



Shenzhen SEG Co., Ltd.
Q3 2018 Report

October 2018

Chapter 1 Important Notice

The Board of Directors, the Board of Supervisors, directors, supervisors, and senior executives of the Company undertake that the quarterly report is authentic, accurate, and complete without false records, misleading statements or major omissions and bear joint and several legal liabilities.

All directors have attended this meeting of the Board of Directors where the quarterly report was deliberated.

Chairman of the Board of Directors Chen Huijie, the Person in charge of accounting 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 authentic, accurate and complete.

Definitions

Definition	Refers to	Description
This Company, the Company, the listed company, Shen SEG	Refers to	Shenzhen SEG Co., Ltd.
SEG Group	Refers to	Shenzhen SEG Group Co., Ltd.
Longgang SEG	Refers to	Shenzhen SEG Electronics Market Management Co., Ltd.
Suzhou SEG	Refers to	Suzhou SEG Electronics Market Management Co., Ltd.
Suzhou SEG Digital	Refers to	Suzhou SEG Digital Plaza Management Co., Ltd.
Nanjing SEG	Refers to	Shenzhen SEG Nanjing Electronics Market Management Co., Ltd.
Xi'an SEG	Refers to	Xi'an SEG Electronics Market Co., Ltd.
Xi'an Hairong SEG	Refers to	Xi'an Hairong SEG Electronics Market Co., Ltd.
Changsha SEG	Refers to	Changsha SEG Development Co., Ltd.
Wujiang SEG	Refers to	Wujiang SEG Market Management Co., Ltd.
Shunde SEG	Refers to	Shunde SEG Electronics Market Management Co., Ltd.
Nanning SEG	Refers to	Nanning SEG Digital Plaza Management Co., Ltd.
Shanghai SEG	Refers to	Shanghai SEG Electronics Market Co., Ltd.
SEG Baohua	Refers to	Shenzhen SEG Baohua Enterprise Development Co., Ltd.
SEG Industrial	Refers to	Shenzhen SEG Industrial Investment Co., Ltd.
SEG Credit	Refers to	Shenzhen SEG Credit Co., Ltd.
Nantong SEG	Refers to	Nantong SEG Times Plaza Management Co., Ltd.
Nantong SEG Operation	Refers to	Nantong SEG Commercial Operation Management Co., Ltd.
SEG Intelligent	Refers to	Suzhou SEG Intelligent Technology Co., Ltd.
SEG Longyan	Refers to	Shenzhen SEG Longyan Energy Technology Co., Ltd.
Hangzhou SEG Longyan	Refers to	Hangzhou SEG Longyan Energy Technology Co., Ltd.
SEG Lianzhong	Refers to	Shenzhen SEG Lianzhong Internet Technology Co., Ltd.
SEG Zhongtong	Refers to	Shenzhen SEG Zhongtong Technology Co., Ltd.
SEG Real Estate	Refers to	Shenzhen SEG Real Estate Investment Co., Ltd.
SEG Property Development	Refers to	Shenzhen SEG Property Development Co., Ltd.
SEG Recreation	Refers to	Shenzhen SEG Recreation Enterprise Development Co., Ltd.
SegMaker	Refers to	Shenzhen SegMaker Co., Ltd.
SEG Property Management	Refers to	Shenzhen SEG Property Management Co., Ltd.
SEG New Urban	Refers to	Shenzhen SEG New Urban Construction Development Co., Ltd.
SEG Yicheng	Refers to	Shenzhen SEG Yicheng Science and Technology Co., Ltd.
Target companies	Refers to	SEG Real Estate, SEG Property Development, SEG Recreation and SegMaker that major assets are injected into
Huizhou Stars	Refers to	Huizhou Stars Real Estate Development Co., Ltd.
SEG Wisdom	Refers to	SEG Wisdom Sports and Culture Development Co., Ltd.

Definition	Refers to	Description
Mellow Orange Hotel	Refers to	Shenzhen Mellow Orange Business Hotel Management Co., Ltd
Maker Hotel	Refers to	SEG Maker Hotel Management Co., Ltd.
Huakong SEG	Refers to	Shenzhen Huakong SEG Co., Ltd.
SEG Navigations	Refers to	Shenzhen SEG GPS Scientific Navigations Co., Ltd.
Advanced Solar	Refers to	Advanced Solar Power (Hangzhou) Inc.
Wangyu Technology	Refers to	Shanghai Wangyu Information Technology Co., Ltd.
Shenzhen SASAC	Refers to	State-owned Assets Supervision and Administration Commission of Shenzhen Municipality
CSRC	Refers to	China Securities Regulatory Commission
Shenzhen Securities Regulatory Bureau	Refers to	Shenzhen Securities Regulatory Bureau of China Securities Regulatory Commission
<i>Articles of Association</i>	Refers to	<i>Articles of Association of Shenzhen SEG Co., Ltd.</i>
Unless otherwise specified, the amount referred to in the report	Refers to	Amount in RMB

Chapter 2 Company Profile

I. Major Accounting Data and Financial Indexes

Are retrospective adjustments required to previous financial statements?

Yes No

	Closing amount	Year-end amount		Year-on-year increase/decrease
Total assets (Yuan)	6,219,276,361.52	6,992,590,420.75		-11.06%
Net assets attributable to shareholders of the listed company (Yuan)	1,978,103,216.94	1,917,228,370.15		3.18%
	Current reporting period	Year-on-year increase/decrease	From the beginning of the year to the end of the reporting period	Year-on-year increase/decrease
Operating revenue (Yuan)	561,704,545.25	112.14%	1,444,642,633.92	68.55%
Net profit attributable to shareholders of the listed company (Yuan)	40,399,673.95	110.59%	138,066,661.89	99.54%
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss (Yuan)	35,513,724.94	81.48%	88,370,597.84	66.86%
Net cash flow arising from operating activities (Yuan)	--	--	88,413,669.12	-68.44%
Basic EPS (Yuan/Share)	0.0327	110.97%	0.1117	99.46%
Diluted EPS (Yuan/Share)	0.0327	110.97%	0.1117	99.46%
Weighted average ROE	2.07%	1.00%	7.09%	3.78%

Total share capital of the Company as of the trading day before disclosure:

Total share capital of the Company as of the trading day before disclosure (share)	1,235,656,249
Fully diluted earnings per share based on the latest share capital (Yuan/share)	0.1117

Items and amount of non-recurring profit or loss:

Applicable Not applicable

Unit: Yuan

Item	Amount	Remarks
Profit or loss on disposal of non-current assets (including the write-off of assets depreciation reserves)	57,715,563.13	Gains on reduction of holding-shares of Huakong SEG and transfer of the equity of SEG Credit
Tax return, reduction or exemption with unauthorized approval or without any official approval document	0.00	
Government subsidies recognized in current profit or loss (except those closely related to corporate business and enjoyed according to national standards or certain quota)	3,503,363.71	
Fund appropriation charges for non-financial entities recognized in current profit or loss	1,049,720.00	
Gains on less acquisition costs of subsidiaries, associates and joint ventures than the accrued fair value of the investee's identifiable net assets	0.00	
Profit or loss on non-monetary assets exchange	0.00	
Profit or loss on investment or asset management in proxy	18,959,696.02	
Provision for impairment of assets due to force majeure (such as natural disasters)	0.00	
Profit or loss on debt restructuring	0.00	
Corporate restructuring costs, such as staffing expenses and integration costs	0.00	
Profit or loss on the part exceeding the fair value in unfair transactions	0.00	
Current net profit or loss of subsidiaries incurred by business combination under common control from the beginning of the reporting period to the	0.00	

Item	Amount	Remarks
date of merger		
Profit or loss on contingencies unrelated to business operation of the Company	0.00	
Profit or loss on changes in fair value due to holding of trading financial assets and trading financial liabilities and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets apart from valid hedging operations related to business operation of the Company	0.00	
Transferred-back impairment provision for accounts receivable, for which separate impairment tests are carried out	0.00	
Profit or loss on consignment loan	0.00	
Profit or loss on changes in fair value of investment property subsequently measured by the fair value	0.00	
Impact of one-time adjustment on the current profit or loss as required by taxation or accounting laws and regulations	0.00	
Trustee fee from entrusted operation	104,499.02	
Other non-operating income and expenses except the above-mentioned items	-13,453,613.88	Estimated liabilities of Nanning SEG arising from lawsuits and payment of the liquidated damages and poverty alleviation funds by SEG Real Estate.
Other items conforming to the definition of non-recurring profit and loss	0.00	
	16,969,807.00	
Less: Amount of affected income tax	1,213,356.95	
Amount of influence of minority shareholders' equity (after tax)	49,696,064.05	
Total	57,715,563.13	--

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 reporting period, no items of non-recurring profit and loss listed in the *Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 — Non-recurring Profit and Loss* are defined as items of recurring profit and loss.

II. Total number of shareholders and shares held by top 10 shareholders at the end of the reporting 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 reporting period		67,654	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	56.70%	700,628,759	450,857,239		
Liu Guocheng	Domestic natural person	0.57%	7,052,702	0		
Shanghai Juzhang Investment Management Co., Ltd.	Domestic general corporate	0.40%	4,967,841	0		
Liu Guohong	Domestic natural person	0.26%	3,213,598	0		
Gong Qianhua	Overseas natural person	0.24%	2,940,000	0		
China Securities Finance	Domestic general corporate	0.18%	2,271,900	0		

Corporation Limited						
Xu Yueying	Domestic natural person	0.14%	1,790,007	0		
China Hi-tech Group Corporation	State-owned legal person	0.12%	1,500,000	0		
Zeng Ying	Domestic natural person	0.11%	1,300,000	0		
Du Xinye	Domestic natural person	0.10%	1,223,000	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.	249,771,520	RMB ordinary shares	249,771,520			
Liu Guocheng	7,052,702	Domestically listed foreign shares	7,052,702			
Shanghai Juzhang Investment Management Co., Ltd.	4,967,841	RMB ordinary shares	4,967,841			
Liu Guohong	3,213,598	Domestically listed foreign shares	3,213,598			
Gong Qianhua	2,940,000	Domestically listed foreign shares	2,940,000			
China Securities Finance Corporation Limited	2,271,900	RMB ordinary shares	2,271,900			
Xu Yueying	1,790,007	Domestically listed foreign shares	1,790,007			
China Hi-tech Group Corporation	1,500,000	RMB ordinary shares	1,500,000			
Zeng Ying	1,300,000	Domestically listed foreign shares	1,300,000			
Du Xinye	1,223,000	RMB ordinary shares	1,223,000			
Explanations on the association relationship or concerted action among the above-mentioned shareholders	Shenzhen SEG Group Co., Ltd. has no association 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 in 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)	In the foregoing top 10 shareholders, Du Xinye holds 0 share of the Company in the ordinary account and 1,223,000 shares in the margin trading investor credit account, which are 1,223,000 shares of the Company in total.					

Did top 10 ordinary shareholders of the Company or top 10 ordinary shareholders of non-restricted shares conduct agreed repurchase transactions in the reporting period?

Yes No

Top 10 ordinary shareholders of the Company or top 10 ordinary shareholders of non-restricted shares did not conduct agreed repurchase transactions in the reporting period.

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

Applicable Not applicable

Chapter 3 Important Matters

I. Changes in main financial data and financial indicators of the reporting period and reasons

√ Applicable □ Not applicable

(I) Balance Sheet Statement

Item	Closing balance	Opening balance	Difference	Increase or decrease over the previous year (%)
Notes receivable and accounts receivable	94,960,623.30	61,934,101.56	33,026,521.74	53.33%
Loans and advances		399,387,108.14	-399,387,108.14	-100.00%
Investment property	1,045,353,312.48	676,888,184.90	368,465,127.58	54.44%
Other non-current assets	128,250,017.29	93,287,630.00	34,962,387.29	37.48%
Short-term borrowing	727,000,000.00	534,792,000.00	192,208,000.00	35.94%
Notes payable and accounts payable	262,902,343.74	470,088,158.63	-207,185,814.89	-44.07%
Advance receipts	417,172,922.34	707,031,729.23	-289,858,806.89	-41.00%
Payroll payable	25,837,106.38	41,014,602.99	-15,177,496.61	-37.01%
Tax payable	167,199,380.13	243,477,530.43	-76,278,150.30	-31.33%
Non-current liabilities due within one year	64,276,762.54	258,414,693.92	-194,137,931.38	-75.13%
Estimated liabilities	8,296,619.85	1,137,019.85	7,159,600.00	629.68%

1. Notes receivable and accounts receivable increased by RMB 33.03 million or 53.33% year on year, mainly because SEG Property Management confirmed property management income worth RMB 36.97 million.

2. Loans and advances decreased by 100% year on year, mainly because this item was loans and advances of SEG Credit and was no longer incorporated as the equity of SEG Credit was sold.

3. Investment property increased by RMB 368.47 million or 54.44% year on year, mainly because the commercial podium built by Nantong SEG worth RMB 410.76 million was transferred to investment property for accounting.

4. Other non-current assets increased by RMB 34.96 million or 37.48% year on year, mainly because SEG Longyan paid for equipment in advance.

5. Short-term borrowings increased by RMB 192.21 million or 35.94% year on year, mainly because bank loans increased in the reporting period.

6. Notes payable and accounts payable decreased by RMB 207.19 million or 44.07% year on year, mainly because SEG New Urban paid the project fund in the reporting period.

7. Advance receipts decreased by RMB 289.86 million or 41% year on year, mainly because SEG New Urban transferred the advance payment for houses to operating income in the reporting period.

8. Payroll payable decreased by RMB 15.18 million or 37.01% year on year, mainly because the wages and bonuses accrued in the previous year were granted in the reporting period.

9. Tax payable decreased by RMB 76.28 million or 31.33% year on year, mainly because the corporate income tax for 2017 was paid in the reporting period.

10. Non-current liabilities due within one year decreased by RMB 194.14 million or 75.13% year on year, mainly because SEG Real Estate repaid loans due within one year.

11. Estimated liabilities increased by RMB 7.16 million or 629.68% year on year, mainly because Nanning SEG paid compensation arising from lawsuits in the reporting period.

(II) Profit Statement

Item	Amount of the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Operating income	1,444,642,633.92	857,121,747.39	587,520,886.53	68.55%
Interest income	6,480,864.92	42,344,251.52	-35,863,386.60	-84.69%
Service charges and commissions income		888,016.65	-888,016.65	-100.00%
Operating costs	994,429,779.15	618,357,775.28	376,072,003.87	60.82%
Tax and surcharge	42,196,977.10	14,043,362.00	28,153,615.10	200.48%
Financial expenses	52,818,041.75	16,196,131.68	36,621,910.07	226.12%
Investment income	59,390,854.81	4,144,939.36	55,245,915.45	1,332.85%
Non-operating income	4,942,048.24	11,513,024.15	-6,570,975.91	-57.07%
Non-operating expenses	14,951,136.75	1,583,510.27	13,367,626.48	844.18%
Income tax expenses	93,011,306.00	52,159,868.66	40,851,437.34	78.32%
Net profit attributable to owners of the parent company	138,066,661.89	69,193,064.76	68,873,597.13	99.54%
Minority interest	61,153,347.93	19,074,811.94	42,078,535.99	220.60%
Other comprehensive income	-56,797.37	-158,032.32	101,234.95	64.06%

1. Operating income increased by RMB 587.52 million or 68.55% year on year, mainly because the income of SEG New Urban increased by RMB 592.80 million.

2. Interest income decreased by RMB 35.86 million or 84.69%, mainly because the loan business of SEG Credit declined, that because the equity transfer of SEG Credit was completed in April 2018, and the service consulting business will not incurred.

3. Service charges and commissions income decreased by RMB 8.88 million or 100% year on year, mainly because the equity transfer of SEG Credit was completed in April 2018, and the service consulting business will not incurred.

4. Operating costs increased by RMB 376.0 million or 60.82% year on year, mainly because the costs of SEG New Urban increased by RMB 392.10 million.

5. Tax and surcharge increased by RMB 28.15 million or 200.48% year on year, mainly because increase in the income of SEG New Urban resulted in increase in tax expenses.

6. Financial expenses increased by RMB 36.62 million or 226.12% year on year, mainly because in the reporting period (1) the real estate project of SEG New Urban was completed and capitalization of borrowing interests; (2) increase in loans resulted in increase in interest expenses.

7. Investment income increased by RMB 55.25 million or 1,332.85% year on year, mainly due to investment income from sales of the shares of Huakong SEG.

8. Non-operating income decreased by RMB 6.57 million or 57.07% year on year, mainly because the compensation for shareholders of Suzhou SEG RMB 3.50 million and government subsidies for Nantong SEG RMB 2.30 million were incurred in the same period last year, while such income was not incurred in the reporting period.

9. Non-operating expenses increased by RMB 13.37 million or 844.18% year on year, mainly because in the reporting period (1) SEG Real Estate paid for contract termination (2017 Y. 0307 M. C. No. 6835); (2) Nanning SEG paid compensation arising from lawsuits.

10. Income tax expenses increased by RMB 40.85 million or 78.32% year on year, mainly because in the reporting period (1) the Company gained the investment income of RMB 45.70 million from the sales of the shares of Huakong SEG; (2) the income of SEG New Urban increased.

11. Net profit attributable to owners of the parent company increased by RMB 68.87 million or 99.54% year on year, mainly because in the reporting period (1) the Company gained the investment income of RMB 45.70 million from the sales of the shares of Huakong SEG; (2) the income of SEG New Urban increased.

12. Minority interest increased by RMB 42.08 million or 220.60% year on year, mainly because SEG ECO project of SEG Real Estate reached the income recognition criteria and the sales proceeds received in advance are transferred to income, resulting in increase in net profit.

13. Other comprehensive income increased by RMB 101.23 thousand or 64.06% year on year, mainly because the value of shares of Youhao Group held by SEG Baohua, a holding subsidiary of the Company, in the reporting period declined less than in the same period last year.

(III) Cash Flow Statement

Item	Amount of the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Cash received from interest, fees and commissions	6,311,198.08	47,251,322.15	-40,940,124.07	-86.64%
Tax refunds	246,846.66	749,351.94	-502,505.28	-67.06%
Net increase in customer loans and advances	-15,664,988.00	-29,325,104.19	13,660,116.19	46.58%
Cash received from investment income	64,918,960.93	12,926,977.20	51,991,983.73	402.20%
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	66,254,262.96	122,826,868.88	-56,572,605.92	-46.06%
Cash received by absorbing investments	980,000.00	151,637,998.48	-150,657,998.48	-99.35%
Cash received from borrowing	979,000,000.00	650,000,000.00	329,000,000.00	50.62%
Cash paid for debt repayment	924,664,813.71	681,901,725.48	242,763,088.23	35.60%
Dividends and profits paid by subsidiaries to minority shareholders	26,262,417.89	47,286,452.85	-21,024,034.96	-44.46%

1. Cash received from interest, fees and commissions decreased by RMB 40.94 million or 86.64% year on year, mainly because the equity transfer of SEG Credit was completed in April 2018 and the cash flow statement of SEG Credit was no longer consolidated

since May 2018.

2. Tax refunds decreased by RMB 502.5 thousand or 67.06% year on year, mainly because Suzhou SEG received tax refunds of RMB 599.7 thousand in the same period last year. After adjustment of the operation model in 2017, the cash flow statement of Suzhou SEG was no longer consolidated in 2018.

3. Net increase in customer loans and advances increased by RMB 13.66 million or 46.58% year on year, mainly due to decrease in the size of loans granted by SEG Credit in the reporting period. The equity transfer of SEG Credit was completed in April 2018 and the cash flow statement of SEG Credit was no longer consolidated since May 2018.

4. Cash received from investment income increased by RMB 51.99 million or 402.20% year on year, mainly because the Company received cash by sales of the shares of Huakong SEG in the reporting period.

5. Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets decreased by RMB 56.57 million or 46.06% year on year, mainly because SEG Longyan incurred RMB 95.32 million for its new industrial park.

6. Cash received by absorbing investments decreased by RMB 150.66 million or 99.35% year on year, mainly because SEG Longyan and SEG Lianzhong received investments from minority shareholders in the same period last year.

7. Cash received from borrowing increased by RMB 329 million or 50.62% year on year, mainly due to increase in bank loans received by the Company in the reporting period.

8. Cash paid for debt repayment increased by RMB 242.76 million or 35.60% year on year, mainly due to increase in bank loans due for repayment of the Company in the reporting period.

9. Dividends and profits paid by subsidiaries to minority shareholders decreased by RMB 21.02 million or 44.46% year on year, mainly because the dividends and profits paid by SEG Credit and Suzhou SEG corresponding period of last year, which amount is 14.97 million is not occurred in the reporting period.

II. Progress and impacts of major events and analysis of solutions

√ Applicable □ Not applicable

There are no other major events than major events in the following table.

Overview of Major Events	Disclosure Date	Inquiry Index for the Websites Disclosing the Temporary Reports
1. On April 9, 2018, the Company, its holding subsidiaries, and SEG Group entered into the <i>Equity Transfer Agreement</i> concerning the transfer of 62% of the equity of SEG Credit to SEG Group at the price of RMB 126,699,000. On April 18, 2018, SEG Credit completed business registration alteration for equity transfer where the shareholder is changed to SEG Group and SEG Credit is changed from a holding subsidiary of the Company to a wholly-owned subsidiary directly held by SEG Group. As the short-term financing certificates of SEG Credit subscribed by the Company were not due yet at the time of equity transfer, the current account balance	August 31, 2018	http://www.cninfo.com.cn <i>2018 Semi-annual Report of Shenzhen SEG Co., Ltd.</i>

<p>RMB 185,000,000 arising from such short-term financing certificates constituted indirect related-party current account with the wholly-owned subsidiary of the controlling shareholder. As of August 20, 2018, such balance and income have been recovered in advance.</p>		
<p>2. Nanning Haiqi Real Estate Development Co., Ltd. vs. Nanning SEG Electronics Market Co., Ltd. & Shenzhen SEG Co., Ltd. for the dispute over the house lease contract (case number: 2016 G. 0102 M. C. No. 3653): According to the second-instance judgment, Nanning SEG shall pay to Nanning Haiqi the liquidated damages of RMB 8 million and the attorney fee of RMB 263,000 and shall pay the case acceptance fee of RMB 134,238. The Company applied for retrial. On July 11, 2018, the Higher People's Court of Guangxi accepted the case.</p>	<p>September 26, 2016</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Receipt of Court Summons and civil Complaints by the Company</i></p>
	<p>August 31, 2018</p>	<p>http://www.cninfo.com.cn <i>2018 Semi-annual Report of Shenzhen SEG Co., Ltd.</i></p>
<p>3. SEG Industrial vs. Shenzhen Wonder Industry Co., Ltd., Liu Guiyun & Liu Yu for the dispute over the purchase and sales contract (case number: (2017) Y. 0304 M. C. No. 5092): The amount involved was RMB 8,394,100. The first-instance judgment of the case has taken effect. The claims filed by SEG Industrial have basically been supported. Only the overdue fine has not been fully supported, and SEG Industrial has applied for enforcement to the court.</p>	<p>September 20, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of Litigation of Holding Subsidiaries</i></p>
<p>4. SEG Industrial vs. Shenzhen Yixin Zhongtian Technology Co., Ltd., Zhe Shaojun & Zhao Xiaoyan for the dispute over the purchase and sales contract (case number: (2017) Y. 0304 M. C. No. 5088): The amount involved was RMB 14,805,700. The first-instance judgment of the case has taken effect. The claims filed by SEG Industrial have basically been supported. Only the overdue fine has not been fully</p>	<p>September 20, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of Litigation of Holding Subsidiaries</i></p>

supported.		
5. SEG Industrial vs. Shenzhen Comnet Technology Co., Ltd., Xiao Qingshan, Zhou Ronghua, Anhua Meishan Small Loan Co., Ltd. & Shenzhen Baiyide Technology Co., Ltd. for the dispute over the purchase and sales contract (case number: (2017) Y. 0304 M. C. No. 7976): The amount involved was RMB 5,155,400. According to the first-instance judgment, SEG Industrial was the prevailing party. The counterparty arrested the first-instance judgment and instituted an appeal. The case is under the second instance trial.	September 20, 2018	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of Litigation of Holding Subsidiaries</i>
6. SEG Industrial vs. Shenzhen Runneng Digital Technology Co., Ltd., Xiao Qingshan, Zhou Ronghua, Anhua Meishan Small Loan Co., Ltd. & Shenzhen Baiyide Technology Co., Ltd. for the dispute over the purchase and sales contract (case number: (2017) Y. 0304 M. C. No. 7977): The amount involved was RMB 15,345,000. According to the first-instance judgment, SEG Industrial was the prevailing party. The counterparty arrested the first-instance judgment and instituted an appeal. The case is under the second instance trial.	September 20, 2018	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of Litigation of Holding Subsidiaries</i>
7. In the reporting period, Shenzhen Norbida Environmental Protection Co., Ltd. sued against Shenzhen SEG Property Development Co., Ltd. for the dispute over the cooperation contract (case number: (2018) S. Z. S. Zi. No. 987): The amount involved was RMB 3,989,700. The case is under trial.	August 31, 2018	http://www.cninfo.com.cn <i>2018 Semi-annual Report of Shenzhen SEG Co., Ltd.</i>
8. In the reporting period, Shenzhen SEG New Urban Construction Development Co., Ltd. sued against MINMAXS City Investment Management Co., Ltd. and Belugaplan Culture Development (Dalian) Co., Ltd. respectively for disputes over lease contracts. The amount involved was	August 31, 2018	http://www.cninfo.com.cn <i>2018 Semi-annual Report of Shenzhen SEG Co., Ltd.</i>

RMB 8,541,500. Both cases are under trial.		
9. In the reporting period, Nantong SEG Commercial Operation Management Co., Ltd. was involved in 15 cases (including four additional cases) because the merchants delayed the payment of rents and management expenses to Nantong SEG Operation, resulting in disputes over lease contracts. The amount involved was RMB 7,416,700. 14 cases have been settled and Nantong SEG Operation was the prevailing party. One case is under the second instance trial.	August 31, 2018	http://www.cninfo.com.cn <i>2018 Semi-annual Report of Shenzhen SEG Co., Ltd.</i>
10. In the reporting period, Nantong SEG was involved in 16 cases (including 11 additional cases and Nantong SEG was the defendant in two cases) for disputes over decoration contracts. The amount involved was RMB 34,156,300.	August 31, 2018	http://www.cninfo.com.cn <i>2018 Semi-annual Report of Shenzhen SEG Co., Ltd.</i>
11. <Proposal for applying for a comprehensive credit line of RMB 150 million yuan with its own assets mortgage>: Huizhou Stars, a holding subsidiary of SEG Real Estate (a holding subsidiary of the Company), intends to mortgage its self-owned property: 50 commercial properties in 1-5F of SEG Holiday Plaza to apply for a loan with the general credit limit of RMB 150,000,000 to the bank for repayment of borrowing from its shareholders.	August 28, 2018	http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 38th Extraordinary Meeting of the 7th Board of Directors</i>
12. Huizhou Stars, a holding subsidiary of SEG Real Estate (a holding subsidiary of the Company), acquired the state-owned land use right of the land parcel (No. GP2018-7) located in Huizhou, Guangdong transferred by Huizhou Land Resources Bureau by listing and bidding at the price of RMB 133,000,000.	August 29, 2018	http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Acquisition of the Land Use Right by Huizhou Stars Real Estate Development Co., Ltd.</i>

<p>13. <Proposal for adjusting the plan of public offering corporate bonds> & <Proposal for the general meeting of shareholders to authorize the board of directors and authorized persons of the Board of directors to handle the issue of corporate bonds to qualified investors>:</p> <p>Through negotiation between the Company and intermediaries such as brokers and legal consultants hired for the issuance of</p>	<p>September 22, 2018</p>	<p>http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 40th Extraordinary Meeting of the 7th Board of Directors</i></p>
<p>corporate bonds, the Company adjusted the content of the "purchaser" clause in the corporate bond public offering program as follows:</p> <p>1) Before adjustment:</p> <p>The corporate bonds are issued to no more than 200 qualified investors that comply with the <i>Regulations on the Administration of Issuance and Transaction of Corporate Bonds</i> (the directors, supervisors, senior executives and shareholders of the issuer that hold more than 5% of the shares of the Company can subscribe and transfer corporate bonds issued by the Company, which are not subject to the qualifications of qualified investors).</p> <p>2) After adjustment:</p> <p>The corporate bonds are issued to qualified investors that comply with the <i>Regulations on the Administration of Issuance and Transaction of Corporate Bonds</i> and other laws and regulations through public offering.</p> <p>The Board of Directors and authorized personnel of the Board of Directors are granted with full power to handle public offering of corporate bonds to qualified investors.</p>	<p>October 11, 2018</p>	<p>http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 4th Extraordinary General Meeting in 2018 of Shenzhen SEG Co., Ltd.</i></p>
<p>14. <Proposal for providing collateral and counter guarantee for corporate bonds>:</p> <p>Based on the situation of the bond market, in order to lower the general costs of bond</p>	<p>September 22, 2018</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on Mortgage and Counter Guarantee for the Issuance of Corporate Bonds</i></p>

<p>issuance and ensure successful issuance, the Company intends to hire the third-party credit enhancement institution Guangdong Utrust Financial Leasing Co., Ltd. (Utrust) to enhance credit for its bond issuance. On a fair and rational basis, the parties agree that the guarantee fee is collected at the rate of 0.6% of the total bonds issued through negotiation. As required by the guarantor, the Company intends to mortgage its commercial property located in Huaqiangbei, Futian District, Shenzhen to Utrust for counter guarantee. The general meeting of the Company authorized the chairman or an authorized proxy of the chairman of the Company to sign the above counter guarantee contract as required.</p>	<p>October 11, 2018</p>	<p>http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 4th Extraordinary General Meeting in 2018 of Shenzhen SEG Co., Ltd.</i></p>
<p>15. Resignation of the director Zhang Guangliu and election of Gao Jianbo as a director</p>	<p>July 19, 2018</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on the Resignation of Directors</i></p>
	<p>August 29, 2018</p>	<p>http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 39th Extraordinary Meeting of the 7th Board of Directors</i></p>
	<p>September 14, 2018</p>	<p>http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 3rd Extraordinary General Meeting in 2018 of Shenzhen SEG Co., Ltd.</i></p>
<p>16. Application for the general loan limit of RMB 500 million to three banks</p>	<p>July 21, 2018</p>	<p>http://www.cninfo.com.cn/ <i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 36th Extraordinary Meeting of the 7th Board of Directors</i></p>
<p>17. Reduction of holding-shares of Shenzhen Huakong SEG Co., Ltd. which is not implemented yet in the reporting period</p>	<p>August 23, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of Reduction of Holding-shares of Shenzhen Huakong SEG Co., Ltd.</i></p>
<p>18. Nantong SEG Times Plaza Co., Ltd.'s guarantee and joint and several liability for bank mortgage loans of customers who have purchased the developed project</p>	<p>September 22, 2018</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on Nantong SEG Times Plaza Co., Ltd.'s Phased Guarantee for Bank Mortgage Loans of Customers who Have Purchased the Developed Project</i></p>
	<p>October 11, 2018</p>	<p>http://www.cninfo.com.cn/</p>

		<i>Announcement of Shenzhen SEG Co., Ltd. on the Resolution of the 4th Extraordinary General Meeting in 2018 of Shenzhen SEG Co., Ltd.</i>
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III. Commitments not fulfilled in the reporting period by the actual controller of the Company, shareholders, buyers, or other related parties

√ Applicable □ Not applicable

Commitments	Subject	Type	Content	Commitment date	Commitment term	Performance
Commitment for share reform	Not applicable					
Commitment made in the acquisition report or the equity change report	Not applicable					
Commitments made during major assets restructuring	Shenzhen SEG Group Co., Ltd.	Other commitment	<p>"After updating and restructuring of SEG Industrial Building, SEG Economy Building, and SEG Recreation Industry Building, the area of added part that belongs to SegMaker, SEG Recreation and SEG Property is 2,855.20 m². SEG Group undertakes that the use of the temporary buildings belonged to SegMaker, SEG Recreation 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, 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:</p> <p>1. SEG Group has made commitments for the performance of the subject company within three years after completion of major asset restructuring. 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</p>	August 3, 2016	April 20, 2024	<p>Extended performance</p> <p>(The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such extension application. The renewal application is still under approval and the</p>

			<p>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 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 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. Shenzhen SEG should employ an audit agency with security practice qualification recognized by SEG Group to provide a formal audit 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 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 audit 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 in cash in full amount."</p>			license for renewal is not obtained yet.)
Commitment made at the time of initial public offerings or refinancing	Not applicable					
Commitment on equity incentives	Not applicable					

Other commitments made to small and medium-sized shareholders of the Company	Not applicable					
Commitments fulfilled as scheduled or not	No					
If commitments are not fulfilled as scheduled, specify the reasons and further work plans	The new property in the reconstruction project of SEG Industrial Building and other two buildings is a temporary building. According to the license, the service duration of the temporary building is from April 21, 2016 to April 20, 2018. Upon expiration, the licensed service duration can be extended for a period of one year. The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such extension application. The renewal application is still under approval and the license for renewal is not obtained yet.					

IV. Estimation of operating results of 2018

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

Applicable Not applicable

V. Securities investment

√ Applicable □ √ Not applicable

Stock type	Stock code	Short form of the security	Initial investment cost	Accounting measurement mode	Opening book value	Profit or loss from changes in fair value in the current period	Accumulative changes in fair value counted into equity	Amount of purchase in the current period	Amount of sales in the current period	Profit or loss in the reporting period	Closing book value	Accounting item	Source of capital
Domestic and overseas shares	600778	Youhao Group	90,405.00	Measurement by fair value	365,918.49		-77,674.24				288,244.25	Available-for-sale financial assets	Self-owned capital
Domestic and overseas shares	000068	Huakong SEG	183,372,210.43	Measurement by fair value	171,297,598.43		42.83		-9,538,391.50	-9,694,393.72	152,064,856.04	Other assets	Self-owned capital
Domestic and overseas shares	832770	SEG Navigations	8,275,321.43	Measurement with the cost method	13,515,392.83			0.00	0.00	0.00	13,515,392.83	Available-for-sale financial assets	Self-owned capital
Other securities investments held at the end of the period				--								--	--
Total			191,737,936.86	--	185,178,909.75		-77,631.41	0.00	-9,538,391.50	-9,694,393.72	165,868,493.12	--	--
Disclosure date of the announcement on approval of securities investments by the Board of Directors													
Disclosure date of the announcement on approval of securities investments by the General Meeting (if any)													

VI. Financial management by agent

√Applicable □ √Not applicable

Unit: RMB 10,000

Type	Source of capital	Amount incurred	Outstanding balance	Amount overdue unrecovered
Financial products of banks	Self-owned capital	62,600	18,100	0
Total		62,600	18,100	0

Details of financial management by agent with single significant amount or low security, poor liquidity or no capital preservation

√Applicable □ Not applicable

Unit: ten thousand yuan

Name of trustee	Type of trustee	Product type	Amount	Fund source	Start date	End date	Fund usage	Remuneration confirmation method	Reference annual yield	Expected yield (if any)	Actual loss and gain amount in the reporting period	Actual return of gains and losses in the reporting period	Accrued provisions for impairment (if any)	Through legal procedures or not	Entered financial plan in the future or not	Summary and related query index (if any)
Industrial and Commercial Bank of China	Bank	Non guaranteed floating income type	3,000	Internal funds	April 26, 2019	April 20, 2019	High liquidity assets & Debt assets & Other assets & portfolio	repay the capital and interest after maturity	5.00%	147.95	0	Pre maturity		YES	YES	
Total			3,000	--	--	--	--	--	--	147.95	0	--	--	--	--	--

Financial management by agent of which the principal is expected not to be recovered or other circumstances that may result in

impairment

Applicable Not applicable

VII. Derivative investment

Applicable Not applicable

No derivative investment is involved in the reporting period.

VIII. Registration form for investigations, communication and interviews in the reporting period

Applicable Not applicable

Time	Means	Type	Investigation Index
September 17	Phone call	Individual	Inquire about the number of shareholders as of September 15. The Company has given a reply according to the register of shareholders released by the Securities Depository and Clearing Corporation.
September 21	Phone call	Individual	Inquire about the recent operation of the Company. The Company has given a basic reply and suggests referring to the 2018 Semi-Annual Report disclosed for details.
September 21	Phone call	Individual	Inquire about the recent operation of the Company. The Company has given a basic reply and suggests referring to the 2018 Semi-Annual Report disclosed for details.

IX. Illegal external guarantee

Applicable Not applicable

No illegal external guarantee is involved in the reporting period.

X. 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 reporting period.

Chapter 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet Statement

Prepared by: Shenzhen SEG Co., Ltd.

September 30, 2018

Unit: Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	913,728,679.25	951,482,605.92
Deposit reservation for balance		
Loans to other banks		
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable and accounts receivable	94,960,623.30	61,934,101.56
Including: Notes receivable		
Accounts receivable	94,960,623.30	61,934,101.56
Prepayment	37,914,021.76	34,718,079.54
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance deposit receivable		
Other accounts receivable	94,841,153.68	96,057,159.50
Redemptory monetary capital for resale		
Inventory	2,724,461,471.48	3,551,100,320.71
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	634,071,707.58	565,577,916.34
Total current assets	4,499,977,657.05	5,260,870,183.57
Non-current assets:		
Loans and advances issued		399,387,108.14
Financial assets available for sale	34,085,457.57	34,161,311.32
Held-to-maturity investment		

Long-term receivables		
Long-term equity investment	184,909,829.55	211,973,322.32
Investment property	1,045,353,312.48	676,888,184.90
Fixed assets	58,654,732.03	62,404,988.93
Construction in progress	88,083,295.64	71,745,514.32
Productive biological assets		
Oil & gas assets		
Intangible assets	31,768,346.63	31,831,783.09
Development expenses		
Goodwill	10,328,927.82	10,328,927.82
Long-term expenses to be amortized	109,569,947.95	109,813,025.95
Deferred income tax assets	28,294,837.51	29,898,440.39
Other non-current assets	128,250,017.29	93,287,630.00
Total non-current assets	1,719,298,704.47	1,731,720,237.18
Total assets	6,219,276,361.52	6,992,590,420.75
Current liabilities:		
Short-term borrowing	727,000,000.00	534,792,000.00
Loans from central bank		
Deposits from customers and interbank		
Loans from other banks		
Financial liabilities measured by fair value with changes included in current gains and losses		
Derivative financial liabilities		
Notes payable and accounts payable	262,902,343.74	470,088,158.63
Advance receipts	417,172,922.34	707,031,729.23
Financial assets sold for repurchase		
Service charges and commissions payable		
Payroll payable	25,837,106.38	41,014,602.99
Taxes payable	167,199,380.13	243,477,530.43
Other payables	993,666,478.86	1,297,372,714.67
Reinsurance accounts payable		
Insurance deposit		
Customer brokerage deposits		

Securities underwriting brokerage deposits		
Held-for-sale liabilities		
Non-current liabilities due within one year	64,276,762.54	258,414,693.92
Other current liabilities	110,798.12	
Total current liabilities	2,658,165,792.11	3,552,191,429.87
Non-current liabilities:		
Long-term borrowing	848,000,000.00	754,750,000.00
Bonds payable		
Preferred stock		
Perpetual capital securities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities	8,296,619.85	1,137,019.85
Deferred income	12,169,416.33	12,336,620.96
Deferred income tax liabilities	85,261,828.43	91,251,453.07
Other non-current liabilities		
Total non-current liabilities	953,727,864.61	859,475,093.88
Total liabilities	3,611,893,656.72	4,411,666,523.75
Owners' equity:		
Share capital	1,235,656,249.00	1,235,656,249.00
Other equity instruments		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	156,892,820.25	166,019,870.19
Less: Treasury shares		
Other comprehensive income	99,844.49	137,629.12
Special reserve		
Surplus reserve	138,710,473.33	138,710,473.33
General risk provision		
Undistributed profits	446,743,829.87	376,704,148.51
Total equity attributable to owners of the parent company	1,978,103,216.94	1,917,228,370.15
Minority shareholders' equity	629,279,487.86	663,695,526.85

Total owners' equity	2,607,382,704.80	2,580,923,897.00
Total liabilities and owners' equity	6,219,276,361.52	6,992,590,420.75

Legal representative: Chen Huijie
accounting institution: Ying Huadong

Person in charge of accounting: Liu Zhijun

Responsible person of the

2. Balance Sheet Statement of the Parent Company

Unit: Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	237,393,642.83	104,463,125.70
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable and accounts receivable	405,000.00	1,105,493.93
Including: Notes receivable		
Accounts receivable	405,000.00	1,105,493.93
Prepayment	166,588.88	46,153.86
Other accounts receivable	1,118,421,411.56	1,029,163,364.11
Inventory	395,764.94	395,764.94
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	165,563,507.05	321,967,708.13
Total current assets	1,522,345,915.26	1,457,141,610.67
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	1,337,091,956.76	1,419,623,352.33
Investment property	255,472,305.33	263,361,638.46
Fixed assets	17,423,276.68	17,919,657.80
Construction in progress	4,852,083.01	4,175,779.03
Productive biological assets		
Oil & gas assets		

Intangible assets	1,553,654.44	1,367,666.09
Development expenses		
Goodwill		
Long-term expenses to be amortized	6,065,828.77	7,673,085.72
Deferred income tax assets	9,814,219.76	8,380,569.73
Other non-current assets		
Total non-current assets	1,665,788,717.58	1,756,017,141.99
Total assets	3,188,134,632.84	3,213,158,752.66
Current liabilities:		
Short-term borrowing	729,000,000.00	530,000,000.00
Financial liabilities measured by fair value with changes included in current gains and losses		
Derivative financial liabilities		
Notes payable and accounts payable	206,374.11	206,374.11
Advance receipts	16,208,588.56	23,072,035.80
Payroll payable	4,151,792.65	5,391,313.71
Taxes payable	11,124,781.50	18,757,359.46
Other payables	442,952,439.22	749,265,836.65
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,203,643,976.04	1,326,692,919.73
Non-current liabilities:		
Long-term borrowing		
Bonds payable		
Preferred stock		
Perpetual capital securities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities	8,296,619.85	1,137,019.85
Deferred income	7,077,909.37	0.00
Deferred income tax liabilities		
Other non-current liabilities	0.00	8,883,045.38

Total non-current liabilities	15,374,529.22	10,020,065.23
Total liabilities	1,219,018,505.26	1,336,712,984.96
Owners' equity:		
Share capital	1,235,656,249.00	1,235,656,249.00
Other equity instruments		
Preferred stock		
Perpetual capital securities		
Capital reserve	231,415,947.36	240,542,997.30
Less: Treasury shares		
Other comprehensive income	144.40	51.46
Special reserve		
Surplus reserve	138,710,473.33	138,710,473.33
Undistributed profits	363,333,313.49	261,535,996.61
Total owners' equity	1,969,116,127.58	1,876,445,767.70
Total liabilities and owners' equity	3,188,134,632.84	3,213,158,752.66

3. Consolidated Profit Statement in the Reporting Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	561,704,545.25	275,268,163.32
Including: Operating revenue	561,704,545.25	264,775,121.17
Interest income	0.00	10,237,004.43
Earned premiums	0.00	0.00
Service charges and commissions income	0.00	256,037.72
II. Total operating cost	461,817,703.47	245,313,012.12
Including: Operating cost	385,280,407.90	191,696,254.24
Interest expenses		-457,500.00
Commissions		
Surrender value		
Net compensation pay-outs		
Net insurance deposit accrued		
Insurance dividends		
Reinsurance expenses		
Operating tax and surcharge	18,760,506.17	3,464,139.55

Sale expenses	9,863,748.78	11,030,202.70
Management expenses	30,304,372.95	28,650,475.44
R&D expenses	0.00	0.00
Financial expenses	17,608,667.67	6,198,248.25
Including: Interest cost	56,338,849.11	0.00
Interest income	-4,428,143.40	0.00
Loss from asset impairment	0.00	4,731,191.94
Add: Other income		
Income from investment (enter "-" for loss)	693,535.91	3,736,010.87
Including: Income from investment in joint ventures or associates	-4,808,467.81	404,799.96
Income from changes in the fair value (enter "-" for loss)		
Exchange gain (enter "-" for loss)		
Gain on asset disposal (enter "-" for loss)		
III. Operating profit (enter "-" for loss)	100,580,377.69	33,691,162.07
Add: Non-operating revenue	2,428,758.29	4,286,065.82
Less: Non-operating expenses	1,797,197.37	1,033,612.57
IV. Total profit (enter "-" for total loss)	101,211,938.61	36,943,615.32
Less: Income tax	32,529,740.36	13,377,441.66
V. Net profit (enter "-" for net loss)	68,682,198.25	23,566,173.66
1. Income from continuing operations (enter "-" for net loss)	205,277,474.20	0.00
2. Income from discontinued operations (enter "-" for net loss)	-6,057,464.41	0.00
Net profit attributable to owners of the parent company	40,399,673.95	19,184,279.34
Minority interest	28,282,524.30	4,381,894.32
VI. Net of tax of other comprehensive income	-1,702.10	2,688.08
Total net of tax of other comprehensive income attributable to owners of the parent company	-20,106.43	1,775.47
1. Other comprehensive income not to be reclassified into gains and losses		
(1) Changes in net liabilities		

or net assets of the re-measured defined benefit plans		
(2) Other comprehensive income not to be reclassified into gains and losses under the equity method		
2. Other comprehensive income to be reclassified into gains and losses	-20,106.43	1,775.47
(1) Shares of the investee of other comprehensive income to be reclassified into gains and losses under the equity method	25.45	-42.65
(2) Gains and losses from changes in the fair value of the available-for-sale financial assets	-20,131.88	1,818.12
(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
Net of tax of other comprehensive income attributable to minority shareholders	18,404.33	912.61
VII. Total comprehensive income	68,680,496.15	23,568,861.74
Total comprehensive income attributable to shareholders of the parent company	40,379,567.52	19,186,054.81
Total comprehensive income attributable to minority shareholders	28,300,928.63	4,382,806.93
VIII. Earnings per share		
1. Basic earnings per share	0.0327	0.0155
2. Diluted earnings per share	0.0327	0.0155

In terms of business combination under common control, the net profit of the combined party recognized before combination is RMB 0 in the reporting period, and that recognized in the previous period is RMB 0.

Legal representative: Chen Huijie

Person in charge of accounting: Liu Zhijun

Responsible person of the

accounting institution: Ying Huadong

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

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating revenue	17,036,869.30	19,323,775.88
Less: Operating cost	12,635,598.64	17,694,583.27
Tax and surcharge	1,077,632.77	1,198,616.06
Sale expenses	216,482.56	0.00
Management expenses	5,658,227.51	5,445,362.30
R&D expenses	0.00	0.00
Financial expenses	6,502,132.55	5,219,640.28
Including: Interest cost	23,002,334.12	0.00
Interest income	-8,312,097.89	0.00
Loss from asset impairment	0.00	0.00
Add: Other income	0.00	0.00
Income from investment (enter "-" for loss)	95,833,070.48	34,039,874.19
Including: Income from investment in joint ventures or associates	-4,808,467.81	-1,059,073.63
Income from changes in the fair value (enter "-" for loss)		
Gain on asset disposal (enter "-" for loss)		
II. Operating profit (enter "-" for loss)	86,779,865.75	23,805,448.16
Add: Non-operating revenue	1,570,422.99	3,975,499.99
Less: Non-operating expenses	1,700,000.00	0.00
III. Total profit (enter "-" for total loss)	86,650,288.74	27,780,948.15
Less: Income tax	-1,546,771.59	920,525.97
IV. Net profit (enter "-" for net loss)	88,197,060.33	26,860,422.18
1. Income from continuing operations (enter "-" for net loss)	88,197,060.33	26,860,422.18
2. Income from discontinued operations (enter "-" for net loss)		
V. Net of tax of other comprehensive income	118.39	-42.65
1. Other comprehensive income not to be reclassified into gains and losses		

(1) Changes in net liabilities or net assets of the re-measured defined benefit plans		
(2) Other comprehensive income not to be reclassified into gains and losses under the equity method		
2. Other comprehensive income to be reclassified into gains and losses	118.39	-42.65
(1) Shares of the investee of other comprehensive income to be reclassified into gains and losses under the equity method	118.39	-42.65
(2) Gains and losses from changes in the 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		
(4) Effective gains or loss from cash flows		
(5) Foreign currency translation differences		
(6) Others		0.00
VI. Total comprehensive income	88,197,178.72	26,860,379.53
VII. Earnings per share		
1. Basic earnings per share	0	0
2. Diluted earnings per share	0	0

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

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	1,451,123,498.84	900,354,015.56
Including: Operating revenue	1,444,642,633.92	857,121,747.39
Interest income	6,480,864.92	42,344,251.52
Earned premiums		
Service charges and commissions income		888,016.65
II. Total operating cost	1,208,273,949.32	774,000,723.44

Including: Operating cost	994,429,779.15	618,357,775.28
Interest expenses		
Commissions		
Surrender value		
Net compensation pay-outs		
Net insurance deposit accrued		
Insurance dividends		
Reinsurance expenses		
Operating tax and surcharge	42,196,977.10	14,043,362.00
Sale expenses	23,051,951.82	29,960,498.74
Management expenses	92,415,176.65	91,253,807.59
R&D expenses	0.00	0.00
Financial expenses	52,818,041.75	16,196,131.68
Including: Interest cost	56,338,849.11	19,592,581.90
Interest income	-4,428,143.40	-4,138,109.78
Loss from asset impairment	3,362,022.85	4,189,148.15
Add: Other income		
Income from investment (enter "- " for loss)	59,390,854.81	4,144,939.36
Including: Income from investment in joint ventures or associates	-16,716,197.00	-6,581,127.80
Income from changes in the fair value (enter "- " for loss)		
Exchange gain (enter "- " for loss)		
Gain on asset disposal (enter "- " for loss)		
III. Operating profit (enter "- " for loss)	302,240,404.33	130,498,231.48
Add: Non-operating revenue	4,942,048.24	11,513,024.15
Less: Non-operating expenses	14,951,136.75	1,583,510.27
IV. Total profit (enter "- " for total loss)	292,231,315.82	140,427,745.36
Less: Income tax	93,011,306.00	52,159,868.66
V. Net profit (enter "- " for net loss)	199,220,009.82	88,267,876.70
1. Income from continuing operations (enter "- " for net loss)	205,277,474.23	88,267,876.70
2. Income from discontinued operations (enter "- " for net loss)	-6,057,464.41	

Net profit attributable to owners of the parent company	138,066,661.89	69,193,064.76
Minority interest	61,153,347.93	19,074,811.94
VI. Net of tax of other comprehensive income	-56,797.37	-158,032.32
Total net of tax of other comprehensive income attributable to owners of the parent company	-37,828.28	-105,252.95
1. Other comprehensive income not to be reclassified into gains and losses		
(1) Changes in net liabilities or net assets of the re-measured defined benefit plans		
(2) Other comprehensive income not to be reclassified into gains and losses under the equity method		
2. Other comprehensive income to be reclassified into gains and losses	-37,828.28	-105,252.95
(1) Shares of the investee of other comprehensive income to be reclassified into gains and losses under the equity method		
(2) Gains and losses from changes in the fair value of the available-for-sale financial assets	-37,828.28	-105,252.95
(3) Held-to-maturity investments categorized as gains and losses from the available-for-sale financial assets		
(4) Effective gains or loss from cash flows		
(5) Foreign currency translation differences		
(6) Others		
Net of tax of other comprehensive income attributable to minority shareholders	-18,969.09	-52,779.37
VII. Total comprehensive income	199,163,212.45	88,109,844.38
Total comprehensive income	138,028,833.61	69,087,811.81

attributable to shareholders of the parent company		
Total comprehensive income attributable to minority shareholders	61,134,378.84	19,022,032.57
VIII. Earnings per share		
1. Basic earnings per share	0.1117	0.0560
2. Diluted earnings per share	0.1117	0.0560

In terms of business combination under common control, the net profit of the combined party recognized before combination is RMB 0 in the reporting period, and that recognized in the previous period is RMB 0.

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

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating revenue	54,002,637.18	67,867,136.83
Less: Operating cost	33,720,284.08	53,370,069.61
Tax and surcharge	3,512,934.28	3,762,158.11
Sale expenses	216,482.56	
Management expenses	16,232,297.04	14,467,955.34
R&D expenses		
Financial expenses	14,837,050.62	13,397,232.97
Including: Interest cost	23,002,334.12	14,197,532.76
Interest income	-8,312,097.89	-1,006,982.75
Loss from asset impairment		
Add: Other income		
Income from investment (enter "-" for loss)	204,345,458.34	88,959,441.49
Including: Income from investment in joint ventures or associates	-13,741,197.00	-6,482,084.00
Income from changes in the fair value (enter "-" for loss)		
Gain on asset disposal (enter "-" for loss)		
II. Operating profit (enter "-" for loss)	189,829,046.94	71,829,162.29
Add: Non-operating revenue	2,772,317.01	7,059,365.47
Less: Non-operating expenses	8,874,462.04	91,300.00
III. Total profit (enter "-" for total loss)	183,726,901.91	78,797,227.76

Less: Income tax	13,902,604.49	3,564,723.70
IV. Net profit (enter "-" for net loss)	169,824,297.42	75,232,504.06
1. Income from continuing operations (enter "-" for net loss)	169,824,297.42	75,232,504.06
2. Income from discontinued operations (enter "-" for net loss)		
V. Net of tax of other comprehensive income	92.94	-104.81
1. Other comprehensive income not to be reclassified into gains and losses		
(1) Changes in net liabilities or net assets of the re-measured defined benefit plans		
(2) Other comprehensive income not to be reclassified into gains and losses under the equity method		
2. Other comprehensive income to be reclassified into gains and losses	92.94	-104.81
(1) Shares of the investee of other comprehensive income to be reclassified into gains and losses under the equity method	92.94	-104.81
(2) Gains and losses from changes in the 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		
(4) Effective gains or loss from cash flows		
(5) Foreign currency translation differences		
(6) Others		
VI. Total comprehensive income	169,824,390.36	75,232,399.25
VII. Earnings per share		
1. Basic earnings per share	0	0
2. Diluted earnings per share	0	0

7. Consolidated Cash Flow Statement from the Beginning of the Year to the End of the Reporting 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	1,190,798,262.16	1,314,055,894.12
Net increase in deposits from customers and interbank		
Loans from central bank		
Net increase in loans from other banks		
Cash received from premium of the original insurance contract		
Net cash received from reinsurance business		
Net increase in the deposit of the insured and investments		
Net increase in financial assets measured by fair value with changes included in current gains and losses		
Cash received from interest and commissions	6,311,198.08	47,251,322.15
Net increase in loans from other banks		
Net increase in redemption capital		
Tax refunds	246,846.66	749,351.94
Other cash received from operating activities	253,127,937.32	393,011,976.89
Subtotal of cash inflow from operating activities	1,450,484,244.22	1,755,068,545.10
Cash paid for goods and service	565,344,689.47	685,380,979.09
Net increase in loans to customers and advances	-15,664,988.00	-29,325,104.19
Net increase in deposits with central bank and interbank		
Cash paid for indemnity payment of the original insurance contract		
Cash paid for interest and		76,146.53

commissions		
Cash paid as insurance dividends		
Cash paid to and on behalf of employees	195,861,678.08	202,653,001.58
Taxes paid	264,954,200.49	249,526,081.87
(1) Other cash received from operating activities	351,574,995.06	366,594,717.62
Subtotal of cash outflow in operating activities	1,362,070,575.10	1,474,905,822.50
Net cash flow from operating activities	88,413,669.12	280,162,722.60
III. Cash flow from financing activities:		
Cash received from withdrawal of investment	1,395,212,511.69	1,331,000,000.00
Cash received from investment income	64,918,960.93	12,926,977.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,220.00	2,320.00
Net cash received from disposal of subsidiaries and other business units	126,699,000.00	
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	1,586,831,692.62	1,343,929,297.20
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	66,254,262.96	122,826,868.88
Cash paid for investment	1,633,847,350.55	1,477,819,502.86
Net increase in mortgage loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid for investment activities		
Subtotal of cash outflow in financing activities	1,700,101,613.51	1,600,646,371.74
Net cash flow arising from financing activities	-113,269,920.89	-256,717,074.54
III. Cash flow from financing activities:		

Cash received by absorbing investment	980,000.00	151,637,998.48
Including: Cash received by subsidiaries from investment of minority shareholders	980,000.00	151,637,998.48
Borrowings received	979,000,000.00	650,000,000.00
Cash received from bond issuance		
Other cash received from financing activities	196,900,800.36	0.00
Subtotal of cash inflow from financing activities	1,176,880,800.36	801,637,998.48
Cash paid for debt repayment	924,664,813.71	681,901,725.48
Cash paid for dividend and profit distribution or interest payment	95,444,956.60	120,771,753.52
Including: Dividends and profit paid by subsidiaries to minority shareholders	26,262,417.89	47,286,452.85
Other cash paid for financing activities	169,669,157.90	100,468,327.16
Subtotal of cash outflow in financing activities	1,189,778,928.21	903,141,806.16
Net cash flow arising from financing activities	-12,898,127.85	-101,503,807.68
IV. Influence of exchange rate fluctuation on cash and cash equivalents	452.95	0.00
V. Net increase of cash and cash equivalents	-37,753,926.67	-78,058,159.62
Add: Opening balance of cash and cash equivalents	951,482,605.92	1,131,523,641.19
VI. Closing balance of cash and cash equivalents	913,728,679.25	1,053,465,481.57

8. Cash Flow Statement of the Parent Company from the Beginning of the Year to the End of the Reporting 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	51,123,098.98	68,525,179.03

Tax refunds		
Other cash received from operating activities	311,283,263.32	25,708,003.30
Subtotal of cash inflow from operating activities	362,406,362.30	94,233,182.33
Cash paid for goods and service	27,256,444.94	56,734,763.54
Cash paid to and on behalf of employees	19,716,496.24	27,422,885.12
Taxes paid	26,671,624.06	28,919,662.75
Other cash received from operating activities	185,871,943.22	101,134,157.57
Subtotal of cash outflow in operating activities	259,516,508.46	214,211,468.98
Net cash flow from operating activities	102,889,853.84	-119,978,286.65
II. Cash flow from financing activities:		
Cash received from withdrawal of investment	525,597,700.00	719,000,000.00
Cash received from investment income	218,497,996.91	83,162,204.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units	77,654,200.00	
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	821,749,896.91	802,162,204.40
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	114,000.00	0.00
Cash paid for investment	693,000,000.00	818,620,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid for investment activities		
Subtotal of cash outflow in financing activities	693,114,000.00	818,620,000.00

Net cash flow arising from investment activities	128,635,896.91	-16,457,795.60
III. Cash flow from financing activities:		
Cash received by absorbing investment		
Borrowings received	729,000,000.00	500,000,000.00
Cash received from bond issuance		
Other cash received from financing activities	46,394,666.68	316,666.67
Subtotal of cash inflow from financing activities	775,394,666.68	500,316,666.67
Cash paid for debt repayment	530,000,000.00	310,000,000.00
Cash paid for dividend and profit distribution or interest payment	88,928,233.30	51,609,410.91
Other cash paid for financing activities	255,061,667.00	0.00
Subtotal of cash outflow in financing activities	873,989,900.30	361,609,410.91
Net cash flow arising from financing activities	-98,595,233.62	138,707,255.76
IV. Influence of exchange rate fluctuation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	132,930,517.13	2,271,173.51
Add: Opening balance of cash and cash equivalents	104,463,125.70	90,504,836.76
VI. Closing balance of cash and cash equivalents	237,393,642.83	92,776,010.27

II. Auditor's Report

Is the Q3 report audited?

Yes No

The Q3 report of the Company has not been audited.