

FIYTA HOLDINGS LTD.
2017 Third Quarterly Report, Full Text

October, 2017

Section 1 Important Notes

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 Quarterly 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.

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

Section 2 Company Information

I. Key Accounting Data and Financial Indicators

Does the Company need to make retrospective adjustment or restatement of the accounting data of the previous year?

No

	End of the reporting period	End of the previous year	Increase/decrease of the end of the report period vs the end of the previous year	
Total assets, in CNY	3,699,345,636.81	4,004,897,562.72	-7.63%	
Net assets attributable to the Company's shareholders (in CNY)	2,465,983,929.10	2,371,370,535.17	3.99%	
	Reporting period	Increase/decrease of the report period vs the same period of the previous year	From year beginning to the end of the report period	Increase/decrease of the reporting period vs the same period of the previous year (%)
Operating revenue, in CNY	876,113,517.26	16.10%	2,475,654,661.61	10.81%
Net profit attributable to the Company's shareholders (in CNY)	49,839,227.96	3.86%	136,548,052.72	26.06%
Net profit attributable to the Company's shareholders less the non-recurring items, in CNY	49,457,070.83	3.59%	135,395,527.77	26.12%
Net cash flows arising from operating activities, in CNY	--	--	363,315,959.49	24.83%
Basic earnings per share (CNY/share)	0.1136	4.22%	0.3112	26.04%
Diluted earnings per share (CNY/share)	0.1136	4.22%	0.3112	26.04%
Net assets-income ratio, weighted average	2.01%	-0.85%	5.66%	22.57%

Non-recurring gain/loss items and the amount involved

In CNY

Items	From year beginning to the end of the reporting period	Notes
Gain and loss from disposal of non-current assets, including the part offset with the provision for impairment of assets	-200,581.55	
Government subsidy recognized in current gain and loss (excluding those closely related to the Company's business)	2,414,836.49	

and granted under the state's policies according to certain quota of amount or volume)		
Income and expenses from the business other than the above items	-845,778.09	
Less: Amount affected by the income tax	215,951.90	
Total	1,152,524.95	--

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. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

1. Statement of Total Shareholders of Common Shares and the Referred Shares with the Voting Power Recovered and the Shares Held by Top Ten Shareholders

In Shares

Total common shareholders at the end of the reporting period		35,959	Total shareholders of preferred shares with voting power recovered (if any)		0	
Shares held by the top 10 shareholders						
Shareholders' Names	Nature of Shareholders	Proportion of shares held	Number of shares held	Number of restricted shares held	Pledged or frozen	
					Status of the shares	Q'ty
CATIC Shenzhen Holdings Limited	State owned corporate	37.15%	162,977,327	0		
Chongqing International Trust Co., Ltd. - YUXINTrust No. 2	Domestic non-state corporate	2.07%	9,103,318	0		
Chongqing International Trust Co., Ltd. - Rongxintong Series Unitrust No. 10	Domestic non-state corporate	1.94%	8,502,780	0		
#Yang Zugui	Domestic natural persons	1.65%	7,254,069	0		

MANULIFE TEDA Fund— Minsheng Bank— MANULIFE TEDA Value Growth Oriented Additional Issue No. 351 Assets Management Program	Domestic non-state corporate	1.15%	5,043,559	0		
Xizang Investment Co., Ltd.	State owned corporate	1.13%	4,976,551	0		
Golden Eagle Fund- Minsheng Bank-Golden Eagle Wenshi Junye Flexible Disposition No. 3 Assets Management Program	Domestic non-state corporate	1.07%	4,674,329	0		
Guangdong Junye Investment Co., Ltd.	Domestic non-state corporate	0.76%	3,347,210	0		
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	Domestic non-state corporate	0.76%	3,314,781	0		
Shenzhen Qianye Huirong Investment Co., Ltd.	Domestic non-state corporate	0.70%	3,076,400	0		
Non-restricted shares held by the top ten shareholders						
Shareholders' Names	Number of unrestricted shares	Share Type				
		Share Type	Q'ty			
CATIC Shenzhen Holdings Limited	162,977,327	RMB ordinary shares (A shares)	162,977,327			
Chongqing International Trust Co., Ltd. - YUXINTrust No. 2	9,103,318	RMB ordinary shares (A shares)	9,103,318			

Chongqing International Trust Co., Ltd. - Rongxintong Series Unitrust No. 10	8,502,780	RMB ordinary shares (A shares)	8,502,780
#Yang Zugui	7,254,069	RMB ordinary shares (A shares)	7,254,069
MANULIFE TEDA Fund—Minsheng Bank—MANULIFE TEDA Value Growth Oriented Additional Issue No. 351 Assets Management Program	5,043,559	RMB ordinary shares (A shares)	5,043,559
Xizang Investment Co., Ltd.	4,976,551	RMB ordinary shares (A shares)	4,976,551
Golden Eagle Fund- Minsheng Bank-Golden Eagle Wenshi Junye Flexible Disposition No. 3 Assets Management Program	4,674,329	RMB ordinary shares (A shares)	4,674,329
Guangdong Junye Investment Co., Ltd.	3,347,210	RMB ordinary shares (A shares)	3,347,210
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	3,314,781	RMB ordinary shares (A shares)	3,314,781
Shenzhen Qianye Huirong Investment Co., Ltd.	3,076,400	RMB ordinary shares (A shares)	3,076,400
Relationship/concerted action among the above shareholders	Of the top 10 shareholders, both Chongqing International Trust Co., Ltd. - YUXIN No. 2 Trust and Chongqing International Trust Co., Ltd. - Rongxintong Serial Order - Trust No. 10 are subsidiaries of Chongqing International Trust Co., Ltd. Both of them are holding totalling 17,606,098 shares of negotiable A-shares in the Company, which takes 4.01% of the Company's total shares.		
Note to the top 10 common shareholders involved in margin financing & securities lending (if any)	Inapplicable		

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

No

2. Statement of Total Shareholders of Preferred Shares and Shares Held by Top Ten Shareholders of Preferred Shares

Inapplicable

Section 3 Significant Events

I. Movements and the causes of major financial data and financial indicators in the reporting period

1. Items of Balance Sheet

Items	Ending balance	Opening balance	Change rate (%)	Cause of Change
Monetary fund	283,300,365.16	428,802,755.81	-33.93%	It mainly consisted of the input of the raised capital and part of the working capital used for repayment of bank loan
Notes receivable	11,843,004.08	7,662,556.28	54.56%	It was mainly due to increase of acceptance draft undue at the end of the reporting period
Other non-current assets	6,382,192.87	10,681,518.91	-40.25%	It mainly consisted of the money paid in advance for fixed asset converted into fixed asset upon acceptance inspection
Short-term Loan	765,718,810.00	1,098,438,070.00	-30.29%	It was mainly due to repayment of part of the bank loan with the working capital in the current year.
Accounts payable	148,025,474.49	215,422,089.74	-31.29%	It was mainly due to decrease of the trade payables at the end of the reporting period.
Taxes payable	85,190,519.61	50,945,289.31	67.22%	It was mainly due to increase of the enterprise income tax provided at the end of the reporting period.

2. Items in Profit Statement

Items	Reporting Period	Same Period of the Previous Year	Change rate (%)	Reason of Change
Administrative expenses	64,896,843.37	46,470,757.63	39.65%	It was mainly due to increase of the labor cost, increase of R & D expenses in the current year and increase of the depreciation arising from conversion of FIYTA Watch Building into fixed assets at the end of 2016.
Loss from impairment of assets	8,416,056.39	1,909,350.83	340.78%	It was mainly due to increase of provision for bad debt and provision for price falling of inventories in the reporting period.
Non-operating income	991,658.14	442,044.51	124.33%	It was mainly due to increase of the government subsidy in the reporting period over the corresponding period.
Non-operating expenses	572,547.81	95,903.50	497.00%	It was mainly due to payment of the donation by FIYTA Dream Center to Shanghai Adream Foundation.

3. Items of Cash Flow Statement

Items	From year beginning to the end of the reporting period	Same Period of the Previous Year	Change rate (%)	Reason of Change
Rebated taxes received	863,877.72	69,388.94	1144.98%	It was mainly due to increase of the export duties rebated in the current year.
Cash paid for construction/purchase of fixed assets, intangible assets and other long term assets	85,209,670.21	134,423,973.14	-36.61%	It was mainly due to decrease of the engineering payments of Guangming New Zone Industrial Base over the corresponding period.
Cash received from loans	495,432,500.00	865,749,959.13	-42.77%	It was mainly due to decrease of the bank loan in the current year.

II. Progress of Significant Events, its Impacts and the Solutions

1. Change of Directors, Supervisors and Senior Executives

The Company's 19th Session of the Eighth Board of Directors held on September 4, 2017 and 2017 3rd Extraordinary General Meeting held on September 20, 2017 reviewed and approved the Proposal of Norminating Mr. Wang Bo as Director Candidate and the Proposal of Norminating Mr. Xiao Zhanglin as Director Candidate. Mr. Wang Bo and Mr. Xiao Zhanglin were directors of the Company's Eighth Board of Directors. For the detail, refer to Announcement on Resolutions of the 19th Session of the Eighth Board of Directors - 2017-041 and Announcement on Resolutions of 2017 3rd Extraordinary General Meeting - 2017-045 respectively disclosed on the Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

The Company's 20th Session of the Eighth Board of Directors held on September 8, 2017 reviewed and approved the Proposal for Election of the Chairman of the Board and Mr. Huang Yongfeng was elected the Chairman of the Eighth Board of Directors. For the detail, refer to Announcement on Resolutions of the 20th Session of the Eighth Board of Directors - 2017-044.

Briefs of significant events	Disclosure date	Index for inquiry with the website disclosing provisional reports
Announcement on Resolutions of the 19 th Session of the Eighth Board of Directors - 2017-041	September 5, 2017	http://www.cninfo.com.cn/
Announcement on Resolutions of 2017 3 rd Extraordinary General Meeting - 2017-045	September 21, 2017	http://www.cninfo.com.cn/
Announcement on Resolutions of the 20 th Session of the Eighth Board of Directors - 2017-044	September 9, 2017	http://www.cninfo.com.cn/

III. Failure in Due Fulfillment of the Commitments of the Actual Controllers, Shareholders, Affiliates, and Acquirer and the Company during the Reporting Period

Inapplicable

IV. Prediction of the Operation Results Year 2017

Inapplicable

V. Investment in Securities

Inapplicable

VI. Investment in Derivatives

Inapplicable

VII. Registry of such Activities as Reception of the Visitors of Survey, Communications, Interview, etc. during the Reporting Period

Inapplicable

VIII. Outward Guarantee against the Regulations

Inapplicable

IX. The Company's Fund Occupied by its Controlling Shareholder or Related Party for Non-operation Purpose

Inapplicable

X. Implementation of the Social Responsibility of Taking Targeted Measures to Alleviate Poverty in Light of Local Conditions.

In the reporting third quarter, the Company neither carried out the work of taking targeted measures to alleviate poverty in light of local conditions nor had such a plan.

Section 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet

Prepared by Fiyta Holdings Ltd.

In CNY

Items	Ending balance	Opening balance
Current assets:		
Monetary fund	283,300,365.16	428,802,755.81
Settlement reserve		
Inter-bank lending		
Financial assets which were measured based on the fair value and its change was counted to the current gain and loss		
Derivative financial assets		
Notes receivable	11,843,004.08	7,662,556.28
Accounts receivable	338,666,010.37	306,671,021.69
Prepayments	26,315,018.90	33,709,656.73
Receivable premium		
Reinsurance accounts receivable		
Reserve for reinsurance contract receivable		
Interest receivable		
Dividends receivable		
Other receivables	38,837,580.98	33,393,017.28
Redemptory monetary capital for sale		
Inventories:	1,845,115,043.76	1,997,097,192.38
Assets classified as that held for sale		
Non-current assets due within a year		
Other current assets	15,810,024.42	20,344,532.09
Total current assets	2,559,887,047.67	2,827,680,732.26
Non-Current Assets:		
Provision of loans and advance in cash		
Available-for-sale financial assets	85,000.00	85,000.00
Held –to-maturity investment		

Long-term accounts receivable		
Long-term equity investment	43,612,496.76	43,423,624.87
Investment based real estate	282,038,799.83	244,202,635.09
Fixed assets	559,184,323.71	611,204,169.03
Construction-in-process	2,931,677.90	
Engineering supplies		
Disposal of fixed assets		
Productive biological assets		
Oil and gas asset		
Intangible assets	40,062,217.29	38,751,903.42
Development expenses		
Goodwill		
Long-term expenses to be apportioned	102,954,444.53	133,688,403.88
Deferred income tax asset	102,207,436.25	95,179,575.26
Other non-current assets	6,382,192.87	10,681,518.91
Total non-current assets	1,139,458,589.14	1,177,216,830.46
Total assets	3,699,345,636.81	4,004,897,562.72
Current liabilities:		
Short-term Loan	765,718,810.00	1,098,438,070.00
Borrowings from central bank		
Deposits taking and interbank placement		
Loans from other banks		
Financial liabilities which were measured based on the fair value and its change was charged to the current gain and loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	148,025,474.49	215,422,089.74
Advance receipts	16,748,559.84	13,902,703.90
Funds from selling out and repurchasing financial assets		
Service charge and commission payable		
Salaries payable to the employees	39,091,321.82	45,254,585.69
Taxes payable	85,190,519.61	50,945,289.31
Interest payable	2,108,364.46	2,475,969.65
Dividends payable		
Other payables	41,969,491.21	53,733,080.99
Payable reinsurance		

Reserve for insurance contract		
Acting trading securities		
Income from securities underwriting on commission		
Liabilities classified as that held for sale		
Non-current liabilities due within a year	21,500,000.00	26,117,387.52
Other current liabilities	5,076,626.25	2,379,148.19
Total current liabilities	1,125,429,167.68	1,508,668,324.99
Non-Current Liabilities:		
Long-term Loan	97,684,977.24	115,301,048.00
Bonds payable		
Including: preferred shares		
Permanent liabilities		
Long term accounts payable		
Long term accrued payroll		
Special accounts payable		
Predicted liabilities		
Deferred income	7,280,000.00	5,980,000.00
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	104,964,977.24	121,281,048.00
Total liabilities	1,230,394,144.92	1,629,949,372.99
Owner's equity		
Capital stock	438,744,881.00	438,744,881.00
Other equity instruments		
Including: preferred shares		
Permanent liabilities		
Capital reserve	1,062,455,644.22	1,062,455,644.22
Less: shares in stock		
Other comprehensive income	-9,838,668.93	-11,778,498.24
Special reserve		
Surplus reserve	193,961,700.45	193,961,700.45
Reserve against general risks		
Retained earnings	780,660,372.36	687,986,807.74
Total owner's equity attributable to the parent company	2,465,983,929.10	2,371,370,535.17
Minority shareholders' equity	2,967,562.79	3,577,654.56
Total owners' equity	2,468,951,491.89	2,374,948,189.73
Total liabilities and owners' equity	3,699,345,636.81	4,004,897,562.72

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 fund	215,874,518.95	270,947,926.47
Financial assets which were measured based on the fair value and its change was counted to the current gain and loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	848,803.45	255,995.64
Prepayments		
Interest receivable		
Dividends receivable		
Other receivables	850,326,175.53	1,191,947,054.57
Inventories:		
Assets classified as that held for sale		
Non-current assets due within a year		
Other current assets	8,401,816.24	5,805,712.39
Total current assets	1,075,451,314.17	1,468,956,689.07
Non-Current Assets:		
Available-for-sale financial assets		
Held –to-maturity investment	85,000.00	85,000.00
Long-term accounts receivable		
Long-term equity investment	1,374,861,087.69	1,256,593,344.87
Investment based real estate	246,500,055.39	207,804,447.15
Fixed assets	371,516,078.44	414,581,425.11
Construction-in-process	2,931,677.90	
Engineering supplies		
Disposal of fixed assets		
Productive biological assets		
Oil and gas asset		
Intangible assets	33,098,651.61	32,438,001.77
Development expenses		
Goodwill		
Long-term expenses to be apportioned	4,616,402.84	5,721,622.60

Deferred income tax asset	4,261,244.68	1,502,555.54
Other non-current assets	4,085,315.23	10,681,518.91
Total non-current assets	2,041,955,513.78	1,929,407,915.95
Total assets	3,117,406,827.95	3,398,364,605.02
Current liabilities:		
Short-term Loan	618,000,000.00	908,000,000.00
Financial liabilities which were measured based on the fair value and its change was charged to the current gain and loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	61,071,875.12	77,826,174.63
Advance receipts	4,234,172.59	2,767,858.84
Salaries payable to the employees	4,116,642.94	8,020,288.56
Taxes payable	2,327,719.92	2,883,511.63
Interest payable	1,047,937.83	1,312,644.11
Dividends payable		
Other payables	98,551,373.09	18,959,721.51
Liabilities classified as that held for sale		
Non-current liabilities due within a year	21,500,000.00	8,000,000.00
Other current liabilities		
Total current liabilities	810,849,721.49	1,027,770,199.28
Non-Current Liabilities:		
Long-term Loan	92,361,928.00	109,861,928.00
Bonds payable		
Including: preferred shares		
Permanent liabilities		
Long term accounts payable		
Long term accrued payroll		
Special accounts payable		
Predicted liabilities		
Deferred income	7,280,000.00	5,980,000.00
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	99,641,928.00	115,841,928.00
Total liabilities	910,491,649.49	1,143,612,127.28
Owner's equity		
Capital stock	438,744,881.00	438,744,881.00
Other equity instruments		
Including: preferred shares		

Permanent liabilities		
Capital reserve	1,068,111,185.32	1,068,111,185.32
Less: shares in stock		
Other comprehensive income		
Special reserve		
Surplus reserve	193,961,700.45	193,961,700.45
Retained earnings	506,097,411.69	553,934,710.97
Total owners' equity	2,206,915,178.46	2,254,752,477.74
Total liabilities and owners' equity	3,117,406,827.95	3,398,364,605.02

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the

Accounting Department: Tian Hui

3 Consolidated Statement of Profit in the Reporting Period

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Gross Revenue	876,113,517.26	754,607,535.18
Including: revenue	876,113,517.26	754,607,535.18
Interest income		
Earned premium		
Service charge and commission income		
II. Total operating cost	811,930,483.19	691,537,557.81
Including: operating costs	512,791,871.39	438,098,536.83
Interest payment		
Service charge and commission payment		
Refunded premiums		
Compensation pay-out, net		
Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	7,962,036.51	6,640,491.47
Sales costs	205,086,341.20	182,290,250.26
Administrative expenses	64,896,843.37	46,470,757.63
Financial expenses	12,777,334.33	16,128,170.79
Loss from impairment of assets	8,416,056.39	1,909,350.83

Add: Income from change of fair value (loss is stated with "-")		
Investment income (loss is stated with "-")		180,593.64
Including: return on investment in associate and joint venture		180,593.64
Exchange income (loss is stated with "-")		
Other income		
III. Operating Profit (loss is stated with "-")	64,183,034.07	63,250,571.01
Plus: Non-operating income	991,658.14	442,044.51
Including: profit from disposal of non-current assets	2,680.00	2.91
Less: Non-operating expenses	572,547.81	95,903.50
Including: Loss from disposal of non-current assets	189,908.60	143,573.63
IV. Total profit (total loss is stated with "-")	64,602,144.40	63,596,712.02
Less: Income tax expense	15,078,018.06	15,748,647.67
V. Net Profit (net loss is stated with "-")	49,524,126.34	47,848,064.35
Net profit attributable to the parent company's owner	49,839,227.96	47,988,842.36
Minority shareholders' gain/loss	-315,101.62	-140,778.01
VI. Net of other comprehensive income after tax	-5,344,611.14	-451,219.34
Net of other comprehensive income after tax attributable to the parent company's owner	-5,228,715.27	-471,302.37
(I) Other comprehensive income which cannot be re-classified into the gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method		

(II) Other comprehensive income which cannot be re-classified into the gain and loss in future	-5,228,715.27	-471,302.37
1. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method in future		
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. Converted difference in Foreign Currency Statements	-5,228,715.27	-471,302.37
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	-115,895.87	20,083.03
VII. Total comprehensive income	44,179,515.20	47,396,845.01
Total comprehensive income attributable to the parent company's owner	44,610,512.69	47,517,539.99
Total comprehensive income attributable to minority shareholders	-430,997.49	-120,694.98
VIII. Earnings per share:		
(I) Basic earnings per share	0.1136	0.1090
(II) Diluted earnings per share	0.1136	0.1090

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo

Person in charge of the

4. Statement of Profit in the Reporting Period, Parent Company

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Revenue	27,263,052.24	24,201,543.68
Less: Operating cost	4,615,106.22	3,641,992.53
Taxes and surcharges	1,306,737.51	146,079.08

Sales costs		
Administrative expenses	22,373,257.77	13,057,505.42
Financial expenses	2,644,287.94	1,965,393.14
Loss from impairment of assets		
Add: Income from change of fair value (loss is stated with "-")		
Investment income (loss is stated with "-")		
Including: return on investment in associate and joint venture		
Other income		
II. Operating Profit (loss is stated with "-")	-3,676,337.20	5,390,573.51
Plus: Non-operating income	900.00	4,000.00
Including: Profit from disposal of non-current assets		
Less: Non-operating expenses	338,275.82	
Including: Loss from disposal of non-current assets	38,246.82	
III. Total profit (total loss is stated with "-")	-4,013,713.02	5,394,573.51
Less: Income tax expense	-1,041,658.25	1,122,895.86
IV. Net Profit (net loss is stated with "-")	-2,972,054.77	4,271,677.65
V. Net of other comprehensive income after tax		
(I) Other comprehensive income which cannot be re-classified into the gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method		
(II) Other comprehensive income which cannot be re-classified into the gain and loss in		

future		
1. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method in future		
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. Converted difference in Foreign Currency Statements		
6. Others		
VI. Total comprehensive income	-2,972,054.77	4,271,677.65
VII. Earnings per share:		
(I) Basic earnings per share	-0.0067	0.0097
(II) Diluted earnings per share	-0.0067	0.0097

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo

Person in charge of the

5. Consolidated Statement of Profit from 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. Gross Revenue	2,475,654,661.61	2,234,135,318.36
Including: revenue	2,475,654,661.61	2,234,135,318.36
Interest income		
Earned premium		
Service charge and commission income		
II. Total operating cost	2,300,032,696.40	2,095,795,948.68
Including: operating costs	1,454,271,556.22	1,319,761,817.34
Interest payment		
Service charge and commission payment		
Refunded premiums		
Compensation pay-out, net		

Net amount of reserves for reinsurance contract		
Policy dividend payment		
Reinsurance expenses		
Taxes and surcharges	23,143,533.79	19,709,073.59
Sales costs	599,372,662.99	560,297,890.37
Administrative expenses	163,067,230.32	141,317,767.23
Financial expenses	38,977,967.39	51,358,824.77
Loss from impairment of assets	21,199,745.69	3,350,575.38
Add: Income from change of fair value (loss is stated with "-")		
Investment income (loss is stated with "-")	188,871.89	172.19
Including: return on investment in associate and joint venture	188,871.89	172.19
Exchange income (loss is stated with "-")		
Other income		
III. Operating Profit (loss is stated with "-")	175,810,837.10	138,339,541.87
Plus: Non-operating income	2,619,138.60	1,844,404.79
Including: Loss from disposal of non-current assets	6,250.55	10,962.91
Less: Non-operating expenses	1,250,661.75	624,872.52
Including: Loss from disposal of non-current assets	206,832.10	238,406.66
IV. Total profit (total loss is stated with "-")	177,179,313.95	139,559,074.14
Less: Income tax expense	41,043,403.06	31,528,361.21
V. Net Profit (net loss is stated with "-")	136,135,910.89	108,030,712.93
Net profit attributable to the parent company's owner	136,548,052.72	108,321,268.16
Minority shareholders' gain/loss	-412,141.83	-290,555.23
VI. Net of other comprehensive income after tax	1,741,879.37	9,198,679.33
Net of other comprehensive income after tax attributable to the	1,939,829.31	9,106,574.34

parent company's owner		
(I) Other comprehensive income which cannot be re-classified into the gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method		
(II) Other comprehensive income which cannot be re-classified into the gain and loss in future	1,939,829.31	9,106,574.34
1. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method in future		
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. Converted difference in Foreign Currency Statements	1,939,829.31	9,106,574.34
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	-197,949.94	92,104.99
VII. Total comprehensive income	137,877,790.26	117,229,392.26
Total comprehensive income attributable to the parent company's owner	138,487,882.03	117,427,842.50
Total comprehensive income attributable to minority shareholders	-610,091.77	-198,450.24
VIII. Earnings per share:		

(I) Basic earnings per share	0.3112	0.2469
(II) Diluted earnings per share	0.3112	0.2469

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

6. Statement of Profit from Year Beginning to the End of the Reporting Period, Parent Company

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Revenue	78,617,476.17	73,346,749.19
Less: Operating cost	13,233,987.77	10,425,234.15
Taxes and surcharges	3,164,461.73	2,202,125.40
Sales costs	5,024,222.36	
11. Administrative expenses	56,117,901.54	40,695,696.32
Financial expenses	8,490,598.99	8,544,259.24
Loss from impairment of assets		
Add: Income from change of fair value (loss is stated with "-")		
Investment income (loss is stated with "-")	188,871.89	135,344,832.55
Including: return on investment in associate and joint venture	188,871.89	172.19
Other income		
II. Operating Profit (loss is stated with "-")	-7,224,824.33	146,824,266.63
Plus: Non-operating income	790,779.89	116,119.88
Including: Loss from disposal of non-current assets		
Less: Non-operating expenses	358,275.82	300,000.00
Including: Loss from disposal of non-current assets	38,246.82	
III. Total profit (total loss is stated with "-")	-6,792,320.26	146,640,386.51
Less: Income tax expense	-2,829,509.08	2,045,098.08
IV. Net Profit (net loss is stated with "-")	-3,962,811.18	144,595,288.43
V. Net of other comprehensive income after tax		
(I) Other comprehensive income which cannot be		

re-classified into the gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method		
(II) Other comprehensive income which cannot be re-classified into the gain and loss in future		
1. Share enjoyable in the other comprehensive income in which the investee cannot be re-classified into the gain and loss under the equity method in future		
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. Converted difference in Foreign Currency Statements		
6. Others		
VI. Total comprehensive income	-3,962,811.18	144,595,288.43
VII. Earnings per share:		
(I) Basic earnings per share	-0.0090	0.3296
(II) Diluted earnings per share	-0.0090	0.3296

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo

Person in charge of the

7. Consolidated Cash Flow Statement from 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	2,792,775,081.25	2,507,629,254.14
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 of the financial assets that are measured at fair value and whose movement is counted to the current gain and 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	863,877.72	69,388.94
Other operation activity related cash receipts	24,629,308.80	19,567,411.30
Subtotal of cash flow in from operating activity	2,818,268,267.77	2,527,266,054.38
Cash paid for purchase of goods and reception of labor services	1,544,513,523.88	1,419,582,686.24
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	387,000,554.27	367,327,625.94
Taxes paid	200,395,453.26	203,953,164.01
Other business activity related cash payments	323,042,776.87	245,361,546.12
Subtotal of cash flow out from operating activity	2,454,952,308.28	2,236,225,022.31
Net cash flow arising from operating activities	363,315,959.49	291,041,032.07
II. Cash flows arising from investment activities:		
Cash received from recovery of investment		
Cash received from investment income		383,750.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,167,247.92	4,142,748.05
Net cash received from disposal of subsidiaries and other operating units		
Other investment related cash receipts		
Subtotal of cash flow in from investment activity	1,167,247.92	4,526,498.05
Cash paid for construction/purchase of fixed assets, intangible assets and other long term assets	85,209,670.21	134,423,973.14
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	85,209,670.21	134,423,973.14
Net cash flow arising from investment activities	-84,042,422.29	-129,897,475.09
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	495,432,500.00	865,749,959.13
Cash received from bond issuing		
Other fund-raising related cash receipts		
Subtotal of cash flow in from fund raising activity	495,432,500.00	865,749,959.13
Cash paid for debt repayment	841,720,370.72	1,079,796,531.30
Cash paid for dividend/profit distribution or repayment of interest	76,460,575.01	107,561,341.89
Including: Dividend and profit paid by the subsidiaries to minority shareholders		
Cash paid for other financing activities		992,669.19
Sub-total cash flow paid for financing activities	918,180,945.73	1,188,350,542.38
Net cash flow arising from financing activities	-422,748,445.73	-322,600,583.25
IV. Change of exchange rate influencing the cash and cash equivalent	-2,027,482.12	518,775.56
V. Net increase of cash and cash equivalents	-145,502,390.65	-160,938,250.71
Plus: Opening balance of cash and cash equivalents	427,227,755.81	637,387,875.93
VI. Ending balance of cash and cash equivalents	281,725,365.16	476,449,625.22

Legal representative: Huang Yongfeng
Accounting Department: Tian Hui

Chief Financial Officer: Chen Zhuo

Person in charge of the

8. Consolidated Cash Flow Statement from Year Beginning to the End of the Reporting Period, Parent Company

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	83,065,809.42	73,576,715.84

goods and supply of labor service		
Rebated taxes received		62,967.65
Other operation activity related cash receipts	371,702,310.58	271,951,706.92
Subtotal of cash flow in from operating activity	454,768,120.00	345,591,390.41
Cash paid for purchase of goods and reception of labor services		
Cash paid to and for staff	42,393,494.11	42,004,181.00
Taxes paid	7,632,305.47	6,559,453.04
Other business activity related cash payments	19,722,463.57	13,579,640.33
Subtotal of cash flow out from operating activity	69,748,263.15	62,143,274.37
Net cash flow arising from operating activities	385,019,856.85	283,448,116.04
II. Cash flows arising from investment activities:		
Cash received from recovery of investment		
Cash received from investment income		135,728,410.36
Net cash received from disposal of fixed assets, intangible assets and 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	135,728,410.36
Cash paid for construction/purchase of fixed assets, intangible assets and other long term assets	35,452,627.12	71,305,141.81
Cash paid for investment		442,270,000.00
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	74,379,955.47	513,575,141.81

investment activity		
Net cash flow arising from investment activities	-74,354,355.47	-377,846,731.45
III. Cash flows arising from fund raising activities:		
Cash received from absorbing investment		
Cash received from loans	460,000,000.00	731,500,000.00
Cash received from bond issuing		
Other fund-raising related cash receipts		
Subtotal of cash flow in from fund raising activity	460,000,000.00	731,500,000.00
Cash paid for debt repayment	754,000,000.00	790,000,000.00
Cash paid for dividend/profit distribution or repayment of interest	71,662,219.12	96,961,707.75
Cash paid for other financing activities		992,669.19
Sub-total cash flow paid for financing activities	825,662,219.12	887,954,376.94
Net cash flow arising from financing activities	-365,662,219.12	-156,454,376.94
IV. Change of exchange rate influencing the cash and cash equivalent	-76,689.78	
V. Net increase of cash and cash equivalents	-55,073,407.52	-250,852,992.35
Plus: Opening balance of cash and cash equivalents	269,372,926.47	512,294,824.81
VI. Ending balance of cash and cash equivalents	214,299,518.95	261,441,832.46

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