

China Fangda Group Co., Ltd.

2018 First Quarter Report

April 2018

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. Wu Bohua, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.

II. General Information

1. Financial Highlight

Whether the Company needs to make retroactive adjustment or restatement of financial data of previous years

Yes No

	This report period	Same period last year	Year-on-year change (%)
Turnover (yuan)	650,032,997.33	573,546,634.49	13.34%
Net profit attributable to shareholders of the listed company (yuan)	98,377,550.44	67,759,233.14	45.19%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	88,737,051.63	64,053,467.14	38.54%
Net cash flow generated by business operation (RMB)	-40,623,633.07	-4,846,476.55	766.89%
Basic earnings per share (yuan/share)	0.080	0.060	33.33%
Diluted Earnings per share (yuan/share)	0.080	0.060	33.33%
Weighted average net income/asset ratio	2.99%	2.83%	0.16%
	End of the report period	End of last year	Year-on-year change
Total asset (RMB)	7,562,522,369.52	7,625,422,688.63	-0.82%
Net profit attributable to the shareholders of the listed company (RMB)	3,330,717,890.26	3,238,939,202.18	2.83%

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)	57,452.19	
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)	1,863,448.41	
Gain from entrusted investment or assets management	8,276,022.57	
Other non-business income and expenditures other than the above	1,570,613.11	
Less: Influenced amount of income tax	2,127,037.47	

Total	9,640,498.81	--
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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	63,651	Number of shareholders of preferred stocks of which voting rights recovered in the report period	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%	103,161,409	0	Pledged	34,990,000
Shengjiu Investment Ltd.	Foreign legal person	7.66%	90,697,882	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	3.83%	45,325,358	0		
CITIC Securities Brokerage (Hong Kong) Co., Ltd.	Foreign legal person	2.30%	27,220,725	0		
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	2.26%	26,791,488	0		
China Resource SZITIC Trust – China Resource Trust No.13 Collective Trust Program	Others	1.30%	15,383,404	0		

Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	1.28%	15,169,837	0		
Yunnan International Trust CO., Ltd. – Juxin No.5 Collective Fund Trust Program	Others	1.12%	13,229,635	0		
Yunnan International Trust CO., Ltd. – Yunxia No.3 Collective Fund Trust Program	Others	0.73%	8,635,314	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.67%	7,946,483	0		
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.	103,161,409	RMB common shares	103,161,409			
Shengjiu Investment Ltd.	90,697,882	Foreign shares listed in domestic exchanges	90,697,882			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	45,325,358	Foreign shares listed in domestic exchanges	45,325,358			
CITIC Securities Brokerage (Hong Kong) Co., Ltd.	27,220,725	Foreign shares listed in domestic exchanges	27,220,725			
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	26,791,488	RMB common shares	26,791,488			
China Resource SZITIC Trust – China Resource Trust No.13 Collective Trust Program	15,383,404	RMB common shares	15,383,404			
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	15,169,837	Foreign shares listed in domestic exchanges	15,169,837			
Yunnan International Trust CO., Ltd. – Juxin No.5 Collective Fund Trust	13,229,635	RMB common shares	13,229,635			

Program			
Yunnan International Trust CO., Ltd. – Yunxia No.3 Collective Fund Trust Program	8,635,314	RMB common shares	8,635,314
VANGUARD EMERGING MARKETS STOCK INDEX FUND	7,946,483	Foreign shares listed in domestic exchanges	7,946,483
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	None		

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
Other current assets	643,201,146.13	439,890,493.06	46.22%	Mainly due to purchase financial products
Other non-current assets	7,233,884.12	31,130,198.46	-76.76%	Mainly due to pre-paid house purchases transferred to fixed assets
Employees' wage payable	17,822,353.53	40,399,130.75	-55.88%	Annual bonus paid
Items	Amount of the Current Term	Last period	Change	Cause of change
Turnover	650,032,997.33	573,546,634.49	13.34%	Mainly due to increase in sales from the real estate business
Taxes and surcharges	57,107,989.44	36,724,201.67	55.51%	Mainly due to provision of real estate sales tax
Investment income	6,728,202.21	963,118.22	598.59%	Mainly due to purchase financial products
Income tax expenses	33,501,097.89	20,846,618.03	60.70%	Mainly due to provision of income tax for the real estate business
Net profit attributable to the owners of parent company	98,377,550.44	67,759,233.14	45.19%	Mainly due to increase in the business income and gross profit margin
Other cash paid for business operations	204,744,773.26	56,839,430.42	260.22%	Mainly due to the increase in various margins such as real estate development business
Cash paid for investment	2,091,800,000.00	1,024,200,000.00	104.24%	Mainly due to purchase of financial products

2. Progress of key issues and its impacts and solutions

□ Applicable √ Inapplicable

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

□ Applicable √ Inapplicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

4. Forecast of operating performance between January and June in 2018

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	151.25	12.09.16	31.01.19	151.25	13,015.5	1,871.4		11,295.35	3.39%	-135.48
Total				151.25	--	--	151.25	13,015.5	1,871.4		11,295.35	3.39%	-135.48
Capital source				Self-owned fund									
Lawsuit involved				None									
Disclosure date of derivative investment approval by the Board of Directors				31.10.17									

Disclosure date of derivative investment approval by the shareholders' meeting	None
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	None
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
08.01.18	Telephone communication	Individual	Inquiry about the Company's operation condition
10.01.18	Telephone communication	Individual	Inquiry about the Company's shares with sales restriction
18.01.18	Telephone communication	Individual	Inquiry about the progress of the Fangda Town project
22.01.18	Telephone communication	Individual	Inquiry about the Company's result forecast
25.01.18	Telephone communication	Institution	Inquiry about the Company's future development strategy
02.02.18	Telephone communication	Individual	Inquiry about the Company' semi-year performance
05.02.18	Telephone communication	Individual	Inquiry about project bidding
09.02.18	Telephone communication	Individual	Inquiry about the sales of the Fangda

			Town project
23.02.18	Telephone communication	Individual	Inquiry about the Company's profit distribution
26.02.18	Telephone communication	Institution	Inquiry about pledging of shares by major shareholders
02.03.18	Telephone communication	Individual	Inquiry about the Company's operation condition
08.03.18	Telephone communication	Individual	Inquiry about the Company's operation condition
22.03.18	Telephone communication	Individual	Inquiry about the Company's operation condition
28.03.18	Telephone communication	Individual	Inquiry about the Company's operation condition in Q1

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.

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	901,660,643.61	1,180,398,479.51
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	26,611,416.82	39,636,437.20
Account receivable	1,893,447,311.86	1,920,372,426.16
Prepayment	73,684,982.62	54,680,269.84
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	4,090,191.77	3,829,315.07
Dividend receivable		
Other receivables	95,318,661.48	57,075,357.62
Repurchasing of financial assets		
Inventory	755,065,589.13	819,610,960.67
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	643,201,146.13	439,890,493.06
Total current assets	4,393,079,943.42	4,515,493,739.13
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	41,394,235.26	34,142,055.62
Investment real estate	2,303,886,680.12	2,253,794,404.55
Fixed assets	486,954,295.29	468,118,279.18
Construction in process	2,766,056.02	2,668,198.62
Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	58,573,003.74	58,869,444.53
R&D expense		
Goodwill		
Long-term amortizable expenses	1,733,076.97	2,046,202.29
Deferred income tax assets	238,338,618.91	230,597,590.58
Other non-current assets	7,233,884.12	31,130,198.46
Total of non-current assets	3,169,442,426.10	3,109,928,949.50
Total of assets	7,562,522,369.52	7,625,422,688.63
Current liabilities		
Short-term loans	574,000,000.00	616,000,000.00
Loans from Central Bank		
Deposit received and held for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities	6,116,250.00	159,000.00
Notes payable	463,890,209.33	532,921,025.48
Account payable	796,314,904.66	946,392,258.92
Prepayment received	125,322,700.60	175,351,686.45
Selling of repurchased financial assets		
Fees and commissions payable		

Employees' wage payable	17,822,353.53	40,399,130.75
Taxes payable	151,780,545.11	136,955,516.44
Interest payable	4,989,744.18	2,425,311.97
Dividend payable		
Other payables	554,116,397.87	501,189,510.69
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liabilities due in 1 year	200,000,000.00	200,000,000.00
Other current liabilities	12,404,150.69	9,531,014.81
Total current liabilities	2,906,757,255.97	3,161,324,455.51
Non-current liabilities:		
Long-term loans	983,978,153.39	893,978,153.39
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable		
Long-term employees' wage payable		
Special payables		
Anticipated liabilities	5,851,816.95	6,368,353.05
Deferred earning	10,427,144.12	10,489,483.94
Deferred income tax liabilities	324,790,108.83	314,323,040.56
Other non-current liabilities		
Total of non-current liabilities	1,325,047,223.29	1,225,159,030.94
Total liabilities	4,231,804,479.26	4,386,483,486.45
Owner's equity:		
Share capital	1,183,642,254.00	1,183,642,254.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	72,829,484.96	72,829,484.96

Less: Shares in stock		
Other miscellaneous income	1,986,985.63	8,585,847.99
Special reserves		
Surplus reserves	110,690,396.65	110,690,396.65
Common risk provisions		
Retained profit	1,961,568,769.02	1,863,191,218.58
Total of owner's equity belong to the parent company	3,330,717,890.26	3,238,939,202.18
Minor shareholders' equity		
Total of owners' equity	3,330,717,890.26	3,238,939,202.18
Total of liabilities and owner's interest	7,562,522,369.52	7,625,422,688.63

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Wu Bohua

2. Balance Sheet of the Parent Company

In RMB

Items	Closing balance	Opening balance
Current asset:		
Monetary capital	216,380,065.17	310,299,329.68
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		408,154.54
Prepayment	199,537.74	349,740.31
Interest receivable	0.00	1,020,000.00
Dividend receivable	150,000,000.00	150,000,000.00
Other receivables	881,183,484.62	672,773,780.45
Inventory	0.00	
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	150,244,572.36	100,176,058.36
Total current assets	1,398,007,659.89	1,235,027,063.34
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	983,339,494.35	925,349,494.35
Investment real estate	307,321,568.00	307,321,568.00
Fixed assets	55,232,046.25	55,816,611.77
Construction in process		
Engineering materials		
Disposal of fixed assets		
Productive biological assets		
Gas & petrol		
Intangible assets	2,232,990.02	2,293,133.59
R&D expense		
Goodwill		
Long-term amortizable expenses	427,499.98	460,000.00
Deferred income tax assets	23,409,547.43	23,409,576.18
Other non-current assets	0.00	
Total of non-current assets	1,400,525,721.70	1,343,212,959.56
Total of assets	2,798,533,381.59	2,578,240,022.90
Current liabilities		
Short-term loans	250,000,000.00	250,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account	0.00	
Derivative financial liabilities	0.00	
Notes payable	0.00	
Account payable	606,941.85	606,941.85
Prepayment received	693,045.60	721,888.86
Employees' wage payable	923,816.96	2,151,237.91
Taxes payable	11,747,133.40	11,721,681.36
Interest payable	422,036.83	365,520.83
Dividend payable	0.00	
Other payables	368,023,058.59	287,607,287.54
Liabilities held for sales		
Non-current liabilities due in 1		

year		
Other current liabilities		
Total current liabilities	632,416,033.23	553,174,558.35
Non-current liabilities:		
Long-term loans	140,000,000.00	
Bond payable		
Including: preferred stock		
Perpetual bond		
Long-term payable		
Long-term employees' wage payable		
Special payables		
Anticipated liabilities		
Deferred earning		
Deferred income tax liabilities	63,912,460.40	63,864,007.22
Other non-current liabilities		
Total of non-current liabilities	203,912,460.40	63,864,007.22
Total liabilities	836,328,493.63	617,038,565.57
Owner's equity:		
Share capital	1,183,642,254.00	1,183,642,254.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	71,736,128.89	71,736,128.89
Less: Shares in stock		
Other miscellaneous income	8,756,553.46	8,756,553.46
Special reserves		
Surplus reserves	110,690,396.65	110,690,396.65
Retained profit	587,379,554.96	586,376,124.33
Total of owners' equity	1,962,204,887.96	1,961,201,457.33
Total of liabilities and owner's interest	2,798,533,381.59	2,578,240,022.90

3. Consolidated Income Statement

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Total revenue	650,032,997.33	573,546,634.49
Incl. Business income	650,032,997.33	573,546,634.49
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	528,787,371.03	489,407,031.68
Incl. Business cost	398,153,159.63	394,608,165.03
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	57,107,989.44	36,724,201.67
Sales expense	9,988,975.74	10,160,076.95
Administrative expense	40,820,668.19	37,770,848.96
Financial expenses	19,744,665.08	12,891,638.49
Asset impairment loss	2,971,912.96	-2,747,899.42
Plus: gains from change of fair value ("-" for loss)	-58,700.00	369,591.00
Investment gains ("-" for loss)	6,728,202.21	963,118.22
Incl. Investment gains from affiliates and joint ventures	-1,547,820.36	-575,132.67
Exchange gains ("-" for loss)		
Investment gains ("-" for loss)	59,007.69	-53,894.97
Other gains	2,330,454.12	1,395,832.91
3. Operational profit ("-" for loss)	130,304,590.32	86,814,249.97
Plus: non-operational income	1,641,111.57	1,746,338.04
Less: non-operational expenditure	67,053.56	197,274.88
4. Gross profit ("-" for loss)	131,878,648.33	88,363,313.13

Less: Income tax expenses	33,501,097.89	20,846,618.03
5. Net profit ("-" for net loss)	98,377,550.44	67,516,695.10
(1) Net profit from continuous operation ("-" for net loss)	98,377,550.44	68,132,436.94
(2) Net profit from discontinuous operation ("-" for net loss)	0.00	-615,741.84
Net profit attributable to the owners of parent company	98,377,550.44	67,759,233.14
Minor shareholders' equity	0.00	-242,538.04
6. After-tax net amount of other misc. incomes	-6,598,862.36	924,176.32
After-tax net amount of other misc. incomes attributed to parent's owner	-6,598,862.36	924,176.32
(1) Other misc. incomes that cannot be re-classified into gain and loss	0.00	
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	-6,598,862.36	924,176.32
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	-6,514,470.00	774,158.75
5. Translation difference of foreign exchange statement	-84,392.36	150,017.57
6. Others		
After-tax net of other misc. income		

attributed to minority shareholders		
7. Total of misc. incomes	91,778,688.08	68,440,871.42
Total of misc. incomes attributable to the owners of the parent company	91,778,688.08	68,683,409.46
Total misc gains attributable to the minor shareholders	0.00	-242,538.04
8. Earnings per share:		
(1) Basic earnings per share	0.080	0.060
(2) Diluted earnings per share	0.080	0.060

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: Wu Bohua

4. Income Statement of the Parent Company

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Turnover	7,377,165.13	6,845,336.82
Less: Operation cost	162,820.81	406,361.52
Taxes and surcharges	47,689.87	312,223.66
Sales expense		
Administrative expense	5,079,218.61	5,673,991.65
Financial expenses	2,247,754.36	-223,544.29
Asset impairment loss	-114.99	-12,944.02
Plus: gains from change of fair value ("-" for loss)		
Investment gains ("-" for loss)	1,476,812.48	-542,255.96
Incl. Investment gains from affiliates and joint ventures		-575,132.67
Investment gains ("-" for loss)		
Other gains	100,000.00	681,200.00
2. Operational profit ("-" for loss)	1,416,608.95	828,192.34
Plus: non-operational income	2,300.00	1,380,567.86
Less: non-operational expenditure		9,848.64
3. Gross profit ("-" for loss)	1,418,908.95	2,198,911.56
Less: Income tax expenses	415,478.32	703,722.55

4. Net profit ("-" for net loss)	1,003,430.63	1,495,189.01
(1) Net profit from continuous operation ("-" for net loss)	1,003,430.63	1,495,189.01
(2) Net profit from discontinuous operation ("-" for net loss)		
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	1,003,430.63	1,495,189.01
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Items	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	663,119,560.92	854,772,826.23
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	422,809.19	1,292,690.35
Other cash received from business operation	194,722,039.64	41,062,862.35
Sub-total of cash inflow from business operations	858,264,409.75	897,128,378.93
Cash paid for purchasing products and services	559,325,123.89	644,166,577.65
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	79,300,919.33	75,055,798.07
Taxes paid	55,517,226.34	125,913,049.34
Other cash paid for business activities	204,744,773.26	56,839,430.42
Sub-total of cash outflow from business operations	898,888,042.82	901,974,855.48
Cash flow generated by business operations, net	-40,623,633.07	-4,846,476.55
2. Cash flow generated by investment:		
Cash received from investment recovery	1,873,000,000.00	847,400,000.00
Cash received as investment profit	8,015,145.87	1,855,342.67
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	360.00	860,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	1,881,015,505.87	850,115,342.67
Cash paid for construction of fixed assets, intangible assets and other long-term assets	21,487,326.27	29,829,710.34
Cash paid as investment	2,091,800,000.00	1,024,200,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	2,113,287,326.27	1,054,029,710.34

Cash flow generated by investment activities, net	-232,271,820.40	-203,914,367.67
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	148,000,000.00	298,892,140.13
Cash received from bond placing		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	148,000,000.00	298,892,140.13
Cash paid to repay debts	100,000,000.00	190,000,000.00
Cash paid as dividend, profit, or interests	18,746,403.48	19,702,834.06
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities		
Subtotal of cash outflow from financing activities	118,746,403.48	209,702,834.06
Net cash flow generated by financing activities	29,253,596.52	89,189,306.07
4. Influence of exchange rate changes on cash and cash equivalents	-1,891,037.79	-119,537.97
5. Net increase in cash and cash equivalents	-245,532,894.74	-119,691,076.12
Plus: Balance of cash and cash equivalents at the beginning of term	931,285,535.55	935,824,575.40
6. Balance of cash and cash equivalents at the end of the period	685,752,640.81	816,133,499.28

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount occurred in the current period	Occurred in previous period
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1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	140,521,112.40	6,005,590.24
Tax refunded		
Other cash received from business operation	454,176,095.73	248,854,854.53
Sub-total of cash inflow from business operations	594,697,208.13	254,860,444.77
Cash paid for purchasing products and services	117,995.70	27,178,851.45
Cash paid to and for the staff	4,310,306.35	5,173,336.56
Taxes paid	1,200,412.23	720,339.74
Other cash paid for business activities	725,018,532.50	79,271,693.27
Sub-total of cash outflow from business operations	730,647,246.78	112,344,221.02
Cash flow generated by business operations, net	-135,950,038.65	142,516,223.75
2. Cash flow generated by investment:		
Cash received from investment recovery	942,880,000.00	100,000,000.00
Cash received as investment profit	2,496,812.48	431,862,876.73
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	945,376,812.48	531,862,876.73
Cash paid for construction of fixed assets, intangible assets and other long-term assets	415,830.00	433,510.00
Cash paid as investment	1,040,870,000.00	100,000,000.00
Net cash paid for acquiring subsidiaries and other operational units		

Other cash paid for investment		
Subtotal of cash outflows	1,041,285,830.00	100,433,510.00
Cash flow generated by investment activities, net	-95,909,017.52	431,429,366.73
3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans	140,000,000.00	
Cash received from bond placing		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	140,000,000.00	
Cash paid to repay debts		100,000,000.00
Cash paid as dividend, profit, or interests	2,060,208.34	1,967,831.25
Other cash paid for financing activities		
Subtotal of cash outflow from financing activities	2,060,208.34	101,967,831.25
Net cash flow generated by financing activities	137,939,791.66	-101,967,831.25
4. Influence of exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-93,919,264.51	471,977,759.23
Plus: Balance of cash and cash equivalents at the beginning of term	310,049,329.68	74,159,732.87
6. Balance of cash and cash equivalents at the end of the period	216,130,065.17	546,137,492.10

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

24.04.18