

China Fangda Group Co., Ltd.

2017 First Quarter Report

April 2017

I Important Statement

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

All the Directors have attended the meeting of the board meeting at which this report was examined.

Mr. Xiong Jianming, the Chairman of Board, Mr. Lin Kebin, the Chief Financial Officer, and Mr. Chen Yonggang, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.

II. General Information

1. Financial Highlight

The Company retroactively adjusts or restates financial statistics of the previous years because of changes in account policies and correction of accounting errors.

Yes No

	This report period	Same period last year	Year-on-year change (%)
Turnover (yuan)	573,546,634.49	469,103,396.78	22.26%
Net profit attributable to shareholders of the listed company (yuan)	67,759,233.14	22,188,780.56	205.38%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	64,053,467.14	23,019,578.47	178.26%
Net cash flow generated by business operation (RMB)	-4,846,476.55	-59,715,816.88	
Basic earnings per share (yuan/share)	0.09	0.03	200.00%
Diluted Earnings per share (yuan/share)	0.09	0.03	200.00%
Weighted average net income/asset ratio	2.83%	1.67%	1.16%
	End of the report period	End of last year	Year-on-year change
Total asset (RMB)	6,539,538,168.48	6,787,051,278.08	-3.65%
Net profit attributable to the shareholders of the listed company (RMB)	2,432,733,187.34	2,364,262,560.28	2.90%

Accidental gain/loss item and amount

Applicable Inapplicable

In RMB

Items	Amount from beginning of the year to the end of the report period	Notes
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	-71,713.80	
Subsidies accounted into the current income account (except the government subsidy closely related to the enterprise's business and based on unified national standard quota)	995,063.30	
Gain from entrusted investment or assets management	1,538,250.89	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	369,591.00	

Other non-business income and expenditures other than the above	1,455,060.20	
Less: Influenced amount of income tax	542,363.59	
Influenced amount of minority shareholders' equity (after-tax)	38,122.00	
Total	3,705,766.00	--

Explanation statement should be made for accidental gain/loss items defined and accidental gain/loss items defined as regular gain/loss items according to the Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss mentioned.

Applicable Inapplicable

No circumstance that should be defined as recurrent profit and loss according to *Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss* occurs in the report period.

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

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

In share

Number of shareholders of common shares at the end of the report period		41,234	Number of shareholders of preferred stocks of which voting rights recovered in the report period (if any)		0	
Top 10 Shareholders						
Shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	8.72%	68,774,273	0	Pledged	17,910,000
Shengjiu Investment Ltd.	Foreign legal person	7.27%	57,390,410	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	4.21%	33,221,072	0		
Huang Jupei	Domestic natural person	3.38%	26,686,432	0		
Gong Qing	Domestic	2.26%	17,860,992	0		

Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	non-state legal person					
Zhou Shijian	Domestic natural person	2.05%	16,213,500	0		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.76%	13,850,305	0		
China Resource SZITIC Trust – China Resource Trust No.13 Collective Trust Program	Others	1.23%	9,726,136	0		
Yunnan International Trust CO., Ltd. – Juxin No.5 Collective Fund Trust Program	Others	1.16%	9,164,857	0		
First Capital Securities – Guosen Securities – Mutual Win Dayan Quantization Private Placement Collective Assets Management Program	Others	0.82%	6,438,356	6,438,356		
Top 10 holders of unconditional shares						
Shareholder	Amount of shares without sales restriction	Category of shares				
		Category of shares	Amount			
Shenzhen Banglin Technologies Development Co., Ltd.	68,774,273	RMB common shares	68,774,273			
Shengjiu Investment Ltd.	57,390,410	Foreign shares	57,390,410			

		listed in domestic exchanges	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	33,221,072	Foreign shares listed in domestic exchanges	33,221,072
Huang Jupei	26,686,432	RMB common shares	26,686,432
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	17,860,992	RMB common shares	17,860,992
Zhou Shijian	16,213,500	RMB common shares	16,213,500
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	13,850,305	Foreign shares listed in domestic exchanges	13,850,305
China Resource SZITIC Trust – China Resource Trust No.13 Collective Trust Program	9,726,136	RMB common shares	9,726,136
Yunnan International Trust CO., Ltd. – Juxin No.5 Collective Fund Trust Program	9,164,857	RMB common shares	9,164,857
KGI ASIA LIMITED	6,184,859	Foreign shares listed in domestic exchanges	6,184,859
Notes to top ten shareholder relationship or "action in concert"	Among the top 10 shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. and Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise are related parties. The Company is not notified of other action-in-concert or related parties among the other holders of current shares.		
Top-10 common share shareholders participating in margin trade (if any)	Huang Jupei holds 26,685,432 shares of the Company through the client credit trade securities account of GF Securities; Zhou Shijian holds 16,213,500 shares of the Company through the client credit trade securities account of GF Securities;		

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

Yes No

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

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

Applicable Inapplicable

III Significant Events

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

√ Applicable □ Inapplicable

Items	Closing amount	Opening amount	Change	Cause of change
Prepayment	48,418,159.11	31,526,326.25	53.58%	Mainly due to increase in prepayment for materials
Other current assets	268,935,506.21	62,206,574.33	332.33%	Mainly due to purchase financial products
Employees' wage payable	23,292,119.73	41,972,342.66	-44.51%	Annual bonus paid
Items	Amount of the Current Term	Last period	Change	Cause of change
Turnover	573,546,634.49	469,103,396.78	22.26%	Mainly due to increase in sales from the real estate business
Taxes and surcharges	36,724,201.67	5,896,598.98	522.80%	Mainly due to provision of real estate sales tax
Income tax expenses	20,846,618.03	4,246,322.18	390.93%	Mainly due to provision of income tax for the real estate business
Net profit attributable to the owners of parent company	67,759,233.14	22,188,780.56	205.38%	Mainly due to increase in the business income and gross profit margin
Cash flow generated by business operations, net	-4,846,476.55	-59,715,816.88		Mainly due to increase in collection of sales receivables
Cash flow generated by investment activities, net	-203,914,367.67	-64,130,091.37		Mainly due to purchase of financial products

2. Progress of key issues and its impacts and solutions

√ Applicable □ Inapplicable

On March 17, 2017 and April 11, 2017, the Company held the 26th meeting of the 7th Board of Directors and 2016 General Shareholders' Meeting to review the *Proposal of Terminating Part of the Raised Fund and Using the Residual Raised Fund to Permanently Replenish the Working Capital* and *Proposal of Using the Saved Fund of Finished Projects to Permanently Replenish the Working Capital*.

Key issue	Date of disclosure	Information source
Resolutions of the 26 th Meeting of the 7 th Board of Directors	21.03.17	<i>China Securities Journal, Shanghai Securities Daily, Securities Times, HKCD</i> (English) and www.cninfo.com.cn
Notice on Terminating Part of the Raised	21.03.17	<i>China Securities Journal, Shanghai</i>

Fund and Using the Residual Raised Fund to Permanently Replenish the Working Capital		<i>Securities Daily, Securities Times, HKCD (English) and www.cninfo.com.cn</i>
Announcement on Resolutions of the General Shareholders' Meeting 2016	12.04.17	<i>China Securities Journal, Shanghai Securities Daily, Securities Times, HKCD (English) and www.cninfo.com.cn</i>

3. Commitments that have not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

√ Applicable □ Inapplicable

Promised issue	Promiser	Type	Commitment	Date	Term	Fulfillment
Share reform	None					
Commitments made in acquisition reports or equity change reports	None					
Commitments made during assets reorganization	None					
Commitments made during initial public offering or re-financing	Caitong Fund; Changzhou Investment Group, First Capital Securities, Fullgoal Assets Management Co., Ltd., Sinomach Finance Co., Ltd., Minsheng Tonghui Asset Management Co., Ltd. and Ping An-UOB Fund Management Co., Ltd.	Share sales restriction commitment	Shares offered in the non-public share issuance in 2015 will be locked for 12 months from the date of listing	01.08.16	12 months	In fulfillment
Share option incentive	None					
Other commitments made to small-to-middle shareholders	None					

Timely fulfillment	Yes
If a commitment is not fulfilled timely, the reason should be explained and the further plan should be introduced	Inapplicable

4. Forecast of operating performance between January and June in 2017

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

Applicable Inapplicable

5. Securities investment

Applicable Inapplicable

The Company made no investment in securities in the report period

6. Derivative investment

Applicable Inapplicable

In RMB10,000

Derivative investment operator	Relationship	Related transaction	Type	Initial amount	Start date	End date	Initial investment amount	Amount in this period	Amount sold in this period	Impairment provision (if any)	Closing investment amount	Proportion of closing investment amount in the closing net assets in the report period	Actual gain/loss in the report period
Shanghai Futures Exchange	None	No	Shanghai aluminum	8,036.1	12.09.16	15.09.17	6,220.78	1,815.32	3,080.46		4,955.64	2.04%	397.88
Total				8,036.1	--	--	6,220.78	1,815.32	3,080.46		4,955.64	2.04%	397.88
Capital source				Self-owned fund									

Lawsuit (if any)	None
Disclosure date of derivative investment approval by the Board of Directors (if any)	
Disclosure date of derivative investment approval by the Shareholders' Meeting (if any)	
Risk analysis and control measures for the derivative holding in the report period (including without limitation market, liquidity, credit, operation and legal risks)	To prevent the risk of fluctuation of raw material prices, the Company adopted the aluminum futures exchanged at the domestic futures exchange to provide hedging for aluminum as a raw material for the Company. The Company has set up and implemented the Provincial Regulations on China Fangda Group Domestic Futures Hedging to prevent risks.
Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters.	Fair value of derivatives are measured at open prices in the futures market
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period	No
Opinions of independent directors on the Company's derivative investment and risk controlling	None

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

Applicable Inapplicable

Time/date	Way	Visitor	Disclosure of information
10.02.17	Onsite investigation	Institution	Investor Relationship Record Form on www.cninfo.com.cn

8. Incompliant external guarantee

Applicable Inapplicable

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

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

Applicable Inapplicable

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

IV Financial Statements

1. Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

31.03.17

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	957,103,974.18	1,095,229,837.90
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account	0.00	0.00
Derivative financial assets	3,126,225.00	2,232,200.00
Notes receivable	9,490,000.00	18,898,106.11
Account receivable	2,032,718,651.02	2,342,929,628.14
Prepayment	48,418,159.11	31,526,326.25
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		302,950.68
Dividend receivable		0.00
Other receivables	55,264,270.03	57,378,994.72
Repurchasing of financial assets		
Inventory	1,991,257,901.70	1,990,621,059.27
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	268,935,506.21	62,206,574.33
Total current assets	5,366,314,687.25	5,601,325,677.40
Non-current assets:		

Loan and advancement provided		
Sellable financial assets	28,562,575.67	28,562,575.67
Investment held until mature		
Long-term receivable		
Long-term share equity investment	11,529,898.01	12,105,030.68
Investment real estate	333,917,348.80	333,795,631.30
Fixed assets	500,830,341.34	506,819,266.38
Construction in process	2,537,725.36	2,537,725.36
Engineering materials		0.00
Disposal of fixed assets	596.00	0.00
Productive biological assets	0.00	0.00
Gas & petrol	0.00	0.00
Intangible assets	59,436,565.39	60,228,652.69
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term amortizable expenses	3,326,104.93	3,695,766.33
Deferred income tax assets	184,499,863.02	176,796,698.56
Other non-current assets	48,582,462.71	61,184,253.71
Total of non-current assets	1,173,223,481.23	1,185,725,600.68
Total of assets	6,539,538,168.48	6,787,051,278.08
Current liabilities		
Short-term loans	601,000,000.00	591,000,000.00
Loans from Central Bank		
Deposit received and held for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		0.00
Derivative financial liabilities	0.00	
Notes payable	487,767,385.44	557,301,320.45
Account payable	1,026,453,948.73	1,275,255,961.34
Prepayment received	213,546,508.79	285,905,444.13
Selling of repurchased financial assets		

Fees and commissions payable		
Employees' wage payable	23,292,119.73	41,972,342.66
Taxes payable	165,169,286.85	192,236,574.40
Interest payable	2,739,837.25	2,634,979.47
Dividend payable		0.00
Other payables	384,337,159.76	366,182,799.41
Reinsurance fee payable		0.00
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liabilities due in 1 year	0.00	
Other current liabilities	24,983,305.63	35,148,084.44
Total current liabilities	2,929,289,552.18	3,347,637,506.30
Non-current liabilities:		
Long-term loans	1,021,061,708.37	922,169,568.24
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable	0.00	
Long-term employees' wage payable		
Special payables	0.00	
Anticipated liabilities	2,779,866.18	3,156,625.24
Deferred earning	10,947,079.91	11,567,224.78
Deferred income tax liabilities	204,918,522.65	200,207,003.35
Other non-current liabilities	0.00	0.00
Total of non-current liabilities	1,239,707,177.11	1,137,100,421.61
Total liabilities	4,168,996,729.29	4,484,737,927.91
Owner's equity:		
Share capital	789,094,836.00	789,094,836.00
Other equity tools		
Including: preferred stock		
Perpetual bond		

Capital reserves	467,376,902.96	467,376,902.96
Less: Shares in stock		0.00
Other miscellaneous income	2,841,913.24	2,130,454.52
Special reserves		0.00
Surplus reserves	88,839,790.50	88,839,790.50
Common risk provisions		
Retained profit	1,084,579,744.64	1,016,820,576.30
Total of owner's equity belong to the parent company	2,432,733,187.34	2,364,262,560.28
Minor shareholders' equity	-62,191,748.15	-61,949,210.11
Total of owners' equity	2,370,541,439.19	2,302,313,350.17
Total of liabilities and owner's interest	6,539,538,168.48	6,787,051,278.08

Legal representative: Xiong Jianming

CFO: Lin Kebing

Accounting Manager: Chen Yonggang

2. Balance Sheet of the Parent Company

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	546,387,492.10	81,148,314.87
Financial assets measured at fair value with variations accounted into current income account		0.00
Derivative financial assets		0.00
Notes receivable		0.00
Account receivable	0.00	454,140.85
Prepayment	276,453.67	110,132.27
Interest receivable		0.00
Dividend receivable	0.00	430,000,000.00
Other receivables	469,542,319.27	459,354,983.42
Inventory		0.00
Assets held for sales		0.00
Non-current assets due in 1 year		
Other current assets	345,626.23	334,228.97
Total current assets	1,016,551,891.27	971,401,800.38

Non-current assets:		
Sellable financial assets	28,562,575.67	28,562,575.67
Investment held until mature		0.00
Long-term receivable		0.00
Long-term share equity investment	896,869,392.36	897,444,525.03
Investment real estate	296,740,660.63	296,740,660.63
Fixed assets	54,552,356.14	55,081,689.15
Construction in process		0.00
Engineering materials		0.00
Disposal of fixed assets		0.00
Productive biological assets		0.00
Gas & petrol		0.00
Intangible assets	1,437,074.58	1,531,179.93
R&D expense		0.00
Goodwill		0.00
Long-term amortizable expenses	181,748.39	252,857.40
Deferred income tax assets	56,444,479.16	57,076,777.66
Other non-current assets	120,000,000.00	120,000,000.00
Total of non-current assets	1,454,788,286.93	1,456,690,265.47
Total of assets	2,471,340,178.20	2,428,092,065.85
Current liabilities		
Short-term loans	90,000,000.00	190,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		0.00
Derivative financial liabilities		
Notes payable		33,692,909.97
Account payable	606,941.85	606,941.85
Prepayment received	693,045.60	965,234.08
Employees' wage payable	1,068,929.41	2,338,896.51
Taxes payable	592,304.07	460,424.30
Interest payable	117,232.50	288,513.75
Dividend payable		0.00
Other payables	242,392,896.09	65,436,929.77
Liabilities held for sales		0.00

Non-current liabilities due in 1 year		0.00
Other current liabilities	0.00	
Total current liabilities	335,471,349.52	293,789,850.23
Non-current liabilities:		
Long-term loans		
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable		
Long-term employees' wage payable		0.00
Special payables		
Anticipated liabilities		0.00
Deferred earning		0.00
Deferred income tax liabilities	124,159,773.11	124,088,349.06
Other non-current liabilities		0.00
Total of non-current liabilities	124,159,773.11	124,088,349.06
Total liabilities	459,631,122.63	417,878,199.29
Owner's equity:		
Share capital	789,094,836.00	789,094,836.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	466,283,546.89	466,283,546.89
Less: Shares in stock		0.00
Other miscellaneous income	91,831.63	91,831.63
Special reserves		0.00
Surplus reserves	88,839,790.50	88,839,790.50
Retained profit	667,399,050.55	665,903,861.54
Total of owners' equity	2,011,709,055.57	2,010,213,866.56
Total of liabilities and owner's interest	2,471,340,178.20	2,428,092,065.85

3. Consolidated Income Statement

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Total revenue	573,546,634.49	469,103,396.78
Incl. Business income	573,546,634.49	469,103,396.78
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	489,407,031.68	444,905,754.32
Incl. Business cost	394,608,165.03	391,319,798.18
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	36,724,201.67	5,896,598.98
Sales expense	10,160,076.95	11,110,937.46
Administrative expense	37,770,848.96	36,395,114.82
Financial expenses	12,891,638.49	10,022,552.32
Asset impairment loss	-2,747,899.42	-9,839,247.44
Plus: gains from change of fair value ("-" for loss)	369,591.00	-1,456,515.68
Investment gains ("-" for loss)	963,118.22	-116,407.24
Incl. Investment gains from affiliates and joint ventures	-575,132.67	-174,752.44
Exchange gains ("-" for loss)		
3. Operational profit ("-" for loss)	85,472,312.03	22,624,719.54
Plus: non-operational income	3,159,052.41	2,018,111.17
Incl. Loss from disposal of non-current assets	16,166.05	22,418.22
Less: non-operational expenditure	268,051.31	1,266,037.76
Incl. Loss from disposal of non-current assets	87,879.85	493,011.35

4. Gross profit (“-“ for loss)	88,363,313.13	23,376,792.95
Less: Income tax expenses	20,846,618.03	4,246,322.18
5. Net profit (“-“ for net loss)	67,516,695.10	19,130,470.77
Net profit attributable to the owners of parent company	67,759,233.14	22,188,780.56
Minor shareholders' equity	-242,538.04	-3,058,309.79
6. After-tax net amount of other misc. incomes	924,176.32	841,840.00
After-tax net amount of other misc. incomes attributed to parent's owner	924,176.32	841,840.00
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss	924,176.32	841,840.00
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow	774,158.75	841,840.00
5. Translation difference of foreign exchange statement	150,017.57	
6. Others		
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	68,440,871.42	19,972,310.77

Total of misc. incomes attributable to the owners of the parent company	68,683,409.46	23,030,620.56
Total misc gains attributable to the minor shareholders	-242,538.04	-3,058,309.79
8. Earnings per share:		
(1) Basic earnings per share	0.09	0.03
(2) Diluted earnings per share	0.09	0.03

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

Legal representative: Xiong Jianming CFO: Lin Kebing Accounting Manager: Chen Yonggang

4. Income Statement of the Parent Company

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Turnover	6,845,336.82	7,246,856.81
Less: Operation cost	406,361.52	350,972.35
Taxes and surcharges	312,223.66	768,784.87
Sales expense		
Administrative expense	5,673,991.65	5,459,504.20
Financial expenses	-223,544.29	1,783,122.18
Asset impairment loss	-12,944.02	26,016.25
Plus: gains from change of fair value ("-" for loss)		
Investment gains ("-" for loss)	-542,255.96	-169,327.78
Incl. Investment gains from affiliates and joint ventures	-575,132.67	-174,752.44
2. Operational profit ("-" for loss)	146,992.34	-1,310,870.82
Plus: non-operational income	2,061,767.86	1,148,843.27
Incl. Loss from disposal of non-current assets		
Less: non-operational expenditure	9,848.64	89,374.82
Incl. Loss from disposal of non-current assets	9,848.64	
3. Gross profit ("-" for loss)	2,198,911.56	-251,402.37
Less: Income tax expenses	703,722.55	-59,356.13

4. Net profit (“-“ for net loss)	1,495,189.01	-192,046.24
5. After-tax net amount of other misc. incomes		
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Change in net liabilities or assets due to re-measurement set benefit program		
2. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
(2) Other misc. incomes that will be re-classified into gain and loss		
1. Shares enjoyed in other misc. incomes that cannot be reclassified into gain and loss by the invested entity under the equity law		
2. Change in the fair value of financial asset for sale		
3 Held-to-mature investment reclassified as gain and loss in the financial assets for sales		
4. Effective part in the gain and loss of arbitrage of cash flow		
5. Translation difference of foreign exchange statement		
6. Others		
6. Total of misc. incomes	1,495,189.01	-192,046.24
7. Earnings per share:		
(1) Basic earnings per share	0.00	0
(2) Diluted earnings per share	0.00	0

5. Consolidated Cash Flow Statement

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business		

operations:		
Cash received from sales of products and providing of services	854,772,826.23	636,891,799.87
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Increase in proposal of financial assets measured at fair value with variations accounted into current income account		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax refunded	1,292,690.35	80,888.90
Other cash received from business operation	41,062,862.35	26,520,638.27
Sub-total of cash inflow from business operations	897,128,378.93	663,493,327.04
Cash paid for purchasing products and services	644,166,577.65	569,855,226.34
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing		

fee and commission		
Cash paid for policy dividend		
Cash paid to and for the staff	75,055,798.07	72,576,097.44
Taxes paid	125,913,049.34	43,687,459.47
Other cash paid for business activities	56,839,430.42	37,090,360.67
Sub-total of cash outflow from business operations	901,974,855.48	723,209,143.92
Cash flow generated by business operations, net	-4,846,476.55	-59,715,816.88
2. Cash flow generated by investment:		
Cash received from investment recovery	847,400,000.00	86,000,000.00
Cash received as investment profit	1,855,342.67	87,675.20
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	860,000.00	3,042,427.80
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	850,115,342.67	89,130,103.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	29,829,710.34	17,210,194.37
Cash paid as investment	1,024,200,000.00	136,000,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		50,000.00
Subtotal of cash outflows	1,054,029,710.34	153,260,194.37
Cash flow generated by investment activities, net	-203,914,367.67	-64,130,091.37
3. Cash flow generated by financing activities:		
Cash received from investment		

Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	298,892,140.13	513,454,801.40
Cash received from bond placing		
Other cash received from financing activities		31.03
Subtotal of cash inflow from financing activities	298,892,140.13	513,454,832.43
Cash paid to repay debts	190,000,000.00	386,000,000.00
Cash paid as dividend, profit, or interests	19,702,834.06	18,750,977.53
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities		525,617.57
Subtotal of cash outflow from financing activities	209,702,834.06	405,276,595.10
Net cash flow generated by financing activities	89,189,306.07	108,178,237.33
4. Influence of exchange rate changes on cash and cash equivalents	-119,537.97	311,278.28
5. Net increase in cash and cash equivalents	-119,691,076.12	-15,356,392.64
Plus: Balance of cash and cash equivalents at the beginning of term	935,824,575.40	247,739,243.78
6. Balance of cash and cash equivalents at the end of the period	816,133,499.28	232,382,851.14

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	6,005,590.24	5,118,489.56
Tax refunded		

Other cash received from business operation	248,854,854.53	326,581,279.11
Sub-total of cash inflow from business operations	254,860,444.77	331,699,768.67
Cash paid for purchasing products and services	27,178,851.45	484,636.92
Cash paid to and for the staff	5,173,336.56	4,211,712.91
Taxes paid	720,339.74	1,583,084.62
Other cash paid for business activities	79,271,693.27	181,651,052.50
Sub-total of cash outflow from business operations	112,344,221.02	187,930,486.95
Cash flow generated by business operations, net	142,516,223.75	143,769,281.72
2. Cash flow generated by investment:		
Cash received from investment recovery	100,000,000.00	11,000,000.00
Cash received as investment profit	431,862,876.73	3,537,254.69
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	531,862,876.73	14,537,254.69
Cash paid for construction of fixed assets, intangible assets and other long-term assets	433,510.00	27,689.11
Cash paid as investment	100,000,000.00	61,000,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	100,433,510.00	61,027,689.11
Cash flow generated by investment activities, net	431,429,366.73	-46,490,434.42
3. Cash flow generated by financing		

activities:		
Cash received from investment		
Cash received from borrowed loans		200,000,000.00
Cash received from bond placing		
Other cash received from financing activities		31.03
Subtotal of cash inflow from financing activities		200,000,031.03
Cash paid to repay debts	100,000,000.00	250,000,000.00
Cash paid as dividend, profit, or interests	1,967,831.25	5,437,331.26
Other cash paid for financing activities		525,617.57
Subtotal of cash outflow from financing activities	101,967,831.25	255,962,948.83
Net cash flow generated by financing activities	-101,967,831.25	-55,962,917.80
4. Influence of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	471,977,759.23	41,315,929.50
Plus: Balance of cash and cash equivalents at the beginning of term	74,159,732.87	25,583,130.83
6. Balance of cash and cash equivalents at the end of the period	546,137,492.10	66,899,060.33

2. Auditor's report

Whether the Q1 report is audited

Yes No

The Q2 Report is not audited.

China Fangda Group Co., Ltd.

Legal representative: Xiong Jianming_____

25.04.17