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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 2016

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 2016 (the “**Reporting Period**”) and the three months ended 30 September 2016 (the “**Period**”).

During the Reporting Period, the Group recorded operating revenue of approximately RMB32,675.2 million, with total net profit attributable to owners of the parent company amounting to approximately RMB2,270.5 million, net profit of approximately RMB2,098.6 million and basic earnings per share of RMB0.21.

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	142,244,799,667.85	130,746,704,314.16	8.79
Net assets attributable to the shareholders of the Company	44,203,606,248.33	38,082,973,176.55	16.07
	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	2,392,142,454.23	1,767,304,703.42	35.36

	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	32,675,183,699.27	25,902,684,559.82	26.15
Net profit attributable to the shareholders of the Company	2,270,454,634.50	1,061,771,081.46	113.84
Net profit attributable to the shareholders of the Company after deducting non-recurring profit and loss	1,822,928,414.99	775,065,905.41	135.20
Weighted average return on net assets (%)	5.80	3.39	Increased by 2.41 percentage points
Basic earnings per share (RMB/share)	0.21	0.22	-4.55
Diluted earnings per share (RMB/share)	0.21	0.22	-4.55
Basic earnings per share after deducting non-recurring profit and loss	0.17	0.16	6.25

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	8,285,605.87	13,099,558.42	
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)	59,519,443.11	130,923,680.06	
Profit or loss from debt restructuring	6,910,413.31	9,777,754.95	

Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement	0.00	447,182,996.11	
Other non-operating income and expenses other than the foregoing items	14,357,445.83	26,188,640.05	
Effect of income tax	-22,268,227.03	-156,793,157.40	
Effect of minority interests (after tax)	-13,807,761.05	-22,853,252.68	
Total	52,996,920.04	447,526,219.51	

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	
BBMG Group Company Limited (“BBMG Group”)	4,797,357,572	44.9285	1,084,736,590	Nil		State-owned legal person
HKSCC NOMINEES LIMITED	2,329,055,188	21.8122	0	Nil		Overseas legal person
China National Materials Company Limited	459,940,000	4.3075	0	Nil		State-owned legal person
Tianjin Building Materials Group (Holding) Co., Ltd.	272,092,734	2.5482	107,311,330	Pledged	134,800,000	State-owned legal person
China Securities Finance Corporation Limited	270,188,694	2.5304	0	Nil		Not known
Guohua Life Insurance Co., Ltd. – Wan Neng Number 3	141,509,432	1.3253	141,509,432	Nil		Not known

Qian Hai Life Insurance Co., Ltd.- Hai Li Nian Nian	123,891,478	1.1603	113,207,546	Nil		Not known
Manulife Teda Fund - Bank of China - Manulife Teda - Zhongyi Placement Specific Account Assets Management Plan Number 1	113,207,548	1.0602	113,207,548	Nil		Not known
Beijing Jingguofa Equity Investment Fund (Limited Partnership)	105,749,102	0.9904	105,749,102	Nil		State-owned legal person
Pingan UOB Fund - Pingan Bank - Pingan UOB Pingan Golden Orange Wealth Number 103 Assets Management Plan	84,905,660	0.7952	84,905,660	Nil		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
BBMG Group	3,712,620,982	RMB-denominated ordinary shares	3,712,620,982
HKSCC NOMINEES LIMITED	2,329,055,188	Foreign shares listed overseas	2,329,055,188
China National Materials Company Limited	459,940,000	RMB-denominated ordinary shares	459,940,000
China Securities Finance Corporation Limited	270,188,694	RMB-denominated ordinary shares	270,188,694
Tianjin Building Materials Group (Holding) Co., Ltd	164,781,404	RMB-denominated ordinary shares	164,781,404
Winfirst Investment Group Company Limited	75,140,000	RMB-denominated ordinary shares	75,140,000
Central Huijin Asset Management Ltd.	66,564,000	RMB-denominated ordinary shares	66,564,000
Qian Hai Life Insurance Co., Ltd. – Own Funds Huatai Portfolio	54,578,180	RMB-denominated ordinary shares	54,578,180

Hua Xi Xin Yu Investment Co., Ltd.	52,000,000	RMB-denominated ordinary shares	52,000,000
Qian Hai Life Insurance Co., Ltd.- Ju Fu Product	43,442,610	RMB-denominated ordinary shares	43,442,610
Explanations on the related party relationship or parties acting in concert among the abovementioned shareholders	The Company is not aware of any related party relationship or parties acting in concert among the abovementioned shareholders		

Note: In accordance with the Notice Regarding the Gratuitous Transfer of 44.93% of State-owned Equity of BBMG Corporation (《關於無償劃轉北京金隅股份有限公司 44.93% 國有股權的通知》) issued by State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality and the Gratuitous Share Transfer Agreement in relation to BBMG Corporation (《關於北京金隅股份有限公司的股份劃轉協議》) signed between Beijing Stated-owned Capital Operation and Management Center and the BBMG Group, BBMG Group proposed to gratuitously transfer all 4,797,357,572 state-owned shares held by it in the Company to Beijing Stated-owned Capital Operation and Management Center. Upon the gratuitous transfer, BBMG Group will not hold any shares of the Company while Beijing Stated-owned Capital Operation and Management Center will directly hold 4,797,357,572 shares of the Company (representing 44.93% of the total share capital of the Company) and become the controlling shareholder of the Company. The gratuitous transfer did not result in the change of the actual controller of the Company, which still remains to be State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality.

The gratuitous transfer is subject to the approval of the State-owned Assets Supervision and Administration Commission of the State Council and the approval of the grant of waiver from the general offer obligation of Beijing Stated-owned Capital Operation and Management Center by China Securities Regulatory Commission and the Securities and Futures Commission of Hong Kong.

For details please refer to the announcements of the Company dated 18 October 2016 and 24 October 2016, the Holding Announcement on Gratuitous Transfer of State-owned Shares of BBMG Corporation (Announcement No.: Lin 2016-080) and the Holding Announcement of Changes in Equity of BBMG Corporation (Announcement No. Lin 2016-083) disclosed by the Company on the China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange on 19 October 2016 and 22 October 2016 respectively.

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	Increased by 20.2% as compared with that at the beginning of the Reporting Period, mainly attributable to the satisfactory sales of properties of the Company and the increase in the scale of borrowings during the Reporting Period.
Financial assets at fair value through profit or loss	Increased by 100.0% as compared with that at the beginning of the Reporting Period, mainly attributable to the purchase of fund-related wealth management products by the Company during the Reporting Period.
Advances to suppliers	Increased by 30.3% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the Company's advances to suppliers and advances for properties projects during the Reporting Period.
Other receivables	Increased by 27.8% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the Company's bidding deposit by property development enterprises during the Reporting Period.
Construction in progress	Increased by 29.2% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the investment in construction projects by the Company during the Reporting Period.
Other non-current assets	Increased by 721.9% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the payment for equity restructuring projects by the Company during the Reporting Period.
Taxes payable	Decreased by 51.0% as compared with that at the beginning of the Reporting Period, mainly attributable to the payment of taxes such as income tax payable by the Company during the Reporting Period.
Interests payable	Increased by 54.3% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the bonds interests payable of the Company during the Reporting Period.
Dividends payable	Increased by 277.9% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the dividends payable to minority shareholders by the subsidiaries of the Company during the Reporting Period.
Non-current liabilities due within one year	Decreased by 36.5% as compared with that at the beginning of the Reporting Period, mainly attributable to the decrease in the Company's long-term loans due within a year during the Reporting Period.

Provisions	Increased by 60.0% as compared with that at the beginning of the Reporting Period, mainly attributable to increase in the Company's estimated finance charges of property development enterprise during the Reporting Period.
Share capital	Increased by 100.0% as compared with that at the beginning of the Reporting Period, mainly attributable to the conversion of capital reserve into share capital by the Company during the Reporting Period.
Other equity instruments	Increased by 403.2% as compared with that at the beginning of the Reporting Period, mainly attributable to the issue of perpetual bonds by the Company during the Reporting Period.
Capital reserve	Decreased by 46.1% as compared with that at the beginning of the Reporting Period, mainly attributable to the conversion of capital reserve into share capital by the Company during the Reporting Period.
Specific reserve	Increased by 52.2% 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.
Operating revenue	Increased by 26.1% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in the Company's booked profit of properties development enterprises during the Reporting Period.
Operating costs	Increased by 28.1% as compared with that of the corresponding period of the previous year, mainly attributable to the increase in costs as a result of the increase in revenue of the Company during the Reporting Period.
Asset impairment losses	Increased by 299.4% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in bad debt provision and inventory impairment provision made by the Company during the Reporting Period.
Gains from changes in fair value	Increased by 72.0% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in the valuation on the fair value of the investment properties of the Company at the end of the Reporting Period.
Non-operating expenses	Decreased by 33.1% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year decrease in the losses from disposal of fixed assets of the Company during the Reporting Period.
Gains/losses of minority interests	Decreased by 705.3% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year decrease in the results of the non wholly-owned subsidiaries of the Company during the Reporting Period.

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	Increased by 312.4% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in the disposal of fixed assets of the Company during the Reporting Period.
Cash received from other investing activities	Decreased by 100.0% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that the Company has no such business during the Reporting Period.
Cash paid for acquisition of subsidiaries and other business entities	Decreased by 100.0% as compared with that of the corresponding period of the previous year, mainly attributable to the fact that the Company has no such business during the Reporting Period.
Cash paid for other investing activities	Increased by 6,660.3% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year increase in the purchase of wealth management products such as funds by the Company during the Reporting Period.

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

Applicable Not applicable

3.3 Fulfillment of undertakings by the Company and shareholders with shareholding of 5% or more

Applicable Not applicable

Background of undertaking	Type of undertaking	Undertaken by	Undertaking	Time and duration of undertaking	Duration of performance	Timely performance of undertaking in strict compliance	Explanation on specific reasons for non-performance if not timely performed	Explanation on the next plan if not timely performed
Undertaking in relation to re-financing	Share sales restriction	BBMG Group	It will not transfer via any means the 448,028,673 A shares that were subscribed for by it through the non-public issuance of the issuer within 36 months from the completion of the non-public issuance	26 March 2014 to 26 March 2017	Yes	Yes		
	Share sales restriction	BBMG Group	It will not transfer via any means the 94,339,622 A shares that were subscribed for by it through the non-public issuance of the issuer within 36 months from the completion of the non-public issuance	3 December 2015 to 3 December 2018	Yes	Yes		

3.4 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, 26 October 2016

As at the date of this announcement, the executive directors are Jiang Deyi, Wu Dong and Zang Feng; and the independent non-executive directors 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 2016

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	22,079,583,183.08	18,369,880,691.10
Settlement reserves	0.00	0.00
Loans to banks or other financial institutions	0.00	0.00
Financial assets at fair value through profit or loss	687,426,813.39	0.00
Derivative financial assets	0.00	0.00
Bills receivable	2,058,758,127.04	2,197,924,429.70
Accounts receivable	6,835,517,787.05	6,882,068,508.58
Advances to suppliers	4,712,056,242.50	3,615,007,054.08
Premiums receivable	0.00	0.00
Reinsurance accounts receivable	0.00	0.00
Reinsurance contract reserve receivable	0.00	0.00
Interests receivable	0.00	6,716,763.51
Dividends receivable	3,071,700.00	3,922,700.00
Other receivables	2,554,773,962.60	1,998,699,709.21
Purchase and sell-back of financial assets	0.00	0.00
Inventories	55,034,252,283.56	54,007,187,185.94
Assets classified as held for sale	0.00	0.00
Non-current assets due within one year	0.00	0.00
Other current assets	1,934,094,705.60	2,254,225,698.11
Total current assets	95,899,534,804.82	89,335,632,740.23
Non-current assets:		
Loans and advances	0.00	0.00
Available-for-sale financial assets	604,367,250.00	604,367,250.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	1,000,000,000.00	0.00
Long-term equity investments	287,283,517.19	305,693,498.67
Investment properties	14,891,986,324.09	14,444,803,327.98
Fixed assets	17,484,089,605.08	18,141,169,689.04
Construction in progress	1,614,375,663.45	1,249,188,812.32
Construction materials	6,935,657.63	7,281,479.06
Disposal of fixed assets	0.00	0.00

Productive biological assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	4,075,904,864.62	4,087,252,597.86
Development expenses	0.00	0.00
Goodwill	258,366,898.28	258,366,898.28
Long-term prepaid expenses	434,635,153.44	404,769,379.15
Deferred tax assets	1,704,950,866.41	1,423,631,430.99
Other non-current assets	3,982,369,063.08	484,547,210.58
Total non-current assets	46,345,264,863.03	41,411,071,573.93
Total assets	142,244,799,667.85	130,746,704,314.16
Current liabilities:		
Short-term loans	14,618,990,000.00	16,805,996,379.53
Borrowings from central bank	0.00	0.00
Deposits from customers and inter-bank deposits	0.00	0.00
Loans from banks and other financial institutions	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Bills payable	379,787,369.38	436,477,804.74
Accounts payable	8,025,517,595.92	8,625,713,523.10
Receipts in advance	21,361,921,267.99	19,034,031,504.51
Financial assets sold for repurchase	0.00	0.00
Fees and commissions payable	0.00	0.00
Payroll payable	101,792,957.37	118,602,647.04
Taxes payable	717,709,040.62	1,464,513,273.35
Interests payable	662,260,311.99	429,133,043.75
Dividends payable	208,902,392.79	55,274,219.13
Other payables	3,263,606,719.57	3,078,563,379.11
Short-term financing bonds payable	7,000,000,000.00	6,000,000,000.00
Reinsurance accounts payable	0.00	0.00
Insurance contract reserve payable	0.00	0.00
Amount paid for agency securities trading	0.00	0.00
Amount paid for agency securities underwriting	0.00	0.00
Liabilities classified as held for sale	0.00	0.00
Non-current liabilities due within one year	2,480,000,000.00	3,907,504,794.13
Other current liabilities	6,199,495,549.84	5,230,763,450.32
Total current liabilities	65,019,983,205.47	65,186,574,018.71

Non-current liabilities:		
Long-term loans	9,369,260,349.39	6,888,600,000.00
Bonds payable	15,000,000,000.00	12,000,000,000.00
Including: Premium	0.00	0.00
Perpetual	0.00	0.00
Long-term payables	14,191,542.96	19,054,327.53
Long-term payroll payable	448,670,717.78	457,687,351.00
Specific payables	0.00	0.00
Provisions	218,294,394.54	136,446,352.28
Deferred income	634,387,257.08	628,921,179.69
Deferred income tax liabilities	2,828,840,628.69	2,645,986,691.73
Other non-current liabilities	601,559,996.42	601,559,996.42
Total non-current liabilities	29,115,204,886.86	23,378,255,898.65
Total liabilities	94,135,188,092.33	88,564,829,917.36
Owners' equity:		
Share capital	10,677,771,134.00	5,338,885,567.00
Other equity instruments	4,982,000,000.00	990,000,000.00
Including: Premium	0.00	0.00
Perpetual	4,982,000,000.00	990,000,000.00
Capital reserve	6,240,804,330.33	11,579,704,575.56
Less: Treasury shares	0.00	0.00
Other comprehensive income	219,762,733.54	206,047,349.73
Specific reserve	13,540,780.58	8,896,481.87
Surplus reserve	1,053,285,969.67	1,053,285,969.67
General risk provision	59,993,193.86	59,993,193.86
Retained earnings	20,956,448,106.35	18,846,160,038.86
Total equity attributable to owners of the parent company	44,203,606,248.33	38,082,973,176.55
Minority interests	3,906,005,327.19	4,098,901,220.25
Total owners' equity	48,109,611,575.52	42,181,874,396.80
Total liabilities and owners' equity	142,244,799,667.85	130,746,704,314.16

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 2016

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	7,120,327,005.43	8,307,879,520.89
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Bills receivable	0.00	0.00
Accounts receivable	1,088,365.90	1,475,647.10
Advances to suppliers	0.00	0.00
Interests receivable	622,986,374.70	514,835,805.73
Dividends receivable	1,776,968,048.44	2,115,301,793.57
Other receivables	33,261,272,420.17	32,078,773,920.10
Inventories	0.00	0.00
Assets classified as held for sale	0.00	0.00
Non-current assets due within one year	0.00	0.00
Other current assets	0.00	4,258,369.41
Total current assets	42,782,642,214.64	43,022,525,056.80
Non-current assets:		
Available-for-sale financial assets	200,000.00	200,000.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	26,807,360,964.41	25,287,352,565.89
Investment properties	9,698,995,324.09	9,399,343,431.98
Fixed assets	1,305,709,147.64	1,356,131,023.87
Construction in progress	0.00	0.00
Construction materials	0.00	0.00
Disposal of fixed assets	0.00	0.00
Productive biological assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	429,211,206.40	439,323,833.78
Development expenses	0.00	0.00
Goodwill	0.00	0.00

Long-term prepaid expenses	0.00	0.00
Deferred income tax assets	108,754,719.36	108,754,719.36
Other non-current assets	3,500,000,000.00	0.00
Total non-current assets	41,850,231,361.90	36,591,105,574.88
Total assets	84,632,873,576.54	79,613,630,631.68
Current liabilities:		
Short-term loans	13,065,000,000.00	15,410,000,000.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Bills payable	0.00	0.00
Accounts payable	6,783,071.33	7,883,071.33
Receipts in advance	105,581,388.81	108,520,447.23
Payroll payable	85,430.15	85,430.15
Taxes payable	-164,553.09	4,470,007.37
Interests payable	629,528,946.73	423,624,547.80
Dividends payable	21,492,928.09	21,427,408.09
Other payables	2,907,997,165.66	4,258,315,417.14
Liabilities classified as held for sale	0.00	0.00
Short-term financing bonds payable	7,000,000,000.00	6,000,000,000.00
Non-current liabilities due within one year	2,280,000,000.00	2,863,054,949.10
Other current liabilities	717,233.77	7,233.77
Total current liabilities	26,017,021,611.45	29,097,388,511.98
Non-current liabilities:		
Long-term loans	6,577,600,000.00	6,216,600,000.00
Bonds payable	15,000,000,000.00	12,000,000,000.00
Including: Premium	0.00	0.00
Perpetual	0.00	0.000.00
Long-term payables	0.00	
Long-term payroll payable	448,670,717.78	448,670,717.78
Specific payables	0.00	0.00
Provisions	0.00	0.00
Deferred income	0.00	0.00
Deferred income tax liabilities	1,965,094,594.23	1,890,181,621.20
Other non-current liabilities	0.00	0.00
Total non-current liabilities	23,991,365,312.01	20,555,452,338.98
Total liabilities	50,008,386,923.46	49,652,840,850.96

Owners' equity		
Share capital	10,677,771,134.00	5,338,885,567.00
Other equity instruments	4,982,000,000.00	990,000,000.00
Including: Premium	0.00	0.00
Perpetual	4,982,000,000.00	990,000,000.00
Capital reserve	6,674,854,902.82	12,013,740,469.82
Less: Treasury shares	0.00	0.00
Other comprehensive income	31,669,377.79	31,669,377.79
Specific reserve	0.00	0.00
Surplus reserve	1,053,285,969.67	1,053,285,969.67
Retained earnings	11,204,905,268.80	10,533,208,396.44
Total owners' equity	34,624,486,653.08	29,960,789,780.72
Total liabilities and owners' equity	84,632,873,576.54	79,613,630,631.68

Legal Representative: Jiang Deyi

Chief Financial Officer: Chen Guogao

Head of the Accounting Department: Hu Juan

Consolidated Income Statement

January to September 2016

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	9,228,399,990.68	7,846,393,919.03	32,675,183,699.27	25,902,684,559.82
Including: Operating revenue	9,228,399,990.68	7,846,393,919.03	32,675,183,699.27	25,902,684,559.82
Interest income	0.00	0.00	0.00	0.00
Premiums earned	0.00	0.00	0.00	0.00
Fees and commissions income	0.00	0.00	0.00	0.00
II. Total operating costs	8,644,336,084.55	7,792,175,798.00	30,347,289,400.74	24,785,342,689.93
Including: Operating costs	6,971,880,510.28	6,093,887,694.39	24,593,265,002.23	19,200,994,065.41
Interest expenses	0.00	0.00	0.00	0.00
Fees and commissions expenses	0.00	0.00	0.00	0.00
Surrenders	0.00	0.00	0.00	0.00
Net compensation expenses	0.00	0.00	0.00	0.00
Net insurance contract reserves	0.00	0.00	0.00	0.00
Insurance policy dividend expenses	0.00	0.00	0.00	0.00
Reinsurance expenses	0.00	0.00	0.00	0.00
Business tax and surcharges	243,138,859.18	255,039,370.64	1,134,948,859.20	1,261,187,527.11
Selling expenses	414,889,401.57	388,065,764.54	1,139,034,110.33	1,091,938,904.09
Administrative expenses	710,344,722.15	754,857,336.19	2,232,589,063.51	2,220,854,917.45
Finance costs	350,752,847.02	278,937,827.92	1,058,764,425.50	963,123,083.35
Asset impairment losses	-46,670,255.65	21,387,804.32	188,687,939.97	47,244,192.52
Add: Gains from changes in fair value (“-” indicating loss)	1,146,813.39	0.00	448,329,809.50	260,611,970.35

Investment gains (“-” indicating loss)	-2,652,461.58	-5,192,970.84	-14,246,429.25	-17,772,086.72
Including: Share of profits of associates and joint ventures	-6,641,552.51	-6,414,080.84	-18,409,981.48	-19,050,837.25
Foreign exchange gains (“-” indicating loss)	0.00	0.00	0.00	0.00
III. Operating profit (“-” indicating loss)	582,558,257.94	49,025,150.19	2,761,977,678.78	1,360,181,753.52
Add: Non-operating income	155,630,529.56	100,788,607.47	365,097,172.13	346,471,025.87
Including: Gains on disposal of non-current assets	8,268,332.92	1,177,038.24	15,598,299.96	4,521,780.92
Less: Non-operating expenses	2,223,957.63	12,237,939.89	29,688,712.41	44,379,833.11
Including: Losses on disposal of non-current assets	-17,272.95	577,865.12	2,498,741.54	5,900,008.13
IV. Total profit (“-” indicating total loss)	735,964,829.87	137,575,817.77	3,097,386,138.50	1,662,272,946.28
Less: Income tax expenses	238,694,505.69	125,807,341.12	998,832,820.04	628,902,784.74
V. Net profit (“-” indicating net loss)	497,270,324.18	11,768,476.65	2,098,553,318.46	1,033,370,161.54
Net profit attributable to the owners of the parent company	449,309,319.96	14,027,666.03	2,270,454,634.50	1,061,771,081.46
Gains/losses of minority interests	47,961,004.22	-2,259,189.38	-171,901,316.04	-28,400,919.92
VI. Other comprehensive income (net of tax)	10,918,456.14	0.00	13,715,383.81	1,437.58
Other comprehensive income (net of tax) attributable to owners of the parent company	10,918,456.14	0.00	13,715,383.81	1,437.58
(1) Other comprehensive income that will not be reclassified into profit or loss subsequently	0.00	0.00	0.00	0.00

1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plans	0.00	0.00	0.00	0.00
2. Share of other comprehensive income (that will not be reclassified to profit or loss) of investees accounted for using equity method	0.00	0.00	0.00	0.00
(2) Other comprehensive income that will be reclassified to profit or loss subsequently	10,918,456.14	0.00	13,715,383.81	1,437.58
1.Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method	0.00	0.00	0.00	0.00
2.Gains or losses arising from changes in fair value of available-for-sale financial assets	0.00	0.00	0.00	0.00
3.Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets	0.00	0.00	0.00	0.00
4.Effective portion of cash flow adjusted for hedging gains or losses	0.00	0.00	0.00	0.00
5.Exchange differences on foreign currency translation	10,918,456.14	0.00	13,715,383.81	1,437.58
6.Others	0.00	0.00	0.00	0.00
Other comprehensive income (net of tax) attributable to minority interests	0.00	0.00	0.00	0.00

VII. Total comprehensive income	508,188,780.32	11,768,476.65	2,112,268,702.27	1,033,371,599.12
Total comprehensive income attributable to the owners of the parent company	460,227,776.10	14,027,666.03	2,284,170,018.31	1,061,772,519.04
Total comprehensive income attributable to minority interests	47,961,004.22	-2,259,189.38	-171,901,316.04	-28,400,919.92
VIII. Earnings per share:				
(1) Basic earnings per share (RMB/share)	-0.13	0.00	0.21	0.22
(2) Diluted earnings per share (RMB/share)	-0.13	0.00	0.21	0.22

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

Consolidated Statement of Cash Flows

January to September 2016

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	31,656,165,613.69	26,874,194,163.65
Net increase in deposits from customers and inter-bank deposits	0.00	0.00
Net increase in borrowings from central bank	0.00	0.00
Net decrease in deposits in central bank	0.00	507,979,365.14
Net increase in loans from other financial institutions	0.00	0.00
Cash received as premiums of original insurance contracts	0.00	0.00
Net cash received from reinsurance business	0.00	0.00
Net increase in policy holder deposits and investment	0.00	0.00
Net increase in disposal of financial assets at fair value through profit or loss	0.00	0.00
Cash received from interests, fees and commissions	0.00	0.00
Net increase in loans from banks and other financial institutions	0.00	0.00
Net increase in capital from repurchase business	0.00	0.00
Refund of taxes and levies	176,666,683.41	229,496,184.48
Cash received from other operating activities	608,915,030.62	583,069,322.90
Subtotal of cash inflows from operating activities	32,441,747,327.72	28,194,739,036.17
Cash paid for purchasing goods and receiving services	20,552,233,646.19	18,649,002,877.21
Net increase in customers' loans and advances	0.00	0.00
Net increase in deposits in central bank and inter-bank deposits	614,376,141.93	0.00
Cash paid for compensation payout under original insurance contracts	0.00	0.00

Cash paid for interests, fees and commissions	0.00	0.00
Cash paid for policy dividends	0.00	0.00
Cash paid to and for the benefit of employees	2,267,121,649.33	2,216,774,120.46
Taxes and levies paid	3,682,042,842.32	3,052,954,386.69
Cash paid for other operating activities	2,933,830,593.72	2,508,702,948.39
Subtotal of cash outflows from operating activities	30,049,604,873.49	26,427,434,332.75
Net cash flows arising from operating activities	2,392,142,454.23	1,767,304,703.42
II. Cash flows from investing activities:		
Cash received from redemption of investments	0.00	0.00
Cash received from return on investments	5,054,966.87	351,312.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	149,697,505.12	36,297,947.17
Net cash received from disposal of subsidiaries and other business entities	0.00	0.00
Cash received from other investing activities	0.00	93,590,000.00
Subtotal of cash inflows from investing activities	154,752,471.99	130,239,259.54
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,070,457,685.65	1,129,714,053.92
Cash paid for investments	3,515,647,945.21	0.00
Net increase in pledged loans	0.00	0.00
Net cash paid for acquisition of subsidiaries and other business entities	0.00	196,534,880.00
Cash paid for other investing activities	1,656,280,000.00	24,500,000.00
Subtotal of cash outflows from investing activities	6,242,385,630.86	1,350,748,933.92
Net cash flows arising from investing activities	-6,087,633,158.87	-1,220,509,674.38

III. Cash flows from financing activities:		
Cash received from capital contributions	12,000,000.00	93,000,000.00
Including: Cash received by subsidiaries from investments of minority interests	12,000,000.00	93,000,000.00
Cash received from borrowings	13,146,800,000.00	13,502,976,037.45
Cash received from issuance of bonds	14,000,000,000.00	7,000,000,000.00
Cash received from other financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	27,158,800,000.00	20,595,976,037.45
Cash paid for debts settlement	20,269,549,650.61	18,142,813,658.40
Cash paid for the distribution of dividends, profits or interest payments	1,557,781,211.30	1,918,425,282.75
Including: Dividends and profits paid by subsidiaries to minority interests	4,160,667.13	12,854,240.19
Cash paid for other financing activities	0.00	0.00
Subtotal of cash outflows from financing activities	21,827,330,861.91	20,061,238,941.15
Net cash flows arising from financing activities	5,331,469,138.09	534,737,096.30
IV. Effects of exchange rate fluctuations on cash and cash equivalents	1,780,136.03	-884,181.34
V. Net increase in cash and cash equivalents	1,637,758,569.48	1,080,647,944.00
Add: Opening balance of cash and cash equivalents	11,213,584,868.55	6,479,735,571.22
VI. Closing balance of cash and cash equivalents	12,851,343,438.03	7,560,383,515.22

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 2016

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	746,221,334.64	680,740,341.06
Refund of taxes and levies	0.00	0.00
Cash received from other operating activities	21,762,692,342.67	35,244,211,411.74
Subtotal of cash inflows from operating activities	22,508,913,677.31	35,924,951,752.80
Cash paid for purchasing goods and receiving services	26,219,043.25	16,608,288.16
Cash paid to and for the benefit of employees	42,902,900.01	47,137,922.55
Cash paid for various taxes	90,814,021.77	96,338,589.55
Cash paid to other operating activities	23,295,336,798.58	35,262,144,275.32
Subtotal of cash outflows from operating activities	23,455,272,763.61	35,422,229,075.58
Net cash flows arising from operating activities	-946,359,086.30	502,722,677.22
II. Cash flows from investing activities:		
Cash received from redemption of investments	0.00	0.00
Cash received from return on investments	940,469,698.23	411,810,521.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	0.00
Net cash received from disposal of subsidiaries and other business entities	0.00	0.00
Cash received from other investing activities	0.00	0.00
Subtotal of cash inflows from investing activities	940,469,698.23	411,810,521.88

Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	7,452,996.06	38,990,763.64
Cash paid for investments	5,148,852,100.00	392,603,063.10
Net cash paid for acquisition of subsidiaries and other business entities	0.00	0.00
Cash paid for other investing activities	0.00	0.00
Subtotal of cash outflows from investing activities	5,156,305,096.06	431,593,826.74
Net cash flows arising from investing activities	-4,215,835,397.83	-19,783,304.86
III. Cash flows from financing activities:		
Cash received from capital contributions	0.00	0.00
Cash received from borrowings	25,982,000,000.00	20,108,400,000.00
Cash received from other financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	25,982,000,000.00	20,108,400,000.00
Cash paid for debts settlement	20,674,000,000.00	17,160,000,000.00
Cash paid for the distribution of dividends, profits or interest payments	1,332,511,276.53	1,753,400,848.19
Cash paid for other financing activities	0.00	0.00
Subtotal of cash outflows from financing activities	22,006,511,276.53	18,913,400,848.19
Net cash flows arising from financing activities	3,975,488,723.47	1,194,999,151.81
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-846,754.80	-882,660.94
V. Net increase in cash and cash equivalents	-1,187,552,515.46	1,677,055,863.23
Add: Opening balance of cash and cash equivalents	8,258,522,946.00	3,990,411,184.97
VI. Closing balance of cash and cash equivalents	7,070,970,430.54	5,667,467,048.20

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

4.2 Audit Report

Applicable Not applicable