

Chengde Nanjiang Co., Ltd.

Text of First Quarterly Report 2017

Section I. Important Notes

Board of Directors and the Supervisory Committee of Chengde Nanjiang Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.

All Directors are attended the Board Meeting for Quarterly Report deliberation. Zhao Yongsheng, Person in charge of the Company, Zhao Yongsheng, person in charger of accounting works and Liu Guofeng, person in charger of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

Section II. Company Information

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

☐ Yes ☒ No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	87,228,836.17	46,379,194.49	88.08%
Net profit attributable to shareholders of the listed company(RMB)	574,010.77	1,078,731.20	-46.79%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	558,913.81	1,147,902.15	-51.31%
Net cash flow arising from operating activities(RMB)	27,058,484.62	30,707,074.03	-11.88%
Basic earnings per share (RMB/Share)	0.001	0.002	-50.00%
Diluted earnings per share (RMB/Share)	0.001	0.002	-50.00%
Weighted average ROE (%)	0.16%	0.31%	-0.15%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	555,005,579.60	626,756,827.34	-11.45%
Net assets attributable to shareholder of listed company (RMB)	360,400,461.76	359,826,450.98	0.16%

Items of non-recurring gains and losses

☒ Applicable ☐ Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Other non-operating income and expenditure except for the aforementioned items	15,096.97	
Total	15,096.97	--

Concerning the extraordinary profit (gain)/loss defined by Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss, explain reasons

☐ Applicable ☒ Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*

II. Total number of shareholders at the end of this report period and top ten shareholders

1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In shares

Total number of common shareholders at the end of report period		19,555		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders							
Shareholder’s name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-tradable shares held	Number of share pledged/frozen		
					State of share	Amount	
Wang Dong	Domestic natural person	29.49%	208,324,800	208,324,800	Frozen	208,324,800	
China Everbright Securities (HK) Limited	Overseas legal person	13.28%	93,833,093	0			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	6.87%	48,524,062	0			
Chengde North Industrial Corporation	Domestic non-state-owned legal person	2.62%	18,517,651	18,517,651			
Wang Zhengsong	Domestic natural person	1.89%	13,327,891	13,327,891			
Wang Wensheng	Domestic natural person	1.03%	7,258,007	0			
Zhou Haihong	Domestic natural person	0.95%	6,708,495	0			
Li Tianyun	Domestic natural person	0.73%	5,158,000	0			
Shenwan Hongyuan Securities (H.K.) Co., Ltd.	Overseas legal person	0.71%	4,995,920	0			

Chen Yan	Domestic natural person	0.57%	4,023,256	0		
Top ten shareholders with tradable shares held						
Shareholder's name	Amount of tradable shares held	Type of shares		Type	Amount	
China Everbright Securities (HK) Limited	93,833,093	Domestically listed foreign shares			93,833,093	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	48,524,062	Domestically listed foreign shares			48,524,062	
Wang Wensheng	7,258,007	Domestically listed foreign shares			7,258,007	
Zhou Haihong	6,708,495	Domestically listed foreign shares			6,708,495	
Li Tianyun	5,158,000	Domestically listed foreign shares			5,158,000	
Shenwan Hongyuan Securities (H.K.) Co., Ltd.	4,995,920	Domestically listed foreign shares			4,995,920	
Chen Yan	4,023,256	Domestically listed foreign shares			4,023,256	
Zhao Ziyang	3,286,616	Domestically listed foreign shares			3,286,616	
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,182,875	Domestically listed foreign shares			3,182,875	
Peng Wei	2,978,525	Domestically listed foreign shares			2,978,525	
Explanation on associated relationship among the aforesaid shareholders	The Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “management method for acquisition of listed company” among the above said shareholders.					
Explanation on top ten shareholders involving margin business (if	N/A					

applicable)	
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Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

☐ Yes ☒ No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

☐ Applicable ☒ Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√Applicable □Not applicable

Serial	Item	Ending balance	Opening balance	Changes		Reasons
				Amount changed	Ratio changed	
1	advanced payment	18,259.96	18,250,328.13	-18,232,068.17	-99.90%	advanced payment return in the period
2	Other current assets	10,412,747.92	19,177,045.07	-8,764,297.15	-45.70%	Taxes paid in advance are carry forward to gain/loss
3	Account payable	9,022,489.62	12,889,329.86	-3,866,840.24	-30.00%	Settlement of payables in the period
4	Account received in advance	176,713,205.38	243,917,918.70	-67,204,713.32	-27.55%	The money received in advance for house are carry forward to income in the period
5	Operation venue	87,228,836.17	46,379,194.49	40,849,641.68	88.08%	The real estate project carry forward to income in the period
6	Operation cost	75,306,291.18	36,430,367.17	38,875,924.01	106.71%	The real estate project carry forward to income in the period
7	Business tax and surcharg	6,626,909.61	2,726,869.98	3,900,039.63	143.02%	The real estate project carry forward to income in the period
8	Net cash flow from investment activities	-772,124.20	-26,108,450.99	25,336,326.79	-97.04%	Investment expenditure decreased in the period

II. Analysis and explanation of significant events and their influence and solutions

□ Applicable √ Not applicable

III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

□ Applicable √ Not applicable

Nil

IV. Predict of the business performance from January to June 2017

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

□Applicable √Not applicable

V. Securities Investment

☐ Applicable ☒ Not applicable

No security investment in Period.

VI. Derivative investment

☐ Applicable ☒ Not applicable

No derivative investment in the Period.

VII. Registration form for receiving research, communication and interview in the report period

☒ Applicable ☐ Not applicable

Time	Way	Type	Basic situation index of investigation
2017-01-24	Telephone communication	Individual	Progress of the suspension of the Company, no materials required
2017-02-20	Telephone communication	Individual	Current condition of the Company, no materials required
2017-03-21	Telephone communication	Individual	Operation of the Company, no materials required

VIII. Guarantee outside against the regulation

☐ Applicable ☒ Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

IX. Non-operational fund occupation from controlling shareholders and its related party

☐ Applicable ☒ Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party in the period.

