

TSANN KUEN (CHINA) ENTERPRISE CO., LTD.
THIRD QUARTER REPORT 2016

October 2016

Section I Important Statements

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Tsann Kuen (China) 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.

Mr. Pan Zhirong, company principal, and Mr. Feng Zhiqing, head of the accounting work & the accounting division (head of accounting) jointly declare that the financial statements carried 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 & Shareholder Changes

I Highlights of accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes No

Unit: RMB

Item	30 September 2016	31 December 2015		+/- (%)
		Before adjustment	After adjustment	
Total assets	1,672,677,864.16	1,656,036,577.21	1,662,657,829.11	0.60
Owner's equities attributed to the shareholders of the Company	589,611,941.25	559,728,743.98	562,024,410.53	4.91
Item	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues	530,619,224.33	-8.38	1,328,727,913.60	-9.88
Net profit attributable to shareholders of the Company	12,124,393.34	2.48	29,914,194.70	14.49
Net profit attributable to shareholders of the Company excluding exceptional profit and loss	11,674,289.80	-33.38	27,619,142.36	30.34
Net cash flows from operating activities	-1,728,404.23	-96.83	-61,900,410.52	-41.46
Basic earnings per share	0.06	0.00	0.16	14.29
Diluted earnings per share	0.06	0.00	0.16	14.29
Weighted average return on equity (%)	2.05	-0.46	5.16	0.07

Notes to the retroactive adjustment of 2016 opening amount and that of the same period of last year:

On 24 April 2015, the Company held the 2015 2nd Board of Directors had approved the resolutions, of which the controlling subsidiary Zhangzhou Tsann Kuen Industrial Co., Ltd. (named "Zhangzhou Tsann Kuen" for short with the shareholding of 75%) and firstly set up the wholly owned subsidiary Orient Star Investments Limited (named "Orient Star Investments") then secondly Orient Star Investments invested and purchased the 100% equities of the wholly owned subsidiary Tsannkuen Edge Intelligence Co., Ltd. (named "Tsannkuen Edge Intelligence" for short) of STAR COMGISTIC CAPITAL CO., LTD. (named "STAR COMGISTIC CAPITAL" for short). Orient Star Investments received the relevant letter about approving the purchase of the 100% equities of Tsannkuen Edge Intelligence from Taiwan competent authorities on 15 March 2016 and amount that STAR COMGISTIC CAPITAL received the purchase of the whole equities of Tsannkuen Edge Intelligence by Orient Star Investments on 21 March 2016 was of USD968,545.48. And had completed the relevant alternation procedures of the commercial registration of the equity transfer on 19 April 2016 and with the details, please refer to the Announcement on the Controlling Subsidiary of the Company Zhangzhou Tsann Kuen Invested on Its Wholly-owned Subsidiary which Purchased the Equity of Tsannkuen Edge Intelligence and the Related Transactions that disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn on 25 April 2015, the Correcting

Announcement on the Controlling Subsidiary of the Company Zhangzhou Tsann Kuen Invested on Its Wholly-owned Subsidiary which Purchased the Equity of Tsannkuen Edge Intelligence and the Related Transactions that disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn on 28 April 2015, Announcement on the Completion of the Commercial Registration Procedures of the Hong Kong Wholly-owned Subsidiary of Zhangzhou Tsann Kuen that disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn on 21 May 2015, Announcement on the Controlling Subsidiary of the Company Zhangzhou Tsann Kuen Purchased Tsannkuen Edge Intelligence and the Progress of the Related Transactions that disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn on 16 March 2016 and the Announcement on the Completion of the Commercial Alternation Registration of the Controlling Subsidiary of the Company Zhangzhou Tsann Kuen through the Purchase of Tsannkuen Edge Intelligence by Hong Kong Subsidiary that disclosed on Securities Times, Hong Kong Ta Kung Pao and www.cninfo.com.cn on 21 April 2016.

According to No. 20 of ASBE - Enterprise Merger, the Transaction formed the enterprise merger under the same control and the main body was regarded as always exist in the previous periods after the merger. The combining party shall adjust the opening amounts and the amounts for the same period of last year of relevant items in the statements.

Total share capital up to the trading day before the disclosure:

Total share capital up to the trading day before the disclosure (share)	185,391,680
Fully diluted EPS calculated according to the latest share capital (RMB/share)	0.16

Exceptional profit and loss

Applicable Not applicable

Unit: RMB

Item	January-September 2016	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	125,273.22	
Tax rebates, reductions and exemptions due to approval beyond authority or the lack of official approval documents		
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	2,758,460.00	
Capital occupation charges on non-financial enterprises that are charged to the profit/loss for the Reporting Period		
Profit due to the situation where investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of identifiable net assets of investees when making investments		
Profit/loss on non-monetary asset swap		
Profit/loss on entrusting others with investments or asset management		
Asset impairment provisions due to acts of God such as natural disasters		
Profit/loss on debt restructuring		
Restructuring costs in staff arrangement, integration, etc.		

Item	January-September 2016	Note
Profit/loss on the part over the fair value due to transactions with distinctly unfair prices		
Reporting Period net profit/loss of subsidiaries acquired through business mergers under the same control from period-beginnings to merger dates	-2,224,231.59	Loss of Tsannkuen Edge Intelligence before combination
Profit/loss on contingencies irrelevant to the Company's normal business activities		
Profit/loss on fair value changes of transactional financial assets and liabilities & investment profit on disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effectively hedging business related to normal business operations of the Company	1,224,489.40	Gains on sale of forward exchange contracts, fair value changes, financial products and other current assets
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately		
Profit/loss on entrusted loans		
Profit/loss on fair value changes in investing properties of which the subsequent measurement is carried out adopting the fair value method		
Effect on Reporting Period profit/loss when a one-off adjustment is made to Reporting Period profit/Loss according to requirements of taxation, accounting and other relevant laws and regulations		
Custody fee income when entrusted with operations		
Non-operating income and expense other than the above	2,188,569.92	
Other profit/loss that meet the definition of exceptional profit/loss		
Less: Income tax effects	1,063,069.49	
Minority interests effects (after tax)	714,439.12	
Total	2,295,052.34	

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

II Total number of shareholders and shareholdings of top 10 shareholders at the period-end

1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	17,617	Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period	0			
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
FORDCHEE DEVELOPMENT LIMITED	Foreign corporation	29.10%	53,940,530	0	N/A	0
EUPA INDUSTRY CORPORATION LIMITED	Foreign corporation	13.09%	24,268,840	0	N/A	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	6.05%	11,210,194	0	N/A	0
FILLMAN INVESTMENTS LIMITED	Foreign corporation	2.49%	4,621,596	0	N/A	0
WU CHI LI	Foreign natural person	1.14%	2,110,500	0	N/A	0
CHEN YONGQUAN	Domestic natural person	1.02%	1,888,819	0	N/A	0
CHEN YONGQING	Foreign natural person	0.77%	1,436,149	0	N/A	0
CHEN LIJUAN	Foreign natural person	0.69%	1,287,817	0	N/A	0
SHENWAN HONGYUAN SECURITIES (HK) CO., LTD.	Foreign corporation	0.63%	1,170,051	0	N/A	0
DING XIAOLUN	Domestic natural person	0.54%	1,000,000	0	N/A	0
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares				
		Type	Number			
FORDCHEE DEVELOPMENT LIMITED	53,940,530	Domestically listed foreign share	53,940,530			
EUPA INDUSTRY CORPORATION LIMITED	24,268,840	Domestically listed foreign share	24,268,840			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	11,210,194	Domestically listed foreign share	11,210,194			
FILLMAN INVESTMENTS LIMITED	4,621,596	Domestically listed foreign share	4,621,596			

WU CHI LI	2,110,500	Domestically listed foreign share	2,110,500
CHEN YONGQUAN	1,888,819	Domestically listed foreign share	1,888,819
CHEN YONGQING	1,436,149	Domestically listed foreign share	1,436,149
CHEN LIJUAN	1,287,817	Domestically listed foreign share	1,287,817
SHENWAN HONGYUAN SECURITIES (HK) CO., LTD.	1,170,051	Domestically listed foreign share	1,170,051
DING XIAOLUN	1,000,000	Domestically listed foreign share	1,000,000
Related or act-in-concert parties among the shareholders above	The first, the second and the fourth largest shareholders are the Company's corporate controlling shareholders. It is unknown to the Company whether there exists associated relationship among the shareholders above or they are acting-in-concert entities as stipulated in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.		
Top 10 ordinary shareholders conducting securities margin trading (if any)	N/A		

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top 10 of them at the period-end

Applicable Not applicable

Section III Significant Events

I Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

√ Applicable □ Not applicable

Unit: RMB

Item	30 September 2016	31 December 2015	+/- (%)	Main reason for change
Monetary funds	526,886,316.72	756,223,544.72	-30.33	Purchase of more wealth management products
Accounts receivable	352,359,192.16	219,609,267.40	60.45	Increase in shipment
Interest receivable	1,744,323.00	1,135,305.55	53.64	Increase in term deposits
Other accounts receivable	32,213,545.17	50,308,515.39	-35.97	Export tax rebates received
Other current assets	292,407,364.10	89,858,232.99	225.41	RMB200 million was invested in wealth management products.
Construction in progress	913,971.74	210,796.20	333.58	Construction that has not yet been checked and accepted
Other non-current assets	1,310,775.41	6,264,771.15	-79.08	Molds and equipment that had been prepaid for were checked and accepted.
Short-term borrowings	112,854,820.00	0.00	100.00	Short-term borrowings from banks increased.
Financial liabilities at fair value through profit/loss	1,000.00	8,462,500.00	-99.99	The assessed loss on undelivered forwards occurred.
Accounts received in advance	8,618,079.41	15,828,556.71	-45.55	Products were sold to customers who had paid advances
Taxes and fares payable	8,520,634.41	6,158,817.21	38.35	Increase in corporate income tax provided for
Interest payable	422,850.67	0.00	100.00	Interest on short-term borrowings provided for
Other comprehensive income	5,551,286.95	3,231,050.04	71.81	Bigger difference on foreign-currency statement translation

Item	Current period	Same period of last year	+/- (%)	Main reason for change
Finance costs	-12,805,713.25	-24,918,982.50	-48.61	Decrease in assessed foreign currency profit
Asset impairment loss	13,958,770.43	4,410,887.38	216.46	Bad-debt loss and inventory falling price loss provided for as per the accounting policies
Profit on fair value changes	8,461,500.00	-3,029,390.15	379.31	Reversal of assessed loss on undelivered forwards
Return on investment	-7,228,536.60	6,042,202.49	-219.63	Assessed loss on delivered forwards
Non-operating expense	696,278.23	134,843.80	416.36	Increase in asset disposal loss due to plant renewal
Corporate income tax	8,493,215.93	5,736,527.36	48.06	Increase in corporate income tax provided for of subsidiary Zhangzhou Tsann Kuen

Item	Current period	Same period of last year	+/- (%)	Main reason for change
Net cash flows from operating activities	-61,900,410.52	-105,736,860.04	-41.46	More export tax rebates than the same period of last year
Net cash flows from investing activities	-394,513,599.97	-237,614,305.31	-66.03	Net increase in term deposits of restricted money

II Progress on significant events, as well as the influence and solutions

√ Applicable □ Not applicable

Contingency

(1) The subsidiary of the Company -TsannKuen (Zhangzhou) Enterprise Co., Ltd. (hereafter, TKL) signed the < Product Supply Agreement> with XindaElectromechanics Co., Ltd. (hereafter, Xinda) on July 20, 2009. The validity of the contract is from July 1, 2009 to June 30, 2012. Furthermore, on 1 January 2011, they signed the <TsannKuen (Zhangzhou) Enterprise Co., Ltd. 2011 ED Procurement Contract> and relevant <Special Arrangement Clauses>, and other agreements. According to those agreements, TKL should purchase products from Xinda. TKL rejected to pay for the purchase and terminated those agreements due to the poor quality products from Xinda. On 2 November 2011, Xinda lodged petition for civil litigation to the Intermediate People's Court of Zhangzhou for the order of Intermediate People's Court of Zhangzhou that TKL pay for purchase from Xinda amounting to USD 479,089.06 (CNY 3,071,535.78) immediately together with the liquidated damages for delay payment and resume performance of the agreement (the value of the unperformed agreement amounting to USD 189,423.25).

On 8 January 2012, TKL lodged counterclaim to the Court claiming that due to unsatisfactory quality of goods supplied by Xinda, goods supplied by TKL had been returned from clients and orders cancelled, resulting in substantial financial loss and reputation damage suffered by the TKL. TKL therefore petitioned for the court order for relief of agreement and that Xinda shall pay to TKL liquidated damage amounting to CNY 1 million together with financial loss amounting to CNY 7.6216 million.

Intermediate People's Court of Zhangzhou made the judgement on 15 August 2013 as follow: I. TKL should pay goods payments amount USD479, 089.06 to plaintiff Xinda within 15 days from the date on which the judgement becomes effective, equivalent to CNY3, 071,535.78. II. Plaintiff Xinda and the third party BoLuoLianyuan industry Co., Ltd. (hereafter Lianyua) should jointly pay the liquidated damage for CNY1,233,399.70 to TKL within 15 days from the date on which the judgement becomes effective. III. Unperformed 10 orders entered into by TKL, Xinda and Lianyuan are declared cancelled. IV. Reject other claims partitioned by the plaintiff Xinda. V. Reject other claims partitioned by TKL. After the first judgment, both parties appealed against the judgment.

Up to the end of the reporting date, the financial statement of TKL included accounts payable to Xinda amounting to USD 479,089.06. As the second hearing was yet to be finalized, TKL unrecognized contingent assets CNY1,233,399.70 to Xinda.

(2) The subsidiary of the Company - TsannKuen China (Shanghai) Enterprise Co., Ltd. (hereafter, TKS) signed the Plant Leasing contract with Shanghai Liangxin Industrial Co., Ltd. (hereafter, SHLX) at November 2007, and leased the plant (including plant affiliated land, ground buildings and related ancillary equipment, etc) located in No. 4407 Caoan Road Jiading District, Shanghai to SHLX. The real estate certificate of leasehold is Hu Fangdi Jia Zi (2006) No. 011945, the lease period is from November 2007 to

November 2019, the purpose to the lessee for the use of legitimate factory and storage. The provisions of contract point out if the lessee need to build plant because of production should to obtain government and relevant authorities' agreements. Except to confiscate the deposit, the lessor can terminate the contract and does not have to undertake any responsibility if the lessee sublease the leasehold, make improvement or addition to the leasehold without to obtain the written consent from lessor.

TKS submitted the civil action to Shanghai Jiading District People's Court by cause of action "the lessee SHLX decorated and subleased the leasehold to Shanghai Hujia Fruit Sales Limited Company (hereafter, SHHJ) without to obtain the written consent from lessor" on 28 October 2015, and required early termination of the Plant Leasing contract with SHLX, and required SHHJ to terminate construction and to repristinate the leasehold. In July 2016, TKS appealed to Shanghai Jiading District People's Court by cause of requiring SHXL repristinate the leasehold.

Up to the end of the reporting date, the civil action is still in process.

Summary of the significant events	Disclosure date	Index of the interim report disclosure website
The progress events of the appeal between the Company's controlling subsidiary—Zhangzhou Tsann Kuen and Xinda Motor	22 Feb. 2014	www.cninfo.com.cn

III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

√ Applicable □ Not applicable

Commitment	Commitment maker	Type of commitment	Contents	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform						
Commitments made in acquisition documents or shareholding alteration documents						
Commitments made in time of asset restructuring						
Commitments made in time of IPO or refinancing						
Commitments concerning stock ownership incentive						
Other commitments made to minority shareholders	FILLMAN INVESTMENTS LIMITED	Commitments on the shareholding increase	Based on the confidence on the continuous and stable development of the Company, it committed to increase the shareholding if the Company's stock price lower than HKD2.40 per share after the implementation of the shares contraction and trading resumption, and it would increase no more than 2% shares (i.e.3,707,800 shares) of the total shares issued by the Company within one year since the date of initial shareholding increase. If the plan on increasing holding 2% shares of the total shares is completed, if the stock price hasn't reached the target price, it will perform relevant approval procedures, and propose to CSRC on continuous implementation of shareholding increase by exemption of offering.	28 Dec. 2012	Long-term effective	The Company's stocks resumed trading on 31 Dec. 2012, but the Company's stock price hasn't met the condition for shareholding increase since the date of trading resumption, FILLMAN Investment Limited hasn't implemented the shareholding increase plan.
Executed on time	Yes					

IV Performance forecast for Y2016

Warning of possible loss or considerable YoY change in the accumulative net profit made during the year-beginning to the end of the next reporting period, as well as the reasons

□ Applicable √ Not applicable

V Securities investment

□ Applicable √ Not applicable

VI Investment in derivative financial instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Operator	Relation	Related-party transaction or not	Type of derivative investment	Initial investment amount	Beginning date	Ending date	Opening investment amount	Purchased amount	Sold amount	Amount of the provision for impairment losses	Closing investment amount	Proportion of the closing investment amount in the Company's closing net assets (%)	Actual gain/loss in reporting period
Bank	No	No	Forward exchange	29,825.70	1 January 2016	30 September 2016	27,816.19	2,003.43	28,488.78		1,336.92	2.27	122.45
Total				29,825.70			27,816.19	2,003.43	28,488.78		1,336.92	2.27	122.45
Capital source for derivative investment				Self-owned funds									
Lawsuit situations (if applicable)				N/A									
Disclosure date of the board announcement approving the wealth management entrustment				2013/3/12									
Disclosure date of the general meeting announcement approving the wealth management entrustment				2013/5/18									
Analysis on risks and control measures of derivative products held in the reporting period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)				<p>1. Analysis on risks from holding of derivative products: gains or losses from difference between contracted exchange rate and market exchange rate on value date.</p> <p>2. Control measures:</p> <p>(1) Principle: The purpose of the financial derivative operation is to avoid risks. The Company shall not conduct transactional operation for other purposes than risk avoidance. The Company shall not conduct complex derivative trading above the actual operation needs and shall not speculate in derivative trading with hedging as an excuse. The overall contractual amount for risk avoidance of the Company shall not exceed the summation of the net risk exposure of the existing assets and liabilities and the net risk exposure of assets and liabilities arising from the operation of the Company in the coming year.</p> <p>(2) Staff requirements: Personnel taking part in the investment shall all fully understand the risks of derivative investment and strictly execute the business operation and risk management mechanisms for derivative investment.</p> <p>(3) Operation standardization: Before making a derivative investment, the Company shall rationally equip itself with professional personnel for investment decision-making, business operation, risk control, etc. It shall also inquire and compare among various markets and products. Besides, it shall strictly control the variety and size of derivative investment and try to choose derivative trading on exchange as much as possible.</p> <p>(4) Periodic evaluation: Derivative investments shall be evaluated at least twice for a month and the evaluation report shall be sent to a high-ranking executive authorized by the Board of Directors. And a derivative investment report shall be sent to the Board of Directors annually. The Company and its subsidiaries only need to submit to the Board of Directors of the subsidiaries.</p> <p>(5) Loss limit: The investment loss on a single derivative and all the investment loss shall not exceed 20% of the total investment amount.</p>									

	(6) Audit system: The audit department audits derivative product trading periodically and submits audit reports to relevant units.
Changes of market prices or fair values in the reporting period of the invested derivatives. And the analysis on the fair value of the derivatives should include the specific use methods and the relevant assumptions and parameters	(1) Profit/loss on delivered derivative financial instruments was RMB-7.2370 million in the Reporting Period, and evaluated loss on undelivered derivatives was RMB8.4615 million in the Reporting Period, including the reversed evaluated loss of RMB8.4625 million on undelivered forward exchange instruments of last year. (2) The former contracted bank provided monthly sheets of estimated exchange rates for the undue contracted forward exchanges on the last trading day of the month. (3) The profit and loss from fair value changes of the derivative was confirmed according to the difference between the contracted amount undue by the month*the estimated exchange rate and the currency amount when bought in.
Whether significant changes occurred to the Company's accounting policy and specific accounting principles of derivatives in the reporting period compared to the previous reporting period	There were no significant changes between the Company's accounting policy and specific accounting principles of derivatives in the reporting period and those in the last reporting period.
Specific opinion from independent directors on the Company's derivatives investment and risk control	The Company has carried out a strict internal assessment for the financial derivative business and has established a corresponding supervision mechanism. We are of the opinion that the financial derivative business conducted by the Company is fairly necessary in its routine operation and is in compliance with relevant laws and regulations, with the risks controllable.

VII Visits paid to the Company for purposes of research, communication, interview, etc. during the Reporting Period

√ Applicable □ Inapplicable

Date of visit	Way of visit	Type of visitor	About
2016-02-01	By phone	Individual	Inquiry the reform of B share, and the Company's equity transfer of TsannKuen China (Shanghai) Enterprise Co., Ltd.
2016-02-02	By phone	Individual	Inquiry the Company's equity transfer of TsannKuen China (Shanghai) Enterprise Co., Ltd.
2016-05-09	By phone	Individual	Inquiry the financial problem of the Report for the First Quarter of 2016, and the equity transfer of TsannKuen China (Shanghai) Enterprise Co., Ltd., material was not offered.
2016-05-13	By phone	Individual	Inquiry the equity transfer of TsannKuen China (Shanghai) Enterprise Co., Ltd., material was not offered.
2016-05-17	By phone	Individual	Inquiry the operation situation of the Company, material was not offered.
2016-09-22	Field research	Individual	<p>1. Investor: Known about the main business of the Company Reply by the Company: so far, the main business of the Company was the manufacture of small household appliance product, and the categories respectively were: baked device iron motor coffee pot</p> <p>2. Investor: Known about the client relations Reply by the Company: so far, the product of the Company mainly was export sales, 90% of the total, the main clients were from Europe, America and Asia.</p> <p>3. Investor: Known about the influence of RMB devaluation to the Company Reply by the Company: it is benefit for the export enterprise, however, foreign will bargain due to RMB devaluation.</p> <p>4. Investor: Known about the structure of small household appliance industry. Reply by the Company: the fierce competition structure of small household appliance industry had formed, only consistently innovate and form scale, enterprise can continue exist.</p> <p>5. Investor: Known about the future development plan of the Company Reply by the Company: the Company keep stable and healthy operation model, enlarge R&D and the promotion of new products.</p> <p>6. Guide researcher visit the production line</p> <p>7. Material was not offered.</p>
2016-09-25	By phone	Individual	Inquiry the production and operation situation of the Company, and the rental situation of the factory of the Company in Xiamen.

VIII Illegal provision of guarantees for external parties

□ Applicable √ Not applicable

IX Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties

□ Applicable √ Not applicable

Section IV Financial Statements

I Financial statements

1. Consolidated balance sheet

Prepared by Tsann Kuen (China) Enterprise Co., Ltd.

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	526,886,316.72	756,223,544.72
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable	1,179,064.09	1,483,710.00
Accounts receivable	352,359,192.16	219,609,267.40
Accounts paid in advance	12,226,627.46	16,919,366.87
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable	1,744,323.00	1,135,305.55
Dividend receivable		
Other accounts receivable	32,213,545.17	50,308,515.39
Financial assets purchased under agreements to resell		
Inventories	195,299,866.47	264,377,787.95
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	292,407,364.10	89,858,232.99
Total current assets	1,414,316,299.17	1,399,915,730.87
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	40,000.00	40,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment		
Investing real estate	43,042,608.63	46,185,216.68
Fixed assets	177,318,162.84	177,049,198.02
Construction in progress	913,971.74	210,796.20
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		

Item	Closing balance	Opening balance
Intangible assets	18,004,255.56	14,136,233.55
R&D expense		
Goodwill		
Long-term deferred expenses	3,464,232.48	3,874,638.99
Deferred income tax assets	14,267,558.33	14,981,243.65
Other non-current assets	1,310,775.41	6,264,771.15
Total of non-current assets	258,361,564.99	262,742,098.24
Total assets	1,672,677,864.16	1,662,657,829.11
Current liabilities:		
Short-term borrowings	112,854,820.00	
Borrowings from the Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses	1,000.00	8,462,500.00
Derivative financial liabilities		
Notes payable	22,353,751.51	26,974,641.74
Accounts payable	491,148,634.33	575,930,730.06
Accounts received in advance	8,618,079.41	15,828,556.71
Financial assets sold and repurchased		
Handling charges and commissions payable		
Payroll payable	44,696,054.11	43,460,873.84
Tax payable	8,520,634.41	6,158,817.21
Interest payable	422,850.67	
Dividend payable		
Other accounts payable	59,558,033.06	65,108,735.70
Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	748,173,857.50	741,924,855.26
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	249,658.70	242,702.95

Item	Closing balance	Opening balance
Other non-current liabilities		
Total non-current liabilities	249,658.70	242,702.95
Total liabilities	748,423,516.20	742,167,558.21
Owners' equity:		
Share capital	185,391,680.00	185,391,680.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	296,808,965.78	282,916,698.67
Less: Treasury stock		
Other comprehensive income	5,551,286.95	3,231,050.04
Specific reserves		
Surplus reserves	20,962,521.51	20,962,521.51
Provisions for general risks		
Retained profits	80,897,487.01	69,522,460.31
Total equity attributable to owners of the Company	589,611,941.25	562,024,410.53
Minority interests	334,642,406.71	358,465,860.37
Total owners' equity	924,254,347.96	920,490,270.90
Total liabilities and owners' equity	1,672,677,864.16	1,662,657,829.11

Legal representative: Pan Zhirong

Chief of the accounting work: Feng Zhiqing

Chief of the accounting organ: Feng Zhiqing

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	6,220,181.61	7,750,025.58
Financial assets measured at fair value and of which changes are recorded into current gains and losses		
Derivative financial assets		
Notes receivable	628,006.96	589,835.00
Accounts receivable	30,469,313.96	23,997,156.18
Accounts paid in advance	184,085.02	1,202,214.48
Interest receivable		
Dividend receivable		
Other accounts receivable	1,671,574.82	3,010,844.58
Inventories	13,856,225.80	11,151,650.93
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	156,146.92	55,278.38
Total current assets	53,185,535.09	47,757,005.13
Non-current assets:		
Available-for-sale financial assets	40,000.00	40,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	922,914,701.56	985,814,030.83
Investing real estate	36,501,059.09	38,994,677.59
Fixed assets	2,041,650.10	2,328,116.94
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	89,999.99	110,249.99
R&D expense		
Goodwill		
Long-term deferred expenses	153,866.24	405,866.33
Deferred income tax assets	1,821,382.64	18,053,868.00
Other non-current assets		
Total of non-current assets	963,562,659.62	1,045,746,809.68
Total assets	1,016,748,194.71	1,093,503,814.81
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	82,363,371.14	66,922,540.32
Accounts received in advance	463,827.62	2,664,965.52
Payroll payable	2,521,315.44	3,390,321.73

Item	Closing balance	Opening balance
Tax payable	-21,118.68	966,665.47
Interest payable		
Dividend payable		
Other accounts payable	301,868,241.52	461,663,363.89
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	387,195,637.04	535,607,856.93
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	387,195,637.04	535,607,856.93
Owners' equity:		
Share capital	185,391,680.00	185,391,680.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	271,490,289.82	271,490,289.82
Less: Treasury stock		
Other comprehensive income		
Specific reserves		
Surplus reserves	20,962,521.51	20,962,521.51
Retained profits	151,708,066.34	80,051,466.55
Total owners' equity	629,552,557.67	557,895,957.88
Total liabilities and owners' equity	1,016,748,194.71	1,093,503,814.81

Legal representative: Pan Zhirong

Chief of the accounting work: Feng Zhiqing

Chief of the accounting organ: Feng Zhiqing

3. Consolidated income statement for the Reporting Period

Unit: RMB

Item	Jul.-Sept. 2016	Jul.-Sept. 2015
I. Operating revenues	530,619,224.33	579,140,206.32
Including: Sales income	530,619,224.33	579,140,206.32
Interest income		
Premium income		
Handling charge and commission income		
II. Operating costs	510,540,658.88	550,398,995.16
Including: Cost of sales	436,505,858.96	496,371,056.95
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	2,117,191.24	1,188,384.99
Selling and distribution expenses	21,592,482.33	22,086,718.55
Administrative expenses	38,444,945.51	43,158,926.15
Financial expenses	-2,839,400.73	-15,713,245.07
Asset impairment loss	14,719,581.57	3,307,153.59
Add: Gain/(loss) from change in fair value (“-” means loss)	2,816,450.00	-11,830,300.00
Gain/(loss) from investment (“-” means loss)	-2,794,098.65	11,533.67
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	20,100,916.80	16,922,444.83
Add: non-operating income	1,411,057.97	1,625,298.40
Including: Gains on disposal of non-current assets	234,014.13	611,012.33
Less: non-operating expense	634,553.26	16,648.18
Including: Losses on disposal of non-current assets	633,914.10	12,219.06
IV. Total profit (“-” means loss)	20,877,421.51	18,531,095.05
Less: Income tax expense	5,735,890.00	2,435,769.58
V. Net profit (“-” means loss)	15,141,531.51	16,095,325.47
Of which: net profit achieved by the merged parties before the business mergers		-1,506,531.88
Net profit attributable to owners of the Company	12,124,393.34	11,830,451.09
Minority shareholders' income	3,017,138.17	4,264,874.38
VI. After-tax net amount of other comprehensive incomes	1,037,492.82	3,731,285.52
After-tax net amount of other comprehensive incomes attributable to owners of the Company	778,119.62	2,798,464.14
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	778,119.62	2,798,464.14

Item	Jul.-Sept. 2016	Jul.-Sept. 2015
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	778,119.62	2,798,464.14
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	259,373.20	932,821.38
VII. Total comprehensive incomes	16,179,024.33	19,826,610.99
Attributable to owners of the Company	12,902,512.96	14,628,915.23
Attributable to minority shareholders	3,276,511.37	5,197,695.76
VIII. Earnings per share		
(I) Basic earnings per share	0.06	0.06
(II) Diluted earnings per share	0.06	0.06

Where business mergers under the same control occurred in the Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB-1,506,531.88.

Legal representative: Pan Zhirong Chief of the accounting work: Feng Zhiqing Chief of the accounting organ: Feng Zhiqing

4. Income statement of the Company for the Reporting Period

Unit: RMB

Item	Jul.-Sept. 2016	Jul.-Sept. 2015
I. Operating revenues	29,536,460.04	13,495,092.82
Less: cost of sales	23,381,737.26	9,569,195.18
Business taxes and surcharges		237,633.66
Sales expense	3,573,257.71	1,260,115.65
Administrative expenses	3,274,027.19	3,823,193.17
Financial expenses	-27,930.83	-34,646.87
Asset impairment loss	1,107,423.60	310,192.06
Add: Gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)		
Including: share of profits in associates and joint ventures		
II. Business profit	-1,772,054.89	-1,670,590.03
Add: non-operating income	20,599.04	36,918.98
Including: Gains on disposal of non-current assets		23,533.98
Less: non-operating expense		12,952.66
Including: Losses on disposal of non-current assets		12,952.66
III. Total profit (“-” means loss)	-1,751,455.85	-1,646,623.71
Less: Income tax expense	67,228.41	-410,371.60
IV. Net profit (“-” means loss)	-1,818,684.26	-1,236,252.11
V. After-tax net amount of other comprehensive incomes		
After-tax net amount of other comprehensive incomes attributable to owners of the Company		
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
VI. Total comprehensive incomes	-1,818,684.26	-1,236,252.11
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Pan Zhirong

Chief of the accounting work: Feng Zhiqing

Chief of the accounting organ: Feng Zhiqing

5. Consolidated income statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
I. Operating revenues	1,328,727,913.60	1,474,334,364.39
Including: Sales income	1,328,727,913.60	1,474,334,364.39
Interest income		
Premium income		
Handling charge and commission income		
II. Operating costs	1,287,099,381.09	1,442,079,902.65
Including: Cost of sales	1,099,323,024.06	1,267,854,353.96
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	5,093,070.40	4,272,747.17
Selling and distribution expenses	62,334,643.87	63,210,847.87
Administrative expenses	119,195,585.58	127,250,048.77
Financial expenses	-12,805,713.25	-24,918,982.50
Asset impairment loss	13,958,770.43	4,410,887.38
Add: Gain/(loss) from change in fair value (“-” means loss)	8,461,500.00	-3,029,390.15
Gain/(loss) from investment (“-” means loss)	-7,228,536.60	6,042,202.49
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	42,861,495.91	35,267,274.08
Add: non-operating income	5,760,107.37	4,854,787.57
Including: Gains on disposal of non-current assets	776,541.14	1,520,804.68
Less: non-operating expense	696,278.23	134,843.80
Including: Losses on disposal of non-current assets	651,267.92	129,414.68
IV. Total profit (“-” means loss)	47,925,325.05	39,987,217.85
Less: Income tax expense	8,493,215.93	5,736,527.36
V. Net profit (“-” means loss)	39,432,109.12	34,250,690.49
Of which: net profits realized by combined party before combination	-2,224,231.59	-2,591,172.52
Net profit attributable to owners of the Company	29,914,194.70	26,127,995.79
Minority shareholders' income	9,517,914.42	8,122,694.70
VI. After-tax net amount of other comprehensive incomes	3,093,649.21	3,553,546.43
After-tax net amount of other comprehensive incomes attributable to owners of the Company	2,320,236.91	2,665,159.82
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	2,320,236.91	2,665,159.82
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	2,320,236.91	2,665,159.82
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	773,412.30	888,386.61
VII. Total comprehensive incomes	42,525,758.33	37,804,236.92
Attributable to owners of the Company	32,234,431.61	28,793,155.61
Attributable to minority shareholders	10,291,326.72	9,011,081.31
VIII. Earnings per share		
(I) Basic earnings per share	0.16	0.14
(II) Diluted earnings per share	0.16	0.14

Where business mergers under the same control occurred in the current period, the net profit achieved by the merged parties before the business mergers was RMB-2,224,231.59, with the corresponding amount for the same period of last year being RMB-2,591,172.52.

Legal representative: Pan Zhirong Chief of the accounting work: Feng Zhiqing Chief of the accounting organ: Feng Zhiqing

6. Income statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
I. Operating revenues	93,820,642.20	92,169,899.28
Less: cost of sales	74,793,216.91	73,644,929.63
Business taxes and surcharges	376,508.47	765,552.24
Sales expense	8,285,937.55	5,460,113.47
Administrative expenses	9,681,328.73	11,147,771.28
Financial expenses	-18,902.91	451,509.01
Asset impairment loss	2,011,424.52	37,341.13
Add: Gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)	107,582,142.80	28,286,287.22
Including: share of profits in associates and joint ventures		
II. Business profit	106,273,271.73	28,948,969.74
Add: non-operating income	193,831.54	96,763.54
Including: Gains on disposal of non-current assets		23,533.98
Less: non-operating expense		12,952.66
Including: Losses on disposal of non-current assets		12,952.66
III. Total profit (“-” means loss)	106,467,103.27	29,032,780.62
Less: Income tax expense	16,271,335.48	460,105.53
IV. Net profit (“-” means loss)	90,195,767.79	28,572,675.09
V. After-tax net amount of other comprehensive incomes		
After-tax net amount of other comprehensive incomes attributable to owners of the Company		
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
VI. Total comprehensive incomes	90,195,767.79	28,572,675.09
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Pan Zhirong

Chief of the accounting work: Feng Zhiqing

Chief of the accounting organ: Feng Zhiqing

7. Consolidated cash flow statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,169,919,248.52	1,314,183,043.24
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of financial assets measured at fair value of which changes are recorded into current gains and losses		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	142,146,912.55	102,344,195.61
Other cash received relating to operating activities	50,653,102.85	46,931,326.34
Subtotal of cash inflows from operating activities	1,362,719,263.92	1,463,458,565.19
Cash paid for goods and services	1,061,333,471.03	1,181,254,376.36
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	187,990,699.88	201,712,346.71
Various taxes paid	18,642,612.06	18,030,903.40
Other cash payment relating to operating activities	156,652,891.47	168,197,798.76
Subtotal of cash outflows from operating activities	1,424,619,674.44	1,569,195,425.23
Net cash flows from operating activities	-61,900,410.52	-105,736,860.04
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	-7,237,010.60	110,701,869.16
Cash received from return on investments	8,474.00	1,343,333.33

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	6,333,188.47	3,340,201.65
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	105,156,640.61	836,698,575.78
Subtotal of cash inflows from investing activities	104,261,292.48	952,083,979.92
Cash paid to acquire fixed assets, intangible assets and other long-term assets	47,599,553.23	55,254,470.82
Cash paid for investment	206,278,499.22	330,000,000.00
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities	244,896,840.00	804,443,814.41
Subtotal of cash outflows from investing activities	498,774,892.45	1,189,698,285.23
Net cash flows from investing activities	-394,513,599.97	-237,614,305.31
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	111,188,590.00	583,727,183.61
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	111,188,590.00	583,727,183.61
Repayment of borrowings		434,082,752.61
Cash paid for interest expenses and distribution of dividends or profit	32,363,500.69	37,956,939.13
Including: dividends or profit paid by subsidiaries to minority shareholders	13,824,332.69	8,485,886.15
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	32,363,500.69	472,039,691.74
Net cash flows from financing activities	78,825,089.31	111,687,491.87
IV. Effect of foreign exchange rate changes on cash and cash equivalents	8,511,493.78	17,613,773.10
V. Net increase in cash and cash equivalents	-369,077,427.40	-214,049,900.38
Add: Opening balance of cash and cash equivalents	675,803,904.11	469,965,448.01
VI. Closing balance of cash and cash equivalents	306,726,476.71	255,915,547.63

Legal representative: Pan Zhirong Chief of the accounting work: Feng Zhiqing Chief of the accounting organ: Feng Zhiqing

8. Cash flow statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	87,550,946.03	108,538,211.67
Tax refunds received		
Other cash received relating to operating activities	31,327,817.44	33,426,268.98
Subtotal of cash inflows from operating activities	118,878,763.47	141,964,480.65
Cash paid for goods and services	75,355,128.31	95,873,694.77
Cash paid to and for employees	9,492,255.28	9,089,806.07
Various taxes paid	4,660,056.78	5,331,450.02
Other cash payment relating to operating activities	182,830,976.43	25,969,329.55
Subtotal of cash outflows from operating activities	272,338,416.80	136,264,280.41
Net cash flows from operating activities	-153,459,653.33	5,700,200.24
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	130,000,000.00	
Cash received from return on investments	41,481,472.07	28,286,287.22
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	171,481,472.07	28,286,287.22
Cash paid to acquire fixed assets, intangible assets and other long-term assets	13,798.00	2,565,567.30
Cash paid for investment	1,000,000.00	
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	1,013,798.00	2,565,567.30
Net cash flows from investing activities	170,467,674.07	25,720,719.92
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of bonds		
Other cash received relating to financing activities		

Item	Jan.-Sept. 2016	Jan.-Sept. 2015
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	18,539,168.00	27,883,693.93
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	18,539,168.00	27,883,693.93
Net cash flows from financing activities	-18,539,168.00	-27,883,693.93
IV. Effect of foreign exchange rate changes on cash and cash equivalents	1,303.29	10,618.40
V. Net increase in cash and cash equivalents	-1,529,843.97	3,547,844.63
Add: Opening balance of cash and cash equivalents	7,750,025.58	3,236,270.65
VI. Closing balance of cash and cash equivalents	6,220,181.61	6,784,115.28

Legal representative: Pan Zhirong Chief of the accounting work: Feng Zhiqing Chief of the accounting organ: Feng Zhiqing

II Auditor's report

Is this Report audited?

Yes No

This Report is unaudited.