

# **Shenzhen International Enterprise Co., Ltd.**

## **Report for the Third Quarter of 2013**



**Oct. 2013**

## **Section I. Important Reminders**

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Shenzhen International Enterprise Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors attended the board session for reviewing this report.

Zheng Kanghao, company principal, Chen Xiaohai, chief of the accounting work, and Xu Xiaoyun, chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

## Section II. Financial Highlights & Change of Shareholders

### I. Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

☐ Yes ☒ No

	30 Sept. 2013		31 Dec. 2012	Increase/decrease (%)	
Total assets (RMB Yuan)	7,823,337,572.99		2,006,481,401.06	289.9%	
Net assets attributable to shareholders of the Company (RMB Yuan)	2,339,858,202.29		-83,888,096.19	--	
	Jul.-Sept. 2013	YoY increase/decrease (%)	Jan.-Sept. 2013	YoY increase/decrease (%)	
Operating revenues (RMB Yuan)	4,741,202.27	-81.24%	17,050,219.72	-71.2%	
Net profit attributable to shareholders of the Company (RMB Yuan)	2,463,282,915.41	--	2,423,746,298.48	--	
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	-17,527,041.26	--	-51,941,032.93	--	
Net cash flows from operating activities (RMB Yuan)	--	--	-333,860,594.69	127.41%	
Basic EPS (RMB Yuan/share)	11.15	--	10.97	--	
Diluted EPS (RMB Yuan/share)	11.15	--	10.97	--	
Weighted average ROE (%)	222.27%	--	214.88%	--	

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2013	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-15,962.13	Mainly is the disposal of old fixed assets.
Gain/loss on change of the fair value of investing real estate of which the subsequent measurement is carried out adopting the fair value method	5,512,866,905.80	Gain/loss on change of the fair value of WONGTEE PLAZA which is carried out adopting the fair value method.
Other non-operating income and expenses other than the above	-5,493,227.77	Mainly is the penalty provision

		and so on.
Less: Income tax effects	1,378,216,726.45	
Minority interests effects (after tax)	1,653,453,658.04	
Total	2,475,687,331.41	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

☐ Applicable ☒ Inapplicable

## II. Total number of shareholders at the period-end and shares held by the top ten shareholders

Unit: share

Total number of shareholders at the period-end		12,367				
Shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of the restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
MULTI PROFIT ASIA PACIFIC INVESTMENT LTD	Foreign corporation	13.7%	30,264,192	0	Pledged	30,000,000
BOCI SECURITIES LIMITED	Foreign corporation	4.9%	10,825,901	0		
SHENZHEN SPECIAL ECONOMIC ZONE DEVELOPMEN T (GROUP) CO., LTD.	State-owned corporation	4.23%	9,334,662	0		
SHENZHEN WONGTEE REAL ESTATE INVESTMENT CO., LTD.	Domestic non-state-owned corporation	4.2%	9,280,644	0	Pledged	6,570,000
ZHONG ZHIQIANG	Foreign natural person	3.72%	8,215,594	0		

CHEN SHU	Domestic natural person	0.97%	2,149,327	0		
ZENG HAIXING	Domestic natural person	0.97%	2,148,715	0		
GUOTAI JUNAN SECURITIES(HONGKONG)LIMITED	Foreign corporation	0.84%	1,856,818	0		
GUOYUAN SECURITIES (HK) CO., LTD.	Foreign corporation	0.81%	1,792,004	0		
CHEN SHAOYUAN	Domestic natural person	0.73%	1,602,641	0		
Shares held by the top ten non-restricted share holders						
Name of shareholder	Number of non-restricted shares held	Type of shares				
		Type	Number			
MULTI PROFIT ASIA PACIFIC INVESTMENT LTD	30,264,192	Domestically listed foreign shares	30,264,192			
BOCI SECURITIES LIMITED	10,825,901	Domestically listed foreign shares	10,825,901			
SHENZHEN SPECIAL ECONOMIC ZONE DEVELOPMENT (GROUP) CO., LTD.	9,334,662	RMB ordinary share	9,334,662			
SHENZHEN WONGTEE REAL ESTATE INVESTMENT CO., LTD.	9,280,644	RMB ordinary share	9,280,644			
ZHONG ZHIQIANG	8,215,594	Domestically listed foreign shares	8,215,594			
CHEN SHU	2,149,327	Domestically listed foreign shares	2,149,327			
ZENG HAIXING	2,148,715	Domestically listed foreign shares	2,148,715			
GUOTAI JUNAN SECURITIES(HONGKONG)LIMI	1,856,818	Domestically listed foreign	1,856,818			

TED		shares	
GUOYUAN SECURITIES (HK) CO., LTD.	1,792,004	Domestically listed foreign shares	1,792,004
CHEN SHAOYUAN	1,602,641	RMB ordinary share	1,602,641
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Inquired by the Company, Mr. Zheng Kanghao, 百 Multi Profit Asia Pacific, Shenzhen Wongtee Real Estate Investment Co., Ltd. and Wongtee International Group Co., Ltd. were persons acting in concert, which owns the stocks of the Company with the total amount of 44,180,202 shares, accounting for 6.4098% of the total shares of the Company. Of which, actual controlling holder of Wongtee International, Mr. Zheng Kanghao, holds 4,063,855 shares of B shares through BOCI SECURITIES LIMITED. Zhong Zhiqiang, Chen Shu, Zeng Haixing, Tan Guanqiang and Zhao Chongyue are persons acting in concert. Other than that, it is unknown whether there were other related relations or action-in-concert regulated in Administrative Measures for Takeover of Listed Companies among the above shareholders.		

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

☐ Yes ☒ No

## Section III. Significant Events

### I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Assets	30 Sept. 2013	31 Dec. 2012	Increase/decrease (%)	Reason for the change
Monetary funds	18,052,827.81	8,984,230.37	101%	Bank loans lending
Prepayments	616,936.20	21,980,809.00	-97%	Wongtee Plaza completed and carry-over costs.
Other receivables	21,896,337.99	34,101,722.17	-36%	Recovered the come-and-go money
Inventory	62,478,566.74	1,864,814,808.18	-97%	After Wongtee Plaza Project completed, transferred into investing real estate of which the subsequent measurement is carried out adopting the fair value method.
Investment real estate	7,648,262,646.28	6,238,300.00	122502%	Investment real estate under construction--Wongtee Plaza completed, carried out subsequent measurement by adopting the fair value method.
Accounts received in advance	10,410,798.49	4,190,788.58	148%	Received the rents of Wongtee Plaza in advance.
Other payables	404,957,014.25	178,598,323.40	127%	Mainly is the borrowings payable increased.
Non-current liabilities due within one year	1,296,870,000.00	8,000,000.00	16111%	Mainly are the loans of China Jiantou Trust transferred into non-current liabilities within one year.
Long-term borrowings	620,000,000.00	1,695,020,000.00	-63%	Mainly are the loans of China Jiantou Trust transferred into non-current liabilities within one year.
Deferred income tax liabilities	1,380,267,671.42	2,043,547.43	67443%	After Wongtee Plaza Project completed, carried out subsequent measurement by adopting the fair value method and the confirmed deferred income tax liabilities.
Operating income	17,050,219.72	59,194,124.89	-71%	Due to the unsold real estate in the reporting period.
Operating costs	14,155,356.93	61,090,311.01	-77%	Due to the unsold real estate in the reporting period.
Business taxes	554,545.66	4,143,935.07	-87%	Due to the unsold real estate in the reporting

and surtaxes				period.
Selling expenses	8,488,265.87	22,978,028.99	-63%	The advertising fees of Wongtee Plaza decreased in the reporting period.
Administration expenses	40,928,089.34	31,026,673.34	32%	The increased staffs and expenses for the opening of Wongtee Plaza.
Financial expenses	40,643,804.12	8,697,936.20	367%	Due to the loans increased, which led the expenditure interests increased.
Assets impairment loss	-120,446.79	1,962,127.61	-106%	The bad debts provision and the provision for inventory obsolescence decreased in the reporting period.
Gains on the changes in the fair value	5,512,866,905.80	-149,546.00	-3686502%	Gains and losses of fair value by adopting the fair value method of Wongtee Plaza.
Investment income		103,081,609.13	-100%	Investment real estate such as the not-diposed equity in the reporting period.
Non-business expenses	5,530,365.74	1,965,249.41	181%	Withdrawal and the penalty payable of Foh Chong & Sons.
Income tax expenses	1,378,224,124.00	-32,931.63	-4185208%	After Wongtee Plaza Project completed, carried out subsequent measurement by adopting the fair value method and the confirmed income tax expenses.

## II. Progress and influence of significant events, as well as the analysis and explanation on solutions

### 1. About non-standard audit opinion

Due to the shop subscription of Wongtee Plaza by the Company's internal staffs, and the problems about the sustainable operating capability of the Company, the accounting firm of 2012 had issued an audit report with emphasis of matters, which was unqualified. The board of the directors of the Company disposed the changes of the involving matters and their handling situation is as follows:

(1) Questions regarding shop subscription: Because the matter had lasted for years since happened, parts of the subscribed staffs had left the Company, which need time to communicate; and the Company had filed a lawsuit against those staffs on the matter. Although some cases had the final judgment of second instance, the relevant litigation had not ended, and thus the accounting firm issued the audit report with emphasis of matters of 2012.

Shops of staffs are classified as the Company's historical problems, which will be positively processed by the Board. The Company had come to an agreement with 11 subscribers, while 24 of the rest of them had not reach the agreement because of the amount of compensation etc; recently there are still some shops matters ongoing litigation, and the Company will response actively to the contentious matters(see the following significant litigation form for details)

(2) Questions regarding sustainable operating capability of the Company:

The Company will take various measures to improve the sustainable operating capability, among which will firstly promote actively of the finishing work and so on of the Wongtee Plaza, for the sooner opening as well as the creation of the cash flow, which will ease the financial tensions for the Company; Secondly, the Company will search actively for various methods of financing, in order to the provide financial support for the Company; thirdly, to reduce the financing costs of the Company and to improve the debt structure;



to estimate, after the comprehensive opening of the project, the Company will adopt the commercial property business loans to displace all the borrowings and will reduce the financing costs as well as to expand the loan term; lastly, the president—Mr. Zheng Kanghao and the company under his control will provide financial support for the Company.

## 2. Progress of Wongtee Plaza

Within the reporting period, the refined decoration of the whole five floors of the public places of Wongtee Plaza had completely finished, and had dealt with the handover procedures to the Company in the third quarter of 2013. Up to 30 Sep. 2013, the enterprise-establishing of all the floors of Wongtee Plaza amounts the areas of the confirmed commercial tenant (including the signed contacts, the letters of intent and the agreements subjected to sign etc.) of about 79.42% of the lettable area of Wongtee Plaza. Recently the Company is carrying out the organization of the inside decoration for the commercial tenants as well as the previous preparation of the opening. It is estimated that Wongtee Plaza will open up officially in Dec. 2013.

## 3. Significant litigation

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
The case on equity transfer dispute between Malaysia Foh Chong & Sons SDN.BHD. and the Company: received a Judgment Letter for the first instance from Shenzhen Intermediate People's Court at the end of Mar. 2012, sentencing the Company to pay the principal of RMB 20.6 million, interest and overdue penalty within ten days from the effective date (the interests will take 20.6 million as cardinal number, and will count from 1 Jun. 2001 to 31 Dec. 2009 by the lending rate of the same period according to People's Bank of China; the overdue penalty will count from 1 Jan. 2010 to the date of payment by the verdict bases on the standard of three ten thousandths per day, which take the total amount of the payables as cardinal number ). If the Company had not fulfilled the obligation of paying money according to the verdict within the specified period, should double pay the debt interests during the delayed performing period by rules. The court costs amounted to RMB 227,188.23 was burden by the defendant. After that, the Company instituted an appeal to Guangdong Higher People's Court against the case. On 19 Nov. 2012, the Company received the written letter of	5 Aug. 2011	2011-32
	7 Apr. 2012	2012-14
	21 Nov. 2012	2012-67

second instance from Guangdong Higher People's Court, with the result of the judgment: Dismissed the appeal and upheld the original verdict. The court costs of the case of second instance was of RMB 227,188.23 and was burden by the Company. After negotiation, the Company will pay the case payments by monthly installment.		
The case on damages dispute between Shenzhen Rongfa Investment Co., Ltd. and Shenzhen Yahaoyuan Investment Co., Ltd.: Previously the written letter of second instance of the case on equity transfer contract dispute between Shenzhen Rongfa Investment Co., Ltd. and Shenzhen Yahaoyuan Investment Co., Ltd. confirmed that: the land parcel advocated by the Company attributes to the land that stipulated by the equity transfer agreement, which covers an area of 40 thousand square meters, is also the land that should be stripped of. But because of the invalid of the clause, the court considered that the Company should solve the problem through other legal methods. So in Mar. 2013, the Company instituted legal proceedings to Longgang Court, requesting that the court should announce that Yahaoyuan Investment Co., Ltd. make a discount compensation to Rongfa Investment Co., Ltd. on the corresponding amounts about the land parcel in Longgang Pingdi and all the other relevant losses, and the case was in the first trial stage. In Aug. 2013, the third party of the above cases—EASTERN had instituted legal proceedings to Longgang Court on the case of possessions returned dispute against Rongfa Investment Co., Ltd., and the court judged that the case and the cases above have joint trial.	12 Dec. 2012	2012-68
	10 Apr. 2013	2013-07
	24 Aug. 2013	2013-30
The case on shop subscription from staffs: For solving the shop internal pre-sale of	5 Jul. 2012	2012-44

<p>Wongtee Plaza from staffs, Rongfa Company successively received the litigation documents related to the case in which other 7 people (including Yang XX, etc.) sued Rongfa Company regarding the event of internal subscription of shops. They were the charging documents such as notice of response to action, notice of proof and so on from Shenzhen Futian People's Court. They required the court to decree Rongfa Company to deliver shops to the plaintiffs immediately and undertake the lawsuit charge. On 29 Mar. 2013, the Company received the written judgment of first instance on shop subscription from staffs, which of the case that 3 people including Zhou XX, Sun XX appealed to Rongfa Company, with the result of judgment, read that: (1) The Paper of Internal Subscription signed by the plaintiff and defendants for Shops in IA Mall is legal and effective; (2) The fulfillment of subscription paper signed by the plaintiff and defendants should be terminated; (3) Other claims from the plaintiff are rejected; (4) Other counterclaims from the defendants are rejected. The Company had instituted an appeal, which had received written order of second instance in Sep. 2013, with the result: Dismissed the appeal and upheld the original verdict.</p> <p>In May and Jul. of 2013, the Company had respectively received the written judgment of first instance from 4 people including Zhang XX, Zheng XX, Li X and Yang XX: Rejected both the plaintiffs and the defendant's request. The Company was not accepted and instituted an appeal and the series of case was in the second trial phase.</p>		
<p>Rongfa Company received charging documents such as notice of response to action, notice of proof and so on from Shenzhen Futian People's Court of</p>	<p>5 Sep. 2012</p>	<p>2012-53</p>

the above 7 people including Yang XX and 3 people including Hu XX, who sued Rongfa Company and Urban Planning, Land and Resources Commission of Shenzhen Municipality for other claim regarding the internal shop subscription issue, for the construction land use right transfer contract disputes. The overview of the claims: (1) announce that the Provision 1 “The transfer must be made as a whole and the real estate ownership certificate shall not be handled separately.” In the First Supplementary Agreement to the Shenzhen Land Use Right Transfer Contract “Shen-Di-He-Zi (2002) No. 9005” signed between the two defendants is invalid; (2) judged that the defendant burden the court costs of the case. The case held the court in Apr. but had not reach the outcome of the trial.		
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### III. Commitments made by the Company or shareholders holding over 5% of the Company’s shares in the reporting period or such commitments carried down into the reporting period

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitments made in a share reform					
Commitments made in an acquisition report or a report on equity changes	Zheng Kanghao	The obligor for information disclosure shall not reduce the shares of Multi Profit Asia Pacific Investment Ltd. Held the obligor from this acquisition or reduce the shares of SZIEC indirectly held by the obligor from this	6 Aug. 2010	60 months	Strictly fulfill the commitments

		acquisition within the future 60 months.			
Commitments made in asset reorganization					
Commitments made in the first public offering or refinancing.					
Other commitments made to minority shareholders	Mr. Zheng Kanghao and his controlling shareholding	Based on the confidant of the future development of the Company, the president of the Company—Mr. Zheng Kanghao and his controlling shareholding, intended that they will continue to choose the chances to overweight the stocks of the Company in future 12 months of the percentage of overweight not less than 3% of the issued stocks of the Company (including the overweighed stocks of the reporting period). Zheng Kanghao and his controlling shareholding made the commitment	19 Dec. 2012	During the implementation period of the successive overweight plan as well as during the statutory period.	Had completed the committed overweight percentage and strictly fulfill the rules of the laws and regulations that not to reduce the stocks of the Company.

		that they will not reduce the holdings of the shares of the Company during the implementation period of the successive overweight plan as well as during the statutory period.			
Executed in time or not?	Yes				
Detailed reason for failing to execute and the plan for the next step (If any)	Inapplicable				

#### IV. Predict the 2013 annual operating results

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

☐Applicable ☒Inapplicable

#### V. Securities investment

Naught

Shareholdings in other listed companies

☒Applicable ☐Inapplicable

#### VI. Investments in derivatives

Naught

#### VII. Researches, visits and interviews received in the reporting period

Naught

## Section IV. Financial Statements

### I. Financial statements

#### 1. Consolidated balance sheet

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	18,052,827.81	8,984,230.37
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable		
Accounts receivable	374,962.37	324,962.37
Accounts paid in advance	616,936.20	21,980,809.00
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	21,896,337.99	34,101,722.17
Financial assets purchased under agreements to resell		
Inventories	62,478,566.74	1,864,814,808.18
Non-current assets due within 1 year		
Other current assets	6,887,222.23	1,800,000.00
Total current assets	110,306,853.34	1,932,006,532.09
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets		
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investment		
Investing property	7,648,262,646.28	6,238,300.00
Fixed assets	62,350,693.34	65,262,255.13
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	554,555.58	565,902.15
R&D expense		
Goodwill		
Long-term deferred expenses	1,862,824.45	2,408,411.69
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	7,713,030,719.65	74,474,868.97
Total assets	7,823,337,572.99	2,006,481,401.06
Current liabilities:		
Short-term borrowings	25,000,000.00	
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable	354,346,389.24	404,535,837.49
Accounts received in advance	10,410,798.49	4,190,788.58
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	4,163,344.97	5,033,022.05
Tax payable	11,703,287.00	11,976,149.78
Interest payable	4,528,333.33	4,660,944.44
Dividend payable	5,127,701.36	5,127,701.36
Other accounts payable	404,957,014.25	178,598,323.40



Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Non-current liabilities due within 1 year	1,296,870,000.00	8,000,000.00
Other current liabilities		
Total current liabilities	2,117,106,868.64	622,122,767.10
Non-current liabilities:		
Long-term borrowings	620,000,000.00	1,695,020,000.00
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities	69,460,136.30	92,326,386.39
Deferred income tax liabilities	1,380,267,671.42	2,043,547.43
Other non-current liabilities		
Total non-current liabilities	2,069,727,807.72	1,789,389,933.82
Total liabilities	4,186,834,676.36	2,411,512,700.92
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	220,901,184.00	220,901,184.00
Capital reserves	68,488,133.00	68,488,133.00
Less: Treasury stock		
Specific reserves		
Surplus reserves	125,929,834.48	125,929,834.48
Provisions for general risks		
Retained profits	1,924,539,050.81	-499,207,247.67
Foreign exchange difference		
Total equity attributable to owners of the Company	2,339,858,202.29	-83,888,096.19
Minority interests	1,296,644,694.34	-321,143,203.67
Total owners' (or shareholders') equity	3,636,502,896.63	-405,031,299.86
Total liabilities and owners' (or shareholders') equity	7,823,337,572.99	2,006,481,401.06

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

**2. Balance sheet of the Company**

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	151,769.56	126,929.23
Transactional financial assets		
Notes receivable		
Accounts receivable		
Accounts paid in advance		
Interest receivable		
Dividend receivable		
Other accounts receivable	94,166,595.65	139,321,765.33
Inventories		
Non-current assets due within 1 year		
Other current assets		
Total current assets	94,318,365.21	139,448,694.56
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	40,896,718.10	40,896,718.10
Investing property	4,436,432.00	4,436,432.00
Fixed assets	6,880,416.37	7,554,765.70
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	469,333.34	469,333.34
R&D expense		

Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	52,682,899.81	53,357,249.14
Total assets	147,001,265.02	192,805,943.70
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable		
Accounts received in advance	50,000.00	50,000.00
Employee's compensation payable	2,020,737.01	2,003,075.48
Tax payable	9,776,868.48	10,136,380.67
Interest payable		
Dividend payable	5,127,701.36	5,127,701.36
Other accounts payable	42,412,119.60	64,688,827.29
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	59,387,426.45	82,005,984.80
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		21,898,728.03
Deferred income tax liabilities	1,667,869.94	1,667,869.94
Other non-current liabilities		
Total non-current liabilities	1,667,869.94	23,566,597.97
Total liabilities	61,055,296.39	105,572,582.77
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	220,901,184.00	220,901,184.00
Capital reserves	64,951,444.59	64,951,444.59

Less: Treasury stock		
Specific reserves		
Surplus reserves	96,841,026.39	96,841,026.39
Provisions for general risks		
Retained profits	-296,747,686.35	-295,460,294.05
Foreign exchange difference		
Total owners' (or shareholders') equity	85,945,968.63	87,233,360.93
Total liabilities and owners' (or shareholders') equity	147,001,265.02	192,805,943.70

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

### 3. Consolidated income statement for the reporting period

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total operating revenues	4,741,202.27	25,266,800.06
Including: Sales income	4,741,202.27	25,266,800.06
II. Total operating cost	34,084,537.01	55,048,118.94
Including: Cost of sales	4,450,654.72	27,144,379.58
Taxes and associate charges	-416,230.50	2,283,932.67
Selling and distribution expenses	2,740,060.40	11,375,676.20
Administrative expenses	14,432,012.70	12,693,348.70
Financial expenses	12,998,486.48	-166,133.45
Asset impairment loss	-120,446.79	1,716,915.24
Add: Gain/(loss) from change in fair value ("-" means loss)	5,512,866,905.80	
III. Business profit ("-" means loss)	5,483,523,571.06	-29,781,318.88
Add: non-operating income	7,700.84	23,027.30
Less: non-operating expense	-24,094.48	1,078,312.88
IV. Total profit ("-" means loss)	5,483,555,366.38	-30,836,604.46
Less: Income tax expense	1,378,216,726.45	
V. Net profit ("-" means loss)	4,105,338,639.93	-30,836,604.46
Attributable to owners of the	2,463,282,915.41	-19,194,570.59

Company		
Minority shareholders' income	1,642,055,724.52	-11,642,033.87
VI. Earnings per share	--	--
(I) Basic earnings per share	11.15	-0.09
(II) Diluted earnings per share	11.15	-0.09
VII. Total comprehensive incomes	4,105,338,639.93	-30,836,604.46
Attributable to owners of the Company	2,463,282,915.41	-19,194,570.59
Attributable to minority shareholders	1,642,055,724.52	-11,642,033.87

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

**4. Income statement of the Company for the reporting period**

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total sales	12,000.00	12,000.00
Less: cost of sales	0.00	0.00
Business taxes and surcharges	448.80	673.20
Administrative expenses	6,457,165.68	5,417,731.99
Financial costs	-6,368,866.65	-6,489,761.93
II. Business profit ("-" means loss)	-76,747.83	1,083,356.74
Less: non-business expense		4,000.00
III. Total profit ("-" means loss)	-76,747.83	1,079,356.74
IV. Net profit ("-" means loss)	-76,747.83	1,079,356.74
V. Earnings per share	--	--
(I) Basic earnings per share	0	0
(II) Diluted earnings per share	0	0
VI. Total comprehensive income	-76,747.83	1,079,356.74

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

**5. Consolidated income statement for Jan.-Sept. 2013**

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total operating revenues	17,050,219.72	59,194,124.89
Including: Sales income	17,050,219.72	59,194,124.89
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	104,649,615.13	129,899,012.22
Including: Cost of sales	14,155,356.93	61,090,311.01
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	554,545.66	4,143,935.07
Selling and distribution expenses	8,488,265.87	22,978,028.99
Administrative expenses	40,928,089.34	31,026,673.34
Financial expenses	40,643,804.12	8,697,936.20
Asset impairment loss	-120,446.79	1,962,127.61
Add: Gain/(loss) from change in fair value ("-" means loss)	5,512,866,905.80	-149,546.00
Gain/(loss) from investment ("-" means loss)		103,081,609.13
Including: share of profits in associates and joint ventures		
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	5,425,267,510.39	32,227,175.80

Add: non-operating income	21,175.84	1,503,561.88
Less: non-operating expense	5,530,365.74	1,965,249.41
Including: loss from non-current asset disposal		877,995.93
IV. Total profit ("-" means loss)	5,419,758,320.49	31,765,488.27
Less: Income tax expense	1,378,224,124.00	-32,931.63
V. Net profit ("-" means loss)	4,041,534,196.49	31,798,419.90
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	2,423,746,298.48	48,469,187.55
Minority shareholders' income	1,617,787,898.01	-16,670,767.65
VI. Earnings per share	--	--
(I) Basic earnings per share	10.97	0.22
(II) Diluted earnings per share	10.97	0.22
VII. Other comprehensive incomes		
VIII. Total comprehensive incomes	4,041,534,196.49	31,798,419.90
Attributable to owners of the Company	2,423,746,298.48	48,469,187.55
Attributable to minority shareholders	1,617,787,898.01	-16,670,767.65

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

## 6. Income statement of the Company for Jan.-Sept. 2013

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total sales	45,600.00	45,600.00
Less: cost of sales	0.00	0.00
Business taxes and surcharges	2,333.76	2,558.16
Distribution expenses		
Administrative expenses	18,342,703.94	14,641,148.10

Financial costs	-19,573,366.40	-19,023,092.32
Impairment loss		1,962,127.61
Add: gain/(loss) from change in fair value ("-" means loss)		-144,215.00
Gain/(loss) from investment ("-" means loss)		75,000,000.00
Including: income from investment on associates and joint ventures		
II. Business profit ("-" means loss)	1,273,928.70	77,318,643.45
Add: non-business income		
Less: non-business expense	2,561,321.00	881,995.93
Including: loss from non-current asset disposal		
III. Total profit ("-" means loss)	-1,287,392.30	76,436,647.52
Less: income tax expense		-33,448.27
IV. Net profit ("-" means loss)	-1,287,392.30	76,470,095.79
V. Earnings per share	--	--
(I) Basic earnings per share	-0.01	0.35
(II) Diluted earnings per share	-0.01	0.35
VI. Other comprehensive income		
VII. Total comprehensive income	-1,287,392.30	76,470,095.79

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

## 7. Consolidated cash flow statement for Jan.-Sept. 2013

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	20,164,167.11	50,111,973.81
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		



Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of tradable financial assets		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received		
Other cash received relating to operating activities	33,671,432.58	105,161,078.20
Subtotal of cash inflows from operating activities	53,835,599.69	155,273,052.01
Cash paid for goods and services	268,324,126.58	131,981,878.43
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	34,000,095.42	37,158,993.91
Various taxes paid	3,315,778.71	5,622,296.30
Other cash payment relating to operating activities	82,056,193.67	127,317,438.22
Subtotal of cash outflows from operating activities	387,696,194.38	302,080,606.86

Net cash flows from operating activities	-333,860,594.69	-146,807,554.85
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units	549,989.00	109,000,000.00
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	549,989.00	109,000,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,688.00	740,004.02
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	10,688.00	740,004.02
Net cash flows from investing activities	539,301.00	108,259,995.98
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	2,327,150,000.00	1,200,000,000.00
Cash received from issuance of bonds		
Other cash received relating to		

financing activities		
Subtotal of cash inflows from financing activities	2,327,150,000.00	1,200,000,000.00
Repayment of borrowings	1,851,500,000.00	1,030,920,000.00
Cash paid for interest expenses and distribution of dividends or profit	125,729,279.41	100,006,885.61
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	7,542,000.00	7,775,166.67
Sub-total of cash outflows from financing activities	1,984,771,279.41	1,138,702,052.28
Net cash flows from financing activities	342,378,720.59	61,297,947.72
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-401.40	-3,045.65
V. Net increase in cash and cash equivalents	9,057,025.50	22,747,343.20
Add: Opening balance of cash and cash equivalents	4,644,946.98	19,989,682.85
VI. Closing balance of cash and cash equivalents	13,701,972.48	42,737,026.05

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

**8. Cash flow statement of the Company for Jan.-Sept. 2013**

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service		
Tax refunds received		
Other cash received relating to operating activities	48,437,041.08	39,621,458.58
Subtotal of cash inflows from operating activities	48,437,041.08	39,621,458.58

Cash paid for goods and services		
Cash paid to and for employees	11,145,945.05	10,038,057.78
Various taxes paid	506,160.07	1,470,228.21
Other cash payment relating to operating activities	36,749,013.77	109,582,079.66
Subtotal of cash outflows from operating activities	48,401,118.89	121,090,365.65
Net cash flows from operating activities	35,922.19	-81,468,907.07
II. Cash flows from investing activities:		
Cash received from retraction of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units		82,000,000.00
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities		82,000,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,688.00	60,512.50
Cash paid for investment		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	10,688.00	60,512.50
Net cash flows from investing activities	-10,688.00	81,939,487.50
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		

Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities		
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-393.86	
V. Net increase in cash and cash equivalents	24,840.33	470,580.43
Add: Opening balance of cash and cash equivalents	126,929.23	119,729.05
VI. Closing balance of cash and cash equivalents	151,769.56	590,309.48

Legal representative: Zheng Kanghao

Person-in-charge of the accounting work: Chen Xiaohai

Chief of the accounting division: Xu Xiaoyun

## II. Audit report

Is this report audited?

☐ Yes ☒ No