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ANNOUNCEMENT IN RELATION TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF DIGITAL CHINA INFORMATION SERVICE COMPANY LTD.* FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

This announcement is made by Digital China Holdings Limited (the “**Company**”) pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby notifies that the unaudited consolidated financial results of 神州數碼信息服務股份有限公司 (Digital China Information Service Company Ltd.*) (“**DCITS**”) and its subsidiaries for the third quarter ended 30 September 2016 (the “**Results**”) has been released on 25 October 2016. DCITS is the Company’s 42.44% non-wholly-owned subsidiary, the shares of which are listed on the Shenzhen Stock Exchange.

The following is a summary of the Results together with the comparative figures of DCITS and its subsidiaries for the previous corresponding financial period:

Digital China Information Service Company Ltd.*				
Summary of the unaudited consolidated financial results of DCITS				
For the third quarter ended 30 September 2016				
	Three months ended 30 September 2016 (unaudited) RMB'000	Nine months ended 30 September 2016 (unaudited) RMB'000	Three months ended 30 September 2015 (unaudited) RMB'000	Nine months ended 30 September 2015 (unaudited) RMB'000
Revenue	1,912,546	5,470,607	1,657,259	4,527,603
Net profit before taxation	50,324	126,222	89,746	195,449
Net profit for the period	42,489	123,463	77,810	173,179
Net profit attributable to DCITS's shareholders	43,913	123,334	68,877	180,359

Please refer to the full text of the Results attached to this announcement for details.

Shareholders and investors of the Company are reminded that the information above relates to the financial information of the Company's 42.44% non-wholly-owned subsidiary, rather than that of the Company. The financial information in this announcement is based on preliminary financial data of DCITS and has not been audited or reviewed by its auditors.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Digital China Holdings Limited
(神州數碼控股有限公司*)
GUO Wei
Chairman

Hong Kong, 25 October 2016

At the publication of this announcement, the Board comprises seven Directors, namely:

Executive Directors: Mr. GUO Wei (Chairman) and Mr. LIN Yang (Chief Executive Officer)

Independent Non-executive Directors: Mr. WONG Man Chung, Francis, Ms. NI Hong (Hope), Dr. LIU Yun, John, Ms. YAN Xiaoyan and Mr. LAI Daniel, BBS, JP

Website: www.dcholdings.com.hk

** For identification purposes only*

Hereinbelow is a reproduction of the announcement made by DCITS pursuant to the relevant listing rules of The Shenzhen Stock Exchange.

Digital China Information Service Company Ltd.

2016 Third Quarterly Report

October 2016

I. IMPORTANT NOTE

The Board of Directors and the Supervisory Committee of the Company, its Directors, supervisors and senior management members warrant the truthfulness, accuracy, and completeness of the contents of this quarterly report, and that there is no false representation or misleading statement contained in, or material omission from this quarterly report, and assume joint and several legal liabilities.

All other Directors have attended the meeting of the Board of Directors in person to consider this quarterly report.

Guo Wei, the officer-in-charge of the Company and Ren Jun, the person-in-charge of accounting operations and the head of the accounting department (head of accounting) warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

II. MAJOR FINANCIAL INFORMATION AND CHANGES IN SHAREHOLDERS

I. Principal accounting figures and financial indicators

Whether the Company has made retrospective adjustment to or restatement of the accounting data of prior years due to changes in accounting policies and correction of accounting errors

☐ Yes ☒ No

	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period compared with the end of last year	
Total assets (RMB)	7,410,600,687.26	7,371,660,930.73	0.53%	
Net assets attributable to shareholders of the listed company (RMB)	3,337,133,253.65	3,249,319,003.38	2.70%	
	For the reporting period	Increase/decrease for the reporting period compared with the same period of last year	From the beginning of the year to the end of the reporting period	Increase/decrease from the beginning of the year to the end of the reporting period compared with the same period of last year
Operating revenue (RMB)	1,912,546,096.85	15.40%	5,470,607,442.81	20.83%
Net profit attributable to shareholders of the listed company (RMB)	43,912,707.40	-36.24%	123,333,701.98	-31.62%
Net profit after extraordinary gain or loss items attributable to shareholders of the listed company (RMB)	40,350,406.17	-37.23%	117,336,237.67	-31.16%
Net cash flows from operating activities (RMB)	--	--	-23,244,986.40	95.57%
Basic earnings per share (RMB/share)	0.0478	-36.27%	0.1344	-31.60%
Diluted earnings per share (RMB/share)	0.0478	-36.27%	0.1344	-31.60%
Weighted average return on net assets	1.33%	-0.93%	3.74%	-2.25%

Unit: RMB

Item	Amount for the period from beginning of year to end of the reporting period	Note
Gain/loss from the disposal of non-current assets (including written-off portions of asset impairment provision previously charged)	-1,881,205.35	
Government grants included in current period's profit or loss (other than government grants closely related to the business of the enterprise and received in fixed amounts or fixed instalments in accordance with uniform national standards)	11,587,558.77	
Non-operating income and expenses other than the above	362,187.27	
Less: Effect of income tax	1,045,422.91	
Effect of minority interests (after tax)	3,025,653.47	
Total	5,997,464.31	--

An explanatory statement should be made in respect of extraordinary gain or loss items so classified by the Company under the "Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Extraordinary Gain or Loss Items", as well as the classification of

extraordinary gain or loss items defined under the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Extraordinary Gain or Loss Items” as recurring profit or loss items

☐ Applicable ☒ N/A

For the reporting period, the Company has not classified any extraordinary gain or loss items as defined under or set out in the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Extraordinary Gain or Loss Items” as recurring profit or loss items.

II. Total number of shareholders and particulars of shareholdings of the top ten shareholders at the end of the reporting period

1. Number of ordinary shareholders and preferential shareholders with reinstated voting rights and particulars of shareholdings of the top 10 shareholders

Unit: share

Total number of ordinary shareholders as at the end of the reporting period		64,298		Total number of preferential shareholders with reinstated voting rights as at the end of the reporting period (if any)		0	
Particulars of shareholding of the top 10 shareholders							
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to trading moratorium	Pledged or frozen		
					Status of shares	Number	
Digital China Software Limited (神州数码软件有限公司) (“DCSL”)	Non-state-owned domestic legal person	42.44%	389,540,110	389,540,110	Pledged	254,202,800	
Tianjin Xinrui Investment Partnership (Limited Partnership) (天津信銳投资合伙企业(有限合伙)) (“Tianjin Xinrui”)	Non-state-owned domestic legal person	12.97%	119,021,176	119,021,176	Pledged	33,300,000	
China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (中新苏州工业园区创业投资有限公司) (“CSSIP”)	State-owned legal person	9.78%	89,766,423	52,956,504			
Kunshan Shenchang Technology Co., Ltd. (昆山市申昌科技有限公司) (“Shenchang Technology”)	State-owned legal person	5.42%	49,708,280	42,372,880			
Infinity I-China Investments (Israel), L.P. (“Infinity I-China”)	Foreign legal person	2.04%	18,716,834	18,716,834	Pledged	18,716,834	
Feng Jiangang (冯健刚)	Domestic natural person	1.27%	11,623,178	10,933,178	Pledged	900,000	
Wang Yufei (王宇)	Domestic natural	1.17%	10,702,892	9,972,832	Pledged	200,000	

飞)	person					
Zhang Dandan (张丹丹)	Domestic natural person	0.89%	8,175,038	7,978,264		
Khorgas Huiqing Tianxia Equity Investment Management Partnership (Limited Partnership (霍尔果斯汇庆天下股权投资管理合伙企业(有限合伙)))	Non-state-owned domestic legal person	0.61%	5,608,662	5,608,662		
He Shenglong (贺胜龙)	Domestic natural person	0.59%	5,418,314	2,638,314	Pledged	2,939,900
Particulars of shareholdings of the top 10 shareholders not subject to trading moratorium						
Name of shareholder		Number of shares held not subject to trading moratorium	Class of shares			
			Class of shares	Number		
CSSIP		36,809,919	RMB ordinary shares	36,809,919		
Shenchang Technology		7,335,400	RMB ordinary shares	7,335,400		
He Shenglong		2,780,000	RMB ordinary shares	2,780,000		
China Construction Bank Corporation – Huashang Shengshi Growth Mixed Stock Fund (中国建设银行股份有限公司－华商盛世成长混合型证券投资基金)		2,779,522	RMB ordinary shares	2,779,522		
China Construction Bank Corporation – Fuguo National Security Theme Mixed Stock Fund (中国建设银行股份有限公司－富国国家安全主题混合型证券投资基金)		2,249,233	RMB ordinary shares	2,249,233		
China Merchants Securities Co., Ltd – Fuguo Zhongzheng Mobile Internet Index Graded Stock Fund (招商证券股份有限公司－富国中证移动互联网指数分级证券投资基金)		1,720,926	RMB ordinary shares	1,720,926		
PICC - Traditional - General Insurance Products (中国人民财产保险股份有限公司－传统－普通保险产品)		1,620,000	RMB ordinary shares	1,620,000		
National Social Security Fund Portfolio 115 (全国社保基金一一五组合)		1,499,971	RMB ordinary shares	1,499,971		
Chen Lindong (陈林东)		1,394,521	RMB ordinary shares	1,394,521		
Zhao Jihuan (赵纪焕)		1,055,200	RMB ordinary shares	1,055,200		
Description of connected relationships or concerted party relationships among the aforesaid shareholders		DCSL and Tianjin Xinrui were connected parties under Paragraph 4 of “Accounting Standards for Business Enterprises No. 36 – Disclosure of Connected Parties”. Save for the above, DCSL was not related to CSSIP, Shenchang Technology, Infinity I-China, Feng Jiangang, Wang Yufei and Zhang Dandan. The Company is not aware of any connected party relationships or concerted party relationships under the Measures for the Administration of Acquisition of Listed Companies among the remaining shareholders.				
Description of participation in margin trading by any of the top 10 shareholders		Nil				

Whether any of the top 10 ordinary shareholders and top 10 ordinary shareholders not subject to trading moratorium of the Company conducted any transactions on agreed repurchases during the reporting period

☐ Yes ☒ No

None of the top 10 ordinary shareholders or top 10 ordinary shareholders not subject to trading moratorium of the Company conducted any transactions on agreed repurchases during the reporting period.

2. Number of preferential shareholders and particulars of shareholding of the top 10 preferential shareholders

☐ Applicable ☒ N/A

III. SIGNIFICANT EVENTS

I. Changes in major accounting items and financial indicators during the reporting period and reasons therefor

√ Applicable □ N/A

(I) Reasons for changes in balance sheet items:

Item	Closing balance (RMB)	Opening balance (RMB)	Percentage of change	Note
Cash and bank balances	714,142,860.94	1,895,818,945.81	-62.33%	1
Prepayments	104,465,462.60	60,458,453.24	72.79%	2
Other receivables	98,306,665.56	280,844,806.52	-65.00%	3
Other current assets	615,829,301.28	19,984,212.55	2981.58%	4
Available-for-sale financial assets	118,909,047.43	32,919,444.45	261.21%	5
Construction in progress	369,382,097.80	-		6
Intangible assets	78,083,954.23	27,791,792.93	180.96%	7
R&D expenses	30,148,212.98	21,176,651.37	42.37%	8
Long-term deferred and prepaid expenses	4,469,110.68	3,244,239.54	37.76%	9
Deferred income tax assets	52,238,955.23	36,816,815.69	41.89%	10
Notes payable	535,067,748.24	331,942,881.63	61.19%	11
Staff remuneration payable	123,456,085.70	250,821,455.89	-50.78%	12
Interest payable	1,322,379.54	744,169.91	77.70%	13
Other payables	73,041,456.74	24,802,855.89	194.49%	14
Non-current liabilities due within one year	-	251,613,000.00	-100.00%	15
Other current liabilities	200,000,000.00	-		16

1. The closing balance of cash and bank balances decreased by 62.33% as compared to the opening balance. Such decrease was attributable mainly to the purchase of investment products and repayment of bank loans during the reporting period;

2. The closing balance of prepayments increased by 72.79% as compared to the opening balance. Such increase was attributable mainly to the increase in prepayments for project procurements during the reporting period;

3. The closing balance of other receivables decreased by 65% as compared to the opening balance. Such decrease was attributable mainly to the completion during the reporting period of the acquisition of the company for which prepayments for equity interests had been made;

4. The closing balance of other current assets increased by 2981.58% as compared to the opening balance. Such increase was attributable mainly to the increase in the purchase of investment products during the reporting period;

5. The closing balance of available-for-sale financial assets increased by 261.21% as compared to the opening balance. Such increase was attributable mainly to the contribution of investment amounts in accordance with relevant agreements during the reporting period;

6. The closing balance of construction in progress increased by RMB369,382,097.80 as compared to the opening balance. Such increase was attributable mainly to the consolidation of assets in an acquired company during the reporting period;
7. The closing balance of intangible assets increased by 180.96% as compared to the opening balance. Such increase was attributable mainly to the acquisition of assets in an acquired company during the reporting period and the commencement and application of related R&D projects;
8. The closing balance of R&D expenses increased by 42.37% as compared to the opening balance. Such increase was attributable mainly to the increase in capitalisation costs for R&D projects;
9. The closing balance of long-term deferred and prepaid expenses increased by 37.76% as compared to the opening balance. Such increase was attributable mainly to the restructuring of job positions during the reporting period;
10. The closing balance of deferred income tax assets increased by 41.89% as compared to the opening balance. Such increase was attributable mainly to the increase in asset impairment loss during the reporting period;
11. The closing balance of notes payable increased by 61.19% as compared to the opening balance. Such increase was attributable mainly to the increase in procurement amounts settled by notes during the reporting period;
12. The closing balance of staff remuneration payable decreased by 50.78% as compared to the opening balance. Such decrease was attributable mainly to the payout during the reporting period of bonuses accounted for as at the end of last year;
13. The closing balance of interest payable increased by 77.70% as compared to the opening balance. Such increase was attributable mainly to the increase in bond interests during the reporting period;
14. The closing balance of other payables increased by 194.49% as compared to the opening balance. Such increase was attributable mainly to the increase in outstanding payable amount during the reporting period;
15. The closing balance of non-current liabilities due within one year decreased by 100% as compared to the opening balance. Such decrease was attributable mainly to the repayment of non-current liabilities due within one year during the reporting period;
16. The closing balance of other current liabilities was RMB200,000,000.00, compared to the Nil opening balance, which was attributable mainly to the issue of short-term bonds during the reporting period;

(II) Reasons for changes in income statement items:

Item	Amount for the current period (RMB)	Amount for the same period of last year (RMB)	Percentage of change	Note
Business taxes and surcharges	22,974,873.40	13,385,566.76	71.64%	17
Financial expenses	40,973,571.12	26,230,234.19	56.21%	18
Impairment losses on assets	124,491,754.08	78,431,155.69	58.73%	19

Investment income	17,715,727.00	26,150,116.56	-32.25%	20
Non-operating expenses	5,221,277.17	1,787,820.99	192.05%	21
Income tax expenses	2,759,340.99	22,269,434.36	-87.61%	22
Minority interests	128,829.42	-7,179,869.94	101.79%	23

17. Business taxes and surcharges for the current period increased by 71.64% as compared to the same period of last year. Such increase was attributable mainly to the increase in turnover tax payable in line with the growth in operating revenue during the reporting period;

18. Financial expenses for the current period increased by 56.21% as compared to the same period of last year. Such increase was attributable mainly to the growth in costs for capital application in line with the growth in business scale;

19. Impairment losses on assets for the current period increased by 58.73% as compared to the same period of last year. Such increase was attributable mainly to the increase in bad debt provision during the reporting period;

20. Investment income for the current period decreased by 32.25% as compared to the same period of last year. Such decrease was attributable mainly to the decrease in income reported by the investment company for the reporting period;

21. Non-operating expenses for the current period increased by 192.05% as compared to the same period of last year. Such increase was attributable mainly to the increase in charity donations to third parties during the reporting period;

22. Income tax expenses for the current period decreased by 87.61% as compared to the same period of last year. Such decrease was attributable mainly to the increase in deferred assets and decrease in income tax expenses for certain subsidiaries for the reporting period;

23. Minority interests for the current period increased by 101.79% as compared to the same period of last year. Such increase was attributable mainly to the increase in net profit for the same period of companies in which the minority shareholders held interests during the reporting period;

(III) Reasons for changes in cash flow statement items:

Item	Amount for the current period (RMB)	Amount for the same period of last year (RMB)	Percentage of change	Note
Net cash flow from operating activities	-23,244,986.40	-524,970,779.67	95.57%	24
Net cash flow from investing activities	-733,702,733.09	-2,074,584.72	-35266.25%	25
Net cash flows from financing activities	-447,531,731.66	192,644,999.00	-332.31%	26
Effect of exchange rate changes on cash and cash equivalents	8,952,521.52	-2,363,972.42	478.71%	27

24. Net cash flow from operating activities for the current period increased by 95.57% as compared to the same period of last year. Such increase was attributable mainly to enhanced management over payments to suppliers;

25. Net cash flow from investing activities for the current period decreased by 35266.25% as compared to the same period of last year. Such decrease was attributable mainly to the fact that

investment products acquired during the reporting period had yet to reach maturity;

26. Net cash flows from financing activities for the current period decreased by 332.31% as compared to the same period of last year. Such decrease was attributable mainly to the repayment of bank loans during the reporting period;

27. Effect of exchange rate changes on cash and cash equivalents for the current period increased by 478.71% as compared to the same period of last year. Such increase was attributable mainly to changes in exchange rates applicable to the Company during the reporting period as a result of changes in exchange rates in the financial market during the reporting period.

II. Progress of significant events and analysis of their impacts and solutions

√ Applicable □ N/A

(I) Performance of material contracts of the Company

1. Performance of the “Cooperation Agreement” between the Company and the State Information Centre

On 29 June 2015, the Company entered into a “Cooperation Agreement” with the State Information Centre, pursuant to which both parties will be engaged in long-term, comprehensive cooperation and exchanges in areas such as security surveillance and protection for the Internet access of external government networks, engineering implementation and showcase promotions, research and report on important subjects, and innovations in models for sustainable services and operations.

During the reporting period, the Company submitted to the State Information Centre designs of the phase-two security protection system for the Internet access of external government networks, and was fully prepared for the construction of the relevant project.

2. Performance of project for the integrated construction of trunk network quantum systems for technical certification and application showcase in relation to the quantum-encrypted “Beijing-Shanghai Trunk Line”

In December 2015, the Company won the tender for the integrated construction of trunk network quantum systems for technical certification and application showcase in relation to the quantum-encrypted “Beijing-Shanghai Trunk Line”. The overall objective of the project was to complete the construction of trunk network quantum system nodes, including access nodes and relay nodes, and the Company was responsible for the construction of the platform system and the quantum encryption distribution and capacity expansion system.

During the reporting period, the indoor coordination and modulation work of the project was fully completed. Currently, the Company is advancing outdoor deployment work in accordance with relevant schedules and the progress and conditions of implementation has been satisfactory.

(II) Private placing of shares of the Company

At the second extraordinary general meeting of 2015 and the fourth extraordinary general meeting of 2015 held in 2015, the private share placing plan and the adjusted private share placing plan (comprising adjustments mainly in the total amount of proceeds to be raised, number of shares

to be issued, target subscribers and use of proceeds, etc) were considered and passed, and relevant information was submitted to the China Securities Regulatory Commission (the “CSRC”).

On 6 January 2016, the Company submitted the “Answer to Comments on the Application Documents relating to the Private Placing of A Shares by Digital China Information Service Company Ltd. Application” to the CSRC, and the Issue Examination Committee of CSRC conducted vetting of the Company’s application for private share placing on 29 January 2016. Based on the results of the vetting, the Company’s application for private share placing was approved; on 15 April 2016, the Company received a “Reply of Approval for the Private Placing of Shares by Digital China Information Service Company Ltd.” issued by the CSRC.

As of now, the Company has suspended all work pertaining to the issue of new shares as Southwest Securities Company, Ltd., the sponsor for the proposed private share placing, is under official investigation by CSRC.

(III) Acquisition of 96.03% equity interests in Howso Technology by way of issue of shares, purchase of assets with cash payment and complementary fundraising

1. Trading in the shares of the Company has been suspended since the opening of the stock market on 23 March 2016 in connection with a planned material event of the Company. On 30 March 2016, the Company confirmed that the material event in connection with the trading suspension was related to an asset restructuring exercise and trading in the Company’s shares remained suspended at the request of the Company. The Company proposed to acquire not less than 51% equity interests in Nanjing Howso Technology Co., Ltd. (南京华苏科技股份有限公司) (“Howso Technology”), an NEEQ-listed company. The planned acquisition will involve the purchase of assets by way of cash and the issue of shares, which is also expected to raise funds.

2. Resolutions relating to the asset restructuring were considered and passed at the third interim meeting in 2016 of the seventh session of the board of directors of the Company held on 24 May 2016. In light of the “Questions and Answers relating to Asset Acquisitions by Listed Companies by Way of Share Issue with Complementary Fundraising by Listed Companies” issued by CSRC on 17 June 2016, the Company revised the asset restructuring plan in accordance with the aforesaid provisions stipulated by CSRC and applied to the CSRC on 21 June 2016 for the withdrawal of previously submitted application documents. Resolutions relating to adjustments to the plan were considered and passed at the fifth interim meeting in 2016 of the seventh session of the board of directors of the Company held on 19 July 2016.

3. The Company received Announcement of the receipt of “CSRC Notice of Admission of Application for Administrative Approval” and “CSRC Notice of First Comment from Project Vetting for Administrative Approval” (No. 161916) on 27 July and 9 August, respectively. The Company published, among others, the “Announcement of Answer to ‘CSRC Notice of First Comment from Project Vetting for Administrative Approval’” on 17 August 2016 and submitted information in answer to the comment to administrative approval authorities under CSRC within 2 working days after the publication.

4. As the CSRC M&A and Restructuring Committee was set to convene a work meeting soon, trading in the shares of the Company was suspended upon the opening of the stock market on 25 August 2016. At the 64th work meeting of 2016 of the CSRC M&A and Restructuring Committee convened on 1 September 2016, the asset acquisition by the Company by way of share issue and cash payment and complementary fundraising was unconditionally approved, and trading in the

Company's shares resumed upon the opening of the stock market on 2 September 2016. As of now, the Company has yet to receive the official approval document of CSRC. The Company will make a separate announcement upon receipt of relevant approval documents from CSRC.

(IV) Acquisition of equity interests from a minority shareholder of Howso Technology

The Company entered into various "Agreements for the Transfer of Shares in Nanjing Howso Technology Co., Ltd." with Cheng Yanyun (程艳云) on 25 May, 8 July and 9 August 2016, respectively, in a continuous acquisition of 1,325,300, 1,267,900 and 37,400 shares in Howso Technology (accounting for 2.57% of the total share capital of Howso Technology) owned by Cheng Yanyun and offered for sale following the delisting of How Technology. Following the completion of the aforesaid asset restructuring and acquisition, the Company will hold an aggregate of 100,905,900 shares in Howso Technology, accounting for 98.60% of the total share capital of Howso Technology.

(V) Issue of super and short-term commercial papers

Pursuant to the "Resolution on the Company's Application for the Registration and Issue of Debt Financing Instruments" considered and approved by the board of directors and general meeting of the Company on 14 December 2015 and 6 January 2016, respectively, it was proposed that application would be made for the registration and issue of debt financing instruments (including short-term commercial papers, super and short-term commercial papers ("SCPs") and medium-term notes, etc). Following the Company's application to the National Association of Financial Market Institutional Investors (中国银行间市场交易商协会) ("NAFMII"), NAFMII accepted the registration of the Company's SCP with an amount of RMB700 million. On 2 September 2016, the Company completed the issue of 2016 Tranche I SCP with an amount of RMB200 million. The proceeds was received in full on 2 September 2016. For details of the aforesaid matter, please refer to the the "Announcement of Completion of Issue of the 2016 Tranche I SCP of the Company" published by the Company on 6 September 2016.

(VI) Index of the Company's announcements on significant matters:

Brief description of material matter	Date of disclosure	Search index for website on which interim announcements are published
Announcement of resolutions of the fourth interim meeting in 2016 of the seventh session of the board of directors	01 July 2016	http://www.cninfo.com.cn
Announcement on the application to GE Commercial Factoring Limited (通用电气商业保理有限责任公司) by subsidiary Digital China Systems Integration Services Limited (神州数码系统集成服务有限公司) ("Systems Integration Co.") guaranteed by the Company	01 July 2016	http://www.cninfo.com.cn
Announcement on the application to Bank of Beijing for credit by subsidiaries Systems Integration Co., Jinxin Co., Zhongnong Xinda Co. and Beijing Branch Co. guaranteed by the Company	01 July 2016	http://www.cninfo.com.cn
Announcement on the application to the Industrial and Commercial Bank of China by subsidiary Information Systems Co. guaranteed by a subsidiary of the Company	01 July 2016	http://www.cninfo.com.cn
Announcement on the application to Ping An Bank for credit by subsidiaries Systems Integration Co., Information Systems Co., Jinxin Co. and Beijing Branch	01 July 2016	http://www.cninfo.com.cn

Co. guaranteed by the Company		
Announcement on the application to Bank of Communications for credit by subsidiary Systems Integration Co. guaranteed by the Company	01 July 2016	http://www.cninfo.com.cn
Announcement on external investments – establishment of industrial investment fund	01 July 2016	http://www.cninfo.com.cn
Notice convening of the fourth extraordinary general meeting of 2016	01 July 2016	http://www.cninfo.com.cn
Announcement on external investments – updates on the establishment of industrial investment fund	08 July 2016	http://www.cninfo.com.cn
Announcement of the board of directors	09 July 2016	http://www.cninfo.com.cn
Holding announcement on the convening of the fourth extraordinary general meeting of 2016	13 July 2016	http://www.cninfo.com.cn
Announcement on the partial early repurchase in connection with the repurchase transaction by way of share pledge conducted by the controlling shareholder of the Company	16 July 2016	http://www.cninfo.com.cn
Announcement of resolutions of the fourth extraordinary general meeting of 2016	19 July 2016	http://www.cninfo.com.cn
Announcement of resolutions of the fifth interim meeting in 2016 of the seventh session of the board of directors	20 July 2016	http://www.cninfo.com.cn
Announcement on the replacement of independent financial advisor	20 July 2016	http://www.cninfo.com.cn
Announcement on the adjustment of asset acquisition by way of share issue and cash payment and of the total amount and use of proceeds to be raised	20 July 2016	http://www.cninfo.com.cn
Announcement of resolutions of the third interim meeting in 2016 of the seventh session of the supervisory committee	20 July 2016	http://www.cninfo.com.cn
Announcement on the sell-down of Company shares by senior management members of the Company	22 July 2016	http://www.cninfo.com.cn
Announcement of the receipt of “CSRC Notice of Admission of Application for Administrative Approval”	28 July 2016	http://www.cninfo.com.cn
Announcement on the pledge of certain shares owned by the controlling shareholder of the Company	05 August 2016	http://www.cninfo.com.cn
Announcement of the board of directors of Digital China Information Service Company Ltd.	10 August 2016	http://www.cninfo.com.cn
Announcement of receipt of “CSRC Notice of First Comment from Project Vetting for Administrative Approval”	10 August 2016	http://www.cninfo.com.cn
Announcement on the partial early repurchase in connection with the repurchase transaction by way of share pledge conducted by the controlling shareholder of the Company	11 August 2016	http://www.cninfo.com.cn
Announcement of resignation of director	11 August 2016	http://www.cninfo.com.cn
Announcement of Answer to “CSRC Notice of First Comment from Project Vetting for Administrative Approval”	17 August 2016	http://www.cninfo.com.cn
Announcement on external investments – updates on the establishment of industrial investment fund	23 August 2016	http://www.cninfo.com.cn
Announcement of suspension of trading pending examination of the Company’s asset restructuring by the CSRC M&A and Restructuring Committee	29 August 2016	http://www.cninfo.com.cn
Announcement on repurchase transaction by way of share pledge conducted by the controlling shareholder of the Company	31 August 2016	http://www.cninfo.com.cn
Announcement of resolutions of the third meeting of the seventh session of the board of directors	31 August 2016	http://www.cninfo.com.cn
Summary of 2016 Interim Report	31 August 2016	http://www.cninfo.com.cn

Announcement on the application to Bank of Shanghai for credit by the Company and subsidiaries Digital China Systems Integration Services Limited and Digital China Information Systems Limited (神州数码信息系统有限公司) guaranteed by the Company	31 August 2016	http://www.cninfo.com.cn
Announcement on the application to KGI Bank by subsidiaries Digital China Software (BVI) Limited and Digital China Integrated Systems Limited (神州数码集成系统有限公司)	31 August 2016	http://www.cninfo.com.cn
Announcement on the provision of payment guarantee by the Company in respect of all procurement contracts entered into between subsidiary Digital China Jinxin Technology (神州数码金信科技股份有限公司) and Oki Electric Industry (Shen Zhen) Co., Ltd. (冲电气实业(深圳)有限公司)	31 August 2016	http://www.cninfo.com.cn
Notice convening the fifth extraordinary general meeting of 2016	31 August 2016	http://www.cninfo.com.cn
Announcement of resolutions of the third meeting of the seventh session of the supervisory committee	31 August 2016	http://www.cninfo.com.cn
Announcement on the partial early repurchase in connection with the repurchase transaction by way of share pledge conducted by the controlling shareholder of the Company	01 September 2016	http://www.cninfo.com.cn
Announcement – updates on the suspension of trading pending examination of the Company's asset restructuring by the CSRC M&A and Restructuring Committee	01 September 2016	http://www.cninfo.com.cn
Announcement on the results of examination of the Company's asset acquisition by way of share issue and cash payment and issue proceeds and trading in the Company's share resumed	02 September 2016	http://www.cninfo.com.cn
Announcement on the completion of the issue of tranche one super and short-term commercial paper of 2016	06 September 2016	http://www.cninfo.com.cn
Announcement on repurchase transaction by way of share pledge conducted by a shareholder of the Company	21 September 2016	http://www.cninfo.com.cn
Announcement on repurchase transaction by way of share pledge conducted by the controlling shareholder of the Company	24 September 2016	http://www.cninfo.com.cn
Holding announcement on the convening of the fifth extraordinary general meeting of 2016	26 September 2016	http://www.cninfo.com.cn
Announcement of resolutions of the fifth extraordinary general meeting of 2016	29 September 2016	http://www.cninfo.com.cn

III. Undertakings of the Company, its shareholders, de facto controller, acquirer, Directors, Supervisors, senior management or other connected parties of which performances were completed during the reporting period and those of which performances had yet to be completed as at the end of the reporting period

√ Applicable □ N/A

Undertaking	Undertaken by	Type of undertaking	Details of undertakings	Timing of undertakings	Period of undertakings	Performance of undertaking
Share reform undertaking						
Undertakings made in the acquisition report or equity change						

report						
Undertakings made in connection with asset restructuring	Infinity I-China, Shenchang Technology, Nanjing Huiqing (南京汇庆), DCSL, Tianjin Xinrui	Undertaking in connection with share trading moratorium	“Undertaking in connection with share trading moratorium”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	36 months	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	CSSIP	Undertaking in connection with share trading moratorium	“Undertaking in connection with share trading moratorium”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	12 months; sell-down during the 24 months following the conclusion of the aforesaid moratorium shall not exceed 50% of the shares so acquired. Additional shares in the listed company held as a result of bonus issues and capitalisation issues by the listed company following the close of the current issue shall also be subject to this undertaking.	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	DCSL, Tianjin Xinrui, CSSIP, Infinity I-China, Nanjing Huiqing	Other undertakings	“Undertaking in connection with asset ownership”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	DCSL, Tianjin	Undertaking	“Undertaking in	30	31 December	The performance of

	Xinrui, CSSIP, Infinity I-China, Nanjing Huiqing	in connection with business performance and arrangement for compensation	connection with the business performance of DCITS”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	December 2013	2015	the aforesaid undertaking has been completed without any breach by the parties giving the same.
	DCSL	Other undertakings	“Undertaking in connection with Hidden Liabilities of Subject Assets”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	DCSL	Undertaking in connection with profit-sharing	“Undertaking in connection with the Dividend Distribution Policy of the Listed Company”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Digital China Holdings, DCSL	Undertaking in connection with connected transactions	“Undertaking in connection with the Regulation of Connected Transactions”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.

			Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.			
	Guo Wei, Digital China Holdings, DCSL, Yan Yan	Undertaking in connection with competition in the same business	“Undertaking in connection with Competition in the Same Business”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	DCSL	Other undertakings	“Undertaking in connection with Leased Buildings under Subject Assets”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Infinity I-China, Nanjing Huiqing, DCSL, Tianjin Xinrui, CSSIP	Other undertakings	“Confirmation of No Illegal Acts by Counterparties to Transactions”. For details please refer to the “Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Digital China Holdings, DCSL	Other undertakings	“Undertaking in connection with the Independence of the Listed Company”. For details please refer to the	30 December 2013	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is

			“Announcement on the Performance of Undertakings by the Company and Its Related Parties” published by the Company on http://www.cninfo.com.cn on 14 February 2014.			ongoing and there has been no breach thereof by the parties giving the same.
	Feng Jiangang, He Shenglong, Jiang Yun, Wang Jianlin, Wang Yufei, Wang Zheng, Zhang Dandan	Undertaking in connection with business performance and arrangement for compensation	“Undertaking of Counterparties to the Transaction in connection with business performance and compensation”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	31 March 2018	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Feng Jiangang, He Shenglong, Jiang Yun, Wang Jianlin, Wang Yufei, Wang Zheng, Zhang Dandan	Other undertakings	“Undertaking of Counterparties to the Transaction in connection with asset ownership”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Feng Jiangang, Wang Yufei, Zhang Dandan, He Shenglong	Undertaking in connection with share trading moratorium	“Arrangements for the Duration of Share Trading Moratorium”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn	25 December 2014	Restrictions lifted in phases over a period of 36 months	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.

			om.cn on 23 December 2014.			
	Wang Zheng, Jiang Yun, Wang Jianlin	Undertaking in connection with share trading moratorium	“Arrangements for the Duration of Share Trading Moratorium”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	12 months	The performance of the aforesaid undertaking has been completed and the trading moratorium on the relevant shares has ended. For details, please refer to the “Holding Announcement on the End of the Trading Moratorium on Shares Issued Under Private Placing” published by the Company on http://www.cninfo.com.cn on 4 January 2016.
	Feng Jiangang, He Shenglong, Jiang Yun, Wang Jianlin, Wang Yufei, Wang Zheng, Zhang Dandan	Other undertakings	“Undertaking of Counterparties to Transaction on the Prohibition of Competition”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Feng Jiangang, He Shenglong, Jiang Yun, Wang Jianlin, Wang Yufei, Wang Zheng, Zhang Dandan	Other undertakings	“Undertaking in connection with Information on Land Use Right Registration Contracts”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Feng Jiangang, He Shenglong, Jiang Yun,	Other undertakings	“Confirmation of No Illegal Acts by Counterparties to	25 December 2014	Indefinite	As at the sign-off date of this announcement, there

	Wang Jianlin, Wang Yufei, Wang Zheng, Zhang Dandan		Transactions”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.			has been no breach thereof by the parties giving the same.
	Digital China Holdings, DCSL	Undertaking in connection with competition in the same business	“Undertaking in connection with Competition in the Same Business”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Digital China Holdings, DCSL	Undertaking in connection with connected transactions	“Undertaking in connection with the Regulation of Connected Transactions”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn on 23 December 2014.	25 December 2014	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	Digital China Holdings, DCSL	Other undertakings	“Undertaking in connection with the Independence of the Listed Company”. For details please refer to the “Announcement of Undertakings Provided by Related Parties to the Asset Restructuring” published by the Company on http://www.cninfo.com.cn	25 December 2014	Indefinite	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.

			om.cn on 23 December 2014.			
	Taikang Asset Management Co., Ltd., Hua An Fund Management Co., Ltd., Huasheng Fund Management Co., Ltd., Caitong Fund Management Co., Ltd., Aegon-Industrial Fund Management Co., Ltd.	Undertaking in connection with share trading moratorium	Undertaking in connection with share trading moratorium. For details please refer to the “Announcement of Undertaking Provided by Subscribers of the Fundraising Issue” published by the Company on http://www.cninfo.com.cn on 12 January 2015.	13 January 2015	12 months	The performance of the aforesaid undertaking has been completed and the trading moratorium on the relevant shares has ended. For details, please refer to the “Holding Announcement on the End of the Trading Moratorium on Shares Issued Under Private Placing” published by the Company on http://www.cninfo.com.cn on 21 January 2016.
Undertaking made upon initial public offering or refinancing	Digital China Holdings	Other undertakings	No sell-down of DCITS shares held by Digital China Holdings and entities controlled by Digital China Holdings. For details please refer to the “Representations and Letter of Undertaking (I)” published by the Company on http://www.cninfo.com.cn on 13 August 2015.	12 August 2015	From 12 August 2015 to the date on which a period of 6 months has lapsed after completion of the private placing	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
	DCSL	Other undertakings	No sell-down of DCITS shares held by DCSL and entities controlled by DCSL. For details please refer to the “Representations and Letter of Undertaking (II)” published by the Company on http://www.cninfo.com.cn on 13 August 2015.	12 August 2015	From 12 August 2015 to the date on which a period of 6 months has lapsed after completion of the private placing	As at the sign-off date of this announcement, the performance of the aforesaid undertakings is ongoing and there has been no breach thereof by the parties giving the same.
Undertaking in connection with share incentives						
Undertaking to other	CSSIP	Undertaking in connection	Undertaking of CSSIP not to sell	22 July 2015	22 January 2016	The performance of the aforesaid

minority shareholders		with share trading moratorium	down Company shares held within 6 months after the completion of the purchase of additional shares.			undertaking has been completed without any breach by the parties giving the same.
	Shenchang Technology	Undertaking in connection with share trading moratorium	Undertaking of Shenchang Technology not to sell-down of Company shares held within 6 months after the completion of the purchase of additional shares.	16 October 2015	15 April 2016	The performance of the aforesaid undertaking has been completed without any breach by the parties giving the same.
Whether the undertaking is honoured in a timely manner	Yes					
In the event that the performance of the undertaking is not completed as due, any specific reasons for such non-completion and work plans that follow should be explained in detail.	Nil					

IV. Estimates on operating results for year 2016

Warnings and explanations on estimated loss or significant change (as compared to the same period of the previous year) in net accumulated profit from the beginning of the year to the end of the next reporting period

☐ Applicable ☒ N/A

V. Investment in securities

☐ Applicable ☒ N/A

The Company had no investment in securities during the reporting period.

VI. Derivative Investments

☐ Applicable ☒ N/A

The Company had no investment in derivatives during the reporting period.

VII. Registration record of reception of analysts, communications and press interviews during the reporting period

☒ Applicable ☐ N/A

Date	Mode	Type of audience / visitors received	Index for general research information
07 July 2016	Telephone communication	Institutional	http://www.cninfo.com.cn/finalpage/2016-07-11/1202465587.PDF
31 August 2016	On-site visit	Institutional	http://www.cninfo.com.cn/finalpage/2016-09-02/1202672652.PDF

VIII. Guarantees for third parties in violation of regulations

☐ Applicable ☒ N/A

There was no provision of guarantees to third parties by the Company in violation of regulations during the reporting period.

IX. Appropriation of non-operating funds of the listed company by the controlling shareholder and its connected parties

☐ Applicable ☒ N/A

There was no appropriation of non-operating funds of the listed company by the Company's controlling shareholder and its connected parties during the reporting period.

IV. FINANCIAL STATEMENTS

I. Financial Statements

1. Consolidated balance sheet

Prepared by: Digital China Information Service Company Ltd.

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	714,142,860.94	1,895,818,945.81
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivable	66,435,463.53	63,745,711.55
Trade receivables	2,782,274,034.93	2,406,062,170.90
Prepayments	104,465,462.60	60,458,453.24
Premium receivable		
Receivables from reinsurers		
Reinsurance contract reserves receivable		
Interest receivable		
Dividends receivable		
Other receivables	98,306,665.56	280,844,806.52
Purchase of repo financial assets		
Inventories	1,016,421,377.02	1,178,187,959.27
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	615,829,301.28	19,984,212.55
Total current assets	5,397,875,165.86	5,905,102,259.84
Non-current assets:		
Disbursement of loans and advances		
Available-for-sale financial assets	118,909,047.43	32,919,444.45
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	377,251,294.55	360,848,877.15

Investment real estates		
Fixed assets	128,653,933.91	144,076,729.19
Construction in progress	369,382,097.80	
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil & gas assets		
Intangible assets	78,083,954.23	27,791,792.93
R&D expenses	30,148,212.98	21,176,651.37
Goodwill	853,588,914.59	839,684,120.57
Long-term deferred and prepaid expenses	4,469,110.68	3,244,239.54
Deferred income tax assets	52,238,955.23	36,816,815.69
Other non-current assets		
Total non-current assets	2,012,725,521.40	1,466,558,670.89
Total assets	7,410,600,687.26	7,371,660,930.73
Current liabilities:		
Short-term loans	878,402,621.71	1,006,474,344.74
Borrowings from central bank		
Customer bank deposits and due to banks and other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable	535,067,748.24	331,942,881.63
Trade payables	1,448,251,343.59	1,401,889,357.80
Advanced receipts	639,947,254.78	661,637,769.34
Funds from selling and repurchasing financial assets		
Handling charges and commission payable		
Staff remuneration payable	123,456,085.70	250,821,455.89
Taxes payable	85,820,860.35	88,941,112.36
Interest payable	1,322,379.54	744,169.91
Dividends payable		
Other payables	73,041,456.74	24,802,855.89
Due to reinsurers		
Reserves for insurance contracts		

Customer brokerage deposits		
Funds from securities underwriters		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year		251,613,000.00
Other current liabilities	200,000,000.00	
Total current liabilities	3,985,309,750.65	4,018,866,947.56
Non-current liabilities:		
Long-term borrowings		
Bonds payables		
Including: preferential shares		
perpetual notes		
Long-term payables		
Long-term remuneration payable		
Special payables		
Estimated liabilities	3,760,000.00	3,760,000.00
Deferred income	37,824,816.37	46,703,958.72
Deferred income tax liabilities	1,472,500.00	1,821,250.00
Other non-current liabilities		
Total non-current liabilities	43,057,316.37	52,285,208.72
Total liabilities	4,028,367,067.02	4,071,152,156.28
Owners' equity (Shareholders' equity):		
Share capital	917,811,916.00	917,811,916.00
Other equity instruments		
Including: preferential shares		
perpetual notes		
Capital reserve	1,117,572,304.05	1,117,366,947.99
Less: Treasury stock		
Other comprehensive income	67,279,735.45	66,292,066.58
Special reserve		
Surplus reserve	20,396,756.11	20,396,756.11
General risk provisions		
Retained profits	1,214,072,542.04	1,127,451,316.70
Total owners' equity attributable to parent company	3,337,133,253.65	3,249,319,003.38
Minority shareholder's interest	45,100,366.59	51,189,771.07

Total owners' equity	3,382,233,620.24	3,300,508,774.45
Total liabilities and owners' equity	7,410,600,687.26	7,371,660,930.73

Legal representative: Guo Wei

Person-in-charge of accounting
operations: Ren JunHead of accounting department:
Ren Jun**2. Balance sheet of the parent company**

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balances	189,827,147.50	483,800,105.43
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills receivables	48,984,789.34	16,317,767.68
Trade receivables	75,621,737.87	100,450,863.58
Prepayments	1,387,732.81	6,367,531.59
Interest receivable		
Dividends receivable		
Other receivables	220,812,824.50	796,135.39
Inventories	62,067,303.02	68,905,256.64
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	273,697,595.72	5,350,316.69
Total current assets	872,399,130.76	681,987,977.00
Non-current assets:		
Available-for-sale financial assets	81,366,547.43	32,899,444.45
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	1,570,399,080.99	1,547,460,333.91
Investment real estates		
Fixed assets	318,175.53	336,565.31
Construction in progress		
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil & gas assets		

Intangible assets	885,085.00	800,696.00
R&D expenses		
Goodwill		
Long-term deferred and prepaid expenses		
Deferred income tax assets	898,733.14	624,615.23
Other non-current assets		
Total current assets	1,653,867,622.09	1,582,121,654.90
Total assets	2,526,266,752.85	2,264,109,631.90
Current liabilities:		
Short-term loans	58,069,850.83	5,000,000.00
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable	25,841,864.22	19,173,078.70
Trade payables	128,392,486.94	73,991,177.29
Advanced receipts	43,302,011.95	66,723,749.43
Staff remuneration payable	3,851,313.96	11,440,498.38
Taxes payable	4,573,573.64	5,856,166.56
Interest payable	627,366.67	6,646.00
Dividends payable		
Other payables	583,151.52	2,533,798.90
Liabilities classified as held-for-sale		
Non-current liabilities due within one year		
Other current liabilities	200,000,000.00	
Total current liabilities	465,241,619.73	184,725,115.26
Non-current liabilities:		
Long-term borrowings		
Bonds payables		
Including: preferential shares		
perpetual notes		
Long-term payables		
Long-term remuneration payable		
Special payables		
Estimated liabilities		
Deferred income		

Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	465,241,619.73	184,725,115.26
Owners' equity		
Share capital	917,811,916.00	917,811,916.00
Other equity instruments		
Including: preferential shares		
perpetual notes		
Capital reserve	1,006,044,042.32	1,006,044,042.32
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	20,396,756.11	20,396,756.11
Retained profits	116,772,418.69	135,131,802.21
Total owners' equity	2,061,025,133.12	2,079,384,516.64
Total liabilities and owners' equity	2,526,266,752.85	2,264,109,631.90

3. Consolidated income statement for the reporting period

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Total operating revenue	1,912,546,096.85	1,657,259,482.43
Including: Operating revenue	1,912,546,096.85	1,657,259,482.43
Interest income		
Earned premium		
Handling charges and commission income		
2. Total operating cost	1,875,833,669.61	1,587,374,879.83
Including: Operating cost	1,573,662,282.07	1,333,638,663.94
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net amount of compensation payout		
Net amount of reserves for insurance contract		
Policyholder dividends expenses		
Expenses for reinsurance accepted		

Business taxes and surcharges	10,027,072.29	5,987,501.41
Selling expenses	126,329,790.84	115,732,172.50
Administrative expenses	123,158,820.57	94,727,287.42
Financial expenses	11,891,517.55	29,675,018.34
Impairment losses on assets	30,764,186.29	7,614,236.22
Add: Gains on changes in fair value (loss stated with “-”)		
Investment income (loss stated with “-”)	7,555,114.54	12,146,498.15
Including: Investment income from associates and joint ventures	3,087,084.75	2,102,985.76
Exchange gains (loss stated with “-”)		
3. Operating profit (loss stated with “-”)	44,267,541.78	82,031,100.75
Add: Non-operating income	7,018,352.01	8,062,852.93
Including: Gain on disposal of non-current assets	738,259.01	481.79
Less: Non-operating expenses	962,221.55	347,875.63
Including: Loss on disposal of non-current assets	640,714.16	280,058.95
4. Total profit (net loss stated with “-”)	50,323,672.24	89,746,078.05
Less: Income tax expenses	7,835,085.64	11,936,418.78
5. Net profit (net loss stated with “-”)	42,488,586.60	77,809,659.27
Net profit attributable to owners of the parent company	43,912,707.40	68,876,752.93
Minority interests	-1,424,120.80	8,932,906.34
6. Net amount of other comprehensive income after taxation	1,065,815.49	-2,360,967.19
Net amount of other comprehensive income after taxation attributable to owners of the parent company	1,065,815.49	-2,360,967.19
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2 Share of investee results in other comprehensive income under equity method that cannot be reclassified to profit and loss in subsequent periods		
(II) Other comprehensive income which will be subsequently reclassified to profit or loss	1,065,815.49	-2,360,967.19
1. Share of investee results in other comprehensive income under equity method which will be reclassified to profit and loss in subsequent periods	1,486,556.05	-157,235.84
2. Change in fair value of available-for-sale financial assets		
3. Gain or loss arising from reclassification of held-to-maturity investment to available-for-sale financial assets		
4. Effective portion of cash flow hedging instruments		
5. Differences arising from foreign currency translation	-420,740.56	-2,203,731.35
6 Others		
Net amount of other comprehensive income after taxation attributable to minority shareholders		

7. Total comprehensive income	43,554,402.09	75,448,692.08
Total comprehensive income attributable to owners of the parent company	44,978,522.89	66,515,785.74
Total comprehensive income attributable to minority shareholders	-1,424,120.80	8,932,906.34
8. Earnings per share:		
(I) Basic earnings per share	0.0478	0.0750
(II) Diluted earnings per share	0.0478	0.0750

Net profit prior to combination of absorbed party in a combination under the same control occurring during the current period amounted to RMB0.00. Net profit of absorbed party for the previous period amounted to RMB0.00.

Legal representative: Guo Wei

Person-in-charge of accounting operations:
Ren Jun

Head of accounting department:
Ren Jun

4. Income statement of the parent company for the reporting period

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Operating revenue	206,795,485.26	148,729,502.30
Less: Operating cost	194,351,254.00	136,887,190.45
Business tax and surcharges	1,280,743.73	616,658.32
Selling expenses	477,884.20	493,505.65
Administrative expenses	8,200,002.28	8,955,155.16
Financial expenses	893,865.36	-2,732,119.06
Impairment losses on assets	557,165.51	-50,043.96
Add: Gains on changes in fair value (loss stated with "-")		
Investment income (loss stated with "-")	3,297,457.50	9,039,809.63
Including: Investment income from associates and joint ventures	-353,942.04	
2. Operating profit (loss stated with "-")	4,332,027.68	13,598,965.37
Add: Non-operating income	2,031.72	7,086.53
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	0.05	5.47
Including: Loss on disposal of non-current assets		
3. Total profit (total loss stated with "-")	4,334,059.35	13,606,046.43
Less: Income tax expenses	-139,291.37	12,510.99
4. Net profit (net loss stated with "-")	4,473,350.72	13,593,535.44
5. Net amount of other comprehensive income after taxation		
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		

2. Share of investee results in other comprehensive income under equity method that cannot be reclassified to profit and loss in subsequent periods		
(II) Other comprehensive income which will be subsequently reclassified to profit or loss		
1. Share of investee results in other comprehensive income under equity method which will be reclassified to profit and loss in subsequent periods		
2. Change in fair value of available-for-sale financial assets		
3. Gain or loss arising from reclassification of held-to-maturity investment to available-for-sale financial assets		
4. Effective portion of cash flow hedging instruments		
5. Differences arising from foreign currency translation		
6. Other		
6. Total comprehensive income	4,473,350.72	13,593,535.44
7. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated income statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Total operating revenue	5,470,607,442.81	4,527,602,632.71
Including: Operating revenue	5,470,607,442.81	4,527,602,632.71
Interest income		
Earned premium		
Handling charges and commission income		
2. Total operating cost	5,378,923,466.35	4,377,613,002.44
Including: Operating cost	4,539,771,528.26	3,634,492,982.37
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net amount of compensation payout		
Net amount of reserves for insurance contract		
Policyholder dividends expenses		
Expenses for reinsurance accepted		
Business taxes and surcharges	22,974,873.40	13,385,566.76
Selling expenses	316,902,428.33	312,998,623.07
Administrative expenses	333,809,311.16	312,074,440.36

Financial expenses	40,973,571.12	26,230,234.19
Impairment losses on assets	124,491,754.08	78,431,155.69
Add: Gains on changes in fair value (loss stated with “-”)		
Investment income (loss stated with “-”)	17,715,727.00	26,150,116.56
Including: Investment income from associates and joint ventures	4,914,707.95	7,880,241.02
Exchange gains (loss stated with “-”)		
3. Operating profit (loss stated with “-”)	109,399,703.46	176,139,746.83
Add: Non-operating income	22,043,446.10	21,096,998.41
Including: Gain on disposal of non-current assets	741,965.30	5,266.45
Less: Non-operating expenses	5,221,277.17	1,787,820.99
Including: Loss on disposal of non-current assets	2,623,170.65	1,647,566.62
4. Total profit (net loss stated with “-”)	126,221,872.39	195,448,924.25
Less: Income tax expenses	2,759,340.99	22,269,434.36
5. Net profit (net loss stated with “-”)	123,462,531.40	173,179,489.89
Net profit attributable to the owners of the parent company	123,333,701.98	180,359,359.83
Minority interests	128,829.42	-7,179,869.94
6. Net amount of other comprehensive income after taxation	987,668.87	-2,360,967.19
Net amount of other comprehensive income after taxation attributable to owners of the parent company	987,668.87	-2,360,967.19
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		0.00
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of investee results in other comprehensive income under equity method that cannot be reclassified to profit and loss in subsequent periods		
(II) Other comprehensive income which will be subsequently reclassified to profit or loss	987,668.87	-2,360,967.19
1. Share of investee results in other comprehensive income under equity method which will be reclassified to profit and loss in subsequent periods	3,018,787.19	-157,235.84
2. Change in fair value of available-for-sale financial assets		
3. Gain or loss arising from reclassification of held-to-maturity investment to available-for-sale financial assets		
4. Effective portion of cash flow hedging instruments		
5. Differences arising from foreign currency translation	-2,031,118.32	-2,203,731.35
6 Other		
Net amount of other comprehensive income after taxation attributable to minority shareholders		
7. Total comprehensive income	124,450,200.27	170,818,522.70
Total comprehensive income attributable to owners of the parent company	124,321,370.85	177,998,392.64

Total comprehensive income attributable to minority shareholders	128,829.42	-7,179,869.94
8. Earnings per share:		
(I) Basic earnings per share	0.1344	0.1965
(II) Diluted earnings per share	0.1344	0.1965

Net profit prior to combination of absorbed party in a combination under the same control occurring during the current period amounted to RMB0.00. Net profit of absorbed party for the previous period amounted to RMB0.00.

6. Income statement of the parent company from the beginning of the year to the end of the reporting period

Item	Unit: RMB	
	Amount for the current period	Amount for the previous period
1. Operating revenue	525,693,213.46	426,830,046.26
Less: Operating cost	487,354,238.39	391,138,491.73
Business tax and surcharges	2,962,052.13	1,208,669.41
Selling expenses	1,236,241.86	1,907,167.33
Administrative expenses	24,328,313.37	29,995,012.75
Financial expenses	1,215,658.21	-7,985,991.20
Impairment losses on assets	2,115,036.30	-1,091,552.64
Add: Gains on changes in fair value (loss stated with "-")		
Investment income (loss stated with "-")	11,592,132.20	9,039,809.63
Including: Investment income from associates and joint ventures	-3,141,252.92	
2. Operating profit (loss stated with "-")	18,073,805.40	20,698,058.51
Add: Non-operating income	5,170.10	13,689.70
Including: Gain on disposal of non-current assets	286.56	
Less: Non-operating expenses	0.29	19.69
Including: Loss on disposal of non-current assets		
3. Total profit (total loss stated with "-")	18,078,975.21	20,711,728.52
Less: Income tax expenses	-274,117.91	328,709.43
4. Net profit (net loss stated with "-")	18,353,093.12	20,383,019.09
5. Net amount of other comprehensive income after taxation		
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2 Share of investee results in other comprehensive income under equity method that cannot be reclassified to profit and loss in subsequent periods		
(II) Other comprehensive income which will be subsequently reclassified to profit or loss		
1. Share of investee results in other comprehensive income under		

equity method which will be reclassified to profit and loss in subsequent periods		
2. Change in fair value of available-for-sale financial assets		
3. Gain or loss arising from reclassification of held-to-maturity investment to available-for-sale financial assets		
4. Effective portion of cash flow hedging instruments		
5. Differences arising from foreign currency translation		
6 Other		
6. Total comprehensive income	18,353,093.12	20,383,019.09
7. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7. Consolidated cash flow statement from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	5,716,351,228.13	4,323,941,966.69
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Premiums received from original insurance contracts		
Net cash received from reinsurance business		
Net increase of policy holder deposits and investment funds		
Net increase in disposal of financial assets at fair value through current profit or loss		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business capital		
Tax rebates received	6,733,595.16	4,780,495.37
Cash received in connection with other operating activities	20,214,619.94	65,388,460.98
Sub-total of cash inflow from operating activities	5,743,299,443.23	4,394,110,923.04
Cash paid for purchase of goods and rendering of services	4,345,343,813.75	3,613,937,031.65
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Original insurance contract claims paid		
Interest, handling charges and commissions paid		

Policyholder dividend paid		
Cash paid to and for employees	774,531,536.65	659,204,219.30
Cash paid for taxes and surcharges	285,959,903.39	259,967,536.49
Other cash paid in connection with operating activities	360,709,175.84	385,972,915.27
Sub-total of cash outflow from operating activities	5,766,544,429.63	4,919,081,702.71
Net cash flow from operating activities	-23,244,986.40	-524,970,779.67
2. Cash flow from investing activities:		
Cash received from disposal of investments	7,378,314.09	17,208,635.90
Investment income received	20,703,979.09	25,712,903.75
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	384,501.41	107,179.85
Net cash received from disposal of subsidiaries and other business units		
Other cash received in connection with investing activities	2,833,509,487.85	615,000,000.00
Sub-total of cash inflow from investing activities	2,861,976,282.44	658,028,719.50
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	55,753,823.11	17,303,304.22
Cash paid for acquisition of investments	109,047,917.07	220,900,000.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units	5,526,666.35	
Other cash paid in connection with investing activities	3,425,350,609.00	421,900,000.00
Sub-total of cash outflow from investing activities	3,595,679,015.53	660,103,304.22
Net cash flow from investing activities	-733,702,733.09	-2,074,584.72
3. Cash flow from financing activities:		
Cash received from absorbing investments	3,200,000.00	4,400,000.00
Including: Cash received from absorbing investments by minority shareholders of a subsidiary	3,200,000.00	4,400,000.00
Borrowings received	1,779,071,477.36	1,283,304,070.95
Cash received from bond issue		
Other cash received in connection with financing activities	15,740,001.03	
Sub-total of cash inflow from financing activities	1,798,011,478.39	1,287,704,070.95
Repayment of borrowings	2,123,565,242.91	1,017,124,342.60
Cash paid for dividend and profit distribution or interest payment	91,857,325.85	53,406,044.93
Including: Dividend and profit paid to minority shareholders by a subsidiary	17,280,000.00	6,210,000.00
Other cash paid in connection with financing activities	30,120,641.29	24,528,684.42
Sub-total of cash outflow from financing activities	2,245,543,210.05	1,095,059,071.95
Net cash flows from financing activities	-447,531,731.66	192,644,999.00

4. Effect on cash and cash equivalents due to change in foreign currency exchange rate	8,952,521.52	-2,363,972.42
5. Net increase in cash and cash equivalents	-1,195,526,929.63	-336,764,337.81
Add: Balance of cash and cash equivalents at the beginning of the period	1,879,936,445.81	1,700,793,859.88
6. Balance of cash and cash equivalents at the end of the period	684,409,516.18	1,364,029,522.07

8. Cash flow statement of the parent company from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amount for the current period	Amount for the previous period
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	583,850,815.54	500,911,256.26
Tax rebates received		
Cash received in connection with other operating activities	6,632,817.39	147,758,076.97
Sub-total of cash inflow from operating activities	590,483,632.93	648,669,333.23
Cash paid for purchase of goods and rendering of services	469,299,114.06	575,129,472.07
Cash paid to and for employees	18,722,669.97	25,029,474.10
Cash paid for taxes and surcharges	32,917,578.55	19,625,813.04
Cash paid for other operating activities	254,340,699.35	13,039,968.19
Sub-total of cash outflow from operating activities	775,280,061.93	632,824,727.40
Net cash flow from operating activities	-184,796,429.00	15,844,605.83
2. Cash flow from investing activities:		
Cash received from disposal of investments	7,378,314.09	17,100,555.55
Investment income received	14,733,385.12	9,039,809.63
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	650.00	
Net cash received from disposal of subsidiaries and other business units		
Cash received in connection with other investing activities	1,250,000,000.00	
Sub-total of cash inflow from investing activities	1,272,112,349.21	26,140,365.18
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	74,145.00	5,200.00
Cash paid for acquisition of investments	81,925,417.07	32,840,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities	1,514,000,000.00	6,900,000.00
Sub-total of cash outflow from investing activities	1,595,999,562.07	39,745,200.00
Net cash flow from investing activities	-323,887,212.86	-13,604,834.82
3. Cash flow from financing activities:		
Cash received from absorbing investments		

Borrowings received	252,769,850.83	
Cash received from bond issue		
Cash received in connection with other financing activities		
Sub-total of cash inflow from financing activities	252,769,850.83	
Repayment of borrowings	0.00	
Cash paid for dividend and profit distribution or interest payment	38,059,166.90	27,534,357.48
Cash paid for other financing activities		745,283.01
Sub-total of cash outflow from financing activities	38,059,166.90	28,279,640.49
Net cash flows from financing activities	214,710,683.93	-28,279,640.49
4. Effect on cash and cash equivalents due to change in foreign currency exchange rate		-70,446.95
5. Net increase in cash and cash equivalents	-293,972,957.93	-26,110,316.43
Add: Balance of cash and cash equivalents at the beginning of the period	483,800,105.43	355,878,845.85
6. Balance of cash and cash equivalents at the end of the period	189,827,147.50	329,768,529.42

II. Audit Report

Whether the third quarterly report is audited

☐ Yes ☒ No

The third quarterly report of the Company is unaudited.

Digital China Information Service Company Ltd.

24 October 2016