

Security code: 000058, 200058

Security name: SHEN SEG, SHEN SEG B

Announcement No.:2016-092

Shenzhen SEG Co., Ltd.

2016 Q3 Report

October 2016

Definition

Definition	Refers to	Description
This Company, the Company	refers to	Shenzhen SEG Co., Ltd.
Shenzhen SEG Group Co., Ltd.	refers to	Shenzhen SEG Group Co., Ltd.
Huakong SEG	refers to	Shenzhen Huakong SEG Co., Ltd.
SEG Baohua	refers to	Shenzhen SEG Baohua Enterprise Development Co., Ltd.
Xi'an SEG	refers to	Xi'an SEG Electronics Market Co., Ltd.
Suzhou SEG	refers to	Suzhou SEG Electronics Market Management Co., Ltd.
Xi'an Hairong SEG	refers to	Xi'an Hairong SEG Electronics Market Co., Ltd.
Nanjing SEG	refers to	Shenzhen SEG Electronics Market Management Co., Ltd.
Nantong SEG	refers to	Nantong SEG Times Square Management Co., Ltd.
Changsha SEG	refers to	Changsha SEG Development Co., Ltd.
SEG Industry	refers to	Shenzhen SEG Industrial Investment Co., Ltd.
SEG E-Commerce	refers to	Shenzhen SEG E-Commerce Co., Ltd.
SEG Credit	refers to	Shenzhen SEG Credit Co., Ltd.
Wuxi SEG	refers to	Wuxi SEG Electronics Market Co., Ltd
Nanning SEG	refers to	Nanning SEG Digital Plaza Management Co., Ltd.
SegMaker	refers to	SegMaker is a wholly-owned subsidiary of SEG, a subsidiary with 100% share capital held by SEG Group
Shenzhen SASAC	refers to	State-owned Assets Supervision and Administration Commission of Shenzhen Municipality
Shenzhen Securities Regulatory Bureau	refers to	Shenzhen Securities Regulatory Bureau of China Securities Regulatory Commission
Unless otherwise specified, the amount referred to in the report	refers to	Amount in RMB

Chapter 1 Important Notice

The Board of Directors, the Board of Supervisors, the directors, the supervisors, and the senior executives guarantee that the quarterly report is authentic, accurate, and complete and has no false records, misleading statements or major omissions, and that they undertake joint and several legal liabilities.

All the directors have attended the meeting of the Board of Directors and reviewed the quarterly report.

Chairman of the Board Wang Li, the Chief Financial Officer Liu Zhijun and the responsible person of the accounting institution (accountant in charge) Ying Huadong hereby declare that the Financial Statements enclosed in this quarterly report are true, accurate and complete.

Chapter 2 Main Financial Data and Shareholder Change

I. Major accounting data and financial indexes

Are retrospective adjustments made to previous financial statements due to accounting policy changes or accounting errors?

Yes No

	Period-end amount	Year-end amount	YoY increase/decrease	
Total assets (Yuan)	2,509,809,592.55	2,614,660,524.37	-4.01%	
Net assets attributable to shareholders of the listed company (Yuan)	1,493,688,009.33	1,475,126,229.16	1.26%	
	The report period	YoY increase/decrease	Amount from the beginning of the year to the end of the report period	YoY increase/decrease up to the report period
Operating revenue (Yuan)	139,478,273.85	-28.39%	502,151,510.70	-11.80%
Net profit attributable to shareholders of the listed company (Yuan)	15,422,191.47	111.83%	42,278,461.89	0.22%
Net profit attributable to shareholders of the listed company after deduction of non-recurring gains and losses (Yuan)	15,912,414.05	134.62%	44,608,873.52	7.54%
Net cash flow arising from operating activities (Yuan)	-	-	-83,427,796.65	-
Basic EPS (Yuan/Share)	0.0197	107.37%	0.054	
Diluted EPS (Yuan/Share)	0.0197	107.37%	0.054	
Weighted average ROE	1.04%	0.11%	2.85%	-2.53%

Unit: Yuan

Item	Amount from the beginning of the year to the end of the report period	Remarks
Gains and losses on disposal of non-current assets (including the write-off of assets depreciation reserves)	-10,988.73	Loss from disposal of fixed assets
Government subsidy included in the current profit and loss (closely related to enterprise business, excluding quoted or quantitative government subsidy according to national uniform)	119,322.06	Mainly the special reward (RMB 50,000) for the development of the service industry from Suzhou Wujiang Finance Bureau and the

standard)		support fund (RMB 53,400) for SEG e-commerce trading platform of Shenzhen Economy and Trade Information Committee.
Other non-operating income and expenses except the above-mentioned items	-3,073,169.32	Additional accrual of Nanning SEG litigation compensation expense is RMB 3,700,000. Others are income from merchant compensation.
Less: Amount of affected income tax	-833,740.10	
Amount of influence of minority shareholders' equity (after tax)	199,315.74	
Total	-2,330,411.63	-

An explanation shall be made with regard to the Company's considerations for defining non-recurring profit and loss according to the *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-recurring Profit and Loss* and the reason of classifying the non-recurring profit and loss listed in this announcement as recurring.

Applicable Not applicable

In the report period, it does not happen that the company defines the non-recurring profit and loss items defined or listed by *Interpretive Bulletin No. 1 on Information Disclosure by Companies Publicly Issuing Securities — Non-recurring Gains and Losses* as recurring profit and loss items.

II. Total number of shareholders and shares held by top 10 shareholders at the end of the report period

1. Total number of ordinary shareholders and preferred shareholders restored with voting rights and shares held by top 10 shareholders

Unit: Share

Total number of ordinary shareholders at the end of the report period	81,310	Total number of preferred shareholders restored with the voting rights (if any)	0			
Shares held by top 10 shareholders						
Name of shareholder	Nature of shareholder	Proportion of shareholding	Shares held	Quantity of restricted shares held	Information on pledged or frozen shares	
					Share status	Quantity
Shenzhen SEG Group Co., Ltd.	State-owned legal person	30.24%	237,359,666	0		
Liu Guocheng	Domestic natural person	0.85%	6,739,002	0		

Zhang Jiao	Domestic natural person	0.52%	4,046,989	0	
Liu Guohong	Domestic natural person	0.42%	3,300,258	0	
Gong Qianhua	Overseas natural person	0.37%	2,940,000	0	
Zeng Ying	Domestic natural person	0.29%	2,300,000	0	
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	0.29%	2,271,900	0	
NORGES BANK	Foreign legal person	0.24%	1,890,226	0	
Wei Jieren	Domestic natural person	0.18%	1,412,066	0	
Hu Chunwan	Domestic natural person	0.17%	1,385,200	0	

Information on top 10 shareholders of non-restricted shares

Name of shareholder	Quantity of unrestricted ordinary shares held	Type of share	
		Type of share	Quantity
Shenzhen SEG Group Co., Ltd.	237,359,666	RMB ordinary shares	237,359,666
Liu Guocheng	6,739,002	Domestically listed foreign shares	6,739,002
Zhang Jiao	4,046,989	RMB ordinary shares	4,046,989
Liu Guohong	3,300,258	Domestically listed foreign shares	3,300,258
Gong Qianhua	2,940,000	Domestically listed foreign shares	2,940,000
Zeng Ying	2,300,000	Domestically listed foreign shares	2,300,000
China Securities Finance Corporation Limited	2,271,900	RMB ordinary shares	2,271,900

NORGES BANK	1,890,226	Domestically listed foreign shares	1,890,226
Wei Jieren	1,412,066	Domestically listed foreign shares	1,412,066
Hu Chunwan	1,385,200	Domestically listed foreign shares	1,385,200
Explanations on the association relationship or concerted action among the above-mentioned shareholders	Shenzhen SEG Group Co., Ltd (hereinafter referred to as "SEG Group") has no associated relationship with other shareholders and is not a person acting in concert with other shareholders as specified in the <i>Management Methods for Disclosure of Information on Changes of Shareholding Status of Shareholders of Listed Companies</i> . It is unclear whether other shareholders are persons acting in concert.		
Information on top 10 ordinary shareholders participating in securities margin trading (if any)	Zhang Jiao holds 2,847,801 shares in the credit securities account.		

Whether the top ten ordinary shareholders of the Company or top ten ordinary shareholders of non-restricted shares conducted agreed repurchase transactions in the report period?

Yes No

The top ten ordinary shareholders of the Company or top ten ordinary shareholders of non-restricted shares did not conduct agreed repurchase transactions in the report period.

2. Total number of preferred shareholders and shares held by top 10 preferred shareholders

Applicable Not applicable

Chapter 3 Important Matters

I. Main accounting statements of the report period and changes in financial indicators of reasons

√ Applicable □ Not applicable

(I) Balance Sheet Statement

Item	Closing balance	Opening balance	Difference	Increase or decrease over the previous year (%)
Notes receivable	100,792.00		100,792.00	
Accounts receivable	68,751,597.89	98,212,422.87	-29,460,824.98	-30.00%
Advances	85,887,752.86	129,044,887.26	-43,157,134.40	-33.44%
Other accounts receivable	60,964,997.67	27,352,784.33	33,612,213.34	122.88%
Inventory	610,981,171.82	450,809,934.72	160,171,237.10	35.53%
Other current assets	190,695,564.93	339,430,419.74	-148,734,854.81	-43.82%
Construction in progress	186,583.94	140,810.00	45,773.94	32.51%
Other non-current assets	-	5,103,811.14	-5,103,811.14	-100.00%
Accounts payable	22,763,090.01	89,908,781.98	-67,145,691.97	-74.68%
Payroll payable	7,749,915.62	21,849,134.16	-14,099,218.54	-64.53%
Interest payable	698,717.58	516,758.34	181,959.24	35.21%
Dividends payable	17,302,998.39	2,218,224.58	15,084,773.81	680.04%
Estimated liabilities	-	7,000,000.00	-7,000,000.00	-100.00%

1. Notes receivable: increase by RMB 100,000 over the beginning of the period, mainly due to increase in the rent settled by notes of the holding subsidiary Wujiang SEG Market Management Co., Ltd. in the report period.

2. Accounts receivable: decrease by RMB 29.46 million or 30% YoY, mainly due to the termination of supply chain business by SEG E-Commerce because the Company is to transfer equity in the report period.

3. Advance payment: decreases by RMB 43.16 million or 33.44% YoY, mainly due to the termination of supply chain business by SEG E-Commerce because the Company is to transfer equity and trade business of the holding subsidiary SEG Industry shrinks in the report period.

4. Other receivables: increase by RMB 33.61 million YoY, or 122.88% YoY, mainly due to (1) mainly due to the decoration deposit RMB 8.87 million for new outlet at the east gate paid by Mellow Orange Hotel run by the holding subsidiary SEG Baohua; (2) preliminary security deposit RMB 8.87 million in total for a new project paid by the headquarters; (3) increase in the current account RMB 10.30 million between the holding subsidiary Wuxi SEG and Wuxing Xinyuan Construction and Development Co., Ltd.

5. Inventory: increases by RMB 160.17 million or 35.53% YoY, mainly due to project construction expense of the Company's wholly-owned subsidiary Nantong SEG in the report period.

6. Other current assets: decrease by RMB 148.73 million or 43.82% YoY, due to decrease in bank financing amount in the report period.

7. Construction in progress: increases by RMB 50,000 or 32.51%, mainly due to new air-conditioner installation project of the holding subsidiary Changsha SEG.

8. Other non-current assets: decrease by RMB 5.1 million or 100% YoY, mainly because the prepaid electronics market transformation project fund in the previous year is carried forward to long-term deferred assets as the project is completed in the report period.

9. Accounts payable: decrease by RMB 67.15 million or 74.68% YoY, mainly due to the termination of supply chain business by SEG E-Commerce because the Company is to transfer equity.

10. Payroll payable: decreases by RMB 14.10 million or 64.53% YoY, mainly because salaries and bonuses accrued in the previous year are paid in the report period.

11. Interest payable: increases by RMB 180,000 or 35.21% YoY, due to interest payable agreed in the financing contract *Transfer and Repurchase of Specific Assets Earnings* entered into between the holding subsidiary SEG Credit and Great Wall Securities.

12. Dividend payable: increases by RMB 15.08 million or 680.04%, mainly due to increase in the dividend unpaid by the holding subsidiary SEG Credit to minority shareholders.

13. Estimated liabilities: decrease by RMB 7 million or 100% YoY, mainly due to payment of Nanning SEG litigation compensation expense RMB 13 million. The estimated liabilities accrued in the previous year are deducted.

(II) Profit Statement

Item	Amount incurred in the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Interest expenses	465,888.89	4,206,636.86	-3,740,747.97	-88.92%
Operating tax and surcharges	12,034,935.82	20,059,179.56	-8,024,243.74	-40.00%
Financial cost	3,186,217.90	4,630,265.70	-1,444,047.80	-31.19%
Loss from asset impairment	-4,481,512.08	10,015,700.20	-14,497,212.28	-144.74%
Investment income	2,401,978.48	9,485,725.11	-7,083,746.63	-74.68%
Income from investment in joint ventures or associates	-6,482,084.00	-4,366,107.86	-2,115,976.14	-48.46%
Non-operating expenses	3,886,657.87	827,995.29	3,058,662.58	369.41%
Other comprehensive income	-82,762.10	316,765.26	-399,527.36	-126.13%

1. Interest expense: decreases by RMB 3.74 million or 88.92% YoY, mainly because the holding subsidiary SEG Credit repaid all bank loans in Q1. The interest expense decreases as loans decrease.

2. Business tax and surtax: decreases by RMB 8.02 million or 40% YoY, mainly due to the program of replacing business tax with value-added tax launched from May 1, 2016. Enterprises that paid the business tax before pay the value-added tax now, the value-added tax is the tax excluded in price and not included in this item.

3. Financial expense: decreases by RMB 1.44 million or 31.19% YoY. In the report period, as short-term

borrowings of the Company and holding subsidiaries excluding SEG Credit decrease by RMB 48.16 million, the interest expense payable to the bank decreases accordingly.

4. Asset impairment loss: decreases by RMB 14.50 million or 144.74% YoY. In the report period, the holding subsidiary SEG Credit performs the impairment test according to the five-grade loan classification, and reverses the partially accrued loan loss provision.

5. Investment income: decreases by RMB 7.08 million or 74.68%, mainly due to (1) In the report period, the total capital of the Company decreases, the total bank financing amount decreases, and the financing income decreases. (2) The accumulated loss of Huakong SEG (the Company holds 20% shares) amounts to RMB 31.21 million, which is RMB 9.63 million more than that of the previous year (RMB 21.58 million). Accordingly, the investment income of the Company decreases by RMB 1.58 million.

6. Income from investment in associates and joint ventures: decreases by RMB 2.11 million or -48.46% YoY, mainly because the accumulated loss of Huakong SEG (the Company holds 20% shares) amounts to RMB 31.21 million, which is RMB 9.63 million more than that of the previous year (RMB 21.58 million). Accordingly, the investment income of the Company decreases by RMB 1.58 million.

7. Non-operating expense: increases by RMB 3.06 million or 369.41%, mainly because Nanning SEG lawsuit claim was dismissed by Nanning Xingning District People's Court in the (2015) X. M. Y. C. Zi. No. 1590 Civil Judgment. According to the (2015) X. M. Y. C. Zi. No. 1393 Civil Judgment, the Company paid the litigation compensation expense and overdue fine (RMB 13 million in total). Considering that the Company has accrued the estimated liabilities RMB 7 million for this item and Nanning SEG estimated the rent payable RMB 2.3 million, the remaining compensation RMB 3.7 million is included in this item.

8. Other comprehensive income: decreases by RMB 400,000 YoY, mainly because the value of Friendship Group stocks held by the holding subsidiary SEG Baohua declines.

(III) Cash Flow Statement

Item	Amount incurred in the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Cash received from sales of goods and rendering of services	620,820,444.62	1,090,057,199.43	-469,236,754.81	-43.05%
Tax refunds	82,932,677.81	136,078,841.72	-53,146,163.91	-39.06%
Other cash received from operating activities	164,808,152.37	473,715,102.01	-308,906,949.64	-65.21%
Cash paid for goods and service	709,962,609.24	1,172,208,970.95	-462,246,361.71	-39.43%
Net increase in loans to customers and advances	-44,885,258.00	20,896,649.47	-65,781,907.47	-314.80%
(1) Other cash received from operating activities	196,562,398.65	472,106,815.05	-275,544,416.40	-58.36%
Cash received from withdrawal of investment	601,902,098.00	1,689,700,000.00	-1,087,797,902.00	-64.38%
Cash received from investment income	10,034,062.48	14,402,007.18	-4,367,944.70	-30.33%
Net cash received from disposal of fixed assets, intangible assets and other	62,000.00	34,082.50	27,917.50	81.91%

long-term assets				
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	7,074,145.94	14,550,969.56	-7,476,823.62	-51.38%
Cash paid for investment	493,604,260.00	1,738,300,000.00	-1,244,695,740.00	-71.60%
Other cash paid for financing activities	1,674,692.51	58,656,972.92	-56,982,280.41	-97.14%

1. Cash received from sales of goods and rendering of services: decreases by RMB 469.24 million or 43.05% YoY, mainly due to the termination of supply chain business by SEG E-Commerce because the Company is to transfer equity and trade business the holding subsidiary SEG Industry shrinks in the report period.

2. Tax refunds: decrease by RMB 53.15 million or 39.06% YoY, mainly due to the termination of supply chain business by SEG E-Commerce because the Company is to transfer equity in the report period.

3. Other cash received from operating activities: decreases by RMB 308.91 million or 65.21% (RMB 469.24 million or 43.05%) YoY. Because SEG E-Commerce that the Company is to transfer its equity terminated foreign trade business in the report period, the advance and deposit received decrease.

4. Cash paid for goods and services: decreases by RMB 462.24 million or 39.43% YoY, mainly due to the termination of supply chain business by SEG E-Commerce because the Company is to transfer equity and trade business of the holding subsidiary SEG Industry shrinks in the report period.

5. Net increase in loans and advances to customers: decreases by RMB 65.78 million or 314.8% YoY, mainly because loans granted by the holding subsidiary SEG Credit decrease and the net increase in loans is negative in the report period while loans rose in the same period of the previous year.

6. Other cash paid for operating activities: decreases by RMB 275.54 million or 58.36% YoY. Because SEG E-Commerce that the Company is to transfer its equity terminated foreign trade business in the report period, the advance and deposit received decrease.

7. Cash received from withdrawal of investment: decreases by 1.08780 billion or 64.38% YoY, mainly because the Company invests more in the main business and the investment scale of bank financial products decreases.

8. Cash received from withdrawal of investment: decreases by 4.37 million or 30.33% YoY, mainly because the Company invests more in the main business and the investment scale of bank financial products decreases over the same period of the previous year.

9. Net cash received from disposal of fixed assets, intangible assets and other long-term assets: increases by RMB 30,000 or 81.91% YoY, mainly because the cash received from disposal of obsolete assets increases by RMB 30,000 YoY.

10. Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets: decreases by RMB 7.48 million or 51.38% YoY, mainly due to decrease in the market decoration and transformation expense of the holding subsidiary.

11. Cash paid for investment: decreases by 1.2447 billion or 71.6% YoY, mainly because the Company invests more in the main business and the investment scale and frequency of bank financial products decrease.

12. Other cash paid for financing activities: decreases by 56.98 million or 97.14% YoY, mainly because the holding subsidiary SEG E-Commerce repaid the interbank financing of related parties in the same period of the previous year while the Company has not incurred such expense in the report period.

II. Progress of significant events and their impacts and analysis of solutions

√ Applicable □ Not applicable

(I) Major asset restructuring

The Company launched a major asset restructuring program in November 2015, and its stocks (SHEN SEG 000058, SHEN SEG B 200058) were suspended from the early trading on November 4, 2015. During the stock suspension, the Company and related parties actively pushed forward major assets restructuring, and regularly disclosed progress notices. The Company's stocks resumed trading from the morning on February 25, 2016. As of the date of disclosure of the report, the Company has disclosed the major asset restructuring report (see *Report on Issuance of Shares and Payment of Cash for Asset Acquisition and Raising of Supporting Funds & Connected Transactions [Draft]* disclosed on www.cninfo.com.cn on August 4), and received the *Notice of China Securities Regulatory Commission on Primary Feedback Opinion for Review of Administrative Licensing Items* (see the *Announcement of Receipt of the Notice of China Securities Regulatory Commission on Primary Feedback Opinion for Review of Administrative Licensing Items Concerning the Major Asset Restructuring* disclosed by the Company on www.cninfo.com.cn on October 10.) At this stage, the Company and related intermediaries are striving to improve work efficiency and ensure the smooth progress of the project. The Company will promptly perform the information disclosure obligation according to the progress.

According to the disclosed major asset restructuring report, the Company plans to acquire 100% equities of SegMaker held by SEG Group, 55% equities of SEG Kangle, 100% equities of SEG Property Development, and 79.02% equities of SEG Property Investment by issuance of shares (86.90%) and payment of cash (13.10%). In order to promote the integrated performance, the Company plans to raise supporting fund of no more than 100% of the transaction price of assets to be purchased (or RMB 2 billion) through private placement to no more than 10 specific investors.

After restructuring, based on advantages in the specialized electronics market and commercial real estate business and Huaqiang North industrial cluster, the Company will give full play to the resource allocation function. The Company will build the SEG maker center, SEG international maker product display and promotion center, SEG maker apartment, and maker funds, get deeply involved in the maker ecology industrial chain, facilitating the maker group in basic hardware technologies, R&D and production support, and funding. The Company will also interact with upstream and downstream manufacturers, promote capitalization and industrialization of innovations, and marketization of new technologies and products, and invigorate innovative vitality of the market to support and build a new maker business ecosphere integrating "experimental development + incubator + marketing + supporting services", and promote business development. In addition, the Company will, based on the existing specialized electronics market, combine service advantages of the specialized electronics market and customer resources, make more efforts to expand the maker services, cultural education, smart technology, sports and entertainment, virtual experience, electronic games and financial services, optimize and integrate the business chain system, take consumer experience as the carrier, utilize online and offline channels and resources, and carry out industrial upgrading.

To promote integrated operating of multiple businesses, make use of collaborative effects, and guarantee the business transformation and upgrading of listed companies, the Company's future operating and development strategy will be embodied in "three transformations": a) from a single electronic product transaction platform and commercial real estate platform to a complex business type platform integrating maker ecology, culture and education, intelligent technology, sports and entertainment, virtual experience, gaming games, and financial services, from single commercial platform operation to be involved in production and operation of relevant contents; b) enterprises of the Company running the specialized electronics market will transform from a single

leasing role to a platform operator and service provider integrating online and offline resources; c) relying on the resource platform of specialized electronics market business and commercial real estate business, the Company will strive to build an international maker platform with SEG characteristics, develop the whole industry chain layout, and continuously expand innovative fields, such as electronic information products, intelligent electronic applications, and supply chain financial services.

(II) Progress in lawsuit by Nanning SEG: In March 2013, Nanning SEG leased the first and second floors in the podium of Nanning Property Plaza located at No. 158, Renmin East Road, Xingning District, Nanning from Nanning Haiqi Real Estate Development Co., Ltd. The property is used as an electronics market. The agreed leasing period is from March 18, 2013 to March 17, 2025. However, because the problem of concentrated water seepage and penetration was still not solved after several times of communication, Nanning SEG brought a lawsuit against Nanning Haiqi at the People's Court of Xingning District. At the same time, Nanning Haiqi brought a lawsuit against Nanning SEG at the ground that Nanning SEG did not pay the rent at the same court. The court merged the two cases into one case and heard the case.

The claims of Nanning SEG have been rejected in the Civil Judgment (X. M. Y. C. Z (2015) No. 1590) issued by the People's Court of Xingning District. According to the Civil Judgment (X. M. Y. C. Z (2015) No. 1393), the *Leasing Contract for the Electronics Market Project of Nanning SEG* signed and concluded by and among Nanning Haiqi, Nanning SEG, and Shenzhen SEG Co., Ltd. on June 16, 2013 was rescinded, Nanning SEG should pay the rent and the liquidated damages for the overdue payment to Nanning Haiqi, as well as the Nanning Haiqi's lawyer fees, and the case acceptance fees. Considering actual situation, the Company decides now not to institute an appeal.

According to the Enforcement Notice (Gui 0102 Zhi 1057-1 (2016)) issued by the People's Court of Xingning District, Nanning, Guangxi Zhuang Autonomous Region on September 6, 2016, the Company should pay a liquidated damage for the overdue rent from August 31, 2016 to September 6, 2016, RMB 12,998,409 in total. The Company has paid the amount on September 13, 2016 according to the Enforcement Notice.

The Company has accrued RMB 7 million as a predicted debt for this issue in 2015. Nanning SEG has accrued a payable rent of RMB 2.3 million, and the Company has accrued RMB 2.7 million for this issued as a predicted debt in the semi-annual report in 2016. Therefore, the Company has accrued a total of RMB 12 million in previous report periods for predicted debts and payable rent. The influenced amount of the remaining compensation amount on the net profit in the third quarter of the Company is about RMB 1 million. Considering the influenced amount of the lawsuits on the net profit of the Company in 2016 is about RMB 3.7 million, the event will not have major influence on the Company's operating and production. (For details, refer to the semi-annual report disclosed to the media on August 24, 2016.)

(III) The Company received the summon and civil complaint from the People's Court of Xingning District, Nanning on September 26, 2016, which required the Company to appear at the court and respond to lawsuits (Gui 0102 Min Chu [2016] No. 3653, dispute over house leasing contract; and Gui 0102 Min Chu [2016] No. 3654, disputes over property service contract) against the Company on November 2, 2016. The relevant information has been disclosed through media on September 29, 2016.

(IV) On the Ninth Session of the Sixth Board Meeting of the Company on March 28, 2016, the *Predicted Items for Daily Operating Associated Transactions* in 2016 were approved. According to the resolution, the holding shareholder Shenzhen SEG Group Co., Ltd. should pay RMB 0.2 million for the annual entrustment fee of Shenzhen SEG Communication Market to the Company. Up to the disclosure date of this report, the Company has received the above fee.

Overview of Important Events	Disclosure Date	Inquiry Index for the Websites Disclosing the Temporary Reports
1. Matters concerning major asset restructuring	August 4, 2016	<i>Restructuring Report on Issuance of Shares and Payment of Cash for Asset Acquisition and Raising of Supporting Funds & Connected Transactions (Draft)</i> disclosed on www.cninfo.com.cn
	August 26, 2016	<i>Announcement on Shenzhen SASAC's Approval of the Major Asset Restructuring Plan</i> disclosed on www.cninfo.com.cn
	August 27, 2016	<i>Announcement on Shenzhen SASAC's Recordation of the Asset Appraisal Report involved in Major Asset Restructuring Plan</i> disclosed on www.cninfo.com.cn
	September 14, 2016	<i>Announcement on Receipt of the Notice of China Securities Regulatory Commission on Acceptance of Administrative Licensing Application during Major Asset Restructuring</i> disclosed on www.cninfo.com.cn
	October 10, 2016	<i>Announcement of Receipt of the Notice of China Securities Regulatory Commission on Primary Feedback Opinion for Review of Administrative Licensing Items Concerning the Major Asset Restructuring</i> disclosed on www.cninfo.com.cn
2. Matters concerning acquisition of business license of Shenzhen Hongtu SEG Investment Management Co., Ltd.	September 1, 2016	<i>Announcement of Acquisition of Business License of Shenzhen Hongtu SEG Investment Management Co., Ltd.</i> disclosed on www.cninfo.com.cn
3. Matters concerning progress of the cooperation between the Company and Taobao (China) Software Co., Ltd.	September 22, 2016	<i>Announcement of Progress of Strategic Cooperation between the Company and Taobao (China) Software Co., Ltd.</i> disclosed on www.cninfo.com.cn
4. Matters concerning the Company's receipt of court summons and civil complaint	September 29, 2016	<i>Announcement of the Company's Receipt of Court Summons and Civil Complaint</i> disclosed on www.cninfo.com.cn

III. Commitments fulfilled in the report period and being fulfilled as of the end of the report period by the Company, shareholders, actual controllers, buyers, directors, supervisors, senior executives, or other related parties

√ Applicable □ Not applicable

Commitments	Subject	Type	Content	Commitment date	Commitment term	Performance
Commitment for share reform	Not applicable					
Commitments in the Acquisition Report and the Report of Changes on Equity	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	"1. The Company undertakes that as of October 31, 2015, controlling shareholders of Shenzhen SEG or other related persons who occupy funds of Shenzhen SEG or the subject company due to non-operating events will repay them before the shareholders' meeting that is intended to review the restructuring plan; 2. After restructuring, the financial independence of the listed companies shall be guaranteed	August 3, 2016	Long-term	Being fulfilled

			<p>and no illegal occupation of funds of listed companies will occur any more; 3. The Company will abide by and urge listed companies to abide by relevant laws and administrative regulations such as the <i>Code on Corporate Governance of Listed Companies</i>, the <i>Notice on Regulating the Funds Transfers between Listed Companies and Related Parties</i> and the <i>External Guarantee of Listed Companies</i>, and the <i>Listing Rules of Shenzhen Stock Exchange</i>, regulations, regulatory documents, and Shenzhen Stock</p>			
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			<p>Exchange business rules, and improve awareness of compliance; 4. The Company will exercise the rights of shareholders according to law, and will not abuse the rights of shareholders to damage the interests of listed companies and other shareholders; 5. The Company will optimize the governance structure of listed companies, improve the internal control system, regulate the operation of the three organs, give full play to functions and supervisory role of independent directors and the Board of Supervisors, and restrict</p>			
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			<p>decision-making and operation by controlling shareholders and actual controllers of the Company;</p> <p>(6) The Company will fulfill the obligation of information disclosure strictly in accordance with relevant provisions, actively cooperate with listed companies on information disclosure, timely inform major events incurred or to be incurred, and ensure the authenticity, accuracy, integrity, timeliness and fairness of information disclosure. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to</p>			
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			Shenzhen SEG, the subject company, other companies, enterprises, or other economic organizations controlled by the Company."			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	"1. When the Company acts as the controlling shareholder of Shenzhen SEG, the Company, other companies, enterprises, or other economic organizations controlled by the Company, will minimize and regulate associated transactions with Shenzhen SEG or the subject company, other companies, enterprises, or other economic organizations controlled by	August 3, 2016	Long-term	Being fulfilled

			<p>the Company.</p> <p>2. When the restructuring is completed, the Company, other companies, enterprises, or other economic organizations controlled by the Company will handle associated transactions with Shenzhen SEG or the subject company that are unavoidable or incurred for reasonable cause at fair and reasonable market price, perform the decision-making procedure for associated transactions according to relevant laws, regulations, and normative documents, fulfill the obligation of information disclosure and handle the approval</p>			
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		<p>procedures according to the law, do not use the dominant position of the controlling shareholder to damage the legal rights and interests of Shenzhen SEG and other shareholders.</p> <p>3. The Company, other companies, enterprises, or other economic organizations controlled by the Company will not use the rights of shareholders of the listed company or the actual control ability to manipulate or instruct the listed company or its directors, supervisors and senior executives to have the listed company unfairly provide or accept funds,</p>			
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			goods, services or other assets, or engage in any acts detrimental to the interests of listed companies. In case of breach of the following commitments, the Company will bear all losses thus incurred to Shenzhen SEG, the subject company, other companies, enterprises, or other economic organizations controlled by the Company."			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	"1. In the restructuring, relevant assets, such as some commercial electronics markets of SEG Group that constitute horizontal competition, have not been injected into	August 03, 2016	Long-term	Being fulfilled

			<p>the listed company.</p> <p>SEG Group will trust such assets to Shenzhen SEG or its subsidiaries after the major asset restructuring. Within 5 years after the major asset restructuring, SEG Group will take all necessary measures to solve flaws of such assets, and incorporate the preceding specialized electronics markets that constitute horizontal competition into Shenzhen SEG or transfer them to the third party in a feasible way such as sales based on operating needs of Shenzhen SEG and the completeness of the</p>			
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			<p>ownership of such assets. If SEG Group fails to complete the foregoing matters as scheduled, before injecting relevant assets to Shenzhen SEG, SEG Group shall lease them to Shenzhen SEG for direct operation and enjoy the income from such property. The annual rent of Shenzhen SEG is the depreciated value of such property. Profit and loss incurred by leasing of such property assets shall be shared by Shenzhen SEG. The parties shall separately enter into a leasing agreement. 2. Except assets owned and business</p>			
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			operated before the validity date of commitment, when acting as a controlling shareholder or actual controller of Shenzhen SEG, in order to guarantee sustainable development of Shenzhen SEG, the Company will exercise supervision and restriction on operating activities of its own and affiliated enterprises under its control, will not establish new or acquire any assets or business same as or similar to its main business within the operation area of Shenzhen SEG, and will not be engaged in any activities that may damage the			
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		<p>interests of Shenzhen SEG and other companies and enterprises controlled by Shenzhen SEG, or other economic organizations.</p> <p>If in the future there is any business opportunity same as or similar to other main business within Shenzhen SEG operation area, such opportunity will preferentially be recommended to Shenzhen SEG and other companies and enterprises controlled by Shenzhen SEG, or other economic organizations.</p> <p>However, any of the following cases is an exception: (1) Due to</p>			
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		<p>national laws, regulations and policies and other reasons, any commercial properties and real estate development projects appropriated or allocated through oriented protocols by the government to SEG Group and any enterprises invested by it; or (2) when the general conditions of tender, transfer or assignment of specific commercial properties and real estate development projects have specific requirements on the bidder or assignee, Shenzhen SEG is not qualified y but SEG Group is qualified .Co mmercial property and</p>			
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			<p>real estate development projects that are same as the main business of Shenzhen SEG or result in horizontal competition subject to the above exclusions may be invested and built by SEG Group at first. If Shenzhen SEG thinks that such assets are eligible to be injected into Shenzhen SEG, upon receipt of the written acquisition notice from Shenzhen SEG, SEG Group will negotiate on acquisition and transfer such projects to Shenzhen SEG. In case of breach of the foregoing commitments, the Company will bear all losses thus</p>			
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			incurred to Shenzhen SEG, the subject company, other companies, enterprises, or other economic organizations controlled by the Company."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. The Company will guarantee the independence of personnel of Shenzhen SEG and subject company: (1) After completion of the restructuring, the labor, personnel and compensation management of Shenzhen SEG are independent from the Company and related parties, such as other companies, enterprises, or other economic organizations controlled by	August 3, 2016	Long-term	Being fulfilled

		<p>the Company.</p> <p>(2) After completion of the restructuring, senior executives of Shenzhen SEG and the subject company hold full-time position at Shenzhen SEG and the subject company and receive compensation, and will not assume any duties other than director and supervisor in the Company and related parties, such as other companies, enterprises, or other economic organizations controlled by the Company.</p> <p>(3) After completion of the restructuring, the Company will not interfere with the shareholders'</p>			
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		<p>meeting and the Board of Directors' exercise of power in appointment/d dismissal of personnel. 2. The Company will guarantee the independence of organs of Shenzhen SEG and the subject company: (1) After completion of the restructuring, Shenzhen SEG and the subject company will develop a sound corporate governance structure and an independent and complete organizational structure. (2) After completion of the restructuring, the shareholders' meeting, the Board of Directors, and</p>			
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			<p>the Board of Supervisors of Shenzhen SEG and the subject company will exercise duties and powers according to laws, regulations and articles of association of Shenzhen SEG and the subject company. 3. The Company will guarantee the independence and completeness of Shenzhen SEG and the subject company: (1) After completion of the restructuring, Shenzhen SEG and the subject company will have independent and complete assets related to production and management. (2) After completion of</p>			
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		<p>the restructuring, the site for business operation of Shenzhen SEG and the subject company are independent of the Company and related parties, such as other companies, enterprises, or other economic organizations controlled by the Company.</p> <p>(3) After completion of the restructuring, except normal operational contacts, Shenzhen SEG and the subject company are not involved in the following case: funds or assets are occupied by the Company and related parties, such as other companies, enterprises, or</p>			
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		<p>other economic organizations controlled by the Company.</p> <p>4. The Company will guarantee the business independence of Shenzhen SEG and the subject company: (1) After completion of the restructuring, Shenzhen SEG and the subject company own relevant qualification for independent business operation, and have the independent and sustainable market-oriented operation capability. (2) Except assets owned and business operated before the validity date of commitment, when acting as</p>			
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		<p>a controlling shareholder of Shenzhen SEG, in order to guarantee sustainable development of Shenzhen SEG, the Company will exercise supervision and restriction on operating activities of its own and the affiliated enterprises under its control, will not establish new or acquire any assets or businesses same as or similar to its main business within the operation area of Shenzhen SEG, and will also not be engaged in any activities which may damage the interests of Shenzhen SEG and other companies, enterprises, or other economic organizations</p>			
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		<p>controlled by Shenzhen SEG. If in the future there is any business opportunity same as or similar to other main business within Shenzhen SEG operation area, such opportunity will be preferentially recommended to Shenzhen SEG and other companies, enterprises, or other economic organizations controlled by Shenzhen SEG. ① Due to national laws, regulations and policies and other reasons, any commercial properties and real estate development projects appropriated or allocated through oriented protocols by</p>			
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			<p>the government to SEG Group and any enterprises invested by it; or ② When the general conditions of tender, transfer or assignment of specific commercial properties and real estate development projects have specific requirements on the bidder or assignee, Shenzhen SEG is not qualified but SEG Group is qualified. Commercial property and real estate development projects that are same as the main business of Shenzhen SEG or result in horizontal competition subject to the above exclusions may be invested and</p>			
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		<p>built by SEG Group at first. If Shenzhen SEG thinks that such assets are eligible to be injected into Shenzhen SEG, upon receipt of the written acquisition notice from Shenzhen SEG, SEG Group will negotiate on acquisition and transfer such projects to Shenzhen SEG. (3) After completion of the restructuring, the Company and related parties, such as other companies, enterprises, or other economic organizations controlled by the Company will reduce related transactions with Shenzhen SEG and the subject company and</p>			
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			<p>other companies, enterprises, or other economic organizations controlled by them; for any related transactions that are indeed necessary and unavoidable, the Company will handle them at fair price based on the market principle, and fulfill relevant approval procedures and the information disclosure obligation according to provisions of relevant laws, regulations and normative documents. 5. The Company will guarantee the financial independence of Shenzhen SEG and the subject company: (1) After completion of the restructuring,</p>			
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		<p>Shenzhen SEG and the subject company will establish an independent financial department, independent financial accounting system, and standard and independent financial accounting rules. (2) After completion of the restructuring, Shenzhen SEG and the subject company will separately open an account in banks, and do not share accounts with the Company and related parties, such as other companies, enterprises, or other economic organizations controlled by the Company. (3) After completion of the</p>			
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		<p>restructuring, financial personnel of Shenzhen SEG and the subject company will not hold a part-time job in the Company or related parties, such as other companies, enterprises, or other economic organizations controlled by the Company.</p> <p>(4) After completion of the restructuring, Shenzhen SEG and the subject company will independently make financial decisions, and the Company will not interfere with fund usage of Shenzhen SEG and the subject company. (5) After completion of the restructuring, Shenzhen</p>			
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			SEG and the subject company will pay taxes independently according to laws. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG, and the subject company."			
Commitments made at the time of restructuring of major assets	Shenzhen SEG Group Co., Ltd.		"(I) Contract subjects and date of signing Shenzhen SEG and SEG Group signed <i>Performance Commitment and Compensation Agreement</i> on August 3, 2016. (II) Performance commitment period 3 accounting periods following the completion of the transaction (including the year of completion and the following	August 3, 2016	Long-term	Being fulfilled

			<p>consecutive two accounting periods). If the transaction is completed before December 31, 2016 (included), the performance commitment period includes 2016, 2017, and 2018. If the transaction is completed between December 31, 2016 and December 31, 2017 (included), the performance commitment period includes 2017, 2018, and 2019. After the completion of the transaction, Shenzhen SEG shall hire an accounting firm with the qualification of securities that is recognized by SEG Group within 4 months after</p>			
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			<p>the end of each accounting period during the performance commitment period to respectively issue a special audit report and/or an impairment test report (hereinafter referred to as the "special audit report") with respect to the promised net profit/promised cash flow income/promised development profit (hereinafter collectively referred to as "promised performance") related to assets within the transaction compensation scope agreed in the agreement, and recognize the promised performance or impairment of assets</p>			
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			<p>within the transaction compensation scope in each year during the performance commitment period. (III) Performance commitment and performance compensation</p> <p>Underlying assets injected into Shenzhen SEG in this transaction are subject to multiple appraisal methods: 100% equities of SegMaker, 55% equities of SEG Kangle, and 79.02% equities of SEG Property Investment are priced on the basis of appraisal conclusion with the asset-based method, in which property assets are subject to the income</p>			
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			<p>method and market</p> <p>method and real estate development in the long-term equity investment is subject to the hypothetical development method; 100% equities of SEG Property Development and 100% equities of SEG Property Management (a wholly-owned subsidiary of SEG Property Investment) are subject to the income method. (IV) Triggering condition for performance compensation After the completion of the transaction, if assets within the transaction compensation scope as specified in the special audit report are impaired</p>			
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		<p>or fail to achieve the promised performance, SEG Group shall make compensation to Shenzhen SEG as agreed in the agreement.</p> <p>(V) Performance compensation method</p> <p>After the completion of the transaction, if assets within the transaction compensation scope are impaired or fail to achieve the promised performance, SEG Group shall compensate Shenzhen SEG in cash or shares. (VI)</p> <p>Effectiveness and termination of the agreement</p> <p>The agreement is made upon signature and seal by the legal representative</p>			
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		<p>or authorized agent of each party. As an integral part of the <i>Asset Purchase Agreement</i>, the agreement shall come into effect from the date of effectiveness of the <i>Asset Purchase Agreement</i>. When the <i>Asset Purchase Agreement</i> is rescinded, terminated, or deemed as invalid, the agreement is also rescinded, terminated, or invalid. (VII)</p> <p>Liability for breach of the agreement</p> <p>Except for in case of force majeure, violation of any terms of the agreement by either party constitutes breach of the agreement.</p> <p>The default party shall compensate</p>			
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			for all losses arising from breach of the agreement to the non-breaching party.			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	"1. In the restructuring, relevant assets, such as some commercial electronics markets of SEG Group that constitute horizontal competition, have not been injected into the listed company. SEG Group will trust such assets to Shenzhen SEG or its subsidiaries after the major asset restructuring. Within 5 years after the major asset restructuring, SEG Group will take all necessary measures to solve flaws of such assets, and incorporate	August 3, 2016	Long-term	Being fulfilled

			<p>the preceding specialized electronics markets that constitute horizontal competition into Shenzhen SEG or transfer them to the third party in a feasible way such as sales based on operating needs of Shenzhen SEG and the completeness of the ownership of such assets. If SEG Group fails to complete the foregoing matters as scheduled, before injecting relevant assets to Shenzhen SEG, SEG Group shall lease them to Shenzhen SEG for direct operation and enjoy the income from such property. The annual rent of</p>			
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		<p>Shenzhen SEG is the depreciated value of such property.</p> <p>Profit and loss incurred by leasing of such property assets shall be shared by Shenzhen SEG. The parties shall separately enter into a leasing agreement. 2.</p> <p>Except assets owned and business operated before the validity date of commitment, when acting as a controlling shareholder or actual controller of Shenzhen SEG, in order to guarantee sustainable development of Shenzhen SEG, the Company will exercise supervision and restriction on operating activities of its</p>			
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			<p>own and affiliated enterprises under its control, will not establish new or acquire any assets or business same as or similar to its main business within the operation area of Shenzhen SEG, and will not be engaged in any activities that may damage the interests of Shenzhen SEG and other companies and enterprises controlled by Shenzhen SEG, or other economic organizations.</p> <p>If in the future there is any business opportunity same as or similar to other main business within Shenzhen SEG operation area, such</p>			
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		<p>opportunity will preferentially be recommended to Shenzhen SEG and other companies and enterprises controlled by Shenzhen SEG, or other economic organizations. However, any of the following cases is an exception: (1) Due to national laws, regulations and policies and other reasons, any commercial properties and real estate development projects appropriated or allocated through oriented protocols by the government to SEG Group and any enterprises invested by it; or (2) when the general</p>			
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			<p>conditions of tender, transfer or assignment of specific commercial properties and real estate development projects have specific requirements on the bidder or assignee, Shenzhen SEG is not qualified y but SEG Group is qualified .Co mmercial property and real estate development projects that are same as the main business of Shenzhen SEG or result in horizontal competition subject to the above exclusions may be invested and built by SEG Group at first. If Shenzhen SEG thinks that such assets are eligible to be injected into</p>			
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			Shenzhen SEG, upon receipt of the written acquisition notice from Shenzhen SEG, SEG Group will negotiate on acquisition and transfer such projects to Shenzhen SEG. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG, the subject company, other companies, enterprises, or other economic organizations controlled by the Company."			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	"1. When the Company acts as the controlling shareholder of Shenzhen SEG, the Company, other	August 3, 2016	Long-term	Being fulfilled

		<p>companies, enterprises, or other economic organizations controlled by the Company, will minimize and regulate associated transactions with Shenzhen SEG or the subject company, other companies, enterprises, or other economic organizations controlled by the Company.</p> <p>2. When the restructuring is completed, the Company, other companies, enterprises, or other economic organizations controlled by the Company will handle associated transactions with Shenzhen SEG or the subject company that are unavoidable</p>			
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		<p>or incurred for reasonable cause at fair and reasonable market price, perform the decision-making procedure for associated transactions according to relevant laws, regulations, and normative documents, fulfill the obligation of information disclosure and handle the approval procedures according to the law, do not use the dominant position of the controlling shareholder to damage the legal rights and interests of Shenzhen SEG and other shareholders.</p> <p>3. The Company, other companies, enterprises, or other economic organizations</p>			
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			<p>controlled by the Company will not use the rights of shareholders of the listed company or the actual control ability to manipulate or instruct the listed company or its directors, supervisors and senior executives to have the listed company unfairly provide or accept funds, goods, services or other assets, or engage in any acts detrimental to the interests of listed companies. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG, the subject company, other</p>			
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			companies, enterprises, or other economic organizations controlled by the Company."			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	"1. The Company undertakes that as of October 31, 2015, controlling shareholders of Shenzhen SEG or other related persons who occupy funds of Shenzhen SEG or the subject company due to non-operating events will repay them before the shareholders' meeting that is intended to review the restructuring plan; 2. After restructuring, the financial independence of the listed companies shall be guaranteed and no illegal	August 3, 2016	Long-term	Being fulfilled

			<p>occupation of funds of listed companies will occur any more; 3. The Company will abide by and urge listed companies to abide by relevant laws and administrative regulations such as the <i>Code on Corporate Governance of Listed Companies</i>, the <i>Notice on Regulating the Funds Transfers between Listed Companies and Related Parties</i> and the <i>External Guarantee of Listed Companies</i>, and the <i>Listing Rules of Shenzhen Stock Exchange</i>, regulations, regulatory documents, and Shenzhen Stock Exchange</p>			
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		<p>business rules, and improve awareness of compliance; 4. The Company will exercise the rights of shareholders according to law, and will not abuse the rights of shareholders to damage the interests of listed companies and other shareholders;</p> <p>5. The Company will optimize the governance structure of listed companies, improve the internal control system, regulate the operation of the three organs, give full play to functions and supervisory role of independent directors and the Board of Supervisors, and restrict decision-maki</p>			
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			<p>ng and operation by controlling shareholders and actual controllers of the Company;</p> <p>(6) The Company will fulfill the obligation of information disclosure strictly in accordance with relevant provisions, actively cooperate with listed companies on information disclosure, timely inform major events incurred or to be incurred, and ensure the authenticity, accuracy, integrity, timeliness and fairness of information disclosure. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen</p>			
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			SEG, the subject company, other companies, enterprises, or other economic organizations controlled by the Company."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"For enterprises subordinate to the subject company not under property operation due to problems left over by history (including but not limited to enterprises that are revoked of the business license or discontinue operation), the Company will help and propel the subject company to handle relevant cancellation procedures. After the completion of the restructuring,	August 3, 2016	Before completion of restructuring	Being fulfilled

			if the subject company or the listed company is held responsible, penalized, or suffer any losses due to non-proper operation or failure in handling the cancellation procedures by such companies, SEG Group shall bear the legal responsibility and compensate the subject company or the listed company in full."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"After updating and restructuring of SEG Industry Building, SEG Economy Building, and SEG Kangle Industry Building, the area of added part that belongs to SegMaker, SEG Kangle	August 3, 2016	Before completion of restructuring	Being fulfilled

		<p>and SEG Property is 2,855.20 square meters. SEG Group undertakes that the use of the temporary buildings belonged to SegMaker, SEG Kangle and SEG Property will be renewed after expiration of the two-year use duration. In case when, due to failure in renewal of use of temporary buildings, the listed company has any loss or the income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period is lower than the expected compensation,</p>			
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			<p>or the listed company has any loss because the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period, SEG Group will compensate the listed company timely and in full amount according to the following compensation methods: 1. SEG Group has made commitments for the performance of the subject company within three years after completion of major asset restructuring.</p>			
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			<p>Influence of the updating and restructuring project has been taken into account in the commitments.</p> <p>2. The amount of compensation for the income that is lower than the expected income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = (the predicted accumulated income to the end of the report period - actual accumulated income to the end of the report period) - the compensated amount.</p> <p>3. The loss caused when</p>			
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			<p>the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = the dismantling cost and compensation amount related - (the accumulated total income to the time the buildings are dismantled - predicted accumulated income during the predication period). Note: the predicted income refers to the net value remained after the predicted total income from the newly added temporary</p>			
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		<p>buildings in the evaluation reports of the subject companies minuses the allocated investment cost during the operating period and the amount influenced by permanent rent termination predicted in the evaluation report.</p> <p>Shenzhen SEG should employ an auditing agency with security practice qualification recognized by SEG Group to provide a formal auditing report on the compensation methods for the property investment within the compensation scope of the report period within four months at the end of each</p>			
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			<p>accounting year during the compensation period. SEG Group should compensate in cash any property investment and compensation items within the compensation scope of the report period. Shenzhen SEG should calculate the payable compensation amount within 15 working days upon final specific review opinions provided by the auditing agency, and send a written notice to SEG Group. Within 30 working days upon receipt of the written notice from Shenzhen SEG, SEG Group should pay the compensation</p>			
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			in cash in full amount."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. 100% shares of SEG Property have been entrusted to a share entrusting agency as required. Its equity form is authentic and valid, and the equity structure and ownership are clear. The Company has no objection to the share ownership, share quantity, and share holding percentage of SEG Property. The Company has no disputes over share ownership with SEG Property and other shareholders. ² . In case any dispute over ownership of the 3.85% shares of SEG Property of which ownership has not been	August 3, 2016	Before completion of restructuring	Being fulfilled

			determine as of July 26, 2016 occurs in the future, the Company commits to SEG Property that the Company will provide any necessary assistant to SEG Property to solve the dispute, protect SEG Property from any loss caused thereby, and undertake corresponding responsibilities."			
	Shenzhen SEG Property Investment Co., Ltd.	Other commitments	<i>"Commitments and Declaration on the Fact That the Number of Shareholders of Shenzhen SEG Property Investment Co., Ltd. Is More than 200. All the Shares of the company have been collectively entrusted to a share entrusting</i>	August 3, 2016	Before completion of restructuring	Being fulfilled

			agency as required. The company's share form is authentic and valid, and the equity structure and ownership are clear. The company has no conflicts, disputes or potential disputes over major share ownership with the company shareholders."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. In case when, after the restructuring, the land/property use should be changed based on the actual operating demands of the subject company or because the subject company is required by the relevant house property management organ or the land regulatory	August 3, 2016	Before completion of restructuring	Being fulfilled

			<p>department to change the land/property use, SEG Group will assist the subject company in finishing the relevant formalities. 2. In case when the subject company suffers from administrative penalty by relevant land and/or house property management department because the actual use of the land/property is different from those recorded in the certificate, SEG Group will compensate the subject company for any expenditures and economic loss caused thereby."</p>			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. Since the issuance date of this commitment	August 3, 2016	Before completion of restructuring	Being fulfilled

		<p>letter, SEG Group will assist SegMaker in restoring for business purpose the part currently functioning as a parking garage on the first floor of the podium of SEG Jingyuan Building within five years. 2. If the restoration work cannot be finished within the above mentioned period of time, SEG Group agrees to process the subject assets as follows: (1) paying in cash the evaluated value of the parking garage and the bank interest of the evaluated value in the same period from the restructuring closing date to the expiration of this</p>			
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			commitment time; or (2) purchasing in cash the first floor of the podium of SEG Jingyuan Building at a price no less than the evaluated value of the building during this restructuring.			
	Shenzhen SEG Group Co., Ltd.	Other commitments	1. The subject company is a limited liability company or stock-limited company established and validly existing according to law with legitimate business qualification; the subject company has obtained all approvals, permission, authorization and permits required for its setting up and operation of business, all such approvals, permission,	August 3, 2016	Long-term	Being fulfilled

			<p>authorization and permits are valid and there exists no reasons or situations which may cause the above approvals, permission, authorization and permits invalid. 2. The subject company has not any major lawbreaking or irregularity behaviors in production operation, nor any situations where termination is required according to the requirements of relevant laws, regulations, normative documents and <i>Articles of Association</i>. As of the date of issuance of this commitment letter, the subject company has no pending or</p>			
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		<p>predictable significant lawsuit, arbitration or administrative penalty with amount of subject of more than one million or which will generate adverse impact on its operation. 3. The subject company will independently and fully fulfill the labor contracts it signed with employees. 4. If the subject company is subject to any recovery of fees or penalty from the relevant competent organization in industrial and commerce, tax, employee salaries, social insurance, housing fund, business qualification or competent authorities due to any facts</p>			
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		<p>existing before this restructuring, the Company will fully indemnify the subject company for all fees owned by subject company and assume all losses occurred by subject company and Shenzhen SEG as a result of this.</p> <p>5. The subject company legally possesses the ownership and/or right of usage of office space, office equipment, trademark and other assets as necessary to guarantee normal production operation, has independent and complete assets and business structure, has legal ownership to its main assets with</p>			
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		<p>independent, complete and clear indication of ownership. 6. The subject company has not any lawsuit, arbitration, judicial mandatory enforcement and other situations which interferes with the transfer of company ownership, and has not incurred any external guarantee that is against laws and articles of association of the Company. After completion of this restructuring, if any loss is caused to Shenzhen SEG and the subject company due to the Company's breach of the above commitment, the Company</p>			
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			agrees to assume the above mentioned liability of indemnity/compensation to Shenzhen SEG, the subject company.			
	Shenzhen SEG Co., Ltd.	Other commitments	"1. The Company is a company limited by shares established and effectively existing according to law, and has no circumstances of bankruptcy, dissolution, liquidation or termination according to current laws, regulations, normative documents or the <i>Articles of Association</i> . The Company has issued shares openly and been listed according to law. As a listed company, the	August 3, 2016	Long-term	Being fulfilled

			<p>Company owns the subject qualification of issuing non-publicly issued shares and purchasing assets according to laws, regulations and normative documents of China. 2. The Company has in recent three years complied with the relevant industrial and commercial administration laws and regulations, running enterprises abiding by the law, and has no record of receiving administrative punishments with serious cases due to breach of industrial and commercial administration laws and regulations; the Company does not exist</p>			
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		<p>any situations requiring termination according to relevant laws, regulations, normative documents and <i>Articles of Association</i>. The Company has not any legal impediments in going-concern . 3. The Company's holding of general meeting, board of directors meeting, board of supervisors meeting, contents of resolutions and their signing in recent three years are legal, effective and consistent with the provisions of relevant laws, regulations, normative documents and articles of association; the Company's</p>			
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		<p>stockholders' meeting's authorization to board of directors in recent three years are legal, effective and consistent with the provisions of relevant laws, regulations, normative documents and <i>Articles of Association</i>; the Company's major decisions since being listed are legal, compliant with regulations, true and effective. 4. The Company does not exist any situations of receiving administrative penalty or criminal punishment from China Securities Regulatory Commission due to breach of securities laws, administrative</p>			
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		<p>laws & regulations or rules, or any situations of receiving administrative penalty or criminal punishment with serious cases due to breach of industrial and commercial, tax, land, environmental protection, customs laws, administrative laws or regulations. 5. The Company has not any pending or foreseeable significant lawsuit, arbitration or administrative penalty cases. The Company's directors, supervisors and senior executives have not any pending or foreseeable significant lawsuit, arbitration or administrative penalty cases.</p>			
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			<p>6. There does not exist any situation of the Company's interests being serious damaged by controlling shareholder or actual controller which has not been eliminated. 7. The Company and its affiliated companies do not exist any situation of illegal external guarantee which has not been eliminated yet.</p> <p>8. The Company's current directors, senior executives have not any situation of receiving administrative penalty from CSRC in recent thirty-six months, or receiving public censure from stock</p>			
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			<p>exchange during recent twelve months. 9. The Company and its current directors and senior executives have not any situations of being investigated by judicial authorities due to alleged crimes or being investigated by CSRC due to alleged irregularities. 10. Before this restructuring, the connected transactions carried out by the Company fulfilled fair policy-making procedure as necessary and are legal and effective. 11. The Company has not any situation of seriously damaging investor's legitimate rights and interests and public</p>			
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		<p>interests. 12. Restructuring of the Company conforms to substantial conditions for the restructuring of listed companies specified in laws, regulations and normative documents, including but not limited to: (1) the restructuring conforms to national industrial policies and laws and administrative regulations related to environment protection, land management, and anti-monopoly ; (2) the restructuring will not make the Company inconsistent with the share-based listing conditions; (3) the pricing of</p>			
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			<p>assets in major asset restructuring is fair, and will not damage rights and interests of the Company and its shareholders;</p> <p>(4) the restructuring can strengthen the Company's operating sustainability, and will not result in any circumstances in which the Company's major assets are cash or has no specific operating businesses after restructuring;</p> <p>(5) the restructuring helps the Company maintain independence of its actual controllers and related persons in terms of business, asset, finance, staff, and organization,</p>			
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		<p>and conform to relevant regulations by CSRC on independence of listed companies;</p> <p>(6) the restructuring helps the Company maintain a perfect and effective legal person governance structure; (7) the restructuring follows the principle of enhancing the asset quality, financial status, and sustainable profitability of the Company;</p> <p>and (8) the restructuring helps to reduce associated transaction and avoid peer competition for the Company. 13. The Company commits that, after completion of restructuring, the Company</p>			
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		<p>will continue to maintain its independence of its actual controllers and related persons in terms of business, asset, finance, staff, and organization, and conform to relevant regulations by CSRC on independence of listed companies.</p> <p>14. This restructuring will not cause significant adjustment to the structure of board of directors, board of supervisors, senior executives of the Company, and also will not involve any adjustment in major business decision-making rule & procedure, information disclosure mechanism</p>			
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		<p>and so on.</p> <p>After completion of this restructuring, the Company will strictly run and continuously improve legal person governance structure according to the requirements of <i>Company Law</i>, <i>Securities Law</i>, <i>Corporate Governance Standards for Listed Companies</i> and other laws, regulations and articles of association.</p> <p>15. The <i>Framework Agreement for Issuance of Shares and Payment of Cash for Assets Acquisition, Agreement for Issuance of Shares and Payment of Cash for</i></p>			
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		<p><i>Assets Acquisition, and Agreement for Performance Commitment and Compensation</i>, and its relevant formal transaction agreement signed by the Company with Shenzhen SEG Co., Ltd. as regarding this restructuring are reached by different parties to this transaction of restructuring on a equally basis following fair and reasonable principle; these agreements are attached with precedent conditions and are binding on above parties only after these precedent conditions are fully satisfied; the agreement</p>			
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			<p>is legal and effective and does not contain any contents inconsistent with the relevant laws, regulations and normative documents.</p> <p>16. The Company undertakes and guarantees that the calling and convening procedure and voting procedure of the board of directors meeting and shareholders' meeting are consistent with the regulations of the relevant laws, regulations, normative documents and <i>Articles of Association</i>, and the contents of resolutions are legal and effective. 17. The final price of this restructuring</p>			
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			<p>will be determined through consultations based on pricing principle commonly determined by all parties in accordance with the appraisal result issued by appraisal agency with qualification of carrying out securities business and evaluated value of the subject asset determined in the evaluation report filed at State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality, which is the expression of true meaning of various parties. 18. The information disclosure</p>			
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		<p>made by the Company for this restructuring complies with the regulations of relevant laws, regulations, rules and normative documents, and there exists no contract, agreement or arrangement which shall be disclosed but not disclosed.</p> <p>19. The Company's current directors, supervisors, senior executives and shareholders with more than 5% shareholding and other insiders carried out self-inspection on the sales and purchases of Shenzhen SEG stocks within six months (May 04, 2015) prior to the date of trading</p>			
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			<p>half of this restructuring and issued self-inspection report, except Liu Zhijun, Zheng Dan, Zhu Longqing, Tian Jiliang, Ying Huadong and Xu Ning as disclosed in self-inspection reports who have purchased and sold the Company's stocks, the no other directors, supervisors, senior executives and shareholders have purchased or sold any stocks of Shenzhen SEG, and there exists no situation that the relevant personnel making use of inside information of this restructuring in purchasing and selling stocks of the</p>			
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			<p>Company during self-inspection period. 20. After completion of this restructuring, the Company will continue to perform necessary connected transaction deliberation procedure according to law, regulations, normative documents and articles of association, the legitimate rights and interests of Shenzhen SEG and the whole shareholders.</p> <p>21. After completion of this restructuring, the holding shareholder of the Company is still Shenzhen SEG Group Co., Ltd., and the actual controller is still</p>			
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			State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality. This restructuring will not lead to change of controlling shareholder and actual controller of the Company."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. The Company will guarantee the independence of personnel of Shenzhen SEG and subject company: (1) after completion of the restructuring, the labor, personnel and compensation management of Shenzhen SEG are independent from the Company and related parties, such as other	August 3, 2016	Long-term	Being fulfilled

			<p>companies, enterprises, or other economic organizations controlled by the Company.</p> <p>(2) Guarantee that after completion of this restructuring the senior executives of Shenzhen SEG and the subject company hold full-time position at Shenzhen SEG and the subject company and receive compensation, and will not assume any duties other than director and supervisor in the Company and other companies, enterprises or other economic organizations and other connected parties under control of the Company. (3)</p>			
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			<p>Guarantee not to, after completion of this restructuring, interfere with the shareholders' meeting and board of directors meeting's exercise of power in appointment/d dismissal of personnel. 2. Guarantee the independence of institutions of Shenzhen SEG and subject company (1) guarantee that after completion of this restructuring Shenzhen SEG and subject company will have sound corporate governance structure and independent, complete organization. (2) Guarantee that after completion of this</p>			
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			<p>restructuring the shareholders' meeting, board of directors meeting and board of supervisors meeting of Shenzhen SEG and subject company will exercise duties and powers according to laws, regulations and <i>Articles of Association</i> of Shenzhen SEG and subject company. 3. The Company will guarantee the independence and completeness of Shenzhen SEG and the subject company: (1) After completion of the restructuring, Shenzhen SEG and the subject company will have</p>			
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		<p>independent and complete assets related to production and management.</p> <p>(2) Guarantee that after completion of this restructuring the site for business operation of Shenzhen SEG and subject company are independent of the Company and other companies, enterprises or other economic organizations and other connected parties under control of the Company. (3) Except normal operational intercourse, guarantee that after completion of this restructuring Shenzhen SEG and subject company do</p>			
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			<p>not exist any situation that funds or assets are possessed by the Company and other companies, enterprises or other economic organizations and other connected parties under control of the Company. 4. Guarantee the businesses of Shenzhen SEG and subject company are independent (1) guarantee that after completion of this restructuring Shenzhen SEG and subject company have relevant qualification for independently carrying out operational activities, and possess independent, sustainable market-orient</p>			
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			<p>d operational capability. (2)</p> <p>Except the assets owned and business operated before validity date of commitment, during the period as controlling shareholder of Shenzhen SEG, in order to guarantee sustainable development of Shenzhen SEG, the Company will exercise supervisory and restriction on operating activities of its own and the affiliated enterprises under its control, and will not establish new or acquire any assets or businesses same or similar with its main businesses within the operation area of Shenzhen SEG, and will</p>			
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			<p>also not be engaged in any activities which may damage the interests of Shenzhen SEG and other companies, enterprises or other economic organizations under control of Shenzhen SEG; if in future there exists any business opportunity same or similar with other main businesses within Shenzhen SEG operation area, such opportunity will preferentially recommended to Shenzhen SEG and other companies, enterprises or other economic organizations under control of Shenzhen SEG.</p> <p>However, any of the</p>			
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		<p>following cases is an exception: However, any of the following cases is an exception: (1) Due to national laws, regulations and policies and other reasons, any commercial properties and real estate development projects appropriated or allocated through oriented protocols by the government to SEG Group and any enterprises invested by it; or (2) When the general conditions of tender, transfer or assignment of specific commercial properties and real estate development projects have specific requirements</p>			
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			<p>on the bidder or assignee, Shenzhen SEG is not qualified but SEG Group is qualified. Commercial property and real estate development projects that are same as the main business of Shenzhen SEG or result in horizontal competition subject to the above exclusions may be invested and built by SEG Group at first. If Shenzhen SEG thinks that such assets are eligible to be injected into Shenzhen SEG, upon receipt of the written acquisition notice from Shenzhen SEG, SEG Group will negotiate on acquisition and transfer</p>			
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		<p>such projects to Shenzhen SEG. (3) Guarantee that after completion of this restructuring, the Company and other companies, enterprises, other economic organizations or other connected parties under control of the Company will reduce connected transactions with Shenzhen SEG and subject company and other companies, enterprises, other economic organizations or other connected parties under their control; for any connected transactions which are indeed necessary and unavoidable,</p>			
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			<p>guarantee to carry out fair operation following market principle at fair price and fulfill relevant approval procedure and information disclosure obligations according to the provisions of relevant laws, regulations and normative documents. 5. The Company will guarantee the financial independence of Shenzhen SEG and the subject company: (1) After completion of the restructuring, Shenzhen SEG and the subject company will establish an independent financial department, independent financial accounting system, and</p>			
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			<p>standard and independent financial accounting rules. (2) After completion of the restructuring, Shenzhen SEG and the subject company will separately open an account in banks, and do not share accounts with the Company and related parties, such as other companies, enterprises, or other economic organizations controlled by the Company.</p> <p>(3) After completion of the restructuring, financial personnel of Shenzhen SEG and the subject company will not hold a part-time job in the Company or related parties,</p>			
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			<p>such as other companies, enterprises, or other economic organizations controlled by the Company.</p> <p>(4) After completion of the restructuring, Shenzhen SEG and the subject company will independently make financial decisions, and the Company will not interfere with fund usage of Shenzhen SEG and the subject company. (5) After completion of the restructuring, Shenzhen SEG and the subject company will pay taxes independently according to laws. In case of breach of the foregoing commitments, the Company will bear all</p>			
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			losses thus incurred to Shenzhen SEG, and the subject company."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	1. The Company has not any of the following situations as specified in Clause 6, <i>Administrative Measures On Acquisition Of Listed Companies</i> : (1) Damage legitimate rights and interests of the company acquired and its shareholders utilizing acquisition of listed company; (2) With large amount of outstanding debts and this in-debt status has lasted for a certain period of time; (3) Has actual or alleged serious illegal activities in recent three years; (4) Has	August 3, 2016	Long-term	Being fulfilled

			<p>serious behaviors of breaching promises in securities market in recent three years; (5) Other situations in which no acquisition of listed companies are allowed according to laws and administrative regulations and in the opinions of CSRC. 2. The Company and its main managers have not suffered from any administrative punishment (administrative punishment obviously unrelated to security market excluded), criminal punishment, major civil lawsuit or arbitration related to economic</p>			
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			disputes within the last five years. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG, and the subject company."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. The Company is an enterprise incorporated in China that owns the full capacity for civil conduct and has the legal body qualification for participating in the restructuring, signing agreements with Shenzhen SEG, and performing rights and obligations under the agreement. 2. Except that the property located at 4F, Block 2, SEG Industry	August 3, 2016	Long-term	Being fulfilled

		<p>Building of SEG Property Investment funded by the Company is to handle the transfer formality (with no legal impediment), the Company has fulfilled the obligation of contributing capital to the subject company, and has no acts against its obligations and responsibilities as a shareholder, such as false contribution, deferred investment, or withdrawal of capital. There are no circumstances that may affect the legal existence of the subject company. 3. There is no dispute or potential dispute over ownership of equities of the</p>			
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		<p>subject company.</p> <p>There are no circumstances that may affect the legal existence of the subject company. 4.</p> <p>The equities held by the Company in the subject company are actually legally owned.</p> <p>There is no actual dispute or potential dispute over ownership of equities, no trust, shareholding under entrustment or similar arrangement, no commitment or arrangement of forbidden transfer or limited transfer, no pledge, freezing, seals up, property preservation or other limitation of rights, and no lawsuit,</p>			
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			<p>arbitration or other forms of dispute which would affect the restructuring. Meanwhile, the Company guarantees that the equities it held in the subject company will maintain the status until the equities are registered under Shenzhen SEG after change of registration. 5. The equities held by the Company in the subject company are assets with clear ownership. The Company undertakes that there are no legal obstacles to stock transfer after the restructuring of Shenzhen SEG is approved by CSRC, and no credit and debt disputes. The</p>			
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			<p>Company promises to complete formalities for ownership transfer of these equities within the agreed period.</p> <p>6. Before the equities are registered under Shenzhen SEG after change of registration, the Company undertakes that the subject company will maintain normal, orderly, and legitimate operation, and will not take actions irrelevant to normal production and management, such as disposal of assets, external guarantee, or additional major debts, or illegally transfer or conceal assets</p>			
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		<p>and business.</p> <p>If the foregoing actions are indeed necessary, provided that national laws, regulations, and normative documents are not violated, these actions can be taken only after written approval of Shenzhen SEG. 7. The Company undertakes that there are not any ongoing or potential litigation, arbitration, or dispute that may affect the Company's equity transfer, and all agreements or contracts do not contain restrictive clauses that may affect the Company's equity transfer. The <i>Articles of Association</i>, internal</p>			
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			management system documents, and contracts or agreements do not contain restrictive clauses that may affect the Company's equity transfer. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"The Company has not disclosed any insider information about the restructuring or utilized such insider information for insider trading. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG."	August 3, 2016	Long-term	Being fulfilled

	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. Shares of Shenzhen SEG subscribed by the Company in the restructuring will be locked up for 36 months from the date of listing. Shares of Shenzhen SEG acquired in the restructuring shall not be traded or transferred or managed by others under entrustment or repurchased by Shenzhen SEG within 36 months from the date of completion of the offering. After the completion of this offering, additional shares held due to bonus shares and converted equity capital shall be also subject to the foregoing agreement. When the foregoing	August 3, 2016	Long-term	Being fulfilled
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			<p>lockup period expires, share transfer and transaction will be subject to the valid laws, regulations, and provisions, rules, and requirements of China Securities Regulatory Commission and Shenzhen Stock Exchange. 2. If the closing price of Shenzhen SEG stocks is lower than the initial offer price for consecutively 20 trading days within 6 months after the completion of the restructuring or the closing price of Shenzhen SEG stocks is lower than the initial offer price at the end of 6 months after the</p>			
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			<p>completion of the restructuring, the lockup period of Shenzhen SEG stocks will be automatically extended for 6 months. 3. If the information provided or disclosed in the restructuring is suspected of false representations, misleading statements, or material omissions and the judicial authority or China Securities Regulatory Commission investigates and places the case on file, shares of Shenzhen SEG held by the Company will not be transferred. 4. Before the restructuring, all stocks of Shenzhen SEG held by</p>			
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			<p>the Company shall not be transferred within 12 months after the completion of the restructuring.</p> <p>5. If relevant laws, regulations, and normative documents have special requirements on the lockup period of shares, these laws, regulations, and normative documents shall prevail.</p> <p>6. If the foregoing lockup period is not consistent with the latest regulation requirement of the security regulatory authority, the Company agrees to adjust it according to the latest regulation opinion of the regulation suggestion of</p>			
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			the security regulatory authority and implement the relevant provision of China Securities Regulatory Commission and Shenzhen Stock Exchange after the lockup period expires.			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. In the recent 5 years, the Company has not been subject to any administrative penalty (except those not related to the securities market) or criminal penalty. 2. In the recent 5 years, except for those cases that have been concluded, such as the case of Hainan SEG International Trust and Investment Company, Zhongshi case, GTJA case and	August 3, 2016	Before completion of restructuring	Being fulfilled

			<p>Dasheng case, the Company is not involved in other major civil proceedings or arbitration (the subject in dispute of 10 million Yuan) related to economic disputes. 3. The Company has never been suspected of insider trading related to major asset restructuring and placed on file for investigation or placed on file with the case not settled. In the recent 5 years, the Company has never failed to repay large debts or fulfill commitments, or been subject to administrative supervision measures by the CSRC or disciplinary action by the Stock Exchange due</p>			
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			to insider trading related to major assets restructuring, or been held criminally liable by the judicial authorities according to law. In case of breach of the foregoing commitments, the Company will bear all losses thus incurred to Shenzhen SEG."			
	Bo Hongxi, Cao Xiang, Fan Zhiqing, Li Luoli, Liu Fusong, Liu Zhijun, Ru Guiqin, Song Pingping, Tang Chongyin, Wang Li, Xu Ning, Yu Qian, Zhang Guangliu, Zhang Haifan, Zheng Dan, Zhong Longqing	Other commitment	"1. I have not been subject to any administrative penalty by the CSRC in recent 36 months, or public censure by the Stock Exchange in the recent 12 months. 2. I have not been investigated by judicial authorities due to alleged crimes or by CSRC due to alleged irregularities. In case of breach of the	August 3, 2016	Before completion of restructuring	Being fulfilled

			following commitments, I will bear all losses thus incurred to Shenzhen SEG."			
	Directors, supervisors, and senior executives of Shenzhen SEG Group Co., Ltd.	Other commitments	"1. In the recent 5 years, the Company has not been subject to any administrative penalty or criminal penalty or involved in other major civil proceedings or arbitration related to economic disputes. 2. The Company has never been suspected of insider trading related to major asset restructuring and placed on file for investigation or placed on file with the case not settled. In the recent 5 years, the Company has never failed to repay large debts or fulfill	August 3, 2016	Before completion of restructuring	Being fulfilled

			commitments, or been subject to administrative supervision measures by the CSRC or disciplinary action by the Stock Exchange due to insider trading related to major assets restructuring, or been held criminally liable by the judicial authorities according to law. In case of breach of the following commitments, I will bear all losses thus incurred to Shenzhen SEG."			
	SegMaker, SEG Kangle, SEG Property Development, SEG Property Investment, SEG New City Construction, SEG Property Management, Huizhou Qunxing, Xi'an SEG,	Other commitments	"1. In the recent 3 years, the Company has not been subject to any major administrative punishment or criminal punishment or involved in other major civil proceedings or	August 3, 2016	Before completion of restructuring	Being fulfilled

	Beijing		<p>arbitration related to economic disputes. 2. The Company has never been suspected of insider trading related to major asset restructuring and placed on file for investigation or placed on file with the case not settled. In the recent 5 years, the Company has never failed to repay large debts or fulfill commitments, or been subject to administrative supervision measures by the CSRC or disciplinary action by the Stock Exchange due to insider trading related to major assets restructuring, or been held criminally liable by the judicial authorities</p>			
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			according to law. In case of breach of the following commitments, I will bear all losses thus incurred to Shenzhen SEG."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"1. SEG Group has legal ownership of lands, properties, and equities transferred to SegMaker without compensation before the restructuring, and there is no dispute over the ownership of transferred assets. Except for some mortgaged properties that require the consent of the mortgagee, there is no legal obstacle to the registration of ownership change. 2. The Company undertakes to complete the formalities of	August 3, 2016	Long-term	Being fulfilled

			ownership registration change of assets transferred to SegMaker before the Board of Directors reviews the restructuring draft. The Company will compensate SegMaker in full if SegMaker is held responsible or punished, or suffer any other loss due to the Company's violation of the foregoing commitment or defects of the transferred assets."			
	Shenzhen SEG Group Co., Ltd.	Other commitments	"As of the date of issuance of the commitment letter, SEG Kangle owns 9 properties with the total construction area of 12,941.28 square meters. The actual proprietor of	August 3, 2016	Before completion of restructuring	Being fulfilled

			<p>the property located at 1F, Block 1, SEG Industry Building with an area of 902 square meters is SEG Group. Due to the provision that industrial buildings in Shenzhen shall be transferred as a whole, the transfer registration formality for the property has not been handled. The actual proprietor of Room 508, Block 4, SEG Residential Quarter is SEG Kangle, but the property is registered under SEG Group and the transfer formality for the property has not been handled. The Company undertakes that all parties have no disputes over</p>			
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			<p>the ownership of the foregoing property whose registered proprietor is SEG Kangle but whose actual proprietor is SEG Group and the property whose registered proprietor is SEG Group but whose actual proprietor is SEG Kangle. SEG Group will assist SEG Kangle in completing the division and transfer registration formalities for the foregoing properties. After the restructuring, if Shenzhen SEG suffers any losses due to ownership of such properties, SEG Group will compensate Shenzhen</p>			
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			<p>SEG in full. 2.</p> <p>The construction in process-assembly workshop that SEG Group uses to contribute capital to SEG Property Investment is 4F, Block 2, SEG Industry Building (real estate proprietorship certificate No.: S. F. D. Zi. No. 3000759297) with the total area of 1,936.71 square meters. The property was delivered to SEG Property Investment upon capital contribution, but the transfer formality could not be handled without the certificate on capital contribution. Due to negligence of the handler,</p>			
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			<p>the property was registered under SEG Group together with other properties of SEG Industry Building belonging to SEG Group. Due to the restriction of transfer of industrial buildings as a whole, the transfer formality has not been handled. SEG Property Investment has been occupying, using, and acquiring operating revenue from the property since capital contribution. The Company will assist SEG Property Investment in completing the transfer registration formality of the foregoing property. After the restructuring,</p>			
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		<p>if Shenzhen SEG suffers any losses due to ownership of such properties, SEG Group will compensate Shenzhen SEG in full. 3. The Company will help and propel the subject company and its subsidiaries to complete ownership registration of land and property assets and regulate the land purpose.</p> <p>4. If due to land use rights and property assets existing before the completion of the restructuring, the subject company and its subsidiaries (1) fail to timely handle the land use rights and the proprietorship certificate (excluding results not</p>			
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		<p>caused by the subject company and its subsidiaries, such as force majeure, laws, policies, government management, and change in planned land purpose); or (2) cannot handle the relevant land use rights and real estate proprietorship certificate (excluding results not caused by the subject company and its subsidiaries, such as force majeure, laws, policies, government management, and change in planned land purpose); or (3) are subject to other circumstances of nonstandard land use rights and properties (excluding results not</p>			
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			caused by the subject company and its subsidiaries, such as force majeure, laws, policies, government management, and change in planned land purpose), and suffer actual losses including but not limited to compensation, fines, expenses, and interests damage, the Company will compensate the subject company and its subsidiaries in full.			
	Shenzhen SEG Group Co., Ltd.	Other commitments	Before issuance date of the restructuring report of Shenzhen SEG, SEG Group will finish formalities related to transfer of ownership of the property (4F, Block 2, SEG Industry	August 3, 2016	Before completion of restructuring	Being fulfilled

			<p>Building). If SEG Group fails to finish the formalities at expiration, SEG Group agrees to compensate SEG Property Investment RMB 1.5 million in currency, and allows SEG Property Investment to continue to use the property for free until SEG Group transfers the ownership of the property to SEG Property Investment. SEG Group agrees to compensate SEG Property Investment for any operating loss or other economic loss of SEG Property Investment caused by SEG Group's failure in transferring the ownership of the property.</p>			
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Commitment made at the time of initial public offerings or refinancing	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	According to the Article Five of the <i>Equity Transfer Agreement</i> signed by the Company with SEG Group when the Company was listed, SEG Group agreed that the Company and its subsidiaries and associated companies to use the eight trademarks registered by SEG Group at the National Trademark Bureau; SEG Group agreed that the Company used the aforesaid trademarks or similar signs as the Company's logo and used the trademarks and signs during its operation; the Company need not pay any fee to SEG Group for using the	July 1, 1996	Long-term	Being fulfilled
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			aforesaid trademarks or signs.			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	As for the problem pointed out by Shenzhen Office of China Securities Regulatory Commission during on-site inspection in the Company that the Company and SEG Group are competitive in the electronic business, the Company has received a written <i>Commitment Letter</i> from SEG Group on September 14, 2007. The content of the <i>Commitment Letter</i> is as follows: "The competition in electronic business between SEG Group and Shenzhen SEG Co., Ltd. occurs due to historical reasons and	September 14, 2007	Long-term	Being fulfilled

			objective market development background. SEG Group hereby commits that we will not separately operate businesses similar to those of Shenzhen SEG in the same city."			
	Shenzhen SEG Group Co., Ltd.	Commitment on horizontal competition, related transaction, and capital occupation	The 6th interim meeting of the 5th Board of Directors held on January 26, 2011 reviewed and approved the <i>Proposal of Solving the Horizontal Competition between the Company and Its Controlling Shareholder</i> . After friendly consultation, SEG Group agreed to entrust the Company to operate and manage with full authority SEG Communications Market	January 26, 2011	The term of validity is from February 1, 2011 to January 31, 2016, five years in total. And the entrusted operating management contract expires within the report period. As of the end of the report period, the Contract has been renewed, and the term of validity is from February 1, 2016 to January 31, 2017.	Being fulfilled

			under direct management of SEG Group. Therefore, the two parties have signed the entrustment operation and management contract, and SEG Group will pay the Company RMB 200,000 Yuan as entrust management expenses.			
Commitment on equity incentives	Not applicable					
Other commitments made to the medium and small shareholders of the Company	Shenzhen SEG Group Co., Ltd.	Other commitments	Based on our confidence in economic prospect of China and future development of the Company, in order to jointly maintain a stable capital market and promote a sustainable, stable and healthy development of the Company, Shenzhen SEG Group	July 9, 2015	12 months	Fulfilled

			Co., Ltd., the holding shareholder of the Company, hereby commits that, it will not reduce the amount of shares of the Company it holds within the coming twelve months since the issuance date of this Announcement, i.e., July 9.			
Whether commitments were fulfilled on time	Yes					
In case the commitments are not fulfilled at expiration, the Company should provide explanation on unfulfilled items, and the next work plans.	N/A					

VI. Estimation of operating results of 2016

Warning of negative estimated accumulated net profit from the beginning of the year to the end of the next report period or large fluctuation over the same period of the previous year and causes

Applicable Not applicable

V. Securities investment

Applicable Not applicable

Stock type	Stock code	Short form of the security	Initial investment cost (Yuan)	Shares held at the beginning of period	Shareholding ratio at the beginning of period	Shares held at period end	Shareholding ratio at the end of period	Closing book value (Yuan)	Gains and losses in the report period (Yuan)	Accounting item	Source of shares
Share	600778	Youhao Group	90,405.00	60,683	0.04%	60,683	0.04%	634,137.35		Financial assets	Initial share

										available for sale	
Share	000068	Huakong SEG	279,307,0 46.38	201,345,0 33	20.00%	201,345,0 33	20.00%	175,501,2 31.93	-6,241,99 9.33	Long-ter m equity investmen t	Initial share
Share	832770	SEG Navigatio ns	8,275,321 .43	7,500,000	11.38%	7,500,000	11.38%	13,515,39 2.83		Financial assets available for sale	Initial share
Total			287,672,7 72.81	208,905,7 16	-	208,905,7 16	-	189,650,7 62.11	-6,241,99 9.33	-	-

VI. Derivative investment

Applicable Not applicable

No derivative investment is involved in the report period.

VII. Registration form for investigations, communication and interviews in the report period

Applicable Not applicable

Time	Means	Type	Investigation Index
July 6, 2016	Phone call	Individual	Inquire about the progress status of major assets restructuring. The Company has given a reply according to the actual progress status that has been disclosed.
July 14, 2016	Phone call	Individual	Inquire about the progress status of major assets restructuring. The Company has given a reply according to the actual progress status that has been disclosed.
July 27, 2016	Phone call	Individual	Inquire about the progress status of major assets restructuring. The Company has given a reply according to the actual progress status that has been disclosed.
August 9, 2016	Phone call	Individual	Inquire about the assets injection related information in this major asset restructuring. The Company has given a reply according to the major asset restructuring report that has been disclosed.
August 18, 2016	Phone call	Individual	Inquire about the number of shareholders

			as of August 15. The Company has given a reply according to the register of shareholders released by the Securities Depository and Clearing Corporation.
August 23, 2016	Phone call	Individual	Inquire about the progress status of major assets restructuring. The Company has given a reply according to the actual progress status that has been disclosed.
August 31, 2016	Phone call	Individual	Inquire about the number of shareholders as of August 30. The Company has given a reply according to the register of shareholders released by the Securities Depository and Clearing Corporation.
September 1, 2016	Phone call	Individual	Inquire about voting results of the shareholders' meeting of the Company. The Company has given a reply according to the disclosed notice of the shareholders' meeting.
September 7, 2016	Phone call	Individual	Inquire about the progress status of major assets restructuring. The Company has given a reply according to the actual progress status that has been disclosed.
September 19, 2016	Phone call	Individual	Inquire about the progress status of approval of major asset restructuring by China Securities Regulatory Commission. The Company has given a reply according to the actual progress status that has been disclosed.
September 21, 2016	On-site investigation	Organization	Inquire about main business, transformation, and private placement of the Company. The Company has given a reply according to the actual condition and disclosed such information on irm.cninfo.com.cn .
September 28, 2016	On-site investigation	Organization	Inquire about main business, transformation, and major asset restructuring progress of the Company. The Company has given a reply according to the actual condition and disclosed such information on irm.cninfo.com.cn .

VIII. Illegal external guarantee

Applicable Not applicable

No illegal external guarantee is involved in the report period.

IX. Non-operating capital occupation on the listed company by the controlling shareholders and related parties

Applicable Not applicable

No non-operating capital occupation on the listed company by the controlling shareholders and related parties is involved in the report period.

Chapter 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet

Prepared by: Shenzhen SEG Co., Ltd.

September 30, 2016

Unit: Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	198,351,497.31	276,863,429.10
Deposit reservation for balance		
Loans to other banks	40,000,000.00	40,000,000.00
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable	100,792.00	
Accounts receivable	68,751,597.89	98,212,422.87
Advances	85,887,752.86	129,044,887.26
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance deposit receivable		
Interest receivable		
Dividends receivable		
Other accounts receivable	60,964,997.67	27,352,784.33
Redemptory monetary capital for resale		
Inventory	610,981,171.82	450,809,934.72
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	190,695,564.93	339,430,419.74
Total current assets	1,255,733,374.48	1,361,713,878.02

Non-current assets:		
Loans and advances issued	492,740,126.16	475,520,822.08
Financial assets available for sale	34,429,530.18	34,539,973.24
Held-to-maturity investment		
Long-term receivables		
Long-term equity investment	186,640,560.07	185,122,573.88
Investment properties	429,840,258.51	443,851,726.40
Fixed assets	37,155,404.45	37,524,425.25
Construction in progress	186,583.94	140,810.00
Engineering materials		
Disposal of fixed assets	4,577.55	
Productive biological assets		
Oil & gas assets		
Intangible assets	893,740.28	1,143,762.11
Development expenses		
Goodwill	10,328,927.82	10,328,927.82
Long-term expenses to be amortized	51,422,694.54	49,235,999.86
Deferred income tax assets	10,433,814.57	10,433,814.57
Other non-current assets		5,103,811.14
Total non-current assets	1,254,076,218.07	1,252,946,646.35
Total assets	2,509,809,592.55	2,614,660,524.37
Current liabilities:		
Short-term borrowing	366,803,646.30	367,759,630.48
Loans from central bank		0.00
Deposits from customers and interbank		0.00
Loans from other banks		0.00
Financial liabilities measured by fair value with changes included in current gains and losses		0.00
Derivative financial liabilities		0.00
Notes payable		0.00
Accounts payable	22,763,090.01	89,908,781.98
Advances from customers	134,757,155.28	190,430,121.05
Financial assets sold for repurchase		0.00

Service charges and commissions payable		0.00
Payroll payable	7,749,915.62	21,849,134.16
Taxes payable	27,028,822.77	34,645,030.07
Interest payable	698,717.58	516,758.34
Dividends payable	17,302,998.39	2,218,224.58
Other payables	213,350,044.16	194,329,885.69
Reinsurance accounts payable		0.00
Insurance deposit		0.00
Customer brokerage deposits		0.00
Securities underwriting brokerage deposits		0.00
Held-for-sale liabilities		0.00
Non-current liabilities due within one year		0.00
Other current liabilities		0.00
Total current liabilities	790,454,390.11	901,657,566.35
Non-current liabilities:		
Long-term borrowing		
Bonds payable		
Preferred stock		
Perpetual capital securities		
Long-term payables		
Payroll payable		
Special payables		
Estimated liabilities		7,000,000.00
Deferred income	9,580,672.59	9,634,114.77
Deferred income tax liabilities	15,164,797.29	16,024,102.35
Other non-current liabilities		
Total non-current liabilities	24,745,469.88	32,658,217.12
Total liabilities	815,199,859.99	934,315,783.47
Owners' equity:		
Share capital	784,799,010.00	784,799,010.00
Other equity instruments		0.00
Preferred stock		0.00

Perpetual capital securities		0.00
Capital reserve	506,553,643.41	506,545,831.11
Less: Treasury shares		0.00
Other comprehensive income	271,582.93	326,662.48
Special reserve		0.00
Surplus reserve	109,922,336.87	109,922,336.87
General risk provision		
Undistributed profits	92,141,436.12	73,532,388.70
Total owners' equity attributable to the parent company	1,493,688,009.33	1,475,126,229.16
Minority shareholders' equity	200,921,723.23	205,218,511.74
Total owners' equity	1,694,609,732.56	1,680,344,740.90
Total liabilities and owners' equity	2,509,809,592.55	2,614,660,524.37

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

2. Balance Sheet of the Parent Company

Unit: Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	119,898,506.02	186,369,470.58
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable		
Accounts receivable	580,380.00	
Advances	699,860.00	418,544.10
Interest receivable		
Dividends receivable	11,340,000.00	
Other accounts receivable	704,807,909.31	570,671,617.38
Inventory	939,772.39	112,715.50
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	280,000,000.00	393,166,401.54

Total current assets	1,118,266,427.72	1,150,738,749.10
Non-current assets:		
Financial assets available for sale	33,515,392.83	33,515,392.83
Held-to-maturity investment		
Long-term receivables		
Long-term equity investment	466,624,086.31	455,106,100.12
Investment properties	276,510,527.01	284,399,860.14
Fixed assets	19,410,805.19	19,458,584.25
Construction in progress		140,810.00
Engineering materials		
Disposal of fixed assets	4,577.55	
Productive biological assets		
Oil & gas assets		
Intangible assets	474,650.50	622,054.24
Development expenses		
Goodwill		
Long-term expenses to be amortized	7,246,537.97	7,000,181.66
Deferred income tax assets	8,242,045.89	8,242,045.89
Other non-current assets		
Total non-current assets	812,028,623.25	808,485,029.13
Total assets	1,930,295,050.97	1,959,223,778.23
Current liabilities:		
Short-term borrowing	290,000,000.00	315,000,000.00
Financial liabilities measured by fair value with changes included in current gains and losses	0.00	
Derivative financial liabilities	0.00	
Notes payable	0.00	0.00
Accounts payable	79,596.00	36,075.52
Advances from customers	14,375,575.43	42,704,620.99
Payroll payable	2,335,933.25	13,652,201.42
Taxes payable	13,087,036.64	10,033,418.41
Interest payable	0.00	477,402.78
Dividends payable	119,803.29	119,803.29
Other payables	86,068,040.99	95,119,560.37

Held-for-sale liabilities	0.00	
Non-current liabilities due within one year	0.00	0.00
Other current liabilities	0.00	0.00
Total current liabilities	406,065,985.60	477,143,082.78
Non-current liabilities:		
Long-term borrowing		
Bonds payable		
Preferred stock		
Perpetual capital securities		
Long-term payables		
Payroll payable		
Special payables		
Estimated liabilities	0.00	7,000,000.00
Deferred income	9,500,000.00	9,500,000.00
Deferred income tax liabilities	0.00	0.00
Other non-current liabilities		
Total non-current liabilities	9,500,000.00	16,500,000.00
Total liabilities	415,565,985.60	493,643,082.78
Owners' equity:		
Share capital	784,799,010.00	784,799,010.00
Other equity instruments	0.00	0.00
Preferred stock	0.00	0.00
Perpetual capital securities	0.00	0.00
Capital reserve	507,781,650.13	507,773,837.83
Less: Treasury shares	0.00	0.00
Other comprehensive income	70.19	0.00
Special reserve	0.00	0.00
Surplus reserve	109,922,336.87	109,922,336.87
Undistributed profits	112,225,998.18	63,085,510.75
Total owners' equity	1,514,729,065.37	1,465,580,695.45
Total liabilities and owners' equity	1,930,295,050.97	1,959,223,778.23

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

3. Consolidated Profit Statement in the Report Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	149,787,589.78	212,602,324.33
Including: Operating revenue	139,478,273.85	194,784,480.30
Interest income	8,204,499.97	17,246,745.96
Earned premiums	0.00	
Service charges and commissions income	2,104,815.96	571,098.07
II. Total operating cost	124,131,586.17	194,717,803.24
Including: Operating cost	110,866,002.03	170,669,427.73
Interest expenses	0.00	1,047,588.22
Commissions	0.00	
Surrender value	0.00	
Net compensation pay-outs	0.00	
Net insurance deposit accrued	0.00	
Insurance dividends	0.00	
Reinsurance expenses	0.00	
Operating tax and surcharges	1,905,261.68	6,311,149.42
Sale expenses	390,091.93	399,567.41
Management expenses	9,058,239.31	9,201,128.68
Financial cost	2,430,877.78	3,787,208.47
Loss from asset impairment	-518,886.56	3,301,733.31
Income from change of fair value (enter "-" for loss)	0.00	
Income from investment (enter "-" for loss)	1,135,525.46	4,033,761.47
Including: Income from investment in joint ventures or associates	-1,655,333.15	526,748.08
Income from exchange (enter "-" for loss)	0.00	

III. Operating profit (enter "-" for loss)	26,791,529.07	21,918,282.56
Add: Non-operating revenue	598,833.52	296,764.20
Including: Gains on disposal of non-current assets	0.00	688.90
Less: Non-operating expenses	1,127,772.53	12,206.35
Including: Loss from disposal of non-current assets	1,672.51	19,709.12
IV. Total profit (enter "-" for total loss)	26,262,590.06	22,202,840.41
Less: Income tax	5,281,530.11	7,803,559.99
V. Net profit (enter "-" for net loss)	20,981,059.95	14,399,280.42
Net profit attributable to owners of the parent company	15,422,191.47	7,280,509.44
Profit and loss of minority shareholders	5,558,868.48	7,118,770.98
VI. Net of tax of other comprehensive incomes	34,156.28	
Total owners' net of tax of other comprehensive incomes attributable to the parent company	22,748.63	
1. Other comprehensive incomes not to be reclassified into gains and losses	0.00	
(1) Changes of net liabilities or net assets of the re-measured defined benefit plans	0.00	
(2) Shares of the investee of other comprehensive incomes not to be reclassified into gains and losses under the equity method	0.00	
2. Other comprehensive incomes to be reclassified into gains and losses	22,748.63	
(1) Shares of the investee of other comprehensive incomes to be reclassified into gains and losses under the equity method	22.09	
(2) Gains and losses from changes of fair value of the available-for-sale financial assets	22,726.54	
(3) Held-to-maturity	0.00	

investments categorized as gains and losses from the available-for-sale financial assets		
(4) Effective gains or loss from cash flows	0.00	
(5) Foreign currency translation differences	0.00	
(6) Others	0.00	
Net of tax of other comprehensive incomes attributable to minority shareholders	11,407.65	
VII. Total comprehensive income	21,015,216.23	14,399,280.42
Total comprehensive income attributable to shareholders of the parent company	15,444,940.10	7,280,509.44
Total comprehensive income attributable to minority shareholders	5,570,276.13	7,118,770.98
VIII. Earnings per share		
1. Basic earnings per share	0.0197	0.0095
2. Diluted earnings per share	0.0197	0.0095

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

4. Profit Statement of the Parent Company in the Report Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating revenue	23,942,257.49	28,747,818.26
Less: Operating cost	13,565,699.04	28,258,319.33
Operating tax and surcharges	170,433.25	1,641,683.79
Sale expenses	0.00	0.00
Management expenses	4,959,586.20	3,981,108.87
Financial cost	-7,860,250.82	-5,840,334.72
Loss from asset impairment	0.00	0.00
Income from change of fair value (enter "-" for loss)	0.00	0.00
Income from investment (enter "-" for loss)	7,303,310.41	18,134,531.78
Including: Income from	-1,655,333.15	526,748.08

investment in joint ventures or associates		
II. Operating profit (enter "-" for loss)	20,410,100.23	18,841,572.77
Add: Non-operating revenue	129,776.01	0.31
Including: Gains on disposal of non-current assets	0.00	0.00
Less: Non-operating expenses	1,076,373.55	0.00
Including: Loss from disposal of non-current assets	0.00	0.00
III. Total profit (enter "-" for total loss)	19,463,502.69	18,841,573.08
Less: Income tax	321,259.05	2,356,490.23
V. Net profit (enter "-" for net loss)	19,142,243.64	16,485,082.85
V. Net of tax of other comprehensive incomes	22.09	0.00
1. Other comprehensive incomes not to be reclassified into gains and losses	0.00	0.00
(1) Changes of net liabilities or net assets of the re-measured defined benefit plans	0.00	0.00
(2) Shares of the investee of other comprehensive incomes not to be reclassified into gains and losses under the equity method	0.00	0.00
2. Other comprehensive incomes to be reclassified into gains and losses	22.09	0.00
(1) Shares of the investee of other comprehensive incomes to be reclassified into gains and losses under the equity method	22.09	0.00
(2) Gains and losses from changes of fair value of the available-for-sale financial assets	0.00	0.00
(3) Held-to-maturity investments categorized as gains and losses from the available-for-sale financial assets	0.00	0.00
(4) Effective gains or loss from cash flows	0.00	0.00

(5) Foreign currency translation differences	0.00	0.00
(6) Others	0.00	0.00
VI. Total comprehensive income	19,142,265.73	16,485,082.85
VII. Earnings per share		
1. Basic earnings per share	0.00	
2. Diluted earnings per share	0.00	

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

5. Consolidated Profit Statement from the Beginning of the Year to the End of the Report Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	562,038,422.54	637,821,378.42
Including: Operating revenue	502,151,510.70	569,339,615.91
Interest income	55,577,595.88	64,800,130.44
Earned premiums	0.00	
Service charges and commissions income	4,309,315.96	3,681,632.07
II. Total operating cost	469,051,475.46	553,431,805.96
Including: Operating cost	431,862,880.02	487,973,359.17
Interest expenses	465,888.89	4,206,636.86
Commissions	0.00	
Surrender value	0.00	
Net compensation pay-outs	0.00	
Net insurance deposit accrued	0.00	
Insurance dividends	0.00	
Reinsurance expenses	0.00	
Operating tax and surcharges	12,034,935.82	20,059,179.56
Sale expenses	1,208,423.09	1,340,972.53
Management expenses	24,774,641.82	25,205,691.94
Financial cost	3,186,217.90	4,630,265.70
Loss from asset impairment	-4,481,512.08	10,015,700.20

Income from change of fair value (enter "-" for loss)	0.00	
Income from investment (enter "-" for loss)	2,401,978.48	9,485,725.11
Including: Income from investment in joint ventures or associates	-6,482,084.00	-4,366,107.86
Income from exchange (enter "-" for loss)	0.00	
III. Operating profit (enter "-" for loss)	95,388,925.56	93,875,297.57
Add: Non-operating revenue	1,017,221.88	1,342,743.31
Including: Gains on disposal of non-current assets	0.00	19,382.00
Less: Non-operating expenses	3,886,657.87	827,995.29
Including: Loss from disposal of non-current assets	10,988.73	216,133.33
IV. Total profit (enter "-" for total loss)	92,519,489.57	94,390,045.59
Less: Income tax	27,320,246.83	27,924,930.91
V. Net profit (enter "-" for net loss)	65,199,242.74	66,465,114.68
Net profit attributable to owners of the parent company	42,278,461.89	42,186,643.05
Profit and loss of minority shareholders	22,920,780.85	24,278,471.63
VI. Net of tax of other comprehensive incomes	-82,762.10	316,765.26
Total owners' net of tax of other comprehensive incomes attributable to the parent company	-55,079.55	210,902.31
1. Other comprehensive incomes not to be reclassified into gains and losses	0.00	
(1) Changes of net liabilities or net assets of the re-measured defined benefit plans	0.00	
(2) Shares of the investee of other comprehensive incomes not to be reclassified into gains and losses under the equity method	0.00	

2. Other comprehensive incomes to be reclassified into gains and losses	-55,079.55	210,902.31
(1) Shares of the investee of other comprehensive incomes to be reclassified into gains and losses under the equity method	70.19	
(2) Gains and losses from changes of fair value of the available-for-sale financial assets	-55,149.74	210,902.31
(3) Held-to-maturity investments categorized as gains and losses from the available-for-sale financial assets	0.00	
(4) Effective gains or loss from cash flows	0.00	
(5) Foreign currency translation differences	0.00	
(6) Others	0.00	
Net of tax of other comprehensive incomes attributable to minority shareholders	-27,682.55	105,862.95
VII. Total comprehensive income	65,116,480.64	66,781,879.94
Total comprehensive income attributable to shareholders of the parent company	42,223,382.34	42,397,545.36
Total comprehensive income attributable to minority shareholders	22,893,098.30	24,384,334.58
VIII. Earnings per share		
1. Basic earnings per share	0.054	0.054
2. Diluted earnings per share	0.054	0.054

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

6. Profit Statement of the Parent Company from the Beginning of the Year to the End of the Report Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating revenue	75,568,939.36	95,325,082.68
Less: Operating cost	50,456,187.48	72,953,564.13

Operating tax and surcharges	2,174,799.60	5,366,087.54
Sale expenses	0.00	0.00
Management expenses	11,476,417.99	10,157,313.97
Financial cost	-20,925,402.20	-13,539,109.03
Loss from asset impairment	0.00	-400,000.00
Income from change of fair value (enter "-" for loss)	0.00	
Income from investment (enter "-" for loss)	53,065,641.17	55,753,612.90
Including: Income from investment in joint ventures or associates	-6,482,084.00	-4,366,107.86
II. Operating profit (enter "-" for loss)	85,452,577.66	76,540,838.97
Add: Non-operating revenue	137,076.01	214,230.50
Including: Gains on disposal of non-current assets	0.00	
Less: Non-operating expenses	3,784,288.80	21,350.50
Including: Loss from disposal of non-current assets	7,915.25	4,100.50
III. Total profit (enter "-" for total loss)	81,805,364.87	76,733,718.97
Less: Income tax	8,995,462.97	12,468,465.43
V. Net profit (enter "-" for net loss)	72,809,901.90	64,265,253.54
V. Net of tax of other comprehensive incomes	70.19	
1. Other comprehensive incomes not to be reclassified into gains and losses	0.00	
(1) Changes of net liabilities or net assets of the re-measured defined benefit plans	0.00	
(2) Shares of the investee of other comprehensive incomes not to be reclassified into gains and losses under the equity method		
2. Other comprehensive incomes to be reclassified into gains and losses	70.19	
(1) Shares of the investee of other comprehensive incomes to be	70.19	

reclassified into gains and losses under the equity method		
(2) Gains and losses from changes of fair value of the available-for-sale financial assets		
(3) Held-to-maturity investments categorized as gains and losses from the available-for-sale financial assets	0.00	
(4) Effective gains or loss from cash flows	0.00	
(5) Foreign currency translation differences	0.00	
(6) Others	0.00	
VI. Total comprehensive income	72,809,972.09	64,265,253.54
VII. Earnings per share		
1. Basic earnings per share	0.00	
2. Diluted earnings per share	0.00	

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

7. Consolidated Cash Flow Statement from the Beginning of the Year to the End of the Report Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	620,820,444.62	1,090,057,199.43
Net increase in deposits from customers and interbank	0.00	
Loans from central bank	0.00	
Net increase in loans from other banks	0.00	
Cash received from premium of the original insurance contract	0.00	
Net cash received from reinsurance business	0.00	
Net increase in the deposit of the insured and investments	0.00	

Net increase in financial assets measured by fair value with changes included in current gains and losses	0.00	
Cash received from interest and commissions	59,906,357.06	69,806,828.06
Net increase in loans from other banks	0.00	
Net increase in redemption capital	0.00	
Tax refunds	82,932,677.81	136,078,841.72
Other cash received from operating activities	164,808,152.37	473,715,102.01
Subtotal of cash inflow from operating activities	928,467,631.86	1,769,657,971.22
Cash paid for goods and service	709,962,609.24	1,172,208,970.95
Net increase in loans to customers and advances	-44,885,258.00	20,896,649.47
Net increase in deposits with central bank and interbank	0.00	
Cash paid for indemnity payment of the original insurance contract	0.00	
Cash paid for interest and commissions	34,483.91	46,623.87
Cash paid as insurance dividends	0.00	
Cash paid to and on behalf of employees	81,309,320.61	75,174,832.18
Taxes paid	68,911,874.10	75,501,049.15
(1) Other cash received from operating activities	196,562,398.65	472,106,815.05
Subtotal of cash outflow in operating activities	1,011,895,428.51	1,815,934,940.67
Net cash flow from operating activities	-83,427,796.65	-46,276,969.45
III. Cash flow from financing activities:		
Cash received from withdrawal of investment	601,902,098.00	1,689,700,000.00
Cash received from investment income	10,034,062.48	14,402,007.18
Net cash received from disposal of fixed assets, intangible assets and other	62,000.00	34,082.50

long-term assets		
Net cash received from disposal of subsidiaries and other business units	0.00	
Other cash received from financing activities	0.00	
Subtotal of cash inflow from financing activities	611,998,160.48	1,704,136,089.68
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	7,074,145.94	14,550,969.56
Cash paid for investment	493,604,260.00	1,738,300,000.00
Net increase in mortgage loans	0.00	
Net cash paid for acquisition of subsidiaries and other business units	0.00	
Other cash paid for investment activities	0.00	0.00
Subtotal of cash outflow in financing activities	500,678,405.94	1,752,850,969.56
Net cash flow arising from financing activities	111,319,754.54	-48,714,879.88
III. Cash flow from financing activities:		
Cash received by absorbing investment	0.00	
Including: Cash received by subsidiaries from investment of minority shareholders	0.00	
Borrowings received	334,420,000.00	424,000,000.00
Cash received from bond issue	0.00	
Other cash received from financing activities	7,812.30	
Subtotal of cash inflow from financing activities	334,427,812.30	424,000,000.00
Cash paid for debt repayment	392,575,984.18	466,882,492.87
Cash paid for dividend and profit distribution or interest payment	45,241,043.09	38,658,807.17
Including: Dividends and profit paid by subsidiaries to minority shareholders	11,943,582.73	12,653,693.04

Other cash paid for financing activities	1,674,692.51	58,656,972.92
Subtotal of cash outflow in financing activities	439,491,719.78	564,198,272.96
Net cash flow arising from financing activities	-105,063,907.48	-140,198,272.96
IV. Influence of exchange rate fluctuation on cash and cash equivalents	17.80	1.27
V. Net increase of cash and cash equivalents	-77,171,931.79	-235,190,121.02
Add: Opening balance of cash and cash equivalents	275,523,429.10	382,056,680.70
VI. Closing balance of cash and cash equivalents	198,351,497.31	146,866,559.68

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

8. Cash Flow Statement of the Parent Company from the Beginning of the Year to the End of the Report Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	68,449,051.92	80,095,769.61
Tax refunds	0.00	
Other cash received from operating activities	74,990,711.78	448,002,674.23
Subtotal of cash inflow from operating activities	143,439,763.70	528,098,443.84
Cash paid for goods and service	54,972,750.33	44,476,025.49
Cash paid to and on behalf of employees	33,396,939.07	26,658,556.47
Taxes paid	16,836,827.07	31,069,803.90
Other cash received from operating activities	185,978,879.39	556,222,721.17
Subtotal of cash outflow in operating activities	291,185,395.86	658,427,107.03

Net cash flow from operating activities	-147,745,632.16	-130,328,663.19
II. Cash flow from financing activities:		
Cash received from withdrawal of investment	699,000,000.00	1,582,100,000.00
Cash received from investment income	49,603,558.49	61,504,585.65
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	
Net cash received from disposal of subsidiaries and other business units	0.00	
Other cash received from financing activities	0.00	
Subtotal of cash inflow from financing activities	748,603,558.49	1,643,604,585.65
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	1,802,351.46	1,082,359.00
Cash paid for investment	605,000,000.00	1,609,600,000.00
Net cash paid for acquisition of subsidiaries and other business units	0.00	
Other cash paid for investment activities	0.00	
Subtotal of cash outflow in financing activities	606,802,351.46	1,610,682,359.00
Net cash flow arising from investment activities	141,801,207.03	32,922,226.65
III. Cash flow from financing activities:		
Cash received by absorbing investment	0.00	
Borrowings received	290,000,000.00	315,000,000.00
Cash received from bond issue	0.00	
Other cash received from financing activities	7,812.30	
Subtotal of cash inflow from financing activities	290,007,812.30	315,000,000.00
Cash paid for debt repayment	315,000,000.00	350,000,000.00
Cash paid for dividend and profit	35,437,529.24	23,636,805.55

distribution or interest payment		
Other cash paid for financing activities	0.00	
Subtotal of cash outflow in financing activities	350,437,529.24	373,636,805.55
Net cash flow arising from financing activities	-60,429,716.94	-58,636,805.55
IV. Influence of exchange rate fluctuation on cash and cash equivalents	0.00	1.27
V. Net increase of cash and cash equivalents	-66,374,142.07	-156,043,240.82
Add: Opening balance of cash and cash equivalents	186,369,470.58	204,395,253.65
VI. Closing balance of cash and cash equivalents	119,995,328.51	48,352,012.83

Legal representative: Wang Li,

Person in charge of accounting: Liu Zhijun,

Responsible person of the accounting institution: Ying Huadong

II. Auditor's Report

Is the Quarter 3 Report audited?

 Yes No

The Q3 Report of the Company has not been audited.