

**Shenzhen China Bicycle Company (Holdings) Limited**

**THE THIRD QUARTERLY REPORT FOR 2020**

**October 2020**

## **Section I. Important Notes**

**Board of Directors and the Supervisory Committee of SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.**

**All directors of the Company are attended the Meeting for quarterly report deliberation.**

**Principal of the Company Li Hai, Person in Charge of Accounting Works Sun Longlong and Person in Charge of Accounting Organ (Accounting Officer) Zhong Xiaojin hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.**

**Since the audited net profit is negative for two consecutive fiscal years in 2018 and 2019, stock of the Company has implemented delisting risk warning. According to relevant regulation of *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, stock of the Company shall be suspended since the date when Annual Report 2020 disclosed if the audited net profit for year of 2020 attributable to shareholders of listed company is going to be negative. BOD are invites investors to pay attention to the investment risks.**

## Section II. Basic information of Company

### I. Main accounting data and index

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

Yes No

|  | Current period-end | Period-end of last year                                       | Increase/decrease               |  |
|--|--------------------|---|---------------------------------|--|
| Total assets (RMB)   | 95,995,075.84      | 62,733,602.58   | 53.02%                          |  |
| Net assets attributable to shareholders of listed company (RMB)  | 12,382,611.45      | 7,119,396.30  | 73.93%                          |  |
|  | Current period     | Increase/decrease in comparison with same period of last year | Year-begin to end of the Period | Increase/decrease in comparison with year-begin to Period-end of last year |
| Operating revenue (RMB)  | 40,216,980.94      | 63.65%  | 82,873,336.15                   | 31.86%   |
| Net profit attributable to shareholders of the listed company (RMB)  | 2,465,571.65       | 137.04%   | 5,263,215.15                    | 2,082.06%  |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB) | 2,379,318.61       | 128.75%   | 4,577,226.18                    | 3,427.47%  |
| Net cash flow arising from operating activities (RMB)  | 1,866,001.79       | 17.83%  | 3,216,397.73                    | -143.95%   |
| Basic earnings per share (RMB/Share)   | 0.0045             | 136.84%   | 0.0095                          | 2,275.00%  |
| Diluted earnings per share (RMB/Share)   | 0.0045             | 136.84%   | 0.0095                          | 2,275.00%  |
| Weighted average ROE   | 22.11%             | 14.69%  | 53.98%                          | 52.31%   |

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

| Item  | Amount from year-begin to end of the Period | Note |
|---|---|------|
| Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets) | 24,936.44                                   |      |

|   |            |    |
|---|------------|----|
| Switch-back of provision of impairment of account receivable and Contractual assets which are treated with separate depreciation test | 201,743.40 |    |
| Other gains/losses qualify the definition of non-recurring gains and losses   | 857,101.17 |    |
| Less: impact on income tax  | 270,945.25 |    |
| Impact on minority shareholders' equity (post-tax)  | 126,846.79 |    |
| Total   | 685,988.97 | -- |

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

Applicable     Not applicable

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

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

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

In share

| Total number of common shareholders at the end of report period |                                       | 41,258                    | Total preference shareholders with voting rights recovered at end of reporting period (if applicable) |                                  | 0                              |        |
|---|---------------------------------------|---------------------------|---|----------------------------------|--------------------------------|--------|
| Top ten shareholders  |                                       |                           |   |                                  |                                |        |
| Shareholders  | Nature of shareholder                 | Proportion of shares held | Amount of shares held   | Amount of restricted shares held | Number of share pledged/frozen |        |
|   |                                       |                           |   |                                  | State of share                 | Amount |
| Shenzhen Guosheng Energy Investment Development Co., Ltd.       | Domestic non-State-owned legal person | 11.52%                    | 63,508,747  | 0                                | -                              | -      |
| UOB (H.K.) Co., Ltd.  | Foreign legal person                  | 2.89%                     | 15,907,850  | 0                                | -                              | -      |
| Guosen Securities (H.K.) Co., Ltd.                              | Foreign legal person                  | 2.52%                     | 13,909,425  | 0                                | -                              | -      |

|   |                                       |       |           |   |   |   |
|---|---------------------------------------|-------|-----------|---|---|---|
| Shenwan Hongyuan Securities (Hongkong) Co., Ltd.                    | Foreign legal person                  | 1.51% | 8,303,272 | 0 | - | - |
| Li Huili  | Domestic nature person                | 0.71% | 3,891,124 | 0 | - | - |
| LI SHERYN ZHAN MING   | Foreign natural person                | 0.63% | 3,480,187 | 0 | - | - |
| Xu Hongbo   | Domestic nature person                | 0.58% | 3,187,419 | 0 | - | - |
| Ge Zhiqiong   | Domestic nature person                | 0.58% | 3,177,952 | 0 | - | - |
| CMS HK  | State-owned legal person              | 0.55% | 3,029,676 | 0 | - | - |
| Special Account for Property Disposal of Bankrupt Enterprise of CBC | Domestic non-State-owned legal person | 0.47% | 2,602,402 | 0 | - | - |

Particular about top ten shareholders with un-restrict shares held

| Shareholders  | Amount of un-restrict shares held | Type of shares                     |            |
|---|-----------------------------------|------------------------------------|------------|
|   |                                   | Type                               | Amount     |
| Shenzhen Guosheng Energy Investment Development Co., Ltd. | 63,508,747                        | RMB ordinary shares                | 63,508,747 |
| UOB (H.K.) Co., Ltd.                                      | 15,907,850                        | Domestically listed foreign shares | 15,907,850 |
| Guosen Securities (H.K.) Co., Ltd.                        | 13,909,425                        | Domestically listed foreign shares | 13,909,425 |
| Shenwan Hongyuan Securities (Hongkong) Co., Ltd.          | 8,303,272                         | Domestically listed foreign shares | 8,303,272  |
| Li Huili  | 3,891,124                         | Domestically listed foreign shares | 3,891,124  |
| LI SHERYN ZHAN MING                                       | 3,480,187                         | Domestically listed foreign shares | 3,480,187  |
| Xu Hongbo   | 3,187,419                         | Domestically                       | 3,187,419  |

|  |  |                                    |           |
|--|--|------------------------------------|-----------|
|  |  | listed foreign shares              |           |
| Ge Zhiqiong  | 3,177,952  | RMB ordinary shares                | 691,300   |
|  |  | Domestically listed foreign shares | 2,486,652 |
| CMS HK   | 3,029,676  | Domestically listed foreign shares | 3,029,676 |
| Special Account for Property Disposal of Bankrupt Enterprise of CBC                  | 2,602,402  | RMB ordinary shares                | 1,383,313 |
|  |  | Domestically listed foreign shares | 1,219,089 |
| Explanation on associated relationship among the aforesaid shareholders              | Li Huili, the spouse of actual controller Ji Hanfei, holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., beyond that, the Company has no idea of whether other circulated shareholders belong to concerted action persons ruled in the Administration Norms for Information Disclosure of Change on Shareholding of Shareholders of Listed Companies. |                                    |           |
| Explanation on top ten common shareholders involving margin business (if applicable) | N/A  |                                    |           |

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Important events

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

√ Applicable   □ Not applicable

|  | Ending Period or form year begin to now | Opening Period or same period last year | Increase or decrease y-o-y | Reasons   |
|--|---|---|----------------------------|---|
| Operation income                         | 82,873,336.15                           | 62,848,917.83                           | 31.86%                     | Increase the business of jewelry supply chain                               |
| Operation cost                           | 70,342,296.05                           | 57,446,763.42                           | 22.45%                     | Increase the business of jewelry supply chain                               |
| Net cash flow from operating activities  | 3,216,397.73                            | -7,317,672.68                           | -143.95%                   | Received the cooperative deposit of third phase of Zhonghua Garden          |
| Net cash flow from investment activities | 64,500.00                               | -534,494.04                             | -112.07%                   | Purchased machinery equipment last year                                     |
| Net cash flow from financing activities  | 9,825,000.00                            | 33,436.90                               | 29,283.70%                 | Received investment from minority shareholders for capital increment        |
| Monetary Fund                            | 19,180,265.64                           | 6,074,367.91                            | 215.76%                    | Received the cooperative deposit of second phase of Zhonghua Garden         |
| Account receivable                       | 61,590,039.58                           | 38,616,523.93                           | 59.49%                     | The payment days to customers for carrying out the business                 |
| Inventory                                | 4,050,431.29                            | 6,078,330.30                            | -33.36%                    | Adjusting inventory according to the business                               |
| Account received in advance              | 10,000,000.00                           | 1,739,953.80                            | 474.73%                    | Received the cooperative deposit of second phase of Zhonghua Garden         |
| Contractual liability                    | 7,953,555.51                            | 0.00                                    | --                         | Received customer payment in advance in line with the new revenue standards |
| Taxes payable                            | 1,566,650.04                            | 585,062.75                              | 167.77%                    | The VAT payable for payments received in advance from customer in           |

|   |               |              |            |  |
|---|---------------|--------------|------------|--|
|   |               |              |            | line with the new revenue standards                                  |
| Minority's interest                       | 14,914,834.46 | 4,322,186.79 | 245.08%    | Received investment from minority shareholders for capital increment |
| Net profit                                | 6,030,862.82  | -40,625.94   | -14944.86% | Caused by growth of the operation revenue                            |
| Net profit attributable to parent company | 5,263,215.15  | 241,203.59   | 2082.06%   | Caused by growth of the operation revenue                            |

## II. Progress of significant events, their influences, and analysis and explanation of their solutions

√ Applicable   □ Not applicable

### 1. Planning of non-public issue of shares

On April 21, 2020, the company convened the 19<sup>th</sup> (provisional) board meeting of the tenth session of the board of directors, and reviewed and approved the “Proposal on the Termination of Agreement for Signing a Conditional Share Subscription Agreement (Second Revision) with the Original Subscription Object” and the “Proposal on the Plan for Non-public Issuance of A Shares of Shenzhen China Bicycle Company (Holdings) Limited”, etc. The company terminated the non-public offering of shares of 2016 and launched the plan for non-public issuance of A shares in 2020, and planned to raise funds with total amount not exceeding RMB 450 million by non-public offering of shares to 5 specific investors, i.e. Wansheng Industrial Holdings (Shenzhen) Co., Ltd., Fuzhou Zuankinson Jewelry Co., Ltd., Shenzhen Yilian Jinchuang Technology Co., Ltd., Shenzhen Hualinglong Jewelry Co., Ltd., and Shenzhen Jindaogu Jewelry Co., Ltd., all raised funds will be used to supplement working capital after deducting the issuance expenses. On 21 September 2020, the Company received an Acceptance of Application for Administrative License of CSRC (Acceptance Serial: 202525) issued by China Securities Regulatory Commission (hereinafter referred to as CSRC). As for the administrative license application materials of “Approval of Non-public Issuance of Shares by Listed Companies (Main board of A-share and small & medium-sized board of B-share)” submitted by the Company, CSRC has reviewed the application in line with the laws and considering that all the materials are complete and conform to the legal regulation, and the application is accepted. On 13 October 2020, the Company received the “First Feedback Notice on Reviewing the Administrative Licensing Project from CSRC” (No.:202525) (hereinafter referred to as the Notice) issued by CSRC. After reviewing the materials submitted by CBC, a written explanation and explanation on relevant issues are required, and a written reply shall be submitted to acceptance authority for administrative licensing within 30 days. According to the requirement of the Notice, the Company and relevant intermediary organ, will disclosed the feedback and reply in form of temporary announcement after implementing the relevant issues item by item, and relevant materials shall be submit to the acceptance authority of CSRC within the prescribed time limit. The non-public issuance of shares is still subject to the approval of CSRC, and there is uncertainty as to whether it can be approved and when it will be approved finally. Found more in the Notice released by the Board.

### 2. Matters concerning the capital increase to controlling subsidiary

In August 2020, the Company and Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd jointly contributed 6.5 million yuan in total to establish the Shenzhen Kinson Jewelry and Gold Supply Chain Co., Ltd. Of which, the Company holds 65% equity, and it is the controlling shareholder of Shenzhen Kinson Jewelry and Gold Supply Chain Co., Ltd while Zuankinson has 35% equity held.

According to the actual situation of business development, in February 2020, the two parties decided to increase the capital of



Shenzhen Xinsen Jewelry and Gold Supply Chain Co., Ltd. to 20 million yuan in the same proportion. On February 19, 2020, the company held the eighteenth (temporary) meeting of the tenth board of directors, reviewed and approved the "Proposal on Capital Increase in Holding Subsidiaries". After the completion of capital increased, the shareholding ratio of all parties remains unchanged, and the company remains the controlling shareholder of Shenzhen Xinsen Jewelry and Gold Supply Chain Co., Ltd. As of June 30, 2020, the registered capital of Xinsen Company has been paid in place, and various businesses have been carried out normally.

In order to meet the future business development needs of Shenzhen Xinsen Jewelry and Gold Supply Chain Co., Ltd., it will enhance its financial strength, comprehensive competitiveness and anti-risk capabilities. In August 2020, the company and the joint venture partner, Shenzhen Zuankinson Jewelry and Gold Supply Chain Co., Ltd. decided to jointly increase the capital of Shenzhen Xinsen Jewelry and Gold Supply Chain Co., Ltd. in the same proportion, increasing the registered capital from 20 million yuan to 200 million yuan, of which, the company newly increased capital of 117 million yuan, which was successively invested in accordance with its own funds and the availability of funds raised from the non-public issuance of A shares; Zuankinson Jewelry newly increased capital of 63 million yuan, a total of 180 million yuan. The twenty-third (temporary) meeting of the tenth board of directors held by the company on August 5, 2020 and the second extraordinary general meeting of shareholders of 2020 held by the company on August 21, 2020 reviewed and approved the "Proposal on the Second Capital Increase in Holding Subsidiaries". Found more in the Notice released by the Board.

### 3. Cooperation matters in urban renewal projects

On April 26, 2020, the company held the twentieth meeting of the tenth board of directors and reviewed and approved the "Proposal on Signing the Cooperation Agreement for Zhonghua Garden Phase II Urban Renewal Project". According to the agreement, given that: 1. Jianzhi Industry failed to pay the company a security deposit of 2 million yuan on the date of signing the agreement. 2. Jianzhi Industry failed to pay the company 10 million yuan within 30 days after the signing of the agreement. On August 4, 2020, the company revised the original "Cooperation Agreement for Zhonghua Garden Phase II Urban Renewal Project" with Jianzhi Industry through friendly negotiations, and re-signed the "Cooperation Contract for Zhonghua Garden Phase II Urban Renewal Project". On the day of the signing of the contract, the company received 10 million yuan from Jianzhi Industry for the contract payment. The company held the twenty-third (temporary) meeting of the tenth board of directors on August 5, 2020 and the 2020 second extraordinary general meeting of shareholders held on August 21, 2020, reviewed and approved the "Proposal on Revising and Signing the Cooperation Contract for Zhonghua Garden Phase II Urban Renewal Project". Found more in the Notice released by the Board.

### 4. Other event

#### (1) Capital increment to controlling subsidiary Shenzhen Emmelle Industry Co., Ltd.

According to the Chinese accounting standards, and in line with the audit report issued by Baker Tilly China CPA (LLP), as of 31<sup>st</sup> December 2019, the retained profit of Shenzhen Emmelle Industry Co., Ltd amounted to 3,756,453.12 Yuan. In accordance with relevant regulation of Company Law and Article of Association, the Shenzhen Emmelle holds the First extraordinary shareholders general meeting of 2020 on 2 September 2020, deliberated and approved the profit distribution of 3 million Yuan for whole shareholders, and increase the registered capital in the same proportion from the profit distributed. After the capital increased, the registered capital of Shenzhen Emmelle Industry Co., Ltd up to 5 million Yuan from 2 million Yuan, including 2.1 million Yuan increased by Shenzhen China Bicycle Company (Holdings) Limited and 0.9 million Yuan contributed by trade union committee of Shenzhen China Bicycle Company (Holdings) Limited. At the same time, the Meeting also deliberated and approved the relevant event son changing the registration address, business scope and revise the article of association of the Company. As of 30<sup>th</sup> September 2020, change of the industrial and commercial registration has completed by Shenzhen Emmelle Industry Co., Ltd.

#### (2) External investment of sub-subsidiary

In accordance with relevant regulation of Company Law and Article of Association, the controlling subsidiary of the Company - Shenzhen Emmelle Industry Co., Ltd. (hereinafter referred to as Emmelle Industry) holds the Board Meeting on 13 July 2020, deliberated and approved the "proposal of external investment on settling up controlling subsidiary". Emmelle Industry and

Shenzhen Zhenbangda Technology Co., Ltd. (hereinafter referred to as ZBD Technology) jointly established the Shenzhen Emmelle Cloud Technology Co., Ltd with registered capital of 2 million Yuan, including 1.4 million Yuan contributed by Emmelle and 0.6 million Yuan contributed by ZBD Technology. After registration of the industrial and commercial, Emmelle Industry holds 70% equity of Shenzhen Emmelle Cloud Technology Co., Ltd and comes the controlling shareholder of Shenzhen Emmelle Cloud Technology Co., Ltd. As of 30 September 2020, change of the industrial and commercial registration has completed by Shenzhen Emmelle Cloud Technology Co., Ltd.

| Overview  | Date for disclosure | Information index for temporary report disclosure                    |
|---|---------------------|--|
| Notice on Acceptance by CSRC for Non-public Issuance of Shares                                    | 2020-09-22          | Juchao Website<br>(http://www.cninfo.com.cn)<br>Notice No.: 2020-043 |
| Received the “First Feedback Notice on Reviewing the Administrative Licensing Project from CSRC ” | 2020-10-14          | Juchao Website<br>(http://www.cninfo.com.cn)<br>Notice No.: 2020-044 |
| Resolution of 23 <sup>rd</sup> (extraordinary) Meeting of 10 <sup>th</sup> BOD                    | 2020-08-06          | Juchao Website<br>(http://www.cninfo.com.cn)<br>Notice No.: 2020-032 |
| Progress on Signing the Urban Renewal Project Cooperation Agreement                               | 2020-08-06          | Juchao Website<br>(http://www.cninfo.com.cn)<br>Notice No.: 2020-033 |
| Notice on Increasing Capital for Controlling Subsidiary   | 2020-08-06          | Juchao Website<br>(http://www.cninfo.com.cn)<br>Notice No.: 2020-034 |
| Resolution of the Second Extraordinary Shareholders General Meeting of 2020                       | 2020-08-22          | Juchao Website<br>(http://www.cninfo.com.cn)<br>Notice No.: 2020-038 |

Progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

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

Applicable  Not applicable

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

## **IV. Financial asset investment**

### **1. Particular about security investment**

Applicable     Not applicable

The Company had no security investment in Period.

### **2. Particulars about derivatives investment**

Applicable     Not applicable

The Company had no derivatives investment in Period.

## **V. Progress of investment projects with raised funds**

Applicable     Not applicable

## **VI. Prediction of 2020 business performance**

Estimation on 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 on reason

Applicable     Not applicable

## **VII. Major contracts for daily operations**

Applicable     Not applicable

## **VIII. Trust financing**

Applicable     Not applicable

The Company had no trust financing in Period.

## **IX. Guarantee outside against the regulation**

Applicable     Not applicable

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

## **X. Non-operational fund occupation from controlling shareholders and its related party**

Applicable     Not applicable

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

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

√ Applicable □ Not applicable

| Reception time     | Reception location | Reception way           | Reception object type | Reception object    | The main content of the discussion and the information provided | Index of the basic situation of the survey |
|--------------------|--------------------|-------------------------|-----------------------|---------------------|---|--|
| July 10, 2020      | The Company        | Telephone communication | Personal              | Individual investor | Consulting the non-public issuance of shares                    | Not applicable                             |
| August 18, 2020    | The Company        | Telephone communication | Personal              | Individual investor | Consulting the restructuring issues                             | Not applicable                             |
| September 15, 2020 | The Company        | Telephone communication | Personal              | Individual investor | Consulting the progress of urban renewal project                | Not applicable                             |

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

September 30, 2020

In RMB

| Item                                       | September 30, 2020 | December 31, 2019 |
|--|--------------------|-------------------|
| Current assets:                            |                    |                   |
| Monetary funds                             | 19,180,265.64      | 6,074,367.91      |
| Settlement provisions                      |                    |                   |
| Capital lent                               |                    |                   |
| Tradable financial assets                  |                    |                   |
| Derivative financial assets                |                    |                   |
| Note receivable                            | 550,000.00         | 580,000.00        |
| Account receivable                         | 61,590,039.58      | 38,616,523.93     |
| Receivable financing                       |                    |                   |
| Accounts paid in advance                   | 1,055,959.95       | 938,425.99        |
| Insurance receivable                       |                    |                   |
| Reinsurance receivables                    |                    |                   |
| Contract reserve of reinsurance receivable |                    |                   |
| Other account receivable                   | 1,034,566.85       | 740,354.71        |
| Including: Interest receivable             |                    |                   |
| Dividend receivable                        |                    |                   |
| Buying back the sale of financial assets   |                    |                   |
| Inventories                                | 4,050,431.29       | 6,078,330.30      |
| Contractual assets                         |                    |                   |
| Assets held for sale                       |                    |                   |
| Non-current asset due within one year      |                    |                   |
| Other current assets                       | 3,094,777.05       | 3,318,514.25      |

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Total current assets                  | 90,556,040.36 | 56,346,517.09 |
| Non-current assets:                   |               |               |
| Loans and payments on behalf          |               |               |
| Debt investment                       |               |               |
| Other debt investment                 |               |               |
| Long-term account receivable          |               |               |
| Long-term equity investment           |               |               |
| Investment in other equity instrument |               |               |
| Other non-current financial assets    |               |               |
| Investment real estate                |               |               |
| Fixed assets                          | 3,870,643.13  | 4,191,503.33  |
| Construction in progress              |               |               |
| Productive biological asset           |               |               |
| Oil and gas asset                     |               |               |
| Right-of-use assets                   |               |               |
| Intangible assets                     | 188,250.00    | 753,000.00    |
| Expense on Research and Development   |               |               |
| Goodwill                              |               |               |
| Long-term expenses to be apportioned  |               |               |
| Deferred income tax asset             | 980,142.35    | 1,042,582.16  |
| Other non-current asset               | 400,000.00    | 400,000.00    |
| Total non-current asset               | 5,439,035.48  | 6,387,085.49  |
| Total assets                          | 95,995,075.84 | 62,733,602.58 |
| Current liabilities:                  |               |               |
| Short-term loans                      |               |               |
| Loan from central bank                |               |               |
| Capital borrowed                      |               |               |
| Trading financial liability           |               |               |
| Derivative financial liability        |               |               |
| Note payable                          |               |               |
| Account payable                       | 12,217,961.86 | 10,191,385.23 |
| Accounts received in advance          | 10,000,000.00 | 1,739,953.80  |

|   |               |               |
|---|---------------|---------------|
| Contractual liability                       | 7,953,555.51  |               |
| Selling financial asset of repurchase       |               |               |
| Absorbing deposit and interbank deposit     |               |               |
| Security trading of agency                  |               |               |
| Security sales of agency                    |               |               |
| Wage payable                                | 585,722.58    | 599,962.73    |
| Taxes payable                               | 1,566,650.04  | 585,062.75    |
| Other account payable                       | 36,373,739.94 | 38,175,654.98 |
| Including: Interest payable                 |               |               |
| Dividend payable                            |               |               |
| Commission charge and commission payable    |               |               |
| Reinsurance payable                         |               |               |
| Liability held for sale                     |               |               |
| Non-current liabilities due within one year |               |               |
| Other current liabilities                   |               |               |
| Total current liabilities                   | 68,697,629.93 | 51,292,019.49 |
| Non-current liabilities:                    |               |               |
| Insurance contract reserve                  |               |               |
| Long-term loans                             |               |               |
| Bonds payable                               |               |               |
| Including: Preferred stock                  |               |               |
| Perpetual capital securities                |               |               |
| Lease liability                             |               |               |
| Long-term account payable                   |               |               |
| Long-term wages payable                     |               |               |
| Accrual liability                           |               |               |
| Deferred income                             |               |               |
| Deferred income tax liabilities             |               |               |
| Other non-current liabilities               |               |               |
| Total non-current liabilities               |               |               |

|   |                   |                   |
|---|-------------------|-------------------|
| Total liabilities                                   | 68,697,629.93     | 51,292,019.49     |
| Owner's equity:                                     |                   |                   |
| Share capital                                       | 551,347,947.00    | 551,347,947.00    |
| Other equity instrument                             |                   |                   |
| Including: Preferred stock                          |                   |                   |
| Perpetual capital securities                        |                   |                   |
| Capital public reserve                              | 627,834,297.85    | 627,834,297.85    |
| Less: Inventory shares                              |                   |                   |
| Other comprehensive income                          |                   |                   |
| Reasonable reserve                                  |                   |                   |
| Surplus public reserve                              | 32,673,227.01     | 32,673,227.01     |
| Provision of general risk                           |                   |                   |
| Retained profit                                     | -1,199,472,860.41 | -1,204,736,075.56 |
| Total owner's equity attributable to parent company | 12,382,611.45     | 7,119,396.30      |
| Minority interests                                  | 14,914,834.46     | 4,322,186.79      |
| Total owner's equity                                | 27,297,445.91     | 11,441,583.09     |
| Total liabilities and owner's equity                | 95,995,075.84     | 62,733,602.58     |

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

## 2. Balance Sheet of Parent Company

In RMB

| Item                        | September 30, 2020 | December 31, 2019 |
|-----------------------------|--------------------|-------------------|
| Current assets:             |                    |                   |
| Monetary funds              | 11,901,070.88      | 1,959,804.92      |
| Trading financial assets    |                    |                   |
| Derivative financial assets |                    |                   |
| Note receivable             | 550,000.00         | 580,000.00        |
| Account receivable          | 26,185,732.90      | 32,843,536.70     |
| Receivable financing        |                    |                   |



|   |               |               |
|---|---------------|---------------|
| Accounts paid in advance                    | 353,420.82    | 76,937.00     |
| Other account receivable                    | 2,100,038.41  | 485,062.44    |
| Including: Interest receivable              |               |               |
| Dividend receivable                         |               |               |
| Inventories                                 | 107,886.84    | 1,333,374.72  |
| Contractual assets                          |               |               |
| Assets held for sale                        |               |               |
| Non-current assets maturing within one year |               |               |
| Other current assets                        | 3,031,496.50  | 2,830,705.01  |
| Total current assets                        | 44,229,646.35 | 40,109,420.79 |
| Non-current assets:                         |               |               |
| Debt investment                             |               |               |
| Other debt investment                       |               |               |
| Long-term receivables                       |               |               |
| Long-term equity investments                | 16,010,379.73 | 4,235,379.73  |
| Investment in other equity instrument       |               |               |
| Other non-current financial assets          |               |               |
| Investment real estate                      |               |               |
| Fixed assets                                | 3,583,656.22  | 3,813,708.80  |
| Construction in progress                    |               |               |
| Productive biological assets                |               |               |
| Oil and natural gas assets                  |               |               |
| Right-of-use assets                         |               |               |
| Intangible assets                           | 188,250.00    | 753,000.00    |
| Research and development costs              |               |               |
| Goodwill                                    |               |               |
| Long-term deferred expenses                 |               |               |
| Deferred income tax assets                  |               |               |
| Other non-current assets                    | 400,000.00    | 400,000.00    |
| Total non-current assets                    | 20,182,285.95 | 9,202,088.53  |
| Total assets                                | 64,411,932.30 | 49,311,509.32 |
| Current liabilities                         |               |               |

|   |                |                |
|---|----------------|----------------|
| Short-term borrowings                       |                |                |
| Trading financial liability                 |                |                |
| Derivative financial liability              |                |                |
| Notes payable                               |                |                |
| Account payable                             | 948,308.01     | 9,002,524.60   |
| Accounts received in advance                | 10,000,000.00  | 572,687.18     |
| Contractual liability                       | 7,068,640.31   |                |
| Wage payable                                | 485,743.14     | 507,738.35     |
| Taxes payable                               | 460,139.68     | 27,797.28      |
| Other accounts payable                      | 39,250,223.37  | 36,803,498.12  |
| Including: Interest payable                 |                |                |
| Dividend payable                            |                |                |
| Liability held for sale                     |                |                |
| Non-current liabilities due within one year |                |                |
| Other current liabilities                   |                |                |
| Total current liabilities                   | 58,213,054.51  | 46,914,245.53  |
| Non-current liabilities:                    |                |                |
| Long-term loans                             |                |                |
| Bonds payable                               |                |                |
| Including: preferred stock                  |                |                |
| Perpetual capital securities                |                |                |
| Lease liability                             |                |                |
| Long-term account payable                   |                |                |
| Long term employee compensation payable     |                |                |
| Accrued liabilities                         |                |                |
| Deferred income                             |                |                |
| Deferred income tax liabilities             |                |                |
| Other non-current liabilities               |                |                |
| Total non-current liabilities               |                |                |
| Total liabilities                           | 58,213,054.51  | 46,914,245.53  |
| Owners' equity:                             |                |                |
| Share capital                               | 551,347,947.00 | 551,347,947.00 |

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Other equity instrument              |                   |                   |
| Including: preferred stock           |                   |                   |
| Perpetual capital securities         |                   |                   |
| Capital public reserve               | 627,834,297.85    | 627,834,297.85    |
| Less: Inventory shares               |                   |                   |
| Other comprehensive income           |                   |                   |
| Special reserve                      |                   |                   |
| Surplus reserve                      | 32,673,227.01     | 32,673,227.01     |
| Retained profit                      | -1,205,656,594.07 | -1,209,458,208.07 |
| Total owner's equity                 | 6,198,877.79      | 2,397,263.79      |
| Total liabilities and owner's equity | 64,411,932.30     | 49,311,509.32     |

### 3. Consolidated Profit Statement (the period)

In RMB

| Item   | Current period | Last period   |
|--|----------------|---------------|
| I. Total operating income                              | 40,216,980.94  | 24,574,484.81 |
| Including: Operating income                            | 40,216,980.94  | 24,574,484.81 |
| Interest income  |                |               |
| Insurance gained                                       |                |               |
| Commission charge and commission income                |                |               |
| II. Total operating cost                               | 37,662,809.64  | 23,520,413.16 |
| Including: Operating cost                              | 34,241,530.40  | 22,117,248.45 |
| 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                                    |                |               |
| Tax and extras   | 49,278.83      | 16,205.37     |

|  |              |              |
|--|--------------|--------------|
| Sales expense  | 936,546.74   | 501,593.81   |
| Administrative expense   | 2,096,269.03 | 903,784.92   |
| R&D expense  | 364,876.65   |              |
| Financial expense  | -25,692.01   | -18,419.39   |
| Including: Interest expenses   |              |              |
| Interest income  | -28,937.07   | -21,353.21   |
| Add: other income  |              |              |
| Investment income (Loss is listed with “-”)  |              |              |
| Including: Investment income on affiliated company and joint venture   |              |              |
| The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”) |              |              |
| Exchange income (Loss is listed with “-”)  |              |              |
| Net exposure hedging income (Loss is listed with “-”)  |              |              |
| Income from change of fair value (Loss is listed with “-”)   |              |              |
| Loss of credit impairment (Loss is listed with “-”)  |              |              |
| Losses of devaluation of asset (Loss is listed with “-”)   |              |              |
| Income from assets disposal (Loss is listed with “-”)  |              |              |
| III. Operating profit (Loss is listed with “-”)  | 2,554,171.30 | 1,054,071.65 |
| Add: Non-operating income  | 115,039.58   |              |
| Less: Non-operating expense  | 50.52        |              |
| IV. Total profit (Loss is listed with “-”)   | 2,669,160.36 | 1,054,071.65 |
| Less: Income tax expense   | 58,911.44    | 4,239.24     |
| V. Net profit (Net loss is listed with “-”)  | 2,610,248.92 | 1,049,832.41 |
| (i) Classify by business continuity  |              |              |
| 1.continuous operating net profit (net loss listed with “-”)   | 2,610,248.92 | 1,049,832.41 |
| 2.termination of net profit (net loss  |              |              |

|  |              |              |
|--|--------------|--------------|
| listed with “-”)   |              |              |
| (ii) Classify by ownership   |              |              |
| 1.Net profit attributable to owner’s of parent company   | 2,465,571.65 | 1,040,149.76 |
| 2.Minority shareholders’ gains and losses  | 144,677.27   | 9,682.65     |
| 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 of the defined benefit plans that re-measured  |              |              |
| 2.Other comprehensive income under equity method that cannot be transfer to gain/loss              |              |              |
| 3.Change of fair value of investment in other equity instrument                                    |              |              |
| 4.Fair value change of enterprise's credit risk  |              |              |
| 5. Other   |              |              |
| (ii) Other comprehensive income items which will be reclassified subsequently to profit or loss    |              |              |
| 1.Other comprehensive income under equity method that can transfer to gain/loss                    |              |              |
| 2.Change of fair value of other debt investment  |              |              |
| 3.Amount of financial assets re-classify to other comprehensive income                             |              |              |
| 4.Credit impairment provision for other debt investment  |              |              |
| 5.Cash flow hedging reserve  |              |              |
| 6.Translation differences  |              |              |

|   |              |              |
|---|--------------|--------------|
| arising on translation of foreign currency financial statements                   |              |              |
| 7.Other   |              |              |
| Net after-tax of other comprehensive income attributable to minority shareholders |              |              |
| VII. Total comprehensive income   | 2,610,248.92 | 1,049,832.41 |
| Total comprehensive income attributable to owners of parent Company               | 2,465,571.65 | 1,040,149.76 |
| Total comprehensive income attributable to minority shareholders                  | 144,677.27   | 9,682.65     |
| VIII. Earnings per share:   |              |              |
| (i) Basic earnings per share  | 0.0045       | 0.0019       |
| (ii) Diluted earnings per share   | 0.0045       | 0.0019       |

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: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

#### 4. Profit Statement of Parent Company (the period)

In RMB

| Item                         | Current period | Last period   |
|------------------------------|----------------|---------------|
| I. Operating income          | 9,598,545.19   | 23,846,952.19 |
| Less: Operating cost         | 5,242,540.51   | 21,876,322.80 |
| Taxes and surcharge          | 3,610.00       | 14,493.03     |
| Sales expenses               | 146,735.58     | 181,717.02    |
| Administration expenses      | 1,768,846.89   | 760,518.90    |
| R&D expenses                 | 364,876.65     |               |
| Financial expenses           | -25,861.73     | -7,895.71     |
| Including: interest expenses |                |               |
| Interest income              | -27,217.15     | -10,066.75    |
| Add: other income            |                |               |

|   |              |              |
|---|--------------|--------------|
| Investment income (Loss is listed with “-”)   |              |              |
| Including: Investment income on affiliated Company and joint venture  |              |              |
| The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”) |              |              |
| Net exposure hedging income (Loss is listed with “-”)   |              |              |
| Changing income of fair value (Loss is listed with “-”)   |              |              |
| Loss of credit impairment (Loss is listed with “-”)   |              |              |
| Losses of devaluation of asset (Loss is listed with “-”)  |              |              |
| Income on disposal of assets (Loss is listed with “-”)  |              |              |
| II. Operating profit (Loss is listed with “-”)  | 2,097,797.29 | 1,021,796.15 |
| Add: Non-operating income   | 115,039.04   |              |
| Less: Non-operating expense   |              |              |
| III. Total Profit (Loss is listed with “-”)   | 2,212,836.33 | 1,021,796.15 |
| Less: Income tax  |              | 4,239.24     |
| IV. Net profit (Net loss is listed with “-”)  | 2,212,836.33 | 1,017,556.91 |
| (i)continuous operating net profit (net loss listed with “-”)   | 2,212,836.33 | 1,017,556.91 |
| (ii) termination of net profit (net loss 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 of the defined benefit plans that re-measured   |              |              |
| 2.Other comprehensive income under equity method that cannot  |              |              |

|   |              |              |
|---|--------------|--------------|
| be transfer to gain/loss  |              |              |
| 3.Change of fair value of investment in other equity instrument                                 |              |              |
| 4.Fair value change of enterprise's credit risk   |              |              |
| 5. Other  |              |              |
| (II) Other comprehensive income items which will be reclassified subsequently to profit or loss |              |              |
| 1.Other comprehensive income under equity method that can transfer to gain/loss                 |              |              |
| 2.Change of fair value of other debt investment   |              |              |
| 3.Amount of financial assets re-classify to other comprehensive income                          |              |              |
| 4.Credit impairment provision for other debt investment   |              |              |
| 5.Cash flow hedging reserve   |              |              |
| 6.Translation differences arising on translation of foreign currency financial statements       |              |              |
| 7.Other   |              |              |
| VI. Total comprehensive income  | 2,212,836.33 | 1,017,556.91 |
| VII. Earnings per share:  |              |              |
| (i) Basic earnings per share  |              |              |
| (ii) Diluted earnings per share   |              |              |

## 5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

| Item                        | Current Period | Last Period   |
|-----------------------------|----------------|---------------|
| I. Total operating income   | 82,873,336.15  | 62,848,917.83 |
| Including: Operating income | 82,873,336.15  | 62,848,917.83 |
| Interest income             |                |               |
| Insurance gained            |                |               |



|  |               |               |
|--|---------------|---------------|
| Commission charge and commission income  |               |               |
| II. Total operating cost   | 77,676,054.36 | 63,061,170.36 |
| Including: Operating cost  | 70,342,296.05 | 57,446,763.42 |
| 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  |               |               |
| Tax and extras   | 69,177.87     | 52,793.14     |
| Sales expense  | 2,414,925.52  | 2,377,317.42  |
| Administrative expense   | 3,775,988.47  | 3,263,168.76  |
| R&D expense  | 1,118,618.85  |               |
| Financial expense  | -44,952.40    | -78,872.38    |
| Including: Interest expenses   |               |               |
| Interest income  | -60,866.79    | -92,487.61    |
| Add: other income  | 10,105.77     |               |
| Investment income (Loss is listed with “-”)  |               |               |
| Including: Investment income on affiliated company and joint venture   |               |               |
| The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”) |               |               |
| Exchange income (Loss is listed with “-”)  |               |               |
| Net exposure hedging income (Loss is listed with “-”)  |               |               |
| Income from change of fair value (Loss is listed with “-”)   |               |               |
| Loss of credit impairment  | 170,387.85    | -17,479.82    |

|  |              |             |
|--|--------------|-------------|
| (Loss is listed with “-”)  |              |             |
| Losses of devaluation of asset<br>(Loss is listed with “-”)  |              | 40,616.29   |
| Income from assets disposal<br>(Loss is listed with “-”)   | 24,936.44    |             |
| III. Operating profit (Loss is listed with<br>“-”)   | 5,402,711.85 | -189,116.06 |
| Add: Non-operating income  | 859,828.49   | 148,627.00  |
| Less: Non-operating expense  | 2,727.32     | 50.00       |
| IV. Total profit (Loss is listed with “-”)   | 6,259,813.02 | -40,539.06  |
| Less: Income tax expense   | 228,950.20   | 86.88       |
| V. Net profit (Net loss is listed with “-”)  | 6,030,862.82 | -40,625.94  |
| (i) Classify by business continuity  |              |             |
| 1.continuous operating net profit<br>(net loss listed with “-”)  | 6,030,862.82 | -40,625.94  |
| 2.termination of net profit (net loss<br>listed with “-”)  |              |             |
| (ii) Classify by ownership   |              |             |
| 1.Net profit attributable to owner’s<br>of parent company  | 5,263,215.15 | 241,203.59  |
| 2.Minority shareholders’ gains and<br>losses   | 767,647.67   | -281,829.53 |
| VI. Net after-tax of other comprehensive<br>income   |              |             |
| Net after-tax of other comprehensive<br>income attributable to owners of parent<br>company               |              |             |
| (I) Other comprehensive income<br>items which will not be reclassified<br>subsequently to profit of loss |              |             |
| 1.Changes of the defined<br>benefit plans that re-measured   |              |             |
| 2.Other comprehensive<br>income under equity method that cannot<br>be transfer to gain/loss              |              |             |
| 3.Change of fair value of<br>investment in other equity instrument                                       |              |             |
| 4.Fair value change of   |              |             |

|   |              |             |
|---|--------------|-------------|
| enterprise's credit risk  |              |             |
| 5. Other  |              |             |
| (ii) Other comprehensive income items which will be reclassified subsequently to profit or loss |              |             |
| 1. Other comprehensive income under equity method that can transfer to gain/loss                |              |             |
| 2. Change of fair value of other debt investment  |              |             |
| 3. Amount of financial assets re-classify to other comprehensive income                         |              |             |
| 4. Credit impairment provision for other debt investment  |              |             |
| 5. Cash flow hedging reserve  |              |             |
| 6. Translation differences arising on translation of foreign currency financial statements      |              |             |
| 7. Other  |              |             |
| Net after-tax of other comprehensive income attributable to minority shareholders               |              |             |
| VII. Total comprehensive income   | 6,030,862.82 | -40,625.94  |
| Total comprehensive income attributable to owners of parent Company                             | 5,263,215.15 | 241,203.59  |
| Total comprehensive income attributable to minority shareholders                                | 767,647.67   | -281,829.53 |
| VIII. Earnings per share:   |              |             |
| (i) Basic earnings per share  | 0.0095       | 0.0004      |
| (ii) Diluted earnings per share   | 0.0095       | 0.0004      |

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: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

## 6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

| Item  | Current Period | Last Period   |
|---|----------------|---------------|
| I. Operating income   | 25,549,369.61  | 49,251,331.03 |
| Less: Operating cost  | 17,876,736.91  | 45,546,345.42 |
| Taxes and surcharge   | 11,121.96      | 28,687.93     |
| Sales expenses  | 403,711.56     | 421,822.61    |
| Administration expenses   | 2,904,957.11   | 2,482,012.78  |
| R&D expenses  | 1,118,618.85   |               |
| Financial expenses  | -36,971.79     | -21,478.79    |
| Including: interest expenses  |                |               |
| Interest income   | -44,180.83     | -28,564.59    |
| Add: other income   | 8,595.12       |               |
| Investment income (Loss is listed with “-”)   |                |               |
| Including: Investment income on affiliated Company and joint venture  |                |               |
| The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”) |                |               |
| Net exposure hedging income (Loss is listed with “-”)   |                |               |
| Changing income of fair value (Loss is listed with “-”)   |                |               |
| Loss of credit impairment (Loss is listed with “-”)   | 204,620.45     | -39,523.02    |
| Losses of devaluation of asset (Loss is listed with “-”)  |                |               |
| Income on disposal of assets (Loss is listed with “-”)  | 24,936.44      |               |
| II. Operating profit (Loss is listed with “-”)  | 3,509,347.02   | 754,418.06    |
| Add: Non-operating income   | 292,266.98     | 148,627.00    |
| Less: Non-operating expense   |                |               |
| III. Total Profit (Loss is listed with “-”)   | 3,801,614.00   | 903,045.06    |

|  |              |            |
|--|--------------|------------|
| Less: Income tax   |              | 4,239.24   |
| IV. Net profit (Net loss is listed with “-”)   | 3,801,614.00 | 898,805.82 |
| (i)continuous operating net profit (net loss listed with ‘-’)                                      | 3,801,614.00 | 898,805.82 |
| (ii) termination of net profit (net loss 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 of the defined benefit plans that re-measured  |              |            |
| 2.Other comprehensive income under equity method that cannot be transfer to gain/loss              |              |            |
| 3.Change of fair value of investment in other equity instrument                                    |              |            |
| 4.Fair value change of enterprise's credit risk  |              |            |
| 5. Other   |              |            |
| (II) Other comprehensive income items which will be reclassified subsequently to profit or loss    |              |            |
| 1.Other comprehensive income under equity method that can transfer to gain/loss                    |              |            |
| 2.Change of fair value of other debt investment  |              |            |
| 3.Amount of financial assets re-classify to other comprehensive income                             |              |            |
| 4.Credit impairment provision for other debt investment  |              |            |
| 5.Cash flow hedging reserve  |              |            |
| 6.Translation differences arising on translation of foreign  |              |            |

|                                 |              |            |
|---------------------------------|--------------|------------|
| currency financial statements   |              |            |
| 7.Other                         |              |            |
| VI. Total comprehensive income  | 3,801,614.00 | 898,805.82 |
| VII. Earnings per share:        |              |            |
| (i) Basic earnings per share    |              |            |
| (ii) Diluted earnings per share |              |            |

## 7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

| Item  | Current Period | Last Period   |
|---|----------------|---------------|
| I. Cash flows arising from operating activities:                    |                |               |
| Cash received from selling commodities and providing labor services | 47,915,952.15  | 21,832,549.34 |
| 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                      |                |               |
| Cash received from interest, commission charge and commission       |                |               |
| Net increase of capital borrowed                                    |                |               |
| Net increase of returned business capital                           |                |               |
| Net cash received by agents in sale and purchase of securities      |                |               |
| Write-back of tax received  | 46,490.80      | 395,675.25    |
| Other cash received concerning operating activities                 | 32,533,907.14  | 6,635,811.81  |
| Subtotal of cash inflow arising from operating activities           | 80,496,350.09  | 28,864,036.40 |
| Cash paid for purchasing  | 54,238,192.62  | 17,969,329.91 |

|   |               |               |
|---|---------------|---------------|
| commodities and receiving labor service   |               |               |
| Net increase of customer loans and advances                                     |               |               |
| Net increase of deposits in central bank and interbank                          |               |               |
| Cash paid for original insurance contract compensation                          |               |               |
| Net increase of capital lent  |               |               |
| Cash paid for interest, commission charge and commission                        |               |               |
| Cash paid for bonus of guarantee slip   |               |               |
| Cash paid to/for staff and workers  | 4,386,729.44  | 4,520,269.65  |
| Taxes paid  | 795,786.18    | 5,591,830.87  |
| Other cash paid concerning operating activities                                 | 17,859,244.12 | 8,100,278.65  |
| Subtotal of cash outflow arising from operating activities                      | 77,279,952.36 | 36,181,709.08 |
| Net cash flows arising from operating activities                                | 3,216,397.73  | -7,317,672.68 |
| 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 | 64,500.00     |               |
| Net cash received from disposal of subsidiaries and other units                 |               |               |
| Other cash received concerning investing activities                             |               |               |
| Subtotal of cash inflow from investing activities                               | 64,500.00     |               |
| Cash paid for purchasing fixed, intangible and other long-term assets           |               | 534,494.04    |
| 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  |               | 534,494.04    |
| Net cash flows arising from investing activities  | 64,500.00     | -534,494.04   |
| III. Cash flows arising from financing activities   |               |               |
| Cash received from absorbing investment   | 9,825,000.00  |               |
| Including: Cash received from absorbing minority shareholders' investment by subsidiaries | 9,825,000.00  |               |
| Cash received from loans  |               |               |
| Other cash received concerning financing activities                                       |               | 4,033,436.90  |
| Subtotal of cash inflow from financing activities   | 9,825,000.00  | 4,033,436.90  |
| Cash paid for settling debts  |               |               |
| Cash paid for dividend and profit distributing or interest paying                         |               |               |
| Including: Dividend and profit of minority shareholder paid by subsidiaries               |               |               |
| Other cash paid concerning financing activities   |               | 4,000,000.00  |
| Subtotal of cash outflow from financing activities  |               | 4,000,000.00  |
| Net cash flows arising from financing activities  | 9,825,000.00  | 33,436.90     |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate            |               |               |
| V. Net increase of cash and cash equivalents  | 13,105,897.73 | -7,818,729.82 |
| Add: Balance of cash and cash equivalents at the period -begin                            | 6,074,367.91  | 16,488,886.26 |
| VI. Balance of cash and cash equivalents at the period -end                               | 19,180,265.64 | 8,670,156.44  |

## 8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB



| Item  | Current period | Last period   |
|---|----------------|---------------|
| I. Cash flows arising from operating activities:                                |                |               |
| Cash received from selling commodities and providing labor services             | 11,742,948.00  | 13,142,364.00 |
| Write-back of tax received  | 9,110.82       | 395,675.25    |
| Other cash received concerning operating activities                             | 36,008,358.81  | 7,878,727.75  |
| Subtotal of cash inflow arising from operating activities                       | 47,760,417.63  | 21,416,767.00 |
| Cash paid for purchasing commodities and receiving labor service                | 4,064,477.78   | 11,560,353.60 |
| Cash paid to/for staff and workers  | 3,419,027.79   | 2,793,627.51  |
| Taxes paid  | 387,858.33     | 5,392,327.74  |
| Other cash paid concerning operating activities                                 | 18,237,287.77  | 6,111,509.75  |
| Subtotal of cash outflow arising from operating activities                      | 26,108,651.67  | 25,857,818.60 |
| Net cash flows arising from operating activities                                | 21,651,765.96  | -4,441,051.60 |
| 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 | 64,500.00      |               |
| Net cash received from disposal of subsidiaries and other units                 |                |               |
| Other cash received concerning investing activities                             |                |               |
| Subtotal of cash inflow from investing activities                               | 64,500.00      |               |
| Cash paid for purchasing fixed, intangible and other long-term assets           |                | 534,494.04    |
| Cash paid for investment  | 11,775,000.00  |               |
| Net cash received from subsidiaries and other units obtained                    |                |               |

|  |                |               |
|--|----------------|---------------|
| Other cash paid concerning investing activities                                |                |               |
| Subtotal of cash outflow from investing activities                             | 11,775,000.00  | 534,494.04    |
| Net cash flows arising from investing activities                               | -11,710,500.00 | -534,494.04   |
| III. Cash flows arising from financing activities                              |                |               |
| Cash received from absorbing investment  |                |               |
| Cash received from loans   |                |               |
| Other cash received concerning financing activities                            |                |               |
| Subtotal of cash inflow from financing activities                              |                |               |
| Cash paid for settling debts   |                |               |
| Cash paid for dividend and profit distributing or interest paying              |                |               |
| Other cash paid concerning financing activities                                |                |               |
| Subtotal of cash outflow from financing activities                             |                |               |
| Net cash flows arising from financing activities                               |                |               |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate |                |               |
| V. Net increase of cash and cash equivalents                                   | 9,941,265.96   | -4,975,545.64 |
| Add: Balance of cash and cash equivalents at the period -begin                 | 1,959,804.92   | 8,889,572.73  |
| VI. Balance of cash and cash equivalents at the period -end                    | 11,901,070.88  | 3,914,027.09  |

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules from 2020

Applicable  Not applicable

Whether to adjust the balance sheet account at the beginning of the year

Yes  No

Consolidate balance sheet

In RMB

| Item                                       | December 31, 2019 | January 1, 2020 | Adjustment amount |
|--|-------------------|-----------------|-------------------|
| Current assets:                            |                   |                 |                   |
| Monetary funds                             | 6,074,367.91      | 6,074,367.91    |                   |
| Settlement provisions                      |                   |                 |                   |
| Capital lent                               |                   |                 |                   |
| Tradable financial assets                  |                   |                 |                   |
| Derivative financial assets                |                   |                 |                   |
| Note receivable                            | 580,000.00        | 580,000.00      |                   |
| Account receivable                         | 38,616,523.93     | 38,616,523.93   |                   |
| Receivable financing                       |                   |                 |                   |
| Accounts paid in advance                   | 938,425.99        | 938,425.99      |                   |
| Insurance receivable                       |                   |                 |                   |
| Reinsurance receivables                    |                   |                 |                   |
| Contract reserve of reinsurance receivable |                   |                 |                   |
| Other account receivable                   | 740,354.71        | 740,354.71      |                   |
| Including: Interest receivable             |                   |                 |                   |
| Dividend receivable                        |                   |                 |                   |
| Buying back the sale of financial assets   |                   |                 |                   |
| Inventories                                | 6,078,330.30      | 6,078,330.30    |                   |
| Contractual assets                         |                   |                 |                   |
| Assets held for sale                       |                   |                 |                   |
| Non-current asset due within one year      |                   |                 |                   |
| Other current assets                       | 3,318,514.25      | 3,318,514.25    |                   |
| Total current assets                       | 56,346,517.09     | 56,346,517.09   |                   |
| Non-current assets:                        |                   |                 |                   |
| Loans and payments on                      |                   |                 |                   |

|                                       |               |               |  |
|---------------------------------------|---------------|---------------|--|
| behalf                                |               |               |  |
| Debt investment                       |               |               |  |
| Other debt investment                 |               |               |  |
| Long-term account receivable          |               |               |  |
| Long-term equity investment           |               |               |  |
| Investment in other equity instrument |               |               |  |
| Other non-current financial assets    |               |               |  |
| Investment real estate                |               |               |  |
| Fixed assets                          | 4,191,503.33  | 4,191,503.33  |  |
| Construction in progress              |               |               |  |
| Productive biological asset           |               |               |  |
| Oil and gas asset                     |               |               |  |
| Right-of-use assets                   |               |               |  |
| Intangible assets                     | 753,000.00    | 753,000.00    |  |
| Expense on Research and Development   |               |               |  |
| Goodwill                              |               |               |  |
| Long-term expenses to be apportioned  |               |               |  |
| Deferred income tax asset             | 1,042,582.16  | 1,042,582.16  |  |
| Other non-current asset               | 400,000.00    | 400,000.00    |  |
| Total non-current asset               | 6,387,085.49  | 6,387,085.49  |  |
| Total assets                          | 62,733,602.58 | 62,733,602.58 |  |
| Current liabilities:                  |               |               |  |
| Short-term loans                      |               |               |  |
| Loan from central bank                |               |               |  |
| Capital borrowed                      |               |               |  |
| Trading financial liability           |               |               |  |
| Derivative financial                  |               |               |  |

|   |               |               |               |
|---|---------------|---------------|---------------|
| liability                                   |               |               |               |
| Note payable                                |               |               |               |
| Account payable                             | 10,191,385.23 | 10,191,385.23 |               |
| Accounts received in advance                | 1,739,953.80  | 0.00          | -1,739,953.80 |
| Contractual liability                       |               | 1,539,782.12  | 1,539,782.12  |
| Selling financial asset of repurchase       |               |               |               |
| Absorbing deposit and interbank deposit     |               |               |               |
| Security trading of agency                  |               |               |               |
| Security sales of agency                    |               |               |               |
| Wage payable                                | 599,962.73    | 599,962.73    |               |
| Taxes payable                               | 585,062.75    | 785,234.43    | 200,171.68    |
| Other account payable                       | 38,175,654.98 | 38,175,654.98 |               |
| Including: Interest payable                 |               |               |               |
| Dividend payable                            |               |               |               |
| Commission charge and commission payable    |               |               |               |
| Reinsurance payable                         |               |               |               |
| Liability held for sale                     |               |               |               |
| Non-current liabilities due within one year |               |               |               |
| Other current liabilities                   |               |               |               |
| Total current liabilities                   | 51,292,019.49 | 51,292,019.49 |               |
| Non-current liabilities:                    |               |               |               |
| Insurance contract reserve                  |               |               |               |
| Long-term loans                             |               |               |               |
| Bonds payable                               |               |               |               |
| Including: Preferred stock                  |               |               |               |
| Perpetual capital securities                |               |               |               |

|   |                   |                   |  |
|---|-------------------|-------------------|--|
| Lease liability                                     |                   |                   |  |
| Long-term account payable                           |                   |                   |  |
| Long-term wages payable                             |                   |                   |  |
| Accrual liability                                   |                   |                   |  |
| Deferred income                                     |                   |                   |  |
| Deferred income tax liabilities                     |                   |                   |  |
| Other non-current liabilities                       |                   |                   |  |
| Total non-current liabilities                       |                   |                   |  |
| Total liabilities                                   | 51,292,019.49     | 51,292,019.49     |  |
| Owner's equity:                                     |                   |                   |  |
| Share capital                                       | 551,347,947.00    | 551,347,947.00    |  |
| Other equity instrument                             |                   |                   |  |
| Including: Preferred stock                          |                   |                   |  |
| Perpetual capital securities                        |                   |                   |  |
| Capital public reserve                              | 627,834,297.85    | 627,834,297.85    |  |
| Less: Inventory shares                              |                   |                   |  |
| Other comprehensive income                          |                   |                   |  |
| Reasonable reserve                                  |                   |                   |  |
| Surplus public reserve                              | 32,673,227.01     | 32,673,227.01     |  |
| Provision of general risk                           |                   |                   |  |
| Retained profit                                     | -1,204,736,075.56 | -1,204,736,075.56 |  |
| Total owner's equity attributable to parent company | 7,119,396.30      | 7,119,396.30      |  |
| Minority interests                                  | 4,322,186.79      | 4,322,186.79      |  |
| Total owner's equity                                | 11,441,583.09     | 11,441,583.09     |  |
| Total liabilities and owner's equity                | 62,733,602.58     | 62,733,602.58     |  |

Statement of adjustment

Adjusted the amount at year-begin according to the New Revenue Standards, based on the account received in advance in the

contract, amount excluding the tax was adjusted to “Contractual liability” from “Account received in advance”, “Output tax ready for reverse” adjusted to “Taxes payable”.

Balance Sheet of Parent Company

In RMB

| Item  | December 31, 2019 | January 1, 2020 | Adjustment amount |
|---|-------------------|-----------------|-------------------|
| Current assets:                             |                   |                 |                   |
| Monetary funds                              | 1,959,804.92      | 1,959,804.92    |                   |
| Trading financial assets                    |                   |                 |                   |
| Derivative financial assets                 |                   |                 |                   |
| Note receivable                             | 580,000.00        | 580,000.00      |                   |
| Account receivable                          | 32,843,536.70     | 32,843,536.70   |                   |
| Receivable financing                        |                   |                 |                   |
| Accounts paid in advance                    | 76,937.00         | 76,937.00       |                   |
| Other account receivable                    | 485,062.44        | 485,062.44      |                   |
| Including: Interest receivable              |                   |                 |                   |
| Dividend receivable                         |                   |                 |                   |
| Inventories                                 | 1,333,374.72      | 1,333,374.72    |                   |
| Contractual assets                          |                   |                 |                   |
| Assets held for sale                        |                   |                 |                   |
| Non-current assets maturing within one year |                   |                 |                   |
| Other current assets                        | 2,830,705.01      | 2,830,705.01    |                   |
| Total current assets                        | 40,109,420.79     | 40,109,420.79   |                   |
| Non-current assets:                         |                   |                 |                   |
| Debt investment                             |                   |                 |                   |
| Other debt investment                       |                   |                 |                   |
| Long-term receivables                       |                   |                 |                   |
| Long-term equity investments                | 4,235,379.73      | 4,235,379.73    |                   |
| Investment in other equity instrument       |                   |                 |                   |

|                                    |               |               |             |
|------------------------------------|---------------|---------------|-------------|
| Other non-current financial assets |               |               |             |
| Investment real estate             |               |               |             |
| Fixed assets                       | 3,813,708.80  | 3,813,708.80  |             |
| Construction in progress           |               |               |             |
| Productive biological assets       |               |               |             |
| Oil and natural gas assets         |               |               |             |
| Right-of-use assets                |               |               |             |
| Intangible assets                  | 753,000.00    | 753,000.00    |             |
| Research and development costs     |               |               |             |
| Goodwill                           |               |               |             |
| Long-term deferred expenses        |               |               |             |
| Deferred income tax assets         |               |               |             |
| Other non-current assets           | 400,000.00    | 400,000.00    |             |
| Total non-current assets           | 9,202,088.53  | 9,202,088.53  |             |
| Total assets                       | 49,311,509.32 | 49,311,509.32 |             |
| Current liabilities                |               |               |             |
| Short-term borrowings              |               |               |             |
| Trading financial liability        |               |               |             |
| Derivative financial liability     |               |               |             |
| Notes payable                      |               |               |             |
| Account payable                    | 9,002,524.60  | 9,002,524.60  |             |
| Accounts received in advance       | 572,687.18    | 0.00          | -572,687.18 |
| Contractual liability              |               | 506,802.81    | 506,802.81  |
| Wage payable                       | 507,738.35    | 507,738.35    |             |
| Taxes payable                      | 27,797.28     | 93,681.65     | 65,884.37   |
| Other accounts payable             | 36,803,498.12 | 36,803,498.12 |             |
| Including: Interest                |               |               |             |



|   |                |                |  |
|---|----------------|----------------|--|
| payable                                     |                |                |  |
| Dividend payable                            |                |                |  |
| Liability held for sale                     |                |                |  |
| Non-current liabilities due within one year |                |                |  |
| Other current liabilities                   |                |                |  |
| Total current liabilities                   | 46,914,245.53  | 46,914,245.53  |  |
| Non-current liabilities:                    |                |                |  |
| Long-term loans                             |                |                |  |
| Bonds payable                               |                |                |  |
| Including: preferred stock                  |                |                |  |
| Perpetual capital securities                |                |                |  |
| Lease liability                             |                |                |  |
| Long-term account payable                   |                |                |  |
| Long term employee compensation payable     |                |                |  |
| Accrued liabilities                         |                |                |  |
| Deferred income                             |                |                |  |
| Deferred income tax liabilities             |                |                |  |
| Other non-current liabilities               |                |                |  |
| Total non-current liabilities               |                |                |  |
| Total liabilities                           | 46,914,245.53  | 46,914,245.53  |  |
| Owners' equity:                             |                |                |  |
| Share capital                               | 551,347,947.00 | 551,347,947.00 |  |
| Other equity instrument                     |                |                |  |
| Including: preferred stock                  |                |                |  |
| Perpetual capital securities                |                |                |  |
| Capital public reserve                      | 627,834,297.85 | 627,834,297.85 |  |

|                                      |                   |                   |  |
|--------------------------------------|-------------------|-------------------|--|
| Less: Inventory shares               |                   |                   |  |
| Other comprehensive income           |                   |                   |  |
| Special reserve                      |                   |                   |  |
| Surplus reserve                      | 32,673,227.01     | 32,673,227.01     |  |
| Retained profit                      | -1,209,458,208.07 | -1,209,458,208.07 |  |
| Total owner's equity                 | 2,397,263.79      | 2,397,263.79      |  |
| Total liabilities and owner's equity | 49,311,509.32     | 49,311,509.32     |  |

#### Statement of adjustment

Adjusted the amount at year-begin according to the New Revenue Standards, based on the account received in advance in the contract, amount excluding the tax was adjusted to "Contractual liability" from "Account received in advance", "Output tax ready for reverse" adjusted to "Taxes payable".

## 2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

## III. Audit report

Whether the 3<sup>rd</sup> quarterly report has been audited or not

Yes No

The 3<sup>rd</sup> quarterly report of the Company has not been audited.

**Board of Directors of  
Shenzhen China Bicycle Company (Holdings) Limited  
23 October 2020**