

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

## **The Third Quarterly Report For 2016**

**October 2016**

## **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)	1,166,781,971.81	1,168,667,927.49	-0.16%	
Net assets attributable to shareholders of listed company (RMB)	894,384,392.17	868,169,052.32	3.02%	
	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)	83,602,167.07	14.03%	240,749,333.55	3.86%
Net profit attributable to shareholders of the listed company (RMB)	8,467,387.22	-23.34%	26,215,339.85	40.23%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	7,630,829.51	524.84%	23,080,601.52	164.15%
Net cash flow arising from operating activities(RMB)	--	--	34,540,949.11	-8.88%
Basic earnings per share (RMB/Share)	0.0285	-23.39%	0.0882	28.20%
Diluted earnings per share (RMB/Share)	0.0285	-23.39%	0.0882	28.20%
Weighted average ROE	0.95%	-0.37%	2.97%	-1.11%

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	27,444.20	

write-off that accrued for impairment of assets)		
Gains/losses from entrusted investment or assets management	3,120,730.16	Financing income of save-corpus floating
Other non-operating income and expenditure except for the aforementioned items	20,630.21	
Impact on minority shareholders' equity (post-tax)	34,066.24	
Total	3,134,738.33	--

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. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In share

Total number of common shareholders at the end of report period	68,005	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
SHENZHEN SDG CO., LTD	State-owned corporate	49.09%	145,925,256	6,000,000		
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (limited partnership)	Domestic non-state-owned corporate	23.88%	71,000,000	71,000,000		
KGI ASIA LIMITED	Foreign corporation	2.43%	7,223,669			

UOB Kai Hian (Hongkong) Co., Ltd.	Foreign corporation	0.44%	1,308,693			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.37%	1,087,204			
Li Boqing	Domestic nature person	0.22%	640,000			
Weng Zhengwen	Foreign nature person	0.19%	579,028			
Li Guangxin	Domestic nature person	0.11%	314,158			
He Xing	Domestic nature person	0.10%	300,000			
Zeng Huiming	Foreign nature person	0.09%	270,000			
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict shares held	Type of shares				
		Type	Amount			
SHENZHEN SDG CO., LTD	139,925,256	RMB ordinary shares	139,925,256			
KGI ASIA LIMITED	7,223,669	Domestically listed foreign shares	7,223,669			
UOB Kai Hian (Hongkong) Co., Ltd.	1,308,693	Domestically listed foreign shares	1,308,693			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,087,204	Domestically listed foreign shares	1,087,204			
Li Boqing	640,000	RMB ordinary shares	640,000			
Weng Zhengwen	579,028	Domestically listed foreign shares	579,028			
Li Guangxin	314,158	Domestically listed foreign shares	314,158			

		shares	
He Xing	300,000	Domestically listed foreign shares	300,000
Zeng Huiming	270,000	Domestically listed foreign shares	270,000
Zuo Songchen	259,635	RMB ordinary shares	259,635
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.		
Explanation on top ten common shareholders involving margin business (if applicable)	N/A		

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**

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

<b>Balance Sheet</b>					
<b>Assets</b>	<b>Closing balance</b>	<b>Opening balance</b>	<b>Amount changed</b>	<b>Ratio changed</b>	<b>Causes</b>
Account receivable	2,371,704.69	562,051.31	1,809,653.38	321.97%	Account of vehicle mortgage receivable from bank of the Huari Company increased
Inventory	8,054,506.83	16,151,336.61	-8,096,829.78	-50.13%	Inventory vehicle of Huari Company declined
Long-term payables	3,920,160.36	13,972,779.67	-10,052,619.31	-71.94%	Automobile Industry & Commerce Company repays the loans to Dongfeng Corporation
Undistributed profit	29,957,600.34	3,742,260.49	26,215,339.85	700.52%	Net profit attributable to owners' of parent company increased in the period
<b>Profit statement</b>					
<b>Item</b>	<b>This cumulative</b>	<b>Same period last year</b>	<b>Amount changed</b>	<b>Ratio changed</b>	<b>Causes</b>
Business taxes and additional	2,650,366.07	4,364,159.61	-1,713,793.54	-39.27%	Affected by the policy of replacing business tax with a VAT
Management expenses	33,043,336.94	21,004,009.73	12,039,327.21	57.32%	At same period of last year, management expenses 8.42 million Yuan were offset due to the termination of retirement benefits plans; the accrual time difference for the benefit salary and annuity and soaring of the human costs for increasing the employees and remuneration changed
Financial expenses	-120,070.39	5,317,919.97	-5,437,990.36		The loan interest declined and interest revenue increased
Income from investment	6,606,617.05	2,772,806.33	3,833,810.72	138.26%	Associated company –Shenzhen Zung Fu Tellus Auto-Service Co., Ltd. and Shenzhen Dongfeng Auto Co., Ltd. gains in the Period and financing income increased

Income tax expense	1,374,550.92	3,019,169.68	-1,644,618.76	-54.47%	Current income tax declined due to the y-o-y decrease of profit from subsidiary Zhongtian and Auto Industry & Commerce Company; profit growth mainly because parent company gains, and there was undistributed deficit in previous year without affected the current income tax
Net profit attributable to shareholders of listed companies	26,215,339.85	18,695,130.86	7,520,208.99	40.23%	Profit growth mainly because the income from property leasing increased, investment income for corporate structure increased and the decline of loan interest
<b>Cash flow statement</b>					
<b>Item</b>	<b>This cumulative</b>	<b>Same period last year</b>	<b>Amount changed</b>	<b>Ratio changed</b>	<b>Causes</b>
Net cash flow arising from investment activities	-13,171,768.45	-328,409,890.73	315,238,122.28		Less break-even financing products purchased in the Period, and costs of the Shuibe Jewelry Building project decreased on a y-o-y basis
Net cash flow arising from financing activities	-16,495,591.67	337,500,271.84	-353,995,863.51		Repayment of loans interest to SDG in the Period; at same period of last year, cash in-flow increased due to the private placement
Net increase of cash and cash equivalent	4,873,715.80	46,995,916.20	-42,122,200.40	-89.63%	

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

√ Applicable □ Not applicable

The company has received the “Notification letter about Shenzhen SDG Co., Ltd. plans to reduce holding some shares of Tellus A” issued by the controlling shareholder Shenzhen SDG Co., Ltd. (hereinafter referred to as “SDG”) on April 11, 2016, SDG plans to reduce holding at most 5,945,632 shares of the Company (accounting for no more than 2% of the Company’s total capital) by aggregate auction within 6 months 15 days after the date of announcement. SDG completed the underweight plan of Tellus A on 29 September 2016

Overview	Date for disclosure	Information index for temporary report disclosure
Shenzhen SDG Co., Ltd. plans to reduce holding some shares of Tellus A	2016-04-12	"Securities Times", "Hong Kong Commercial Daily" and www.cninfo.com.cn: No. 2016-020 -

		“Announcement on controlling shareholders’ plan for reducing holding shares of Shenzhen Tellus (Group) Co., Ltd.”
Shenzhen SDG Co., Ltd. plans to reduce holding some shares of Tellus A	2016-06-01	"Securities Times", "Hong Kong Commercial Daily" and www.cninfo.com.cn: No. 2016-039 – “Announcement on Reducing Stake in Shenzhen Tellus Holding Co., Ltd. from Controlling Shareholder”
Shenzhen SDG Co., Ltd. plans to reduce holding some shares of Tellus A	2016-10-10	”Announcement on Reducing Stake in Shenzhen Tellus Holding Co., Ltd. from Controlling Shareholder and Completion of Underweight Plan” (Notice No.: 2016-074) released on "Securities Times", "Hong Kong Commercial Daily" and www.cninfo.com.cn

**III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period**

√Applicable □ Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for share merger reform	SDG	Commitments for share merger reform	(I) Commitments during the work of Share Merger Reform of the Company: 1. Commitments on Lock-up period (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. (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). (3) The administration level would abide by the laws, regulations and rules, and perform its statutory commitment duty. (4) SDG made the commitment: “The Promiser hereby promises that, if the Promiser	2005-12-25	Long-term	Other commitment has completed, the incentive mechanism was immunity to perform

			<p>failed to fulfill its commitment or not fully fulfill its commitment, it would compensate other shareholders for their losses suffered thereafter”. (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 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.</p> <p>3. Relevant expenses of this Share Merger Reform of Tellus would be paid by SDG.</p>			
	SDG	Commitments for Share Merger	SDG, the controlling shareholder of the Company, made a special commitment of incentive mechanism in Share Merger Reform. After that SASAC and Ministry of Finance jointly issued a	2014-06-26	2016-6-30	Immunity to perform

		Reform	<p>“Trial Approach of Equity Incentive for State-Owned Listed Companies”, and CSRC issued the “Incentive Management on Shares of Listed Companies (Trial)”, after comparison, the above mentioned commitments made by SDG are out of the relevant regulations and requirement, relevant commitments are not implemented as a result. On 26 June 2014, the Company actively communicating with SDG, and promised that on the premise of subjecting to applicable laws and regulations and supervision requirements, continues to support the Company promote a long-term incentive plan as soon as possible in stead of the commitments made in share merger reform, and complete the long-term incentive plan before 30 June 2016. At that time, the long-term incentive plan shall be implemented after submit for deliberation in General Meeting.</p>			
Commitments in report of acquisition or equity change						
Commitments in assets reorganization						
Commitments make in initial public offering or re-financing	ShenZhen Tellus Holding Co.,Ltd	Other	<p>The commitments to the fulfillment of information disclosure about the company business development are as follows: except for the information has been disclosed publicly, the Company has not had the disclosed information about asset acquisition and business development that has not been disclosed within one year. In the future, the company shall timely, accurately and adequately disclose the relevant information according to the progress of new business and the related requirements.</p>	2014-10-17	Long-term	Implementing
Equity incentive commitment						
Other	SDG	Horizontal	<p>In order to avoid the horizontal competition, the</p>	2014-05-26	Long-term	Implementing

commitments for medium and small shareholders		Competition	company's controlling shareholder, Shenzhen SDG Co., Ltd., has issued the "commitment letter about the avoidance of horizontal competition" on May 26, 2014. The full commitment letter is as follows: 1. The Company and other enterprises controlled by the Company except Test Rite Group haven't occupied in any business that could substantially compete with the main businesses of Tellus Group, and have no horizontal competition relationship with Tellus Group.			ng
	ShenZhen Tellus Holding Co.,Ltd	Commitments for dividend	From 2014 to 2016, the company's profits will first be used to cover the losses of previous years; after making up for losses of previous years, in the premise that the company's profits and cash flow can meet the company's normal operations and long-term development, reward shareholders, the company will implement positive profit distribution approaches to reward the shareholders, details are as follows: 1. The company's profit distribution can adopt cash, stock or the combination of cash and stock or other methods permitted by law. The foreign currency conversion rates of domestically listed foreign shares dividend are calculated according to the standard price of HK dollar against RMB announced by People's Bank of China on the first working day after the resolution date of the shareholders' meeting. The company prefers to adopt the cash dividends to distribute profits. In order to maintain the adaptability between capital expansion and performance growth, in the premise of ensuring the full cash dividend distributions and the rationality of equity scale and equity structure, the company can adopt the stock dividend methods to distribute profits. 2. According to the "Company Law" and other relevant laws and the provisions of the company's "Articles of Association", following conditions should be satisfied when the company implements cash dividends: (1) the company's annual distributable profits (i.e. the after-tax profits after making up for losses and withdrawing accumulation funds) are positive value, the implementation of cash dividends will not affect the company's subsequent continuing operations; (2) the audit institution issues the standard audit report	2014-06-03	2016-12-31	Implementing

		<p>with clean opinion to the company's annual financial report; (3) the company has no significant investment plans or significant cash outlay (except for fund-raising projects). Major investment plans or significant cash outlay refer to: the accumulated expenditures the company plans to used for investments abroad, acquisition of assets, or purchase of equipments within the next 12 months reach or exceed 30% of the net assets audited in the latest period. 3. In the premise of meeting the conditions of cash dividends and ensuring the company's normal operation and long-term development, the company makes cash dividends once a year in principle, the company's board of directors can propose the company to make interim cash dividends in accordance with the company's profitability and capital demand conditions. The proportion of cash dividends in profits available for distribution and in distribution of profits should meet the following requirements: (1) in principle, the company's profits distributed in cash every year should not be less than 10% of profit available for distribution realized in the same year, and the company's profits accumulatively distributed in cash in the last three years should not be less than 30% of the annual average profit available for distribution realized in the last three years. (2) if the company's development stage belongs to mature stage and there is no significant capital expenditure arrangement, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 80%; (3) if the company's development stage belongs to mature stage and there are significant capital expenditure arrangements, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 40%; (4) if the company's development stage belongs to growth stage and there are significant capital expenditure arrangements, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 20%; when the company's development stage is not easy to be differed but there are significant capital expenditure</p>			
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		<p>arrangements, please handle according to the preceding provisions. 4. On the condition of meeting the cash dividend distribution, if the company's operation revenue and net profit grow fast, and the board of directors considers that the company's equity scale and equity structure are reasonable, the company can propose and implement the dividend distribution plans except proposing the cash dividend distribution plans. When allocating stock dividend every time, the stock dividend per 10 shares should be no less than 1 share. Stock allocation can be implemented individually or in combination of cash dividends. When confirming the exact amount of profit distribution by stock, the company should fully consider if the general capital after profit distribution by stock matches with the company's current operation scale and profit growth rate and consider the impact on future financing so as to make sure the allocation plans meet the overall interests of all shareholders.</p>			
Completed on time(Y/N)	Y				
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan	Not applicable				

#### IV. Estimation of operation performance for year of 2016

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. Particulars about derivatives investment**

Applicable  Not applicable

The Company had no derivatives investment in Period.

## **VII. Registration form for receiving research, communication and interview in the report period**

Applicable  Not applicable

No registration form for receiving research, communication or interview in the Period.

## **VIII. Guarantee outside against the regulation**

Applicable  Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

## **IX. Non-operational fund occupation from controlling shareholders and its related party**

Applicable  Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidated Balance Sheet

Prepared by Shenzhen Tellus Holding Co., Ltd

In RMB

Items	Closing balance	Opening balance
Current assets:		
Monetary funds	164,058,426.73	159,184,710.93
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	2,371,704.69	562,051.31
Accounts paid in advance	8,228,194.71	6,454,769.40
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		348,833.33
Dividend receivable		
Other receivables	9,967,724.31	11,128,001.89
Purchase restituted finance asset		
Inventories	8,054,506.83	16,151,336.61
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets	145,519,674.72	165,565,445.21
Total current assets	338,200,231.99	359,395,148.68
Non-current assets:		

Granted loans and advances		
Finance asset available for sales	10,478,985.77	10,478,985.77
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	205,646,228.36	220,180,721.29
Investment property	78,724,901.90	82,100,133.48
Fixed assets	130,839,375.58	136,583,565.00
Construction in progress	321,135,325.60	279,056,650.35
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	53,967,276.67	52,985,273.37
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	1,430,409.28	1,499,006.24
Deferred income tax asset	24,459,236.66	24,488,443.31
Other non-current asset	1,900,000.00	1,900,000.00
Total non-current asset	828,581,739.82	809,272,778.81
Total assets	1,166,781,971.81	1,168,667,927.49
Current liabilities:		
Short-term loans		
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	21,245,494.85	27,417,068.61
Accounts received in advance	8,877,019.81	11,460,807.66
Selling financial asset of		

repurchase		
Commission charge and commission payable		
Wage payable	21,977,131.78	19,639,738.81
Taxes payable	8,981,217.39	10,043,901.26
Interest payable		
Dividend payable		
Other accounts payable	182,611,185.44	193,797,786.68
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		
Other current liabilities		
Total current liabilities	243,692,049.27	262,359,303.02
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	3,920,160.36	13,972,779.67
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities	294,054.59	478,085.12
Other non-current liabilities	13,837,229.65	13,269,356.04
Total non-current liabilities	18,051,444.60	27,720,220.83
Total liabilities	261,743,493.87	290,079,523.85
Owner's equity:		
Share capital	297,281,600.00	297,281,600.00

Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	564,192,605.51	564,192,605.51
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	29,957,600.34	3,742,260.49
Total owner's equity attributable to parent company	894,384,392.17	868,169,052.32
Minority interests	10,654,085.77	10,419,351.32
Total owner's equity	905,038,477.94	878,588,403.64
Total liabilities and owner's equity	1,166,781,971.81	1,168,667,927.49

Legal representative: Lv Hang

Person in charge of accounting works: Yang Jianping

Person in charge of Accounting Institution: Ke Wensheng

## 2. Balance Sheet of parent company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	108,500,701.59	80,301,551.68
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	122,280.00	101,280.00
Interest receivable		348,833.33
Dividend receivable		
Other receivables	94,994,874.50	93,744,827.52
Inventories		
Divided into assets held ready for sales		

Non-current asset due within one year		
Other current assets	140,000,000.00	145,000,000.00
Total current assets	343,617,856.09	319,496,492.53
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	678,592,495.75	682,223,207.17
Investment real estate	50,494,543.30	52,808,715.01
Fixed assets	16,507,990.34	17,096,105.47
Construction in progress	362,279.69	362,279.69
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	401,192.97	478,422.33
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	252,523.14	31,644.20
Deferred income tax asset	13,917,989.59	13,947,196.24
Other non-current asset		
Total non-current asset	770,705,631.98	777,124,187.31
Total assets	1,114,323,488.07	1,096,620,679.84
Current liabilities:		
Short-term loans		
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	1,261,904.73	
Wage payable	4,554,923.41	5,247,871.02
Taxes payable	592,517.86	592,579.23
Interest payable		

Dividend payable		
Other accounts payable	318,298,878.49	320,935,774.45
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	324,708,224.49	326,776,224.70
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	324,708,224.49	326,776,224.70
Owners' equity:		
Share capita	297,281,600.00	297,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	560,999,182.23	560,999,182.23
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	2,952,586.32	2,952,586.32
Retained profit	-71,618,104.97	-91,388,913.41
Total owner's equity	789,615,263.58	769,844,455.14

Total liabilities and owner's equity	1,114,323,488.07	1,096,620,679.84
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### 3. Consolidated Profit Statement (this report period)

In RMB

Item	Current Period	Last Period
I. Total operating income	83,602,167.07	73,318,969.97
Including: Operating income	83,602,167.07	73,318,969.97
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	75,859,504.57	62,658,959.82
Including: Operating cost	59,891,629.56	52,890,404.70
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	246,639.86	1,516,494.43
Sales expenses	3,891,996.50	3,240,724.46
Administration expenses	12,238,309.82	4,223,093.43
Financial expenses	-409,071.17	788,242.80
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	1,506,046.09	2,148,416.23
Including: Investment income on affiliated company and joint venture	677,104.98	762,114.87
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	9,248,708.59	12,808,426.38
Add: Non-operating income	8,560.80	33,203.05
Including: Disposal gains of non-current asset	577.67	114.31

Less: Non-operating expense	2.45	3,757.34
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with “-”)	9,257,266.94	12,837,872.09
Less: Income tax expense	776,681.80	1,818,452.37
V. Net profit (Net loss is listed with “-”)	8,480,585.14	11,019,419.72
Net profit attributable to owner’s of parent company	8,467,387.22	11,044,774.84
Minority shareholders’ gains and losses	13,197.92	-25,355.12
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	8,480,585.14	11,019,419.72
Total comprehensive income attributable to owners of parent Company	8,467,387.22	11,044,774.84
Total comprehensive income attributable to minority shareholders	13,197.92	-25,355.12
VIII. Earnings per share:		
(i) Basic earnings per share	0.0285	0.0372
(ii) Diluted earnings per share	0.0285	0.0372

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

Person in charge of Accounting Institution: Ke Wensheng

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

In RMB

Item	Current Period	Last Period
I. Operating income	10,544,125.08	7,506,170.12
Less: operating cost	899,813.96	936,470.47
Operating tax and extras	55,693.33	420,345.54
Sales expenses		
Administration expenses	5,298,464.40	4,039,059.62
Financial expenses	-15,694.57	962,004.03
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	917,542.39	1,598,806.44
Including: Investment income on affiliated company and joint venture	89,377.99	647,957.13
II. Operating profit (Loss is listed	5,223,390.35	2,747,096.90

with “-”)		
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 “-”)	5,223,390.35	2,747,099.00
Less: Income tax expense	9,735.55	9,735.55
IV. Net profit (Net loss is listed with “-”)	5,213,654.80	2,737,363.45
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	5,213,654.80	2,737,363.45
VII. Earnings per share:		
(i) Basic earnings per share	0.0175	0.0092
(ii) Diluted earnings per share	0.0175	0.0092

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

In RMB

Item	Current Period	Last Period
I. Total operating income	240,749,333.55	231,810,751.81
Including: Operating income	240,749,333.55	231,810,751.81
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	219,579,399.79	213,277,142.08
Including: Operating cost	172,714,010.44	169,829,908.61
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	2,650,366.07	4,364,159.61
Sales expenses	11,291,756.73	12,761,144.16
Administration expenses	33,043,336.94	21,004,009.73
Financial expenses	-120,070.39	5,317,919.97
Losses of devaluation of asset		

Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	6,606,617.05	2,772,806.33
Including: Investment income on affiliated company and joint venture	3,485,886.89	1,231,847.44
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	27,776,550.81	21,306,416.06
Add: Non-operating income	53,841.70	81,965.15
Including: Disposal gains of non-current asset	28,682.04	17,208.33
Less: Non-operating expense	5,767.29	41,075.27
Including: Disposal loss of non-current asset	1,237.84	37,300.18
IV. Total Profit (Loss is listed with “-”)	27,824,625.22	21,347,305.94
Less: Income tax expense	1,374,550.92	3,019,169.68
V. Net profit (Net loss is listed with “-”)	26,450,074.30	18,328,136.26
Net profit attributable to owner’s of parent company	26,215,339.85	18,695,130.86
Minority shareholders’ gains and losses	234,734.45	-366,994.60
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	26,450,074.30	18,328,136.26
Total comprehensive income attributable to owners of parent Company	26,215,339.85	18,695,130.86
Total comprehensive income attributable to minority shareholders	234,734.45	-366,994.60
VIII. Earnings per share:		
(i) Basic earnings per share	0.0882	0.0688
(ii) Diluted earnings per share	0.0882	0.0688

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
I. Operating income	32,198,383.11	24,564,430.18

Less: operating cost	2,686,818.35	2,797,064.96
Operating tax and extras	850,431.88	1,375,608.08
Sales expenses		
Administration expenses	14,493,743.07	10,657,039.59
Financial expenses	38,005.81	4,496,841.46
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	5,670,631.08	2,384,794.35
Including: Investment income on affiliated company and joint venture	2,669,288.58	1,279,287.51
II. Operating profit (Loss is listed with "-")	19,800,015.08	7,622,670.44
Add: Non-operating income	0.01	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 "-")	19,800,015.09	7,622,672.54
Less: Income tax expense	29,206.65	29,206.65
IV. Net profit (Net loss is listed with "-")	19,770,808.44	7,593,465.89
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	19,770,808.44	7,593,465.89
VII. Earnings per share:		
(i) Basic earnings per share	0.0665	0.0280
(ii) Diluted earnings per share	0.0665	0.0280

## 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	244,037,171.68	247,996,280.49
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	31,649,864.23	38,803,328.28
Subtotal of cash inflow arising from operating activities	275,687,035.91	286,799,608.77
Cash paid for purchasing commodities and receiving labor service	143,284,565.42	124,429,614.48
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	45,521,147.58	39,164,297.75
Taxes paid	18,831,501.76	14,756,537.59
Other cash paid concerning operating activities	33,508,872.04	70,543,619.10
Subtotal of cash outflow arising from operating activities	241,146,086.80	248,894,068.92
Net cash flows arising from operating activities	34,540,949.11	37,905,539.85
II. Cash flows arising from investing activities:		
Cash received from recovering investment	235,800,000.00	218,400,000.00
Cash received from investment income	11,567,683.11	7,787,479.44
Net cash received from disposal of		195,140.57

fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	247,367,683.11	226,382,620.01
Cash paid for purchasing fixed, intangible and other long-term assets	44,239,451.56	116,392,510.74
Cash paid for investment	216,300,000.00	438,400,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	260,539,451.56	554,792,510.74
Net cash flows arising from investing activities	-13,171,768.45	-328,409,890.73
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
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		660,198,215.03
Cash paid for settling debts		317,595,765.58
Cash paid for dividend and profit distributing or interest paying	16,495,591.67	4,665,177.61
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	16,495,591.67	322,697,943.19
Net cash flows arising from financing activities	-16,495,591.67	337,500,271.84
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	126.81	-4.76
V. Net increase of cash and cash equivalents	4,873,715.80	46,995,916.20
Add: Balance of cash and cash equivalents at the period -begin	159,184,710.93	80,045,669.65
VI. Balance of cash and cash equivalents at the period -end	164,058,426.73	127,041,585.85

### 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	43,930,329.68	25,064,357.57
Write-back of tax received		
Other cash received concerning operating activities	29,521,045.68	60,212,217.85
Subtotal of cash inflow arising from operating activities	73,451,375.36	85,276,575.42
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	12,826,665.62	11,901,652.33
Taxes paid	3,055,212.65	2,725,836.90
Other cash paid concerning operating activities	26,914,233.99	41,317,280.76
Subtotal of cash outflow arising from operating activities	42,796,112.26	55,944,769.99

Net cash flows arising from operating activities	30,655,263.10	29,331,805.43
II. Cash flows arising from investing activities:		
Cash received from recovering investment	205,000,000.00	150,000,000.00
Cash received from investment income	9,301,342.50	7,405,506.84
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	214,301,342.50	157,405,506.84
Cash paid for purchasing fixed, intangible and other long-term assets	261,864.02	552,442.65
Cash paid for investment	200,000,000.00	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	200,261,864.02	575,552,442.65
Net cash flows arising from investing activities	14,039,478.48	-418,146,935.81
III. Cash flows arising from financing activities		
Cash received from absorbing investment		635,500,000.00
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		635,500,000.00

Cash paid for settling debts		202,600,000.00
Cash paid for dividend and profit distributing or interest paying	16,495,591.67	3,630,720.91
Other cash paid concerning financing activities		437,000.00
Subtotal of cash outflow from financing activities	16,495,591.67	206,667,720.91
Net cash flows arising from financing activities	-16,495,591.67	428,832,279.09
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	28,199,149.91	40,017,148.71
Add: Balance of cash and cash equivalents at the period -begin	80,301,551.68	26,441,746.73
VI. Balance of cash and cash equivalents at the period -end	108,500,701.59	66,458,895.44

## 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.