

Shenzhen China Bicycle Company (Holdings) Limited

THE THIRD QUARTERLY REPORT FOR 2013

October 2013

Indication of major risks

I. On 24 October 2012, a “Civil Ruling Paper” (2012) Shen Zhong Fa Po Zi No. 30-1 was ruled by Shenzhen Intermediate People’s Court for reorganization of the Company since 25 October 2012; King & Wood Mallesons (Shenzhen) and Shenzhen Zhengyuan Liquidation Co., Ltd. was appointed as administrator for the Company. In accordance with regulation of article 13.2.7 of Rules Governing the Listing of Stock on Shenzhen Stock Exchange, the stock of the Company suspended since 13 November 2012, resumption should apply to Shenzhen Stock Exchange by the Company till the reorganization plan was ruled by Shenzhen Intermediate People’s Court. Vary reorganization works still in process recently. During reorganization, the Company has suspended risk due to regulation of Listing Rules, or has risks of declared bankrupt liquidation due to the reasons regulated pursuit to Enterprise Bankruptcy Law of the People’s Republic of China; if the Company declared bankrupt liquidation, stock of the Company will at risk of de-listing. Majority investors are advice to exercise rational investment with risks attention.

II. Owing to the negative amount of audited closing net assets for year of 2012, accounting statement of the Company was issued an audit report with disclaimer of opinion, in accordance with relevant regulations of Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (Revised in 2012), the Company will has warning of delisting risk implemented. Since bankruptcy reorganization implemented from 25 October 2012 ruled by Shenzhen Intermediate People’s Court, stock of the Company was implemented risk warning and suspended, therefore the Company continues to implemented warning of delisting risk. If the audited net assets at period-end for year of 2013 continues to be negative, or the audit report continues to be issued with disclaimer of opinion or adverse opinion, the stock of the Company will suspend according to the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange.

Section I. Important Notes

Board of Directors and the Supervisory Committee of SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All directors of the Company are attended the Meeting for quarterly report deliberation.

Principal of the Company Luo Guiyou, Person in Charge of Accounting Works Li Hai and Person in Charge of Accounting Organ (Accounting Officer) Sun Longlong hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Main accounting data and changes of shareholders

I. Main accounting data and index

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

Yes No

	Current period-end	Period-end of last year	Increase/decrease (%)	
Total assets(RMB)	174,455,867.41	162,649,076.30	7.26%	
Net assets attributable to shareholders of listed company (RMB)	-1,736,414,259.06	-1,709,451,256.41	1.58%	
	Current period	Increase/decrease in comparison with same period of last year (%)	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year (%)
Operating revenue (RMB)	95,324,387.74	11.47%	200,227,908.32	0.77%
Net profit attributable to shareholders of the listed company (RMB)	2,320,605.55	115.65%	-26,963,002.65	44.03%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	2,325,966.97	115.73%	4,523,091.03	109.39%
Net cash flow arising from operating activities(RMB)	--	--	-12,259,564.26	-387.93%
Basic earnings per share (RMB/Share)	0.0042	115.65%	-0.0489	44.03%
Diluted earnings per share (RMB/Share)	0.0042	115.65%	-0.0489	44.03%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	15,100.00	

Reorganization expenses, such as expenditure for allocation of employees and integration fee	-31,521,787.26	Expenditure for allocation of employees
Other non-operating income and expenditure except for the aforementioned items	20,593.58	
Total	-31,486,093.68	--

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

Applicable Not applicable

II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

In Share

Total shareholders at period-end						34,424	
Shares-held of top ten shareholders							
Shareholders	Nature of shareholder	Proportion of shares held (%)	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen		
					State of share	Amount	
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Domestic non-State-owned legal person	11.81%	65,098,412	9,963,618			
Zhuorun Technology Co., Ltd.	Foreign legal person	8%	44,104,246	0			
Zeng Ying	Domestic nature person	1.25%	6,894,257	0			
Shenzhen Kangsheng Investment Development Co., Ltd.	Domestic non-State-owned legal person	1.08%	5,972,500	0			
Jingchao Investment Co., Ltd.	Foreign legal person	0.91%	5,001,944	0			
Li Gaofeng	Domestic nature person	0.42%	2,293,241	0			
Wang Haoyu	Domestic nature person	0.4%	2,221,933	0			
TANG JING YUAN	Domestic nature person	0.4%	2,213,175	0			

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.4%	2,208,017	0	
Liu Xiuhuang	Domestic nature person	0.37%	2,061,707	0	
Particular about top ten shareholders with un-restrict shares held					
Shareholders	Amount of un-restrict shares held	Type of shares			
		Type	Amount		
Shenzhen Guosheng Energy Investment Development Co., Ltd.	55,134,794	RMB ordinary shares	55,134,794		
Zhuorun Technology Co., Ltd.	44,104,246	RMB ordinary shares	44,104,246		
Zeng Ying	6,894,257	Domestically listed foreign shares	6,894,257		
Shenzhen Kangsheng Investment Development Co., Ltd.	5,972,500	RMB ordinary shares	5,972,500		
Jingchao Investment Co., Ltd.	5,001,944	RMB ordinary shares	5,001,944		
Li Gaofeng	2,293,241	Domestically listed foreign shares	2,293,241		
Wang Haoyu	2,221,933	RMB ordinary shares	2,221,933		
TANG JING YUAN	2,213,175	Domestically listed foreign shares	2,213,175		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,208,017	Domestically listed foreign shares	2,208,017		
Liu Xiuhuang	2,061,707	Domestically listed foreign shares	2,061,707		
Explanation on associated relationship among the aforesaid shareholders	Among the other circulating shareholders, the Company was unaware of whether there existed associated relationship or whether there existed consistent actionist regulated in the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies.				
Explanation on shareholders involving margin business (if applicable)	N/A				

Whether has a buy-back agreement dealing in reporting period

Yes No

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

1. Note receivable: amount of period-end increased 192.31% over that of period-beginning, mainly because the acceptance draft settled from clients increased in subsidiary EMMELLE;
2. Account receivable: amount of period-end decreased 84.92% over that of period-beginning, mainly because account for goods are collected by subsidiary EMMELLE;
3. Account paid in advance: amount of period-end increased 846.97% over that of period-beginning, mainly due to the settlement way of business from subsidiary EMMELLE;
4. Inventory: amount of period-end increased 155.00% over that of period-beginning, mainly due to the preparation for peak seasons from subsidiary EMMELLE;
5. Account received in advance: amount of period-end increased 65.38% over that of period-beginning, mainly because the account received in advance for peak seasons increased from subsidiary EMMELLE;
6. Sales expenses: the Period (from Jan. to Sept.) increased 94.78% over that of same period of last year, mainly because the market expense was accrued in advance by subsidiary EMMELLE for peak season;
7. Administration expense: the Period (from Jan. to Sept.) increased 202.85% over that of same period of last year, mainly because the staff labor-credit was clear-off in the Period due to reorganization;
8. Finance expenses: the Period (from Jan. to Sept.) decreased 100.57% over that of same period of last year, mainly because no interest expenses will withdrawal in the Period due to reorganization;
9. Net profit: the Period (from Jan. to Sept.) losses 44.01% over that of same period of last year, mainly because (i) the finance expense drop dramatically because no debt interest will withdrawal in the Period due to reorganization and (ii) the administration expenses increased due to the clear-off of staff labor-credit in Period

II. Progress of significant events, their influences, and analysis and explanation of their solutions

(I) Reorganization of the Company:

On 11 May 2012, the largest shareholder and biggest creditor of the Company, Shenzhen Guosheng Energy Investment and Development Co., Ltd. applied to Shenzhen Municipal Intermediate People's Court for reforming the Company as the Company couldn't pay off the matured debts and was seriously insolvent. On 12th, Oct., 2012, Shenzhen Municipal Intermediate People's Court ruled to accept the application proposed by Guosheng Energy according to (2012) Shenzhen Intermediate Court Po Zi No. 30 civil ruling. In late October, 2012, Shenzhen Municipal Intermediate People's Court ruled to reform the Company since 25th, Oct., 2012 according to (2012) Shenzhen Intermediate Court Po Zi No. 30-1 civil ruling, appointed King & Wood (Shenzhen) Mallesons and Shenzhen Zhengyuan Liquidation Affairs Co., Ltd. as the custodians of the Company. At the same time, Shenzhen Municipal Intermediate People's Court made (2012) Shenzhen Intermediate Court Po Zi No. 30-1 written decision, and approved the Company to manage property and business affairs by itself under the supervision of custodians according to the law. After the Company entered bankruptcy reorganization procedures, in accordance with the relevant regulations of Enterprise Bankruptcy Law of the People's Republic of China, the custodians started creditor's rights declaring registration and examination, and the first meeting of creditors of the Company's reorganization case was presided over by Shenzhen Municipal Intermediate People's Court and convoked on 11th, Dec., 2012. According to the legal provisions, the company has established the reorganization plan draft, and submitted to Shenzhen Intermediate People's Court and the meeting of creditors of the company within the legal time limit. On 31st, Jul., 2013, the company has received the written ruling for confirming the financial claim from the court and announced it. Soon afterwards, the 2nd

meeting of creditors and contributors about the reorganization of CBC were call in the 1st approval court of Shenzhen Intermediate People's Court respectively at A.M and P.M of 22 August 2013, the meeting deliberate and vote the reorganization draft of CBC and adjustment of contributor's equity, and the contributor meeting open a network voting at the same time. Being approved, voting term for general creditor will last to 3 o'clock P.M of 10 September 2013 due to part of the creditors in the meeting have no authorized to voting on-site. After the vote, tax creditor's rights group passed the draft of reorganization plan, ordinary creditor's right group fail to pass the plan and contributors group passed the equity adjustment plan involved in the reorganization plan draft. With purpose of protect the creditor's rights totally, and in line with relevant regulation of Enterprise Bankruptcy Law, the ordinary creditor's right group will vote for the plan again, and the re-voting will end at 3 o'clock P.M of 15 October 2013. After the vote, the ordinary creditor's right group passed the draft of reorganization plan. In light of the draft of reorganization plan passed by ordinary creditor's right group and tax creditor's rights group by voting and the contributors's equity adjustment plan passed by contributors group, the Company will apply to Shenzhen Intermediate People's Court for reorganization plan timely by law. In addition, in line with the separation of duties approved by the Court, the Company's administrator start the assets disposal in order to rapid up the disposal of reorganized assets and follow-up discharged claim. On 16 October 2013, the land use right and ground property buildings of the lands (127,000 m²)locates at Zhonghua Industry Park, Longhua District, Shenzhen, were sell by public auction by Shenzhen Land & Real Estate Exchange Center, and the land was won by Shenzhen Land Reserved Center with closing cost of RMB 1607 million. The reorganization works still in process recently.

(II) Explanation from the Board for "Qualified Opinion" of last year's

Financial Report of the Company for year of 2012 was audited by Crowe Horwath China CPA (LLP) with disclaimer of opinion issued. In according to regulation of Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the specific explanations with events involved in audit report from the Board are:

Disclaimer of opinion from CPA:

1. CBC started reforming on 25th, Oct., 2012, tax administration, customs, finance, guarantees, suppliers, and other creditors have declared financial claims to the custodian, up to the audit report date, the financial claims declaration has amounted to 3,453,252,904.97 Yuan, the total amount of financial claims that the custodian has confirmed and enrolled in The Form of Claims was 1,875,616,630.22 Yuan, above-mentioned financial claims declared by the creditors are different from the accounting and haven't been ruled by the court, Crowe Horwath China CPAs cannot confirm its effects on financial statements of China Bicycle Company.

2. Refer to the statement in Note X.: ended as 31 December 2012, total assets of CBC was 162,649,076.30 Yuan, total liability was 1,872,039,760.06 Yuan while net assets was -1,709,390,683.76 Yuan for serious insolvency resulted with vary huge over due debts, taxes and lawsuit debts arising from external guarantee and overdue debts; Being application from first majority shareholder and largest creditor of CBC, Shenzhen Guosheng Energy Investment Development Co., Ltd, CBC was ruled to reorganize since 25 October 2012 by Shenzhen Intermediate People's Court. As to the end of audit reporting date, CBC still in process of reorganization without judge from Shenzhen Intermediate People's Court, Crowe Horwath China is unable to obtained complete-ness and properly auditing evidence to guarantee whether it can improve the sustainable operational ability for China Bicycle. Therefore, Crowe Horwath China fail to judge the appropriate-ness of the financial statement 2012 of CBC that prepared under the sustainable hypothesis.

Specific explanation from the Board:

On 11th, May 2012, the largest shareholder and biggest creditor of the Company, Shenzhen Guosheng Energy Investment and Development Co., Ltd. applied to Shenzhen Municipal Intermediate People's Court for reforming the Company as the Company couldn't pay off the matured debts and was seriously insolvent. On 12th, Oct., 2012, Shenzhen Municipal Intermediate People's Court ruled to accept the application proposed by Guosheng Energy according to (2012) Shenzhen Intermediate Court Po Zi No. 30 civil

ruling. In late October, 2012, Shenzhen Municipal Intermediate People's Court ruled to reform the Company since 25th, Oct., 2012 according to (2012) Shenzhen Intermediate Court Po Zi No. 30-1 civil ruling, appointed King & Wood (Shenzhen) Mallesons and Shenzhen Zhengyuan Liquidation Affairs Co., Ltd. as the custodians of the Company. At the same time, Shenzhen Municipal Intermediate People's Court made (2012) Shenzhen Intermediate Court Po Zi No. 30-1 written decision, and approved the Company to manage property and business affairs by itself under the supervision of custodians according to the law. After the Company entered bankruptcy reorganization procedures, in accordance with the relevant regulations of Enterprise Bankruptcy Law of the People's Republic of China, the custodians started creditor's rights declaring registration and examination, and the first meeting of creditors of the Company's reorganization case was presided over by Shenzhen Municipal Intermediate People's Court and convoked on 11th, Dec., 2012. According to the legal provisions, the company has established the reorganization plan draft, and submitted to Shenzhen Intermediate People's Court and the meeting of creditors of the company within the legal time limit. On 31st, Jul., 2013, the company has received the written ruling for confirming the financial claim from the court and announced it. Soon afterwards, the 2nd meeting of creditors and contributors about the reorganization of CBC were call in the 1st approval court of Shenzhen Intermediate People's Court respectively at A.M and P.M of 22 August 2013, the meeting deliberate and vote the reorganization draft of CBC and adjustment of contributor's equity, and the contributor meeting open a network voting at the same time. Being approved, voting term for general creditor will last to 3 o'clock P.M of 10 September 2013 due to part of the creditors in the meeting have no authorized to voting on-site. After the vote, tax creditor's rights group passed the draft of reorganization plan, ordinary creditor's right group fail to pass the plan and contributors group passed the equity adjustment plan involved in the reorganization plan draft. With purpose of protect the creditor's rights totally, and in line with relevant regulation of Enterprise Bankruptcy Law, the ordinary creditor's right group will vote for the plan again, and the re-voting will end at 3 o'clock P.M of 15 October 2013. After the vote, the ordinary creditor's right group passed the draft of reorganization plan. In light of the draft of reorganization plan passed by ordinary creditor's right group and tax creditor's rights group by voting and the contributors's equity adjustment plan passed by contributors group, the Company will apply to Shenzhen Intermediate People's Court for reorganization plan timely by law. The Company will solve the debt crisis via the reforming, introduce strong recombination party, and transfuse high quality assets so as to recover the Company's sustainable operation ability and profitability and realize benign development of the Company.

III. Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or made in previous period and extending to reporting period

Commitments	Acceptor	Contents	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	Shenzhen Guosheng Energy Development Co., Ltd.; Zhuorun Technology Co., Ltd.	The original non-circulated shares are not available for trading or transfer in 12 months since Reform implemented; after the aforesaid period expired, original shareholders with over 5% of non-circulated shares held can list the share on Shenzhen Stock Exchange; the proportion of sold shares should be over 5% within 12 months and no more 10% deal in 24 months.	2006-12-29		Implemented

Commitments made in acquisition report or equity change report					
Commitments in assets reorganization					
Commitments in initial public offering or refinancing					
Other commitments for medium and small shareholders					
Completed on time or not	Yes				

IV. Estimation of operation performance for year of 2013

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason

Applicable Not applicable

V. Particular about security investment

Variety of securities	Code of securities	Short form of securities	Initial investment cost(RMB)	Amount of stock-holding at the beginning of the period (Share)	Proportion of stock-holding at the beginning of the period (%)	Amount of stock-holding at the end of the period (Share)	Proportion of stock-holding at the end of the period (%)	Book value at the end of the period (RMB)	Gains and loss in the reporting (RMB)	Accounting subject	Source of stock
Total			0.00	0	--	0	--	0.00	0.00	--	--
Disclosure date of securities investment approval from the Board											
Disclosure date of securities investment approval from Shareholders' Meeting (if applicable)											

Explanation on equity of other listed company held

Applicable Not applicable

VI. Particulars about derivatives investment

In ten thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-be	Amount of reserve for devaluati	Investment amount at period-en	Ratio of investment amount at	Actual gains/losses in period

							gin	on of withdrawi ng (if applicable)	d	period-en d in net assets of the Company at period-en d (%)	
Total				0	--	--	0	0	0	0%	0
Capital resource				N/A							
Disclosure date of derivative investment approval from the Board (if applicable)											
Disclosure date of derivative investment approval from the Shareholders' Meeting (if applicable)											

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

Date	Place	Way	Type	Object	Content discussed and documents provided
From January to September 2013	The company office	Telephone	Personal	Shareholder of tradable shares	Progress of reorganization of the Company

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Items	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	41,999,367.54	52,395,360.86
Settlement provisions		
Capital lent		
Transaction finance asset		
Notes receivable	4,758,247.00	1,627,810.00
Accounts receivable	905,162.19	6,002,162.94
Accounts paid in advance	7,859,423.54	829,956.13
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	17,031,659.31	23,467,668.87
Purchase restituted finance asset		
Inventories	44,911,610.25	17,612,197.85
Non-current asset due within one year		
Other current assets		
Total current assets	117,465,469.83	101,935,156.65
Non-current assets:		
Granted loans and advances		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	2,619,840.50	2,619,840.50

Investment property	20,667,116.29	21,395,176.24
Fixed assets	10,621,884.14	12,970,199.73
Construction in progress		
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	23,081,556.65	23,728,703.18
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset		
Other non-current asset		
Total non-current asset	56,990,397.58	60,713,919.65
Total assets	174,455,867.41	162,649,076.30
Current liabilities:		
Short-term loans	355,796,107.93	355,796,107.93
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Transaction financial liabilities		
Notes payable		
Accounts payable	147,789,528.81	118,475,773.47
Accounts received in advance	22,591,138.13	13,660,199.55
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	3,911,284.58	3,983,845.52
Taxes payable	96,313,535.53	95,980,708.60
Interest payable	230,575,685.75	230,575,685.75
Dividend payable		
Other accounts payable	431,523,104.85	431,275,594.67

Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Non-current liabilities due within 1 year	453,747,741.58	453,747,741.58
Other current liabilities	2,344,350.07	2,331,150.07
Total current liabilities	1,744,592,477.23	1,705,826,807.14
Non-current liabilities:		
Long-term loans		
Bonds payable		
Long-term account payable		
Special accounts payable		
Projected liabilities	166,212,952.92	166,212,952.92
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	166,212,952.92	166,212,952.92
Total liabilities	1,910,805,430.15	1,872,039,760.06
Owner's equity (or shareholders' equity):		
Paid-in capital (or share capital)	551,347,947.00	551,347,947.00
Capital public reserve	486,589,213.20	486,589,213.20
Less: Inventory shares		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Provision of general risk		
Retained profit	-2,807,024,646.27	-2,780,061,643.62
Balance difference of foreign currency translation		
Total owner's equity attributable to parent company	-1,736,414,259.06	-1,709,451,256.41
Minority interests	64,696.32	60,572.65
Total owner's equity(or shareholders' equity)	-1,736,349,562.74	-1,709,390,683.76
Total liabilities and owner's equity(or shareholders' equity)	174,455,867.41	162,649,076.30

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai

Person in charge of accounting institution: Sun Longlong

2. Balance Sheet of parent company

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	10,442,713.04	31,432,888.50
Transaction finance asset		
Notes receivable		
Accounts receivable	1,214,168.60	1,014,896.60
Accounts paid in advance		
Interest receivable		
Dividend receivable		
Other receivables	50,097,987.53	52,910,895.39
Inventories	9,395,165.92	9,779,439.79
Non-current asset due within one year		
Other current assets		
Total current assets	71,150,035.09	95,138,120.28
Non-current assets:		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	2,619,840.50	2,619,840.50
Investment real estate	20,667,116.29	21,395,176.24
Fixed assets	10,397,617.93	12,676,971.13
Construction in progress		
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	23,081,556.65	23,728,703.18
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset		

Other non-current asset		
Total non-current asset	56,766,131.37	60,420,691.05
Total assets	127,916,166.46	155,558,811.33
Current liabilities:		
Short-term loans	320,902,551.61	320,902,551.61
Transaction financial liabilities		
Notes payable		
Accounts payable	124,118,936.31	124,098,936.31
Accounts received in advance	10,664,592.85	10,664,592.85
Wage payable	2,011,504.49	2,151,710.33
Taxes payable	94,921,674.83	94,891,954.20
Interest payable	230,575,685.75	230,575,685.75
Dividend payable		
Other accounts payable	386,064,930.31	386,975,286.77
Non-current liabilities due within 1 year	453,747,741.58	453,747,741.58
Other current liabilities	2,320,660.19	2,320,660.19
Total current liabilities	1,625,328,277.92	1,626,329,119.59
Non-current liabilities:		
Long-term loans		
Bonds payable		
Long-term account payable		
Special accounts payable		
Projected liabilities	166,212,952.92	166,212,952.92
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	166,212,952.92	166,212,952.92
Total liabilities	1,791,541,230.84	1,792,542,072.51
Owner's equity (or shareholders' equity):		
Paid-up capital (or share capital)	551,347,947.00	551,347,947.00
Capital public reserve	486,589,213.20	486,589,213.20
Less: Inventory shares		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
General risk reserve		

Retained profit	-2,734,235,451.59	-2,707,593,648.39
Balance difference of foreign currency translation		
Total owner's equity(or shareholders' equity)	-1,663,625,064.38	-1,636,983,261.18
Total liabilities and owner's equity(or shareholders' equity)	127,916,166.46	155,558,811.33

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai

Person in charge of accounting institution: Sun Longlong

3. Consolidated Profit Statement (this report period)

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Item	Amount in this period	Amount in last period
I. Total operating income	95,324,387.74	85,519,151.89
Including: Operating income	95,324,387.74	85,519,151.89
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	92,996,918.14	100,329,061.96
Including: Operating cost	85,512,374.52	77,441,304.68
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	133,526.22	131,857.34
Sales expenses	4,124,047.54	1,501,483.09
Administration expenses	3,314,887.59	4,209,065.75
Financial expenses	-87,917.73	17,045,351.10
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		

Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	2,327,469.60	-14,809,910.07
Add: Non-operating income	9,539.58	11,806.76
Less: Non-operating expense	14,901.00	51,882.00
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with "-")	2,322,108.18	-14,849,985.31
Less: Income tax expense		
V. Net profit (Net loss is listed with "-")	2,322,108.18	-14,849,985.31
Including: net profit realized before consolidation by merged party		
Net profit attributable to owner's of parent company	2,320,605.55	-14,830,831.64
Minority shareholders' gains and losses	1,502.63	-19,153.67
VI. Earnings per share	--	--
i. Basic earnings per share	0.0042	-0.0269
ii. Diluted earnings per share	0.0042	-0.0269
VII. Other consolidated income		
VIII. Total comprehensive income	2,322,108.18	-14,849,985.31
Total consolidated income attributable to owners of parent company	2,320,605.55	-14,849,985.31
Total consolidated income attributable to minority shareholders	1,502.63	

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai

Person in charge of accounting institution: Sun Longlong

4. Profit Statement of parent company (this report period)

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Items	Amount in this period	Amount in last period
I. Operating income	8,226,469.12	7,441,427.86
Less: operating cost	2,904,157.06	2,192,946.36
Operating tax and extras		
Sales expenses		
Administration expenses	3,079,917.70	2,151,763.91
Financial expenses	-25,848.68	17,078,246.50
Losses of devaluation of asset		

Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
II. Operating profit (Loss is listed with “-”)	2,268,243.04	-13,981,528.91
Add: Non-operating income	9,539.58	11,806.76
Less: Non-operating expense	14,901.00	51,882.00
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	2,262,881.62	-14,021,604.15
Less: Income tax expense		
IV. Net profit (Net loss is listed with “-”)	2,262,881.62	-14,021,604.15
V. Earnings per share	--	--
i. Basic earnings per share	0.0041	-0.0254
ii. Diluted earnings per share	0.0041	-0.0254
VI. Other consolidated income		
VII. Total comprehensive income	2,262,881.62	-14,021,604.15

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai

Person in charge of accounting institution: Sun Longlong

5. Consolidated profit statement (year-begin to end of this period)

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Item	Amount in this period	Amount in last period
I. Total operating income	200,227,908.32	198,705,238.09
Including: Operating income	200,227,908.32	198,705,238.09
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	227,222,480.88	246,871,461.58
Including: Operating cost	177,651,548.02	178,651,546.25
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		

Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	319,465.81	215,423.85
Sales expenses	7,713,416.78	3,960,104.24
Administration expenses	41,824,619.27	13,810,330.69
Financial expenses	-286,569.00	50,249,645.42
Losses of devaluation of asset		-15,588.87
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	-26,994,572.56	-48,166,223.49
Add: Non-operating income	75,884.58	92,063.99
Less: Non-operating expense	40,191.00	73,882.00
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with "-")	-26,958,878.98	-48,148,041.50
Less: Income tax expense		
V. Net profit (Net loss is listed with "-")	-26,958,878.98	-48,148,041.50
Including: net profit realized before consolidation by merged party		
Net profit attributable to owner's of parent company	-26,963,002.65	-48,175,316.71
Minority shareholders' gains and losses	4,123.67	27,275.21
VI. Earnings per share	--	--
i. Basic earnings per share	-0.0489	-0.0874
ii. Diluted earnings per share	-0.0489	-0.0874
VII. Other consolidated income		
VIII. Total comprehensive income	-26,958,878.98	-48,148,041.50
Total consolidated income attributable to owners of parent company	-26,963,002.65	-48,175,316.71
Total consolidated income attributable to minority shareholders	4,123.67	27,275.21

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai
 Person in charge of accounting institution: Sun Longlong

6. Profit Statement of parent company (year-begin to end of this period)

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Items	Amount in this period	Amount in last period
I. Operating income	21,755,989.00	20,027,826.41
Less: operating cost	7,466,759.52	5,687,652.64
Operating tax and extras		
Sales expenses		
Administration expenses	41,030,134.36	10,742,399.64
Financial expenses	-128,508.10	50,318,617.26
Losses of devaluation of asset		-15,588.87
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
II. Operating profit (Loss is listed with "-")	-26,612,396.78	-46,705,254.26
Add: Non-operating income	10,784.58	82,063.99
Less: Non-operating expense	40,191.00	73,862.00
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with "-")	-26,641,803.20	-46,697,052.27
Less: Income tax expense		
IV. Net profit (Net loss is listed with "-")	-26,641,803.20	-46,697,052.27
V. Earnings per share	--	--
i. Basic earnings per share	-0.0483	-0.0847
ii. Diluted earnings per share	-0.0483	-0.0847
VI. Other consolidated income		
VII. Total comprehensive income	-26,641,803.20	-46,697,052.27

Legal representative: Luo Guiyou
 Person in charge of accounting works: Li Hai
 Person in charge of accounting institution: Sun Longlong

7. Consolidated Cash Flow Statement (year-begin to end of this period)

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Item	Amount in this period	Amount in last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	114,341,105.96	143,318,698.03
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of disposal of transaction financial asset		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received		
Other cash received concerning operating activities	26,816,469.18	19,126,394.33
Subtotal of cash inflow arising from operating activities	141,157,575.14	162,445,092.36
Cash paid for purchasing commodities and receiving labor service	97,604,331.43	128,287,182.01
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	38,361,775.00	12,637,357.39
Taxes paid	4,092,057.23	6,014,770.63
Other cash paid concerning operating activities	13,358,975.74	11,248,011.92
Subtotal of cash outflow arising from operating activities	153,417,139.40	158,187,321.95
Net cash flows arising from operating activities	-12,259,564.26	4,257,770.41
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	1,868,000.00	

Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	1,868,000.00	
Cash paid for purchasing fixed, intangible and other long-term assets	4,429.06	124,666.98
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	4,429.06	124,666.98
Net cash flows arising from investing activities	1,863,570.94	-124,666.98
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-10,395,993.32	4,133,103.43
Add: Balance of cash and cash equivalents at the period -begin	52,395,360.86	24,546,601.39
VI. Balance of cash and cash equivalents at the period -end	41,999,367.54	28,679,704.82

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai

Person in charge of accounting institution: Sun Longlong

8. Cash Flow Statement of parent company (year-begin to end of this period)

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

In RMB

Item	Amount in this period	Amount in last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services		6,015.00
Write-back of tax received		
Other cash received concerning operating activities	26,051,733.04	12,168,751.85
Subtotal of cash inflow arising from operating activities	26,051,733.04	12,174,766.85
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	34,316,217.77	834,257.90
Taxes paid	2,109,260.10	1,018,358.76
Other cash paid concerning operating activities	12,452,430.63	10,725,059.48
Subtotal of cash outflow arising from operating activities	48,877,908.50	12,577,676.14
Net cash flows arising from operating activities	-22,826,175.46	-402,909.29
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	1,836,000.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	1,836,000.00	
Cash paid for purchasing fixed, intangible and other long-term assets		2,717.95
Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities		2,717.95
Net cash flows arising from investing activities	1,836,000.00	-2,717.95
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		

Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-20,990,175.46	-405,627.24
Add: Balance of cash and cash equivalents at the period -begin	31,432,888.50	561,283.08
VI. Balance of cash and cash equivalents at the period -end	10,442,713.04	155,655.84

Legal representative: Luo Guiyou

Person in charge of accounting works: Li Hai

Person in charge of accounting institution: Sun Longlong

II. Audit Report

Whether the third quarter report was audited or not

Yes No

The 3rd quarter report of the Company has not been audited