



**SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE &  
PROPERTIES (GROUP) CO., LTD.**

**THIRD QUARTER REPORT 2018**

**2018-082**

**October 2018**

## **Part I Important Notes**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.**

**All the Company’s directors have attended the Board meeting for the review of this Report and its summary.**

**Zhou Jianguo, chairman of the Company’s Board, Chen Maozheng, the Company’s General Manager, Tang Xiaoping, the Company’s head for financial affairs, and Qiao Yanjun, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.**

## Part II Key Corporate Information

### I Key Consolidated Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

	30 September 2018		31 December 2017		Change (%)			
Total assets (RMB)	4,447,438,366.38		3,989,263,981.96		11.49%			
Equity attributable to the listed company’s shareholders (RMB)	3,199,567,123.08		2,828,242,120.98		13.13%			
	Q3 2018		YoY change (%)		Q1-Q3 2018		YoY change (%)	
Operating revenue (RMB)	282,588,259.93		21.13%		1,600,129,891.28		65.89%	
Net profit attributable to the listed company’s shareholders (RMB)	44,934,281.00		263.65%		374,000,365.53		150.03%	
Net profit attributable to the listed company’s shareholders before exceptional items (RMB)	44,760,056.43		262.15%		373,889,817.10		150.19%	
Net cash generated from/used in operating activities (RMB)	--		--		664,798,431.71		431.32%	
Basic earnings per share (RMB/share)	0.0444		263.93%		0.3697		149.97%	
Diluted earnings per share (RMB/share)	0.0444		263.93%		0.3697		149.97%	
Weighted average return on equity (%)	1.49%		1.04%		12.41%		6.91%	

Exceptional gains and losses:

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Q1-Q3 2018	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-19,206.48	
Non-operating income and expense other than above	166,604.39	
Less: Income tax effects	36,849.48	
Total	110,548.43	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory

Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss

Items:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

## II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2018

### 1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders	76,443			Number of preferred shareholders with resumed voting rights (if any)		
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholdi ng percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
Shenzhen Investment Holdings Co., Ltd	State-owned legal person	63.55%	642,884,262			
Shandong Gold Financial Holding Capital Management Co., Ltd. — Shandong Gold Financial Holding Sustaining Fund 1	Domestic non-state-own ed legal person	1.02%	10,300,000			
Lu Zhigao	Domestic natural person	0.32%	3,246,949			
Tan Shiqing	Domestic natural person	0.13%	1,286,701			
Yang Shuilian	Domestic natural person	0.13%	1,273,700			
Yang Jianxiong	Domestic natural person	0.12%	1,255,750			
Central Huijin Asset Management Co., Ltd.	State-owned legal person	0.12%	1,165,500			
Peng Wei	Domestic natural person	0.11%	1,129,082			
Wu Haoyuan	Foreign natural person	0.11%	1,109,300			

Guotai Junan Securities (Hong Kong) Limited	Foreign legal person	0.10%	1,015,683			
Top 10 unrestricted shareholders						
Name of shareholder			Unrestricted shares	Shares by type		
				Type	Shares	
Shenzhen Investment Holdings Co., Ltd			642,884,262	RMB-denominated ordinary stock	642,884,262	
Shandong Gold Financial Holding Capital Management Co., Ltd.—Shandong Gold Financial Holding Sustaining Fund 1			10,300,000	RMB-denominated ordinary stock	10,300,000	
Lu Zhigao			3,246,949	RMB-denominated ordinary stock	3,246,949	
Tan Shiqing			1,286,701	RMB-denominated ordinary stock	1,286,701	
Yang Shuilian			1,273,700	RMB-denominated ordinary stock	1,273,700	
Yang Jianxiong			1,255,750	Domestically listed foreign stock	1,255,750	
Central Huijin Asset Management Co., Ltd.			1,165,500	RMB-denominated ordinary stock	1,165,500	
Peng Wei			1,129,082	RMB-denominated ordinary stock	1,129,082	
Wu Haoyuan			1,109,300	Domestically listed foreign stock	1,109,300	
Guotai Junan Securities (Hong Kong) Limited			1,015,683	Domestically listed foreign stock	1,015,683	
Related or acting-in-concert parties among shareholders above			The Company has found no related parties or acting-in-concert parties as defined in the Administrative Measures for Shareholding Changes in Listed Companies among the shareholders above.			
Top 10 ordinary shareholders involved in securities margin trading (if any)			The fourth shareholder holds all his shares in the Company in his accounts of collateral securities for margin trading. And the third shareholder holds some of his shares in the Company in such accounts.			

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yea ☒ No

No such cases in the Reporting Period.

## **2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them**

☐ Applicable ☒ Not applicable

## Part III Significant Events

### I Changes in Key Consolidated Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Unit: RMB

Key income statement items	Q1~Q3 2018	Q1~Q3 2017	Change (%)	Explanation of why
Operating revenue	1,600,129,891.28	964,594,407.66	65.89%	Rise in property sales carryforwards to the current period
Taxes and surcharges	316,767,417.97	30,671,236.84	932.78%	Rise in property sales carryforwards to the current period
Selling expense	41,241,971.51	12,382,407.96	233.07%	Rise in sales agent fees and commissions as a result of the opening of new developments for sale
Administrative expense	44,506,615.17	33,480,030.90	32.93%	Expensing of labor cost and other costs upon the completion of the Cuilinyuan project
Finance costs	-10,289,373.08	-3,137,412.25	-227.96%	Lower interest expense on borrowings and higher interest income on term deposits
Key cash flow statement items	Q1~Q3 2018	Q1~Q3 2017	Change (%)	Explanation of why
Net cash generated from/used in operating activities	664,798,431.71	-200,649,011.12	431.32%	Rise in sale of commodities
Net cash generated from/used in investing activities	-599,463,465.47	8,643,770.86	-7035.21%	Purchase of a 600-million six-month bank structured deposit
Net cash generated from/used in financing activities	-136,127,057.86	-18,576,803.21	-632.78%	Repayment of bank loans
Key balance sheet items	30 September 2018	31 December 2017	Change (%)	Explanation of why
Other current assets	606,889,159.07	11,369,544.80	5237.85%	Purchase of a 600-million six-month bank structured deposit
Short-term borrowings	35,048,803.88	104,207,653.64	-66.37%	Decline in commercial acceptance bill

				discounting and the use of such bills as pledge for loans
Current portion of non-current liabilities	17,773,200.00	64,000,000.00	-72.23%	Repayment of bank loans due within one year
Long-term borrowings	13,340,200.00	82,000,000.00	-83.73%	Repayment of bank loans

## II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

Since Shenzhen Investment Holdings Co., Ltd, the controlling shareholder of the Company, is planning a significant event that involves the Company, trading of the Company's stocks (A-stock: stock name: SPG, stock code: 000029; B-stock: stock name: SPG-B, stock code: 200029) has been suspended since the opening of 14 September 2016. On 30 September 2016, the Company disclosed the Announcement on Share Trading Suspension Due to Major Assets Restructuring (No. 2016-025), and the suspension continued due to major assets restructuring since the market opening on 30 September 2016.

The Company is organizing relevant intermediaries to conduct supplementary due diligence on the parties to the restructuring of assets and trading, carry out supplementary audit and evaluation work, and update the major asset restructuring plan or report (draft) and other relevant documents. The major assets restructuring of the Company involves in the reform of state-owned enterprises in Shenzhen with complex transaction structure, and the proposed purchase of underlying asset is the leading asset in the industry on a large-scale, which is a major unprecedented event. The Company still needs to communicate with regulatory authorities for further discussion, demonstration and improvement. Meanwhile, limited by the period of validity of the assessment, underlying asset's audit report and assessment report need to be updated, and it also needs to perform national assets filing procedures of assessment report, which needs a certain period of time due to the large volumes. On the specific circumstances of restructuring of the Company, please keep an eye on the Company's follow-up announcements.

To ensure the smooth progress of this major asset restructuring, prevent abnormal fluctuations in the prices of its stocks and protect the rights and interests of its minority shareholders, the Company has applied to the Shenzhen Stock Exchange for continued share trading suspension for no more than 1 month as of 14 October 2018. It is respected that the major assets restructuring plan or report will be disclosed according to the requirements of the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 26—Major Assets Restructuring of Listed Companies prior to 14 November 2018.

During the continued suspension, the Company will keep promoting the work of this major asset restructuring with parties concerned, paying full attention to the progress of the issue and fulfilling the obligation of timely information disclosure in strict accordance with the provisions and requirements of relevant laws and regulations, that is, the Company will disclose the progress of related matters at least every five trading days.

There is considerable uncertainty for the major assets restructuring. Investors are kindly reminded to pay attention to investment risk.



Summary of significant event	Disclosure date	Index to related announcement
Significant asset restructuring	13 October 2018	Announcement on the planning of Delaying the Share Trading Resumption of Significant Asset Restructuring ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )

### III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Parties, Failed to Fulfill on Time during Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

### IV 2018 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in net profit for the year 2018, as well as explanation of why:

☒ Applicable ☐ Not applicable

Forecast: Considerable increase in profit

Type of the forecast data: Interval number

	2018			2017	+/- (%)			
Forecast accumulative net profit (RMB'0,000)	45,000	--	50,000	18,492	Increase	143.35%	--	170.39%
Basic earnings per share (RMB/share)	0.4448	--	0.4942	0.1828	Increase	143.33%	--	170.37%
Notes to the forecast	The property sales carryforwards to the year 2018 dramatically increased year-on-year.							

### V Securities Investments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

### VI Wealth Management Entrustment

☒ Applicable ☐ Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Wealth management product purchased from	Idly self-funded	60,000	60,000	0

bank				
Total		60,000	60,000	0

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

☐ Applicable ☒ Not applicable

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

☐ Applicable ☒ Not applicable

## VII Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

## VIII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

☒ Applicable ☐ Not applicable

Date of visit	Way of visit	Type of visitor	About
12 July 2018	By phone	Individual	Inquired of semi-annual operating conditions of the Company, the progress of assets restructuring and the expected time for share trading resumption, and didn't offer written materials
2 August 2018	By phone	Individual	Inquired of the progress of assets restructuring, time for share trading resumption, the estimated disclosed time of interim report, and didn't offer written materials
21 August 2018	By phone	Individual	Inquired of the progress of assets restructuring and the time for share trading resumption, and didn't offer written materials
17 September 2018	By phone	Individual	Inquired of the progress of assets restructuring and the time for share trading resumption, and didn't offer written materials
28 September 2018	By phone	Individual	Inquired of the progress of assets restructuring, the operating conditions of the Company and the estimated disclosed time of third quarter report, and didn't offer written materials

## IX Irregularities in Provision of Guarantees for External Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

**X Occupation of the Company's Capital by Controlling Shareholder or Its Related Parties for Non-Operating Purposes**

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

30 September 2018

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	1,195,341,792.38	1,207,079,090.29
Settlement reserve		
Interbank loans granted		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	155,064,261.72	143,013,443.05
Including: Notes receivable		5,921,287.00
Accounts receivable	155,064,261.72	137,092,156.05
Prepayments	4,799,752.83	6,040,367.51
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	48,087,020.29	76,955,351.38
Financial assets purchased under resale agreements		
Inventories	1,675,720,610.56	1,764,086,643.94
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	606,889,159.07	11,369,544.80
Total current assets	3,685,902,596.85	3,208,544,440.97
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	17,464,240.74	17,464,240.74
Held-to-maturity investments		

Long-term receivables		
Long-term equity investments	29,888,661.65	29,888,661.65
Investment property	630,002,783.54	647,297,124.04
Fixed assets	34,916,310.70	37,937,868.71
Construction in progress		
Productive living assets		
Oil and gas assets		
Intangible assets		55,200.00
R&D expense		
Goodwill		
Long-term prepaid expense	442,332.39	586,350.66
Deferred income tax assets	48,821,440.51	47,490,095.19
Other non-current assets		
Total non-current assets	761,535,769.53	780,719,540.99
Total assets	4,447,438,366.38	3,989,263,981.96
Current liabilities:		
Short-term borrowings	35,048,803.88	104,207,653.64
Borrowings from central bank		
Customer deposits and interbank deposits		
Interbank loans obtained		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	219,554,469.82	190,629,756.30
Advances from customers	279,191,515.39	332,152,016.54
Financial assets sold under repurchase agreements		
Handling charges and commissions payable		
Payroll payable	37,897,653.43	30,516,219.96
Taxes payable	93,556,953.74	86,153,526.89
Other payables	674,696,256.06	391,480,367.04
Reinsurance payables		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for underwriting of securities		
Liabilities directly associated with assets classified as held for sale		

Current portion of non-current liabilities	17,773,200.00	64,000,000.00
Other current liabilities		
Total current liabilities	1,357,718,852.32	1,199,139,540.37
Non-current liabilities:		
Long-term borrowings	13,340,200.00	82,000,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables	6,151,782.28	8,101,880.05
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	19,491,982.28	90,101,880.05
Total liabilities	1,377,210,834.60	1,289,241,420.42
Owners' equity:		
Share capital	1,011,660,000.00	1,011,660,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	978,244,910.11	978,244,910.11
Less: Treasury stock		
Other comprehensive income	7,370,333.73	10,045,697.16
Specific reserve		
Surplus reserves	85,666,668.00	85,666,668.00
General reserve		
Retained earnings	1,116,625,211.24	742,624,845.71
Total equity attributable to owners of the Company as the parent	3,199,567,123.08	2,828,242,120.98
Non-controlling interests	-129,339,591.30	-128,219,559.44
Total owners' equity	3,070,227,531.78	2,700,022,561.54
Total liabilities and owners' equity	4,447,438,366.38	3,989,263,981.96

Legal representative: Zhou Jianguo

Head of financial affairs: Tang Xiaoping

Head of the financial arm: Qiao Yanjun

**2. Balance Sheet of the Company as the Parent**

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	428,124,916.01	726,801,673.89
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	4,499,881.80	4,482,074.17
Including: Notes receivable		
Accounts receivable	4,499,881.80	4,482,074.17
Prepayments	200,000.00	
Other receivables	767,906,103.05	1,069,266,476.08
Inventories	482,393,473.08	365,067,776.29
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	600,298,788.51	165,020.02
Total current assets	2,283,423,162.45	2,165,783,020.45
Non-current assets:		
Available-for-sale financial assets	12,000,000.00	12,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	248,870,407.21	248,870,407.21
Investment property	516,488,961.55	532,414,374.79
Fixed assets	22,577,411.97	24,371,839.21
Construction in progress		
Productive living assets		
Oil and gas assets		
Intangible assets		55,200.00
R&D expense		
Goodwill		
Long-term prepaid expense	391,988.17	529,905.52
Deferred income tax assets	43,449.93	

Other non-current assets		
Total non-current assets	800,372,218.83	818,241,726.73
Total assets	3,083,795,381.28	2,984,024,747.18
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	5,204,612.88	6,803,512.99
Advances from customers	93,435.00	93,435.00
Payroll payable	14,930,925.93	8,761,156.65
Taxes payable	54,325,790.81	52,311,869.66
Other payables	370,369,641.92	194,730,771.40
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	17,773,200.00	64,000,000.00
Other current liabilities		
Total current liabilities	462,697,606.54	326,700,745.70
Non-current liabilities:		
Long-term borrowings	13,340,200.00	82,000,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	13,340,200.00	82,000,000.00
Total liabilities	476,037,806.54	408,700,745.70
Owners' equity:		
Share capital	1,011,660,000.00	1,011,660,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		



Capital reserves	978,244,910.11	978,244,910.11
Less: Treasury stock		
Other comprehensive income		
Specific reserve		
Surplus reserves	62,537,054.59	62,537,054.59
Retained earnings	555,315,610.04	522,882,036.78
Total owners' equity	2,607,757,574.74	2,575,324,001.48
Total liabilities and owners' equity	3,083,795,381.28	2,984,024,747.18

### 3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Revenue	282,588,259.93	233,287,425.63
Including: Operating revenue	282,588,259.93	233,287,425.63
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	220,887,629.95	211,967,739.46
Including: Cost of sales	166,327,629.97	191,067,478.03
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	39,426,927.21	6,757,925.61
Selling expense	4,074,837.74	5,549,604.20
Administrative expense	12,770,414.32	8,760,792.21
R&D expense	0.00	
Finance costs	-1,712,179.29	-168,060.59
Including: Interest expense	799,817.42	2,385,365.33
Interest income	2,555,154.36	2,611,951.67
Asset impairment loss	0.00	0.00

Add: Other income	0.00	0.00
Investment income (“-” for loss)	0.00	0.00
Including: Share of profit or loss of joint ventures and associates	0.00	0.00
Gain on changes in fair value (“-” for loss)	0.00	0.00
Foreign exchange gain (“-” for loss)	487,424.56	-388,764.88
Asset disposal income (“-” for loss)	-194.95	-3,518.85
3. Operating profit (“-” for loss)	62,187,859.59	20,927,402.44
Add: Non-operating income	421,906.22	3,210.52
Less: Non-operating expense	170,595.26	4,162.73
4. Profit before tax (“-” for loss)	62,439,170.55	20,926,450.23
Less: Income tax expense	17,457,900.83	8,520,281.69
5. Net profit (“-” for net loss)	44,981,269.72	12,406,168.54
5.1 Net profit from continuing operations (“-” for net loss)	44,981,269.72	12,406,168.54
5.2 Net profit from discontinued operations (“-” for net loss)		0.00
Net profit attributable to owners of the Company as the parent	44,934,281.00	12,356,333.26
Net profit attributable to non-controlling interests	46,988.72	49,835.28
6. Other comprehensive income, net of tax	-3,127,250.66	2,101,707.56
Attributable to owners of the Company as the parent	-2,189,075.46	1,471,195.30
6.1 Items that will not be reclassified to profit or loss	0.00	0.00
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes	0.00	0.00
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00
6.2 Items that may subsequently be reclassified to profit or loss	-2,189,075.46	1,471,195.30
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	0.00	0.00
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
6.2.4 Effective gain/loss on cash flow hedges	0.00	0.00
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	-2,189,075.46	1,471,195.30
6.2.6 Other	0.00	0.00
Attributable to non-controlling interests	-938,175.20	630,512.26
7. Total comprehensive income	41,854,019.06	14,507,876.10

Attributable to owners of the Company as the parent	42,745,205.54	13,827,528.56
Attributable to non-controlling interests	-891,186.48	680,347.54
8. Earnings per share		
8.1 Basic earnings per share	0.0444	0.0122
8.2 Diluted earnings per share	0.0444	0.0122

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Zhou Jianguo

Head of financial affairs: Tang Xiaoping

Head of the financial arm: Qiao Yanjun

#### 4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Operating revenue	14,863,056.88	13,471,349.96
Less: Cost of sales	6,069,598.33	6,307,313.70
Taxes and surcharges	1,897,242.49	1,612,856.89
Selling expense	456,770.95	266,196.50
Administrative expense	3,578,442.56	3,272,107.52
R&D expense	0.00	0.00
Finance costs	-6,865,892.80	-7,860,577.41
Including: Interest expense	434,797.18	2,082,743.07
Interest income	7,303,315.43	9,949,853.83
Asset impairment loss	0.00	0.00
Add: Other income	7,238,497.24	-5,478,809.68
Investment income ("-" for loss)	0.00	0.00
Including: Share of profit or loss of joint ventures and associates	0.00	0.00
Gain on changes in fair value ("-" for loss)	0.00	0.00
Asset disposal income ("-" for loss)		
2. Operating profit ("-" for loss)	16,965,392.59	4,394,643.08
Add: Non-operating income	0.04	0.00
Less: Non-operating expense	100,000.00	0.00
3. Profit before tax ("-" for loss)	16,865,392.63	4,394,643.08
Less: Income tax expense	4,252,167.10	1,873,814.49

4. Net profit ("-" for net loss)	12,613,225.53	2,520,828.59
4.1 Net profit from continuing operations ("-" for net loss)	12,613,225.53	2,520,828.59
4.2 Net profit from discontinued operations ("-" for net loss)	0.00	0.00
5. Other comprehensive income, net of tax	0.00	0.00
5.1 Items that will not be reclassified to profit or loss	0.00	0.00
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes	0.00	0.00
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00
5.2 Items that may subsequently be reclassified to profit or loss	0.00	0.00
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets	0.00	0.00
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
5.2.4 Effective gain/loss on cash flow hedges	0.00	0.00
5.2.5 Differences arising from translation of foreign currency-denominated financial statements	0.00	0.00
5.2.6 Other	0.00	0.00
6. Total comprehensive income	12,613,225.53	2,520,828.59
7. Earnings per share		
7.1 Basic earnings per share	0.0125	0.0025
7.2 Diluted earnings per share	0.0125	0.0025

## 5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Revenue	1,600,129,891.28	964,594,407.66
Including: Operating revenue	1,600,129,891.28	964,594,407.66
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	1,098,971,752.95	759,413,539.37
Including: Cost of sales	706,745,121.38	686,017,275.92
Interest expense		
Handling charge and commission expense		

Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	316,767,417.97	30,671,236.84
Selling expense	41,241,971.51	12,382,407.96
Administrative expense	44,506,615.17	33,480,030.90
R&D expense		
Finance costs	-10,289,373.08	-3,137,412.25
Including: Interest expense	3,817,172.20	6,662,172.37
Interest income	14,324,520.82	10,011,663.67
Asset impairment loss		
Add: Other income		
Investment income (“-” for loss)	827,100.00	650,000.00
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)		
Foreign exchange gain (“-” for loss)	521,899.87	-722,544.96
Asset disposal income (“-” for loss)	-19,206.48	-61,706.41
3. Operating profit (“-” for loss)	502,487,931.72	205,046,616.92
Add: Non-operating income	517,741.45	320,231.95
Less: Non-operating expense	351,137.06	67,588.96
4. Profit before tax (“-” for loss)	502,654,536.11	205,299,259.91
Less: Income tax expense	128,627,618.11	55,693,421.41
5. Net profit (“-” for net loss)	374,026,918.00	149,605,838.50
5.1 Net profit from continuing operations (“-” for net loss)	374,026,918.00	149,605,838.50
5.2 Net profit from discontinued operations (“-” for net loss)		
Net profit attributable to owners of the Company as the parent	374,000,365.53	149,582,935.10
Net profit attributable to non-controlling interests	26,552.47	22,903.40
6. Other comprehensive income, net of tax	-3,821,947.76	4,153,221.38
Attributable to owners of the Company as the parent	-2,675,363.43	2,907,254.98
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		

6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss	-2,675,363.43	2,907,254.98
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	-2,675,363.43	2,907,254.98
6.2.6 Other		
Attributable to non-controlling interests	-1,146,584.33	1,245,966.40
7. Total comprehensive income	370,204,970.24	153,759,059.88
Attributable to owners of the Company as the parent	371,325,002.10	152,490,190.08
Attributable to non-controlling interests	-1,120,031.86	1,268,869.80
8. Earnings per share		
8.1 Basic earnings per share	0.3697	0.1479
8.2 Diluted earnings per share	0.3697	0.1479

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

## 6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Operating revenue	44,850,524.39	243,028,509.35
Less: Cost of sales	18,653,268.07	117,577,476.14
Taxes and surcharges	5,552,046.60	7,458,223.71
Selling expense	1,364,929.87	1,230,781.87
Administrative expense	14,472,955.77	14,566,751.21
R&D expense		
Finance costs	-29,451,306.05	-25,114,582.00
Including: Interest expense	2,163,250.22	5,870,083.28
Interest income	31,630,411.09	31,005,926.97
Asset impairment loss		

Add: Other income	8,147,643.61	-10,113,199.89
Investment income (“-” for loss)	827,100.00	170,043,952.18
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)		
Asset disposal income (“-” for loss)	-13,299.25	
2. Operating profit (“-” for loss)	43,220,074.49	287,240,610.71
Add: Non-operating income	34,352.63	2.69
Less: Non-operating expense	230,000.00	12,574.69
3. Profit before tax (“-” for loss)	43,024,427.12	287,228,038.71
Less: Income tax expense	10,590,853.86	30,077,031.40
4. Net profit (“-” for net loss)	32,433,573.26	257,151,007.31
4.1 Net profit from continuing operations (“-” for net loss)	32,433,573.26	257,151,007.31
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	32,433,573.26	257,151,007.31
7. Earnings per share		
7.1 Basic earnings per share	0.0321	0.2542
7.2 Diluted earnings per share	0.0321	0.2542

**7. Consolidated Cash Flow Statement for Q1~Q3**

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
<b>1. Cash flows from operating activities:</b>		
Proceeds from sale of commodities and rendering of services	1,605,041,920.88	952,036,798.69
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Tax rebates	76,431.00	
Cash generated from other operating activities	59,337,154.87	63,746,128.65
Subtotal of cash generated from operating activities	1,664,455,506.75	1,015,782,927.34
Payments for commodities and services	558,011,313.21	851,439,343.84
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	97,813,296.51	111,403,737.30
Taxes paid	241,207,281.47	137,641,963.40
Cash used in other operating activities	102,625,183.85	115,946,893.92
Subtotal of cash used in operating activities	999,657,075.04	1,216,431,938.46
Net cash generated from/used in operating activities	664,798,431.71	-200,649,011.12
<b>2. Cash flows from investing activities:</b>		
Proceeds from disinvestment		1,376,616.35
Investment income	827,100.00	650,000.00
Net proceeds from disposal of fixed assets, intangible assets and		14,976.00



other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		7,286,982.00
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	827,100.00	9,328,574.35
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	290,565.47	684,803.49
Payments for investments		
Net increase in pledged loans granted		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities	600,000,000.00	
Subtotal of cash used in investing activities	600,290,565.47	684,803.49
Net cash generated from/used in investing activities	-599,463,465.47	8,643,770.86
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Increase in borrowings obtained	2,000,000.00	20,900,000.00
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	2,000,000.00	20,900,000.00
Repayment of borrowings	135,786,600.00	32,216,016.22
Payments for interest and dividends	2,340,457.86	7,260,786.99
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	138,127,057.86	39,476,803.21
Net cash generated from/used in financing activities	-136,127,057.86	-18,576,803.21
4. Effect of foreign exchange rate changes on cash and cash equivalents	366,593.43	-532,868.23
5. Net increase in cash and cash equivalents	-70,425,498.19	-211,114,911.70
Add: Cash and cash equivalents, beginning of the period	1,265,767,290.57	1,265,767,290.57
6. Cash and cash equivalents, end of the period	1,195,341,792.38	1,054,652,378.87

## 8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	50,519,310.84	122,602,887.22
Tax rebates	76,431.00	
Cash generated from other operating activities	558,131,067.59	17,886,514.26
Subtotal of cash generated from operating activities	608,726,809.43	140,489,401.48
Payments for commodities and services	98,788,937.22	68,730,205.88
Cash paid to and for employees	23,664,067.51	29,550,117.76
Taxes paid	19,277,387.12	61,804,843.80
Cash used in other operating activities	49,597,541.55	61,639,460.72
Subtotal of cash used in operating activities	191,327,933.40	221,724,628.16
Net cash generated from/used in operating activities	417,398,876.03	-81,235,226.68
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Investment income	827,100.00	650,000.00
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		7,286,982.00
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	827,100.00	7,936,982.00
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	119,374.00	112,874.00
Payments for investments		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities	600,000,000.00	
Subtotal of cash used in investing activities	600,119,374.00	112,874.00
Net cash generated from/used in investing activities	-599,292,274.00	7,824,108.00
3. Cash flows from financing activities:		
Capital contributions received		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings	114,886,600.00	21,216,016.22

Payments for interest and dividends	1,883,272.84	6,495,933.73
Cash used in other financing activities		
Sub-total of cash used in financing activities	116,769,872.84	27,711,949.95
Net cash generated from/used in financing activities	-116,769,872.84	-27,711,949.95
4. Effect of foreign exchange rate changes on cash and cash equivalents	-13,487.07	-33,480.46
5. Net increase in cash and cash equivalents	-298,676,757.88	-101,156,549.09
Add: Cash and cash equivalents, beginning of the period	726,801,673.89	818,261,250.52
6. Cash and cash equivalents, end of the period	428,124,916.01	717,104,701.43

## II Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

☐ Yes ☒ No

These financial statements have not been audited by such an auditor.