

Tunghsu Optoelectronic Technology Co., Ltd.

The Third Quarterly Report 2018

October 2018

I. Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr.Wang Lipeng, The Company leader, Ms.Feng Qiuju, Chief financial officer and the Mr.Gao Feipeng, the person in charge of the accounting department (the person in charge of the accounting)declare: the financial report carried in this report is authentic and completed.

II. Basic information about the company

I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

√Yes □No

Reasons for retrospective restatements:

Business merger under the same control.

	This period	Same period of last year		Changes of this period over same period of last year (%)
		Before adjustment	After adjustment	After adjustment
Gross assets (Yuan)	67,307,546,318.09	67,683,329,226.91	68,610,779,546.18	-1.90%
Net assets attributable to the shareholders of the listed company (Yuan)	31,674,599,946.40	30,922,796,455.46	30,949,718,542.41	2.34%
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating revenue (Yuan)	6,133,715,988.34	79.68%	17,263,567,779.22	108.24%
Net profit attributable to the shareholders of the listed company (Yuan)	456,861,464.93	9.28%	1,315,157,554.01	24.60%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	440,653,348.34	8.72%	1,251,998,827.11	29.15%
Cash flow generated by business operation, net (Yuan)	--	--	-515,426,729.96	-210.32%
Basic earning per share(RMB/Share)	0.08	0.00%	0.23	9.52%
Diluted gains per share(Yuan/Share)	0.08	0.00%	0.23	9.52%
Weighted average income/asset ratio (%)	1.45%	-0.24%	4.19%	-0.27%

Items and amount of non-current gains and losses

√ Applicable □ Not applicable

In RMB yuan

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-3,418,550.48	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	60,821,881.55	
Gain/loss on entrusting others with investment or asset management	13,923,452.07	
Gain/loss from debt reorganization	484,207.00	
Net gain/loss of current term from consolidation of subsidiaries under common control from beginning of term to the consolidation date	-9,555,668.76	
Entrusted with the operating of the trust to obtain fee income	235,849.06	
Other non-operating income and expenditure beside for the above items	9,012,735.85	
Less: Influenced amount of income tax	10,315,572.42	
Amount of influence of minority interests (After tax)	-1,970,393.03	
Total	63,158,726.90	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

□ Applicable√ Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

II.Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	352,955 (Including 335705 shareholders holding a shares and 17250 shareholders holding B shares)	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0
Shares held by the top 10 shareholders			

Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Tunghsu Group Co., Ltd.	Domestic Non-State-owned legal person	15.97%	915,064,091	791,889,488	Pledge	799,643,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	5.80%	332,382,171		Pledge	153,520,000
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non-State-owned legal person	4.58%	262,626,262	262,626,262	Pledge	80,240,722
Minsheng Royal Fund Management Co., Ltd—Ping An Bank-Daye Trust Zengli 2 single Fund Trust	Other	1.70%	97,192,224	97,192,224		
Tunghsu Optoelectronic Technology Co., Ltd.—The first ESOP	Other	1.27%	72,639,296	72,639,296		
Beixin Ruifeng Fund—China Merchants Bank—Daye Trust—Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032	62,095,032		
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non-State-owned legal person	1.07%	61,165,682		Pledge	55,265,682
Wanhe Securities—China Merchants Bank—Wanhe Securities and No.1 Collective asset management plan	Other	0.96%	55,246,500			
Nuoan Fund-Industrial Securities-Nanjing Shuangan Assets Management Co., Ltd.	Other	0.96%	55,246,487			
Zhonghai Trust Co., Ltd.—Zhonghai Trust—Tunghsu Optoelectronic ESOP pooled Fund trust	Other	0.92%	52,555,280			
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names		Number of the		Share type		

	non-restricted shares held	Share type	Quantity
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares	332,382,171
Tunghsu Group Co., Ltd.	123,174,603	RMB Common shares	123,174,603
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682
Wanhe Securities—China Merchants Bank—Wanhe Securities and No.1 Collective asset management plan	55,246,500	RMB Common shares	55,246,500
Nuoan Fund—Xingye Securities—Nanjing Shuangan Assets Management Co., Ltd.	55,246,487	RMB Common shares	55,246,487
Zhonghai Trust Co., Ltd.—Zhonghai Trust—Tunghsu Optoelectronic Employees' Shareholding Plan Collecting Fund Trust	52,555,280	RMB Common shares	52,555,280
China Life AMP Asset Management Co., Ltd.—Bohai Bank—Minsheng Trust 托—China Minsheng Trust Zhicheng 192 Tunghsu Optoelectronic Private Placement Co., Ltd. Trust Plan	48,619,336	RMB Common shares	48,619,336
# Yang Haihui	31,767,200	RMB Common shares	31,767,200
China securities finance Co., Ltd.	30,906,112	RMB Common shares	30,906,112
Qianhai Equity Investment Fund (LP)	28,094,845	RMB Common shares	28,094,845
Explanation on shareholders participating in the margin trading business	Among the shareholders , Tunghsu Group and Baoshi Group have relationship and constitute persons taking concerted action, At the same time, there is a concerted relationship with Yang Haihui.		
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	the top 10 ordinary shareholder Yang Haihui , holds 31,767,200 shares through the margin financing and securities lending account, accounting for 0.55% of the company's total share capital.		

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 number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable Not applicable

III Significant Events

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

Applicable Not applicable

No	Items	This period/Year-end balance	Same period of the previous year/Year-beginning balance	Changes %	Remarks on the change
1	Advance payments	3,977,698,892.40	2,021,119,950.95	96.81%	Mainly due to the new prepaid purchase price
2	Assets held for sales	126,264,435.58	213,034,435.58	-40.73%	Mainly due to the divestiture of the Sun company held for sale in the current period
3	Other current asset	869,301,646.76	2,559,947,333.75	-66.04%	Mainly due to the redemption of wealth management products and the tax refund for input tax to be deducted
4	Available for sale of financial assets	243,158,605.30	100,000,056.00	143.16%	Mainly due to the new investment that has no control, joint control or significant influence in the current period.
5	Construction in progress	5,440,305,032.18	3,663,486,639.90	48.50%	Mainly due to the construction of the production line
6	Development expenses	31,746,824.29	15,397,704.97	106.18%	Mainly due to the increase in development projects
7	Long-term loan	3,626,603,489.32	5,209,726,250.77	-30.39%	Mainly due to repayment
8	Business income	17,263,567,779.22	8,290,180,051.74	108.24%	Mainly due to business growth
9	Business cost	14,026,126,902.57	6,064,282,729.77	131.29%	Mainly due to the increase in the corresponding cost of business growth
10	Sales expense	179,353,037.49	70,558,695.36	154.19%	Mainly due to the increase in freight costs such as business growth.
11	Administrative expense	412,996,869.13	274,418,882.89	50.50%	Mainly due to the increase in the corresponding Labor cost of business growth

II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

Applicable Not applicable

III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Applicable Not applicable

The company has no commitments completed in period and those without completed till the end of the period from actual controller, shareholders, related parties, purchaser and companies.

IV. Anticipation of Business Performance of 2018

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable Not applicable

V. Investment in securities

Applicable Not applicable

No securities investment in period.

VI. Entrusted Financial Management

Applicable Not applicable

There is no Entrusted Financial Management during the report period.

VII. Investment in derivatives

Applicable Not applicable

There is no derivative investment during the report period.

VIII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Applicable Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

IX. External guarantee get out of line

Applicable Not applicable

The Company has no external guarantee get out of the line in the Period

X. Controlling shareholder and its related parties occupying non-business capital of the listed company

Applicable Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

September 30, 2018

In RMB yuan

Items	At the end of term	Beginning of term
Current asset:		
Cash and bank balances	21,508,239,571.61	27,456,759,768.86
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable and account receivable	10,809,462,663.09	8,411,548,269.26
Including: Notes receivable		
Account receivable		
Advance payment	3,977,698,892.40	2,021,119,950.95
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	1,361,506,117.14	1,094,347,121.61
Repurchasing of financial assets		
Inventories	5,099,145,468.16	4,914,482,277.21
Assets held for sales	126,264,435.58	213,034,435.58
Non-current asset due in 1 year		
Other current asset	869,301,646.76	2,559,947,333.75
Total of current assets	43,751,618,794.74	46,671,239,157.22
Non-current assets:		
Loans and payment on other's behalf		

disbursed		
Available for sale of financial assets	243,158,605.30	100,000,056.00
Expired investment in possess		
Long-term receivable	139,144,281.97	143,988,866.91
Long term share equity investment	2,159,003,068.50	2,130,640,158.90
Property investment	66,573,319.55	58,229,439.86
Fixed assets	10,702,888,519.13	11,378,564,235.15
Construction in progress	5,440,305,032.18	3,663,486,639.90
Production physical assets		
Gas & petrol		
Intangible assets	1,136,189,650.65	1,001,796,110.02
Development expenses	31,746,824.29	15,397,704.97
Goodwill	2,841,321,629.50	2,587,678,140.99
Long-germ expenses to be amortized	18,792,726.32	26,538,304.02
Deferred income tax asset	495,959,851.13	526,817,792.76
Other non-current asset	280,844,014.83	306,402,939.48
Total of non-current assets	23,555,927,523.35	21,939,540,388.96
Total of assets	67,307,546,318.09	68,610,779,546.18
Current liabilities		
Short-term loans	6,413,266,367.29	5,712,826,382.20
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable and account payable	6,675,528,647.08	5,700,886,719.54
Advance receipts	1,402,400,247.88	1,655,137,563.63
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	155,233,371.95	207,697,362.25
Tax payable	541,928,583.08	294,979,419.96
Other account payable	1,933,030,854.75	2,029,716,039.08
Reinsurance fee payable		

Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	3,887,681,238.97	5,045,608,756.45
Other current liability	214,748,255.20	227,155,178.97
Total of current liability	21,223,817,566.20	20,874,007,422.08
Non-current liabilities:		
Long-term loan	3,626,603,489.32	5,209,726,250.77
Bond payable	5,628,175,409.65	5,665,126,090.52
Including: preferred stock		
Sustainable debt		
Long-term payable	2,959,599,596.63	3,276,308,254.44
Long-term payable employee's remuneration		
Expected liabilities	114,686,312.31	156,421,713.31
Deferred income	634,108,651.72	592,290,617.42
Deferred income tax liability	59,736,869.06	60,149,328.74
Other non-current liabilities	608,000,000.00	608,000,000.00
Total non-current liabilities	13,630,910,328.69	15,568,022,255.20
Total of liability	34,854,727,894.89	36,442,029,677.28
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,798,078,776.44	21,987,405,220.42
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	237.81	-4,518.45
Special reserves	1,996,252.00	1,983,921.21
Surplus reserves	224,133,824.86	224,133,824.86
Common risk provision		
Retained profit	3,924,563,057.29	3,010,372,296.37
Total of owner's equity belong to the parent company	31,674,599,946.40	30,949,718,542.41

Minority shareholders' equity	778,218,476.80	1,219,031,326.49
Total of owners' equity	32,452,818,423.20	32,168,749,868.90
Total of liabilities and owners' equity	67,307,546,318.09	68,610,779,546.18

Legal Representative: Wang Lipeng Person in charge of accounting: Feng Qiuju Accounting Dept Leader: Gao Feipeng

2.Parent Company Balance Sheet

In RMB yuan

Items	At the end of term	Beginning of term
Current asset :		
Cash and bank balances	6,672,278,334.24	11,224,359,236.39
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable and account receivable	22,164,942.91	24,037,262.59
Including: Notes receivable		
Account receivable		
Advance payment	6,608,701.34	16,902,375.19
Other account receivable	6,762,439,501.71	5,497,581,593.85
Inventories	504,897,527.56	509,283,364.38
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	148,973.38	1,220,148,973.38
Total of current assets	13,968,537,981.14	18,492,312,805.78
Non-current assets:		
Available for sale of financial assets	129,500,056.00	100,000,056.00
Expired investment in possess		
Long-term receivable		
Long term share equity investment	25,078,688,983.90	23,020,364,897.17
Property investment		
Fixed assets	41,315,881.64	44,669,881.93
Construction in progress		
Production physical assets		
Gas & petrol		

Intangible assets	9,426,314.09	9,687,094.58
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	59,375,663.74	58,105,970.47
Other non-current asset	1,381,400.00	1,381,400.00
Total of non-current assets	25,319,688,299.37	23,234,209,300.15
Total of assets	39,288,226,280.51	41,726,522,105.93
Current liabilities		
Short-term loans	2,060,000,000.00	2,760,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable and account payable	13,606,648.25	15,219,920.86
Advance receipts	1,141,787.90	421,587.90
Employees' wage payable	4,011,578.92	4,061,413.48
Tax payable	4,013,836.68	28,150,779.48
Other account payable	1,567,955,758.21	503,617,925.37
Classified as held for sale debt		
Non-current liability due in 1 year	1,809,433,333.28	2,769,233,333.30
Other current liability		
Total of current liability	5,460,162,943.24	6,080,704,960.39
Non-current liabilities:		
Long-term loan	515,000,000.00	1,512,500,000.00
Bond payable	5,628,175,409.65	5,665,126,090.52
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable to employees		
Expected liabilities	3,960,000.00	
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	6,147,135,409.65	7,177,626,090.52

Total of liability	11,607,298,352.89	13,258,331,050.91
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,833,675,749.27	21,861,207,672.90
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserves		
Surplus reserves	205,144,600.53	205,144,600.53
Retained profit	-83,720,220.18	676,010,983.59
Total of owners' equity	27,680,927,927.62	28,468,191,055.02
Total of liabilities and owners' equity	39,288,226,280.51	41,726,522,105.93

3.Consolidated Income statement of the Report period

In RMB yuan

Items	Amount in this period	Amount in last period
I. Total revenue	6,133,715,988.34	3,413,741,447.64
Incl: Business income	6,133,715,988.34	3,413,741,447.64
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	5,609,139,602.41	2,997,159,141.48
Incl: Business cost	5,036,411,172.85	2,660,258,497.05
Interest expenses		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount provided as insurance contract reserves		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	23,906,807.14	14,909,735.41
Sales expense	85,460,345.07	28,102,442.79

Administrative expense	148,717,384.56	107,909,779.70
R & D expenses	167,589,371.79	80,395,649.36
Financial expenses	147,707,593.76	106,725,784.79
Including: Interest cost	260,361,572.27	256,939,772.99
Interest income	116,750,430.74	164,304,886.84
Asset impairment loss	-653,072.76	-1,142,747.62
Add: Other gains	46,878,821.37	104,939,239.00
Investment gain (“-”for loss)	17,356,371.68	14,625,434.19
Incl: Investment gains from affiliates	16,524,039.25	-2,123,195.94
Fair value change income		
Gains from currency exchange (“-”for loss)		
Assets disposal income	-814,481.33	
III. Operational profit (“-”for loss)	587,997,097.65	536,146,979.35
Add : Non-operational income	8,221,514.11	13,578,946.49
Less: Non-operational expenses	1,196,410.58	626,413.87
IV .Gross profit(“-”for loss)	595,022,201.18	549,099,511.97
Less: Income tax expenses	133,529,216.17	98,333,122.92
V. Net profit	461,492,985.01	450,766,389.05
(1) Categorized by going concern	461,492,985.01	450,766,389.05
(2) Termination of operating net profit		
Net profit attributable to the owners of parent company	456,861,464.93	418,054,124.34
Minority shareholders’ equity	4,631,520.08	32,712,264.71
VI. After tax net amount of comprehensive income	-9,338.97	136,333.95
Net of profit of other comprehensive income attributable to owners of the parent company	-2,996.12	136,333.95
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be recl		

classified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-2,996.12	136,333.95
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements	-2,996.12	136,333.95
6. Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	-6,342.85	
VII. Total comprehensive income	461,483,646.04	450,902,723.00
Total comprehensive income attributable to the owner of the parent company	456,858,468.81	418,190,458.29
Total comprehensive income attributable minority shareholders	4,625,177.23	32,712,264.71
VIII. Earnings per share		
(I) Basic earnings per share	0.08	0.08
(II) Diluted earnings per share	0.08	0.08

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB : -9,555,668.76, last period the combined party realized RMB-8,413,481.65.

Legal Representative: Wang Lipeng Person in charge of accounting: Feng Qiuju Accounting Dept Leader: Gao Feipeng

4. Income statement of the Parent Company of the Report period

In RMB yuan

Items	Amount in this period	Amount in last period
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I. Turnover	3,256,300.61	17,030,588.98
Less: Operation cost	2,218,588.34	10,251,594.76
Taxes and surcharge	915,072.46	1,248,209.02
Sales expenses	18,769.00	
Administrative expenses	8,823,593.81	13,048,365.78
R & D cost		
Financial expenses	103,671,007.85	39,272,333.52
Including: Interest cost		
Interest income		
Impairment loss on assets	-52,500.00	500,988.07
Add: Other gains		
Investment gains("-"for loss)	16,524,776.06	14,624,681.78
Including: investment income from associates and joint ventures	16,524,776.06	-2,123,948.35
Fair value change income		
Assets disposal income		
II. Operational profit ("-"for loss)	-95,813,454.79	-32,666,220.39
Add : Non-operational income	973.04	505.00
Less: Non -operational expenses	209,000.00	
III.Gross profit("-"for loss)	-96,021,481.75	-32,665,715.39
Less: Income tax expenses		
IV. Net profit	-96,021,481.75	-32,665,715.39
(1) Categorized by going concern	-96,021,481.75	-32,665,715.39
(2) Termination of operating net profit		
V.After tax net amount of comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II)		
Other comprehensive income that will b		

e reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-96,021,481.75	-32,665,715.39
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Income statement between the beginning of the year and end of the report period

In RMB yuan

Items	Amount in this period	Amount in last period
I. Total revenue	17,263,567,779.22	8,290,180,051.74
Including: Business income	17,263,567,779.22	8,290,180,051.74
Interest income		
Insurance fee earned		
Commission charge and commission income		
II. Total Business cost	15,697,381,720.99	7,159,579,530.93
Including: Business cost	14,026,126,902.57	6,064,282,729.77
Interest expense		
Commission charge and commission expense		
Insurance discharge payment		

Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	210,002,927.84	63,838,423.14
Sales expenses	179,353,037.49	70,558,695.36
Administrative expense	412,996,869.13	274,418,882.89
R & D cost	325,561,757.35	213,203,797.00
Financial expenses	542,934,710.06	474,917,712.42
Including: Interest cost	856,102,489.72	829,199,073.46
Interest income	314,912,662.98	361,016,654.63
Asset impairment loss	405,516.55	-1,640,709.65
Add: Other gains	155,240,877.89	191,619,239.00
Investment gain (“-”for loss)	41,062,889.87	21,302,358.40
Including: investment income from associates and joint ventures	28,360,663.73	-17,629,688.77
Fair value change income		
Gains from currency exchange (“-”for loss)		
Assets disposal income	-1,479,307.78	
III. Operational profit (“-”for loss)	1,761,010,518.21	1,343,522,118.21
Add : Non-operational income	14,167,411.04	84,087,461.18
Less: Non-operational expenses	3,964,222.59	1,228,911.52
IV. Gross profit (“-”for loss)	1,771,213,706.66	1,426,380,667.87
Less: Income tax expenses	415,659,992.41	289,847,007.45
V. Net profit	1,355,553,714.25	1,136,533,660.42
(1) Categorized by going concern	1,355,553,714.25	1,136,533,660.42
(2) Termination of operating net profit		
Net profit attributable to the owners of parent company	1,315,157,554.01	1,055,534,505.81
Minority shareholders' equity	40,396,160.24	80,999,154.61
VI. After tax net amount of comprehensive income	4,756.26	134,965.02
Net of profit of other comprehensive income attributable to owners of the parent company	4,756.26	134,965.02

(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	4,756.26	134,965.02
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	4,756.26	134,965.02
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	1,355,558,470.51	1,136,668,625.44
Total comprehensive income attributable to the owner of the parent company	1,315,162,310.27	1,055,669,470.83
Total comprehensive income attributable minority shareholders	40,396,160.24	80,999,154.61
VIII. Earnings per share		
(I) Basic earnings per share	0.23	0.21
(II) Diluted earnings per share	0.23	0.21

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB -9,555,668.76, last period the combined party realized RMB-8,413,481.65.

6. Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB yuan

Items	Amount in this period	Amount in last period
I. Turnover	58,572,283.01	55,628,270.16
Less: Business cost	40,711,128.57	38,343,858.04
Taxes and surcharge	3,087,770.21	4,833,522.28
Sales expenses	18,769.00	
Administrative expense	33,117,331.75	35,867,422.34
R & D cost		
Financial expenses	355,271,284.54	291,064,184.00
Including: Interest cost	486,422,033.13	
Interest income	132,632,720.00	
Asset impairment loss	7,848,812.69	221,249.92
Add: Other gains		
Investment gain (“-”for loss)	21,656,065.50	21,300,415.79
Including: investment income from associates and joint ventures	28,360,663.73	-17,631,631.38
Fair value change income		
Assets disposal income		
II. Operational profit (“-”for loss)	-359,826,748.25	-293,401,550.63
Add : Non-operational income	1,644.45	6,893.00
Less: Non-operational expenses	209,000.15	
III. Gross profit (“-”for loss)	-360,034,103.95	-293,394,657.63
Less: Income tax expenses	-1,269,693.27	3,374,750.50
IV. Net profit	-358,764,410.68	-296,769,408.13
(1) Categorized by going concern	-358,764,410.68	-296,769,408.13
(2) Termination of operating net profit		
V. After tax net amount of comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1. Re-measurement of defined benefit pl		

ans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-358,764,410.68	-296,769,408.13
VII. Earnings per share:		
(I) Basic earnings per share		
(II)Diluted earnings per share		

7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB yuan

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	15,776,552,566.68	8,276,967,576.33
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance		

contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	535,606,707.13	298,681,750.98
Other cash received from business operation	1,445,590,352.94	1,282,855,491.83
Sub-total of cash inflow	17,757,749,626.75	9,858,504,819.14
Cash paid for purchasing of merchandise and services	14,640,101,334.51	7,137,349,852.62
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	873,946,590.61	444,409,310.90
Taxes paid	718,192,319.59	779,879,349.99
Other cash paid for business activities	2,040,936,112.00	1,029,659,881.43
Sub-total of cash outflow from business activities	18,273,176,356.71	9,391,298,394.94
Cash flow generated by business operation, net	-515,426,729.96	467,206,424.20
II.Cash flow generated by investing		
Cash received from investment retrieving	1,251,030,000.00	7,619,999,000.00
Cash received as investment gains	13,923,452.07	36,722,122.05

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,889,040.00	
Net cash received from disposal of subsidiaries or other operational units	393,727,652.59	
Other investment-related cash received	329,439,021.36	488,962.49
Sub-total of cash inflow due to investment activities	1,992,009,166.02	7,657,210,084.54
Cash paid for construction of fixed assets, intangible assets and other long-term assets	2,899,735,048.66	1,577,193,974.96
Cash paid as investment	446,473,324.50	7,870,751,027.51
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	108,724,611.43	27,029,498.90
Other cash paid for investment activities	452,439,739.56	170,000,000.00
Sub-total of cash outflow due to investment activities	3,907,372,724.15	9,644,974,501.37
Net cash flow generated by investment	-1,915,363,558.13	-1,987,764,416.83
III.Cash flow generated by financing		
Cash received as investment	6,399,500.00	368,016,041.50
Incl: Cash received as investment from minor shareholders	6,399,500.00	368,016,041.50
Cash received as loans	4,419,098,213.33	4,796,342,914.00
Cash received from bond placing		
Other financing –related cash received	777,589,299.83	708,008,116.32
Sub-total of cash inflow from financing activities	5,203,087,013.16	5,872,367,071.82
Cash to repay debts	6,926,972,109.28	5,515,503,171.88
Cash paid as dividend, profit, or interests	1,171,170,999.61	1,128,350,138.75
Incl: Dividend and profit paid by subsidiaries to minor shareholders		30,000,000.00
Other cash paid for financing activities	704,299,273.76	562,632,737.76
Sub-total of cash outflow due to financing activities	8,802,442,382.65	7,206,486,048.39

Net cash flow generated by financing	-3,599,355,369.49	-1,334,118,976.57
IV. Influence of exchange rate alternation on cash and cash equivalents	7,175,415.44	-5,062,685.46
V. Net increase of cash and cash equivalents	-6,022,970,242.14	-2,859,739,654.66
Add: balance of cash and cash equivalents at the beginning of term	25,114,660,756.25	25,415,066,312.84
VI .Balance of cash and cash equivalents at the end of term	19,091,690,514.11	22,555,326,658.18

8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB yuan

Items	Amount in this period	Amount in last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	70,757,928.40	62,187,688.55
Tax returned	13,719.30	
Other cash received from business operation	444,929,669.15	7,556,107,048.49
Sub-total of cash inflow	515,701,316.85	7,618,294,737.04
Cash paid for purchasing of merchandise and services	34,817,201.76	173,174,099.99
Cash paid to staffs or paid for staffs	24,886,017.39	11,623,310.41
Taxes paid	33,226,454.45	13,066,407.94
Other cash paid for business activities	219,935,549.94	8,920,483,257.03
Sub-total of cash outflow from business activities	312,865,223.54	9,118,347,075.37
Cash flow generated by business operation, net	202,836,093.31	-1,500,052,338.33
II. Cash flow generated by investing		
Cash received from investment retrieving	1,770,000,000.00	7,619,999,000.00
Cash received as investment gains	678,923,452.07	608,932,047.17
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of		

subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	2,448,923,452.07	8,228,931,047.17
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	2,617,565,500.00	11,684,624,110.50
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	20,234,170,247.66	170,000,000.00
Sub-total of cash outflow due to investment activities	22,851,735,747.66	11,854,624,110.50
Net cash flow generated by investment	-20,402,812,295.59	-3,625,693,063.33
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	580,000,000.00	2,666,666,666.66
Cash received from bond placing		
Other financing –related ash received	19,085,073,335.80	312,673,897.76
Sub-total of cash inflow from financing activities	19,665,073,335.80	2,979,340,564.42
Cash to repay debts	3,281,257,300.02	2,397,150,000.02
Cash paid as dividend, profit, or interests	735,920,735.65	720,739,699.15
Other cash paid for financing activities		28,679,113.18
Sub-total of cash outflow due to financing activities	4,017,178,035.67	3,146,568,812.35
Net cash flow generated by financing	15,647,895,300.13	-167,228,247.93
IV. Influence of exchange rate alternation on cash and cash equivalents		433,490.32
V.Net increase of cash and cash equivalents	-4,552,080,902.15	-5,292,540,159.27
Add: balance of cash and cash equivalents at the beginning of term	11,224,359,236.39	16,951,756,537.76
VI ..Balance of cash and cash equivalents at the end of term	6,672,278,334.24	11,659,216,378.49

II. Auditor's report

Whether the Q3 report is audited

Yes No

The Q3 Report is not audited.

Tunghsu Optoelectronic Technology Co., Ltd.

Board Chairman: Wang Lipeng

Issue day approved by the Board of Directors: October 30,2018