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北京金隅股份有限公司

BBMG Corporation*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2009)

THIRD QUARTERLY REPORT FOR 2017

This announcement is made in accordance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions about inside information (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of BBMG Corporation* 北京金隅股份有限公司 (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended 30 September 2017 (the “**Reporting Period**”) and the three months ended 30 September 2017 (the “**Period**”).

During the Reporting Period, the Group recorded operating revenue of approximately RMB42,126.3 million, with total net profit attributable to owners of the parent company amounting to approximately RMB2,604.4 million, net profit of approximately RMB2,923.1 million and basic earnings per share of RMB0.24.

All financial information set out in this quarterly report is unaudited and prepared in accordance with China Accounting Standards for Business Enterprises.

The contents of this report are consistent with the announcement published on the Shanghai Stock Exchange. This announcement is published simultaneously domestically and overseas.

I. IMPORTANT NOTICE

- 1.1 The Board, the supervisory board, the directors, the supervisors and the senior management of the Company guarantee that the contents of this quarterly report are true, accurate and complete and that there are no false representations, misleading statements or material omissions in this quarterly report, for which they shall assume and several liabilities.
- 1.2 All directors of the Company attended the Board meeting for reviewing this quarterly report.
- 1.3 Jiang Deyi, the Chairman of the Company, Chen Guogao, the Chief Financial Officer and Hu Juan, the head of the Accounting Department (Accounting Supervisor), guarantee that the financial statements contained in this quarterly report are true, accurate and complete.
- 1.4 The third quarterly report of the Company has not been audited.

II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDING OF THE COMPANY

2.1 Major financial data

Unit and Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Change (as compared with the end of the previous year) (%)
Total assets	227,670,273,884.48	208,397,116,875.73	9.25
Net assets attributable to the shareholders of the Company	46,096,596,681.29	44,200,488,652.10	4.29
	From the beginning of the Reporting Period to the end of the Reporting Period (January – September)	From the beginning of the previous year to the end of the reporting period of the previous year (January – September)	Year-on-year change (%)
Net cash flows from operating activities	-13,811,880,751.16	2,392,142,454.23	-677.39

	From the beginning of the Reporting Period to the end of the Reporting Period (January – September)	From the beginning of the previous year to the end of the reporting period of the previous year (January – September)	Year-on-year change (%)
Operating revenue	46,126,341,988.14	32,675,183,699.27	41.17
Net profit attributable to the shareholders of the Company	2,604,374,836.45	2,270,454,634.50	14.71
Net profit attributable to the shareholders of the Company after deducting non-recurring profit and loss	2,302,328,117.67	775,065,905.41	197.05
Weighted average return on net assets (%)	5.75	5.80	Decreased by 0.05 percentage point
Basic earnings per share (RMB/share)	0.24	0.21	14.29
Diluted earnings per share (RMB/share)	0.24	0.21	14.29

Non-recurring profit and loss items and amounts

Applicable Not applicable

Unit and Currency: RMB

Item	Amount for the Period (July to September)	Amount from the beginning of the Reporting Period to the end of the Reporting Period (January to September)	Explanation
Profit and loss from disposal of non-current assets	62,916,105.77	47,517,398.17	
Government grants recognised through profit or loss for the period (excluding those closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or quantity)	65,300,294.29	161,453,088.66	
Profit or loss from debt restructuring	-2,781,302.46	7,482,183.55	

Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement	53,152,245.90	-77,868,586.88	
Other non-operating income and expenses other than the foregoing items		257,446,447.48	
Effect of income tax	-895,646.05	67,324,374.55	
Effect of minority interests (after tax)	-44,422,924.36	-115,838,726.38	
Total	-59,674,573.62	-45,469,460.37	

2.2 Total number of shareholders, shareholding of the top ten shareholders and the top ten shareholders of tradable shares (or not subject to lock-up restrictions) as at the end of the Reporting Period

Unit : Share

Total number of shareholders					69,857		
Shareholding of top ten shareholders							
Name of shareholder (full name)	Shareholding as at the end of the Reporting Period	Pro-portion (%)	Number of shares subject to lock-up restrictions	Shares pledged or frozen		Nature of shareholders	
				Status of shares	Number of shares		
Beijing State-owned Capital Operation and Management Center	4,797,357,572	44.9285	188,679,244	Nil	0	State-owned legal person	
HKSCC NOMINEES LIMITED	2,338,764,870	21.9031	0	Nil	0	Overseas legal person	
China National Materials Company Limited	459,940,000	4.3075	0	Nil	0	State-owned legal person	
China Securities Finance Corporation Limited	255,848,694	2.3961	0	Nil	0	Not known	
Tianjin Building Materials Group (Holding) Co., Ltd.	120,404,399	1.1276	0	Pledged	110,800,000	State-owned legal person	
Beijing Jingguofa Equity Investment Fund (Limited Partnership)	105,749,102	0.9904	0	Nil	0	Domestic non-state-owned legal person	

Winfirst Investment Group Company Limited	75,140,000	0.7037	0	Pledged	75,140,000 0	Domestic non-state-owned legal person
Guangfa Securities Company Limited Customer Credit Transaction Guarantee Securities Account	74,374,011	0.6965	0	Nil	0	Not known
Central Huijin Asset Management Ltd.	66,564,000	0.6234	0	Nil	0	Not known
National Social Security Fund 102	59,680,308	0.5589	0	Nil	0	Not known

Shareholding of top ten shareholders of shares not subject to lock-up restrictions

Name of shareholder	Number of tradable shares held not subject to lock-up restrictions	Type and number of shares	
		Type	Number
Beijing State-owned Capital Operation and Management Center	4,608,678,328	RMB-denominated ordinary shares	4,608,678,328
HKSCC NOMINEES LIMITED	2,338,764,870	Foreign shares listed overseas	2,338,764,870
China National Materials Company Limited	459,940,000	RMB-denominated ordinary shares	459,940,000
China Securities Finance Corporation Limited	255,848,694	RMB-denominated ordinary shares	255,848,694
Tianjin Building Materials Group (Holding) Co., Ltd	120,404,399	RMB-denominated ordinary shares	120,404,399
Beijing Jingguofa Equity Investment Fund (Limited Partnership)	105,749,102	RMB-denominated ordinary shares	105,749,102
Winfirst Investment Group Company Limited	75,140,000	RMB-denominated ordinary shares	75,140,000
Guangfa Securities Company Limited Customer Credit Transaction Guarantee Securities Account	74,374,011	RMB-denominated ordinary shares	74,374,011
Central Huijin Asset Management Ltd.	66,564,000	RMB-denominated ordinary shares	66,564,000
National Social Security Fund 102	59,680,308	RMB-denominated ordinary shares	59,680,308

Explanations on the related party relationship or parties acting in concert among the abovementioned shareholders	Beijing State-owned Capital Operation and Management Center and Beijing Jingguofa Equity Investment Fund (Limited Partnership) are parties acting in concert
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2.3 Total number of preferred shareholders, shareholding of the top ten preferred shareholders and the top ten preferred shareholders not subject to lock-up restrictions as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statement items and financial indicators of the Company and the reasons thereof

Applicable Not applicable

Cash and bank balances	Decreased by approximately 29.0% as compared with that at the beginning of the Reporting Period, mainly attributable to the significant increase in land premium paid by property development enterprises of the Company during the Reporting Period.
Financial assets at fair value through profit or loss	Decreased by approximately 37.3% as compared with that at the beginning of the Reporting Period, mainly attributable to the disposal of fund-related wealth management products by the Company during the Reporting Period.
Bills receivable	Increased by approximately 87.2% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in acceptance bills received by the Company during the Reporting Period.
Advances to suppliers	Decreased by approximately 54.5% as compared with that at the beginning of the Reporting Period, mainly attributable to the transfer of advances to suppliers for property development projects into development costs by the Company during the Reporting Period.
Interests receivable	Decreased by approximately 62.2% as compared with that at the beginning of the Reporting Period, mainly attributable to the collection of interests on lending to third parties by the Company during the Reporting Period.
Inventories	Increased by approximately 40.3% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in land reserve for property development of the Company during the Reporting Period.
Available-for-sale financial assets	Increased by approximately 53.1% as compared with that at the beginning of the Reporting Period, mainly attributable to the purchase of certificates of inter-bank deposits by the Company during the Reporting Period.

Construction materials	Decreased by approximately 54.9% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the Company's consumption for construction projects during the Reporting Period.
Bills payable	Decreased by approximately 43.5% as compared with that at the beginning of the Reporting Period, mainly attributable to bills payable of the Company falling due during the Reporting Period.
Tax payable	Decreased by approximately 51.4% as compared with that at the beginning of the Reporting Period, mainly attributable to the payment of enterprise income tax by the Company during the Reporting Period.
Dividends payable	Increased by approximately 57.9% as compared with that at the beginning of the Reporting Period, mainly attributable to the fact that certain perpetual bonds of the Company have not fallen due for interest payments during the Reporting Period.
Short-term financing bonds payable	Increased by 100.0% as compared with that at the beginning of the Reporting Period, mainly attributable to the issuance of short-term financing bonds by the Company during the Reporting Period.
Non-current liabilities due within one year	Increased by approximately 54.3% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the Company's bonds due within one year during the Reporting Period.
Long-term payables	Decreased by approximately 71.6% as compared with that at the beginning of the Reporting Period, mainly attributable to the repayment of finance lease by the Company during the Reporting Period.
Specific reserve	Increased by approximately 106.1% as compared with that at the beginning of the Reporting Period, mainly attributable to the provision for production safety cost made by the Company during the Reporting Period.
General risk provision	Increased by approximately 51.5% as compared with that at the beginning of the Reporting Period, mainly attributable to the accrual for risk provisions of the Company during the Reporting Period.
Operating revenue	Increased by approximately 41.2% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in operating revenue from cement enterprises of the Company during the Reporting Period.
Operating costs	Increased by approximately 37.8% as compared with that of the corresponding period of the previous year, mainly attributable to the corresponding increase in operating costs as a result of increase in operating revenue of the Company during the Reporting Period.
Selling expenses	Increased by approximately 61.3% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that Jidong Development Group Co., Ltd. (" Jidong Development Group ") has not been consolidated by the Company during the corresponding reporting period of the previous year.

Administrative expenses	Increased by approximately 89.3% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that Jidong Development Group has not been consolidated by the Company during the corresponding reporting period of the previous year.
Finance costs	Increased by approximately 89.2% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that Jidong Development Group has not been consolidated by the Company during the corresponding reporting period of the previous year.
Gains from changes in fair value	Decreased by approximately 40.8% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year decrease in valuation on fair values of investment properties and the decrease in fair values of financial assets held for trading of the Company during the Reporting Period.
Investment gains	Increased by approximately 3,124.3% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that Jidong Development Group has not been consolidated by the Company during the corresponding reporting period of the previous year.
Non-operating expenses	Increased by approximately 162.1% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in losses from disposal of fixed assets of the Company during the Reporting Period.
Cash received from sale of goods or rendering of services	Increased by approximately 28.0% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that Jidong Development Group has not been consolidated by the Company during the corresponding reporting period of the previous year.
Cash received from other operating activities	Increased by approximately 299.2% as compared with that of the corresponding period of the previous year, mainly attributable to the return of guarantee deposits by the Company as a result of bills payable falling due during the Reporting Period.
Cash paid for purchase of goods and provision of services	Increased by approximately 118.1% as compared with that of the corresponding period of the previous year, mainly attributable to the increase in payments for land premium of the Company during the Reporting Period.
Net cash collected from disposal of fixed assets, intangible assets and other long-term assets	Increased by approximately 232.0% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in disposal of fixed assets by the Company during the Reporting Period.

Analysis and explanation on the development of significant events, and impacts and solutions thereof

Applicable Not applicable

3.2 Undertakings that has not been duly fulfilled during the Reporting Period

Applicable Not applicable

3.3 Warnings and explanations of forecasted loss or significant changes to the accumulated net profits from the beginning of the year to the end of the next reporting period or as compared with the corresponding period of the previous year

Applicable Not applicable

By order of the Board
BBMG Corporation*
Jiang Deyi
Chairman

Beijing, the PRC, 27 October 2017

As at the date of this announcement, the executive directors of the Company are Jiang Deyi, Zeng Jin, Wu Dong and Zheng Baojin; the non-executive director of the Company is Guo Yanming; and the independent non-executive directors of the Company are Wang Guangjin, Tian Lihui, Tang Jun and Ngai Wai Fung.

* *English translation denotes for identification purposes only*

APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

As at 30 September 2017

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Closing balance as at the end of the Reporting Period	Opening balance as at the beginning of the Reporting Period
Current Assets:		
Cash and bank balances	19,877,940,302.41	28,010,211,147.53
Settlement reserves		
Loans to banks or other financial institutions		
Financial assets at fair value through profit or loss	386,219,174.65	615,807,328.90
Derivative financial assets		
Bills receivable	7,221,228,515.58	3,857,028,994.07
Accounts receivable	9,762,814,750.16	8,889,912,604.49
Advances to suppliers	2,261,201,930.98	4,968,682,354.70
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Interests receivable	4,404,084.06	11,652,789.72
Dividends receivable	3,071,700.00	3,071,700.00
Other receivables	6,495,640,078.51	6,129,310,409.74
Purchase and sell-back of financial assets	1,900,000.00	0.00
Inventories	89,973,635,365.42	64,111,234,886.21
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	2,677,207,518.60	2,881,813,184.06
Total current assets	138,665,263,420.37	119,478,725,399.42
Non-current assets:		
Loans and advances		
Available-for-sale financial assets	3,825,898,920.85	2,498,348,403.92
Held-to-maturity investments		
Long-term receivables	233,322,094.65	207,709,788.90
Long-term equity investments	2,406,500,853.78	2,233,650,974.77
Investment properties	15,171,548,777.54	14,976,628,345.79
Fixed assets	44,772,121,355.30	45,773,283,593.75
Construction in progress	4,007,445,050.25	3,963,622,127.52
Construction materials	141,563,473.95	313,968,043.93
Disposal of fixed assets		

Productive biological assets		
Oil and gas assets		
Intangible assets	10,985,284,994.72	11,350,165,626.93
Development expenses		
Goodwill	2,749,770,521.44	2,749,770,521.44
Long-term prepaid expenses	1,032,293,627.97	960,198,551.90
Deferred tax assets	2,556,530,914.27	2,695,681,312.01
Other non-current assets	1,122,729,879.39	1,195,364,185.45
Total non-current assets	89,005,010,464.11	88,918,391,476.31
Total assets	227,670,273,884.48	208,397,116,875.73
Current liabilities:		
Short-term loans	37,054,902,332.04	32,027,734,141.83
Borrowings from central bank		
Deposits from customers and inter-bank deposits		
Loans from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	1,307,540,495.50	2,313,321,400.81
Accounts payable	13,452,326,574.62	12,311,643,681.22
Receipts in advance	27,235,091,715.29	23,462,497,764.75
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	263,819,535.07	400,092,413.18
Taxes payable	889,656,409.56	1,829,789,141.33
Interests payable	957,300,827.65	799,032,866.63
Dividends payable	319,795,233.19	202,581,371.25
Other payables	4,711,929,625.21	5,980,694,327.60
Short-term financing bonds payable	6,000,000,000.00	3,000,000,000.00
Reinsurance accounts payable		
Insurance contract reserve payable		
Amount paid for agency securities trading		
Amount paid for agency securities underwriting		
Liabilities classified as held for sale		
Non-current liabilities due within one year	10,642,589,139.40	6,897,420,505.71
Other current liabilities	6,251,448,276.25	5,739,382,129.82
Total current liabilities	109,086,400,163.78	94,964,189,744.13

Non-current liabilities:		
Long-term loans	26,158,660,000.00	18,087,685,000.00
Bonds payable	19,207,692,499.68	21,279,396,543.45
Including: Premium		
Perpetual		
Long-term payables	1,061,179,385.21	3,740,891,436.82
Long-term payroll payable	661,996,220.59	722,768,832.46
Specific payables		
Provisions	412,177,186.87	371,279,348.97
Deferred income	820,451,919.27	860,067,751.75
Deferred income tax liabilities	4,478,465,944.38	4,800,870,600.03
Other non-current liabilities	663,662,073.86	660,456,831.52
Total non-current liabilities	53,464,285,229.86	50,523,416,345.00
Total liabilities	162,550,685,393.64	145,487,606,089.13
Owners' equity:		
Share capital	10,677,771,134.00	10,677,771,134.00
Other equity instruments	4,982,000,000.00	4,982,000,000.00
Including: Premium		
Perpetual	4,982,000,000.00	4,982,000,000.00
Capital reserve	5,862,805,387.74	5,865,195,783.46
Less: Treasury shares		
Other comprehensive income	243,045,457.54	231,839,701.65
Specific reserve	17,840,000.80	8,655,529.41
Surplus reserve	1,276,866,688.51	1,276,866,688.51
General risk provision	269,682,185.44	178,039,195.99
Retained earnings	22,766,585,827.26	20,980,120,619.08
Total equity attributable to owners of the parent company	46,096,596,681.29	44,200,488,652.10
Minority interests	19,022,991,809.55	18,709,022,134.50
Total owners' equity	65,119,588,490.84	62,909,510,786.60
Total liabilities and owners' equity	227,670,273,884.48	208,397,116,875.73

Legal Representative: Jiang Deyi Chief Financial Officer: Chen Guogao
Head of the Accounting Department: Hu Juan

Balance Sheet of the Parent Company

As at 30 September 2017

Prepared by: BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Closing balance as at the end of the Reporting Period	Opening balance as at the beginning of the Reporting Period
Current Assets:		
Cash and bank balances	7,803,927,987.04	6,954,119,259.97
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable		
Accounts receivable	1,358,245.90	1,358,245.90
Advances to suppliers		
Interests receivable	901,638,078.18	556,193,459.72
Dividends receivable	1,141,222,059.85	2,277,673,338.00
Other receivables	49,711,156,897.49	33,425,504,048.71
Inventories		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	10,591,555.77	7,907,358.45
Total current assets	59,569,894,824.23	43,222,755,710.75
Non-current assets:		
Available-for-sale financial assets	200,000.00	200,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	34,760,981,103.15	34,340,871,900.99
Investment properties	10,031,512,732.52	9,895,924,295.76
Fixed assets	1,246,457,018.25	1,296,631,935.94
Construction in progress		
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	417,383,136.37	426,142,908.38
Development expenses		
Goodwill		

Long-term prepaid expenses		
Deferred income tax assets	71,839,309.04	156,090,145.69
Other non-current assets		
Total non-current assets	46,528,373,299.33	46,115,861,186.76
Total assets	106,098,268,123.56	89,338,616,897.51
Current liabilities:		
Short-term loans	22,251,550,000.00	17,520,000,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable		
Accounts payable	22,605,241.62	13,762,384.48
Receipts in advance	117,344,144.30	104,481,435.49
Payroll payable	85,430.15	13,876,243.10
Taxes payable	47,663,555.27	33,682,970.56
Interests payable	818,177,630.42	531,667,058.63
Dividends payable	21,531,161.89	21,492,928.09
Other payables	3,383,126,908.39	2,887,069,917.38
Liabilities classified as held for sale	5,000,000,000.00	3,000,000,000.00
Short-term financing bonds payable		
Non-current liabilities due within one year	6,000,000,000.00	2,280,000,000.00
Other current liabilities	717,233.77	717,233.77
Total current liabilities	37,662,801,305.81	26,406,750,171.50
Non-current liabilities:		
Long-term loans	13,830,600,000.00	9,531,600,000.00
Bonds payable	16,939,002,014.80	14,976,484,492.30
Including: Premium		
Perpetual		
Long-term payables		
Long-term payroll payable	376,130,379.45	414,196,150.45
Specific payables		
Provisions		
Deferred income		
Deferred income tax liabilities	1,916,623,946.34	2,014,326,837.14
Other non-current liabilities		
Total non-current liabilities	33,062,356,340.59	26,936,607,479.89
Total liabilities	70,725,157,646.40	53,343,357,651.39

Owners' equity		
Share capital	10,677,771,134.00	10,677,771,134.00
Other equity instruments	4,982,000,000.00	4,982,000,000.00
Including: Premium		
Perpetual	4,982,000,000.00	4,982,000,000.00
Capital reserve	6,674,854,902.82	6,674,854,902.82
Less: Treasury shares		
Other comprehensive income	77,988,463.79	49,398,221.79
Specific reserve		
Surplus reserve	1,276,866,688.51	1,276,866,688.51
Retained earnings	11,683,629,288.04	12,334,368,299.00
Total owners' equity	35,373,110,477.16	35,995,259,246.12
Total liabilities and owners' equity	106,098,268,123.56	89,338,616,897.51

Legal Representative: Jiang Deyi

Chief Financial Officer: Chen Guogao

Head of the Accounting Department: Hu Juan

Consolidated Income Statement

January to September 2017

Prepared by: BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount for the Period (July to September)	Amount for the corresponding period of the previous year (July to September)	Amount from the beginning of the Reporting Period to the end of the Reporting Period (January to September)	Amount from the beginning of previous year to the end of the Reporting Period (January to September)
I. Total operating revenue	16,660,495,705.29	9,228,399,990.68	46,126,341,988.14	32,675,183,699.27
Including: Operating revenue	16,660,495,705.29	9,228,399,990.68	46,126,341,988.14	32,675,183,699.27
Interest income				
Premiums earned				
Fees and commissions income				
II. Total operating costs	15,721,695,151.64	8,644,336,084.55	43,511,034,747.03	30,347,289,400.74
Including: Operating costs	12,414,370,426.23	6,971,880,510.28	33,894,241,574.54	24,593,265,002.23
Interest expenses				
Fees and commissions expenses				
Surrenders				
Net compensation expenses				
Net insurance contract reserves				
Insurance policy dividend expenses				
Reinsurance expenses				
Business tax and surcharges	352,689,977.75	243,138,859.18	1,326,630,342.32	1,134,948,859.20
Selling expenses	675,153,263.33	414,889,401.57	1,837,279,947.26	1,139,034,110.33
Administrative expenses	1,532,102,005.88	710,344,722.15	4,225,798,717.38	2,232,589,063.51
Finance costs	670,169,631.82	350,752,847.02	2,002,933,100.21	1,058,764,425.50
Asset impairment losses	77,209,846.63	-46,670,255.65	224,151,065.32	188,687,939.97
Add: Gains from changes in fair value (“-” indicating loss)	139,001,149.86	1,146,813.39	265,426,764.56	448,329,809.50

Investment gains (“-” indicating loss)	159,801,911.97	-2,652,461.58	430,848,492.07	-14,246,429.25
Including: Share of profits of associates and joint ventures	120,039,604.99	-6,641,552.51	172,849,879.01	-18,409,981.48
Foreign exchange gains (“-” indicating loss)				
Other gains	201,133,252.33	0.00	456,607,408.71	0.00
III. Operating profit (“-” indicating loss)	1,438,736,867.81	582,558,257.94	3,768,189,906.45	2,761,977,678.78
Add: Non-operating income	151,117,364.19	155,630,529.56	284,431,608.02	365,097,172.13
Including: Gains on disposal of non-current assets	75,665,788.69	8,268,332.92	85,356,367.41	15,598,299.96
Less: Non-operating expenses	42,726,798.77	2,223,957.63	77,808,438.31	29,688,712.41
Including: Losses on disposal of non-current assets	12,749,682.92	-17,272.95	37,838,969.24	2,498,741.54
IV. Total profit (“-” indicating total loss)	1,547,127,433.23	735,964,829.87	3,974,813,076.16	3,097,386,138.50
Less: Income tax expenses	406,059,152.87	238,694,505.69	1,051,721,727.74	998,832,820.04
V. Net profit (“-” indicating net loss)	1,141,068,280.36	497,270,324.18	2,923,091,348.42	2,098,553,318.46
Net profit attributable to the owners of the parent company	758,003,647.58	449,309,319.96	2,604,374,836.45	2,270,454,634.50
Gains/losses of minority interests	383,064,632.78	47,961,004.22	318,716,511.97	-171,901,316.04
VI. Other comprehensive income (net of tax)	1,732,502.31	10,918,456.14	-15,040,875.35	13,715,383.81
Other comprehensive income (net of tax) attributable to owners of the parent company	-662,216.95	10,918,456.14	11,205,755.89	13,715,383.81
(1) Other comprehensive income that will not be reclassified into profit or loss subsequently	0.00	0.00	29,061,622.00	0.00
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plans	0.00	0.00	29,061,622.00	0.00

2. Share of other comprehensive income (that will not be reclassified to profit or loss) of investees accounted for using equity method	-662,216.95	10,918,456.14	-17,855,866.11	13,715,383.81
(2) Other comprehensive income that will be reclassified to profit or loss subsequently	0.00	0.00	-1,102,557.87	0.00
1.Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method	2,867,927.26	0.00	-2,367,703.03	0.00
2.Gains or losses arising from changes in fair value of available-for-sale financial assets				
3.Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets				
4.Effective portion of cash flow adjusted for hedging gains or losses	-3,530,144.21	10,918,456.14	-4,191,243.47	13,715,383.81
5.Exchange differences on foreign currency translation	0.00	0.00	-10,194,361.74	0.00
6.Others	-662,216.95	10,918,456.14	-17,855,866.11	13,715,383.81
Other comprehensive income (net of tax) attributable to minority interests	2,394,719.26	0.00	-26,246,631.24	0.00

VII. Total comprehensive income	1,142,800,782.67	508,188,780.32	2,908,050,473.07	2,112,268,702.27
Total comprehensive income attributable to the owners of the parent company	757,341,430.63	460,227,776.10	2,615,580,592.34	2,284,170,018.31
Total comprehensive income attributable to minority interests	385,459,352.04	47,961,004.22	292,469,880.73	-171,901,316.04
VIII. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.07	-0.13	0.24	0.21
(2) Diluted earnings per share (RMB/share)	0.07	-0.13	0.24	0.21

Legal Representative: Jiang Deyi Chief Financial Officer: Chen Guogao
Head of the Accounting Department: Hu Juan

Income Statement of the Parent Company

January to September 2017

Prepared by: BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount for the Period (July to September)	Amount for the corresponding period of the previous year (July to September)	Amount from the beginning of the Reporting Period to the end of the Reporting Period (January to September)	Amount from the beginning of previous year to the end of the Reporting Period (January to September)
I. Total operating revenue	238,366,978.17	226,718,525.95	706,859,180.47	715,354,592.07
Less: Operating costs	6,016,646.46	33,449,082.07	49,376,487.41	66,762,832.05
Business tax and surcharges	2,579,850.97	1,480,196.78	62,233,781.15	20,537,582.18
Selling expenses	7,022,579.18	7,545,957.46	31,580,500.08	23,651,730.46
Administrative expenses	49,863,145.79	27,071,494.99	104,794,849.13	130,524,382.81
Finance costs	257,965,589.46	176,163,733.40	735,822,517.67	564,874,131.91
Asset impairment losses	0.00	0.00	0.00	-1,330,781.12
Add: Gains from changes in fair value (“-” indicating loss)	0.00	0.00	135,588,436.76	299,651,892.11
Investment gains (“-” indicating loss)	12,979,143.02	-766,956.04	193,157,543.61	686,356,956.28
Including: Share of profits of associates and joint ventures	16,948,335.79	-6,875,183.80	-1,722,843.97	-18,409,981.48
Other gains	1,360,000.00	0.00	1,360,000.00	0.00
II. Operating profit (“-” indicating loss)	-70,741,690.67	-19,758,894.79	53,157,025.40	896,343,562.17
Add: Non-operating income	4,667,942.90	3,910,438.71	9,064,998.07	10,492,394.73
Including: Gains on disposal of non-current assets	247.71	0.00	9,882.71	0.00
Less: Non-operating expenses	-17,079.96	57,863.00	146,449.75	59,544.50
Including: Losses on disposal of non-current	-17,079.96	0.00	104,137.16	1,681.50

assets				
III. Total profit (“-” indicating total loss)	-66,056,667.81	-15,906,319.08	62,075,573.72	906,776,412.40
Less: Income tax expenses	0.00	15,563,440.95	-13,452,054.15	74,912,973.03
IV. Net profit (“-” indicating net loss)	-66,056,667.81	-31,469,760.03	75,527,627.87	831,863,439.37
V. Other comprehensive income (net of tax)	0.00	0.00	28,590,242.00	0.00
(1) Other comprehensive income that will not be reclassified into profit or loss subsequently	0.00	0.00	28,590,242.00	0.00
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plans	0.00	0.00	28,590,242.00	0.00
2. Share of other comprehensive income (that will not be reclassified to profit or loss) of investees accounted for using equity method				
(2) Other comprehensive income that will be reclassified to profit or loss subsequently				
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method				
2. Gains or losses arising from changes in fair value of available-for-sale financial assets				
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets				
4. Effective portion of cash flow adjusted for hedging gains or losses	-3,530,144.21	10,918,456.14	-4,191,243.47	13,715,383.81

5.Exchange differences on foreign currency translation	0.00	0.00	-10,194,361.74	0.00
6.Others	-662,216.95	10,918,456.14	-17,855,866.11	13,715,383.81
VI. Total comprehensive income	-66,056,667.81	-31,469,760.03	104,117,869.87	831,863,439.37
VII. Earnings per share:				
(1) Basic earnings per share (RMB/share)				
(2) Diluted earnings per share (RMB/share)				

Legal Representative: Jiang Deyi Chief Financial Officer: Chen Guogao
Head of the Accounting Department: Hu Juan

Consolidated Statement of Cash Flows

January to September 2017

Prepared by: BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount from the beginning of the Reporting Period to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	40,516,672,558.10	31,656,165,613.69
Net increase in deposits from customers and inter-bank deposits		
Net increase in borrowings from central bank		
Net decrease in deposits in central bank	64,969,643.52	0.00
Net increase in loans from other financial institutions		
Cash received as premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in policy holder deposits and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interests, fees and commissions		
Net increase in loans from banks and other financial institutions		
Net increase in capital from repurchase business		
Refund of taxes and levies	347,383,187.17	176,666,683.41
Cash received from other operating activities	2,430,943,704.89	608,915,030.62
Subtotal of cash inflows from operating activities	43,359,969,093.68	32,441,747,327.72
Cash paid for purchasing goods and receiving services	44,819,219,315.88	20,552,233,646.19
Net increase in customers' loans and advances		
Net increase in deposits in central bank and inter-bank deposits	0.00	614,376,141.93
Cash paid for compensation payout under		

original insurance contracts		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and for the benefit of employees	3,957,307,161.61	2,267,121,649.33
Taxes and levies paid	5,854,189,293.41	3,682,042,842.32
Cash paid for other operating activities	2,541,134,073.94	2,933,830,593.72
Subtotal of cash outflows from operating activities	57,171,849,844.84	30,049,604,873.49
Net cash flows arising from operating activities	-13,811,880,751.16	2,392,142,454.23
II. Cash flows from investing activities:		
Cash received from redemption of investments	438,427,351.86	0.00
Cash received from return on investments	278,870,377.58	5,054,966.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	497,060,770.04	149,697,505.12
Net cash received from disposal of subsidiaries and other business entities	634,885,099.31	0.00
Cash received from other investing activities	1,233,464,199.34	0.00
Subtotal of cash inflows from investing activities	3,082,707,798.13	154,752,471.99
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,363,908,591.91	1,070,457,685.65
Cash paid for investments	139,105,284.72	3,515,647,945.21
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business entities	210,840,422.98	0.00
Cash paid for other investing activities	2,923,067,610.74	1,656,280,000.00
Subtotal of cash outflows from investing activities	4,636,921,910.35	6,242,385,630.86
Net cash flows arising from investing activities	-1,554,214,112.22	-6,087,633,158.87

III. Cash flows from financing activities:		
Cash received from capital contributions	133,900,000.00	12,000,000.00
Including: Cash received by subsidiaries from investments of minority interests	133,900,000.00	12,000,000.00
Cash received from borrowings	34,170,310,000.00	13,146,800,000.00
Cash received from issuance of bonds	16,300,000,000.00	14,000,000,000.00
Cash received from other financing activities	357,259,000.00	0.00
Subtotal of cash inflows from financing activities	50,961,469,000.00	27,158,800,000.00
Cash paid for debts settlement	20,074,194,930.70	20,269,549,650.61
Cash paid for the distribution of dividends, profits or interest payments	4,851,739,509.47	1,557,781,211.30
Including: Dividends and profits paid by subsidiaries to minority interests	7,558,092.89	4,160,667.13
Cash paid for other financing activities	15,357,853,723.40	0.00
Subtotal of cash outflows from financing activities	40,283,788,163.57	21,827,330,861.91
Net cash flows arising from financing activities	10,677,680,836.43	5,331,469,138.09
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-4,760,799.61	1,780,136.03
V. Net increase in cash and cash equivalents	-4,693,174,826.56	1,637,758,569.48
Add: Opening balance of cash and cash equivalents	18,110,782,535.76	11,213,584,868.55
VI. Closing balance of cash and cash equivalents	13,417,607,709.20	12,851,343,438.03

Legal Representative: Jiang Deyi Chief Financial Officer: Chen Guogao
Head of the Accounting Department: Hu Juan

Statement of cash flows of the parent company

January to September 2017

Prepared by: BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount from the beginning of the Reporting Period to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	806,387,739.72	746,221,334.64
Refund of taxes and levies		
Cash received from other operating activities	37,033,261,220.67	21,762,692,342.67
Subtotal of cash inflows from operating activities	37,839,648,960.39	22,508,913,677.31
Cash paid for purchasing goods and receiving services	22,194,903.57	26,219,043.25
Cash paid to and for the benefit of employees	45,310,189.60	42,902,900.01
Cash paid for various taxes	136,431,576.28	90,814,021.77
Cash paid to other operating activities	52,154,809,651.14	23,295,336,798.58
Subtotal of cash outflows from operating activities	52,358,746,320.59	23,455,272,763.61
Net cash flows arising from operating activities	-14,519,097,360.20	-946,359,086.30
II. Cash flows from investing activities:		
Cash received from redemption of investments		
Cash received from return on investments	1,275,839,362.00	940,469,698.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	66,800.00	0.00
Net cash received from disposal of subsidiaries and other business entities		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	1,275,906,162.00	940,469,698.23

Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	6,707,993.16	7,452,996.06
Cash paid for investments	260,257,472.00	5,148,852,100.00
Net cash paid for acquisition of subsidiaries and other business entities		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	266,965,465.16	5,156,305,096.06
Net cash flows arising from investing activities	1,008,940,696.84	-4,215,835,397.83
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	17,901,550,000.00	11,982,000,000.00
Cash received from issuance of bonds	15,000,000,000.00	14,000,000,000.00
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	32,901,550,000.00	25,982,000,000.00
Cash paid for debts settlement	8,288,350,000.00	20,674,000,000.00
Cash paid for the distribution of dividends, profits or interest payments	2,254,426,312.23	1,332,511,276.53
Cash paid for other financing activities	8,000,000,000.00	0.00
Subtotal of cash outflows from financing activities	18,542,776,312.23	22,006,511,276.53
Net cash flows arising from financing activities	14,358,773,687.77	3,975,488,723.47
IV. Effects of exchange rate fluctuations on cash and cash equivalents	1,191,702.66	-846,754.80
V. Net increase in cash and cash equivalents	849,808,727.07	-1,187,552,515.46
Add: Opening balance of cash and cash equivalents	6,904,569,211.47	8,258,522,946.00
VI. Closing balance of cash and cash equivalents	7,754,377,938.54	7,070,970,430.54

Legal Representative: Jiang Deyi Chief Financial Officer: Chen Guogao
Head of the Accounting Department: Hu Juan

4.2 Audit Report

Applicable Not applicable