

Shenzhen International Enterprise Co., Ltd.

Report for the Third Quarter of 2014

October 2014

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, the 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. 2014	31 Dec. 2013	Increase/decrease (%)	
Total assets (RMB Yuan)	7,961,401,167.33	7,803,283,696.00	2.03%	
Net assets attributable to shareholders of the Company (RMB Yuan)	2,078,009,469.68	2,236,808,854.06	-7.10%	
	Jul.-Sept. 2014	YoY increase/decrease (%)	Jan.-Sept. 2014	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	34,909,671.86	636.30%	72,261,788.51	323.82%
Net profit attributable to shareholders of the Company (RMB Yuan)	-61,848,591.79	-102.51%	-158,799,384.38	-106.55%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	-61,767,680.13	252.41%	-156,753,646.02	201.79%
Net cash flows from operating activities (RMB Yuan)	--	--	-286,256,435.27	-14.26%
Basic EPS (RMB Yuan/share)	-0.23	-102.06%	-0.60	-105.47%
Diluted EPS (RMB Yuan/share)	-0.23	-102.06%	-0.60	-105.47%
Weighted average ROE (%)	-2.93%	-101.32%	-7.36%	-103.43%

Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2014	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	6,150.67	Mainly were the gains from the disposal of the abandoned fixed assets
Other non-operating income and expenses than the above	-3,400,883.41	Mainly were the withdrawal of

		the liquidated damages etc.
Minority interests effects (after tax)	-1,348,994.38	
Total	-2,045,738.36	--

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

There was no such situation of the reporting period of the Company.

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

1. Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the period-end		21,032				
Shareholdings of the top ten common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
MULTI PROFIT ASIA PACIFIC INVESTMENT LTD	Foreign corporation	13.70%	36,317,030	0	Pledge	36,312,000
SHENZHEN WONGTEE REAL ESTATE INVESTMENT CO., LTD.	Domestic non-state-owned corporation	5.07%	13,450,144	0	Pledge	13,439,010
Zhong Zhiqiang	Foreign individual	3.72%	9,858,713	0		
BOCI SECURITIES LIMITED	Foreign corporation	3.26%	8,635,782	0		
WONGTEE INTERNATIONAL GROUP LTD	Foreign corporation	1.84%	4,876,626	0	Pledge	4,173,300
Appointed	Other	1.00%	2,640,000	0		

repurchased special account of Guoyuan Securities Co., Ltd.						
Chen Shu	Domestic individual	0.97%	2,579,193	0		
Zeng Haixing	Domestic individual	0.97%	2,578,458	0		
CREDIT SUISSE AG HONG KONG BRANCH	Foreign corporation	0.72%	1,918,489	0		
Shanghai Wanguo Securities (Hong Kong)	Foreign corporation	0.69%	1,841,302	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	36,317,030	Domestically listed foreign share	36,317,030			
SHENZHEN WONGTEE REAL ESTATE INVESTMENT CO., LTD.	13,450,144	RMB ordinary share	13,450,144			
Zhong Zhiqiang	9,858,713	Domestically listed foreign share	9,858,713			
BOCI SECURITIES LIMITED	8,635,782	Domestically listed foreign share	8,635,782			
WONGTEE INTERNATIONAL GROUP LTD	4,876,626	Domestically listed foreign share	4,876,626			
Appointed repurchased special account of Guoyuan Securities Co., Ltd.	2,640,000	RMB ordinary share	2,640,000			
Chen Shu	2,579,193	Domestically listed foreign	2,579,193			

		share	
Zeng Haixing	2,578,458	Domestically listed foreign share	2,578,458
CREDIT SUISSE AG HONG KONG BRANCH	1,918,489	Domestically listed foreign share	1,918,489
Shanghai Wanguo Securities (Hong Kong)	1,841,302	Domestically listed foreign share	1,841,302
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Inquired by the Company, the chairman of the Board of the Company--Mr. Zheng Kanghao, 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 55,329,613 shares, accounting for 20.87% of the total shares of the Company. Zhong Zhiqiang, Chen Shu, Zeng Haixing, Tan Guanqiang and Zhao Chongyue are persons acting in concert and up to 30 Sep. 2014, they total held 16,855,049 shares of the B share, which accounted for 6.358% of the share capital of the Company. 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.		
Top 10 Shareholders taking part in margin financing and securities lending (if any)	Naught		

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company carry out any agreed buy-back in the reporting period?

Yes No

No shareholder of the Company carried out any agreed buy-back in the reporting period.

2. Total number of preferred share holders and shareholdings of the top ten preferred share holders at the period-end

Applicable Inapplicable

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

√ Applicable □ Inapplicable

Asset	30 Sept. 2014	31 Dec. 2013	Increase/decrease (%)	Main reason for the change
Accounts payable	108,983,214.00	350,937,897.87	-68.95%	Construction of Wongtee Plaza was completed and part of the construction amount was paid.
Other payables	979,472,395.09	571,826,282.57	71.29%	The Company borrowed from the majority shareholder to fill the capital gap.
Operating revenues	72,261,788.51	17,050,219.72	323.82%	Business incomes, operating costs, taxes and the like of Wongtee Plaza increased.
Operating costs	46,275,615.97	14,155,356.93	226.91%	
Business tax and surtaxes	2,528,195.37	554,545.66	355.90%	
Selling expenses	13,216,729.56	8,488,265.87	55.71%	The business solicitation and advertising expense of Wongtee Plaza increased.
Financial expenses	215,401,628.58	40,643,804.12	429.97%	Interest capitalization ceased and borrowings increased after construction of Wongtee Plaza was completed.
Net cash flows from investing activities	-97,641,223.65	539,301.00	-18205.14%	The decoration subsidies of Wongtee Plaza were paid.

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

√ Applicable □ Inapplicable

1. Progress of Wongtee International Enterprise Shopping Plaza (hereinafter referred to as “Wongtee Plaza”)

During the reporting period, as the operation of Wongtee Plaza gradually developed more and more benign, as well as accompanied with the grand opening of H&M and Grandma’s Home etc, the popularity and the sales volume of Wongtee Plaza enhanced steadily. Up to 30 Sep. 2014, the total area of ascertainable commercial tenants of enterprise-establishing of the whole floors of Wongtee Plaza (including the situations such as contract signing, letters of intent and to-sign agreement after the negotiation) was covered about

83% of the rentable area of Wongtee Plaza, of which the area of the commercial tenants which had signed the contracts of the rentable area was of about 75%, with the opening ratio of about 54%. Wongtee Plaza further exerted the advantage of the widely atrium, regularly planned and held the market promotion activities including the special planning on Chinese Valentine's Day, Merchants Thanks Will of Wongtee Plaza, H&M art T-shirt and large food festival etc, thus the popularity and brand effect of Wongtee Plaza were both enhanced.

2. Recently, the Company planned the non-public offering events, and held the 2nd Extraordinary General Meeting of 2014 on 26 Sep. 2014, at which reviewed and approved the relevant proposals, such offering still subject to the approval of China Securities Regulatory Commission. For the details, please refer to the relevant announcements on the appointed disclose media such as Securities Times, HK Ta Kung Pao, www.cninfo.com.cn and the Company would carry out the subsequent information disclose work strictly according to the laws and regulations timely.

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
The case on stock rights disputes between Rongfa Company and Yahaoyuan: plaintiff, Rongfa Company had instituted proceedings about the equity transfer issue between the defendant, Shenzhen Yahaoyuan Investment Company and Rongfa Company to the court, with the third party was Shenzhen Easter Land Company. The result of the first-instant judgment was to reject the lawsuit appeal of the plaintiff. After that, Rongfa Company instituted an appeal to the court. Decision in the ruling paper of second instance was to maintain the first-instant judgment ([2012] SZFSZI No. 657) of the "Paper of Civil Judgment". In view of the recognition of the No. 657 Judgment: the 40,000 m ² land in equity transfer agreement was divesting. It was invalid to the regulations in this clause. The court suggested us to seek for other legal approaches. Therefore, we appealed to Longgang Court as follows: 1. Defendant compensates prosecutor discounted amount of 11,000,000 Yuan immediately (subject to assessment); 2. Defendant compensates prosecutor 15,000,000 Yuan immediately (including invest capital and interests of 4,000,000 Yuan, human cost and anticipated profits of 11,000,000	26 Oct. 2011	2011-37
	22 Feb. 2012	2012-07
	12 Dec. 2012	2012-68
	20 Apr. 2013	2013-07

<p>Yuan. The interest loss would be calculated from pay day to the day receiving compensation payments etc.</p>		
<p>The Easter Land Company appealed to Rongfa Company about a chose in possession restitution case, the case caused by the aforesaid case on stock rights disputes between Rongfa Company and Yahaoyuan. In Aug. 2013 the Shenzhen Eastern Land Group because of the aforesaid No. 657 judgment: “The stripping assets of the terms of the supplementary contract of equity transfer agreement is invalid”. In order to prosecute to the court of Longgang, the litigation request is: 1. the defendant return commerce-residence building house Xieli Garden z7 located in Longhe Road, Longgang District of Shenzhen to plaintiff. 2. All the cost of the case shall be borne by the defendant. The plaintiffs change the first lawsuit request into: the defendant return commerce-residence building house Xieli Garden z7 located in Longhe Road, Longgang District of Shenzhen to plaintiff, if the defendant actually can not return it, then the defendant in accordance with the real estate value reimburse to the plaintiff (temporary plan of RMB 30 million, the specific amount will be subject to court the present value of the above property assessment value) ”.</p>	<p>24 Aug. 2013</p>	<p>2013-30</p>
<p>10 people including Yang XX successively sued Rongfa Company and Urban Planning, Land and Resources Commission of Shenzhen Municipality for another claim regarding the internal shop subscription issue. General situation of claims: 1. Clause in First Complementary Agreement of SDHZ (2002) 9005 Shenzhen Land Use Right Granting Contract signed by two defendants, “only for whole transfer</p>	<p>5 Sep. 2012</p>	<p>2012-53</p>
	<p>22 Feb. 2014</p>	<p>2014-06</p>
	<p>17 Sep. 2014</p>	<p>2014-48</p>

<p>without separating property proprietary certificate”, is invalid; 2. Defendant would undertake all litigation costs. After that, during the duration of hearings, the plaintiff changed the first claims, which changed into: rescinded the agreement of SDHZ (2002) 9005 Shenzhen Land Use Right Granting Contract signed by two defendants, “only for whole transfer without separating property proprietary certificate” that signed between the two plaintiffs. The result of the first-instant judgment of the case was to the reject the claims of the 10 people including Yang XX, and after that, 6 people including Yang XX filed an appeal to the court, of which the result of the second-instant judgment was to reject the appeal as well as to maintain the first-instant judgment.</p>		
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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

√ Applicable □ Inapplicable

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	6 Aug. 2010	60 months	Strictly fulfill the commitments

		shares of SZIEC indirectly held by the obligor from this 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					
Executed in time or not?	Yes				
Detailed reason for failing to execute and the plan for the next step (If any)	Naught				

IV. Predict the 2014 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

Applicable Inapplicable

The Company was not involved in any securities investment of the reporting period.

VI. Investments in derivatives

Applicable Inapplicable

The Company did not invest in any derivative in the reporting period.

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

Applicable Inapplicable

Time	Place	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company

15 Sep. 2014	Conference Room of the Company	Field research	Institution	a senior analyst of real estate industry of Founder Securities Co., Ltd. and researchers of Research Dept. of Bosera Fund Management Co.,Ltd.	Recent operation of the Company, rental charge of Wongtee Plaza etc.
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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	33,875,679.69	9,357,753.34
Settlement reserves	0.00	0.00
Intra-group lendings	0.00	0.00
Financial assets measured at fair value and of which changes are recorded into current gains and losses	0.00	0.00
Notes receivable	0.00	0.00
Accounts receivable	22,692,943.26	2,291,658.84
Accounts paid in advance	1,691,275.49	714,670.23
Premiums receivable	0.00	0.00
Reinsurance premiums receivable	0.00	0.00
Receivable reinsurance contract reserves	0.00	0.00
Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other accounts receivable	36,201,994.29	12,022,195.79
Financial assets purchased under agreements to resell	0.00	0.00
Inventories	39,446,099.15	43,338,585.36
Assets held for sale	0.00	0.00
Non-current assets due within 1 year	0.00	0.00
Other current assets	0.00	0.00
Total current assets	133,907,991.88	67,724,863.56
Non-current assets:		

Loans by mandate and advances granted	0.00	0.00
Available-for-sale financial assets	0.00	0.00
Held-to-maturity investments	0.00	0.00
Long-term accounts receivable	0.00	0.00
Long-term equity investment	0.00	0.00
Investing property	7,652,624,300.00	7,652,624,300.00
Fixed assets	60,371,370.00	61,787,209.01
Construction in progress	13,982,993.00	1,742,560.00
Engineering materials	0.00	0.00
Disposal of fixed assets	0.00	0.00
Production biological assets	0.00	0.00
Oil-gas assets	0.00	0.00
Intangible assets	915,569.57	608,765.01
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term deferred expenses	98,898,941.88	8,224,765.42
Deferred income tax assets	0.00	0.00
Other non-current assets	700,001.00	10,571,233.00
Total of non-current assets	7,827,493,175.45	7,735,558,832.44
Total assets	7,961,401,167.33	7,803,283,696.00
Current liabilities:		
Short-term borrowings	9,380,000.00	1,225,000,000.00
Borrowings from Central Bank	0.00	0.00
Customer bank deposits and due to banks and other financial institutions	0.00	0.00
Intra-group borrowings	0.00	0.00
Financial liabilities measured at fair value and of which changes are recorded into current gains and losses	0.00	0.00
Notes payable	0.00	0.00
Accounts payable	108,983,214.00	350,937,897.87
Accounts received in advance	6,369,328.14	5,828,277.16
Financial assets sold for repurchase	0.00	0.00
Handling charges and commissions	0.00	0.00

payable		
Employee's compensation payable	3,384,010.91	11,129,805.44
Tax payable	1,975,856.48	14,436,756.94
Interest payable	4,762,733.43	4,933,133.33
Dividend payable	5,127,701.36	5,127,701.36
Other accounts payable	979,472,395.09	571,826,282.57
Reinsurance premiums payable	0.00	0.00
Insurance contract reserves	0.00	0.00
Payables for acting trading of securities	0.00	0.00
Payables for acting underwriting of securities	0.00	0.00
Liabilities held for sale	0.00	0.00
Non-current liabilities due within 1 year	26,000,000.00	93,710,000.00
Other current liabilities	0.00	0.00
Total current liabilities	1,145,455,239.41	2,282,929,854.67
Non-current liabilities:		
Long-term borrowings	2,159,000,000.00	600,000,000.00
Bonds payable	0.00	0.00
Long-term payables	0.00	0.00
Specific payables	0.00	0.00
Estimated liabilities	73,026,505.71	86,491,251.25
Deferred income tax liabilities	1,377,893,238.97	1,365,552,731.65
Other non-current liabilities	0.00	0.00
Total non-current liabilities	3,609,919,744.68	2,052,043,982.90
Total liabilities	4,755,374,984.09	4,334,973,837.57
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	265,081,420.00	220,901,184.00
Capital reserves	24,307,897.00	68,488,133.00
Less: Treasury stock	0.00	0.00
Specific reserves	0.00	0.00
Surplus reserves	125,929,834.48	125,929,834.48
Provisions for general risks	0.00	0.00

Retained profits	1,662,690,318.20	1,821,489,702.58
Foreign exchange difference	0.00	0.00
Total equity attributable to owners of the Company	2,078,009,469.68	2,236,808,854.06
Minority interests	1,128,016,713.56	1,231,501,004.37
Total owners' (or shareholders') equity	3,206,026,183.24	3,468,309,858.43
Total liabilities and owners' (or shareholders') equity	7,961,401,167.33	7,803,283,696.00

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	184,264.19	1,199,483.66
Financial assets measured at fair value and of which changes are recorded into current gains and losses	0.00	0.00
Notes receivable	0.00	0.00
Accounts receivable	0.00	0.00
Accounts paid in advance	1,000,000.00	0.00
Interest receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other accounts receivable	94,872,503.31	85,620,482.59
Inventories	0.00	0.00
Assets held for sale	0.00	0.00
Non-current assets due within 1 year	0.00	0.00
Other current assets	0.00	0.00
Total current assets	96,056,767.50	86,819,966.25
Non-current assets:		

Available-for-sale financial assets	0.00	0.00
Held-to-maturity investments	0.00	0.00
Long-term accounts receivable	0.00	0.00
Long-term equity investment	40,896,718.10	40,896,718.10
Investing property	4,972,400.00	4,972,400.00
Fixed assets	6,414,614.15	6,663,175.93
Construction in progress	0.00	0.00
Engineering materials	0.00	0.00
Disposal of fixed assets	0.00	0.00
Production biological assets	0.00	0.00
Oil-gas assets	0.00	0.00
Intangible assets	245,333.38	341,333.34
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term deferred expenses	0.00	0.00
Deferred income tax assets	0.00	0.00
Other non-current assets	0.00	0.00
Total of non-current assets	52,529,065.63	52,873,627.37
Total assets	148,585,833.13	139,693,593.62
Current liabilities:		
Short-term borrowings	0.00	0.00
Financial liabilities measured at fair value and of which changes are recorded into current gains and losses	0.00	0.00
Notes payable	0.00	0.00
Accounts payable	0.00	0.00
Accounts received in advance	40,000.00	50,000.00
Employee's compensation payable	1,911,839.40	4,308,690.42
Tax payable	154,688.03	11,086,303.87
Interest payable	0.00	0.00
Dividend payable	5,127,701.36	5,127,701.36
Other accounts payable	58,596,969.56	33,790,864.47
Liabilities held for sale	0.00	0.00
Non-current liabilities due within 1 year	0.00	0.00

Other current liabilities	0.00	0.00
Total current liabilities	65,831,198.35	54,363,560.12
Non-current liabilities:		
Long-term borrowings	0.00	0.00
Bonds payable	0.00	0.00
Long-term payables	0.00	0.00
Specific payables	0.00	0.00
Estimated liabilities	0.00	0.00
Deferred income tax liabilities	1,799,954.57	1,799,954.57
Other non-current liabilities	0.00	0.00
Total non-current liabilities	1,799,954.57	1,799,954.57
Total liabilities	67,631,152.92	56,163,514.69
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	265,081,420.00	220,901,184.00
Capital reserves	20,771,208.59	64,951,444.59
Less: Treasury stock	0.00	0.00
Specific reserves	0.00	0.00
Surplus reserves	96,841,026.39	96,841,026.39
Provisions for general risks	0.00	0.00
Retained profits	-301,738,974.77	-299,163,576.05
Foreign exchange difference	0.00	0.00
Total owners' (or shareholders') equity	80,954,680.21	83,530,078.93
Total liabilities and owners' (or shareholders') equity	148,585,833.13	139,693,593.62

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. 2014	Jul.-Sept. 2013
I. Total operating revenues	34,909,671.86	4,741,202.27

Including: Sales income	34,909,671.86	4,741,202.27
Interest income	0.00	0.00
Premium income	0.00	0.00
Handling charge and commission income	0.00	0.00
II. Total operating cost	123,334,865.12	34,084,537.01
Including: Cost of sales	23,841,740.71	4,450,654.72
Interest expenses	0.00	0.00
Handling charge and commission expenses	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount withdrawn for the insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium	0.00	0.00
Taxes and associate charges	738,120.09	-416,230.50
Selling and distribution expenses	5,808,157.33	2,740,060.40
Administrative expenses	14,690,072.64	14,432,012.70
Financial expenses	75,194,273.87	12,998,486.48
Asset impairment loss	3,062,500.48	-120,446.79
Add: Gain/(loss) from change in fair value (“-” means loss)	0.00	5,512,866,905.80
Gain/(loss) from investment (“-” means loss)	0.00	0.00
Including: share of profits in associates and joint ventures	0.00	0.00
Foreign exchange gains (“-” means loss)	0.00	0.00
III. Business profit (“-” means loss)	-88,425,193.26	5,483,523,571.06
Add: non-operating income	-80,194.22	7,700.84
Less: non-operating expense	50,338.22	-24,094.48
Including: loss from non-current asset disposal	0.00	0.00

IV. Total profit (“-” means loss)	-88,555,725.70	5,483,555,366.38
Less: Income tax expense	12,340,507.32	1,378,216,726.45
V. Net profit (“-” means loss)	-100,896,233.02	4,105,338,639.93
Including: Net profit achieved by combined parties before the combinations	0.00	0.00
Attributable to owners of the Company	-61,848,591.79	2,463,282,915.41
Minority shareholders’ income	-39,047,641.23	1,642,055,724.52
VI. Earnings per share	--	--
(I) Basic earnings per share	-0.23	11.15
(II) Diluted earnings per share	-0.23	11.15
VII. Other comprehensive incomes	0.00	0.00
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods	0.00	0.00
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	0.00	0.00
VIII. Total comprehensive incomes	-100,896,233.02	4,105,338,639.93
Attributable to owners of the Company	-100,896,233.02	4,105,338,639.93
Attributable to minority shareholders	0.00	0.00

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. 2014	Jul.-Sept. 2013
I. Total sales	12,000.00	12,000.00
Less: cost of sales	0.00	0.00

Business taxes and surcharges	0.00	448.80
Distribution expenses	0.00	0.00
Administrative expenses	5,548,249.22	6,457,165.68
Financial costs	-4,218,415.31	-6,368,866.65
Impairment loss	0.00	0.00
Add: gain/(loss) from change in fair value (“-” means loss)	0.00	0.00
Gain/(loss) from investment (“-” means loss)	0.00	0.00
Including: income from investment on associates and joint ventures	0.00	0.00
II. Business profit (“-” means loss)	-1,317,833.91	-76,747.83
Add: non-business income	0.00	0.00
Less: non-business expense	0.00	0.00
Including: loss from non-current asset disposal	0.00	0.00
III. Total profit (“-” means loss)	-1,317,833.91	-76,747.83
Less: income tax expense	0.00	0.00
IV. Net profit (“-” means loss)	-1,317,833.91	-76,747.83
V. Earnings per share	--	--
(I) Basic earnings per share	0.00	0.00
(II) Diluted earnings per share	0.00	0.00
VI. Other comprehensive income	0.00	0.00
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods	0.00	0.00
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	0.00	0.00
VII. Total comprehensive income	-1,317,833.91	-76,747.83

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. 2014

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Total operating revenues	72,261,788.51	17,050,219.72
Including: Sales income	72,261,788.51	17,050,219.72
Interest income	0.00	0.00
Premium income	0.00	0.00
Handling charge and commission income	0.00	0.00
II. Total operating cost	318,810,223.64	104,649,615.13
Including: Cost of sales	46,275,615.97	14,155,356.93
Interest expenses	0.00	0.00
Handling charge and commission expenses	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount withdrawn for the insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium	0.00	0.00
Taxes and associate charges	2,528,195.37	554,545.66
Selling and distribution expenses	13,216,729.56	8,488,265.87
Administrative expenses	38,566,039.01	40,928,089.34
Financial expenses	215,401,628.58	40,643,804.12
Asset impairment loss	2,822,015.15	-120,446.79
Add: Gain/(loss) from change in fair value (“-” means loss)	0.00	5,512,866,905.80
Gain/(loss) from investment (“-” means loss)	0.00	0.00
Including: share of profits in associates and joint ventures	0.00	0.00
Foreign exchange gains (“-” means loss)	0.00	0.00
III. Business profit (“-” means loss)	-246,548,435.13	5,425,267,510.39

Add: non-operating income	274,273.59	21,175.84
Less: non-operating expense	3,669,006.33	5,530,365.74
Including: loss from non-current asset disposal	0.00	0.00
IV. Total profit (“-” means loss)	-249,943,167.87	5,419,758,320.49
Less: Income tax expense	12,340,507.32	1,378,224,124.00
V. Net profit (“-” means loss)	-262,283,675.19	4,041,534,196.49
Including: Net profit achieved by combined parties before the combinations	0.00	0.00
Attributable to owners of the Company	-158,799,384.38	2,423,746,298.48
Minority shareholders’ income	-103,484,290.81	1,617,787,898.01
VI. Earnings per share	--	--
(I) Basic earnings per share	-0.60	10.97
(II) Diluted earnings per share	-0.60	10.97
VII. Other comprehensive incomes	0.00	0.00
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods	0.00	0.00
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	0.00	0.00
VIII. Total comprehensive incomes	-262,283,675.19	4,041,534,196.49
Attributable to owners of the Company	-262,283,675.19	4,041,534,196.49
Attributable to minority shareholders	0.00	0.00

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. 2014

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Total sales	47,600.00	45,600.00
Less: cost of sales	0.00	0.00
Business taxes and surcharges	0.00	2,333.76
Distribution expenses	0.00	0.00
Administrative expenses	14,882,522.11	18,342,703.94
Financial costs	-12,249,024.49	-19,573,366.40
Impairment loss	0.00	0.00
Add: gain/(loss) from change in fair value (“-” means loss)	0.00	0.00
Gain/(loss) from investment (“-” means loss)	0.00	0.00
Including: income from investment on associates and joint ventures	0.00	0.00
II. Business profit (“-” means loss)	-2,585,897.62	1,273,928.70
Add: non-business income	15,500.00	
Less: non-business expense	5,001.10	2,561,321.00
Including: loss from non-current asset disposal	0.00	0.00
III. Total profit (“-” means loss)	-2,575,398.72	-1,287,392.30
Less: income tax expense	0.00	0.00
IV. Net profit (“-” means loss)	-2,575,398.72	-1,287,392.30
V. Earnings per share	--	--
(I) Basic earnings per share	-0.01	-0.01
(II) Diluted earnings per share	-0.01	-0.01
VI. Other comprehensive income	0.00	0.00
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods	0.00	0.00
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	0.00	0.00

VII. Total comprehensive income	-2,575,398.72	-1,287,392.30
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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. 2014

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	40,212,429.46	20,164,167.11
Net increase of deposits from customers and dues from banks	0.00	0.00
Net increase of loans from the central bank	0.00	0.00
Net increase of funds borrowed from other financial institutions	0.00	0.00
Cash received from premium of original insurance contracts	0.00	0.00
Net cash received from reinsurance business	0.00	0.00
Net increase of deposits of policy holders and investment fund	0.00	0.00
Net increase of disposal of tradable financial assets	0.00	0.00
Cash received from interest, handling charges and commissions	0.00	0.00
Net increase of intra-group borrowings	0.00	0.00
Net increase of funds in repurchase business	0.00	0.00
Tax refunds received	0.00	0.00
Other cash received relating to operating activities	49,003,379.84	33,671,432.58
Subtotal of cash inflows from	89,215,809.30	53,835,599.69

operating activities		
Cash paid for goods and services	268,831,103.47	268,324,126.58
Net increase of customer lendings and advances	0.00	0.00
Net increase of funds deposited in the central bank and amount due from banks	0.00	0.00
Cash for paying claims of the original insurance contracts	0.00	0.00
Cash for paying interest, handling charges and commissions	0.00	0.00
Cash for paying policy dividends	0.00	0.00
Cash paid to and for employees	38,432,058.43	34,000,095.42
Various taxes paid	2,438,013.13	3,315,778.71
Other cash payment relating to operating activities	65,771,069.54	82,056,193.67
Subtotal of cash outflows from operating activities	375,472,244.57	387,696,194.38
Net cash flows from operating activities	-286,256,435.27	-333,860,594.69
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	0.00	0.00
Cash received from return on investments	0.00	0.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	314,950.00	549,989.00
Net cash received from disposal of subsidiaries or other business units	0.00	0.00
Other cash received relating to investing activities	0.00	0.00
Subtotal of cash inflows from investing activities	314,950.00	549,989.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	97,956,173.65	10,688.00

Cash paid for investment	0.00	0.00
Net increase of pledged loans	0.00	0.00
Net cash paid to acquire subsidiaries and other business units	0.00	0.00
Other cash payments relating to investing activities	0.00	0.00
Subtotal of cash outflows from investing activities	97,956,173.65	10,688.00
Net cash flows from investing activities	-97,641,223.65	539,301.00
III. Cash Flows from Financing Activities:		
Cash received from capital contributions	0.00	0.00
Including: Cash received from minority shareholder investments by subsidiaries	0.00	0.00
Cash received from borrowings	3,252,460,000.00	2,327,150,000.00
Cash received from issuance of bonds	0.00	0.00
Other cash received relating to financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	3,252,460,000.00	2,327,150,000.00
Repayment of borrowings	2,660,710,000.00	1,851,500,000.00
Cash paid for interest expenses and distribution of dividends or profit	174,894,142.30	125,729,279.41
Including: dividends or profit paid by subsidiaries to minority shareholders	0.00	0.00
Other cash payments relating to financing activities	18,422,464.00	7,542,000.00
Sub-total of cash outflows from financing activities	2,854,026,606.30	1,984,771,279.41
Net cash flows from financing activities	398,433,393.70	342,378,720.59
IV. Effect of foreign exchange rate changes on cash and cash equivalents	445.09	-401.40

V. Net increase in cash and cash equivalents	14,536,179.87	9,057,025.50
Add: Opening balance of cash and cash equivalents	4,981,927.78	4,644,946.98
VI. Closing balance of cash and cash equivalents	19,518,107.65	13,701,972.48

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. 2014

Prepared by Shenzhen International Enterprise Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	0.00	0.00
Tax refunds received	82,522,495.02	48,437,041.08
Other cash received relating to operating activities	0.00	0.00
Subtotal of cash inflows from operating activities	82,522,495.02	48,437,041.08
Cash paid for goods and services	0.00	0.00
Cash paid to and for employees	10,834,885.20	11,145,945.05
Various taxes paid	183,036.73	506,160.07
Other cash payment relating to operating activities	72,111,097.00	36,749,013.77
Subtotal of cash outflows from operating activities	83,129,018.93	48,401,118.89
Net cash flows from operating activities	-606,523.91	35,922.19
II. Cash flows from investing activities:		
Cash received from retraction of investments	0.00	0.00
Cash received from return on	0.00	0.00

investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	29,500.00	0.00
Net cash received from disposal of subsidiaries or other business units	0.00	0.00
Other cash received relating to investing activities	0.00	0.00
Subtotal of cash inflows from investing activities	29,500.00	0.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	438,640.65	10,688.00
Cash paid for investment	0.00	0.00
Net cash paid to acquire subsidiaries and other business units	0.00	0.00
Other cash payments relating to investing activities	0.00	0.00
Subtotal of cash outflows from investing activities	438,640.65	10,688.00
Net cash flows from investing activities	-409,140.65	-10,688.00
III. Cash Flows from Financing Activities:		
Cash received from capital contributions	0.00	0.00
Cash received from borrowings	0.00	0.00
Cash received from issuance of bonds	0.00	0.00
Other cash received relating to financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	0.00	0.00
Repayment of borrowings	0.00	0.00
Cash paid for interest expenses and distribution of dividends or profit	0.00	0.00
Other cash payments relating to financing activities	0.00	0.00

Sub-total of cash outflows from financing activities	0.00	0.00
Net cash flows from financing activities	0.00	0.00
IV. Effect of foreign exchange rate changes on cash and cash equivalents	445.09	-393.86
V. Net increase in cash and cash equivalents	-1,015,219.47	24,840.33
Add: Opening balance of cash and cash equivalents	1,199,483.66	126,929.23
VI. Closing balance of cash and cash equivalents	184,264.19	151,769.56

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

This report is not audited.