

FIYTA HOLDINGS LTD.

2018 Third Quarterly Report

October, 2018

Section 1 Important Notice

The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives hereby individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this report and confirm that there are neither material omissions nor errors which would render any statement misleading.

All the directors attended the board meeting for reviewing the Quarterly Report.

Huang Yongfeng, the Company leader, Chen Zhuo, chief financial officer, and Tian Hui, the manager of the accounting department (treasurer) hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report.

Section 2 Company Profile

I. Summary of Accounting/Financial Data

Does the Company need to make retroactive adjustment or restatement of the accounting data of the previous years?

No

	End of the reporting period	End of the previous year	Increase/decrease at the end of the year over the end of the previous year	
Total assets (in CNY)	3,617,355,221.85	3,579,789,692.90	1.05%	
Net profit attributable to the Company's shareholders, in CNY	2,551,130,509.85	2,467,967,361.20	3.37%	
	Reporting period	Year-on-year increase/decrease in the reporting period	From the year beginning to the end of the reporting period	Increase/decrease from the year beginning to the end of the reporting period over the same period of the previous year
Revenue in CNY	868,796,654.10	-0.84%	2,564,688,086.82	3.60%
Net profit attributable to the Company's shareholders, in CNY	50,293,172.83	0.91%	162,661,094.27	19.12%
Net profit attributable to the Company's shareholders less the non-recurring items, in CNY	48,421,717.54	-2.09%	148,181,088.71	9.44%
Net cash flows arising from operating activities, in CNY	--	--	290,588,474.72	-20.02%
Basic earning per share (CNY/share)	0.1146	0.88%	0.3707	19.12%
Diluted earning per share (CNY/share)	0.1146	0.88%	0.3707	19.12%
Return on equity, weighted average	2.09%	4.05%	6.55%	15.59%

Non-recurring gain/loss items and the amount involved

In CNY

Items	Amount from the year beginning to the end of the reporting period	Notes
Gain/loss from disposal of non-current assets, including the part offset from the provision for impairment of assets.	-66,731.60	
Government subsidy credited to the current gain and loss (except the government subsidies closely related with the Company's business and enjoyable according to the unified standard quota or fixed amount	8,857,885.99	

specified by the central government).		
Reversal of the provision for impairment of accounts receivable which underwent separate impairment testing	7,533,121.86	Recovery of the account receivable written off in the previous year
Other various non-operating revenue and expenditure with the aforesaid items exclusive	-296.65	
Less: Amount affected by the income tax	1,843,974.04	
Total	14,480,005.56	--

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.

Inapplicable

II. Statement of total shareholders and shares held by the top 10 shareholders by the end of the reporting period

1. Statement of total ordinary shareholders and the preferred shareholders with their voting power recovered and the shares held by the top 10 shareholders

In shares

Total common shareholders at the end of the reporting period		32,369	Total preferred shareholders with their voting power recovered at the end of the reporting period (if any)		0	
Shareholding by top 10 shareholders						
Names of the Shareholders	Nature of the shareholder	Shareholding proportion	Shareholding quantity	Number of the restricted shares held	Pledging or freezing	
					Status of the shares	Quantity
AVIC International Holding Limited	State corporate	37.15%	162,977,327	0		
Wan Zhongbo	Domestic natural person	2.62%	11,485,227	0		
National Social Security Fund 114 Portfolio	Domestic non-state-owned corporate	2.20%	9,657,744	0		
#Yang Zugui	Domestic natural person	2.17%	9,500,969	0		
Chongqing International Trust Co., Ltd. - RONGXINTONG	Domestic non-state-owned corporate	1.39%	6,120,391	0		

Series Unitrust No.10						
Chongqing International Trust Co., Ltd. - YUXIN Trust No.2	Domestic non-state-owned corporate	1.36%	5,982,200	0		
Xizang Investment Co., Ltd.	State corporate	1.13%	4,976,551	0		
MANULIFE TEDA Fund — Minsheng Bank — MANULIFE TEDA Value Growth Oriented Additional Issue No. 351 Assets Management Program	Domestic non-state-owned corporate	1.12%	4,893,559	0		
Industrial and Commercial Bank of China Co., Ltd. - FUGUO TIANHUI Selected Growth Growth Mixed Securities Investment Fund (LOF)	Domestic non-state-owned corporate	0.95%	4,177,282	0		
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	Domestic non-state-owned corporate	0.75%	3,300,000	0		
Shares held by top 10 shareholders of unrestricted shares						
Names of the Shareholders	Quantity of unrestricted shares held	Share type				
		Share type	Quantity			
AVIC International Holding Limited	162,977,327	CNY ordinary shares	162,977,327			
Wan Zhongbo	11,485,227	CNY ordinary shares	11,485,227			
National Social Security Fund 114 Portfolio	9,657,744	CNY ordinary shares	9,657,744			
#Yang Zugui	9,500,969	CNY ordinary shares	9,500,969			

Chongqing International Trust Co., Ltd. - RONGXINTONG Series Unitrust No.10	6,120,391	CNY ordinary shares	6,120,391
Chongqing International Trust Co., Ltd. - YUXIN Trust No.2	5,982,200	CNY ordinary shares	5,982,200
Xizang Investment Co., Ltd.	4,976,551	CNY ordinary shares	4,976,551
MANULIFE TEDA Fund— Minsheng Bank— MANULIFE TEDA Value Growth Oriented Additional Issue No. 351 Assets Management Program	4,893,559	CNY ordinary shares	4,893,559
Industrial and Commercial Bank of China Co., Ltd. - FUGUO TIANHUI Selected Growth Growth Mixed Securities Investment Fund (LOF)	4,177,282	CNY ordinary shares	4,177,282
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	3,300,000	CNY ordinary shares	3,300,000
Explanation on associated relationship or consistent action of the above shareholders	Of the top 10 shareholders, both Chongqing International Trust Co., Ltd. - Rongxintong Serial Order - No. 10 Trust and Chongqing International Trust Co., Ltd. - YUXIN Trust No. 2 are subsidiaries of Chongqing International Trust Co., Ltd. Both of them are holding 12,102,591 shares in total in the Company, which takes 2.76% of the Company's total shares.		

Did the top ten common shareholders or top ten shareholders of unrestricted common shares conduct contractual repurchase during the reporting period?

No

2. Total preferred shareholders and the shares held by the top 10 preferred shareholders

Inapplicable

Section 3 Significant Events

I. Changes of the major financial data and financial indicators during the reporting period and the causes

(I) Balance sheet items

Items	Ending balance	Opening balance	Proportion of changes	Cause of the movement
Notes receivable and accounts receivable	447,658,811.44	335,948,508.62	33.25%	Mainly due to increase of the accounts receivable for goods at the end of the reporting period
Other receivables	45,889,700.23	34,990,539.09	31.15%	Mainly due to increase of the cash deposit and expense payment to be cleared at the end of the reporting period.
Other payables	90,821,473.07	59,232,265.75	53.33%	Mainly due to increase of the accrued expenses at the end of the reporting period
Other comprehensive income	-3,272,411.80	-11,523,442.39	71.60%	Mainly due to movement of the translation reserve

(II) Items of the profit statement in the reporting period

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Proportion of changes	Cause of the movement
Financial expenses - interest expenses	6,789,639.39	10,290,602.12	-34.02%	It was mainly due to decrease of the bank loans over the same period of the previous year during the reporting period
Loss from impairment of assets	268,853.55	8,416,056.39	-96.81%	It was due to decrease of the provision for bad debt and provision for price falling of inventories over the same period of the previous year in the reporting period.
Other income	2,360,867.19	936,793.49	152.02%	It was due to increase of the government subsidies received in the reporting period
Net of other comprehensive income after tax	9,644,276.18	-5,344,611.15	280.45%	Mainly due to movement of the translation reserve

(III) Items of the profit statement from the year beginning to the end of the reporting period

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Proportion of changes	Cause of the movement
Financial expenses - interest expenses	21,062,682.52	33,537,532.63	-37.20%	It was mainly due to decrease of the bank loans over the same period of the previous year during the reporting period
Loss from impairment of assets	-3,144,146.56	21,199,745.69	-114.83%	It was due to decrease of the provision for bad debt and provision for price falling of inventories over the

				same period of the previous year in the reporting period.
Other income	8,857,885.99	2,414,836.49	266.81%	It was due to increase of the government subsidies received in the reporting period
Net of other comprehensive income after tax	8,251,321.19	1,741,879.37	373.70%	Mainly due to movement of the translation reserve

(IV) Items of the cash flow statement from the year beginning to the end of the reporting period

Items	Amount incurred in the reporting period	Amount incurred in the previous period	Proportion of changes	Cause of the movement
Rebated taxes received	4,010,283.82	863,877.72	364.22%	It was due to increase of the export rebates received in the reporting period
Other business activity related receipts Relevant cash	34,995,312.97	24,629,308.80	42.09%	It was mainly due to the government subsidies received in the reporting period
Cash paid for dividend/profit distribution or repayment of interest	110,277,877.06	76,460,575.01	44.23%	It was due to increase of the dividend distributed in the current year over the previous year and at the same time decrease of the interest paid for the bank loan over the same period of the previous year.
Cash flows arising from fund-raising activities Net cash flow	-191,101,925.83	-422,748,445.73	54.80%	It was mainly due to decrease of the bank loans over the same period of the previous year during the reporting period
Net cash and cash equivalents Amount increased	11,243,794.77	-145,502,390.65	107.73%	It was mainly due to decrease of the bank loans over the same period of the previous year during the reporting period

II. Progress of significant events, their effects and analysis on the solutions

Inapplicable

III. Commitments unfinished in implementation by the Company's actual controller, shareholders, related parties, acquirer and the Company, etc. in the reporting period

Inapplicable

IV. Prediction of the Performances in Year 2018

Inapplicable

V. Portfolio investment

Inapplicable

VI. Entrusted financial management

Inapplicable

VII. Investment in derivatives

Inapplicable

VIII. Registration of the activities of reception of investigators, communications, interviews, etc. during the reporting period

Inapplicable

IX. Outward guarantee against regulations

Inapplicable

X. The Company's funds occupied by its controlling shareholder or/and related parties for non-operating purpose

Inapplicable

Section 4. Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet

Prepared by FIYTA Holdings Ltd.

September 30, 2018

In CNY

Items	Ending balance	Opening balance
Current assets:		
Monetary capital	198,396,686.09	187,152,891.32
Settlement reserve		
Inter-bank lending		
Financial assets which is measured based on the fair value and whose movement is counted to the current gain/loss		
Derivative financial assets		
Notes receivable and accounts receivable	447,658,811.44	335,948,508.62
Where: Notes receivable	6,153,469.16	9,693,883.68
Accounts receivable	441,505,342.28	326,254,624.94
Advance payments	30,813,702.67	24,663,314.53
Receivable premium		
Reinsurance accounts receivable		
Reserve for reinsurance contract receivable		
Other receivables	45,889,700.23	34,990,539.09
Redemptory monetary capital for sale		
Inventories	1,719,468,473.32	1,820,526,676.26
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	29,170,827.65	24,616,815.21
Total current assets	2,471,398,201.40	2,427,898,745.03
Non-current assets:		
Provision of loans and advance in cash		
Available-for-sale financial assets	85,000.00	85,000.00

Held-to-due investments		
Long-term accounts receivable		
Long-term equity investment	43,972,531.47	43,879,518.09
Investment real estate	345,621,944.56	305,493,987.77
Fixed assets	461,097,481.02	523,699,592.65
Construction-in-process	12,665,238.28	10,947,300.53
Productive biological asset		
Oil and gas assets		
Intangible assets	44,255,220.33	44,223,280.21
Development expenses		
Goodwill		
Long-term expenses to be apportioned	119,471,578.84	109,409,785.49
Deferred income tax asset	108,816,166.62	105,905,944.80
Other non-current assets	9,971,859.33	8,246,538.33
Total non-current assets	1,145,957,020.45	1,151,890,947.87
Total assets	3,617,355,221.85	3,579,789,692.90
Current liabilities:		
Short term borrowings	464,922,149.78	525,990,510.00
Borrowings from central bank		
Deposits taking and interbank placement		
Loans from other banks		
Financial liabilities measured based on the fair value and whose change was charged to the current gain and loss.		
Derivative financial liabilities		
Notes payable and accounts payable	261,474,973.99	263,256,495.65
Advances from customers	19,322,876.99	15,141,587.79
Funds from selling out and repurchasing financial assets		
Service charge and commission payable		
Salaries payable to the employees	56,698,214.43	71,564,367.14
Taxes payable	69,816,088.11	55,857,236.59
Other payables	90,821,473.07	59,232,265.75
Payable reinsurance		
Reserve for insurance contract		

Acting trading securities		
Income from securities underwriting on commission		
Held-for-sale liabilities		
Non-current liabilities due within a year	35,000,000.00	35,000,000.00
Other current liabilities		
Total current liabilities	998,055,776.37	1,026,042,462.92
Non-current liabilities:		
Long-term borrowings	62,383,129.25	79,870,353.00
Bonds payable		
Including: preferred shares		
Perpetual bond		
Long-term accounts payable		
Long-term accrued payroll		
Predicted liabilities		
Deferred income	5,780,000.00	5,904,000.00
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	68,163,129.25	85,774,353.00
Total liabilities	1,066,218,905.62	1,111,816,815.92
Owner's equity:		
Capital Stock	438,744,881.00	438,744,881.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital Reserve	1,062,455,644.22	1,062,455,644.22
Less: shares in stock		
Other comprehensive income	-3,272,411.80	-11,523,442.39
Special reserve		
Surplus Reserve	206,805,713.35	206,805,713.35
Reserve against general risks		
Retained earnings	846,396,683.08	771,484,565.02
Total owners' equity attributable to the parent company	2,551,130,509.85	2,467,967,361.20
Minority shareholders' equity	5,806.38	5,515.78

Total owner's equity	2,551,136,316.23	2,467,972,876.98
Total liabilities and owners' equity	3,617,355,221.85	3,579,789,692.90

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the

Accounting Department: Tian Hui

2. Balance Sheet (Parent Company)

In CNY

Items	Ending balance	Opening balance
Current assets:		
Monetary capital	176,044,667.47	131,163,944.43
Financial assets which is measured based on the fair value and whose movement is counted to the current gain/loss		
Derivative financial assets		
Notes receivable and accounts receivable	492,234.98	6,832,006.11
Where: Notes receivable		
Accounts receivable	492,234.98	6,832,006.11
Advance payments		
Other receivables	686,418,109.71	831,952,437.86
Inventories		
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	10,893,702.66	9,089,170.12
Total current assets	873,848,714.82	979,037,558.52
Non-current assets:		
Available-for-sale financial assets	85,000.00	85,000.00
Held-to-due investments		
Long-term accounts receivable		
Long-term equity investment	1,375,221,122.40	1,375,128,109.02
Investment real estate	262,601,939.80	270,241,724.52
Fixed assets	331,369,718.15	340,765,873.45
Construction-in-process	12,665,238.28	10,947,300.53
Productive biological asset		
Oil and gas assets		
Intangible assets	36,108,084.68	36,932,963.95

Development expenses		
Goodwill		
Long-term expenses to be apportioned	4,808,236.28	4,418,287.94
Deferred income tax asset	1,499,126.32	1,499,126.32
Other non-current assets	1,795,456.03	2,687,910.84
Total non-current assets	2,026,153,921.94	2,042,706,296.57
Total assets	2,900,002,636.76	3,021,743,855.09
Current liabilities:		
Short term borrowings	435,000,000.00	470,000,000.00
Financial liabilities measured based on the fair value and whose change was charged to the current gain and loss.		
Derivative financial liabilities		
Notes payable and accounts payable	57,586,340.48	60,520,874.66
Advances from customers	4,773,612.61	4,212,930.07
Salaries payable to the employees	7,870,513.62	9,291,422.00
Taxes payable	2,579,880.35	1,038,481.26
Other payables	42,961,861.08	21,596,100.44
Held-for-sale liabilities		
Non-current liabilities due within a year	35,000,000.00	35,000,000.00
Other current liabilities		
Total current liabilities	585,772,208.14	601,659,808.43
Non-current liabilities:		
Long-term borrowings	57,361,928.00	74,861,928.00
Bonds payable		
Including: preferred shares		
Perpetual bond		
Long-term accounts payable		
Long-term accrued payroll		
Predicted liabilities		
Deferred income	5,780,000.00	5,904,000.00
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	63,141,928.00	80,765,928.00
Total liabilities	648,914,136.14	682,425,736.43

Owner's equity:		
Capital Stock	438,744,881.00	438,744,881.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital Reserve	1,068,111,185.32	1,068,111,185.32
Less: shares in stock		
Other comprehensive income		
Special reserve		
Surplus Reserve	206,805,713.35	206,805,713.35
Retained earnings	537,426,720.95	625,656,338.99
Total owner's equity	2,251,088,500.62	2,339,318,118.66
Total liabilities and owners' equity	2,900,002,636.76	3,021,743,855.09

Legal representative: Huang Yongfeng Chief Financial Officer: Chen Zhuo Person in charge of the Accounting Department: Tian Hui

3. Consolidated profit statement in the reporting period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Turnover	868,796,654.10	876,113,517.26
Including: operating income	868,796,654.10	876,113,517.26
Interest income		
Earned insurance premium		
Service charge and commission income		
II. Total operating costs	805,686,004.43	811,930,483.19
Including: Operating costs	505,885,393.78	512,791,871.39
Interest payment		
Service charge and commission payment		
Surrender Value		
Compensation expenses, net		
Provision of reserve for insurance contract, net		

Payment of policy dividend		
Reinsurance expenses		
Taxes and surcharges	7,454,053.56	7,962,036.51
Sales cost	214,879,689.40	205,086,341.20
Administrative expenses	56,100,640.10	51,955,309.90
R & D expenditures	11,955,136.46	12,941,533.47
Financial expenses	9,142,237.58	12,777,334.33
Where: Interest cost	6,789,639.39	10,290,602.12
Interest income	643,817.82	722,695.23
Loss from impairment of assets	268,853.55	8,416,056.39
Plus: Other income	2,360,867.19	936,793.49
Investment income (loss is stated with "-")		
Including: return on investment in associate and joint venture		
Income from change of fair value (loss is stated with "-")		
Exchange income (loss stated with "-")		
Income from disposal of assets (loss is stated with "-")	-12,324.44	-187,228.60
III. Operating Profit (loss is stated with "-")	65,459,192.42	64,932,598.96
Plus: Non-operating income	190,581.65	52,184.65
Less: Non-operating expenses	88,215.28	382,639.21
IV. Total profit (total loss is stated with "-")	65,561,558.79	64,602,144.40
Less: Income tax expense	15,268,385.96	15,078,018.06
V. Net Profit (net loss is stated with "-")	50,293,172.83	49,524,126.34
(I) Net Profit from sustainable operation (net loss is stated with "-")	50,293,172.83	49,524,126.35
(II) Net profit from termination of business operation (net loss is stated with "-")		
Net profit attributable to the parent company's owner	50,293,172.83	49,839,227.96
Minority shareholders' gain/loss		-315,101.62

VI. Net of other comprehensive income after tax	9,644,276.18	-5,344,611.14
Net of other comprehensive income after tax attributable to the parent company's owner	9,643,950.34	-5,228,715.27
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
(II) Other comprehensive income which shall be re-classified into gain and loss	9,643,950.34	-5,228,715.27
1. Other comprehensive income which can be converted into gain and loss based on the equity method		
2. Gain/loss from change in the fair value of the financial assets available for sale		
3. Gain/loss from which the held-to-maturity investment is re-classified as available-for-sale financial assets		
4. Valid part of the gain/loss from cash flow hedge		
5. Conversion difference in foreign currency statements	9,643,950.34	-5,228,715.27
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	325.84	-115,895.87
VII. Total comprehensive income	59,937,449.01	44,179,515.20
Total comprehensive income attributable to the parent company's owner	59,937,123.17	44,610,512.69
Total comprehensive income attributable to minority shareholders	325.84	-430,997.49
VIII. Earnings per share:		

(I) Basic earnings per share	0.1146	0.1136
(II) Diluted earnings per share	0.1146	0.1136

For the enterprises under the same control consolidated in the reporting period, the net profit realized by the consolidatee before the consolidation is CNY 0.00. Net profit realized by the consolidatee in the previous period is CNY 0.00.

Legal representative: Huang Yongfeng Chief Financial Officer: Chen Zhuo Person in charge of the Accounting Department: Tian Hui

4. Profit statement of the parent company in the reporting period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Revenue	28,462,045.84	27,263,052.24
Less: Operating cost	3,966,158.08	4,615,106.22
Taxes and surcharges	1,077,631.80	1,306,737.51
Sales cost		
Administrative expenses	16,788,796.26	12,119,794.38
R & D expenditures	5,939,757.96	10,253,463.39
Financial expenses	3,246,486.94	2,644,287.94
Where: Interest cost	3,063,446.70	3,015,267.50
Interest income	572,936.96	297,371.88
Loss from impairment of assets		
Plus: Other income	1,523,301.89	900.00
Investment income (loss is stated with "-")		
Including: return on investment in associate and joint venture		-38,246.82
Income from change of fair value (loss is stated with "-")		
Income from disposal of assets (loss is stated with "-")		-38,246.82
II. Operating Profit (loss is stated with "-")	-1,033,483.31	-3,713,684.02
Plus: Non-operating income		
Less: Non-operating expenses	0.90	300,029.00
III. Total profit (total loss is stated with "-")	-1,033,484.21	-4,013,713.02
Less: Income tax expense		-1,041,658.25
IV. Net Profit (net loss is stated with "-")	-1,033,484.21	-2,972,054.77

(I) Net Profit from sustainable operation (net loss is stated with "-")	-1,033,484.21	-2,972,054.77
(II) Net profit from termination of business operation (net loss is stated with "-")		
V. Net of other comprehensive income after tax		
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
(II) Other comprehensive income which shall be re-classified into gain and loss		
1. Other comprehensive income which can be converted into gain and loss based on the equity method		
2. Gain/loss from change in the fair value of the financial assets available for sale		
3. Gain/loss from which the held-to-maturity investment is re-classified as available-for-sale financial assets		
4. Valid part of the gain/loss from cash flow hedge		
5. Conversion difference in foreign currency statements		
6. Others		
VI. Total comprehensive income	-1,033,484.21	-2,972,054.77
VII. Earnings per share:		
(I) Basic earnings per share	-0.0024	-0.0067
(II) Diluted earnings per share	-0.0024	-0.0067

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo Person in charge of the

5. Consolidated Profit Statement from the year beginning to the end of the reporting period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Turnover	2,564,688,086.82	2,475,654,661.61
Including: operating income	2,564,688,086.82	2,475,654,661.61
Interest income		
Earned insurance premium		
Service charge and commission income		
II. Total operating costs	2,362,178,677.99	2,300,032,696.40
Including: Operating costs	1,482,211,130.13	1,454,271,556.22
Interest payment		
Service charge and commission payment		
Surrender Value		
Compensation expenses, net		
Provision of reserve for insurance contract, net		
Payment of policy dividend		
Reinsurance expenses		
Taxes and surcharges	25,244,839.99	23,143,533.79
Sales cost	636,992,731.09	599,372,662.99
Administrative expenses	160,343,031.79	128,181,081.76
R & D expenditures	33,241,062.48	34,886,148.56
Financial expenses	27,290,029.07	38,977,967.39
Where: Interest cost	21,062,682.52	33,537,532.63
Interest income	1,723,404.90	2,212,562.68
Loss from impairment of assets	-3,144,146.56	21,199,745.69
Plus: Other income	8,857,885.99	2,414,836.49
Investment income (loss is stated with "-")	93,013.38	188,871.89
Including: return on investment in associate and joint venture	93,013.38	188,871.89
Income from change of fair value		

(loss is stated with "-")		
Exchange income (loss stated with "-")		
Income from disposal of assets (loss is stated with "-")	-66,731.60	-200,581.55
III. Operating Profit (loss is stated with "-")	211,393,576.60	178,025,092.04
Plus: Non-operating income	554,441.16	198,051.56
Less: Non-operating expenses	554,737.81	1,043,829.65
IV. Total profit (total loss is stated with "-")	211,393,279.95	177,179,313.95
Less: Income tax expense	48,732,185.68	41,043,403.06
V. Net Profit (net loss is stated with "-")	162,661,094.27	136,135,910.89
(I) Net Profit from sustainable operation (net loss is stated with "-")	162,661,094.27	136,135,910.89
(II) Net profit from termination of business operation (net loss is stated with "-")		
Net profit attributable to the parent company's owner	162,661,094.27	136,548,052.72
Minority shareholders' gain/loss		-412,141.83
VI. Net of other comprehensive income after tax	8,251,321.19	1,741,879.37
Net of other comprehensive income after tax attributable to the parent company's owner	8,251,030.59	1,939,829.31
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
(II) Other comprehensive income which shall be re-classified into gain and loss	8,251,030.59	1,939,829.31
1. Other comprehensive income which can be converted into gain and loss based on the equity method		

2. Gain/loss from change in the fair value of the financial assets available for sale		
3. Gain/loss from which the held-to-maturity investment is re-classified as available-for-sale financial assets		
4. Valid part of the gain/loss from cash flow hedge		
5. Conversion difference in foreign currency statements	8,251,030.59	1,939,829.31
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	290.60	-197,949.94
VII. Total comprehensive income	170,912,415.46	137,877,790.26
Total comprehensive income attributable to the parent company's owner	170,912,124.86	138,487,882.03
Total comprehensive income attributable to minority shareholders	290.60	-610,091.77
VIII. Earnings per share:		
(I) Basic earnings per share	0.3707	0.3112
(II) Diluted earnings per share	0.3707	0.3112

For the enterprises under the same control consolidated in the reporting period, the net profit realized by the consolidatee before the consolidation is CNY 0.00. Net profit realized by the consolidatee in the previous period is CNY 0.00.

Legal representative: Huang Yongfeng Chief Financial Officer: Chen Zhuo Person in charge of the Accounting Department: Tian Hui

6. Profit statement of the parent company from the year beginning to the end of the reporting period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Revenue	84,581,680.02	78,617,476.17
Less: Operating cost	13,544,702.78	13,233,987.77
Taxes and surcharges	3,283,993.87	3,164,461.73
Sales cost		5,024,222.36
Administrative expenses	48,103,773.92	36,000,455.91

R & D expenditures	16,261,936.11	20,117,445.63
Financial expenses	6,800,487.30	8,490,598.99
Where: Interest cost	7,298,145.33	9,506,264.31
Interest income	1,283,699.17	1,020,073.12
Loss from impairment of assets		
Plus: Other income	3,121,301.89	754,900.00
Investment income (loss is stated with "-")	93,013.38	188,871.89
Including: return on investment in associate and joint venture	93,013.38	188,871.89
Income from change of fair value (loss is stated with "-")		
Income from disposal of assets (loss is stated with "-")	-13,917.68	-38,246.82
II. Operating Profit (loss is stated with "-")	-212,816.37	-6,508,171.15
Plus: Non-operating income	9,480.00	35,879.89
Less: Non-operating expenses	446,782.97	320,029.00
III. Total profit (total loss is stated with "-")	-650,119.34	-6,792,320.26
Less: Income tax expense	-169,477.50	-2,829,509.08
IV. Net Profit (net loss is stated with "-")	-480,641.84	-3,962,811.18
(I) Net Profit from sustainable operation (net loss is stated with "-")	-480,641.84	-3,962,811.18
(II) Net profit from termination of business operation (net loss is stated with "-")		
V. Net of other comprehensive income after tax		
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
(II) Other comprehensive income which shall be re-classified into gain and loss		

1. Other comprehensive income which can be converted into gain and loss based on the equity method		
2. Gain/loss from change in the fair value of the financial assets available for sale		
3. Gain/loss from which the held-to-maturity investment is re-classified as available-for-sale financial assets		
4. Valid part of the gain/loss from cash flow hedge		
5. Conversion difference in foreign currency statements		
6. Others		
VI. Total comprehensive income	-480,641.84	-3,962,811.18
VII. Earnings per share:		
(I) Basic earnings per share	-0.0011	-0.0090
(II) Diluted earnings per share	-0.0011	-0.0090

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo Person in charge of the

7. Consolidated cash flow statement from the year beginning to the end of the reporting period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Cash flows arising from operating activities		
Cash received from sales of goods and supply of labor service	2,803,068,270.63	2,792,775,081.25
Net increase of customers' deposit and due from banks		
Net increase of borrowings from the central bank		
Net increase of borrowings from other financial institutions		
Cash received from the premium of the original insurance contract		
Net cash received from the		

reinsurance business		
Net increase of the reserve from policy holders and investment		
Net increase from disposal of financial assets which is measured based on the fair value and whose movement is counted to the current gain/loss		
Cash received from interest, service charge and commission		
Net increase of loan from other banks		
Net increase of fund from repurchase business		
Rebated taxes received	4,010,283.82	863,877.72
Other operation activity related cash receipts	34,995,312.97	24,629,308.80
Subtotal of cash flow in from operating activity	2,842,073,867.42	2,818,268,267.77
Cash paid for purchase of goods and reception of labor services	1,540,691,872.50	1,544,513,523.88
Net increase of loans and advances to customers		
Net increase of due from central bank and due from banks		
Cash from payment for settlement of the original insurance contract		
Cash paid for interest, service charge and commission		
Cash for payment of policy dividend		
Cash paid to and for staff	444,077,098.36	387,000,554.27
Taxes paid	235,578,269.66	200,395,453.26
Other business activity related cash payments	331,138,152.18	323,042,776.87
Subtotal of cash flow out from operating activity	2,551,485,392.70	2,454,952,308.28
Net cash flows arising from operating activities	290,588,474.72	363,315,959.49
II. Cash flows arising from investment activities:		

Cash received from recovery of investment		
Cash received from investment income		
Net cash from disposal of fixed assets and intangible asset and recovery of other Long-term assets	28,712.31	1,167,247.92
Net cash received from disposal of subsidiaries and other operating units		
Other investment related cash receipts		
Subtotal of cash flow in from investment activity	28,712.31	1,167,247.92
Cash paid for purchase/construction of fixed assets, Intangible assets and other Long-term assets	88,993,938.27	85,209,670.21
Cash paid for investment		
Net increase of the pledged loan		
Net cash paid for acquisition of subsidiaries and other operation units		
Other investment related cash payments		
Subtotal of cash flow out from investment activity	88,993,938.27	85,209,670.21
Net cash flow arising from investment activities	-88,965,225.96	-84,042,422.29
III. Cash flows arising from fund-raising activities		
Cash received from absorbing investment		
Incl.: Cash received from the subsidiaries' absorption of minority shareholders' investment		
Cash received from loans	519,176,123.11	495,432,500.00
Cash received from bond issuing		
Other fund-raising related cash receipts		
Subtotal of cash flow in from fund-raising activity	519,176,123.11	495,432,500.00

Cash paid for debt repayment	600,000,171.88	841,720,370.72
Cash paid for dividend/profit distribution or repayment of interest	110,277,877.06	76,460,575.01
Including: Dividend and profit paid by the subsidiaries to minority shareholders		
Cash paid for other financing activities		
Sub-total cash flow paid for financing activities	710,278,048.94	918,180,945.73
Net cash flows arising from fund-raising activities	-191,101,925.83	-422,748,445.73
IV. Change of exchange rate influencing the cash and cash equivalent	722,471.84	-2,027,482.12
V. Net increase of cash and cash equivalents	11,243,794.77	-145,502,390.65
Plus: Opening balance of cash and cash equivalents	184,947,891.32	427,227,755.81
VI. Ending balance of cash and cash equivalents	196,191,686.09	281,725,365.16

Legal representative: Huang Yongfeng Chief Financial Officer: Chen Zhuo Person in charge of the Accounting Department: Tian Hui

8. Cash flow statement of the parent company from the year beginning to the end of the reporting period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Net cash flows arising from operating activities		
Cash received from sales of goods and supply of labor service	88,176,155.56	83,065,809.42
Rebated taxes received		
Other operation activity related cash receipts	2,007,440,429.50	371,702,310.58
Subtotal of cash flow in from operating activity	2,095,616,585.06	454,768,120.00
Cash paid for purchase of goods and reception of labor services		
Cash paid to and for staff	46,814,508.80	42,393,494.11
Taxes paid	6,849,978.67	7,632,305.47

Other business activity related cash payments	1,822,666,271.46	19,722,463.57
Subtotal of cash flow out from operating activity	1,876,330,758.93	69,748,263.15
Net cash flows arising from operating activities	219,285,826.13	385,019,856.85
II. Cash flows arising from investment activities:		
Cash received from recovery of investment		
Cash received from investment income		
Net cash from disposal of fixed assets and intangible asset and recovery of other Long-term assets		25,600.00
Net cash received from disposal of subsidiaries and other operating units		
Other investment related cash receipts		
Subtotal of cash flow in from investment activity		25,600.00
Cash paid for purchase/construction of fixed assets, Intangible assets and other Long-term assets	12,890,414.26	35,452,627.12
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other operation units		38,927,328.35
Other investment related cash payments		
Subtotal of cash flow out from investment activity	12,890,414.26	74,379,955.47
Net cash flows arising from investment activities	-12,890,414.26	-74,354,355.47
III. Cash flows arising from fund-raising activities		
Cash received from absorbing investment		
Cash received from loans	490,000,000.00	460,000,000.00
Cash received from bond issuing		

Other fund-raising related cash receipts		
Subtotal of cash flow in from fund-raising activity	490,000,000.00	460,000,000.00
Cash paid for debt repayment	542,500,000.00	754,000,000.00
Cash paid for dividend/profit distribution or repayment of interest	109,093,581.84	71,662,219.12
Cash paid for other financing activities		
Sub-total cash flow paid for financing activities	651,593,581.84	825,662,219.12
Net cash flows arising from fund-raising activities	-161,593,581.84	-365,662,219.12
IV. Change of exchange rate influencing the cash and cash equivalent	78,893.01	-76,689.78
V. Net increase of cash and cash equivalents	44,880,723.04	-55,073,407.52
Plus: Opening balance of cash and cash equivalents	128,958,944.43	269,372,926.47
VI. Ending balance of cash and cash equivalents	173,839,667.47	214,299,518.95

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo Person in charge of the

II. Auditors' Report

Has the third quarterly report been audited

No