



Shenzhen Nanshan Power Co., Ltd.
The First Quarterly Report 2018

2018-016

April 2018

Section I. Important Notes

Board of Directors and the Supervisory Committee of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.

Li Xinwei, person in charge of the Company, Director GM Chen Yuhui, person in charge of accounting works and CFO Dai Xiji as well as Wang Yi (act for the financial management dept.), person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

All Directors are attended the Board Meeting for Quarterly Report deliberation.

Concerning the forward-looking statements with future planning involved in the Semi-Report, they do not constitute a substantial commitment for investors.

Investors are advised to exercise caution of investment risks.

The report has been prepared in both Chinese and English, for any discrepancies, the Chinese version shall prevail. Please read the full report seriously.

Paraphrase

Items	Refers to	Contents
Company, the Company, Shen Nan Dian	Refers to	Shenzhen Nanshan Power Co., Ltd.
Shen Nan Dian Zhongshan Company	Refers to	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shen Nan Dian Dongguan Company	Refers to	Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd
Shen Nan Dian Engineering Company	Refers to	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.
Shen Nan Dian Environment Protection Company	Refers to	Shenzhen Shen Nan Dian Environment Protection Co., Ltd.
Server Company	Refers to	Shenzhen Server Petrochemical Supplying Co., Ltd
New Power Company	Refers to	Shenzhen New Power Industrial Co., Ltd.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Nanshan Power Factory	Refers to	Nanshan Power Factory of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nam Long Power Plant	Refers to	Zhongshan Nam Long Power Plant of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Dongguan Gaobu Power Plant	Refers to	Dongguan Gaobu Power Plant of Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd
Syndisome Company	Refers to	Hong Kong Syndisome Co., Ltd.
NAM HOI	Refers to	HONG KONG NAM HOI (INTERNATIONAL) LTD.
Shen Energy Group	Refers to	Shenzhen Energy Co., Ltd.
Guangju Industrial	Refers to	Shenzhen Guangju Industrial Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
Securities regulatory bureau	Refers to	Shenzhen Securities Regulatory Commission of China Securities Regulation Commission
SZ Stock Exchange, Exchange	Refers to	Shenzhen Stock Exchange
Company Law	Refers to	Company Law of The People's Republic of China
Securities Law	Refers to	Securities Law of The People's Republic of China
Stock Listing Rules	Refers to	Rules Governing the Listing of Stocks on Shenzhen Stock Exchange
Articles of association	Refers to	Article of Association of Shenzhen Nanshan Power Co., Ltd.

RMB, in 10 thousand Yuan, 100 Million Yuan	Refers to	Except the special description of the monetary unit, rest of the monetary unit is RMB Yuan, ten thousand Yuan, the 100 Million Yuan
Reporting period	Refers to	1 Jan. 2018 to 31 Mar. 2018

Section II. Basic situation of the Company

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	403,525,942.67	318,755,094.24	26.59%
Net profit attributable to shareholders of the listed company(RMB)	-10,927,762.57	-27,388,861.07	-60.10%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-11,221,495.07	-28,843,829.49	-61.10%
Net cash flow arising from operating activities(RMB)	-69,260,605.97	-213,153,838.55	-67.51%
Basic earnings per share (RMB/Share)	-0.02	-0.05	-60.00%
Diluted earnings per share (RMB/Share)	-0.02	-0.05	-60.00%
Weighted average ROE	-0.57%	-1.50%	-62.00%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	3,172,002,817.41	2,883,804,392.70	9.99%
Net assets attributable to shareholder of listed company (RMB)	1,947,690,322.82	1,958,618,085.39	-0.56%

Items of non-recurring gains and losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-786,877.44	Scrap loss of fixed assets
Governmental grant reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	1,103,639.94	Apportionment of government grant with assets concerned
Other non-operating income and expenditure except for the aforementioned items	-8,000.00	

Less: impact on income tax	-6,111.78	
Impact on minority shareholders' equity (post-tax)	21,141.78	
Total	293,732.50	--

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

Applicable Not applicable

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

II. Total number of shareholders at the end of this report period and top ten shareholders

1. Total common and preferred stockholders with voting rights recover and the top ten share-holding

In Share

Total common shareholders at the end of report period		33,019	Total preferred stockholders with voting rights recover at the end of report period (if applicable)		0	
Top ten share-holding						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD	Overseas legal person	15.28%	92,123,248			
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824			
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned legal person	10.80%	65,106,130			
BOCI SECURITIES LIMITED	Overseas legal person	1.44%	8,690,627			
Liu Fang	Domestic nature person	1.23%	7,443,373			
China Merchants Securities H.K. Co., Ltd.	State-owned legal person	1.14%	6,896,669			
Zeng Ying	Domestic nature person	1.14%	6,878,096			
Meiyi Investment Property Co., Ltd.	Domestic non	0.77%	4,615,800			

	state legal person					
Zhang Heping	Domestic nature person	0.76%	4,590,300			
Li Baoqin	Domestic nature person	0.66%	3,970,300			
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Domestically listed foreign shares	92,123,248			
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB common shares	73,666,824			
SHENZHEN ENERGY (GROUP) CO., LTD.	65,106,130	RMB common shares	65,106,130			
BOCI SECURITIES LIMITED	8,690,627	Domestically listed foreign shares	8,690,627			
Liu Fang	7,443,373	RMB common shares	4,498,473			
		Domestically listed foreign shares	2,944,900			
China Merchants Securities H.K. Co., Ltd.	6,896,669	Domestically listed foreign shares	6,896,669			
Zeng Ying	6,878,096	Domestically listed foreign shares	6,878,096			
Meiyi Investment Property Co., Ltd.	4,615,800	RMB common shares	4,615,800			
Zhang Heping	4,590,300	RMB common shares	3,350,000			
		Domestically listed foreign shares	1,240,300			
Li Baoqin	3,970,300	Domestically listed foreign	937,000			

		shares	
		Domestically listed foreign shares	3,033,300
Explanation on associated relationship among the aforesaid shareholders	<p>1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED was held by SHENZHEN ENERGY (GROUP) CO., LTD</p> <p>2. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.</p>		
Explanation on top 10 shareholders involving margin business (if applicable)	Among the top ten shareholders, Ms. Liu Fang holds 1,904,100 shares through credit transaction guarantee securities account		

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 shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main financial data and financial index and explanations of reasons

Applicable Not applicable

1. Monetary fund has 689.2825 million Yuan at end of the period, an increase of 57.26% over that of period beginning, mainly due to the revenue from electricity sales increased and bank loans increased;
2. Note receivable has 700,000 Yuan at end of the period, a decrease of 89.56% over that of period beginning, mainly due to the decrease of note receivables;
3. Account receivable has 201.2928 million Yuan at end of the period, an increase of 77.59% over that of period beginning, mainly due to receivable of revenue from electricity sales increased;
4. Other account receivable has 44.3135 million Yuan at end of the period, an increase of 14.29% over that of period beginning, mainly due to the intercourse funds increased;
5. Construction in progress has 61.101million Yuan at end of the period, an increase of 19.90% over that of period beginning, mainly due to the technical reform expenditure increased;
6. Other non-current assets have 22.8822 million Yuan at end of the period, a decrease of 30.51% over that of period beginning, mainly because the account paid for construction and equipment in advance declined;
7. Short-term loans have 880.85 million Yuan at end of the period, an increase of 70.76% over that of period beginning, mainly because short-term loans from the bank increased;
8. Note payable has 0.00 Yuan at end of the period, a decrease of 100% over that of period beginning, mainly because the notes are due for payment;
9. Account payable has 11.3666 million Yuan at end of the period, a decrease of 24.70% over that of period beginning, mainly because the payable for natural gas declined;
10. Taxes payable has 13.5665 million Yuan at end of the period, a decrease of 12.12% over that of period beginning, mainly because the enterprise income tax for year of 2017 are paid in the period;
11. Interest payable have 3.4694 million Yuan at end of the period, an increase of 15.38% over that of period beginning, mainly because loans from the bank increased;
12. Operation revenue has 403.5259 million Yuan in the period, an increase of 26.59% on a y-o-y basis, mainly due to the revenue from electricity sales increased;
13. Operation cost has 385.0534 million Yuan in the period, an increase of 24.27% on a y-o-y basis, mainly because the costs increased with the soaring electricity generation;
14. Tax and surcharge has 2.0314 million Yuan in the period, an increase of 25.06% on a y-o-y basis, mainly because the VAT surcharge increased;
15. Sales expenses have 459,200 Yuan in the period, a decrease of 43.67% on a y-o-y basis, mainly because the sludge disposal fee declined;
16. Financial expenses have 10.2822 million Yuan in the period, a decrease of 43.11% on a y-o-y basis, mainly because the loans from the bank declined from a year earlier;
17. Non-operation revenue has 2000 Yuan in the period, a decrease of 99.87% on a y-o-y basis, mainly because according to the accounting standards after changed, current government grants are listed in other income for presentation;

18. Non-operation expenditure has 796,900 Yuan in the period, an increase of 7061.43% on a y-o-y basis, mainly due to the scrapping losses from fixed assets;
19. Income tax expenses have 2.2483 million Yuan in the period, an increase of 648.75% on a y-o-y basis, mainly because the enterprise income tax are accrual in the period;
20. Net cash flow from operation activities have (69,260,600) Yuan in the period, a decrease of 67.51% on a y-o-y basis in net cash out-flow, mainly because the taxes paid declined;
21. Net cash flow from investment activities have (31,985,900) Yuan in the period, an increase of 30.74% on a y-o-y basis in net cash out-flow, mainly because the technical reform expenditure increased;
22. Net cash flow from financing activities has 367.9042 million Yuan in the period, an increase of 148.53% on a y-o-y basis in net cash in-flow, mainly due to the new loans from the bank

II. Analysis and explanation of significant events and their influence and solutions

√Applicable □Not applicable

1. Matters related to land parcel of No.T102-0011 and No. T102-0155. Before the date of this report, the Company has closely followed the comprehensive planning of Qianhai Shekou Free Trade Zone and the work development by relevant government authorities of Shenzhen. On 5 March 2018, immediately upon its notice of the public announcement available on the official website of Shenzhen Traffic Transportation Committee named “The Public Participation in Social Stability Risk Analysis in Connection with the Rapid Improvement Project of Yueliangwan Avenue”, the Company discussed with the special legal adviser engaged by it to draw the corresponding reply as per the requirements under the announcement, and submitted the same to the construction entity “Shenzhen Traffic Utility Construction Center” and the appraisal agency engaged to undertake the social stability risk assessment “Guizhou Traffic Planning Survey Design and Research Institute Co., Ltd.” prior to the prescribed deadline, to address its opinions and recommendation in respect of the material impact of the project construction over the Company and its subsidiaries. Besides, since there is no reply received by the Company in respect of its Objection Letter on the Comprehensive Planning of Qianhai Shekou Free Trade Zone submitted by the Company to the State Planning and Land Resources Committee of the Shenzhen Municipal on 10 August 2017, the Company therefore, on 13 April 2018, submitted to the State Planning and Land Resources Committee of the Shenzhen Municipal An Application of Shenzhen Nanshan Power for Change of the Comprehensive Planning of Qianhai Shekou Zone of China (Guangdong) Pilot Free Trade Zone to restate its position, in which the Company restated the potential impact on the Company that may be resulted from the Comprehensive Planning of Qianhai Shekou Zone of China (Guangdong) Pilot Free Trade Zone (“Planning”) with its opinions for change of part of the Planning that involved the Company’s land. The Company will continue to process the relevant works, closely follow the progress of the comprehensive planning of Qianhai Shekou Free Trade Zone and make its best to protect the shareholders and staff’s interests with participation and cooperation with its legal adviser.

2. Return of “technical reform beneficiary capital”. during the reporting period, the Company will continue to facilitate collection of the return of “technical reform beneficiary capital” and make proper communication and contact in relation thereto. However, no practical progress has been obtained.

Save as disclosed above, there is no progress or change in transfer of No.7 and No. 9 machine sets, Guangdong and Xinjiang Assistance participated by the Company, the proposed application of register and issue of intermediate notes with aggregate amount not more than RMB500 million (RMB500 million included) from National Association of Financial Market Institutional Investors as well as the proposed non-public offering of corporate bonds with aggregate amount not more than RMB2.0 billion (RMB2.0 billion included) during the reporting period.

III. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

Applicable Not applicable

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

IV. Predict of the business performance from January to June 2017

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

Applicable Not applicable

V. Securities Investment

Applicable Not applicable

No security investment in Period.

VI. Derivative investment

Applicable Not applicable

No derivative investment in the Period.

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

Applicable Not applicable

Time	Way	Type	Basic situation index of investigation
2018-3-28	Field research	Individual (10)	Continuing operation of the Company and plan of future transformation & development; relevant events of the lands of Nanshan Power Plant and development plans in the future and so on; no material acquired
Jan.-Mar. 2018	Telephone communication	Individual (dozens of times)	Continuing operation of the Company and plan of future transformation & development; relevant events of the lands of Nanshan Power Plant and development plans in the future and so on; no material acquired
Jan.-Mar. 2018	Reply on interaction easily	Individual (23)	Continuing operation of the Company and plan of future transformation & development; relevant

			events of the lands of Nanshan Power Plant and development plans in the future and so on; reply in written
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VIII. External security against the rules

Applicable Not applicable

The Company has no external security against the rules in the Period.

IX. Controlling shareholders' and its related party's non-business capital occupying of the listed company

Applicable Not applicable

There are no controlling shareholders' and its related party's non-business capital occupying of the listed company.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen Nanshan Power Co., Ltd

2018-04-20

In RMB

Items	Closing Balance	Opening Balance
Current assets:		
Monetary funds	689,282,524.02	438,316,169.81
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable	700,000.00	6,702,500.00
Accounts receivable	201,292,751.19	113,349,775.76
Accounts paid in advance	107,589,222.55	119,069,891.55
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	44,313,537.27	38,771,888.74
Purchase restituted finance asset		
Inventories	77,898,359.11	77,834,903.89
Assets held for sale		
Non-current asset due within one year		
Other current assets	431,277,282.19	452,184,523.24
Total current assets	1,552,353,676.33	1,246,229,652.99
Non-current assets:		

Loans and payments on behalf		
Finance asset available for sales	60,615,000.00	60,615,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	17,722,430.67	18,254,673.40
Investment property	2,753,405.91	2,802,440.31
Fixed assets	1,403,802,884.88	1,420,620,565.05
Construction in progress	61,100,968.84	50,958,741.92
Engineering material		
Disposal of fixed asset	1,314.60	
Productive biological asset		
Oil and gas asset		
Intangible assets	47,848,917.75	48,470,500.60
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	2,922,036.65	2,922,036.65
Other non-current asset	22,882,181.78	32,930,781.78
Total non-current asset	1,619,649,141.08	1,637,574,739.71
Total assets	3,172,002,817.41	2,883,804,392.70
Current liabilities:		
Short-term loans	880,850,000.00	515,850,000.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		51,439,580.56
Accounts payable	11,366,571.95	15,094,912.60
Accounts received in advance		
Selling financial asset of repurchase		
Commission charge and		

commission payable		
Wage payable	44,630,077.46	48,337,588.25
Taxes payable	13,566,510.52	15,437,758.76
Interest payable	3,469,425.60	3,006,993.33
Dividend payable		
Other accounts payable	85,007,045.59	83,214,183.57
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Liability held for sale		
Non-current liabilities due within 1 year	30,400,000.00	32,400,000.00
Other current liabilities		
Total current liabilities	1,069,289,631.12	764,781,017.07
Non-current liabilities:		
Long-term loans	25,940,000.00	25,940,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities	26,788,590.38	26,788,590.38
Deferred income	40,944,591.18	41,948,231.12
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	93,673,181.56	94,676,821.50
Total liabilities	1,162,962,812.68	859,457,838.57
Owner's equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		

Capital public reserve	362,770,922.10	362,770,922.10
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	649,248,407.12	660,176,169.69
Total owner's equity attributable to parent company	1,947,690,322.82	1,958,618,085.39
Minority interests	61,349,681.91	65,728,468.74
Total owner's equity	2,009,040,004.73	2,024,346,554.13
Total liabilities and owner's equity	3,172,002,817.41	2,883,804,392.70

Legal Representative: President Li Xinwei

Person in charge of accounting works: Director GM Chen Yuhui, CFO Dai Xiji

Person in charge of accounting institute: Financial Manager Wang Yi (act for the financial management dept.)

2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	412,280,400.11	159,883,551.05
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	85,189,018.61	17,599,743.80
Account paid in advance	51,722,793.98	72,042,056.16
Interest receivable		
Dividends receivable		
Other receivables	929,099,175.15	913,646,990.47
Inventories	67,642,620.56	68,187,593.73
Assets held for sale		
Non-current assets maturing within		

one year		
Other current assets	389,251,386.96	406,616,846.60
Total current assets	1,935,185,395.37	1,637,976,781.81
Non-current assets:		
Available-for-sale financial assets	60,615,000.00	60,615,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	691,982,849.76	691,982,849.76
Investment property		
Fixed assets	229,721,706.99	220,519,962.58
Construction in progress	871,309.00	755,227.83
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	2,423,343.21	2,726,256.15
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		1,516,600.00
Total non-current assets	985,614,208.96	978,115,896.32
Total assets	2,920,799,604.33	2,616,092,678.13
Current liabilities:		
Short-term borrowings	380,000,000.00	50,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		38,863,779.64
Accounts payable	928,675.40	1,467,087.08
Accounts received in advance		
Wage payable	22,562,449.27	23,669,295.53
Taxes payable	3,527,634.17	5,703,576.67
Interest payable	552,027.08	175,740.00

Dividend payable		
Other accounts payable	189,700,860.35	176,793,775.07
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	597,271,646.27	296,673,253.99
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income	23,003,332.62	23,665,762.95
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	23,003,332.62	23,665,762.95
Total liabilities	620,274,978.89	320,339,016.94
Owners' equity:		
Share capita	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	289,963,039.70	289,963,039.70
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	332,908,397.60	332,908,397.60
Retained profit	1,074,890,592.14	1,070,119,627.89
Total owner's equity	2,300,524,625.44	2,295,753,661.19

Total liabilities and owner's equity	2,920,799,604.33	2,616,092,678.13
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3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	403,525,942.67	318,755,094.24
Including: Operating income	403,525,942.67	318,755,094.24
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	416,971,883.63	353,161,278.27
Including: Operating cost	385,053,424.45	309,853,787.59
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	2,031,387.85	1,624,279.24
Sales expenses	459,156.87	815,174.84
Administration expenses	19,145,685.78	22,795,473.90
Financial expenses	10,282,228.68	18,072,562.70
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	-532,242.73	-497,728.95
Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with "-")		

Assets disposal income (Loss is listed with “-”)		
Other income	1,714,804.83	
III. Operating profit (Loss is listed with “-”)	-12,263,378.86	-34,903,912.98
Add: Non-operating income	2,000.00	1,585,394.76
Less: Non-operating expense	796,877.44	11,127.35
Including: loss from non-current assets damaged or scrap	786,877.44	1,127.35
IV. Total Profit (Loss is listed with “-”)	-13,058,256.30	-33,329,645.57
Less: Income tax expense	2,248,293.10	300,272.98
V. Net profit (Net loss is listed with “-”)	-15,306,549.40	-33,629,918.55
(I) Continuous operation net profit (Net loss is listed with “-”)		
(II) Discontinued operation net profit (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	-10,927,762.57	-27,388,861.07
Minority shareholders’ gains and losses	-4,378,786.83	-6,241,057.48
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		

1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-15,306,549.40	-33,629,918.55
Total comprehensive income attributable to owners of parent Company	-10,927,762.57	-27,388,861.07
Total comprehensive income attributable to minority shareholders	-4,378,786.83	-6,241,057.48
VIII. Earnings per share:		
(i) Basic earnings per share	-0.02	-0.05
(ii) Diluted earnings per share	-0.02	-0.05

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

Legal Representative: President Li Xinwei

Person in charge of accounting works: Director GM Chen Yuhui, CFO Dai Xiji

Person in charge of accounting institute: Financial Manager Wang Yi (act for the financial management dept.)

4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	165,304,888.90	129,531,789.50
Less: Operating cost	155,632,212.68	139,882,897.99
Operating tax and extras	178,168.35	318,215.05
Sales expenses		
Administration expenses	9,385,988.12	12,669,948.85
Financial expenses	-6,277,213.03	-3,162,126.45
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
Assets disposal income (Loss is listed with “-”)		
Other income	762,430.33	
II. Operating profit (Loss is listed with “-”)	7,148,163.11	-20,177,145.94
Add: Non-operating income		858,110.33
Less: Non-operating expense	786,877.44	
Including: loss from non-current assets damaged or scrap	786,877.44	
III. Total Profit (Loss is listed with “-”)	6,361,285.67	-19,319,035.61
Less: Income tax expense	1,590,321.42	
IV. Net profit (Net loss is listed with “-”)	4,770,964.25	-19,319,035.61
(I) Continuous operation net profit (Net loss is listed with “-”)		
(II) Discontinued operation net profit (Net loss is listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		

1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	4,770,964.25	-19,319,035.61
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		

Cash received from selling commodities and providing labor services	389,122,193.60	335,696,983.79
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	620,709.11	788,829.24
Other cash received concerning operating activities	2,172,748.21	8,927,278.01
Subtotal of cash inflow arising from operating activities	391,915,650.92	345,413,091.04
Cash paid for purchasing commodities and receiving labor service	394,654,009.46	345,329,535.67
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission		

charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	34,455,664.92	31,892,059.46
Taxes paid	22,451,695.31	172,293,260.97
Other cash paid concerning operating activities	9,614,887.20	9,052,073.49
Subtotal of cash outflow arising from operating activities	461,176,256.89	558,566,929.59
Net cash flows arising from operating activities	-69,260,605.97	-213,153,838.55
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	262,500.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	262,500.00	
Cash paid for purchasing fixed, intangible and other long-term assets	32,248,431.89	24,466,180.89
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	32,248,431.89	24,466,180.89
Net cash flows arising from investing activities	-31,985,931.89	-24,466,180.89

III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	530,000,000.00	101,780,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	15,460,000.00	
Subtotal of cash inflow from financing activities	545,460,000.00	101,780,000.00
Cash paid for settling debts	167,000,000.00	838,680,000.00
Cash paid for dividend and profit distributing or interest paying	10,555,809.13	21,262,275.18
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	177,555,809.13	859,942,275.18
Net cash flows arising from financing activities	367,904,190.87	-758,162,275.18
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-231,298.80	-29,080.94
V. Net increase of cash and cash equivalents	266,426,354.21	-995,811,375.56
Add: Balance of cash and cash equivalents at the period -begin	411,613,377.07	1,389,482,327.86
VI. Balance of cash and cash equivalents at the period -end	678,039,731.28	393,670,952.30

6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
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I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	165,849,848.40	137,934,652.20
Write-back of tax received		
Other cash received concerning operating activities	892,094.12	79,010,430.35
Subtotal of cash inflow arising from operating activities	166,741,942.52	216,945,082.55
Cash paid for purchasing commodities and receiving labor service	164,618,568.76	231,703,840.65
Cash paid to/for staff and workers	19,415,113.07	19,566,413.11
Taxes paid	6,308,794.09	162,249,279.59
Other cash paid concerning operating activities	22,699,771.73	33,403,433.62
Subtotal of cash outflow arising from operating activities	213,042,247.65	446,922,966.97
Net cash flows arising from operating activities	-46,300,305.13	-229,977,884.42
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	262,500.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	262,500.00	
Cash paid for purchasing fixed, intangible and other long-term assets	28,368,843.96	35,792.00

Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	28,368,843.96	35,792.00
Net cash flows arising from investing activities	-28,106,343.96	-35,792.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	360,000,000.00	
Cash received from issuing bonds		
Other cash received concerning financing activities	11,660,000.00	
Subtotal of cash inflow from financing activities	371,660,000.00	
Cash paid for settling debts	30,000,000.00	680,500,000.00
Cash paid for dividend and profit distributing or interest paying	3,194,917.92	11,108,786.09
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	33,194,917.92	691,608,786.09
Net cash flows arising from financing activities	338,465,082.08	-691,608,786.09
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,583.93	-198.86
V. Net increase of cash and cash equivalents	264,056,849.06	-921,622,661.37
Add: Balance of cash and cash equivalents at the period -begin	148,223,551.05	1,119,323,850.36
VI. Balance of cash and cash equivalents at the period -end	412,280,400.11	197,701,188.99

II. Audit report

Whether the 1st quarterly report has been audited or not

Yes No

1Q report of the Company is unaudited.