



**Chengde Nanjiang Co., Ltd.**

**THE THIRD QUARTERLY REPORT FOR 2016**

**October 2016**

## **Section I. Important Notes**

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

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

**Principal of the Company Zhao Yongsheng, Person in Charge of Accounting Works Zhao Yongsheng and Person in Charge of Accounting Organ (Accounting Officer) Liu Fengguo 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)	696,718,663.94	854,793,263.22	-18.49%	
Net assets attributable to shareholders of listed company (RMB)	360,321,697.66	352,256,123.56	2.29%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	103,804,200.47	99.97%	295,218,682.21	183.08%
Net profit attributable to shareholders of the listed company (RMB)	2,454,508.79	118.03%	4,256,378.73	-93.11%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	2,520,155.95	119.62%	4,592,904.24	111.99%
Net cash flow arising from operating activities(RMB)	--	--	80,749,416.66	389.93%
Basic earnings per share (RMB/Share)	0.003	115.79%	0.006	-93.10%
Diluted earnings per share (RMB/Share)	0.003	115.79%	0.006	-93.10%
Weighted average ROE	0.68%	4.45%	1.20%	-18.05%

In RMB

Item	Amount from year-begin to end of the Period	Note
Other non-operating income and expenditure except for the aforementioned items	-336,525.51	
Total	-336,525.51	--

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		19,555	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 non-tradable shares held	Number of share pledged/frozen	
					State of share	Amount
Wang Dong	Domestic natural person	29.49%	208,324,800	208,324,800	Frozen	208,324,800
China Everbright Securities (HK) Limited	Foreign corporate	13.28%	93,833,093	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporate	6.87%	48,524,062	0		
Chengde North Industrial Corporation	Domestic non-state owned legal person	2.62%	18,517,651	18,517,651		
Wang Zhongsong	Domestic natural person	1.89%	13,327,891	13,327,891		
Wang Wensheng	Domestic natural	1.03%	7,258,007	0		

	person					
Zhou Haihong	Domestic natural person	0.95%	6,708,495	0		
Li Tianyun	Domestic natural person	0.73%	5,158,000	0		
Shen wan hongyuan securities (Hong Kong) co., LTD	Foreign corporate	0.71%	4,995,920	0		
Chen Yan	Domestic natural person	0.57%	4,023,256	0		
Tradable shares held by top 10 shareholders						
Shareholders	Amount of tradable shares held			Type of shares		
				Type	Amount	
China Everbright Securities (HK) Limited	93,833,093			Domestically listed foreign shares	93,833,093	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	48,524,062			Domestically listed foreign shares	48,524,062	
Wang Wensheng	7,258,007			Domestically listed foreign shares	7,258,007	
Zhou Haihong	6,708,495			Domestically listed foreign shares	6,708,495	
Li Tianyun	5,158,000			Domestically listed foreign shares	5,158,000	
Shen wan hongyuan securities (Hong Kong) co., LTD	4,995,920			Domestically listed foreign shares	4,995,920	
Chen Yan	4,023,256			Domestically listed foreign shares	4,023,256	
Zhao Ziying	3,286,616			Domestically listed foreign shares	3,286,616	
VANGUARD TOTAL INTERNATIONAL STOCK	3,182,875			Domestically listed foreign	3,182,875	

INDEX FUND		shares	
Peng Wei	2,978,525	Domestically listed foreign shares	2,978,525
Explanation on associated relationship among the aforesaid shareholders	The Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “management method for acquisition of listed company” among the above said shareholders.		
Explanation on shareholders involving margin business about top ten common shareholders (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 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

1. Items of balance sheet						
Serial 1	Item	Closing balance	Opening balance	Changes		Reasons
				Amount	Ratio	
1	Monetary fund	136,386,377.94	88,237,416.98	48,148,960.96	54.57%	The house-selling money increased in the Period
2	Account receivable	1,340,398.33	156,113.53	1,184,284.80	758.60%	Credit sale business in the Period increased
3	Account paid in advance	364,972.49	1,105,122.95	-740,150.46	-66.97%	Settlement of account paid in advance in the Period
4	Inventory	395,916,501.71	619,241,374.72	-223,324,873.01	-36.06%	Soaring saels in the Period
5	Other current assets	22,173,136.04	33,761,457.51	-11,588,321.47	-34.32%	Loss & gains of the advance payment of tax brought forward
6	Account receivable	20,021,392.92	35,013,234.30	-14,991,841.38	-42.82%	Settlement of account payable in the Period
7	Account received in advance	290,954,084.34	435,991,938.57	-145,037,854.23	-33.27%	Close account receivable in advance for house to revenue
2. Items of profit statement						
Serial 1	Item	This Period	Last period	Changes		Reasons
				Amount	Ratio	
1	Operation revenue	295,218,682.21	104,286,951.75	190,931,730.46	183.08%	The real estate project close to revenue in the Period
2	Operation cost	251,759,308.25	100,192,632.70	151,566,675.55	151.28%	The real estate project close to revenue in the Period
3	Business tax and surcharge	19,908,763.10	2,110,940.76	17,797,822.34	843.12%	The real estate project close to revenue in the Period
4	Sales expense	348,246.06	1,834,389.20	-1,486,143.14	-81.02%	Marketing costs declined in the Period
5	Non-operation revenue	170,218.40	104,095,677.29	-103,925,458.89	-99.84%	No land transfer income occurred in the Period
6	Non-operation expenditure	506,743.91	4,005,874.69	-3,499,130.78	-87.35%	Non-operating expenditure deceased in the Period
7	Income tax expense	8,991.27	23,911,569.38	-23,902,578.11	-99.96%	Taxable income tax in the Period declined

3. Items of cash flow statement						
Serial	Item	This Period	Last period	Changes		Reasons
				Amount	Ratio	
1	Net cash flow arising from operating activities	80,749,416.66	16,481,722.11	64,267,694.55	389.93%	The house-selling money increased in the Period
2	Net cash flow arising from investment activities	-27,837,746.95	26,486,122.87	-54,323,869.82	-205.10%	Investment expenses increased in the Period, the money received from land declined
3	Net cash flow arising from financing activities	-6,672,835.54	-1,894,100.00	-4,778,735.54	-252.30%	Pledged deposits paid in the Period and purchasing minority's interests.

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

Applicable Not applicable

In reporting period, the Company planning to solve the problem left over by history, and stock of the Company were suspended since open the market dated 23 January 2015. The above mentioned event still in promotion, and released a Progress of the Suspended for Significant Matters every five trading days.

Overview	Date for disclosure	Information index for temporary report disclosure

## 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						
Commitments in report of acquisition or equity change	Controlling shareholder	Commitments in horizontal competition, related transactions, and capital occupying	1. Commitments in aspect of independency of listed company: For the equity changes, that is 208,324,800 shares of Chengde Dalu Co., Ltd held by Chen Rong was transfer, Wang Dong guarantee there are no influence on the independent of employee, financial, institution, business and integrity of assets of Chengde Dalu Co., Ltd. After transaction, Chengde Dalu Co., Ltd still has the ability of independent operation and owes independent legal person, and continues to owes the independency of	2012-04-24	Duration of the Company	Implementing



			institution, assts, employees, production and financial. 2. Commitments for horizontal competition: after 208,324,800 shares of Chengde Dalu Co., Ltd held by Chen Rong was transfer, Wang Dong guarantee there are no or potential horizontal competition between the Chengde Dalu Co., Ltd and Wang Dong and related parties of Wang Dong			
Commitments in assets reorganization	Controlling shareholder	Performance commitment and compensation arrangements	The performance compensation commitment: net profit (deducting non-recurring gains and losses) for 2012, 2013, 2014 and 2015 for Runhua RW (Tianjin) International Trade Co., Ltd. Respectively can't be less than 306,300 Yuan, 904,000 Yuan, 1,500,000 Yuan and 3,400,000 year. If the actual net profit is less than the promised, the controlling shareholders shall perform the obligations of profit compensation accordingly.	2013-04-10	2012-2015	Completed
Commitments in initial public offering or re-financing						
Commitments in stock option incentive plan						
Other commitments for medium and small shareholders						
Perform the commitment promptly or not	Yes					
If the commitment is not fulfilled on time, shall	N/A					

explain the specify reason and the next work plan	
---	--

#### 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 of receiving research, communication and interview in the report period

Applicable       Not applicable

Time	Way	Type	Basic situation index of investigation
2016-07-14	Telephone	Personal	Suspension condition of the Company, no material required
2016-08-10	Telephone	Personal	Suspension condition of the Company, no material required
2016-09-13	Telephone	Personal	Operation of the Company, no materials required

#### 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 Chengde Nanjiang Co., Ltd.

2016-09-30

In RMB

Items	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	79,966,390.15	36,998,545.17
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	3,731,171.15	2,722,676.66
Accounts paid in advance	22,136,445.52	7,780,145.39
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	89,395,601.44	11,008,292.44
Purchase restituted finance asset		
Inventories	376,471,664.72	515,713,286.09
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	7,496,677.69	24,131,851.80
Total current assets	579,197,950.67	598,354,797.55
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	6,960,162.95	6,684,960.46
Investment property		
Fixed assets	10,432,800.50	10,294,681.90
Construction in progress		
Engineering material		
Disposal of fixed asset		
Productive biological asset	6,971.15	640,727.71
Oil and gas asset		
Intangible assets	5,461,790.60	11,902,512.97
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	6,841,167.73	8,588,027.16
Deferred income tax asset	834,223.19	834,223.19
Other non-current asset	5,201,365.53	5,201,365.53
Total non-current asset	35,738,481.65	44,146,498.92
Total assets	614,936,432.32	642,501,296.47
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	21,665,650.35	10,425,920.41
Accounts received in advance	95,689,012.56	290,954,152.81
Selling financial asset of repurchase		
Commission charge and commission payable		

Wage payable	6,120,756.72	6,233,580.16
Taxes payable	11,406,907.15	10,023,172.67
Interest payable		
Dividend payable		
Other accounts payable	46,586,448.33	14,624,828.17
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	181,468,775.11	332,261,654.22
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	181,468,775.11	332,261,654.22
Owner's equity:		
Share capital	706,320,000.00	706,320,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	459,871,788.64	456,470,388.64
Less: Inventory shares		

Other comprehensive income		
Reasonable reserve		
Surplus public reserve	76,791,550.17	76,791,550.17
Provision of general risk		
Retained profit	-827,711,361.80	-949,599,922.37
Total owner's equity attributable to parent company	415,271,977.01	289,982,016.44
Minority interests	18,195,680.20	20,257,625.81
Total owner's equity	433,467,657.21	310,239,642.25
Total liabilities and owner's equity	614,936,432.32	642,501,296.47

Legal representative: Zhao Yongsheng

Person in charge of accounting works: Zhao Yongsheng

Person in charge of accounting institution: Liu Fengguo

## 2. Balance Sheet of parent company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	38,822,582.51	25,647,536.08
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	1,165,975.30	
Account paid in advance	336,646.64	10,000.00
Interest receivable		
Dividends receivable		
Other receivables	22,406,031.73	13,893,565.73
Inventories	380,722,229.00	599,128,751.32
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	21,004,201.49	32,139,201.03
Total current assets	464,457,666.67	670,819,054.16
Non-current assets:		
Available-for-sale financial assets	25,000,000.00	
Held-to-maturity investments		

Long-term receivables		
Long-term equity investments	197,699,651.37	202,284,836.37
Investment property		
Fixed assets	2,159,190.21	1,906,708.89
Construction in progress		
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets		
Research and development costs		
Goodwill		
Long-term deferred expenses	155,282.36	130,322.92
Deferred income tax assets	750.00	750.00
Other non-current assets		
Total non-current assets	225,014,873.94	204,322,618.18
Total assets	689,472,540.61	875,141,672.34
Current liabilities:		
Short-term borrowings		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable	11,508,164.54	25,479,538.71
Accounts received in advance	289,197,188.05	430,730,271.19
Wage payable	398.22	628.22
Taxes payable	325,176.41	2,174.06
Interest payable		
Dividend payable		
Other accounts payable	203,956,946.31	246,243,610.32
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		

Total current liabilities	504,987,873.53	702,456,222.50
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	504,987,873.53	702,456,222.50
Owners' equity:		
Share capita	706,320,000.00	706,320,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	456,569,124.55	452,767,424.55
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	76,791,550.17	76,791,550.17
Retained profit	-1,055,196,007.64	-1,063,193,524.88
Total owner's equity	184,484,667.08	172,685,449.84
Total liabilities and owner's equity	689,472,540.61	875,141,672.34

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

In RMB

Item	Current Period	Last Period
I. Total operating income	103,804,200.47	51,910,279.59
Including: Operating income	103,804,200.47	51,910,279.59
Interest income		



Insurance gained		
Commission charge and commission income		
II. Total operating cost	101,333,794.88	54,600,729.77
Including: Operating cost	88,576,621.62	46,936,140.32
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	6,953,552.55	2,056,851.82
Sales expenses	33,528.00	516,169.32
Administration expenses	5,939,366.12	5,064,969.99
Financial expenses	-169,273.41	26,598.32
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)		237,643.40
Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	2,470,405.59	-2,452,806.78
Add: Non-operating income	101,147.81	19,346.03
Including: Disposal gains of non-current asset		
Less: Non-operating expense	166,794.97	788,481.12
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with “-”)	2,404,758.43	-3,221,941.87

Less: Income tax expense		10,982,085.40
V. Net profit (Net loss is listed with “-”)	2,404,758.43	-14,204,027.27
Net profit attributable to owner’s of parent company	2,454,508.79	-13,616,154.87
Minority shareholders’ gains and losses	-49,750.36	-587,872.40
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	2,404,758.43	-14,204,027.27
Total comprehensive income attributable to owners of parent Company	2,454,508.79	-13,616,154.87
Total comprehensive income attributable to minority shareholders	-49,750.36	-587,872.40
VIII. Earnings per share:		
(i) Basic earnings per share	0.003	-0.019
(ii) Diluted earnings per share	0.003	-0.019

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: Zhao Yongsheng

Person in charge of accounting works: Zhao Yongsheng

Person in charge of accounting institution: Liu Fengguo

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

In RMB

Item	Current Period	Last Period
I. Operating income	103,228,894.01	26,751,437.35
Less: Operating cost	87,882,826.83	21,290,476.91
Operating tax and extras	6,870,019.12	1,994,671.99
Sales expenses	12,000.00	20,290.00
Administration expenses	3,460,313.23	2,633,347.65
Financial expenses	-131,709.26	-46,403.75
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
II. Operating profit (Loss is listed with "-")	5,135,444.09	859,054.55
Add: Non-operating income	89,432.78	
Including: Disposal gains of		

non-current asset		
Less: Non-operating expense	66,391.00	1,178,407.00
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	5,158,485.87	-319,352.45
Less: Income tax expense		1,616,711.09
IV. Net profit (Net loss is listed with “-”)	5,158,485.87	-1,936,063.54
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	5,158,485.87	-1,936,063.54
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

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

In RMB

Item	Current Period	Last Period
I. Total operating income	295,218,682.21	104,286,951.75
Including: Operating income	295,218,682.21	104,286,951.75
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	291,514,164.58	121,122,528.55
Including: Operating cost	251,759,308.25	100,192,632.70
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	19,908,763.10	2,110,940.76
Sales expenses	348,246.06	1,834,389.20
Administration expenses	19,768,907.42	16,745,696.81
Financial expenses	-271,060.25	239,269.08
Losses of devaluation of asset		-400.00
Add: Changing income of fair value(Loss is listed with “-”)		

Investment income (Loss is listed with “-”)	-12,933.77	275,202.49
Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	3,691,583.86	-16,560,374.31
Add: Non-operating income	170,218.40	104,095,677.29
Including: Disposal gains of non-current asset		
Less: Non-operating expense	506,743.91	4,005,874.69
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with “-”)	3,355,058.35	83,529,428.29
Less: Income tax expense	8,991.27	23,911,569.38
V. Net profit (Net loss is listed with “-”)	3,346,067.08	59,617,858.91
Net profit attributable to owner’s of parent company	4,256,378.73	61,786,433.51
Minority shareholders’ gains and losses	-910,311.65	-2,168,574.60
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	3,346,067.08	59,617,858.91
Total comprehensive income attributable to owners of parent Company	4,256,378.73	61,786,433.51
Total comprehensive income attributable to minority shareholders	-910,311.65	-2,168,574.60
VIII. Earnings per share:		
(i) Basic earnings per share	0.006	0.087
(ii) Diluted earnings per share	0.006	0.087

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 (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Operating income	283,370,286.90	27,182,654.77
Less: Operating cost	239,171,152.67	21,721,694.33

Operating tax and extras	19,692,999.06	1,994,671.99
Sales expenses	126,165.00	209,500.76
Administration expenses	11,840,935.08	9,353,453.99
Financial expenses	-199,279.38	-105,812.02
Losses of devaluation of asset	4,585,185.00	
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
II. Operating profit (Loss is listed with “-”)	8,153,129.47	-5,990,854.28
Add: Non-operating income	89,432.78	
Including: Disposal gains of non-current asset		
Less: Non-operating expense	245,045.01	4,055,616.13
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	7,997,517.24	-10,046,470.41
Less: Income tax expense		1,616,711.09
IV. Net profit (Net loss is listed with “-”)	7,997,517.24	-11,663,181.50
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified		



subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	7,997,517.24	-11,663,181.50
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 7. Consolidated Cash Flow Statement (from 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	165,736,622.88	290,981,255.51
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	36.00	
Other cash received concerning operating activities	11,361,516.18	72,171,366.82
Subtotal of cash inflow arising from operating activities	177,098,175.06	363,152,622.33
Cash paid for purchasing commodities and receiving labor service	37,781,345.31	223,026,143.92
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	16,324,840.88	7,794,384.63
Taxes paid	13,815,583.37	34,284,472.79
Other cash paid concerning operating activities	28,426,988.84	81,565,898.88
Subtotal of cash outflow arising from operating activities	96,348,758.40	346,670,900.22

Net cash flows arising from operating activities	80,749,416.66	16,481,722.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		27,500,000.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		27,500,000.00
Cash paid for purchasing fixed, intangible and other long-term assets	2,837,746.95	1,013,877.13
Cash paid for investment	25,000,000.00	
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	27,837,746.95	1,013,877.13
Net cash flows arising from investing activities	-27,837,746.95	26,486,122.87
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Cash received from issuing bonds		

Other cash received concerning financing activities	753,264.46	
Subtotal of cash inflow from financing activities	753,264.46	
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	7,426,100.00	1,894,100.00
Subtotal of cash outflow from financing activities	7,426,100.00	1,894,100.00
Net cash flows arising from financing activities	-6,672,835.54	-1,894,100.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	46,238,834.17	41,073,744.98
Add: Balance of cash and cash equivalents at the period -begin	84,543,677.45	35,582,359.90
VI. Balance of cash and cash equivalents at the period -end	130,782,511.62	76,656,104.88

**8. Cash Flow Statement of parent company (from 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	151,539,088.03	113,417,193.42
Write-back of tax received	36.00	
Other cash received concerning operating activities	17,417,591.29	50,073,767.65
Subtotal of cash inflow arising from operating activities	168,956,715.32	163,490,961.07

Cash paid for purchasing commodities and receiving labor service	27,631,451.43	48,400,490.93
Cash paid to/for staff and workers	7,502,516.49	4,825,500.45
Taxes paid	12,582,863.52	11,092,152.53
Other cash paid concerning operating activities	82,947,992.32	54,044,330.75
Subtotal of cash outflow arising from operating activities	130,664,823.76	118,362,474.66
Net cash flows arising from operating activities	38,291,891.56	45,128,486.41
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets	118,866.50	986,877.13
Cash paid for investment	25,000,000.00	
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	25,118,866.50	986,877.13
Net cash flows arising from investing activities	-25,118,866.50	-986,877.13
III. Cash flows arising from financing		

activities		
Cash received from absorbing investment		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities	2,626,100.00	1,894,100.00
Subtotal of cash outflow from financing activities	2,626,100.00	1,894,100.00
Net cash flows arising from financing activities	-2,626,100.00	-1,894,100.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	10,546,925.06	42,247,509.28
Add: Balance of cash and cash equivalents at the period -begin	22,671,791.13	17,625,400.53
VI. Balance of cash and cash equivalents at the period -end	33,218,716.19	59,872,909.81

## 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.