development Foundation was granted RMB 5,000 of tuition aid and inspirational scholarship, thus to ensure that they enter school smoothly and finish their studies better.

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Dongxu Optoelectronic Technology Co., Ltd.

September 30, 2017

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Cash and bank balances	23,079,862,862.63	26,056,117,216.86
Settlement provision		
Outgoing call loan		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	71,683,462.88	55,340,287.95
Account receivable	2,815,556,458.91	1,652,714,640.77
Advance payments	1,986,345,935.58	862,432,895.10
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	57,672,005.02	
Dividend receivable		
Other account receivable	319,700,792.58	186,071,085.24
Securities purchased under agreements to resell		
Inventories	3,706,559,024.47	2,688,967,436.27
Held-for-sale assets	3,855,435.58	
Current portion of non-current assets		
Other current asset	2,736,060,201.76	3,203,453,317.38
Total of current assets	34,777,296,179.41	34,705,096,879.57

Non-current assets:		
Loans and advances		
Available-for-sale financial assets	100,000,056.00	
Held-to-maturity investments		
Long-term receivable		
Long term share equity investment	505,025,114.92	72,354,803.70
Property investment	58,536,591.26	
Fixed assets	8,994,418,300.94	8,952,341,070.47
Construction in progress	2,932,425,322.50	1,772,629,310.84
Engineering material		304,468.05
Fixed assets pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	570,204,643.02	578,194,545.68
Research and Development Expenditures	1,941,747.58	
Goodwill	156,849,701.01	33,935,384.57
Long-term prepaid expenses	18,712,963.05	11,756,506.76
Deferred income tax	298,097,383.05	312,555,500.36
Other non-current asset	280,623,846.66	387,151,100.41
Total of non-current assets	13,916,835,669.99	12,121,222,690.84
Total of assets	48,694,131,849.40	46,826,319,570.41
Current liabilities		
Short-term bank loan facilities	4,312,646,994.13	4,940,816,200.13
Borrowings from central bank		
Deposits and placements from other financial institutions		
Placement from banks and other financial institution		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable	263,884,722.25	393,136,676.05
Account payable	1,809,200,506.64	1,165,418,491.73
Advances from customers	893,259,362.12	414,078,061.38
Securities sold under agreement to		

repurchase		
Fees and commissions payable		
Payroll payable	52,482,311.04	42,851,392.30
Taxes and surcharges payable	161,680,655.31	224,310,530.71
Interest payable	238,293,444.92	81,610,513.91
Dividend payable		30,000,000.00
Other payable	238,163,230.93	114,993,136.80
Reinsurance amounts payable		
Provision of insurance contract		
Securities brokering		
Securities underwriting		
Held-for-sale liabilities		
Current portion of non-current liabilities	3,423,604,976.66	1,618,589,512.42
Other current liability	114,871,967.23	85,535,473.05
Total of current liability	11,508,088,171.23	9,111,339,988.48
Non-current liabilities:		
Long-term bank loan facilities	5,162,408,014.76	6,596,159,000.00
Bond payable	5,662,824,850.40	5,653,912,494.73
Including: preferred stock		
Perpetual capital securities		
Long-term payable	1,281,298,458.50	1,514,308,568.67
Long-term employee benefits payable		
Grants payable		
Provisions	1,805,878.96	
Deferred income	346,910,934.93	380,949,662.27
Deferred tax liabilities	1,365,292.88	413,257.79
Other non-current liabilities	500,000,000.00	500,000,000.00
Total non-current liabilities	12,956,613,430.43	14,645,742,983.46
Total of liability	24,464,701,601.66	23,757,082,971.94
Equity		
Share capital	4,939,928,983.00	4,939,928,983.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		

Reserves	15,208,155,424.07	15,207,210,810.89
Less: treasury shares	4,422,320.00	4,422,320.00
Other comprehensive income	134,965.02	
Specialized reserve		
Surplus reserves	188,044,070.48	188,044,070.48
General risk reserve		
Retained earnings	2,565,857,679.05	1,885,538,821.49
Equity contributable to parent company	22,897,698,801.62	22,216,300,365.86
Minority interests	1,331,731,446.12	852,936,232.61
Total equity	24,229,430,247.74	23,069,236,598.47
Total liabilities and equity	48,694,131,849.40	46,826,319,570.41

Legal Representative: Li Zhaoting    Person in charge of accounting: Huang Jinliang    Accounting Dept Leader: Gao Feipeng

## 2. Parent Company Balance Sheet

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Cash and bank balances	11,659,216,378.49	16,951,756,537.76
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	350,000.00	946,400.00
Account receivable	15,151,857.89	19,896,753.26
Advance payments	14,806,320.95	4,280,852.37
Interest receivable	52,920,132.78	
Dividend receivable		570,000,000.00
Other receivable	5,947,624,193.36	4,925,419,456.78
Inventories	473,080,152.32	500,254,494.97
Held-for-sale assets		
Current portion of non-current assets		
Other current asset	1,498,915,249.58	2,000,019,211.84
Total of current assets	19,662,064,285.37	24,972,573,706.98
Non-current assets:		
Available-for-sale financial assets	100,000,056.00	

Held-to-maturity investments		
Long-term receivable		
Long term share equity investment	15,720,785,409.61	11,373,791,986.49
Property investment		
Fixed assets	45,734,411.57	49,516,721.87
Construction in progress		
Engineering material		
Fixed assets pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	9,700,844.48	9,951,171.11
Research and Development Expenditures		
Goodwill		
Long-term prepaid expenses		
Deferred income tax	337,853.35	3,712,603.85
Other non-current asset	1,381,400.00	
Total of non-current assets	15,877,939,975.01	11,436,972,483.32
Total of assets	35,540,004,260.38	36,409,546,190.30
Current liabilities		
Short-term bank loan facilities	2,610,000,000.00	3,242,500,000.00
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable		159,820,750.00
Account payable	142,761,263.96	147,012,816.26
Advances from customers	1,811,587.90	10,587.90
Payroll payable	4,502,801.44	3,700,741.68
Tax payable	26,830,702.78	20,970,299.00
Interest payable	228,548,854.70	72,569,720.24
Dividend payable		
Other payable	2,384,725,301.05	2,889,692,312.04
Held-for-sale liabilities		
Current portion of non-current liabilities	2,077,233,333.36	400,005,000.00
Other current liability		



Total of current liability	7,476,413,845.19	6,936,282,227.12
Non-current liabilities:		
Long-term bank loan facilities	2,110,383,333.28	2,887,600,000.00
Bond payable	5,662,824,850.40	5,653,912,494.73
Including: preferred stock		
Perpetual capital securities		
Long-term payable		
Long-term employee benefits payable		
Grants payable		
Provisions		
Deferred income		
Deferred income tax		
Other non-current liabilities		
Total of Non-current liabilities	7,773,208,183.68	8,541,512,494.73
Total of liability	15,249,622,028.87	15,477,794,721.85
Equity		
Share capital	4,939,928,983.00	4,939,928,983.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Reserves	15,131,386,936.27	15,130,191,736.27
Less: treasury shares	4,422,320.00	4,422,320.00
Other comprehensive income		
Specialized reserve		
Surplus reserves	169,054,846.15	169,054,846.15
Retained earnings	54,433,786.09	696,998,223.03
Total equity	20,290,382,231.51	20,931,751,468.45
Total liabilities and equity	35,540,004,260.38	36,409,546,190.30

### 3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	3,227,360,295.67	1,379,624,393.30

Including: business revenue	3,227,360,295.67	1,379,624,393.30
Interest income		
Premiums earned		
Fees and commissions income		
II. Total operating cost	2,840,978,059.52	1,152,908,242.41
Including: Cost of sales	2,598,487,889.63	945,144,638.71
Interest expense		
Fees and commissions expense		
Cash surrender amount		
Net expenses of claim settlement		
Net provisions for insurance contract reserves		
Policy dividend expenses		
Reinsurance expenses		
Business taxes and surcharges	12,886,043.09	4,640,717.38
Selling expenses	22,296,940.65	16,830,747.06
Administrative expense	115,027,941.33	89,405,271.71
Financial expenses	93,741,122.98	94,701,974.75
Impairment loss on assets	-1,461,878.16	2,184,892.80
Add: Gain from fair-value changes("-"for loss)		
Investment income("-"for loss)	14,625,434.19	-111,705.88
Including: investment income from associates and joint ventures	-2,123,195.94	-111,705.88
Gain on foreign exchange("-"for loss)		
Other income	104,939,239.00	
III. Operating profit ("-" for loss)	505,946,909.34	226,604,445.01
Add:Non-operating income	10,584,897.05	92,721,612.12
Including: Gains from disposal of non-current assets		
Less: Non business expenses	618,747.35	233,375.42
Incl: Loss from disposal of non-current assets	6,433.86	105.00
IV. Profit before tax("-"for loss)	515,913,059.04	319,092,681.71

Less: Income tax expense	95,505,900.99	41,602,559.54
V. Net profit (“-“for net loss)	420,407,158.05	277,490,122.17
Net profit attributable to the owners of parent company	390,258,136.00	255,873,197.91
Minority interests	30,149,022.05	21,616,924.26
VI. Other comprehensive income after tax	136,333.95	
Net of profit of other comprehensive income attributable to owners of the parent company	136,333.95	
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	136,333.95	
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	136,333.95	
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders’		

equity		
VII. Total comprehensive income	420,543,492.00	277,490,122.17
Total comprehensive income attributable to the owner of the parent company	390,394,469.95	255,873,197.91
Total comprehensive income attributable minority shareholders	30,149,022.05	21,616,924.26
VIII. Earnings per share		
(I) Basic earnings per share	0.080	0.060
(II) Diluted earnings per share	0.080	0.060

Legal Representative: Li Zhaoting    Person in charge of accounting: Huang Jinliang    Accounting Dept Leader: Gao Feipeng

#### 4. Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	17,030,588.98	95,273,058.88
Less: Business cost	10,251,594.76	57,140,094.60
Business tax and surcharge	1,248,209.02	
Selling expenses		
Administrative expense	13,048,365.78	19,838,850.46
Financial expenses	39,272,333.52	50,705,333.55
Impairment loss on assets	500,988.07	
Add: Gain from fair-value changes ("-" for loss)		
Investment income ("-" for loss)	14,624,681.78	-111,705.88
Including: investment income from associates and joint ventures	-2,123,948.35	-111,705.88
Other income		
II. Operational profit ("-" for loss)	-32,666,220.39	-32,522,925.61
Add: Non-operating income	505.00	1,090,760.52
Including: Gains from disposal of non-current assets		
Less: Non-operating expenses		
Incl: Loss from disposal of non-current		

assets		
III. Profit before tax("-"for loss)	-32,665,715.39	-31,432,165.09
Less: Income tax expense		
IV. Net profit ("-"for net loss)	-32,665,715.39	-31,432,165.09
V.Net of profit of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-32,665,715.39	-31,432,165.09
VII. Earnings per share:		
(I) Basic earnings per share		
(II)Diluted earnings per share		

**5. Consolidated income statement between the beginning of the year and end of the report period**

Items	Amount in this period	Amount in last period
I.Revenue	7,868,645,823.58	4,261,683,547.71
Including: Operating income	7,868,645,823.58	4,261,683,547.71
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	6,765,980,153.47	3,477,937,920.11
Including: Operating cost	5,937,363,039.53	2,883,454,282.36
Interest expense		
Commission chare and commission expense		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	58,051,137.61	25,082,445.26
Selling expenses	51,381,175.80	48,408,463.62
Administrative expense	308,743,096.29	326,111,536.56
Financial expenses	411,695,344.38	189,141,367.36
Asset impairment loss	-1,253,640.14	5,739,824.95
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	21,302,358.40	-29,947.57
Incl: investment gains from affiliates	-17,629,688.77	-29,947.57
Gains from currency exchange (“-”for loss)		
Other income	191,619,239.00	
III. Operational profit (“-”for loss)	1,315,587,267.51	783,715,680.03
Add: Non-business income	76,654,784.57	196,230,891.80
Incl: Gains from disposal of non-current assets		

Less: Non business expenses	1,068,918.78	245,864.76
Incl: Loss from disposal of non-current assets	36,971.00	4,535.74
IV.Total profit(“-”for loss)	1,391,173,133.30	979,700,707.07
Less: Income tax expenses	274,936,572.22	131,886,161.05
V. Net profit ( “-”for net loss )	1,116,236,561.08	847,814,546.02
Net profit attributable to the owners of parent company	1,026,113,886.37	801,836,908.63
Minority shareholders' equity	90,122,674.71	45,977,637.39
VI. Net after-tax of Other comprehensive income	134,965.02	
Net after-tax of other comprehensive income attributable to owners of the parent company.	134,965.02	
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	134,965.02	
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	134,965.02	

6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	1,116,371,526.10	847,814,546.02
Total comprehensive income attributable to the owner of the parent company	1,026,248,851.39	801,836,908.63
Total comprehensive income attributable minority shareholders	90,122,674.71	45,977,637.39
VIII. Earnings per share		
( I ) Basic earnings per share	0.210	0.20
(II)Diluted earnings per share	0.210	0.20

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

## 6.Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Revenue	55,628,270.16	479,120,880.32
Less: Business cost	38,343,858.04	293,280,979.66
Business tax and surcharge	4,833,522.28	521,358.24
Selling expenses		684,247.25
Administrative expense	35,867,422.34	47,190,288.66
Financial expenses	291,064,184.00	126,132,260.22
Asset impairment loss	221,249.92	230,615.03
Add: Gains from change of fair value ("-"for loss)		
Investment gain ("-"for loss)	21,300,415.79	-29,947.57
Incl: investment gains from affiliates	-17,631,631.38	-29,947.57
Other income		
II. Operational profit	-293,401,550.63	11,051,183.69
Add: Non-business income	6,893.00	1,142,016.45
Incl: Gains from disposal of non-current assets		



Less: Non business expenses		
Incl: Loss from disposal of non-current assets		
III.Total profit	-293,394,657.63	12,193,200.14
Less: Income tax expenses	3,374,750.50	6,546,013.74
IV. Net profit	-296,769,408.13	5,647,186.40
V. Net after-tax of Other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI.Total comprehensive income	-296,769,408.13	5,647,186.40
VII.Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

**7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period**

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	7,913,961,377.82	4,942,989,805.57
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		
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	298,618,513.71	237,437,874.03
Other cash received from business operation	1,165,187,495.09	160,137,838.12
Sub-total of cash inflow	9,377,767,386.62	5,340,565,517.72
Cash paid for purchasing of merchandise and services	6,928,907,180.99	2,439,731,746.83
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 staffs or paid for staffs	386,961,287.60	377,797,662.45
Taxes paid	757,077,217.86	438,787,541.72
Other cash paid for business activities	972,186,065.33	454,898,471.60
Sub-total of cash outflow from business activities	9,045,131,751.78	3,711,215,422.60
Cash flow generated by business operation, net	332,635,634.84	1,629,350,095.12
II. Cash flow generated by investing		
Cash received from investment retrieving	7,619,999,000.00	
Cash received as investment gains	36,722,122.05	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	190,962.49	6,120,000.00
Sub-total of cash inflow due to investment activities	7,656,912,084.54	6,120,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,702,772,272.62	430,192,703.84
Cash paid as investment	7,870,751,027.51	299,846,640.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	27,029,498.90	7,619,727.41
Other cash paid for investment activities	170,000,000.00	
Sub-total of cash outflow due to investment activities	9,770,552,799.03	737,659,071.25
Net cash flow generated by investment	-2,113,640,714.49	-731,539,071.25
III. Cash flow generated by financing		
Cash received as investment	368,016,041.50	7,077,999,994.53
Incl: Cash received as investment from minor shareholders	368,016,041.50	156,000,000.00
Cash received as loans	4,141,342,914.00	4,947,767,840.00

Cash received from bond placing		
Other financing –related ash received	481,508,116.32	1,873,001,981.91
Sub-total of cash inflow from financing activities	4,990,867,071.82	13,898,769,816.44
Cash to repay debts	4,279,129,971.88	3,852,501,400.00
Cash paid as dividend, profit, or interests	1,051,568,859.99	873,511,708.17
Incl: Dividend and profit paid by subsidiaries to minor shareholders	30,000,000.00	20,000,000.00
Other cash paid for financing activities	493,432,737.76	211,932,472.30
Sub-total of cash outflow due to financing activities	5,824,131,569.63	4,937,945,580.47
Net cash flow generated by financing	-833,264,497.81	8,960,824,235.97
IV. Influence of exchange rate alternation on cash and cash equivalents	-5,059,492.25	5,994,616.53
V.Net increase of cash and cash equivalents	-2,619,329,069.71	9,864,629,876.37
Add: balance of cash and cash equivalents at the beginning of term	25,037,335,091.60	11,964,769,404.73
VI ..Balance of cash and cash equivalents at the end of term	22,418,006,021.89	21,829,399,281.10

## 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	62,187,688.55	542,513,717.67
Tax returned		1,170,987.52
Other cash received from business operation	7,556,107,048.49	200,000,000.00
Sub-total of cash inflow	7,618,294,737.04	743,684,705.19
Cash paid for purchasing of merchandise and services	173,174,099.99	523,615,425.75
Cash paid to staffs or paid for staffs	11,623,310.41	12,738,597.08
Taxes paid	13,066,407.94	15,235,441.04

Other cash paid for business activities	8,920,483,257.03	659,361,568.31
Sub-total of cash outflow from business activities	9,118,347,075.37	1,210,951,032.18
Cash flow generated by business operation, net	-1,500,052,338.33	-467,266,326.99
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving	7,619,999,000.00	
Cash received as investment gains	608,932,047.17	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		6,120,000.00
Sub-total of cash inflow due to investment activities	8,228,931,047.17	6,120,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets		7,800.00
Cash paid as investment	11,684,624,110.50	1,448,701,140.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	170,000,000.00	
Sub-total of cash outflow due to investment activities	11,854,624,110.50	1,448,708,940.00
Net cash flow generated by investment	-3,625,693,063.33	-1,442,588,940.00
<b>III. Cash flow generated by financing</b>		
Cash received as investment		6,921,999,994.53
Cash received as loans	2,666,666,666.66	3,662,700,000.00
Cash received from bond placing		
Other financing –related ash received	312,673,897.76	70,281,601.36
Sub-total of cash inflow from financing activities	2,979,340,564.42	10,654,981,595.89
Cash to repay debts	2,397,150,000.02	2,170,050,000.00
Cash paid as dividend, profit, or	720,739,699.15	523,948,760.90

interests		
Other cash paid for financing activities	28,679,113.18	245,087,948.72
Sub-total of cash outflow due to financing activities	3,146,568,812.35	2,939,086,709.62
Net cash flow generated by financing	-167,228,247.93	7,715,894,886.27
IV. Influence of exchange rate alternation on cash and cash equivalents	433,490.32	
V.Net increase of cash and cash equivalents	-5,292,540,159.27	5,806,039,619.28
Add: balance of cash and cash equivalents at the beginning of term	16,951,756,537.76	9,835,157,652.41
VI .Balance of cash and cash equivalents at the end of term	11,659,216,378.49	15,641,197,271.69

## II. Auditor's report

Whether the Q3 report is audited

Yes  No

The Q3 Report is not audited.

Dongxu Optoelectronic Technology Co., Ltd.

Board Chairman: Li Zhaoting

Issue day approved by the Board of Directors: October 30,2017