

Stock Code: 000026 200026

Short Form of Stock: FIYTA A, FIYTA B

Announcement No: 2016-038

FIYTA Holdings Ltd.

2016 Third Quarterly Report, Text

Section 1 Important Notes

The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives hereby individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this Quarterly Report and confirm that there are neither material omissions nor errors which would render any statement misleading.

All the directors attended the board meeting for reviewing the Quarterly Report.

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

Section 2 Financial Summary and Change of Shareholders

I. Key Accounting Data and Financial Indicators

Have the accounting data of the previous year undergone retroactive adjustment or restatement due to the change of accounting policy and/or correction of accounting errors, etc.?

No

	End of the reporting period	End of the previous year	Increase/decrease of the end of the Reporting Period vs the end of the previous year	
Total assets, in CNY	3,990,719,087.18	4,246,670,045.02	-6.03%	
Net assets attributable to the Company's shareholders, in CNY	2,372,769,004.61	2,299,215,650.21	3.20%	
	Reporting period	Increase/decrease of the Reporting Period vs the same period of the previous year	from year beginning to the end of the Reporting Period	Increase/decrease of the reporting period vs the same period of the previous year (%)
Operating revenue, in CNY	754,607,535.18	-3.76%	2,234,135,318.36	-9.47%
Net profit attributable to the Company's shareholders, in CNY	47,988,842.36	43.23%	108,321,268.16	1.60%
Net profit attributable to the Company's shareholders less the non-recurring items, in CNY	47,744,294.43	52.19%	107,356,110.63	3.90%
Net cash flows arising from operating activities, in CNY	--	--	291,041,032.07	12.27%
Basic earning per share (CNY/share)	0.1090	27.78%	0.2469	-9.03%
Diluted earning per share (CNY/share)	0.1090	27.78%	0.2469	-9.03%
Net assets-income ratio, weighted average	0.02%	3.18%	0.05%	-26.97%

In CNY

Items	From year beginning to the end of the reporting period	Notes
Gain and loss from disposal of non-current assets, including the part offset with the provision for impairment of assets	-227,443.75	Gain/Loss from disposal of partial obsolete office fixed assets in the reporting period
Government subsidy recognized in current gain and loss (excluding those closely related to the Company's business and granted under the state's policies according to certain quota of amount or volume)	1,296,015.95	Government subsidy counted to the current gain and loss
Income and expenses from the business other than the above items	150,960.07	Other various non-operating revenue and expenditure
Less: Amount affected by the income tax	254,374.74	
Total	965,157.53	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Inapplicable

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

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

In shares

Total shareholders of common shares at the end of the reporting period		38,418	Total shareholders of preferred shares with voting power recovered (if any)		0	
Shares held by the Top Ten Common Shareholders						
Shareholders' Names	Nature of Shareholders	Proportion of shares held	Number of shares held	Number of restricted shares held	Pledged or frozen	
					Status of the shares	Q'ty
AVIC International Holdings Limited	State corporate shareholder	37.15%	162,977,327	0		

Golden Eagle-Minsheng Bank-Golden Eagle-Wens – Junye Flexible Configuration No. 3 Assets Management Plan	Domestic non-state corporate shareholder	2.08%	9,131,232	4,674,329		
Manulife Teda Fund – Minsheng Bank - Manulife Teda Value Growth Oriented additional issuance No. 351 Asset Management Plan	Domestic non-state corporate shareholder	2.07%	9,093,259	9,093,259		
Sws Mu Assets-China Merchants Bank – China Resources Sztitic Trust – Ruihua Fixed Growth Hedge Fund No. 2 Assembled Funds Trust Plan	Domestic non-state corporate shareholder	1.92%	8,429,118	8,429,118		
Tibet Autonomous Region Investment Co., Ltd.	State corporate shareholder	1.13%	4,976,551	4,976,551		

Manulife Teda Fund – ICBC – Manulife Teda International Trade Orient Dingzengbao No. 1 Assets Management Plan	Domestic non-state corporate shareholder	1.04%	4,546,630	4,546,630		
Dai Wen	Domestic natural person	0.46%	2,009,321	0		
Essence International Securities (Hong Kong) Limited	Overseas corporate	0.46%	2,000,000	0		
Manulife Teda Fund – ICBC –FORTUNE Securities Co., Ltd.	Domestic non-state corporate shareholder	0.38%	1,667,097	1,667,097		
China Merchants Securities (HK) Co., Limited	Overseas corporate	0.30%	1,316,969	0		

Shareholding of the Top 10 Shareholders of Non-restricted Shares

Shareholder's Name	Quantity of Non-restricted Shares Held	Share type	
		Share type	Quantity
AVIC International Holdings Limited	162,977,327	A-shares	162,977,327
Golden Eagle-Minsheng Bank-Golden Eagle-Wens – Junye Flexible Configuration No. 3 Assets Management Plan	4,456,903	A-shares	4,456,903
Dai Wen	2,009,321	A-shares	2,009,321
Essence International Securities (Hong Kong) Limited	2,000,000	B-shares	2,000,000
China Merchants Securities (HK) Co., Limited	1,316,969	B-shares	1,316,969
Vanguard Investment Australia Ltd. -Vanguard Emerging Markets Stock Index Fund (VEIEX)	1,190,485	A-shares	1,190,485
Li Zengjie	1,181,800	A-shares	1,181,800

China Merchants Securities	1,174,000	A-shares	1,174,000
Liu Caixiang	1,135,200	A-shares	1,135,200
Hu Yongtian	891,400	A-shares	891,400
Note to the associated relationship or consistent action among the aforesaid shareholders	Among the top 10 shareholders, China Merchants Securities (HK) Co., Limited is a wholly-owned subsidiary of China Merchants Securities Co., Limited and the two are persons acting in concert, and all the 2,490,969 shares held by them are outstanding shares, taking 0.57% of the Company's total shares.		
Note to the top 10 shareholders of common shares involved in margin financing & securities lending (if any)	Inapplicable		

Was any of the top 10 shareholders of commons shares or any of the top 10 shareholders of non-restricted commons shares involved in any contractual repurchase trade?

No.

2. Total shareholders of preferred shares and statement of shareholding by the top 10 shareholders of preferred shares

Inapplicable

Section 3 Significant Events

I. Changes in Items of the Major Accounting Statements and Financial Indicators and the Causes during the Reporting Period

I. Items in Balance Sheet

Items	Ending balance	Opening balance	Change rate (%)	Cause of Change
Notes receivable	4,812,452.93	7,197,788.08	-33.14%	It mainly refers to that the notes receivable were due at the beginning of the year and the payment concerned was recovered.
Prepayments	34,068,040.16	48,869,563.60	-30.29%	It mainly refers to that the partial advance payment for goods got settled ended the reporting period.
Other non-current assets	13,347,286.42	5,118,833.65	160.75%	Ended the reporting period, the advance payment for long term assets increased in comparison with year beginning
Accounts payable	63,383,403.37	155,939,686.54	-59.35%	Trad accounts payable during the reporting period decreased over the beginning of the year.
Remuneration payable to the employees	25,719,412.15	39,396,747.95	-34.72%	It mainly referred to that the year-end bonus payable to employees for year 2015 was paid at the beginning of 2016.
Interest payable	1,435,529.64	19,211,630.02	-92.53%	It mainly refers to the interest of "12 YADA BOND" for year 2015 payable at the beginning of the year was already paid at the beginning of 2016.
Non-current liabilities due within a year	17,210,000.00	108,914,000.00	-84.20%	The long term bank loan due within a year increased over the beginning of the year.
Other current liabilities	10,431,342.62	1,988,252.38	424.65%	Expenses provided at the end of the reporting period increased over the beginning of the reporting period.
Long term borrowings	125,838,844.52	90,994,964.33	38.29%	Specific project loan for Guangming New Zone Watch Industrial Base during the reporting period increased over the beginning of the year.

Bonds payable		- 399,823,760.28	-100.00%	"12 YADA Bond" was redeemed on February 29, 2016
Other comprehensive income	-8,038,615.37	-17,145,189.71	-53.11%	The translation reserve as at the end of the reporting period increased over the beginning of the reporting period.

II. Items in Profit Statement

Items	Reporting period	Same Period of the Previous Year	Change rate (%)	Cause of Change
Loss from impairment of assets	1,909,350.83	797,169.61	139.52%	Reserve for bad debt of accounts receivable provided during the reporting period increased over the same period of the previous year.
Non-operating income	442,044.51	2,842,638.40	-84.45%	The government subsidy received during the reporting period decreased over the same period of the previous year.
Non-operating expenses	95,903.50	33,411.19	187.04%	Loss from scrapped non-current assets during the reporting period increased over the same period of the previous year.
Total profit	63,596,712.02	43,982,574.31	44.60%	The gross interest rate increased stimulated by downsizing inefficient shops, strict control over expenditures, adjustment of income structure, etc. and the overall earning power increased to some extent.
Income tax expenses	15,748,647.67	10,202,545.06	54.36%	It was mainly due to increase of the total profit during the reporting period.

III. Cash Flow Statement Items

Items	From year beginning to the end of the Reporting Period	Same Period of the Previous Year	Change rate (%)	Cause of Change
Net amount of cash received from disposal of fixed assets, intangible assets and other long term assets	4,142,748.05	196,417.11	2009.16%	It mainly refers to disposal of partial inefficient fixed assets during the reporting period

Cash received from borrowings	865,749,959.13	1,560,609,499.90	-44.52%	Bank loan during the reporting period decreased over the same period of the previous year.
Other fund-raising related cash payments	992,669.19	151,274,743.60	-99.34%	It mainly refers to the borrowing returned to AVIC International Holdings amounting to CNY 150 million in the same period of the previous year.

II. Progress of Significant Events and their Influences and Notes to Analysis on Solutions

1. About Non-public Issuing of A-shares

The 18th meeting of the Seventh Board of Directors held on April 16, 2015 reviewed and approved the Proposal on the Plan for Non-public Issuing of A-shares to the Specified Investors and other relevant proposal(s). For the detail, refer to the Announcement on the Resolutions of the 18th Meeting of the Seventh Board of Directors. 2015-008;

On June 2, 2015, the Company received the Official Reply to some Issues concerning Non-public Issuing of A-shares by FIYTA Holdings Ltd. (GUO ZI CHAN QUAN [2015] No. 415 from the State-owned Assets Supervision and Administration Commission of the State Council. For the detail, refer to the Announcement on the Official Reply of the State-owned Assets Supervision and Administration Commission of the State Council to some Issues concerning Non-public Issuing 2015-08 disclosed on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

2014 Annual General Meeting held on June 17, 2015 reviewed and approved the Proposal on the Plan for Non-public Issuing of A-shares to the Specified Investors and other relevant proposals, for the detail, refer to the Announcement on the Resolution of 2014 Annual General Meeting 2015-020 disclosed on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

On July 1, 2015, the Company received the Notice of China Securities Regulatory Commission on Accepting the Application for Administrative Licensing issued by China Securities Regulatory Commission (CSRC) (No. 152013). For the detail, refer to the Announcement on Accepting Application for Non-public Issuing of A-shares by China Securities Regulatory Commission 2015-021 disclosed on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn;

On September 8, 2015, the Company received the Notice on the Feedback Opinions of China Securities Regulatory Commission on Examination of the Administrative Licensing Project (No. 152013). For the detail, refer to the Announcement on the Receiving of the Notice on the Feedback Opinions of China Securities Regulatory Commission on Examination of the Administrative Licensing Project 2015-034 disclosed on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn;

The Company and the relevant intermediary carefully studied and implemented the Feedback Opinions, supplemented the materials and submitted reply to the questions according to the requirements of the Feedback Opinions. For the detail, refer to the Announcement on the Reply to the Feedback Opinions on the Application for Non-public Issuing of A-shares 2015-035, disclosed on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn;

The 17th meeting of the Seventh Board of Directors and 2014 Annual General Meeting reviewed and approved the Profit

Distribution Plan for Year 2014. According to the relevant provisions of the Rules for Implementation on Non-public Issuing of Listed Companies, etc., if the Company had ex-rights/ex-dividend events such as dividend distribution, bonus shares distribution, conversion of capital reserve into share capital, etc., during the period from the pricing benchmark to the issuing day, the issuing price would be adjusted correspondingly. Within the authorization by the Board of Directors, the Company made adjustment of the plan of the non-public issuing of A-shares. For the detail, refer to the Announcement on Adjustment of the Issuing Price and Issuing Volume of the A-shares to be Issued in a Non-public Way 2015-036, disclosed on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

In compliance with the Feedback Opinions, the Company disclosed the Announcement on the Indication of Risk of Diluting the Immediate Returns from the Non-public Issuing and the Measures the Company Intends to Take 2015-037 and the Announcement on the Penalty Given or Supervision Measures Taken by the Securities Regulatory Authority and the Stock Exchange in the Past Five Years 2015-038;

On October 30, 2015, the application for non-public issuing of A-shares was approved by CSRC Securities Issuance Examination Committee. For the detail, refer to the Announcement on Approval of the Application for Non-public Issuing of A-shares by CSRC Securities Issuance Examination Committee, 2015-042;

On November 17, 2015, the Company received the Official Reply to FIYTA Holdings Ltd. for Approval of Non-public Issuing of Shares of (ZHENG JIAN XU KE [2015]No. 2588). For the detail, refer to the Announcement on Approval of the Application for Non-public Issuing of A-shares by China Securities Regulatory Commission 2015-043;

On January 15, 2016, the Company's A-shares issued in a non-public way got listed with Shenzhen Stock Exchange and the Company published the announcement for listing and the announcement on the related commitments. For the detail, refer to the Report on the Non-public Issuing and Announcement on Listing 2016-003 and the Announcement on the Commitments for the Shares Issued in a Non-public Way 2016-004.

2. Engagement of CPAs

The 11th meeting of the Eighth Board of Directors held on October 25, 2016 reviewed and approved the Proposal on Engagement of CPAs, and planned to engage Ruihua Certified Public Accountants LLP as the Company's independent auditor and auditor of the Company's internal controls for year 2016. For the detail, refer to the Announcement on the Resolutions of the 11th Meeting of the Eighth Board of Directors 2016-036 and the Announcement on Engagement of the CPAs 2016-037. The matter is subject to review and approval by the General Meeting before implementation.

Summary of Significant Events	Date of Disclosure	Website where the provisional reports are disclosed for inquiry index
Report on the Non-public Issuing and Announcement on Listing 2016-003	January 14, 2016	www.cninfo.com.cn
Announcement on the Commitments for the Shares Issued in a Non-public Way 2016-004	January 14, 2016	www.cninfo.com.cn
Announcement on the Resolution of the 11 th Meeting of the Eighth Board of Directors 2016-036	October 27, 2016	www.cninfo.com.cn
Announcement on Engagement of	October 27, 2016	www.cninfo.com.cn

the CPAs 2016-037		
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III. Commitments Completed in Implementation by the Company, its Shareholders, Actual Controller, Acquirer, Directors, Directors, Senior Executives or other Related Parties during the Reporting Period or Uncompleted in Implementation by the End of the Reporting Period

Commitments	Promisers	Commitment type	Description	Time of commitment	Commitment deadline	Implementation status
Commitment for Equity Separation Reform						
Commitments in the acquisition report or the written report on change of equity						
Commitment made at the time of asset reorganization						

<p>Commitment made at IPO or re-financing</p>	<p>Caitong Fund Management Co., Ltd.; MANULIFE TEDA Fund Management Co, Ltd.; Xizang Investment Co., Ltd.; Golden Eagle Asset Management Co.,Ltd.; Sws Mu Fund Management Co., Ltd</p>	<p>Comitmentfor restriction on sales of the shares</p>	<p>Commitment of the investors of the non-public issuing - Caitong Fund Management Co., Ltd., MANULIFE TEDA Fund Management Co, Ltd., Xizang Investment Co., Ltd., Golden Eagle Asset Management Co.,Ltd., Sws Mu Fund Management Co., Ltd: the shares subscribed by them from the non-public issuing shall not be transferred in 12 months commencing from the dater of listing.</p>	<p>January 15, 2016</p>	<p>1 year</p>	<p>In process of implementation</p>
<p>Equity incentive comitment</p>						
<p>Other commitments to the minority shareholders</p>						
<p>Has the commitment been implemented in a timely way?</p>	<p>Yes</p>					
<p>In case any commitment has not yet been implemented within the deadline,</p>	<p>Inapplicable</p>					

state in detail the specific cause of the failure and the future working plan	
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IV. Prediction of the Operation Results of Year 2016

Inapplicable

V. Investment in Securities

Inapplicable

VI. Investment in Derivatives

Inapplicable

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

Inapplicable

VIII. Outward Guarantee against the Regulations

Inapplicable

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

Inapplicable

Board of Directors of
FIYTA Holdings Ltd.
October 27, 2016