

Shenzhen Tellus Holding Co., Ltd.

The Third Quarterly Report For 2017

October 2017

Section I. Important Notice

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

All directors are present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.

Lv Hang, person in charge of the Company, head of the accounting works Yang Jianping and Liu Yuhong, accounting body principals (accountant in charge) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Basic information of Company

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets (RMB)	1,346,720,215.99	1,189,001,074.98	13.26%	
Net assets attributable to shareholders of listed company (RMB)	937,000,923.89	895,362,614.95	4.65%	
	Current period	Increase/decrease in comparison with same period of last year (%)	From Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	77,386,017.88	-7.44%	238,370,122.44	-0.99%
Net profit attributable to shareholders of the listed company (RMB)	16,007,734.85	89.05%	40,604,639.94	54.89%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	13,138,710.26	72.18%	30,843,756.37	33.63%
Net cash flow arising from operating activities (RMB)	--	--	39,785,059.97	15.18%
Basic earnings per share (RMB/Share)	0.0538	88.77%	0.1366	54.88%
Diluted earnings per share (RMB/Share)	0.0538	88.77%	0.1366	54.88%
Weighted average ROE	1.72%	0.77%	4.43%	1.46%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	5,021,115.51	Including: income from equity transfer 4.92 million Yuan

Gains/losses from entrusted investment or assets management	4,633,343.91	Income from financing products
Restoring of receivable impairment provision that tested individually	5,884.91	
Other non-operating income and expenditure except for the aforementioned items	314,779.52	
Less: impact on income tax	42,797.16	
Impact on minority shareholders' equity (post-tax)	171,443.12	
Total	9,760,883.57	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.

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

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

In share

Total number of common shareholders at the end of report period	56,881	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
SHENZHEN SDG CO., LTD.	State-owned corporate	49.09%	145,925,256	6,000,000		
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (limited partnership)	Domestic non-state-owned corporate	23.88%	71,000,000	71,000,000		

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.40%	1,198,904			
Li Guangxin	Domestic nature person	0.26%	761,161			
Weng Zhengwen	Foreign nature person	0.19%	574,528			
He Xing	Domestic nature person	0.10%	300,100			
Huang Chuyun	Domestic nature person	0.09%	266,500			
Zeng Huiming	Foreign nature person	0.08%	250,000			
Xu Meinv	Domestic nature person	0.08%	237,400			
Lin Fengfang	Domestic nature person	0.07%	216,933			
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict shares held	Type of shares				
		Type	Amount			
SHENZHEN SDG CO., LTD.	139,925,256	RMB ordinary shares				
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,198,904	Domestically listed foreign shares	1,198,904			
Li Guangxin	761,161	Domestically listed foreign shares	761,161			
Weng Zhengwen	574,528	Domestically listed foreign shares	574,528			
He Xing	300,100	Domestically listed foreign shares	300,100			
Huang Chuyun	266,500	Domestically listed foreign shares	266,500			

Zeng Huiming	250,000	Domestically listed foreign shares	250,000
Xu Meinv	237,400	RMB ordinary shares	237,400
Lin Fengfang	216,933	Domestically listed foreign shares	216,933
Celestial Securities Limited	196,226	Domestically listed foreign shares	196,226
Explanation on associated relationship among the top ten shareholders or consistent action	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders Shenzhen SDG Co., Ltd and other shareholders, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the consistent actionist.		
Explanation on top ten common shareholders involving margin business (if applicable)	N/A		

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

Yes No

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

2. Total of shareholders with preferred stock held and the top ten shareholdings

Applicable Not applicable

Section III. Important events

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

√ Applicable □ Not applicable

Balance Sheet					
Assets	Closing balance	Opening balance	Amount changed	Ratio changed	Causes
Monetary Fund	128,227,347.28	218,497,640.10	-90,270,292.82	-41.31%	Financial product purchased in the period increased
Account receivable	7,425,022.26	113,736.64	7,311,285.62	6428.26%	Account receivable from jewelry wholesales from Sichuan Tellus Company increased
Inventory	14,586,110.90	11,038,915.69	3,547,195.21	32.13%	Gold and jewelry in transit from Sichuan Tellus Company increased; and stock car from Huari Company decreased
Other current assets	250,563,266.09	90,123,901.32	160,439,364.77	178.02%	Purchased more financial products in the period
Long term equity investment	275,998,871.47	203,633,308.06	72,365,563.41	35.54%	Purchased 13% equity of Xinglong Company; investment income increased for equity method by the equity-participation enterprise and bonus from Zung Fu Company received in the period
Short-term loans	120,000,000.00	50,000,000.00	70,000,000.00	140.00%	More liquidity loans from bank in the period
Long-term loans	27,600,000.00	12,000,000.00	15,600,000.00	130.00%	Bank loans increased by 1st phase of Shuibei Jewelry Building in the period
Undistributed profit	71,540,463.06	30,935,823.12	40,604,639.94	131.25%	Net profit attributable to owners of parent company increased in the period
Minority's interest	26,493,161.71	13,173,721.23	13,319,440.48	101.11%	Minority shareholder's investment received from Sichuan Tellus Company and Anhui Company in the period increased
Profit statement					

Item	This cumulative	Same period last year	Amount changed	Ratio changed	Causes
Taxes and additional	4,014,862.04	2,650,366.07	1,364,495.97	51.48%	The tax was re-classify after the implementation of replacing business tax with VAT
Income from investment	22,381,239.37	6,606,617.05	15,774,622.32	238.77%	The affiliated company- Shenzhen Tellus Zung Fu Auto Service Co., Ltd. earns in the period, and investment earnings increased from property company's equity transfer
Net profit attributable to shareholders of listed companies	40,604,639.94	26,215,339.85	14,389,300.09	54.89%	The investment income for equity-participation enterprise and investment earnings from property company's equity transfer increased
Cash flow statement					
Item	This cumulative	Same period last year	Amount changed	Ratio changed	Causes
Net cash flow arising from investment activities	-227,894,301.37	-13,171,768.45	-214,722,532.92		Purchased more guaranteed financial products in the period, and investment for Shuibei Jewelry Building Project decreased on a y-o-y basis
Net cash flow arising from financing activities	97,839,101.96	-16,495,591.67	114,334,693.63		Minority shareholder's investment received from Sichuan Tellus Company and Anhui Company in the period increased, and bank loans increased; at same period of last year, mainly paid the loan interest to SDG
Net increase of cash and cash equivalent	-90,270,292.82	4,873,715.80	-95,144,008.62		Net cash flow arising from investment activities declined from a year earlier while arising from financing activities increased on a y-o-y basis

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

√ Applicable □ Not applicable

On the 8th extraordinary meeting of 8th BOD and First Extraordinary Shareholders Meeting 2017 held respectively on 8 May 2017 and 25 May 2017, the "Proposal of Participating in Auction of 30% Equity Transfer Under the Name of Shenzhen Xinglong Mold Making Co., Ltd." was deliberated and approved. Management of the Company approved to participate in auction (30% equity of Shenzhen Xinglong Mold Making Co., Ltd. sold by Harbin First Machinery Group Co., Ltd.), which authorized by the Board. In the reporting period, we received a Enterprise Certificate of State-Owned Assets issued by China Beijing Equity Exchange. As a joint assignee, the 30% equity of Shenzhen Xinglong Mold Making Co., Ltd. are assigning to the Company and Shenzhen Runhe United Investment Development Co., Ltd. successfully. The third transaction parties entered into a Property Right Transaction Contract,

proportion of transferee equity for the Company was 13% with 65,000,000 Yuan in transaction.

Overview	Date for disclosure	Information index for temporary report disclosure
Progress of Participating in Auction of Equity Transfer Under the Name of Shenzhen Xinglong Mold Making Co., Ltd.	2017-09-02	Found more in announcement No.: 2017-073 released on Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)

III. Commitments that the actual controller, shareholders, related party, acquirer and the Company etc. have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There are no commitments that the actual controller, shareholders, related party, acquirer and the Company etc. have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

IV. Estimation of operation performance for year of 2017

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason

Applicable Not applicable

V. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

VI. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

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

Applicable Not applicable

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

VIII. Guarantee outside against the regulation

Applicable Not applicable

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

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

Applicable Not applicable

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

X. Fulfill the precise social responsibility for poverty alleviation

1. Summary of the targeted poverty alleviation for 3Q

During the reporting period, the company participated in the targeted poverty alleviation at Libai Village, Shangguan Town, Dongyuan County, Heyuan City, Guangdong Province. The Company sent representatives to stay at the village to complete the identification, approval, archiving work by visiting the poor households, went to the surrounding villages and towns for investigation and study, and made preparation for establishing help programs and developing the various industries for the village to be helped.

2. Targeted poverty alleviation for 3Q

Index	Unit of measure	Quantity /implementation
I. Overall condition	——	——
II. Poverty alleviation by items	——	——
1. Industry development	——	——
2. Shift employment	——	——
3. Relocating in other places	——	——
4. Education	——	——
5. Health	——	——
6. Ecological protection	——	——
7. Reveal all the details	——	——
8. Society	——	——
9. Other	——	——
III. Award received (content and grade)	——	——

3. Follow-up target poverty alleviation

The company plans to promote the economic development of the helping areas by establishing targeted poverty alleviation plans, participating in the improvement of infrastructure construction in the helping village and the improvement of village appearance.

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by Shenzhen Tellus Holding Co., Ltd

In RMB

Items	Closing balance	Opening balance
Current assets:		
Monetary funds	128,227,347.28	218,497,640.10
Settlement provisions		
Capital lent		
Financial assets measured by fair value and whose change is recorded in current gains and losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	7,425,022.26	113,736.64
Accounts paid in advance	8,703,306.00	8,436,668.35
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		172,055.56
Dividend receivable		
Other receivables	15,892,442.11	16,586,387.45
Purchase restituted finance asset		
Inventories	14,586,110.90	11,038,915.69
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets	250,563,266.09	90,123,901.32
Total current assets	425,397,494.64	344,969,305.11
Non-current assets:		

Granted loans and advances		
Finance asset available for sales	10,176,617.20	10,478,985.77
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	275,998,871.47	203,633,308.06
Investment property	74,349,259.63	77,602,248.53
Fixed assets	121,973,949.05	129,226,236.16
Construction in progress	359,518,429.04	343,365,313.46
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	52,694,644.87	53,739,118.72
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	2,107,185.63	1,437,761.31
Deferred income tax asset	24,403,764.46	24,448,797.86
Other non-current asset	100,000.00	100,000.00
Total non-current asset	921,322,721.35	844,031,769.87
Total assets	1,346,720,215.99	1,189,001,074.98
Current liabilities:		
Short-term loans	120,000,000.00	50,000,000.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable	22,820,917.74	23,599,227.33
Accounts received in advance	8,098,453.20	11,930,493.02
Selling financial asset of		

repurchase		
Commission charge and commission payable		
Wage payable	23,864,087.47	27,144,631.18
Taxes payable	8,276,373.02	10,081,678.60
Interest payable		77,826.33
Dividend payable		
Other accounts payable	153,694,771.88	126,045,854.54
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held ready for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	336,754,603.31	248,879,711.00
Non-current liabilities:		
Long-term loans	27,600,000.00	12,000,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	3,920,160.36	3,920,160.36
Long-term wages payable		
Special accounts payable		
Projected liabilities	434,487.74	1,192,618.90
Deferred income		
Deferred income tax liabilities	48,680.53	232,711.06
Other non-current liabilities	14,468,198.45	14,239,537.48
Total non-current liabilities	46,471,527.08	31,585,027.80
Total liabilities	383,226,130.39	280,464,738.80
Owner's equity:		
Share capital	297,281,600.00	297,281,600.00

Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	565,226,274.51	564,192,605.51
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	2,952,586.32	2,952,586.32
Provision of general risk		
Retained profit	71,540,463.06	30,935,823.12
Total owner's equity attributable to parent company	937,000,923.89	895,362,614.95
Minority interests	26,493,161.71	13,173,721.23
Total owner's equity	963,494,085.60	908,536,336.18
Total liabilities and owner's equity	1,346,720,215.99	1,189,001,074.98

Legal representative: Lv Hang

Person in charge of accounting works: Yang Jianping

Chief Financial Officer: Liu Yuhong

2. Balance Sheet of parent company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	64,018,956.08	150,800,890.39
Financial assets measured by fair value and whose change is recorded in current gains and losses		
Derivative financial liability		
Notes receivable		
Accounts receivable		
Accounts paid in advance	28,849.00	32,280.00
Interest receivable		172,055.56
Dividend receivable		
Other receivables	98,569,483.82	98,999,650.03
Inventories		
Divided into assets held ready for sales		

Non-current asset due within one year		
Other current assets	230,000,000.00	90,000,000.00
Total current assets	392,617,288.90	340,004,875.98
Non-current assets:		
Finance asset available for sales	10,176,617.20	10,176,617.20
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	785,235,248.69	686,225,666.43
Investment real estate	47,523,952.23	49,847,406.09
Fixed assets	15,808,398.42	16,497,899.89
Construction in progress	1,114,238.15	373,191.69
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	374,576.01	484,538.73
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	242,011.97	239,924.49
Deferred income tax asset	13,879,047.39	13,908,254.04
Other non-current asset		
Total non-current asset	874,354,090.06	777,753,498.56
Total assets	1,266,971,378.96	1,117,758,374.54
Current liabilities:		
Short-term loans	120,000,000.00	50,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable		
Accounts received in advance	1,261,904.81	
Wage payable	7,465,980.22	7,713,651.26
Taxes payable	493,251.09	524,089.23
Interest payable		66,458.33

Dividend payable		
Other accounts payable	293,931,080.59	253,475,259.99
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	423,152,216.71	311,779,458.81
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	423,152,216.71	311,779,458.81
Owners' equity:		
Share capita	297,281,600.00	297,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	562,032,851.23	560,999,182.23
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	2,952,586.32	2,952,586.32
Retained profit	-18,447,875.30	-55,254,452.82
Total owner's equity	843,819,162.25	805,978,915.73

Total liabilities and owner's equity	1,266,971,378.96	1,117,758,374.54
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3. Consolidated Profit Statement (this report period)

In RMB

Item	Current Period	Last Period
I. Total operating income	77,386,017.88	83,602,167.07
Including: Operating income	77,386,017.88	83,602,167.07
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	74,034,788.90	75,859,504.57
Including: Operating cost	57,359,692.25	59,891,629.56
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	1,203,936.28	246,639.86
Sales expenses	4,271,637.52	3,891,996.50
Administration expenses	10,677,384.70	12,238,309.82
Financial expenses	522,138.15	-409,071.17
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	12,744,661.13	1,506,046.09
Including: Investment income on affiliated company and joint venture	9,902,285.56	677,104.98
Exchange income (Loss is listed with "-")		
Other income		
III. Operating profit (Loss is listed with "-")	16,095,890.11	9,248,708.59
Add: Non-operating income	109,606.67	8,560.80
Including: Disposal gains of	56,158.32	577.67

non-current asset		
Less: Non-operating expense	2,310.06	2.45
Including: Disposal loss of non-current asset	2,310.06	
IV. Total Profit (Loss is listed with “-”)	16,203,186.72	9,257,266.94
Less: Income tax expense	852,493.08	776,681.80
V. Net profit (Net loss is listed with “-”)	15,350,693.64	8,480,585.14
Net profit attributable to owner’s of parent company	16,007,734.85	8,467,387.22
Minority shareholders’ gains and losses	-657,041.21	13,197.92
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity		

investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	15,350,693.64	8,480,585.14
Total comprehensive income attributable to owners of parent Company	16,007,734.85	8,467,387.22
Total comprehensive income attributable to minority shareholders	-657,041.21	13,197.92
VIII. Earnings per share:		
(i) Basic earnings per share	0.0538	0.0285
(ii) Diluted earnings per share	0.0538	0.0285

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

Legal representative: Lv Hang

Person in charge of accounting works: Yang Jianping

Chief Financial Officer: Liu Yuhong

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

In RMB

Item	Current Period	Last Period
I. Operating income	9,834,202.78	10,544,125.08
Less: operating cost	951,008.01	899,813.96
Operating tax and extras	364,342.41	55,693.33
Sales expenses		
Administration expenses	5,971,215.34	5,298,464.40
Financial expenses	364,457.26	-15,694.57
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	9,535,534.43	917,542.39
Including: Investment income on affiliated company and joint venture	6,806,109.77	89,377.99

Other income		
II. Operating profit (Loss is listed with “-”)	11,718,714.19	5,223,390.35
Add: Non-operating income		
Including: Disposal gains of non-current asset		
Less: Non-operating expense		
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	11,718,714.19	5,223,390.35
Less: Income tax expense	9,735.55	9,735.55
IV. Net profit (Net loss is listed with “-”)	11,708,978.64	5,213,654.80
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity		

investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	11,708,978.64	5,213,654.80
VII. Earnings per share:		
(i) Basic earnings per share	0.0394	0.0175
(ii) Diluted earnings per share	0.0394	0.0175

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

In RMB

Item	Current Period	Last Period
I. Total operating income	238,370,122.44	240,749,333.55
Including: Operating income	238,370,122.44	240,749,333.55
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	220,942,995.20	219,579,399.79
Including: Operating cost	175,384,506.21	172,714,010.44
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	4,014,862.04	2,650,366.07
Sales expenses	11,155,242.77	11,291,756.73
Administration expenses	30,029,406.46	33,043,336.94
Financial expenses	548,598.69	-120,070.39

Losses of devaluation of asset	-189,620.97	
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	22,381,239.37	6,606,617.05
Including: Investment income on affiliated company and joint venture	12,831,894.41	3,485,886.89
Exchange income (Loss is listed with “-”)		
Other income		
III. Operating profit (Loss is listed with “-”)	39,808,366.61	27,776,550.81
Add: Non-operating income	429,123.84	53,841.70
Including: Disposal gains of non-current asset	114,344.32	28,682.04
Less: Non-operating expense	9,229.86	5,767.29
Including: Disposal loss of non-current asset	9,229.86	1,237.84
IV. Total Profit (Loss is listed with “-”)	40,228,260.59	27,824,625.22
Less: Income tax expense	1,476,180.17	1,374,550.92
V. Net profit (Net loss is listed with “-”)	38,752,080.42	26,450,074.30
Net profit attributable to owner’s of parent company	40,604,639.94	26,215,339.85
Minority shareholders’ gains and losses	-1,852,559.52	234,734.45
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to		

profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	38,752,080.42	26,450,074.30
Total comprehensive income attributable to owners of parent Company	40,604,639.94	26,215,339.85
Total comprehensive income attributable to minority shareholders	-1,852,559.52	234,734.45
VIII. Earnings per share:		
(i) Basic earnings per share	0.1366	0.0882
(ii) Diluted earnings per share	0.1366	0.0882

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

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

In RMB

Item	Current Period	Last Period
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I. Operating income	31,290,031.21	32,198,383.11
Less: operating cost	2,751,528.03	2,686,818.35
Operating tax and extras	1,216,846.46	850,431.88
Sales expenses		
Administration expenses	14,602,139.64	14,493,743.07
Financial expenses	48,857.39	38,005.81
Losses of devaluation of asset	-189,620.97	
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	23,975,503.51	5,670,631.08
Including: Investment income on affiliated company and joint venture	12,527,913.26	2,669,288.58
Other income		
II. Operating profit (Loss is listed with “-”)	36,835,784.17	19,800,015.08
Add: Non-operating income		
Including: Disposal gains of non-current asset		
Less: Non-operating expense		
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	36,835,784.17	19,800,015.08
Less: Income tax expense	29,206.65	29,206.65
IV. Net profit (Net loss is listed with “-”)	36,806,577.52	19,770,808.43
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified		

subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	36,806,577.52	19,770,808.43
VII. Earnings per share:		
(i) Basic earnings per share	0.1238	0.0665
(ii) Diluted earnings per share	0.1238	0.0665

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	256,675,341.11	244,037,171.68
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair		

value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received		
Other cash received concerning operating activities	89,046,069.93	31,649,864.23
Subtotal of cash inflow arising from operating activities	345,721,411.04	275,687,035.91
Cash paid for purchasing commodities and receiving labor service	163,189,622.63	143,284,565.42
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	42,946,296.52	45,521,147.58
Taxes paid	16,985,396.11	18,831,501.76
Other cash paid concerning operating activities	82,815,035.81	33,508,872.04
Subtotal of cash outflow arising from operating activities	305,936,351.07	241,146,086.80
Net cash flows arising from operating activities	39,785,059.97	34,540,949.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment	391,000,000.00	235,800,000.00
Cash received from investment	13,735,482.06	11,567,683.11

income		
Net cash received from disposal of fixed, intangible and other long-term assets	431,840.00	
Net cash received from disposal of subsidiaries and other units	2,343,240.90	
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	407,510,562.96	247,367,683.11
Cash paid for purchasing fixed, intangible and other long-term assets	16,804,864.33	44,239,451.56
Cash paid for investment	618,600,000.00	216,300,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	635,404,864.33	260,539,451.56
Net cash flows arising from investing activities	-227,894,301.37	-13,171,768.45
III. Cash flows arising from financing activities		
Cash received from absorbing investment	15,172,000.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	15,172,000.00	
Cash received from loans	155,600,000.00	
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	170,772,000.00	
Cash paid for settling debts	70,000,000.00	
Cash paid for dividend and profit distributing or interest paying	2,932,898.04	16,495,591.67

Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	72,932,898.04	16,495,591.67
Net cash flows arising from financing activities	97,839,101.96	-16,495,591.67
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-153.38	126.81
V. Net increase of cash and cash equivalents	-90,270,292.82	4,873,715.80
Add: Balance of cash and cash equivalents at the period -begin	218,497,640.10	159,184,710.93
VI. Balance of cash and cash equivalents at the period -end	128,227,347.28	164,058,426.73

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	45,046,784.94	43,930,329.68
Write-back of tax received		
Other cash received concerning operating activities	45,895,974.13	29,521,045.68
Subtotal of cash inflow arising from operating activities	90,942,759.07	73,451,375.36
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	12,125,347.08	12,826,665.62
Taxes paid	2,865,271.14	3,055,212.65
Other cash paid concerning operating activities	16,244,723.52	26,914,233.99

Subtotal of cash outflow arising from operating activities	31,235,341.74	42,796,112.26
Net cash flows arising from operating activities	59,707,417.33	30,655,263.10
II. Cash flows arising from investing activities:		
Cash received from recovering investment	340,000,000.00	205,000,000.00
Cash received from investment income	13,447,590.25	9,301,342.50
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units	14,150,000.00	
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	367,597,590.25	214,301,342.50
Cash paid for purchasing fixed, intangible and other long-term assets	427,525.20	261,864.02
Cash paid for investment	581,598,000.00	200,000,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	582,025,525.20	200,261,864.02
Net cash flows arising from investing activities	-214,427,934.95	14,039,478.48
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	140,000,000.00	
Cash received from issuing bonds		
Other cash received concerning financing activities		

Subtotal of cash inflow from financing activities	140,000,000.00	
Cash paid for settling debts	70,000,000.00	
Cash paid for dividend and profit distributing or interest paying	2,061,416.69	16,495,591.67
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	72,061,416.69	16,495,591.67
Net cash flows arising from financing activities	67,938,583.31	-16,495,591.67
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-86,781,934.31	28,199,149.91
Add: Balance of cash and cash equivalents at the period -begin	150,800,890.39	80,301,551.68
VI. Balance of cash and cash equivalents at the period -end	64,018,956.08	108,500,701.59

II. Audit report

Whether the third quarter report was audited or not

Yes No

The third quarter report of the Company has not been audited.