



**GEMDALE CORPORATION  
(600383)**

**THIRD QUARTERLY REPORT OF 2014**

# CONTENTS

<b>I. IMPORTANT NOTICE</b> .....	错误！未定义书签。
<b>II. BASIC INFORMATION ABOUT THE COMPANY</b> .....	错误！未定义书签。
<b>III. SIGNIFICANT EVENTS</b> .....	错误！未定义书签。
<b>IV. APPENDIX</b> .....	错误！未定义书签。

**I. IMPORTANT NOTICE**

1.1 The Board of Directors, the Board of Supervisors, and directors, supervisors and senior management of the Company confirm that there are no false representations, misleading statements or material omissions contained herein, and individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 All twelve directors attended the meeting in person.

1.3 The first quarterly report of the Company is unaudited.

1.4 Ling Ke (Chairman), Wei Chuanjun (Chief Financial Officer) and Zeng Aihui(Person in Charge of the Accounting Body)hereby warrant the truthfulness and completeness of the financial statements in this first quarterly report.

**II. BASIC INFORMATION ABOUT THE COMPANY**

## 2.1 Key accounting data and financial indicators

Unit: RMB

	At the end of the reporting period	At the end of last year		Change (%)
		After Adjustment	Before Adjustment	
Total assets	136,064,341,713.80	123,926,332,991.27	123,926,332,991.27	9.79
Net assets attributable to shareholders of the Company	28,718,505,492.57	29,114,331,819.25	29,114,331,819.25	-1.36
	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the last year to the end of the last reporting period (January to September)		Change (%)
		After Adjustment	Before Adjustment	
Net cash flows from operating activities	-2,335,960,850.58	-4,802,217,992.91	-4,802,217,992.91	N.A.
	Amount from the beginning of the year to the end of the reporting period(January to September)	Amount from the beginning of the last year to the end of the last reporting period(January to September)		Change (%)
		After Adjustment	Before Adjustment	
Operating Income	14,897,228,985.59	18,095,360,476.94	18,095,360,476.94	-17.67
Net profit attributable to shareholders of the Company	445,252,845.87	735,272,007.26	716,385,648.47	-39.44
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	291,470,251.92	698,908,368.06	680,022,009.27	-58.30
Weighted average return on net assets (%)	1.54	2.80	3.03	Down by 1.26 percentage point
Basic earnings per share (RMB)	0.10	0.16	0.16	-37.50
Diluted earnings per share (RMB)	0.10	0.16	0.16	-37.50

Items after deducting non-recurring gains or losses and relevant amount:

Unit: RMB

Items	Amount of the reporting period (July to September)	Amount of the reporting period (January to September)
Profit or loss from disposal of non-recurring assets	-31,192.67	-101,843.94
Government grants included in profit/ loss for the current period (excluding those closely related to the Company's business and entitled to in fixed amount and quantities in accordance with the national standard)	6,809,200.00	25,732,075.54
Other non-operating income or expenses	-27,731,881.00	-36,407,591.25
Other profit or loss that meets the definition of non-recurring profit or loss	113,742,092.92	139,102,430.04
Investment income from disposal of equity		38,162,596.51
Tax effects	-809,355.64	-18,894,217.55
Minority Interest effects (tax exclusive) of non-recurring profit or loss	7,389,201.99	6,189,144.60
Total	99,368,065.60	153,782,593.95

2.2 Total number of shareholders and shareholdings of top ten shareholders not subject to selling restrictions as at the end of the Reporting Period

Unit: shares

Total number of shareholders as at the end of the reporting period					94,841		
Shares held by top ten shareholders							
Name of shareholders	Change during the	Total number of shares held	Percentage of shareholding (%)	Number of restricted tradable shares held	Number of shares pledged or frozen		Type of shareholders
					Status of shares	Number	
Sino Life Insurance Co., Ltd. – Universal H (生命人寿保险股份有限公司 – 万能 H)	83,104,311	979,419,165	21.81	0	Nil	0	Other
An-Bang Life Insurance Co., Ltd.– Steady Investment Portfolio (安邦人寿保险股份有限公司 – 稳健型投资组合)	108,925,352	622,013,516	13.85	0	Nil	0	Other
Shenzhen Futian Investment Development Company (深圳福田投资发展公司)	0	351,777,629	7.83	0	Nil	0	State-owned legal person
An-Bang Property & Casualty Insurance Co., Ltd.– Traditional insurance products (安邦财产保险股份有限公司 – 传统产品)	0	223,575,465	4.98	0	Nil	0	Other
Sino Life Insurance Co., Ltd. – Universal G (生命人寿保险股份有限公司 – 万能 G)	28,585,839	197,681,270	4.40	0	Nil	0	Other
China Life Insurance Company Limited - Universal Insurance Product (华夏人寿保险股份有限公司 – 万能保险产品)	0	176,998,528	3.94	0	Nil	0	Other
Sino Life Insurance Co., Ltd. – Profit Sharing (生命人寿保险股份有限公司 – 分红)	0	169,889,373	3.78	0	Nil	0	Other
Shenzhen Futian Construction Co., Ltd. (深圳市福田建设股份有限公司)	-37,273,187	128,430,230	2.86	0	Nil	0	Other
Tian An Property Insurance Company Limited – Guaranteed Win No. 1 (天安财产保险股份有限公司 – 保赢 1 号)	2,015,729	106,074,383	2.36	0	Nil	0	Other
Beijing Qianshichuangfu-Minsheng bank-Qianshi Capital-RenguangShiye Asset Management Plan 北京千石创富 – 民生银行 – 千石资本 – 人广实业资产管理计划	0	60,545,063	1.35	0	Nil	0	Other
Number of restricted tradable shares held							

Name of shareholders	Number of restricted tradable shares held	Type and Number	
		Type	Number
Sino Life Insurance Co., Ltd. – Universal H	979,419,165	RMB Comman Share	979,419,165
An-Bang Life Insurance Co., Ltd.– Steady Investment Portfolio	622,013,516	RMB Comman Share	622,013,516
Shenzhen Futian Investment Development Company	351,777,629	RMB Comman Share	351,777,629
An-Bang Property & Casualty Insurance Co., Ltd.– Traditional insurance products	223,575,465	RMB Comman Share	223,575,465
Sino Life Insurance Co., Ltd. – Universal G	197,681,270	RMB Comman Share	197,681,270
China Life Insurance Company Limited - Universal Insurance Product	176,998,528	RMB Comman Share	176,998,528
Sino Life Insurance Co., Ltd. – Profit Sharing	169,889,373	RMB Comman Share	169,889,373
Shenzhen Futian Construction Co., Ltd.	128,430,230	RMB Comman Share	128,430,230
Tian An Property Insurance Company Limited – Guaranteed Win No. 1	106,074,383	RMB Comman Share	106,074,383
Beijing Qianshichuangfu- Minsheng bank-Qianshi Capital-RenguangShiye Asset Managementt Plan	60,545,063	RMB Comman Share	60,545,063
上述股东关联关系或一致行动的说明	<p>Both Sino Life Insurance Co., Ltd. – Universal H (生命人寿保险股份有限公司—万能H) and Sino Life Insurance Co., Ltd. – Profit Sharing (生命人寿保险股份有限公司—分红) are accounts held by Sino Life Insurance Co., Ltd.. An-Bang Property &amp; Casualty Insurance Co., Ltd. and An-Bang Life Insurance Co., Ltd. are owned by An-Bang Life Insurance Co., Ltd..</p> <p>The Company was not aware of any connected relationship or concerted actions among the above top ten shareholders..</p>		

### 2.3 Particulars of bondholders of Gemdale's bonds issued in 2008

Total number of bondholders as at the end of the reporting period	103	
Name of corporate bond holders	Amount of bonds held at the end of the reporting period (in RMB)	Percentage of total issued bonds (%)
New China Life Insurance Co., Ltd. – All inclusive – Exultant financing – 018L – WN001 (Hu) (新华人寿保险股份有限公司—万能—得意理财—018L—WN001 沪)	180,000,000	15.00
China Petroleum Finance Company Limited (中油财务有限责任公司)	121,047,000	10.09
Taikang Life Insurance Ltd – Investment Link – Personal insurance investment link (泰康人寿保险股份有限公司—投连一个险投连)	102,100,000	8.51
Postal Savings Bank of China Co., Ltd. (中国邮政储蓄银行股份有限公司)	100,000,000	8.33
Taiping Life Insurance Co., Ltd. – Universal – Group universal insurance (太平人寿保险有限公司—万能—团险万能)	80,000,000	6.67
New China Life-Profit sharing – Group Insurance Profit Sharing-018L-FH001 (Hu) (新华人寿保险股份有限公司—分红—团体分红—018L—FH001 沪)	60,000,000	5.00
ABC Life Insurance Co., Ltd. – Conventional insurance products (农银人寿保险股份有限公司—传统保险产品)	58,563,000	4.88
China resources investment trust co., LTD. – Ruizhi No.8 Structured Assembled Funds Trust Plan 华润深国投信托有限公司—睿致8号结构化集合资金信托计划	40,000,000	3.33
Generali China Asset – CMB – Shanxi Yaodu Rural Commercial Bank Company Limited (中意资产—招商银行—山西尧都农村商业银行股份有限公司)	40,000,000	3.33
China National Petroleum Corporation Annuity Plan – ICBC (中国石化天然气集团公司企业年金计划—中国工商银行)	38,998,000	3.25

## 2.4 List of major real estate projects in the first quarter of 2014

No.	Name of project	Location	Progress of project	Percentage of interest attributable to our associated companies	Total investment (RMB ten thousand)	Site area	Total floor area	Saleable GFA (note)	Newly constructed GFA in first half of 2014	Area completed in first half of 2014	Contracted Area in first half of 2014	Average selling price per square meter (RMB)	Cumulative contracted area	Settled area in current period	Cumulative settled area
1	Shenzhen Villas du Lac	Baoan District	Under construction	100%	507,224	91,198	372,996	241,481	102,773		12,031	27,324	55,094	11,779	49,441
2	Shenzhen Mingfeng	Longgang District	Under construction	100%	173,459	39,316	159,470	115,617		115,617	33,624	17,425	112,304	36,600	37,510
3	Shenzhen Langyue	Pingshan New District	Under construction	100%	77,953	29,515	112,217	90,368			35,685	12,443	63,832		
4	Shenzh Weixin Phase III	Nanshan District	Under construction	72%	447,279	50,953	344,525	253,813	288,800						
5	Donguan Bodeng Lake	Tangxia Town	Under construction	51%	194,300	179,862	380,420	319,560			1,940	23,262	302,711	1,012	276,569
6	Dongguan The Luxury Nature	Huangjiang Town	Under construction	100%	438,969	284,888	488,039	415,917	12,690	31,633	27,505	11,443	139,237	9,507	67,734
7	Dongguan Century Plaza	Tangxia Town	Under construction	100%	132,989	49,322	159,712	134,493	130,556						
8	Dongguan Times Square	Humen Town	Under construction	100%	104,519	44,056	115,216	95,019	95,064						
9	Dongguan Yichengnan	Daojiao Town	Under construction	80%	319,213	231,046	421,417	351,692	138,050						
10	Guangzhou Lakes	Zengcheng District	Under construction	80%	1,400,147	2,472,217	3,664,850	2,313,504	103,000		60,490	10,484	740,217	14,605	563,514
11	Zhuhai Power Port	Xiangzhou District	Under construction	100%	125,966	747,892	750,000	712,483		31,461	40,586	8,140	385,961	37,775	352,791
12	Zhuhai Blooming Garden	Jinwan District	Under construction	100%	180,173	264,920	314,812	263,478	97,165		23,930	10,369	39,311		
13	Zhuhai Sanyi Doumen	Doumen District	Under construction	50%	211,979	133,333	323,597	263,071	103,430						
14	Foshan Liwanyue City	Nanhai District	Under construction	100%	334,613	65,085	299,817	227,265	80,000						

No.	Name of project	Location	Progress of project	Percentage of interest attributable to our associated companies	Total investment (RMB ten thousand)	Site area	Total floor area	Saleable GFA (note)	Newly constructed GFA in first half of 2014	Area completed in first half of 2014	Contracted Area in first half of 2014	Average selling price per square meter (RMB)	Cumulative contracted area	Settled area in current period	Cumulative settled area
15	Foshan the Signature	Shunde District	Completed	100%	151,024	43,265	169,350	129,035			4,826	15,227	77,878	10,686	68,266
16	Kunming Yuetianxia	Xishan District	Under construction	70%	565,612	116,510	749,802	551,394	214,586		31,265	9,522	31,265		
17	Yantai Glory Mansion	High-tech Zone	Under construction	51%	115,958	66,311	206,502	142,741			6,280	8,287	59,143	8,775	50,709
18	Yantai Green World	Laishan District	Under construction	85%	346,400	455,779	847,180	488,431	80,979	34,449	37,718	6,845	94,850	24,558	24,558
19	Beijing Langyue	Fangshan District	Under construction	100%	400,627	190,257	374,057	271,342	14,719	59,602	20,262	25,980	258,607	29,622	129,032
20	Beijing Green Green	Tongzhou District	Under construction	60%	175,977	72,421	198,987	160,066			1,802	25,313	158,545		
21	Beijing The Capital Hill	Mentougou District	Under construction	36%	795,605	293,976	454,813	352,018	133,328		86,613	24,404	103,538		
22	Beijing Villa Life	Daxing District	Under construction	50%	231,579	89,714	170,104	131,966	68,120		80,226	21,882	80,226		
23	Tianjin International Plaza	Hedong District	Under construction	100%	580,496	169,006	515,615	354,864	16,751		21,331	25,651	303,161	19,407	290,134
24	Tianjin Changhu Bay	Jinghai District	Under construction	70%	418,456	666,110	504,802	460,929	64,333		19,062	9,238	56,259		
25	Tianjin Art Wonderland	Jinnan District	Under construction	36%	210,490	142,770	290,816	286,047	12,754		82,471	9,330	158,415		
26	Shanghai Songjiang Yijing	Songjiang District	Under construction	50%	140,107	64,993	127,378	98,310			58,489	19,516	80,434		
27	Shanghai Free City	Songjiang District	Under construction	40%	648,610	446,483	979,994	726,987	135,474		81,967	18,220	190,809		
28	Shanghai Fantastic Age	Pudong New District	Under construction	100%	532,774	177,900	349,484	218,620			17,762	25,699	102,302	41,646	87,144

No.	Name of project	Location	Progress of project	Percentage of interest attributable to our associated companies	Total investment (RMB ten thousand)	Site area	Total floor area	Saleable GFA (note)	Newly constructed GFA in first half of 2014	Area completed in first half of 2014	Contracted Area in first half of 2014	Average selling price per square meter (RMB)	Cumulative contracted area	Settled area in current period	Cumulative settled area
29	Nanjing Glory Mansion	Qixia District	Under construction	100%	183,921	81,104	253,411	192,204		90,220	509	24,802	185,734	30,879	93,850
30	Nanjing Free City	Yuhuatai District	Under construction	100%	812,082	468,049	1,193,204	1,031,824	8,980	90,328	26,431	16,452	985,892	90,591	752,802
31	Nanjing Art Wonderland	Qixia District	Under construction	51%	529,808	142,508	472,775	365,858	53,187		48,469	16,199	53,358		
32	Yangzhou Art Wonderland	Development District	Under construction	100%	152,484	132,731	267,982	208,000	22,342	136,336	21,199	7,250	135,007	116,227	116,227
33	Yangzhou Glory Mansion	Hanjiang District	Under construction	65%	282,979	160,071	439,161	345,898	34,742		32,923	8,328	52,851		
34	Suzhou Baodai Road	Wuzhong District	Under construction	100%	81,389	26,331	54,262	46,820	46,820						
35	Wuhan Art Wonderland	High-tech Zone	Under construction	100%	239,504	156,413	428,495	323,457	26,553		55,383	8,600	257,150	8,910	127,180
36	Wuhan Saint Emilion	Hongshan District	Under construction	70%	177,913	199,186	396,715	280,638		24,801	16,170	11,171	275,725	25,978	206,137
37	Wuhan Raphael Bay	Hanyang District	Under construction	100%	438,557	306,551	706,250	575,733	72,130	27,202	63,274	8,560	241,578	30,586	158,869
38	Wuhan King Hood (Mingjun Project)	Jiang'an District	Completed	100%	127,241	14,794	90,087	71,768			14,900	21,772	55,933	47,160	53,131
39	Wuhan Green Eastern County	High-tech Zone	Under construction	51%	284,508	104,703	467,554	382,698	162,366		66,551	10,167	99,164		
40	Wuhan Free City	Hongshan District	Under construction	50%	801,248	230,193	1,184,114	952,338	282,743		62,939	9,241	62,939		
41	Changsha Beyond Imagination	Wangcheng District	Under construction	70%	450,820	788,976	1,070,112	938,723	8,870	40,878	53,822	4,848	157,891	37,942	66,255
42	Xi'an Lake City	Yanta District	Under construction	70%	1,017,467	628,802	1,683,227	1,258,911	45,910		66,534	12,900	856,027	54,283	616,775



No.	Name of project	Location	Progress of project	Percentage of interest attributable to our associated companies	Total investment (RMB ten thousand)	Site area	Total floor area	Saleable GFA (note)	Newly constructed GFA in first half of 2014	Area completed in first half of 2014	Contracted Area in first half of 2014	Average selling price per square meter (RMB)	Cumulative contracted area	Settled area in current period	Cumulative settled area
43	Xi'an Xiangyue Tianxia	Yanta District	Under construction	39%	178,379	66,053	314,710	259,892			43,926	7,572	87,863		
44	Shenyang Binhe International Community	Hunnan District	Under construction	100%	842,016	599,153	1,645,639	1,357,249	196,951	33,545	64,882	7,988	1,063,858	35,012	953,522
45	Shenyang Mingjing	Tiexi District	Completed	100%	325,627	192,206	540,464	418,562			2,198	20,207	405,569	10,728	404,509
46	Shenyang Pleasure Town (Boyue Project)	Dadong District	Under construction	51%	343,498	198,206	578,171	448,635	57,505		79,902	8,954	323,897	4,433	170,392
47	Shenyang Binhe Zuoan	Hunnan District	Under construction	39%	107,118	61,361	207,067	183,451	16,795		54,453	6,093	112,664		
48	Shenyang Jincheng	Hunnan District	Under construction	67%	311,466	173,278	509,302	429,117	34,338	18,901	37,777	8,222	63,534	17,718	21,611
49	Shenyang Art Wonderland			72%	368,182	310,286	652,794	522,925	68,342	42,390	33,185	7,576	58,118	30,683	32,359
50	Shenyang Yuefeng	Huanggu District	Under construction	72%	174,033	79,200	225,267	196,344	117,165		6,996	9,359	6,996		
51	Shenyang Jiuxi Mansion	Hunnan District	Under construction	100%	9,145	6,909	6,876	6,876							
52	Dalian CEO Mansion (Yunjin Project)	Zhongshan District	Under construction	70%	96,938	9,800	77,970	63,098			3,478	17,301	42,541	60	8,305
53	Dalian Art Wonderland	Ganjingzi District	Under construction	40%	347,721	294,813	562,945	455,816	65,298	46,507	58,301	8,395	264,761	54,477	198,309
54	Dalian Tanxi	Ganjingzi District	Under construction	72%	208,595	152,600	296,526	234,937	169,577		25,440	9,884	25,440		
55	Hangzhou Free City 24#25#	Xihu District	Under construction	49%	675,554	230,366	566,779	408,922		44,468	10,627	26,190	375,678	12,123	253,964

No.	Name of project	Location	Progress of project	Percentage of interest attributable to our associated companies	Total investment (RMB ten thousand)	Site area	Total floor area	Saleable GFA (note)	Newly constructed GFA in first half of 2014	Area completed in first half of 2014	Contracted Area in first half of 2014	Average selling price per square meter (RMB)	Cumulative contracted area	Settled area in current period	Cumulative settled area
56	Hangzhou Shenhuali	Gongshu District	Under construction	51%	116,157	29,603	89,964	60,778			11,850	20,414	11,850		
57	Hangzhou Green Green	Jiangan District	Under construction	51%	119,552	52,701	162,967	119,438			29,119	10,839	29,119		
58	Hangzhou Xiaoshanlanjue	Xiaoshan District	Under construction	50%	132,967	30,382	142,006	100,366	100,366						
59	Shaoxing Free City	Shaoxing County	Under construction	51%	749,590	450,840	1,409,741	1,115,858	81,281		79,228	9,821	481,772	171,735	362,317
60	Shaoxing Didang Project	Yuecheng District	Under construction	51%	108,808	56,872	138,006	100,650	100,932						
61	Cixi Topleasur	Cixi City	Completed	100%	286,314	80,070	212,131	154,887		154,887	7,678	14,186	93,477	48,003	48,003
62	Cixi Lanyue	Cixi City	Under construction	50%	156,226	86,794	209,783	152,976	66,614						
63	Jinhua Green Spring	Wucheng District	Under construction	90%	45,546	33,991	63,408	50,553			15,887	10,937	31,293		
64	Jinhua Art Wonderland	Jindong District	Under construction	50%	127,704	79,094	222,040	172,255	85,993						
65	Yuyao Lanyue	Yuyao City	Under construction	65%	109,913	58,259	142,361	103,310			20,932	17,845	86,747		
66	Ningbo Dongyu	High-tech Zone	Completed	100%	147,861	47,380	136,348	92,819			8,227	12,295	86,551	8,028	84,345
67	Ningbo New Bund #1	Yinzhou District	Under construction	36%	196,324	59,088	193,007	145,497			78,953	14,662	78,952		

## 2.5 Property Lease

Items	Total GFA (square meters)	GFA available for-rent (square meters)	Occupancy rate (%)	Rental income (RMB)	Average rent per square meter (RMB/month)	Percentage of rental income to fair value of property
Office building	309,280.17	252,725.28	97	368,761,792.52	166.86	4.48%
Property of Gemdale Industry Section	45,599.74	36,778.50	84	9,540,647.40	34.35	3.16%
<b>Total</b>	<b>354,879.91</b>	<b>289,503.78</b>		<b>378,302,439.92</b>		

## III. SIGNIFICANT EVENTS

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

√Applicable □Not applicable

Unit: RMB

Items	At the end of the reporting period	At the beginning of the reporting period	Change by	Analysis of change
Advances to suppliers	474,615,320.25	822,686,154.09	-42.31%	Decrease in prepaid land cost
Other current assets	8,063,683,550.30	3,826,338,997.84	110.74%	Increase in prepaid taxation
Long-term equity investments	3,894,837,466.76	2,473,467,433.26	57.46%	Increase in equity cooperation
Long-term deferred expenses	20,360,306.09	11,961,646.22	70.21%	Increase in household improvement fee
Other non-current assets	209,400,000.00	14,900,000.00	1305.37%	Increase in Entrusted loans
Short-term borrowings	4,660,635,337.05	2,736,310,901.31	70.33%	Increase in borrowings
Notes payable	331,799,742.04	314,972.18	105242.56%	Increase in notes usage
Advances from customers	37,797,772,798.22	30,276,042,182.49	24.84%	Increase in receipts arising from pre-sale of properties
Employees' remuneration payable	403,339,326.17	653,657,927.39	-38.30%	Payment of remuneration
Tax payable	433,531,406.59	665,260,082.00	-34.83%	Payment of interest

Items	The current period	The previous period	Change by	Analysis of change
Finance cost	282,378,627.75	180,984,586.18	56.02%	Increase in borrowings
Impairment loss in respect of assets	6,076,441.83	88,250,210.25	-93.11%	Increase in inventory Impairment
Investment income	87,908,407.74	10,119,086.09	768.74%	Increase in financial benefits
Non-operating expenses	54,946,662.61	18,368,971.94	199.13%	Increase in expenses such as donation
Income tax expenses	349,486,362.46	579,300,109.37	-39.67%	Decrease in sales recognized

Items	The current period	The previous period	Change by	Analysis of change
Net cash flows from operating activities	-2,335,960,850.58	-4,802,217,992.91	N.A.	Increase in land expenses
Net cash flows from investment activities	-3,559,914,993.04	-1,838,290,700.46	N.A.	Increase in investment expenses

Net cash flows from financing activities	4,962,644,246.13	4,483,908,610.91	10.68%	Increase in borrowings
--	------------------	------------------	--------	------------------------

3.2 The progress of significant events and the impact thereof and the analysis and explanation for the solutions

Applicable Not applicable

3.3 The Commitments by the Company, shareholders and de facto controller and the performance thereof

Applicable Not applicable

3.4 Explanations and warnings in respect of forecast of a probable loss in respect of the cumulated net profit from the beginning of the financial year to the end of the next reporting period or any significant changes as compared to the corresponding period of last year

Applicable Not applicable

3.5 The effects on consolidated financial statements by adoption of new accounting policy

Pursuant to the “Accounting Standards for Business Enterprises No. 2—Long-term Equity Investment” amended by the Ministry of Finance (MoF) this year, an investee held by the Company over which the Company has no control, joint control or material influence and the Company’s equity investment in such investee has no quotation in an active market and its fair value cannot be reliably measured shall be applicable to “Accounting Standards for Business Enterprises No.22 — Recognition and measurement of financial instruments”. As of the end of September 2014, the investment under long-term equity investment with a carrying amount of RMB6,991,520.68 will be re-classified as available-for-sale financial assets, and the long-term equity investment with a carrying amount of RMB6,935,943.21 at the beginning of the year has been adjusted retrospectively. The effects of these adjustments are as follows:

Unit: Yuan Currency: RMB

Investee	Brief information of transaction	Interests attributable to shareholders of the parent company as at 1 January 2013 (+/-)	31 December 2013		
			Long-term equity investment (+/-)	Available-for-sale financial assets (+/-)	Interests attributable to shareholders of the parent company (+/-)
Shenzhen Innovation Technology Park Co. Ltd.	Interested in 25% of shares. That company is in the process of deregistration.		-6,935,943.21	6,935,943.21	
Total	-		-6,935,943.21	6,935,943.21	

Adoption of this accounting standard will only affect the classification of long-term equity investment and available-for-sale financial assets, and has no effect on the net profit and net assets as stated in the Company’s 2013 annual consolidated financial statements and the statements for this period.

Gemdale Corporation  
Ling Ke  
Chairman

29 October 2014

**IV. APPENDIX****THE CONSOLIDATED BALANCE SHEET**

As at September 30, 2014

*(Prepared by Gemdale Corporation)*

Unit: RMB

<b>ITEMS</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>CURRENT ASSETS:</b>		
Currency funds	16,834,708,268.98	18,609,949,221.67
Provision of settlement fund		
Funds lent		
Held-for-trading financial assets		
Notes receivable		
Accounts receivable	7,603,904.56	9,863,274.33
Advances to suppliers	474,615,320.25	822,686,154.09
Insurance premiums receivable		
Cession premiums receivable		
Provision of cession receivable		
Interest receivable		
Dividends receivable		
Other receivables	8,611,812,904.62	10,126,599,754.86
Recoursable financial assets acquired		
Inventories	86,223,818,641.47	76,638,115,688.85
Non-current assets due within one year		
Other current assets	8,063,683,550.30	3,826,338,997.84
Total current assets	120,216,242,590.18	110,033,553,091.64
<b>NON-CURRENT ASSETS:</b>		
Loans and payments on behalf		
Available-for-sale financial assets	150,711,395.68	186,071,613.21
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	3,894,837,466.76	2,473,467,433.26
Investment properties	10,188,958,741.50	10,038,112,000.00
Fixed assets	367,382,348.05	298,706,116.23
Construction in progress		2,104,503.76
Construction materials		
Fixed assets held for disposal		
Bearer biological assets		
Oil and natural gas assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term prepayments	20,360,306.09	11,961,646.22
Deferred tax assets	1,016,448,865.54	867,456,586.95
Other non-current assets	209,400,000.00	14,900,000.00
Total non-current assets	15,848,099,123.62	13,892,779,899.63
<b>TOTAL ASSETS</b>	<b>136,064,341,713.80</b>	<b>123,926,332,991.27</b>
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	4,660,635,337.05	2,736,310,901.31
Borrowings from central bank		

Deposits from customers and interbank		
Deposit funds		
Held-for-trading financial liabilities		
Notes payable	331,799,742.04	314,972.18
Accounts payable	7,435,184,071.12	10,081,654,234.82
Advances from customers	37,797,772,798.22	30,276,042,182.49
Funds from sales of financial assets with repurchasement		
Handling charges and commissions payable		
Employee benefits payable	403,339,326.17	653,657,927.39
Tax payable	433,531,406.59	665,260,082.00
Interest payable	164,316,532.60	171,061,889.01
Dividends payable	36,850,000.00	36,850,000.00
Other payables	7,191,110,437.35	6,338,647,194.28
Cession premiums payable		
Provision for insurance contracts		
Receivings from vicariously traded		
Receivings from vicariously sold		
Non-current liabilities due within one year	11,675,360,001.14	9,092,725,435.75
Other current liabilities		
Total current liabilities	70,129,899,652.28	60,052,524,819.23
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	19,895,513,634.72	16,963,097,519.64
Bonds payable	5,482,422,278.39	6,483,515,823.00
Long-term payables		
Special payables		
Provisions		
Deferred tax liabilities	2,458,790,226.89	2,391,739,137.98
Other non-current liabilities		
Total non-current liabilities	27,836,726,140.00	25,838,352,480.62
<b>TOTAL LIABILITIES</b>	<b>97,966,625,792.28</b>	<b>85,890,877,299.85</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	4,491,463,472.00	4,471,508,572.00
Capital reserve	5,582,503,242.09	5,659,160,053.76
Less: Treasury shares		
Special reserve		
Surplus reserve	1,209,287,421.76	1,209,795,733.29
General risk provision		
Unappropriated profit	16,974,288,518.99	17,243,968,733.11
Translation differences arising on translation of financial statements denominated in foreign currencies	460,962,837.73	529,898,727.09
Total shareholders' equity attributable to equity holders of the parent	28,718,505,492.57	29,114,331,819.25
Minority interests	9,379,210,428.95	8,921,123,872.17
<b>TOTAL</b>	<b>38,097,715,921.52</b>	<b>38,035,455,691.42</b>

SHAREHOLDERS' EQUITY		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	136,064,341,713.80	123,926,332,991.27

Legal Representative: Ling Ke

Chief Accountant: Wei  
ChuanjunPerson in Charge of the  
Accounting Body: Zeng Aihui**THE COMPANY BALANCE SHEET**

As at September 30, 2014

*(Prepared by Gemdale Corporation)*

Unit: RMB

ITEMS	Closing balance	Opening balance
<b>Current Assets:</b>		
Currency funds	7,236,751,139.97	8,376,926,818.85
Held-for-trading financial assets		
Notes receivable		
Accounts receivable	28,966.83	134,934.10
Advances to suppliers	289,836.10	45,824,675.82
Interest receivable		
Dividends receivable	1,215,400,000.00	41,958,715.85
Other receivables	41,062,798,274.44	34,438,618,026.37
Inventories	3,206,370.23	3,206,370.23
Non-current assets due within one year		
Other current assets	2,021,265,401.53	117,253.53
Total current assets	51,539,739,989.10	42,906,786,794.75
<b>Non-current Assets:</b>		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	19,250,608,813.36	16,384,787,261.37
Investment property	302,170,112.24	294,429,000.00
Fixed assets	181,786,459.37	193,041,530.44
Construction in progress		2,104,503.76
Construction materials		
Fixed assets held for disposal		
Bearer biological assets		
Oil and natural gas assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term prepayments		
Deferred tax assets	155,001,951.67	133,068,051.92
Other non-current assets		
Total non-current assets	19,889,567,336.64	17,007,430,347.49
<b>TOTAL ASSETS</b>	<b>71,429,307,325.74</b>	<b>59,914,217,142.24</b>
<b>Current Liabilities:</b>		

Short-term borrowings	3,580,380,000.00	2,364,400,000.00
Held-for-trading financial liabilities		
Notes payable	94,329,016.24	
Accounts payable	20,771,819.57	59,825,096.45
Advances from customers	1,070,889.64	1,070,172.75
Employee benefits payable	265,347,351.60	319,328,720.31
Tax payable	1,850,126.63	56,013,831.38
Interest payable	67,731,478.11	52,616,700.00
Dividends payable		
Other payables	16,432,628,657.11	13,790,475,191.48
Non-current liabilities due within one year	11,527,700,000.00	7,235,000,000.00
Other current liabilities		
Total current liabilities	31,991,809,338.90	23,878,729,712.37
<b>Non-current Liabilities:</b>		
Long-term borrowings	17,412,563,333.41	15,694,026,452.84
Bonds payable	1,198,087,000.35	1,196,360,763.45
Long-term payables		
Special payables		
Provisions		
Deferred tax liabilities	76,201,607.09	76,201,607.09
Other non-current liabilities		
Total non-current liabilities	18,686,851,940.85	16,966,588,823.38
TOTAL LIABILITIES	50,678,661,279.75	40,845,318,535.75
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	4,491,463,472.00	4,471,508,572.00
Capital reserve	6,306,157,286.60	6,312,025,871.93
Less: Treasury shares		
Special reserve		
Surplus reserve	1,209,287,421.76	1,209,795,733.29
General risk provision		
Unappropriated profit	8,743,737,865.63	7,075,568,429.27
TOTAL SHAREHOLDERS' EQUITY	20,750,646,045.99	19,068,898,606.49
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	71,429,307,325.74	59,914,217,142.24

Legal Representative: Ling Ke

Chief Accountant: Wei Chuanjun

Person in Charge of the Accounting Body: Zeng Aihui

### THE CONSOLIDATED INCOME STATEMENT

(Prepared by Gemdale Corporation)

Unit: RMB

ITEMS	Current Period(July - September)	Prior Period(July - September)	From the beginning of the year to the end of the reporting period(January to September)	From the beginning of the year to the end of the reporting period of last year(January to September)



I. Total operating income	5,813,357,643.34	9,300,428,689.25	14,897,228,985.59	18,095,360,476.94
Including: Operating income	5,813,357,643.34	9,300,428,689.25	14,897,228,985.59	18,095,360,476.94
Interest income				
Earned premium				
Handling charges and commissions income				
II. Total operating costs	4,229,251,212.83	6,998,765,819.96	11,187,214,187.78	13,312,067,265.96
Including: Operating costs	4,229,251,212.83	6,998,765,819.96	11,187,214,187.78	13,312,067,265.96
Interest expense				
Handling charges and commissions expenses				
Refund of insurance premiums				
Net payments for insurance claims				
Net provision for insurance contracts				
Commissions on insurance policies				
Cession charges				
Taxes and surcharges on operations	500,871,141.73	838,667,208.00	1,158,491,158.87	1,490,505,026.83
Selling and distribution expenses	286,870,090.10	248,066,339.16	690,120,610.80	629,306,375.73
Administrative expenses	178,314,989.79	512,200,910.71	663,961,902.23	906,224,548.42
Financial expenses	125,866,587.71	28,754,135.90	282,378,627.75	180,984,586.18
Impairment loss in respect of assets	1,661,200.80	-12,157,700.33	6,076,441.83	88,250,210.25
Add: Gains from changes in fair values				
Investment income	94,736,091.58	1,186,228.44	87,908,407.74	10,119,086.09
Including: Income from investment in associates and joint ventures	-19,006,001.34	897,318.36	-89,356,618.81	-16,815,145.46
Exchange gain				
III. Operating profit	585,258,511.96	687,318,204.29	996,894,464.07	1,498,141,549.66
Add: Non-operating income	12,921,769.23	15,747,179.30	44,169,302.96	39,970,095.45
Less: Non-operating expenses	33,875,642.90	4,114,013.76	54,946,662.61	18,368,971.94
Including: Losses from disposal of non-current assets	5,848.63	39,667.40	151,046.22	85,736.83
IV. Total profit	564,304,638.29	698,951,369.83	986,117,104.42	1,519,742,673.17
Less: Income tax expenses	140,973,664.91	232,610,939.11	349,486,362.46	579,300,109.37
V. Net profit	423,330,973.38	466,340,430.72	636,630,741.96	940,442,563.80
Net profit attributable to shareholders of the parent	287,272,100.07	419,877,545.81	445,252,845.87	735,272,007.26

Profit or loss attributable to minority interests	136,058,873.31	46,462,884.91	191,377,896.09	205,170,556.54
VI. Earnings per share:				
(I) Basic earnings per share	0.06	0.09	0.10	0.16
(II) Diluted earnings per share	0.06	0.09	0.10	0.16
VII. Other comprehensive income	-12,705,148.90	16,944,282.63	-112,545,342.60	89,228,653.80
VIII. Total comprehensive income	410,625,824.48	483,284,713.35	524,085,399.36	1,029,671,217.60
Total comprehensive income attributable to shareholders of the parent	271,906,747.14	434,439,212.12	340,901,161.51	800,248,531.23
Total comprehensive income attributable to minority interests	138,719,077.34	48,845,501.23	183,184,237.85	229,422,686.37

Legal Representative: Ling Ke

Chief Accountant: Wei Chuanjun

Person in Charge of the Accounting Body: Zeng Aihui

### THE COMPANY INCOME STATEMENT

(Prepared by Gemdale Corporation)

Unit: RMB

ITEMS	Current Period(July - September)	Prior Period(July - September)	From the beginning of the year to the end of the reporting period(January to September)	From the beginning of the year to the end of the reporting period of last year(January to September)
I. Operating income	23,277,256.77	136,566,170.14	58,918,636.78	180,408,518.37
Less: Operating costs	277,076.30	127,996,548.23	391,714.19	161,163,820.27
Business taxes and levies	440,744.51	7,897,748.77	7,903,314.74	16,422,641.17
Selling and distribution expenses		8,683.50		272,648.43
Administrative expenses	67,726,391.39	314,193,855.20	142,693,563.09	386,891,262.83
Financial expenses	29,707,328.84	-95,965,550.59	-40,954,793.52	-202,186,928.69
Impairment loss in respect of assets	49,494.53	-134,814.97	168,357.37	-67,558.48
Add: Gains from changes in fair values				
Investment income	1,144,629,801.35	24,817,388.28	2,418,600,111.65	1,668,640,766.39
Including: Income from investment in associates and joint ventures	-33,226.21	307,188.28	-15,790,573.94	-1,338,687.57
II. Operating profit	1,069,706,022.55	-192,612,911.72	2,367,316,592.56	1,486,553,399.23
Add: Non-operating income	19,210.67		2,040,183.37	967.44
Less: Non-operating expenses	38,160.61	2,000,000.00	3,960,732.70	4,000,000.00

Including: Losses from disposal of non-current assets			72,572.09	
III. Total profit	1,069,687,072.61	-194,612,911.72	2,365,396,043.23	1,482,554,366.67
Less: Income tax expenses	-35,263,666.37	-53,045,945.11	-22,789,568.38	-35,065,706.16
IV. Net profit	1,104,950,738.98	-141,566,966.61	2,388,185,611.61	1,517,620,072.83
V. Earnings per share:				
(I) Basic earnings per share				
(II) Diluted earnings per share				
VI. Other comprehensive income				
VII. Total comprehensive income	1,104,950,738.98	-141,566,966.61	2,388,185,611.61	1,517,620,072.83

Legal Representative: Ling Ke

Chief Accountant: Wei Chuanjun

Person in Charge of the Accounting Body: Zeng Aihui

### CONSOLIDATED CASH FLOW STATEMENTS From January to September

(Prepared by Gemdale Corporation)

Unit: RMB

ITEMS	Current Period	Prior Period
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	22,390,266,187.82	30,081,331,311.09
Net increase in deposits from customers and placements from corporations in the same industry		
Net increase in loan from central bank		
Net increase in funds borrowed from other financial institutions		
Cash premiums received on original insurance contracts		
Cash received from re-insurance business		
Net increase in deposits and investments from insurers		
Net increase in disposal of trading financial assets		
Interest, handling charges and commissions received		
Net increase in funds deposit		
Net increase in repurchasement business funds		
Receipts of tax refunds		
Other cash receipts relating to operating activities	4,168,737,445.35	2,162,421,334.40
Sub-total of cash inflows	26,559,003,633.17	32,243,752,645.49
Cash payments for goods purchased and services received	18,994,213,570.23	24,498,286,215.38
Net increase in loans and payments on behalf		
Net increase in deposits with centre bank and interbank		
Payments of claims for original insurance contracts		
Interests, handling charges and commissions paid		
Commissions on insurance policies paid		

Cash payments to and on behalf of employees	963,624,361.91	690,104,035.09
Payments of all types of taxes	4,233,373,212.19	4,772,036,886.79
Other cash payments relating to operating activities	4,703,753,339.42	7,085,543,501.14
Sub-total of cash outflows	28,894,964,483.75	37,045,970,638.40
Net Cash Flows from Operating Activities	-2,335,960,850.58	-4,802,217,992.91
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and returns of investments	8,181,938,000.00	1,690,331,060.15
Cash receipts from returns on investments	51,119,633.32	34,008,358.68
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	1,103,800.34	248,463.22
Net cash receipts from disposals of subsidiaries and other business units		500,000.00
Other cash receipts relating to investing activities		
Sub-total of cash inflows	8,234,161,433.66	1,725,087,882.05
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	174,646,968.38	36,165,721.83
Cash payments to acquire investments	11,534,267,327.00	3,513,980,026.64
Net increase in secured loans		
Net cash payments for acquisitions of subsidiaries and other business units	50,974,286.75	13,232,834.04
Other cash payments relating to investing activities	34,187,844.57	
Sub-total of cash outflows	11,794,076,426.70	3,563,378,582.51
Net Cash Flows from Investing Activities	-3,559,914,993.04	-1,838,290,700.46
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from investors making investment in the enterprise	1,180,643,658.00	1,396,511,909.07
Including: cash receipts from minorities making investment in subsidiaries	1,032,578,300.00	1,396,511,909.07
Cash receipts from borrowings	17,726,839,680.60	15,552,093,706.98
Cash receipts from issue of bonds	1,034,629,544.61	1,981,713,016.80
Other cash receipts relating to financing activities	845,075,074.33	202,381,670.61
Sub-total of cash inflows	20,787,187,957.54	19,132,700,303.46
Cash repayments of amounts borrowed	11,991,702,883.75	11,956,890,669.87
Cash payments for distribution of dividends or profit or interest expenses	3,695,925,075.50	2,628,163,841.59
Including: payments for distribution of dividends or profit to minorities of shareholders	854,311,003.66	593,345,607.64
Other cash payments relating to financing activities	136,915,752.16	63,737,181.09
Sub-total of cash outflows	15,824,543,711.41	14,648,791,692.55
Net Cash Flows from Financing Activities	4,962,644,246.13	4,483,908,610.91
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	3,065,719.13	9,325,969.81
<b>V. Net Increase in Cash and Cash Equivalents</b>	-930,165,878.36	-2,147,274,112.65
Add: Opening Balance of Cash and Cash Equivalents	16,901,051,824.53	19,204,139,167.03
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	15,970,885,946.17	17,056,865,054.38

Legal Representative: Ling Ke    Chief Accountant: Wei Chuanjun

Person in Charge of the Accounting Body: Zeng Aihui

**THE COMPANY CASH FLOW STATEMENTS**

From January to September

*(Prepared by Gemdale Corporation)*

Unit: RMB

<b>ITEMS</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	55,512,414.09	169,196,845.13
Receipts of tax refunds		
Other cash receipts relating to operating activities	1,161,864,750.72	128,026,511.52
Sub-total of cash inflows	1,217,377,164.81	297,223,356.65
Cash payments for goods purchased and services received	45,714,028.83	104,337,334.16
Cash payments to and on behalf of employees	212,706,634.15	74,408,604.35
Payments of all types of taxes	181,330,896.32	186,624,346.84
Other cash payments relating to operating activities	3,112,258,058.72	2,084,699,625.78
Sub-total of cash outflows	3,552,009,618.02	2,450,069,911.13
Net Cash Flows from Operating Activities	-2,334,632,453.21	-2,152,846,554.48
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and returns of investments	7,660,000,000.00	1,312,210,000.00
Cash receipts from returns on investments	1,260,949,401.44	1,688,896,392.02
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	85,090.00	1,000.00
Net cash receipts from disposals of subsidiaries and other business unit		662,120.30
Other cash receipts relating to investing activities		
Sub-total of cash inflows	8,921,034,491.44	3,001,769,512.32
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	8,970,404.68	5,424,178.01
Cash payments to acquire investments	12,696,896,715.00	4,734,269,510.00
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows	12,705,867,119.68	4,739,693,688.01
Net Cash Flows from Investing Activities	-3,784,832,628.24	-1,737,924,175.69
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from investors making investment in the enterprise	148,065,358.00	
Cash receipts from borrowings	14,972,000,000.00	14,703,000,000.00
Cash receipts from issue of bonds		
Other cash receipts relating to financing activities	974,880,933.29	136,940,957.43
Sub-total of cash inflows	16,094,946,291.29	14,839,940,957.43
Cash repayments of amounts borrowed	7,735,400,000.00	9,032,727,580.60
Cash payments for distribution of dividends or profit or interest expenses	2,379,775,884.95	1,676,642,922.14
Other cash payments relating to financing activities	25,620,992.06	30,115,145.62
Sub-total of cash outflows	10,140,796,877.01	10,739,485,648.36
Net Cash Flows from Financing Activities	5,954,149,414.28	4,100,455,309.07
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	20,921.58	-64,411.71
<b>V. Net Increase in Cash and Cash Equivalents</b>	-165,294,745.59	209,620,167.19
Add: Opening Balance of Cash and Cash Equivalents	7,215,381,501.09	7,744,329,330.87

<b>VI. Closing Balance of Cash and Cash Equivalents</b>	7,050,086,755.50	7,953,949,498.06
---	------------------	------------------

Legal Representative: Ling Ke

Chief Accountant: Wei  
Chuanjun

Person in Charge of the  
Accounting Body: Zeng Aihui