



**Shenzhen Tellus Holding Co., Ltd.**

**The Third Quarterly Report For 2015**

**October 2015**

## **Section I. Important Notice**

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as the Company) 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 are present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.

Lv Hang, person in charge of the Company, head of the accounting works Yang Jianping and Ke Wensheng, accounting body principals (accountant in charge) 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)	1,130,845,061.78	806,324,777.80	40.25%	
Net assets attributable to shareholders of listed company (RMB)	844,095,393.66	191,880,262.80	339.91%	
	Current period	Increase/decrease in comparison with same period of last year (%)	From Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	73,318,969.97	-34.08%	231,810,751.81	-31.80%
Net profit attributable to shareholders of the listed company (RMB)	11,044,774.84		18,695,130.86	349.67%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	1,221,254.10		8,737,793.81	208.85%
Net cash flow arising from operating activities(RMB)	--	--	37,905,539.85	53.44%
Basic earnings per share (RMB/Share)	0.0407		0.0688	264.02%
Diluted earnings per share (RMB/Share)	0.0407		0.0688	264.02%
Weighted average ROE	1.32%	2.05%	3.61%	1.35%

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	-20,091.85	

write-off that accrued for impairment of assets)		
Gains/losses from entrusted investment or assets management	1,540,958.89	
Gains/losses of debt restructuring	17,877.02	
Other non-operating income and expenditure except for the aforementioned items	43,104.71	
Other gains/losses comply with definition of non-recurring gains/losses	9,722,688.86	Terminated original retirement plan in the Period, and the balance are charge back
Less: impact on income tax	1,252,448.81	
Impact on minority shareholders' equity (post-tax)	94,751.77	
Total	9,957,337.05	--

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

In reporting period, the Company has no particular about 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*.

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

### 1. Statement of the total common shareholders and shares-held of top ten common shareholders at end of the Period

In share

Total common shareholders at period-end		58,227				
Shares-held of top ten common 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 SDG CO., LTD	State-owned corporate	51.09%	151,870,560	20,587,056		
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise	Domestic non-state-owned corporate	23.88%	71,000,000	71,000,000		

(limited partnership)						
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.50%	1,478,232			
KGI ASIA LIMITED	Foreign corporation	0.31%	931,311			
Zheng Nanrong	Domestic nature person	0.23%	687,700			
FISRT SHANGHAI SECURITIES LTD.	Foreign corporation	0.22%	658,502			
Shanghai H.K. Wanguo Securities	Foreign corporation	0.19%	570,864			
Ling Fenyuan	Domestic nature person	0.18%	520,358			
Weng Zhengwen	Foreign nature person	0.16%	464,534			
Liu Hua	Domestic nature person	0.15%	454,715			

Particular about top ten common shareholders with un-restrict shares held

Shareholders	Amount of un-restrict common shares held	Type of shares	
		Type	Amount
SHENZHEN SDG CO., LTD	131,283,504	RMB ordinary shares	131,283,504
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,478,232	Domestically listed foreign shares	1,478,232
KGI ASIA LIMITED	931,311	Domestically listed foreign shares	931,311
Zheng Nanrong	687,700	RMB ordinary shares	687,700
FISRT SHANGHAI SECURITIES LTD.	658,502	Domestically listed foreign	658,502

		shares	
Shanghai H.K. Wanguo Securities	570,864	Domestically listed foreign shares	570,864
Ling Fenyuan	520,358	Domestically listed foreign shares	520,358
Weng Zhengwen	464,534	Domestically listed foreign shares	464,534
Liu Hua	454,715	Domestically listed foreign shares	454,715
Zeng Huiming	400,000	Domestically listed foreign shares	400,000
Explanation on associated relationship among the top ten shareholders or consistent action	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders Shenzhen SDG Co., Ltd and other shareholders, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the consistent actionist.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

**2. Total of shareholders with preferred stock held and the top ten shareholdings in Period-end**

Applicable Not applicable

## Section III. Important events

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

√ Applicable    □ Not applicable

Balance Sheet					
Assets	Closing balance	Opening balance	Amount changed	Ratio changed	Causes
Monetary fund	127,041,585.85	80,045,669.65	46,995,916.20	58.71%	The deposit increased due to the fund-raising from private placement are fully funded
Account receivable	3,395,519.89	1,373,257.89	2,022,262.00	147.26%	Mortgage for vehicle receivable from the Bank increased in Huari Company
Account paid in advance	27,306,408.92	6,981,402.87	20,325,006.05	291.13%	The engineering and equipment account for the 1st phase of jewelry Building are paid by Zhongtain Company in advance
Other account receivable	4,644,548.96	7,904,999.44	-3,260,450.48	-41.25%	The account receivable are collected
Inventory	8,792,343.70	48,209,026.18	-39,416,682.48	-81.76%	After vehicle purchase restrictions, the factory Toyota adjusted the year-plan target, Huari Company curtting inventory
Other current assets	220,019,674.72	8,968,278.77	211,051,395.95	2353.31%	Decreased in the Period mainly because the VAT input tax from subsidiary Huari Toyota Company are declined
Construction in process	223,450,491.52	122,551,469.97	100,899,021.55	82.33%	The investment are increased with the construction progress of the first phase of Tellus Shuibei Jewelry Building
Short-term loans	20,680,480.00	74,719,672.00	-54,039,192.00	-72.32%	All bank loans 54 million Yuan are paid in the Period
Account received in advance	4,846,834.45	9,979,166.89	-5,132,332.44	-51.43%	The sales are carried over to vechicle sales received in advance from subsidiary Huari Toyota Company
Non-current liability due within one year	73,000,000.00	120,700,000.00	-47,700,000.00	-39.52%	Headquarter of the Tellus paid the loans to China CITIC Bank
Long-term loans	0.00	178,597,550.55	-178,597,550.55		Headquarter of the Tellus paid the 132.3 million Yuan loans to China CITIC Bank and Zhongtain Company paid 71 million Yuan loans to China Construction Bank (including loans at year-beginning 46.3

					million Yuan paid and new loans in the Period 24.7 million Yuan paid)
Long-term wages payable	0.00	9,953,557.75	-9,953,557.75		Terminated original retirement plan in the Period, and the balance are charge back
Other non-current liability	12,651,834.58	32,570,237.55	-19,918,402.97	-61.16%	The rents received in advance 21.39 million Yuan are sent back to Jing Bai Fu and Xingguang Da in the Period by Zhongtain Company
paid-in capital (or share capital)	297,281,600.00	220,281,600.00	77,000,000.00	34.96%	The issuance of 77 million shares
Public reserves	564,192,605.51	7,672,605.51	556,520,000.00	7253.34%	Changing amount refers to the premium from issuance of shares
Retained profit	-20,331,398.17	-39,026,529.03	18,695,130.86		The net profit attributable to owners' of parent company increased in the Period

**Profit statement**

Item	This cumulative	Same period last year	Amount changed	Ratio changed	Causes
Operation income	231,810,751.81	339,918,355.38	-108,107,603.57	-31.80%	Mainly affectd by the vehicle purchase restriction policy at end of last year, sales income from vehicles are dopped dramatically
Operation cost	169,829,908.61	287,109,181.05	-117,279,272.44	-40.85%	Declined with the income decreased
Financial expenses	5,317,919.97	13,118,660.75	-7,800,740.78	-59.46%	The interest expenditure decrease due to the bank loans are paid in the Period, and interest income increased for purchasing capital-preservation financial products
Asset impairment loss	0.00	4,259,714.29	-4,259,714.29		Mainly due to the decline of bad debt loss
Investment income	2,772,806.33	12,067,873.29	-9,295,066.96	-77.02%	Affiliated enterprise Shenzhen Zung Fu Tellus Automobile Service Co., Ltd. and Shenzhen Dongfeng Automobile Co., Ltd. earn less in the Period
Non-operation income	81,965.15	262,403.13	-180,437.98	-68.76%	The gains from non-current assets disposal decreased
Non-operation expenditure	41,075.27	10,276.05	30,799.22	299.72%	The losses from non-current assets disposal increased
Income tax expenses	3,019,169.68	727,689.24	2,291,480.44	314.90%	Current income tax increased due to the profit in the Year, and written down deferred income tax for terminate the original retirement plan
Net profit attributable to	18,695,130.86	4,157,549.10	14,537,581.76	349.67%	Mainly because terminated relevant retirement welfare plan in the Period,



shareholders of listed company					long-term wages payable and period charge 9.72 million Yuan are written back, than total profit increased 9.72 million Yuan and the the net profit attributable to shareholder of listed company increased 8.49 million Yuan; the increase of property leasing causes profit increased; the profit increased due to the bank loans return by fund-raising from privately placement, which financial expenses declined
<b>Cash flow statement</b>					
Item	This cumulative	Same period last year	Amount changed	Ratio changed	Causes
Net cash flow arising from operation activitis	37,905,539.85	24,703,464.95	13,202,074.90	53.44%	The inventory vehicle last year are sell by subsidiary Huari Toyota in the Period, than the operational net cash in-flow increased
Net cash flow arising from investment activitis	-328,409,890.73	-91,527,550.11	-236,882,340.62		Mainly because purchasing more capital-preservation financial products in the Period
Net cash flow arising from financing activitis	337,500,271.84	85,771,333.56	251,728,938.28	293.49%	Mainly because fund-raising from private placement increased in the Period and net expenditure from bank financing increased on a y-o-y basis
Net increase of csah and cash equivalent	46,995,916.20	18,947,830.56	28,048,085.64	148.03%	Net cash flow arising from operation and financing activities increased

## II. Progress and influence of the main events as well as solution analysis specification

Applicable Not applicable

### 1. Progress of major project construction

The Tellus Shuibei Jewelry Building project which is built by the practical subject—the Company’s subsidiary Zhongtian Company, the Shuibei Jinzuo Building project which is built by the practical subject—the cooperative enterprise Shenzhen Tellus Jimeng Investment Co., Ltd. and the Xinglong Golden Jewelry Building project (former Shenzhen Shuibei Xinglong R&D Center Building) which is built by the practical subject – joint-stock company Shenzhen Xinglong Mechanical Mould Co., Ltd. are promoting on the construction plan at present.

### 2. The e-commerce business

As the “Via the market research and analysis, the company has preliminarily positioned the e-commerce business by cooperating

with the e-commerce enterprises or merging and absorbing the excellent and mature e-commerce enterprises, made use of the advantages of the e-commerce enterprises in e-commerce field and big data analysis, relied on the company's properties at Shuibei jewelry accumulation area and scale advantages of jewelry professional wholesale market that shall be brought by the transformation and operation of properties, and made the virtual platform side and physical platform side to complement each other's advantages so as to create a Test Rite jewelry e-commerce platform mainly in the form of B2B e-commerce and complete the company's preliminary layout at e-commerce platform." proposed in reprot of the Board of the "Semi-Annual Report of 2015, as of now, relevant E-business has not been carried out by the Company yet, even the investment for employees and equipment ect. Either. The Company conduct inspection on many E-business enterprises in the country since 2015, however, it seems no substantive negotiation, intention and agreement act. so far; the Company will carry out the market research and inspection, promote E-business of the Company through cooperation or merger as plan.

### 3. Jewellery retail market

The private stock placement of the Company has completed in March 2015, totally 646.8 million Yuan are raised, in line with the issuance plan, part of the funds will investe in jewellery retail business. The Company conduct inspection on many professional jewellery marke in the country since 2015, however, it seems no substantive negotiation, intention and agreement etc. so far; relevant jewellery retail business has not been carried out by the Company yet, even the investment for employees and equipment etc Either. The Company will carry out market research and inspection on jewellery retail, and promote jewellery retail market of the Company by means of self-building, cooperation or merger in the future.

## 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

√ Applicable □ Not applicable

Commitments	Acceptor	Contents	Commitment date	Commitment term	Implementation
Share Merger Reform	SDG	<p>I. Commitments during the work of Share Merger Reform of the Company:</p> <p>1. Commitments on Lock-up period</p> <p>(1) In accordance with the Measures for the Administration of the Share Merger Reform of Listed Companies, SDG would abide by the various laws, regulations and rules, and perform its statutory commitment duty.</p> <p>(2) Apart from the above-mentioned statutory commitment, SDG also made the following special commitment: with 36 months since the day the reform plan starts to take effect, SDG would not list at Shenzhen Stock Exchange and sell the shares of Tellus it held (except for the shares used to promote the administration level of Tellus).</p> <p>(3) The administration level would abide by the laws, regulations and rules,</p>	2005-12-25	Long term	Implementing

		<p>and perform its statutory commitment duty.</p> <p>(4) SDG made the commitment: “The Promiser hereby promises that, if the Promiser failed to fulfill its commitment or not fully fulfill its commitment, it would compensate other shareholders for their losses suffered thereafter”.</p> <p>(5) SDG declared: “The Promiser would dutifully fulfill its commitments and shoulder corresponding legal responsibilities. The Promiser would transfer the shares held by it only if the assignee agree and have the ability to shoulder the commitment responsibility.”</p> <p>2. Special commitment concerning the incentive mechanism</p> <p>In order to effectively boost the core management level and business backbones for long, SDG would take out its shares, not exceeding 10% in total number after the Share Merger Reform, and apply them to the boost of the administration level. The shares would be sold to the Company’s administrative level over 3 years, with the selling price being the net asset value per share audited during the period nearest to the implementation. Before the implementation of the promoting plan by share selling each year, the administration level must prepay the Company a risk responsibility fund, i.e. 20% of the planned selling price; Should the work of the performance examination set by the Board failed to be finished, the paid risk responsibility fund would not be refunded and shall be owned by the Company. Detailed rules concerning the limitations on the administration level, such as the subscription conditions and risk responsibility fund, and boost plans</p>			
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		<p>would be set by the Board and submitted to relevant departments for approval. The implementation of the shares for promoting would be conducted strictly according to relevant laws and regulations, and the circulation conditions of these shares would be in conformity with relevant regulations set by the Shenzhen Stock Exchange. 3. Relevant expenses of this Share Merger Reform of Tellus would be paid by SDG.</p>			
	<p>SDG</p>	<p>Controlling shareholder of the Company SDG has a special commitment of incentive mechanism made on share merger reform of the Company. Later, SASAC and Ministry of Finance jointly issued the “Tentative Measures on Implementation of Equity Incentive for State-owned Listing Companies”, CSRC issued the “Management Measures on Equity Incentive of Listed Companies (Trial)”. By contrasting, the above mentioned commitment made by SDG is out of the relevant requirement from regulations the above said, relevant commitment still failed to implement. On 26 June 2014, the Company actively negotiated with SDG on the issues, and SDG promise continue to supporting the Company in order to promote a long-acting incentive plan as soon as possible instead of the equity incentive commitment made in share merger reform, under the premise of conforming to relevant law, regulations and supervision requirement., and complete the long-acting incentive mechanism construction before 30 June 2016. At the appointed time, the long-acting incentive mechanism plan will implement after submit for deliberation and pass in general meeting of the</p>	<p>2014-06-26</p>	<p>2016-6-30</p>	<p>Implementing</p>

		Company.			
Commitments in report of acquisition or equity change					
Commitments in assets replacement					
Commitment made during the IPO and refinancing					
Other commitments for medium and small shareholders					
Completed on time or not	Yes				
Detail reasons for un-complement and further plan (if applicable)	N/A				

#### IV. Estimation of operation performance for year of 2015

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

Applicable  Not applicable

The Company had no security investment in Period.

#### VI. Explanation on equity of other listed company held

Applicable  Not applicable

No security investment in Period.

#### VII. Particulars about derivatives investment

Applicable       Not applicable

The Company had no derivatives investment in Period.

#### VIII. Registration form of receiving research, communication and interview in the report

**period**

√Applicable    □ Not applicable

Time	Place	Way	Type	Reception	Contents discussed and material provided
2015-09-09	Tellus	Telephone communication	Other	Panoram Net -Zhang Bo	Operation condition of the Company, progress of the key projects and stock; no material required
2015-09-24	Tellus	Telephone communication	Other	Special Zone Daily-Xiong Ziheng	Stock condition, relevant policy and influence; no material required

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidated Balance Sheet

Prepared by Shenzhen Tellus Holding Co., Ltd

2015-09-30

In RMB

Items	Closing balance	Opening balance
Current assets:		
Monetary funds	127,041,585.85	80,045,669.65
Settlement provisions		
Capital lent		
Financial assets measured by fair value and whose change is recorded in current gains and losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	3,395,519.89	1,373,257.89
Accounts paid in advance	27,306,408.92	6,981,402.87
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	4,644,548.96	7,904,999.44
Purchase restituted finance asset		
Inventories	8,792,343.70	48,209,026.18
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets	220,019,674.72	8,968,278.77
Total current assets	391,200,082.04	153,482,634.80

Non-current assets:		
Granted loans and advances		
Finance asset available for sales	10,478,985.77	10,478,985.77
Held-to-maturity investment	100,000.00	100,000.00
Long-term account receivable		
Long-term equity investment	206,202,113.24	211,270,265.80
Investment property	83,276,201.44	85,083,745.72
Fixed assets	137,734,990.27	142,849,121.72
Construction in progress	223,450,491.52	122,551,469.97
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	53,114,888.52	53,924,233.96
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	787,630.12	905,871.01
Deferred income tax asset	24,499,678.86	25,678,449.05
Other non-current asset		
Total non-current asset	739,644,979.74	652,842,143.00
Total assets	1,130,845,061.78	806,324,777.80
Current liabilities:		
Short-term loans	20,680,480.00	74,719,672.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable	21,980,687.45	22,340,922.90
Accounts received in advance	4,846,834.45	9,979,166.89



Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	15,206,594.53	17,164,185.03
Taxes payable	9,098,955.72	9,055,093.27
Interest payable		
Dividend payable		
Other accounts payable	105,004,259.84	114,533,081.65
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held ready for sale		
Non-current liabilities due within 1 year	73,000,000.00	120,700,000.00
Other current liabilities		
Total current liabilities	249,817,811.99	368,492,121.74
Non-current liabilities:		
Long-term loans		178,597,550.55
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	13,657,490.94	13,657,490.94
Long-term wages payable		9,953,557.75
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities	539,427.92	723,459.18
Other non-current liabilities	12,651,834.58	32,570,237.55
Total non-current liabilities	26,848,753.44	235,502,295.97
Total liabilities	276,666,565.43	603,994,417.71
Owner's equity:		
Share capital	297,281,600.00	220,281,600.00

Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	564,192,605.51	7,672,605.51
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	2,952,586.32	2,952,586.32
Provision of general risk		
Retained profit	-20,331,398.17	-39,026,529.03
Total owner's equity attributable to parent company	844,095,393.66	191,880,262.80
Minority interests	10,083,102.69	10,450,097.29
Total owner's equity	854,178,496.35	202,330,360.09
Total liabilities and owner's equity	1,130,845,061.78	806,324,777.80

Legal representative: Lv Hang

Person in charge of accounting works: Yang Jianping

Chief Financial Officer: Ke Wensheng

## 2. Balance Sheet of parent company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	66,458,895.44	26,441,746.73
Financial assets measured by fair value and whose change is recorded in current gains and losses		
Derivative financial liability		
Notes receivable		
Accounts receivable		
Accounts paid in advance	198,000.00	106,810.00
Interest receivable		
Dividend receivable		
Other receivables	93,655,740.15	110,350,188.00
Inventories		

Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets	165,000,000.00	1,350,000.00
Total current assets	325,312,635.59	138,248,744.73
Non-current assets:		
Finance asset available for sales	10,176,617.20	10,176,617.20
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	680,940,437.80	425,961,150.29
Investment real estate	53,583,263.66	54,186,250.01
Fixed assets	17,290,465.81	17,961,888.31
Construction in progress	251,308.70	251,308.70
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	322,426.56	274,939.25
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	32,557.01	346,559.91
Deferred income tax asset	13,956,931.79	13,986,138.44
Other non-current asset		
Total non-current asset	776,554,008.53	523,144,852.11
Total assets	1,101,866,644.12	661,393,596.84
Current liabilities:		
Short-term loans	9,544,160.00	19,544,160.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable		
Accounts received in advance		
Wage payable	4,911,198.43	6,918,478.90

Taxes payable	470,005.46	430,065.27
Interest payable		
Dividend payable		
Other accounts payable	254,788,186.14	260,117,846.49
Divided into liability held for sale		
Non-current liabilities due within 1 year	73,000,000.00	120,700,000.00
Other current liabilities		
Total current liabilities	342,713,550.03	407,710,550.66
Non-current liabilities:		
Long-term loans		132,300,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		3,343,417.98
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		135,643,417.98
Total liabilities	342,713,550.03	543,353,968.64
Owners' equity:		
Share capita	297,281,600.00	220,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	560,999,182.23	4,479,182.23
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	2,952,586.32	2,952,586.32

Retained profit	-102,080,274.46	-109,673,740.35
Total owner's equity	759,153,094.09	118,039,628.20
Total liabilities and owner's equity	1,101,866,644.12	661,393,596.84

### 3. Consolidated Profit Statement (this report period)

In RMB

Item	Current Period	Last Period
I. Total operating income	73,318,969.97	111,225,813.52
Including: Operating income	73,318,969.97	111,225,813.52
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	62,658,959.82	116,967,815.79
Including: Operating cost	52,890,404.70	91,811,039.46
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	1,516,494.43	1,304,403.00
Sales expenses	3,240,724.46	4,759,319.27
Administration expenses	4,223,093.43	10,271,520.89
Financial expenses	788,242.80	4,597,418.06
Losses of devaluation of asset		4,224,115.11
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	2,148,416.23	4,226,397.31
Including: Investment income on affiliated company and joint venture	762,114.87	3,000,269.56
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	12,808,426.38	-1,515,604.96
Add: Non-operating income	33,203.05	37,151.22

Including: Disposal gains of non-current asset	114.31	29,576.00
Less: Non-operating expense	3,757.34	7,643.04
Including: Disposal loss of non-current asset		2,146.32
IV. Total Profit (Loss is listed with “-”)	12,837,872.09	-1,486,096.78
Less: Income tax expense	1,818,452.37	26,656.17
V. Net profit (Net loss is listed with “-”)	11,019,419.72	-1,512,752.95
Net profit attributable to owner’s of parent company	11,044,774.84	-1,363,612.33
Minority shareholders’ gains and losses	-25,355.12	-149,140.62
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising		

from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	11,019,419.72	-1,512,752.95
Total comprehensive income attributable to owners of parent Company	11,044,774.84	-1,363,612.33
Total comprehensive income attributable to minority shareholders	-25,355.12	-149,140.62
VIII. Earnings per share:		
(i) Basic earnings per share	0.0407	-0.0062
(ii) Diluted earnings per share	0.0407	-0.0062

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal representative: Lv Hang

Person in charge of accounting works: Yang Jianping

Chief Financial Officer: Ke Wensheng

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

In RMB

Item	Current Period	Last Period
I. Operating income	7,506,170.12	5,451,132.90
Less: operating cost	936,470.47	906,128.86
Operating tax and extras	420,345.54	305,263.44
Sales expenses		
Administration expenses	4,039,059.62	4,876,681.26
Financial expenses	962,004.03	2,600,163.08
Losses of devaluation of asset		2,765.98
Add: Changing income of fair value(Loss is listed with "-")		

Investment income (Loss is listed with “-”)	1,598,806.44	3,181,347.99
Including: Investment income on affiliated company and joint venture	647,957.13	1,955,220.24
II. Operating profit (Loss is listed with “-”)	2,747,096.90	-58,521.73
Add: Non-operating income	2.10	
Including: Disposal gains of non-current asset		
Less: Non-operating expense		
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	2,747,099.00	-58,521.73
Less: Income tax expense	9,735.55	9,735.55
IV. Net profit (Net loss is listed with “-”)	2,737,363.45	-68,257.28
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising		



from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	2,737,363.45	-68,257.28
VII. Earnings per share:		
(i) Basic earnings per share	0.0079	-0.0003
(ii) Diluted earnings per share	0.0079	-0.0003

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

In RMB

Item	Current Period	Last Period
I. Total operating income	231,810,751.81	339,918,355.38
Including: Operating income	231,810,751.81	339,918,355.38
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	213,277,142.08	348,195,943.14
Including: Operating cost	169,829,908.61	287,109,181.05
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	4,364,159.61	3,768,251.35
Sales expenses	12,761,144.16	13,941,341.57
Administration expenses	21,004,009.73	25,998,794.13

Financial expenses	5,317,919.97	13,118,660.75
Losses of devaluation of asset		4,259,714.29
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	2,772,806.33	12,067,873.29
Including: Investment income on affiliated company and joint venture	1,231,847.44	10,841,745.54
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	21,306,416.06	3,790,285.53
Add: Non-operating income	81,965.15	262,403.13
Including: Disposal gains of non-current asset	17,208.33	197,088.80
Less: Non-operating expense	41,075.27	10,276.05
Including: Disposal loss of non-current asset	37,300.18	2,146.32
IV. Total Profit (Loss is listed with “-”)	21,347,305.94	4,042,412.61
Less: Income tax expense	3,019,169.68	727,689.24
V. Net profit (Net loss is listed with “-”)	18,328,136.26	3,314,723.37
Net profit attributable to owner’s of parent company	18,695,130.86	4,157,549.10
Minority shareholders’ gains and losses	-366,994.60	-842,825.73
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to		

profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	18,328,136.26	3,314,723.37
Total comprehensive income attributable to owners of parent Company	18,695,130.86	4,157,549.10
Total comprehensive income attributable to minority shareholders	-366,994.60	-842,825.73
VIII. Earnings per share:		
(i) Basic earnings per share	0.0688	0.0189
(ii) Diluted earnings per share	0.0688	0.0189

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

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

In RMB

Item	Current Period	Last Period
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I. Operating income	24,564,430.18	15,136,033.02
Less: operating cost	2,797,064.96	2,726,322.58
Operating tax and extras	1,375,608.08	847,617.85
Sales expenses		
Administration expenses	10,657,039.59	11,091,999.21
Financial expenses	4,496,841.46	7,524,094.75
Losses of devaluation of asset		2,765.98
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	2,384,794.35	9,922,734.37
Including: Investment income on affiliated company and joint venture	1,279,287.51	8,696,606.62
II. Operating profit (Loss is listed with “-”)	7,622,670.44	2,865,967.02
Add: Non-operating income	2.10	28,512.68
Including: Disposal gains of non-current asset		
Less: Non-operating expense		
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	7,622,672.54	2,894,479.70
Less: Income tax expense	29,206.65	29,206.65
IV. Net profit (Net loss is listed with “-”)	7,593,465.89	2,865,273.05
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		

1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	7,593,465.89	2,865,273.05
VII. Earnings per share:		
(i) Basic earnings per share	0.0280	0.0130
(ii) Diluted earnings per share	0.0280	0.0130

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	247,996,280.49	371,669,991.52
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 amount from disposal financial assets that measured by fair value and with variation reckoned into		

current gains/losses		
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	38,803,328.28	51,300,943.38
Subtotal of cash inflow arising from operating activities	286,799,608.77	422,970,934.90
Cash paid for purchasing commodities and receiving labor service	124,429,614.48	288,431,038.72
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	39,164,297.75	39,305,850.34
Taxes paid	14,756,537.59	21,917,897.17
Other cash paid concerning operating activities	70,543,619.10	48,612,683.72
Subtotal of cash outflow arising from operating activities	248,894,068.92	398,267,469.95
Net cash flows arising from operating activities	37,905,539.85	24,703,464.95
II. Cash flows arising from investing activities:		
Cash received from recovering investment	218,400,000.00	1,507,458.60
Cash received from investment income	7,787,479.44	84,270.40

Net cash received from disposal of fixed, intangible and other long-term assets	195,140.57	143,540.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	226,382,620.01	1,735,269.00
Cash paid for purchasing fixed, intangible and other long-term assets	116,392,510.74	93,261,819.11
Cash paid for investment	438,400,000.00	
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		1,000.00
Subtotal of cash outflow from investing activities	554,792,510.74	93,262,819.11
Net cash flows arising from investing activities	-328,409,890.73	-91,527,550.11
III. Cash flows arising from financing activities		
Cash received from absorbing investment	635,500,000.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	24,698,215.03	449,797,550.55
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	660,198,215.03	449,797,550.55
Cash paid for settling debts	317,595,765.58	356,000,000.00
Cash paid for dividend and profit distributing or interest paying	4,665,177.61	8,026,216.99
Including: Dividend and profit of		

minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	437,000.00	
Subtotal of cash outflow from financing activities	322,697,943.19	364,026,216.99
Net cash flows arising from financing activities	337,500,271.84	85,771,333.56
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-4.76	582.16
V. Net increase of cash and cash equivalents	46,995,916.20	18,947,830.56
Add: Balance of cash and cash equivalents at the period -begin	80,045,669.65	63,166,448.10
VI. Balance of cash and cash equivalents at the period -end	127,041,585.85	82,114,278.66

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	25,064,357.57	15,144,942.54
Write-back of tax received		
Other cash received concerning operating activities	60,212,217.85	175,188,947.26
Subtotal of cash inflow arising from operating activities	85,276,575.42	190,333,889.80
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	11,901,652.33	10,304,011.17
Taxes paid	2,725,836.90	2,840,852.22
Other cash paid concerning operating activities	41,317,280.76	291,743,250.05
Subtotal of cash outflow arising from	55,944,769.99	304,888,113.44



operating activities		
Net cash flows arising from operating activities	29,331,805.43	-114,554,223.64
II. Cash flows arising from investing activities:		
Cash received from recovering investment	150,000,000.00	1,507,458.60
Cash received from investment income	7,405,506.84	84,270.40
Net cash received from disposal of fixed, intangible and other long-term assets		39,890.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	157,405,506.84	1,631,619.00
Cash paid for purchasing fixed, intangible and other long-term assets	552,442.65	1,852,320.00
Cash paid for investment	575,000,000.00	
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	575,552,442.65	1,852,320.00
Net cash flows arising from investing activities	-418,146,935.81	-220,701.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment	635,500,000.00	
Cash received from loans		342,500,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing	635,500,000.00	342,500,000.00

activities		
Cash paid for settling debts	202,600,000.00	237,500,000.00
Cash paid for dividend and profit distributing or interest paying	3,630,720.91	7,275,940.91
Other cash paid concerning financing activities	437,000.00	
Subtotal of cash outflow from financing activities	206,667,720.91	244,775,940.91
Net cash flows arising from financing activities	428,832,279.09	97,724,059.09
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	40,017,148.71	-17,050,865.55
Add: Balance of cash and cash equivalents at the period -begin	26,441,746.73	30,209,143.04
VI. Balance of cash and cash equivalents at the period -end	66,458,895.44	13,158,277.49

## II. Audit report

Whether the third quarter report was audited or not

Yes No

The third quarter report of the Company has not been audited