



# **Sino Great Wall Co., Ltd.**

## **The First Quarterly Report 2019**

**April 2019**

## 1 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.

Other directors attending the Meeting for annual report deliberation except for the followed:

Name of director absent	Title for absent director	Reasons for absent	Attorney
Jiang Chongguang	Independent director	Due to work reasons	Yu Haichun

Mr.Chen Lue, Person in charge of the Company, Ms.Yang Chunling, Chief financial officer and the Ms. Yang Chunling, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report .

## II. Basic information about the company

### I. Main accounting data and financial indexes

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

Yes  No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (RMB)	152,514,127.64	923,442,740.92	-83.48%
Net profit attributable to the shareholders of the listed company (RMB)	-128,964,725.66	218,523,628.75	-159.02%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-128,964,725.66	59,559,955.14	-316.53%
Cash flow generated by business operation, net (RMB)	24,863,912.37	809,676,459.22	-96.93%

Basic earning per share(RMB/Share)	-0.08	0.13	-161.54%
Diluted gains per share(RMB/Share)(RMB/Share)	-0.08	0.13	-161.54%
Weighted average ROE(%)	-75.37%	9.69%	-85.06%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	9,365,266,921.60	9,603,455,934.89	-2.48%
Net assets attributable to the shareholders of the listed company (RMB)	105,937,489.04	235,202,473.51	-54.96%

## Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Total	0.00	--

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		78,961	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
Chen Lue	Domestic Natural person	34.36%	583,454,556	437,590,917	Pledge	583,454,556
					Freeze	583,454,462
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910	0		
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	5.18%	87,935,921	0		
He Feiyan	Domestic Natural person	3.23%	54,800,458	0	Freeze	54,800,458
Jiutai Fund – Bank of Communications – Jiutai Huitong No.2 specific customer asset management plan	Other	2.40%	40,696,772	0		
Rich Crown Investment Co., Ltd.	Foreign legal person	1.37%	23,235,313	0		
Qinghai Heyi Industry Development Co., Ltd.	Domestic Non-State-owned legal person	0.79%	13,357,084	0	Pledge	13,357,084
Huang Huaian	Domestic Natural person	0.67%	11,300,000	0		
Zhang Xubao	Domestic Natural	0.38%	6,503,220	0		

	person				
Chen Lihong	Domestic Natural person	0.28%	4,775,760	0	
Shareholding of top 10 shareholders of unrestricted shares					
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type			
		Share type	Quantity		
Chen Lue	145,863,639	RMB Common shares	145,863,639		
STYLE-SUCCESS LIMITED	92,970,910	Foreign shares placed in domestic exchange	92,970,910		
Union Holdings Co., Ltd.	87,935,921	RMB Common shares	87,935,921		
He Feiyan	54,800,458	RMB Common shares	54,800,458		
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management plan	40,696,772	RMB Common shares	40,696,772		
Rich Crown Investment Co., Ltd.	23,235,313	Foreign shares placed in domestic exchange	23,235,313		
Qinghai Heyi Industry Development Co., Ltd.	13,357,084	RMB Common shares	13,357,084		
Huang Huaian	11,300,000	RMB Common shares	11,300,000		
Zhang Xubao	6,503,220	RMB Common shares	6,503,220		
Chen Lihong	4,775,760	Foreign shares placed in domestic exchange	4,775,760		
Explanation on associated relationship or concerted action of the above shareholders	The largest shareholder of Mr. Chen Lue and the Fourth largest shareholder of Ms. He Feiyan aforesaid are persons acting in concernp; The controlling shareholder of the above-mentioned third shareholder Shenzhen Union Holdings Co.,Ltd. And Sixth shareholder Rich Crown Investment Co., Ltd.. Is Union Development Group Ltd., The other tradable shareholders neither knew whether there exists associated relationship between them.				

Note to the top 10 common stockholders involved in margin financing & securities lending (If any)	Nil
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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. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

√ Applicable □ Not applicable

Items	This period/Year-end balance	Same period of the previous year/Year-beginning balance	Changes %	Remarks on the change
Long-term Loans	-	12000000.00	-100.00%	Mainly due to use the same bank to borrow short-term loans to repay long-term loans.
Operating income	152514127.64	923442740.92	-83.48%	Mainly for the national credit tightening, the tight capital led to the company's business contraction, the project progressed slowly.
Operating cost	129968630.28	694723215.49	-81.29%	Mainly due to reduced operating income
Administration expenses	47113359.52	73133254.43	-35.58%	Mainly due to the decrease in operating shrinkage management personnel
Net profit	-128564725.66	218782564.96	-158.76%	Mainly due to reduced operating income
Net cash flow generated by operation activities	24863912.37	809676459.22	-96.93%	Mainly due to the reduction of projects and the slow progress of projects under construction
Net cash flow generated by investment activities	-	-81805042.30	-100.00%	Mainly due to reduced operating shrinkage
Net cash flow generated by financing activities	-64236401.65	-624966136.18	-89.72%	Mainly due to the tightening of national credit and the difficulty of loans

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

√ Applicable □ Not applicable

1. On February 12, 2018, the Company convened the twenty-ninth meeting of the seventh Board of Directors, deliberating and adopting a Proposal on Acquisition of Shares of UPL Laos Co., Ltd., according to which, UPL (MALAYSIA) SDN. BHD. (hereinafter referred to as UPL Malaysia) transferred 30% of shares of UPL Laos Co., Ltd. (hereinafter referred to as UPL Laos) to the Company by signing an Agreement of Equity Cooperation on Laos Vientiane Dongphosy Special Economic Zone Project, UPL Laos entered into a franchise agreement for 50+40 years with Laos Government by cash contribution of USD 10 million and advance payment of USD 20

million for project construction put together as the consideration of acquisition and took full charge of matters of development of Dongphosy as the franchisee to Dongphosy Special Economic Zone (refer to the Company's Announcement 2018-020 and 021). On June 12, 2018, the Company agreed with UPL Malaysia on transfer of 10% of shares, hence the Company's shareholding ratio rose to 40%. Whereas the Company is experiencing a financial difficulty at the moment and has failed to perform duties of advance payment and construction in the equity agreement and duties in the loan agreement, the Malaysian shareholder UPL Malaysia sent a letter in request for a return of equity and filed an arbitration to Hong Kong International Arbitration Centre on the dispute of equity in March 2019. Right now, the Company has hired an arbitrator duly in response to the suit.

2. The Company convened the thirty-seventh meeting of the seventh Board of Directors on September 2, 2018, planned to invest and found "Yinglonghu Development Co., Ltd." (hereinafter referred to as the Project Company, whose final name is subject to the name approved in industrial and commercial registration) with Chongqing Circum-Yinglonghu Industrial Co., Ltd. (hereinafter referred to as Party A) and 7 village committees concerned at the project location (hereinafter referred to as Party C). The registered capital of the Project Company was RMB 125 million, wherein Party A subscribed capital by earlier input of physical assets worth RMB 23.75 million (subject to the audited amount) in the Yinglong Project, accounting for 19% of the registered capital; Sino Great Wall contributed RMB 100 million by currency, accounting for 80% of the registered capital; Party C subscribed RMB 1.25 million by currency or contribution in kind, accounting for 1% of the registered capital (refer to the Company's Announcement 2018-104 and 105). At the moment, the Project Company has been registered and project planning and design are underway.

3. In January 2018, the Company's wholly-owned subsidiary Sino Great Wall Intelligent Real Estate (Zhanjiang) Co., Ltd. obtained a Reply to Sino Great Wall on EIA Report for Residential Industrialization Base Construction Project, which was expected to speed up construction of the Company's fabricated intelligent property R&D center and production base project, facilitate the Company to get involved in the fabricated intelligent property construction area, add a new profit growth point to the Company and show a positive impact on its future operation and development. For more details, please refer to Announcement of Voluntary Information Disclosure on the Company Getting an EIA Reply to Fabricated Intelligent Property R&D Center and Production Base Construction Project disclosed by the Company on January 4, 2018 (refer to the Company's Announcement 2018-003). Due to the shortage of project funds and the mortgage of production base land to China Bohai Bank, the project is currently at a standstill.

4. On October 18, 2018, the company received the notice of investigation issued by the China Securities Regulatory Commission (No: JDC Zi No. 18041). As the company is suspected of violating laws and regulations in information disclosure, according to the relevant provisions of the Securities Law of the People's Republic of China, the CSRC has decided to initiate an investigation in the company. On March 6, 2019, the company received the Shenzhen Securities Regulatory Bureau's Decision on Administrative Supervision Measures (No 2019] 11, No. [2019] 12 , No. [2019] 13 ,No. [2019] 14 , No. [2019] 15, and No. [2019] 16) showing that the Shenzhen Securities Regulatory Bureau had carried out on-site inspection of the company since May 2018, and the Shenzhen Securities Regulatory Bureau had filed a case for investigation on the illegal disclosure of relevant information found in the inspection; In addition, through inspection, it is also found that the company had the following problems "I. The income cost accounting is not standardized, and expenses are charged through out-of-account fund accounts; II. It did not disclose the changes in major items in a timely manner, the preparation of performance forecasts and performance report is not prudent; III. It has capital exchanges of no real business foundation with a number of companies, and illegal foreign financial assistance; IV. The relevant management system for raising funds is not perfect; V. Registration management for information insider is not standardized". The Shenzhen Securities Regulatory Bureau decided to take corrective measures against the company, the



company's relevant directors, senior management personnel, and issue warning letters to Mr. Chen Lue, Mr. Tian Wei, Mr. Tang Xianyong, Ms. Cui Hongli, Ms. Yang Chunling (see 2018-121, 2019-022, 2019-031) In response to the relevant problems found during the inspection against the company, the company has made serious rectification in accordance with the matters involved in the Decision on Taking Corrective Measures against Sino Great Wall Co., Ltd. ([2019] No.11). In addition to the above matters, Shenzhen Securities Regulatory Bureau requires the company to employ a third party independent agency to conduct special inspections on the problems of NPP-0057 in Xingang, Qatar, Cambodia Refinery and NAGA Casino Phase II project in Cambodia.

As of the disclosure date of this announcement, the company has not yet received the China Securities Regulatory Commission's concluding comments or decisions on relevant investigation matters.

5. The company held the sixth meeting of the eighth Board of Directors on April 12, 2019, deliberated and passed the Proposal on Adjusting the Company's Organizational Structure and agreed to adjust the operating organization and business structure of the company's headquarters. The company will implement a division system by sections and set up four operating organizations, including the domestic traditional construction business sector (division), infrastructure business sector (division), overseas business sector (division), smart housing and medical care business sector (division). After this adjustment, the organizational structure of the company's headquarters is as follows: eight functional departments and offices, including the comprehensive office, the finance department and the human resources department, as well as the above-mentioned four operating institutions (see the company's announcement No 2019-028 for details).

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
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Progress in the implementation of share repurchase

Applicable  Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

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 lend of the period from actual controller, shareholders, related parties, purchaser and companies.

### **IV. Prediction of Business performance for January- June 2019**

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

Applicable  Not applicable

### **V. Investment in securities**

Applicable  Not applicable

No securities investment in period.

**VI. Investments in derivatives**

Applicable  Not applicable

There is no derivative investment during the report period.

**VII.** 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.

**VIII. Outward Guarantee against the Regulations**

Applicable  Not applicable

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

**IX. 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: Sino Great Wall Co., Ltd.

March 31,2019

In RMB

Items	March 31,2019	December 31,2018
Current asset :		
Monetary fund	556,885,742.35	658,714,886.48
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	4,060,925,394.30	4,204,113,048.24
Including: Notes receivable	6,368,520.59	1,518,790.00
Account receivable	4,054,556,873.71	4,202,594,258.24
Prepayments	204,407,463.99	220,261,619.13
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	2,209,542,389.51	2,186,223,361.40
Including: Interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventories	726,888,475.46	717,531,578.23
Contract assets		
Assets held for sales	105,075,792.00	105,075,792.00

Non-current asset due within 1 year		
Other current asset	6,330,776.87	5,795,797.44
Total of current assets	7,870,056,034.48	8,097,716,082.92
Non-current assets:		
Loans and payment on other's behalf disbursed		
Debt investment		
Available for sale of financial assets	10,338,500.00	10,338,500.00
Other investment on bonds		
Expired investment in possess		
Long-term receivable	16,357,545.43	16,708,613.19
Long term share equity investment	106,837,810.83	106,837,810.83
Other equity instruments investment		
Other non-current financial assets		
Property investment		
Fixed assets	151,212,961.16	158,746,947.91
Construction in progress	37,265,289.10	36,697,284.04
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	98,277,114.10	99,921,251.67
Development expenses		
Goodwill	27,268,234.53	27,268,234.53
Long-germ expenses to be amortized	5,128,863.32	6,727,688.90
Deferred income tax asset	117,614,775.66	117,983,727.91
Other non-current asset	924,509,792.99	924,509,792.99
Total of non-current assets	1,494,810,887.12	1,505,739,851.97
Total of assets	9,364,866,921.60	9,603,455,934.89
Current liabilities		
Short-term loans	2,930,473,637.01	2,862,584,629.01
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current		

income account		
Derivative financial liabilities		
Notes payable & account payable	1,850,987,386.11	1,926,243,130.15
Advance receipts	500,912,986.89	478,101,743.92
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	94,740,557.10	86,414,858.86
Tax payable	386,100,447.46	393,957,887.52
Other account payable	2,205,090,806.01	2,212,412,970.43
Including: Interest payable	342,803,659.92	280,806,670.49
Dividend payable	8,541,818.64	8,541,818.64
Fees and commissions payable		
Reinsurance fee payable		
Contract Liabilities		
Liabilities held for sales		
Non-current liability due within 1 year	975,719,981.55	975,719,981.55
Other current liability		
Total of current liability	8,944,025,802.13	8,935,435,201.44
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan		120,000,000.00
Bond payable	258,411,281.36	254,801,342.47
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	295,831.04	322,990.35
Long-term remuneration payable to staff		
Expected liabilities	2,958,723.15	2,958,723.15
Deferred income		
Deferred income tax liability	23,272,047.09	24,369,456.18
Other non-current liabilities		
Total non-current liabilities	284,937,882.64	402,452,512.15

Total of liability	9,228,963,684.77	9,337,887,713.59
Owners' equity		
Share capital	1,698,245,011.00	1,698,245,011.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	-1,298,846,540.07	-1,298,846,540.07
Less: Shares in stock		
Other comprehensive income	-50,380.95	-50,380.95
Special reserve	20,325,823.62	21,026,082.43
Surplus reserves	84,394,441.23	84,394,441.23
Common risk provision		
Retained profit	-398,530,865.79	-269,566,140.13
Total of owner's equity belong to the parent company	105,537,489.04	235,202,473.51
Minority shareholders' equity	30,365,747.79	30,365,747.79
Total of owners' equity	135,903,236.83	265,568,221.30
Total of liabilities and owners' equity	9,364,866,921.60	9,603,455,934.89

Legal Representative: Chen Lue    Person in charge of accounting: Yang Chunling    Accounting Dept Leader: Yang Chunling

## 2. Parent Company Balance Sheet

In RMB

Items	March 31, 2019	December 31, 2018
Current asset:		
Monetary fund	46,770,672.08	46,778,625.47
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable		
Including: Notes receivable		
Account receivable		
Prepayments		
Other account receivable	3,056,514,670.86	2,986,852,664.14

Including: Interest receivable		
Dividend receivable	100,000,000.00	100,000,000.00
Inventories		
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	2,643,826.33	2,604,075.38
Total of current assets	3,105,929,169.27	3,036,235,364.99
Non-current assets:		
Debt investment		
Available for sale of financial assets		
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,323,211,536.66	3,323,211,536.66
Other equity instruments investment		
Other non-current financial assets		
Property investment		
Fixed assets	32,402.37	36,371.12
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets		
Development expenses		
Goodwill		
Long-germ expenses to be amortized	879,666.67	1,074,666.67
Deferred income tax asset		
Other non-current asset	728,328,020.00	728,328,020.00
Total of non-current assets	4,052,451,625.70	4,052,650,594.45
Total of assets	7,158,380,794.97	7,088,885,959.44
Current liabilities		
Short-term loans	2,189,866,602.21	2,189,866,602.21
Transactional financial liabilities		

Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	94,900,000.00	95,000,000.00
Advance receipts		
Contract Liabilities		
Employees' wage payable	19,042,896.13	15,016,143.39
Tax payable	97,157,829.11	97,149,029.10
Other account payable	1,469,715,040.31	1,347,473,661.05
Including: Interest payable	293,534,570.40	243,458,030.15
Dividend payable	8,541,818.64	8,541,818.64
Liabilities held for sales		
Non-current liability due within 1 year	866,250,000.00	866,250,000.00
Other current liability		
Total of current liability	4,736,932,367.76	4,610,755,435.75
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities		
Total of liability	4,736,932,367.76	4,610,755,435.75
Owners' equity		
Share capital	1,698,245,011.00	1,698,245,011.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		



Capital reserves	1,237,956,472.37	1,237,956,472.37
Less: Shares in stock		
Other comprehensive income		
Special reserve		
Surplus reserves	26,309,287.00	26,309,287.00
Retained profit	-541,062,343.16	-484,380,246.68
Total of owners' equity	2,421,448,427.21	2,478,130,523.69
Total of liabilities and owners' equity	7,158,380,794.97	7,088,885,959.44

### 3.Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	152,514,127.64	923,442,740.92
Including: Business income	152,514,127.64	923,442,740.92
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	281,478,853.30	870,627,801.52
Including: Business cost	129,968,630.28	694,723,215.49
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	426,847.49	623,963.17
Sales expense	678,202.81	2,926,234.68
Administrative expense	47,113,359.52	73,133,254.43
R & D costs		
Financial expenses	100,755,300.95	92,188,683.69
Including: Interest expense	96,918,308.65	
Interest income	11,356.21	

Asset impairment loss	2,536,512.25	7,032,450.06
Credit impairment loss		
Add: Other income		
Investment gain ( "-"for loss )		13,838,400.15
Including: investment gains from affiliates		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
III. Operational profit ( "-"for loss )	-128,964,725.66	66,653,339.55
Add : Non-operational income		188,488,727.79
Less: Non-operating expense		403,952.94
IV. Total profit( "-"for loss)	-128,964,725.66	254,738,114.40
Less: Income tax expenses		35,955,549.44
V. Net profit	-128,964,725.66	218,782,564.96
(I) Classification by business continuity		
1.Net continuing operating profit		
2.Termination of operating net profit		
(II) Classification by ownership		
Net profit attributable to the owners of parent company	-128,964,725.66	218,523,628.75
Minority shareholders' equity		258,936.21
VI. Net after-tax of other comprehensive income		-1,305,254.00
Net of profit of other comprehensive income attributable to owners of the parent company.		-1,305,254.00
(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.		
3. Changes in the fair value of investments in other equity instruments		

4. Changes in the fair value of the company's credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		-1,305,254.00
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		-1,305,254.00
9. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-128,964,725.66	217,477,310.96
Total comprehensive income attributable to the owner of the parent company	-128,964,725.66	217,218,374.75
Total comprehensive income attributable minority shareholders		258,936.21
VIII. Earnings per share		
(I) Basic earnings per share	-0.08	0.13
(II) Diluted earnings per share	-0.08	0.13

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Chen Lue    Person in charge of accounting: Yang Chunling    Accounting Dept Leader: Yang Chunling

#### 4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Revenue	0.00	55,009.01
Including: Business cost	0.00	0.00
Business tax and surcharge		
Sales expense		109,539.50
Administrative expense	5,400,355.25	10,136,461.91
R & D costs		
Financial expenses	51,281,741.23	20,935,688.04
Including: Interest expenses	51,281,404.49	
Interest income	1.26	
Asset impairment loss		
Credit impairment loss		
Add: Other income		
Investment gain (“-”for loss)		
Including: investment gains from affiliates		
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
II. Operational profit (“-”for loss)	-56,682,096.48	-31,126,680.44
Add : Non-operational income		100,000,000.00
Less: Non -operational expenses		
III. Total profit (“-”for loss)	-56,682,096.48	68,873,319.56
Less: Income tax expenses		17,218,329.89
IV. Net profit	-56,682,096.48	51,654,989.67
1.Net continuing operating profit		
2.Termination of operating net profit		
V. Net after-tax of other 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.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(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. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		

VI. Total comprehensive income	-56,682,096.48	51,654,989.67
VII. Earnings per share		
(I) Basic earnings per share	-0.03	0.03
(II) Diluted earnings per share	-0.03	0.03

## 5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	307,945,763.30	1,294,892,259.80
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 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 inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned		
Other cash received from business operation	21,061,346.20	1,333,621,283.99
Sub-total of cash inflow	329,007,109.50	2,628,513,543.79

Cash paid for purchasing of merchandise and services	247,625,881.66	747,305,288.81
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	26,697,088.81	71,204,092.00
Taxes paid	3,126,878.25	21,837,224.69
Other cash paid for business activities	26,693,348.41	978,490,479.07
Sub-total of cash outflow from business activities	304,143,197.13	1,818,837,084.57
Net cash generated from /used in operating activities	24,863,912.37	809,676,459.22
<b>II. Cash flow generated by investing</b>		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		1,960.00
Net cash received from disposal of subsidiaries or other operational units		3,400,000.00
Other investment-related cash received		
Sub-total of cash inflow due to investment activities		3,401,960.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets		4,492,230.41
Cash paid as investment		54,979,539.65
Net increase of loan against pledge		

Net cash received from subsidiaries and other operational units		8,510,000.00
Other cash paid for investment activities		17,225,232.24
Sub-total of cash outflow due to investment activities		85,207,002.30
Net cash flow generated by investment		-81,805,042.30
III.Cash flow generated by financing		
Cash received as investment		490,000.00
Including: Cash received as investment from minor shareholders		490,000.00
Cash received as loans	100,400,000.00	560,436,000.00
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	100,400,000.00	560,926,000.00
Cash to repay debts	163,726,400.00	1,088,885,108.28
Cash paid as dividend, profit, or interests	910,001.65	97,007,027.90
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	164,636,401.65	1,185,892,136.18
Net cash flow generated by financing	-64,236,401.65	-624,966,136.18
IV. Influence of exchange rate alternation on cash and cash equivalents	-135,682.35	314,848.72
V.Net increase of cash and cash equivalents	-39,508,171.63	103,220,129.46
Add: balance of cash and cash equivalents at the beginning of term	125,767,796.88	647,222,590.48
VI ..Balance of cash and cash equivalents at the end of term	86,259,625.25	750,442,719.94

## 6. Cash Flow Statement of the Parent Company

In RMB



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		
Tax returned		
Other cash received from business operation	3,013,002.16	2,464,952,362.37
Sub-total of cash inflow	3,013,002.16	2,464,952,362.37
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs		195,459.47
Taxes paid		221,143.85
Other cash paid for business activities	3,010,953.00	2,020,761,746.79
Sub-total of cash outflow from business activities	3,010,953.00	2,021,178,350.11
Net cash generated from /used in operating activities	2,049.16	443,774,012.26
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
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		
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		

Sub-total of cash outflow due to investment activities		
Net cash flow generated by investment		
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans		210,000,000.00
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities		210,000,000.00
Cash to repay debts		620,000,000.00
Cash paid as dividend, profit, or interests	10,001.65	68,464,021.17
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	10,001.65	688,464,021.17
Net cash flow generated by financing	-10,001.65	-478,464,021.17
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-7,952.49	-34,690,008.91
Add: balance of cash and cash equivalents at the beginning of term	23,708,889.90	99,547,899.86
VI ..Balance of cash and cash equivalents at the end of term	23,700,937.41	64,857,890.95

## II Adjustments to the Financial Statements

### 1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Applicable  Not applicable

### 2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

Applicable  Not applicable

### III. Auditor' report

Is the First Quarterly Report be audited?

Yes  No

The First Quarterly report is not audited.