

H... K... E c, a, e, a, d C e a... L... e d a, d T, e S... c E c, a, e... f H...
K... L... e d a e... e, r... b... f... e c... e... f... a... c e... m... a e...
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... a... f... e... e... ,... f... ,... a... c e... m... e... .



福耀玻璃工业集团股份有限公司
FUYAO GLASS INDUSTRY GROUP CO., LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3606)

2017 FIRST QUARTERLY REPORT

This quarterly report is made available under Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2017 financial statement of Fuyao Glass Industry Group Co., Ltd. (the **Company**) and its subsidiaries for the three months ended March 31, 2017 (the **Reporting Period**). The financial statements contained herein are audited in accordance with the PRC Accounting Standards for Business Enterprises and have been audited.

This quarterly report is available in both Chinese and English language. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

Board of the Board
Fuyao Glass Industry Group Co., Ltd.
Cho Tak Wong
Chairman

Fuzhou, Fujian, the PRC, April 27, 2017

A... a... e... d a... e... f... ,... a... c e... m... e... ,... e... b... a... d... f... d... e... c... ,... f... e... C... m... a... c... m... ,... e...
M... C... T... a... W... ,... M... C... e... X... a... m... a... d... M... S... Y... ,... a... e... e... c... r... v... e... d... e... c... ;
M... T... F... a... ,... M... W... S... ,... a... d... M... Z... ,... D... e... ,... a... -... e... e... c... r... v... e... d... e... c... ;
M... C... e... Y... a... ,... M... L... X... a... ,... a... d... M... W... Y... ,... a... ,... d... e... e... d... e... -... e... e... c... r... v... e... d... e... c... ,... .

I. IMPORTANT NOTICE

1.1 The board of directors, the independent directors, the independent members of the Management of the Company shall, via a written resolution, acknowledge the completeness of the content stated in the aforesaid that the aforesaid financial statements, including material misstatements of the Company, do not have any legal liabilities.

1.2 Director absence table

Name of absent director	Position of absent director	Reason for absence	Name of proxy
Wang Shiqiang	Non-executive director	Work	Zhang Dezhe
Cheng Yaogang	Independent non-executive director	Work	Wang Yuhang

1.3 Chen Tak Wing, the vice-chairman of the Company, Chen Xiaoguang, the vice-chairman of accounting, and Li Xuejia, head of the Accounting Department (vice-chairman of accounting), shall, via a written resolution, acknowledge the financial statements set forth in the aforesaid.

1.4 The 2017 financial statements of the Company have been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

	<i>Unit: Yuan, Currency: RMB</i>		
	As at the end of this Reporting Period	As at the end of the period	Increase/decrease at the end of this Reporting Period compared with the end of the period (%)
Total assets	30,403,497,132	29,865,845,423	1.80
Net assets attributable to the shareholders of the listed company	18,744,059,525	18,033,617,524	3.94
	From the beginning of 2017 to the end of the Reporting Period	From the beginning of the period to the end of the reporting period	Increase/decrease at the end of this Reporting Period compared with the beginning of the period (%)
Net cash flow from operating activities	1,052,335,467	595,019,344	76.86
	From the beginning of 2017 to the end of the Reporting Period	From the beginning of the period to the end of the reporting period	Increase/decrease at the end of this Reporting Period compared with the beginning of the period (%)
Operating expenses	4,197,598,309	3,567,039,473	17.68
Net profit attributable to the shareholders of the listed company	692,879,063	583,071,294	18.83
Net profit attributable to the shareholders of the listed company, excluding non-recurring gains/losses	685,237,597	580,994,264	17.94
Return on net assets weighted average return (%)	3.77	3.49	Increase by 0.28 percentage points
Basic earnings per share (Yuan/Share)	0.28	0.23	21.74
Diluted earnings per share (Yuan/Share)	0.28	0.23	21.74

Non-recurring profit and loss items and amounts

Unit: Yuan, Currency: RMB

Items	Amount for the current period
Profit and loss from disposal of non-current assets	-14,348,093
Government subsidies received during the period (excluding those related to the normal business activities of the Company, including the subsidies of the State-owned assets)	21,104,663
Gain from hedging instruments related to the normal business activities of the Company, financial charges of fair value of held-for-trading financial assets and held-for-trading financial liabilities, a derivative measurement of financial held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	-1,344,643
Other non-recurring income and expenses that are not the normal items	5,366,091
Impact of exchange rate fluctuations (after tax)	-118
Effect of income tax	-3,136,434
Total	<u><u>7,641,466</u></u>

2.2 Total number of shareholders, the shareholdings of the top ten shareholders and top ten shareholders with tradable shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period

Unit: Shares

Total number of shareholders 73,972 holders of A shares and
65 registered holders of H shares

Shareholding of top ten shareholders

Name of shareholders (Full name)	Shareholding at		Number of shares held with selling restrictions	Pledge or moratorium		Nature of shareholder
	the end of period	Percentage (%)		Status of shares	Number	
HKSCC NOMINEES LIMITED (N. e)	491,731,200	19.60	U k ʘ			U k ʘ
Sa iDe el me t Limited	390,578,816	15.57	Nil			O e ea legal e tit
He e Cha iable F dai	290,000,000	11.56	Nil			D me tic - ate-ʘ ed legal e tit
H gK gSec icie Clea ig C m a Limited	227,066,406	9.05	U k ʘ			U k ʘ
TEMASEK FULLERTON ALPHA PTE LTD	38,653,598	1.54	U k ʘ			U k ʘ
F jia Ya h aI d tial Village De el me t C ., Ltd.	34,277,742	1.37	Pledged	13,700,000		D me tic - ate-ʘ ed legal e tit
Bai Y gli	26,424,759	1.05	U k ʘ			U k ʘ
Ce t alH iji A e:Ma ageme t Ltd.	24,598,300	0.98	U k ʘ			U k ʘ
Ca adaPe i Pla I e:me t B a d ʘ F d	22,441,781	0.89	U k ʘ			U k ʘ
LiShe gi g	20,376,138	0.81	U k ʘ			U k ʘ

**Shareholdings of the top ten shareholders
not subject to selling restrictions**

Name of shareholders	Number of tradable shares not subject to selling restrictions	Types and number of shares	
		Types	Number
HKSCC NOMINEES LIMITED (<i>N. e.</i>)	491,731,200	Ordinary listed foreign share	491,731,200
Sa i De el me t Limited	390,578,816	Ordinary share dematerialized in RMB	390,578,816
He e Cha itable F dati	290,000,000	Ordinary share dematerialized in RMB	290,000,000
H g K g Sec itie Clea i g C m a Limited	227,066,406	Ordinary share dematerialized in RMB	227,066,406
TEMASEK FULLERTON ALPHA PTE LTD	38,653,598	Ordinary share dematerialized in RMB	38,653,598
F jia Ya h a I d tial Village De el me t C ., Ltd.	34,277,742	Ordinary share dematerialized in RMB	34,277,742
Bai Y gli	26,424,759	Ordinary share dematerialized in RMB	26,424,759
Ce t al H jji A el Ma age me t Ltd.	24,598,300	Ordinary share dematerialized in RMB	24,598,300
Ca ada Pe i Pla I et me t B a d O F d	22,441,781	Ordinary share dematerialized in RMB	22,441,781
Li She g i g	20,376,138	Ordinary share dematerialized in RMB	20,376,138

El la ati the c e cted elai hi a tie acti gi c ce t am g the ab e ha eh lde The de fact c t l e f Sa i De el me t Limited a d F jia Ya h a I d tial Village De el me t C ., Ltd. a e famil membe . Am g the emai i g eight ha eh lde t bject t e lli g e ticti , it i ce tai h e the e i a c e cted elai hi am g the ha eh lde a d h e he ch ha eh lde a e a tie acti gi c ce t hich fall i hi the mea i g de the Mea e f the Admi itati f I f mati Di cl e f Cha ge f Sha eh ldi g Held b Sha eh lde f Lited C m a ie .

N. e.: HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) h ld ha e behalf f e e al c t me .

III. SIGNIFICANT EVENTS

3.1 Particulars and reasons of material changes in major accounting items and financial indicators of the Company

1. Particulars and reasons of material changes in balance sheet items of the Company as at the end of the Reporting Period

Unit: Yuan, Currency: RMB

Items	Balance as at the end of the period	Balance at the beginning of the year		Percentage increase/decrease
		Balance at the beginning of the year	Change	
Financial assets at fair value through profit or loss	-	1,951,267	-1,951,267	-100.00%
Non-current assets held for sale	26,853,132	16,936,288	9,916,844	58.55%
Other non-current assets	385,381	289,450	95,931	33.14%
Financial liabilities at fair value through profit or loss	8,495,213		8,495,213	100.00%
Notes payable	918,394,972	613,982,362	304,412,610	49.58%
Accounts payable	29,528,277	21,435,585	8,092,692	37.75%
Employee benefits payable	233,612,927	420,291,759	-186,678,832	-44.42%
Interest payable	21,432,953	15,286,048	6,146,905	40.21%
Other current liabilities	304,925,971	608,604,575	-303,678,604	-49.90%

a. Decrease in financial assets at fair value through profit or loss: A decrease in the value of certain financial assets held for sale due to the impact of the disposal of financial assets.

b. Increase in non-current assets held for sale: A mail order business was sold.

- c. Income in the -category of Wade a income in
 in VAT real estate deducted by wage (from the thirteen th
 month).
- d. Income in financial liabilities at fair value through profit
 loss Wade liability fee received from sale of call option
 foreign exchange deal at the end of Wade foreign
 exchange settlement contract of the subsidiary is realized
 loss.
- e. Income in the available Wade mail deduction a income in
 common law and mail deduction.
- f. Income in advance from common Wade mail deduction a
 income in advance from common mail advance.
- g. Decrease in employee benefit available Wade mail deduction the
 amount of the annual bonus provided for the employee
 during the Reporting Period.
- h. Income in the available Wade mail deduction a income in
 interest of the bond in the available.
- i. Decrease in the current liabilities Wade mail deduction the amount of
 the short-term financing bond amounting to RMB300 million
 during the Reporting Period.

2. *Analysis on the reasons for significant changes in items of the income statement of the Company during the Reporting Period*

Unit: Yuan, Currency: RMB

Items	Amount for the current period	Amount for the comparable period	Increase/Decrease	Percentage Increase/Decrease
Tax and charge	47,680,613	32,750,204	14,930,409	45.59%
Financial expense	26,025,477	49,545,355	-23,519,878	-47.47%
Gain/Loss from change in fair value	-3,576,480	-1,676,009	-1,900,471	113.39%
Intangible asset	-168,647	1,089,746	-1,258,393	-115.48%
Non-operating income	26,774,830	8,699,079	18,075,751	207.79%
Non-operating expense	14,652,169	3,988,416	10,663,753	267.37%
Income tax expense	170,077,760	128,121,996	41,955,764	32.75%

- Income tax and charge \nearrow was mainly due to the classification of land use rights, land use rights, vehicle and other assets and the amount of the administrative expense in the tax and charge accordance with the Provision of the Accounting Treatment of Value Added Tax (Cai Kai [2016] No. 22) issued by the Ministry of Finance of the PRC since March 1, 2016.
- Year-on-year decrease in financial expense \nearrow was mainly due to the decrease in interest income during the Reporting Period.
- Loss from change in fair value \nearrow was mainly the loss from change in fair value of the fair value of the foreign exchange rate element of the subsidiary.
- Decrease in intangible asset \nearrow was mainly due to the loss of Ji Ke Glass Industrial Shanghai Co., Ltd., a subsidiary of the Company, during the Reporting Period.
- Income from non-operating income \nearrow was mainly due to the game results obtained during the Reporting Period.
- Income from non-operating expense \nearrow was mainly due to the loss of the disposal of the subsidiary.
- Income from income tax expense \nearrow was mainly due to the income tax realized during the Reporting Period.

3. *Analysis on the reasons for substantial changes in cash flow items of the Company*

Unit: Yuan, Currency: RMB

Items	Amount for the current period	Amount of the comparable period	Increase/ decrease	Percentage increase/ decrease
Cash received from sale of goods and services	5,188,972,399	3,826,823,060	1,362,149,339	35.59%
Refund and change	56,272,360	36,231,893	20,040,467	55.31%
Cash received relating to the operating activities	57,178,068	22,102,132	35,075,936	158.70%
Cash received relating to the investing activities	3,521,710	1,000,000	2,521,710	252.17%
Cash paid relating to the investing activities	300,000,000		300,000,000	-100.00%
Cash received relating to the financing activities	-	300,000,000	-300,000,000	-100.00%
Cash and cash equivalents	1,456,807,150	969,850,397	486,956,753	50.21%
Cash paid relating to the financing activities		1,135,849	-1,135,849	-100.00%

- Increase in cash received from sale of goods and services. A main reason is the accelerated collection of accounts receivable.
- Increase in refund and change. A main reason is the late refund of a trademark (the late refund has increased 13% to 17% since November 2016).
- Increase in cash received relating to the operating activities. A main reason is the increase in net income and growth in bid income of the Real Estate Division.
- Increase in cash received relating to the investing activities. A main reason is the bid income of the bid relating to the assets.
- Increase in cash paid relating to the investing activities. A decrease in the investment in the change of bank wealth management products. With financial investment. With floating rate and fixed rate term financing of the Real Estate Division.

- f. Dec ea ei ca h ecei ed elati g t the fi a ci g acti itie V a d et the i a ce f l a h t-le m fi a ci g b d am t i g t RMB300 milli d i g the c e d i g e i d f l a t e a .
- g. I c ea ei ca h e a me t f b V i g V a mai l d et a e a me t f l a h t-le m fi a ci g b d a d h t-le m b V i g ma t i t d i g t h i e i d .
- h. Dec ea ei ca h aid elati g t the fi a ci g acti itie V a mai l d et fee aid f i a ce f l a h t-le m fi a ci g b d d i g the c e d i g e i d f l a t e a .

3.2 Progress of important events and their influence and analysis on the solution

Not applicable

3.3 Undertakings that have fallen due but not yet completed during the Reporting Period

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Time and term of the undertakings	Has performance period or not	Fulfill in a timely and strict manner or not
Othe detaki g	Di ide d dit ib ti	F a Gla I d t G C., Ltd.	<p>The di ide d dit ib ti la f the e it h lde f the C m a f the e t h e e a (2015 2017) i a f l l % : 1. Meth d f fit dit ib ti : S bjct t e e a t l l , e g l a t i , m a i e d c m e t , A t i c l e f A c c i a t i a d e l e a t i i i a d c d i t i d e t h i l a , a d t h e e m i e t h a t t h e c o n t e c a d t a b i l i t y f t h e f i t d i t i b t i l i c a e g a a t e e d , t h e C m a m a d i t i b t e d i d e d i c a h , i h a e , i a c c m b i a t i f b t h c a h a d h a e t h e e a e m i t t e d b l l a d e g l a t i . T h e f i t d i t i b t i h a l l t e e c e e d t h e a c c m l a t i e d i t i b t a b l e f i t h i t e j d i c e t h e C m a ' a b i l i t y f c o t i i g e a t i . A m g t h e e d i t i b t i m e t h d , e f e e c e e l l b e g i e t c a h d i d e d a c m a e d t h a e d i d e d . W h e e t h e C m a a l i f i e t d i t i b t e c a h d i d e d , t h e c a h d i d e d h a l l b e a d d e d f f i t d i t i b t i . I f t h e C m a d e c i d e t d i t i b t e f i b e a f h a e d i d e d , t h e a l a d e a a b l e f a c t a t h e C m a g t h a d d i t i f e a e t a l e e h a e h a l l b e t a k e i t c o i d e a i . 2. F e e c f f i t d i t i b t i : O t h e e m i e t h a t t h e C m a e c d f i f t h e e a t h i t i e a c c m l a t i e f i t d i t i b t e d , i t h a l l m a k e f i t d i t i b t i a t l e a t e e a e a . T h e C m a c a l d e c l a e i t e i m c a h d i d e d . I t h e e t h e e a , t h e b a d f t h e C m a c a e t d e c l a e i t e i m d i d e d a c c d i g t t h e c e t f i t a e , c d i t i f c a h f l , d e l e m e t a g e a d c a i t a l e e d . 3. T h e e c i f i c c d i t i f c a h d i d e d a d t h e m i m m a t i f c a h d i d e d : U d e t h e e c d i t i t h a t t h e C m a c a m a i t a i c o t i i g e a t i a d l g t e m e l e m e t , i f t h e C m a h a c h m a t e a m a j i e t m e t l a m a j c a h e e d i t e (t h e t h a i e t m e t t o j e c t f e d e t h e e e e d f m f d a i g) , t h e C m a h a l l t h e e m i e t h a t t h e C m a e c d f i f t h e e a t h i t i e a c c m l a t i e f i t d i t i b t e d , d i t i b t e d i d e d i c a h a d t h e f i f t h e C m a d i t i b t e d i c a h h a l l b e l e t h a 20% f t h e d i t i b t a b l e f i t a c h i e d d i g t a t e a . T h e e c i f i c d i d e d a t i f e a c h e a h a l l b e e e d b t h e b a d a c c d i g t h e a a l f i t e f m a c e a d t h e f i t e c a i t a l e l a f t h e C m a . 4. S e c i f i c c d i t i d e e h i c h h a e e l l b e i e d i l i e f d i d e d : W h e t h e C m a ' b i e i i a d c d i t i a d t h e b a d c i d e t h a t t h e e a i g e h a e , t c k i c e a d e t a e t a l e e h a e f t h e C m a d t e f f e c t i t h a e c a i t a l i z e , t h e C m a m a e d i d e d d i t i b t i i h a e , i d e t h a t t h e a b e c d i t i f d i d e d d i t i b t i i c a h a e f l a t i f i e d . W h e d e t e m i i g t h e e c i f i c a m t f f i t d i t i b t i i h a e , f l c o i d e a i h a l l b e g i e t e h e t h e t a l h a e c a i t a l d i t i b t i f d i d e d i h a</p>	<p>P b l i h i g d a t e f d e t a k i g : M a c h 12, 2015 P e f m a c e e i d f d e t a k i g : b e e e J a a 1, 2015 a d D e c e m b e 31, 2017</p>	Ye	Ye

Background of undertakings	Type of undertakings	Undertaking party	Content of undertakings	Time and term of the undertakings	Has performance period or not	Fulfill in a timely and strict manner or not
			<p>machinery with the consent of the shareholders, subject to the condition that the total amount of the Company's debt shall be taken into consideration in the distribution of the Company's assets with the shareholders. The total amount of the Company's debt shall be taken into consideration in the distribution of the Company's assets with the shareholders.</p> <p>5. Different cash dividend policies: the board of the Company shall take into consideration each factor of the characteristics and development stage of the industry, the Company's operating results, its financial model, earnings level and the interests of major shareholders as a game plan to clarify the following different cash dividend policies according to the conditions stipulated in the Article of Association: (1) when the Company is at the development stage with a major shareholder game plan, the minimum amount of cash dividend for the distribution shall be 80% of the distributable profit; (2) when the Company is at the development stage with a major shareholder game plan, the minimum amount of cash dividend for the distribution shall be 40% of the distributable profit; (3) when the Company is at the development stage with a major shareholder game plan, the minimum amount of cash dividend for the distribution shall be 20% of the distributable profit; when it is hard to clarify the development stage of the Company and the interests of major shareholders as a game plan, the Company shall deal with the distribution according to the following items. 6. If the Company has decided to issue a special dividend but the board of the Company did not issue a cash dividend at the end of the special dividend period, the Company shall comply with the dividend distribution policy of the special dividend and the cash dividend shall be distributed in the dividend distribution policy. The dividend distribution policy shall be issued in accordance with the applicable laws. 7. From the implementation of the distribution policy at the end of each financial year, the board of the Company shall issue a distribution plan to submit to the general meeting for consideration. The distribution plan of the Company shall be approved by the shareholders. The shareholders, the independent directors and the special committee, the chairman of the board, the independent directors and the special committee. After the distribution plan is issued at the general meeting of the Company, the board of the Company shall complete the distribution of dividends (cash) within three months after the general meeting.</p>			

3.4 Explanation on the warning on and reason for the predicted loss in the accumulative net profit for the period from the beginning of the year to the end of next reporting period or possible substantial changes as compared to the corresponding period of last year

Not applicable

Name of the Company: Fuaigla Industrial Group Co., Ltd.
Legal representative: Chen Tak Wing
Date: April 26, 2017

IV. APPENDIX

4.1 Financial statements

Consolidated Balance Sheet

March 31, 2017

Prepared by: F&A Global Limited Group Co., Ltd.

Unit: Yuan; Currency: RMB; Audit Type: Unaudited

Items	Closing balance	Opening balance
Current assets:		
Cash at bank and hand	7,618,654,413	7,211,178,987
Settlement in progress		
Placements		
Financial assets at fair value through profit or loss		1,951,267
Derivative financial assets		
Notes receivable	1,047,431,186	871,597,857
Accounts receivable	2,943,981,474	3,636,343,106
Advances to suppliers	185,350,439	150,956,724
Prepaid expenses		
Reinsurable receivable		
Derivative receivable from insurance contracts		
Intangible assets		
Deferred tax assets		
Other assets	102,651,003	118,430,342
Financial assets measured at fair value		
Intangible assets	3,172,735,514	2,785,865,099
Available-for-sale financial assets		
Non-current receivables	26,853,132	16,936,288
Other receivables	139,691,907	174,699,089
Total current assets	15,237,349,068	14,967,958,759

Items	Closing balance	Opening balance
Non-current assets:		
Land and lease		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivable		
Long-term investments	101,367,778	101,536,425
Intangible intangible		
Fixed assets	9,373,727,233	9,267,464,872
Construction in progress	3,951,338,026	3,821,964,355
Construction material		
Fixed assets under development		
Biological assets		
Oil and gas assets		
Intangible assets	1,144,735,465	1,148,077,027
Deferred tax assets		
Goodwill	74,678,326	74,678,326
Long-term employee benefits	327,862,769	290,472,267
Deferred tax liabilities	192,053,086	193,403,942
Other non-current assets	385,381	289,450
	<u>15,166,148,064</u>	<u>14,897,886,664</u>
Total non-current assets		
	<u>30,403,497,132</u>	<u>29,865,845,423</u>
Total assets		

Items	Closing balance	O e i g bala ce
Current liabilities:		
Share m b V i g	4,644,875,804	4,255,037,518
B V i g f m the ce t al ba k		
C t me a d i te ba k de i t		
B V i g f m i te ba k		
Fi a c i a l l i a b i l i t i e a t f a i r a l e t h g h f i t l	8,495,213	
De i a t i e f i a c i a l l i a b i l i t i e		
N t e a a b l e	918,394,972	613,982,362
A c c t a a b l e	1,187,673,789	1,300,220,344
A d a c e f m c t me	29,528,277	21,435,585
A m t f m a l e f e c h a e d f i a c i a l a e t		
B a k c h a g e a d c m m i i d e		
E m l e e b e f i t a a b l e	233,612,927	420,291,759
T a e a a b l e	410,186,882	558,062,870
I t e e t a a b l e	21,432,953	15,286,048
D i d e d a a b l e		
O t h e a a b l e	953,338,862	1,090,612,474
R e i a c e a c c t a a b l e		
P r i i f i a c e c t a c t		
C t me de i t f t a d i g i e c i t i e		
A m t d e t i e f e c i t i e de V i t i g		
L i a b i l i t i e f d i a l g c l a i f i e d a h e l d - f - a l e		
N - c e t l i a b i l i t i e d e V i t i h i e e a	808,000,000	808,000,000
O t h e c e t l i a b i l i t i e	304,925,971	608,604,575
Total current liabilities	9,520,465,650	9,691,533,535

Items	Closing balance	O e i g bala ce
Non-current liabilities:		
L g-tem b V i g	776,000,000	776,000,000
Debet e a able	797,852,634	797,530,999
I cl di g: P efe e ce ha e Pe et al liabilitie		
L g-tem a able		
L g-tem ala ie a able		
S ecific a able		
Acc ed liabilitie		
Defe ed i c me	478,268,161	481,827,522
Defe ed ta liabilitie	82,769,899	80,407,573
Othe -c et liabilitie		
	<hr/>	<hr/>
Total non-current liabilities	2,134,890,694	2,135,766,094
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	11,655,356,344	11,827,299,629
	<hr/> <hr/>	<hr/> <hr/>

Items	Closing balance	Opening balance
Owners' equity		
Share capital	2,508,617,532	2,508,617,532
Other equity instrument		
Including: Preference share		
- Perpetual liability		
Capital reserve	6,228,753,097	6,228,753,097
Reserve for share issue		
Other comprehensive income	108,601,061	91,038,123
Social reserve		
Surplus reserve	1,634,319,463	1,634,319,463
General reserve		
Undistributed profit	<u>8,263,768,372</u>	<u>7,570,889,309</u>
Total equity attributable to equity holders of the Company	<u>18,744,059,525</u>	<u>18,033,617,524</u>
Minority interest	<u>4,081,263</u>	<u>4,928,270</u>
Total owners' equity	<u>18,748,140,788</u>	<u>18,038,545,794</u>
Total liabilities and owners' equity	<u>30,403,497,132</u>	<u>29,865,845,423</u>

Legal representative:
Cho Tak Wong

Principal accountant:
Chen Xiangming

Head of Accounting Department:
Lin Xuejuan

Balance Sheet of the Company

March 31, 2017

Prepared by: F&A Global Limited Group Co., Ltd.

Unit: Yuan, Currency: RMB Asset Type: Unaudited

Items	Closing balance	Opening balance
Current assets:		
Cash at bank and hand	7,443,594,797	6,587,731,042
Financial assets at fair value through profit or loss		
Derivative financial assets		
Net receivable	998,892,514	800,076,560
Accounts receivable	465,173,830	361,285,253
Advances to suppliers	25,723,335	23,564,221
Interest receivable		
Dividends receivable	2,360,297,323	213,608,642
Other receivable	10,464,233,299	9,856,598,443
Intangible assets	427,809,717	426,578,001
Assets held for sale		
Non-current assets with financial value	1,380,432	839,850
Other non-current assets	33,862,158	21,912,456
Total current assets	22,220,967,405	18,292,194,468

Items	Closing balance	O e i g bala ce
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivable	154,544,320	155,388,800
Long-term investments	5,642,026,761	5,554,988,875
Investment properties		
Fixed assets	586,350,460	616,052,406
Construction in progress	81,208,921	40,770,551
Construction material		
Fixed assets under development		
Biological assets		
Oil and gas assets		
Intangible assets	60,886,141	57,781,176
Deferred tax assets		
Goodwill	48,490,007	48,490,007
Long-term employee benefits	15,473,058	17,335,425
Deferred tax liabilities	4,114,342	5,892,522
Other non-current assets		
Total non-current assets	<u>6,593,094,010</u>	<u>6,496,699,762</u>
Total assets	<u>28,814,061,415</u>	<u>24,788,894,230</u>

Items	Closing balance	Opening balance
Current liabilities:		
Shareholders' Equity	1,370,435,304	426,672,868
Financial liabilities at fair value through profit or loss	6,870,000	
Derivative financial liabilities		
Net trade payable	2,218,205,186	2,123,644,487
Accounts payable	154,579,119	196,871,770
Advance from customers	233,629,845	157,361,156
Employee benefits payable	40,676,390	102,322,228
Taxes payable	122,752,662	147,655,124
Interest payable	20,597,762	12,384,795
Dividends payable		
Other payable	5,948,632,045	4,807,963,309
Liabilities of disposal group classified as held-for-sale		
Non-current liabilities due within one year	808,000,000	808,000,000
Other current liabilities	304,925,971	608,604,575
Total current liabilities	11,229,304,284	9,391,480,312

Items	Closing balance	O e i g bala ce
Non-current liabilities:		
L g-tem b V i g	776,000,000	776,000,000
Debet e a able	797,852,634	797,530,999
I cl di g: P efe e ce ha e Pe et al liabilitie		
L g-tem a able		
L g-tem ala ie a able		
S ecific a able		
Acc ed liabilitie		
Defe ed i c me	28,604,388	27,189,358
Defe ed ta liabilitie	37,028,297	35,782,179
Othe -c et liabilitie		
	<hr/>	<hr/>
Total non-current liabilities	<u>1,639,485,319</u>	<u>1,636,502,536</u>
Total liabilities	<u>12,868,789,603</u>	<u>11,027,982,848</u>

Items	Closing balance	Opening balance
Owners' equity:		
Share capital	2,508,617,532	2,508,617,532
Other equity instrument		
Including: Preference share		
- Preferred liability		
Capital reserve	6,202,552,740	6,202,552,740
Reserve for share issue		
Other comprehensive income		
Social reserve		
Surplus reserve	1,634,319,463	1,634,319,463
Undistributed profit	<u>5,599,782,077</u>	<u>3,415,421,647</u>
Total owners' equity	<u>15,945,271,812</u>	<u>13,760,911,382</u>
Total liabilities and owners' equity	<u>28,814,061,415</u>	<u>24,788,894,230</u>

<i>Legal representative:</i>	<i>Principal, chief accountant:</i>	<i>Head of Finance:</i>
Cho Tak Wong	Chen Xiangming	Lin Xuejuan

Consolidated Income Statement

January to March, 2017

Prepared by: F&A Global Intellectual Group Co., Ltd.

Unit: Yuan; Currency: RMB; Attribute: Unaudited

Items	Amount for the current period	Amount of the corresponding period in the year
I. Total operating revenue	4,197,598,309	3,567,039,473
Included in: Operating revenue	4,197,598,309	3,567,039,473
Intellectual property		
Performance fee		
Income from handling fee		
and commission		
II. Total cost of sales	3,343,866,027	2,860,666,862
Included in: Cost of sale	2,344,169,420	1,991,303,838
Intellectual property		
Handling fee and commission		
and fee		
Sale of material		
Net operating expenses		
commission and material		
Net operating expenses		
contract		
Operating expenses		
related		
Reimbursement		
Tax and charge	47,680,613	32,750,204
Selling and distribution expenses	314,753,365	285,242,655
General administrative expenses		
and fee	609,978,100	500,257,443
Financial expenses	26,025,477	49,545,355
Asset impairment loss	1,259,052	1,567,367
Add: Profit adjustment		
change in fair value		
(increased or decreased)		
and	-3,576,480	-1,676,009
Intellectual property (increased or decreased)	-168,647	1,089,746
Included in: Share of profit		
from associate		
and joint venture		
and	-168,647	1,089,746
Gain from foreign exchange (increased or decreased)		

Items	Amount for the current period	Amount of the comparative period
III. Operating profit (losses are represented by “-”)	849,987,155	705,786,348
Add: Non-recurring income	26,774,830	8,699,079
Including: Gain on disposal of -related assets	97,157	93,623
Less: Non-recurring expense	14,652,169	3,988,416
Including: Loss on disposal of -related assets	14,445,250	3,424,351
IV. Total Profit (total losses are represented by “-”)	862,109,816	710,497,011
Less: Income tax expense	170,077,760	128,121,996
V. Net Profit (losses are represented by “-”)	692,032,056	582,375,015
Profit attributable to the equity holders of the Company	692,879,063	583,071,294
Minority interest	-847,007	-696,279
VI. Net amount of other comprehensive income after tax	17,562,938	15,298,734
Net amount of the comprehensive income after tax attributable to the equity holders of the Company	17,562,938	15,298,734
(I) Other comprehensive income which will be classified as equity		
gain		
1. Change in measurement of liabilities related to defined benefit plan		
2. Share in the comprehensive income which will be classified as equity		
(i) Investment in the equity method		

Items	Amount for the current period	Amount of the comprehensive income attributable to equity holders
(II) Other comprehensive income which will be classified as non-current liabilities	17,562,938	15,298,734
1. Share in the comprehensive income which will be classified as non-current liabilities		
2. Gain from change in fair value of available-for-sale financial assets		
3. Gain from reclassification of held-to-maturity investments as available-for-sale financial assets		
4. Validating financial instrument hedge gain/loss		
5. Difference in exchange rate of financial instrument	17,562,938	15,298,734
6. Other		
Net amount of the comprehensive income attributable to equity holders		
VII. Total comprehensive income	709,594,994	597,673,749
Total comprehensive income attributable to the equity holders of the Company	710,442,001	598,370,028
Total comprehensive income attributable to minority shareholders	-847,007	-696,279
VIII. Earnings per share		
(1) Basic earnings per share (RMB/ordinary share)	0.28	0.23
(2) Diluted earnings per share (RMB/ordinary share)	0.28	0.23

For the purpose of the independent audit of the financial statements, the audit firm engaged by the merged audit before the merger is RMB0, and the audit firm engaged by the merged audit after the merger is RMB0.

	<i>Principal, Chairman of the Board</i>	<i>Head of the Accounting Firm</i>
<i>Legal Representative:</i>	<i>Accountant:</i>	<i>Deputy:</i>
Cho Tak Wong	Chen Xiangming	Lin Xuejuan

Income Statement of the Company

January to March, 2017

Prepared by: F&A Global Intellectual Group Co., Ltd.

Unit: Yuan; Currency: RMB; Audit Type: Unaudited

Items	Amount for the current period	Amount of the corresponding period in the prior year
I. Operating revenue	991,685,651	1,191,673,793
Lease: Contract revenue	916,761,889	1,028,380,605
Take and change	4,758,344	4,033,231
Selling and distribution fees	50,440,067	56,138,315
General administrative fees	97,265,279	80,708,298
Financial fees	19,626,471	41,299,868
Administrative fees	557,690	1,395,606
Add: Profit arising from change in fair value (losses are represented by "-")		675,290
Investment income (losses are represented by "-")	2,282,822,787	1,730,954,198
Included in: Share investment income adjusted	724,596	1,089,746
II. Operating profit (losses are represented by "-")	2,185,098,698	1,711,347,358
Add: Non-operating income	2,604,196	995,623
Included in: Gain from disposal of non-current assets		16,548
Lease: Non-operating expenses	318,167	1,657,990
Included in: Loss from disposal of non-current assets	318,167	1,649,022
III. Total Profit (total losses are represented by "-")	2,187,384,727	1,710,684,991
Lease: Income tax expense	3,024,297	2,783,970
IV. Net Profit (net losses are represented by "-")	2,184,360,430	1,707,901,021

Items	Amount for the current period	Amount of the cumulative effect of the revisions
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income which will be reclassified to profit or loss		
1. Change in measurement of liabilities and defined benefit liabilities		
2. Share in the comprehensive income which will be reclassified to profit or loss of the investee using the equity method		
(II) Other comprehensive income which will not be reclassified to profit or loss		
1. Share in the comprehensive income which will be reclassified to profit or loss of the investee using the equity method		
2. Gain or loss from change in fair value of available-for-sale financial assets		
3. Gain or loss from reclassification of held-to-maturity investments to available-for-sale financial assets		
4. Valid at-fair value of financial hedging contracts		
5. Difference in exchange rates of foreign financial statements		
6. Other		
VI. Total comprehensive income	2,184,360,430	1,707,901,021

VII. Earnings per share:

(1) Basic earnings per share (RMB/ordinary share)	Not applicable	Not applicable
(2) Diluted earnings per share (RMB/ordinary share)	Not applicable	Not applicable

Principal Accounting Officer *Head of the Accounting Department*
Lead Auditor *Accountant* *Director*
Cho Tak Wong **Chen Xiangming** **Lin Xuejuan**

Consolidated Cash Flow Statement

January to March, 2017

Prepared by: F&A Global Limited Group Co., Ltd.

Unit: Yuan, Currency: RMB, Attribute: Unaudited

Items	Amount for the current period	Amount of the corresponding period
I. Cash flows from operating activities:		
Cash received from sale of goods and services	5,188,972,399	3,826,823,060
Net increase in cash and bank deposits		
Net increase in bank deposits from the central bank		
Net increase in inter-bank deposits from the financial institution		
Cash received from financing activities		
Net cash received from financing activities		
Net increase in deposits held as time deposit		
Net increase in deposits held as official accounts and other deposits, calculated in full in the consolidated		
Cash received from interest, fee and commission		
Net increase in bank deposits		
Net increase in cash received from exchange		
Repayment and charge	56,272,360	36,231,893
Cash received relating to the operating activities	<u>57,178,068</u>	<u>22,102,132</u>
Sub-total of cash inflows from operating activities	<u>5,302,422,827</u>	<u>3,885,157,085</u>

Items	Amount for the current period	Amount of the preceding period
Cash aid for good and service	2,651,604,112	2,045,989,694
Net increase in net financial assets		
Net increase in deposits in the central bank and the bank deposits		
Cash aid for community development digital finance contact		
Cash aid for interest, fee and commission		
Cash aid for insurance liability		
Cash aid to and behalf of employees	986,043,232	764,501,615
Payment of trade and change	558,765,495	438,049,952
Cash aid relating to the operating activities	<u>53,674,521</u>	<u>41,596,480</u>
Sub-total of cash outflows from operating activities	<u>4,250,087,360</u>	<u>3,290,137,741</u>
Net cash flows from operating activities	<u>1,052,335,467</u>	<u>595,019,344</u>
II. Cash flows from investing activities:		
Cash received from disposal of investment		
Cash received from investment		
Net cash received from disposal of fixed assets, intangible assets and the long-term assets	11,858,878	10,436,645
Net cash received from disposal of subsidiary and the business		
Cash received relating to the investing activities	<u>3,521,710</u>	<u>1,000,000</u>
Sub-total of cash inflows from investing activities	<u>15,380,588</u>	<u>11,436,645</u>

Items	Amount for the current period	Amount of the change during the period
Cash paid to acquire fixed assets, intangible assets and the long-term assets	695,352,632	887,488,998
Cash paid to acquire investment Net increase in received loans Net cash paid to acquire subsidiaries and the business unit		
Cash paid relating to the investing activities	<u>300,000,000</u>	
Sub-total of cash outflows from investing activities	<u>995,352,632</u>	<u>887,488,998</u>
Net cash flows from investing activities	<u>-979,972,044</u>	<u>-876,052,353</u>
III. Cash flows from financing activities:		
Cash received from capital contribution Including: Cash received from capital contribution by minority shareholders of subsidiaries		
Cash received from issuing Cash received from issuance of debt	1,546,645,436	1,624,436,869
Cash received relating to the financing activities		<u>300,000,000</u>
Sub-total of cash inflows from financing activities	<u>1,546,645,436</u>	<u>1,924,436,869</u>

Items	Amount for the current period	Amount for the preceding period
Cash payments for working capital expenditures	1,456,807,150	969,850,397
Cash payments for the acquisition of property, plant and equipment	33,591,896	28,141,295
Including: Cash payments for the acquisition of intangible assets		
Cash payments related to financing activities	<u>1,490,399,046</u>	<u>999,127,541</u>
Sub-total of cash outflows from financing activities	<u>1,490,399,046</u>	<u>999,127,541</u>
Net cash flows from financing activities	<u>56,246,390</u>	<u>925,309,328</u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-32,948,311	-27,653,747
V. Net increase in cash and cash equivalents	95,661,502	616,622,572
Add: Cash and cash equivalents balance at the beginning of the period	7,198,834,331	5,906,233,126
VI. Cash and cash equivalents balance at the end of the period	<u>7,294,495,833</u>	<u>6,522,855,698</u>

<i>Prepared by:</i>	<i>Principal Accountant:</i>	<i>Head of Accounting:</i>
Cho Tak Wong	Chen Xiangming	Lin Xuejuan

Cash Flow Statement of the Company

January to March, 2017

Prepared by: Foshan Glaxo Intellectual Property Co., Ltd.

Unit: Yuan; Currency: RMB; Attribute: Unaudited

Items	Amount for the current period	Amount of the corresponding period
I. Cash flows from operating activities:		
Cash received from sale of goods and services	828,653,998	826,561,532
Repayment of trade payables	50,534,106	27,263,742
Cash received relating to the operating activities	<u>662,548,738</u>	<u>220,216,897</u>
Sub-total of cash inflows from operating activities	<u>1,541,736,842</u>	<u>1,074,042,171</u>
Cash paid for goods and services	1,025,139,005	822,355,700
Cash paid on behalf of employees	134,271,707	129,403,034
Payment of trade payables	31,536,824	33,065,128
Cash paid relating to the operating activities	<u>88,690,959</u>	<u>62,643,203</u>
Sub-total of cash outflows from operating activities	<u>1,279,638,495</u>	<u>1,047,467,065</u>
Net cash flows from operating activities	<u>262,098,347</u>	<u>26,575,106</u>

Items	Amount for the current period	Amount of the concerning period ended at the
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from sale of investments	135,409,511	
Net cash received from disposal of fixed assets, intangible assets and the long- term assets	323,175	232,532
Net cash received from disposal of subsidiaries and the branches of Cash received relating to the investing activities		
Sub-total of cash inflows from investing activities	135,732,686	232,532
Cash paid for acquisition of assets, intangible assets and the long-term assets	52,731,893	11,599,265
Cash paid for acquisition of investments	86,313,289	
Net cash paid for acquisition of subsidiaries and the branches of		
Cash paid relating to the investing activities	300,000,000	
Sub-total of cash outflows from investing activities	439,045,182	11,599,265
Net cash flows from investing activities	-303,312,496	-11,366,733

Items	Amount for the current period	Amount of the concerning period ended
III. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from bank borrowings	1,301,902,701	274,014,729
Cash received relating to the financing activities		300,000,000
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	1,301,902,701	574,014,729
	<hr/> <hr/>	<hr/> <hr/>
Cash payment for bank borrowings	658,140,265	218,903,397
Cash payment for interest expense and distribution of dividend	13,460,506	10,742,167
Cash payment relating to the financing activities		1,135,849
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	671,600,771	230,781,413
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from financing activities	630,301,930	343,233,316
	<hr/> <hr/>	<hr/> <hr/>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-33,224,026	-28,122,143
	<hr/>	<hr/>
V. Net increase in cash and cash equivalents	555,863,755	330,319,546
Add: Cash and cash equivalents balance at the beginning of the period	6,587,731,042	5,809,618,357
	<hr/>	<hr/>
VI. Cash and cash equivalents balance at the end of the period	7,143,594,797	6,139,937,903
	<hr/> <hr/>	<hr/> <hr/>

Prepared, checked and approved:
Accountant: **Chen Xiangming** *Head of the Accounting Department:* **Lin Xuejuan**
Cho Tak Wong

4.2 Audit Report

Not applicable