

# **Shenzhen Tellus Holding Co., Ltd.**

## **First Quarterly Report 2019**

**April 2019**

## **Section I. Important Notes**

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

**All Directors are attended the Board Meeting for Quarterly Report deliberation. Fu Chunlong, Person in charge of the Company, Lou Hong, person in charge of accounting works, and Liu Yuhong, person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.**

## Section II. Company Profile

### I. Main accounting data and financial indexes

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

☐ Yes ☒ No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	119,469,426.49	92,099,937.58	29.72%
Net profit attributable to shareholders of the listed company (RMB)	18,017,619.19	16,101,533.51	11.90%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	15,885,705.01	13,473,427.60	17.90%
Net cash flow arising from operating activities (RMB)	2,986,868.23	-8,305,634.44	
Basic earnings per share (RMB/Share)	0.0606	0.0542	11.81%
Diluted earnings per share (RMB/Share)	0.0606	0.0542	11.81%
Weighted average ROE	1.70%	1.66%	0.04%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	1,654,362,251.54	1,658,295,531.00	-0.24%
Net assets attributable to shareholder of listed company (RMB)	1,068,227,156.54	1,050,209,537.35	1.72%

Items of non-recurring gains and losses

☒ Applicable ☐ Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Fund possession cost reckoned into current gains/losses charged from non-financial business	18,749.99	
Gains/losses from entrust investment or assets management	2,526,615.06	Financial income
Other non-operating income and expenditure except for the aforementioned items	-824,182.44	
Less: Impact on income tax	67,187.71	
Impact on minority shareholders' equity (post-tax)	-477,919.28	

Total	2,131,914.18	--
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Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

☐ Applicable ☒ Not applicable

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

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

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

In shares

Total number of common shareholders at the end of report period		53,772	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
SHENZHEN SDG CO., LTD.	State-owned corporation	49.09%	145,925,256	0		0
Shenzhen Zhiyuan Fuhai Jewelry Industry Investment Enterprises (limited partnership)	Domestic non-state-owned corporation	20.87%	62,030,104	0		0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.40%	1,197,304	0		0
Li Guangxin	Domestic nature person	0.26%	761,161	0		0
Agricultural Bank	Other	0.24%	716,341	0		0

of China—CSI 500 Exchange Traded Funds						
Ding Bingfang	Foreign nature person	0.11%	321,000	0		0
He Xing	Domestic nature person	0.10%	306,300	0		0
Xu Jie	Domestic nature person	0.10%	290,079	0		0
Zeng Huiming	Foreign nature person	0.10%	289,600	0		0
Huang Chuyun	Domestic nature person	0.09%	266,500	0		0
Top ten shareholders with unrestricted shares held						
Shareholder’s name	Amount of unrestricted shares held			Type of shares		
				Type	Amount	
SHENZHEN SDG CO., LTD.	145,925,256			RMB ordinary shares	145,925,256	
Shenzhen Zhiyuan Fuhai Jewelry Industry Investment Enterprises (limited partnership)	62,030,104			RMB ordinary shares	62,030,104	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,197,304			Domestically listed foreign shares	1,197,304	
Li Guangxin	761,161			Domestically listed foreign shares	761,161	
Agricultural Bank of China—CSI 500 Exchange Traded Funds	716,341			RMB ordinary shares	716,341	
Ding Bingfang	321,000			RMB ordinary shares	321,000	
He Xing	306,300			Domestically listed foreign shares	306,300	
Xu Jie	290,079			RMB ordinary shares	290,079	
Zeng Huiming	289,600			Domestically listed foreign shares	289,600	

Huang Chuyun	266,500	Domestically listed foreign shares	266,500
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders Shenzhen SDG Co., Ltd and other shareholders, and they do not belong to the person acting in concert regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the person acting in concert.		
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 top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

## 2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

☐ Applicable ☒ Not applicable

## Section III. Significant Events

### I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√ Applicable □ Not applicable

Balance sheet					
Asset	Closing balance	Opening balance	Changes amount	Changes ratio	Reasons of changes
Monetary fund	103,832,710.15	169,512,260.69	-65,679,550.54	-38.75%	Purchasing more financial products and projects loans are returned by Zhongtian Company
Accounts receivable	97,458,548.16	86,104,660.51	11,353,887.65	13.19%	The credit payment for jewelry wholesale from subsidiary Sichuan Jewelry Company increased
Assets held for sale	85,017,251.77	85,017,251.77			
Long-term equity investment	229,021,637.91	224,644,766.21	4,376,871.70	1.95%	
Investment real estate	497,507,669.66	503,922,413.70	-6,414,744.04	-1.27%	
Fix assets	110,748,337.80	112,674,017.53	-1,925,679.73	-1.71%	
Construction in process	18,337,636.71	12,843,571.97	5,494,064.74	42.78%	Initial investment of the phase II of Shuibei Jewelry Building
Short-term loans	144,000,000.00	143,000,000.00	1,000,000.00	0.70%	
Long-term loans	4,000,000.00	34,934,887.55	-30,934,887.55	-88.55%	Projects loans are returned by Zhongtian Company
Advance receivable	10,153,494.27	15,897,763.97	-5,744,269.70	-36.13%	The account received in advance for car sales are carry-forward to revenue by Huari Company
Other accounts payable	252,815,597.31	250,489,094.47	2,326,502.84	0.93%	
Profit statement					
Item	Amount at this year	At same period of last year	Change amount	Changes ratio	Reasons of changes
Operating income	119,469,426.49	92,099,937.58	27,369,488.91	29.72%	The phase I of Shuibei Jewelry Building was put into operation in September 2018, and expansion of the business scale from Sichuan

					Jewelry Company
Financial expenses	2,411,716.67	899,268.60	1,512,448.07	168.19%	Interest expenditure goes up with the bank loans increased on a y-o-y basis; and after completion of phase I of Shuibei Jewelry Building, the project transfer to fixed assets, and loan interest ceases capitalization which made the financial expenses increased
Investment income	6,903,486.76	11,627,612.09	-4,724,125.33	-40.63%	The investment income from joint-stock enterprise decreased
Income tax	676,399.30	324,626.80	351,772.50	108.36%	Operation profit increased from subordinated enterprise
<b>Cash flow statement</b>					
<b>Item</b>	<b>Amount at this year</b>	<b>At same period of last year</b>	<b>Change amount</b>	<b>Changes ratio</b>	<b>Reasons of changes</b>
Net cash flow arising from investment activity	-55,828,779.95	-4,855,305.59	-50,973,474.36		Cash flow expenditure increased due to the increase of bank financial products in the year
Net cash flow arising from financing activity	-12,837,638.82	-4,526,673.83	-8,310,964.99		Repayment of loans in the period
Net increased amount of cash and cash equivalent	-65,679,550.54	-17,687,613.86	-47,991,936.68		
Net cash flow arising from operating activities	2,986,868.23	-8,305,634.44	11,292,502.67		The phase I of Shuibei Jewelry Building was put into operation in September 2018, the cash in-flow from operation increased

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

√Applicable    □Not applicable

Sales of 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd.

The 13<sup>th</sup> Extraordinary Meeting of 8<sup>th</sup> BOARD was held on 12 Dec. 2017 for deliberated and approved the proposal of *Sales of 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd.*, that is agree to sold out 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd in way of public listing, with not less than the assets valuation value of 286,017,100 yuan. After sales, the Company holds zero equity of Shenzhen Xinglong Machinery Mould Co., Ltd. Relevant content found more in Notice on Sales of 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd. (Notice No.: 2017-095) released on Securities Times, Hong Kong Commercial Daily and Juchao website (<http://www.cninfo.com.cn>).



On 26 March 2018, the 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd was listed on Shenzhen United Property Exchange for transfer. Till expiration of the listing, according to trading result from Shenzhen United Property Exchange, Shenzhen Runhe United Investment Development Co., Ltd.(hereinafter referred to as Runhe) comes to the final transferee of the asset transfer with price of 286.67 million yuan deal. The deposit 30 million yuan has paid to Shenzhen United Property Exchange by Runhe. On 15 June 2018, the Company entered into a Contracts for the Transfer of State-owned Property Rights of Enterprise with Runhe, transfer 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd with 286.67 million yuan. Found more in the Notice on Progress of sale of the 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd. (Notice No.: 2018-040) released on Securities Times, Hong Kong Commercial Daily and Juchao website (<http://www.cninfo.com.cn>).

Up to the balance sheet date, the above mentioned equity transfer not yet completed .

Summary of important issues	Date of disclosure	Website query index of interim report disclosure
Sales of 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd.	2017-12-13	Found more in Notice on Sales of 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd. (Notice No.: 2017-095) released on Securities Times, Hong Kong Commercial Daily and Juchao website ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
	2018-06-20	Found more in the Notice on Progress of sale of the 43 percent equity of Shenzhen Xinglong Machinery Mould Co., Ltd. (Notice No.: 2018-040) released on Securities Times, Hong Kong Commercial Daily and Juchao website ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

Implementation progress of shares buy-back

☐ Applicable    ☒ Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

☐ Applicable    ☒ Not applicable

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

☐ Applicable    ☒ Not applicable

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

### IV. Predict of the business performance from January to June 2019

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

☐ Applicable    ☒ Not applicable

## V. Securities Investment

☐ Applicable ☒ Not applicable

No security investment in Period.

## VI. Derivative investment

☐ Applicable ☒ Not applicable

No derivative investment in the Period.

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

☐ Applicable ☒ Not applicable

No registration form for receiving research, communication or interview in the Period.

## VIII. External security against the rules

☐ Applicable ☒ Not applicable

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

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

☒ Applicable ☐ Not applicable

In 10 thousand yuan

Shareholder or related party	Occupancy time	Causes	Opening amount	Occupation amount increased in the period	Total repayment amount in the period	Ending amount	Expected mode of repayment	Expected repayment amount	Expected repayment time (Month)
Shenzhen SDG Tellus Property Management Co., Ltd.-the controlling subsidiary of Shenzhen SDG-controlling shareholder	2017	Distribution profit	23.27	0	0	23.27	Cash settlement	23.27	June 2019

Total	23.27	0	0	23.27	--	23.27	--
Proportion of the ending aggregate value to assets of the latest period that audited	0.02%						
Decision-making procedure	After transfer Shenzhen SDG Tellus Property Management Co., Ltd in line with the related transaction procedures, the receivables from the company's incomplete dividend distribution						
Cause of non-business funds occupying by majority shareholders that newly increased in the period and their affiliated enterprises, explanation on accountability and measures to be taken by the Board	N/A						
Reasons for failure to pay off the non-business funds occupied as planned, the accountability and measures to be taken by the Board	N/A						
Disclosure date of special audit opinions on fund occupation from CPA	2019-04-02						
Disclosure index of special audit opinions on fund occupation from CPA	The "Special Audit Report on Non-business Fund Occupation of Shenzhen Tellus Holding Co., Ltd. And Summary Sheet of Other Related Capital Transactions" released on Juchao Website ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )						

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Shenzhen Tellus Holding Co., Ltd.

2019-03-31

In RMB

Items	2019-3-31	2018-12-31
Current assets:		
Monetary fund	103,832,710.15	169,512,260.69
Settlement provisions		
Capital lent		
Transactional financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable and account receivable	97,458,548.16	86,104,660.51
Including: Notes receivable		
Accounts receivable	97,458,548.16	86,104,660.51
Account paid in advance	18,691,895.55	9,112,473.27
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	15,422,292.01	14,483,208.41
Including: Interest receivable	543,900.65	723,407.50
Dividends receivable	232,683.74	232,683.74
Buying back the sale of financial assets		
Inventories	9,791,059.73	12,342,854.40
Contractual assets		

Assets held for sale	85,017,251.77	85,017,251.77
Non-current assets maturing within one year		
Other current assets	373,869,475.34	332,432,494.44
Total current assets	704,083,232.71	709,005,203.49
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Available-for-sale financial assets	10,176,617.20	10,176,617.20
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	229,021,637.91	224,644,766.21
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	497,507,669.66	503,922,413.70
Fixed assets	110,748,337.80	112,674,017.53
Construction in progress	18,337,636.71	12,843,571.97
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	50,699,398.01	51,012,282.25
Research and development costs		
Goodwill		
Long-term deferred expenses	6,085,405.66	6,304,607.22
Deferred income tax assets	24,345,351.16	24,355,086.71
Other non-current assets	3,356,964.72	3,356,964.72
Total non-current assets	950,279,018.83	949,290,327.51
Total assets	1,654,362,251.54	1,658,295,531.00
Current liabilities		
Short-term borrowings	144,000,000.00	143,000,000.00
Loan from central bank		
Capital borrowed		
Transactional financial liability		

Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable & account payable	66,001,755.40	73,365,876.09
Accounts received in advance	10,153,494.27	15,897,763.97
Selling financial asset of repurchase		
Absorbing deposit and interbank deposits		
Agent buying and selling securities		
Acting underwriting securities		
Wage payable	25,554,758.14	25,802,670.36
Taxes payable	9,480,864.52	9,377,393.57
Other accounts payable	252,815,597.31	250,489,094.47
Including: Interest payable	57,405.37	290,215.78
Dividend payable		
Handling fees and commissions payable		
Reinsurance payable		
Contractual liability		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	508,006,469.64	517,932,798.46
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	4,000,000.00	34,934,887.55
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	3,920,160.36	3,920,160.36
Long term employee compensation payable		
Accrued liabilities	2,225,468.76	2,225,468.76

Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	10,145,629.12	41,080,516.67
Total liabilities	518,152,098.76	559,013,315.13
Owners' equity:		
Share capital	297,281,600.00	297,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	565,226,274.51	565,226,274.51
Less: Inventory shares		
Other comprehensive income	26,422.00	26,422.00
Special reserve		
Surplus reserve	3,139,918.14	3,139,918.14
Provision of general risk		
Retained profit	202,552,941.89	184,535,322.70
Total owner's equity attributable to parent Company	1,068,227,156.54	1,050,209,537.35
Minority interests	67,982,996.24	49,072,678.52
Total owner's equity	1,136,210,152.78	1,099,282,215.87
Total liabilities and owner's equity	1,654,362,251.54	1,658,295,531.00

Legal representative: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting organ: Liu Yuhong

## 2. Balance Sheet of Parent Company

In RMB

Items	2019-3-31	2018-12-31
Current assets:		
Monetary fund	64,941,224.48	88,836,626.14
Transactional financial assets		
Financial assets measured by fair		

value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable and account receivable	90,034.00	38,274.00
Including: Notes receivable		
Accounts receivable	90,034.00	38,274.00
Account paid in advance	791,200.00	604,800.00
Other account receivable	128,385,333.91	115,782,944.37
Including: Interest receivable	543,900.65	723,407.50
Dividends receivable	232,683.74	232,683.74
Inventories		
Contractual assets		
Assets held for sale	85,017,251.77	85,017,251.77
Non-current assets maturing within one year		
Other current assets	207,647,509.82	195,506,958.35
Total current assets	486,872,553.98	485,786,854.63
Non-current assets:		
Debt investment		
Available-for-sale financial assets	10,176,617.20	10,176,617.20
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	839,292,704.17	836,283,491.38
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	41,795,301.59	44,820,151.69
Fixed assets	14,621,989.93	14,824,845.14
Construction in progress	18,327,635.71	12,843,571.97
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	241,601.41	249,731.94
Research and development costs		



Goodwill		
Long-term deferred expenses	2,907,156.40	2,958,817.65
Deferred income tax assets	13,820,634.09	13,830,369.64
Other non-current assets		
Total non-current assets	941,183,640.50	935,987,596.61
Total assets	1,428,056,194.48	1,421,774,451.24
Current liabilities		
Short-term borrowings	144,000,000.00	143,000,000.00
Transactional financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable & account payable	14,000.00	19,800.00
Accounts received in advance	4,742.51	4,742.51
Contractual liability		
Wage payable	5,295,524.72	4,858,788.51
Taxes payable	522,753.58	331,909.65
Other accounts payable	391,402,503.75	392,558,990.89
Including: Interest payable		232,810.41
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	541,239,524.56	540,774,231.56
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	541,239,524.56	540,774,231.56
Owners' equity:		
Share capital	297,281,600.00	297,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	562,032,851.23	562,032,851.23
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	3,139,918.14	3,139,918.14
Retained profit	24,362,300.55	18,545,850.31
Total owner's equity	886,816,669.92	881,000,219.68
Total liabilities and owner's equity	1,428,056,194.48	1,421,774,451.24

### 3. Consolidated Profit Statement

In RMB

Items	Current Period	Last Period
I. Total operating income	119,469,426.49	92,099,937.58
Including: Operating income	119,469,426.49	92,099,937.58
Interest income		
Insurance gained		
Handling fees and commissions income		
II. Total operating cost	107,944,394.60	88,166,967.66
Including: Operating cost	91,086,090.40	73,096,147.54
Interest expense		
Handling fees and commissions expenses		

Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Taxes and surcharge	1,484,949.21	1,407,101.55
Sales expenses	4,727,001.63	4,077,650.70
Administration expenses	8,234,636.69	8,686,799.27
R&D expenses		
Financial expenses	2,411,716.67	899,268.60
Including: interest expenses	2,757,204.73	1,458,393.07
Interest income	420,047.30	635,258.41
Losses of devaluation of asset		
Loss of credit impairment		
Add: other income		
Investment income (Loss is listed with “-”)	6,903,486.76	11,627,612.09
Including: Investment income on affiliated Company and joint venture	4,376,871.70	8,598,085.51
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	18,428,518.65	15,560,582.01
Add: Non-operating income	9,117.56	3,224.73
Less: Non-operating expense	833,300.00	48,499.38
IV. Total Profit (Loss is listed with “-”)	17,604,336.21	15,515,307.36
Less: Income tax	676,399.30	324,626.80
V. Net profit (Net loss is listed with “-”)	16,927,936.91	15,190,680.56
(i) Classify by business continuity		

1.continuous operating net profit (net loss listed with ‘-’)	16,927,936.91	15,190,680.56
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	18,017,619.19	16,101,533.51
2.Minority shareholders’ gains and losses	-1,089,682.28	-910,852.95
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.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		

6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	16,927,936.91	15,190,680.56
Total comprehensive income attributable to owners of parent Company	18,017,619.19	16,101,533.51
Total comprehensive income attributable to minority shareholders	-1,089,682.28	-910,852.95
VIII. Earnings per share:		
(i) Basic earnings per share	0.0606	0.0542
(ii) Diluted earnings per share	0.0606	0.0542

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: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting organ: Liu Yuhong

#### 4. Profit Statement of Parent Company

In RMB

Items	Current Period	Last Period
I. Operating income	8,555,059.13	8,804,007.79
Less: Operating cost	904,977.87	947,272.21
Taxes and surcharge	353,268.76	354,111.33
Sales expenses		
Administration expenses	4,340,757.76	4,023,652.43
R&D expenses		
Financial expenses	1,472,367.49	825,550.55
Including: interest	1,703,642.32	1,324,833.32

expenses		
Interest income	233,845.22	504,406.76
Losses of devaluation of asset		
Loss of credit impairment		
Add: other income		
Investment income (Loss is listed with “-”)	4,342,056.64	9,749,183.55
Including: Investment income on affiliated Company and joint venture	3,009,212.79	8,241,498.62
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	5,825,743.89	12,402,604.82
Add: Non-operating income	441.90	3,085.00
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	5,826,185.79	12,405,689.82
Less: Income tax	9,735.55	9,735.55
IV. Net profit (Net loss is listed with “-”)	5,816,450.24	12,395,954.27
(i) continuous operating net profit (net loss listed with “-”)	5,816,450.24	12,395,954.27
(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.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
VI. Total comprehensive income	5,816,450.24	12,395,954.27
VII. Earnings per share:		
(i) Basic earnings per share	0.0196	0.0417
(ii) Diluted earnings per share	0.0196	0.0417

## 5. Consolidated Cash Flow Statement

In RMB

Items	Current Period	Last Period
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I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	108,587,946.31	84,345,978.53
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received		
Other cash received concerning operating activities	25,600,115.48	4,296,513.52
Subtotal of cash inflow arising from operating activities	134,188,061.79	88,642,492.05
Cash paid for purchasing commodities and receiving labor service	84,612,348.69	69,547,948.92
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 financial assets held for transaction purposes		
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	13,976,594.06	13,117,446.20
Taxes paid	4,455,784.64	5,538,927.09
Other cash paid concerning operating activities	28,156,466.17	8,743,804.28
Subtotal of cash outflow arising from operating activities	131,201,193.56	96,948,126.49
Net cash flows arising from operating activities	2,986,868.23	-8,305,634.44
II. Cash flows arising from investing activities:		
Cash received from recovering investment	385,750,000.00	195,400,000.00
Cash received from investment income	2,709,631.66	2,100,322.43
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		1,504,125.26
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	388,459,631.66	199,004,447.69
Cash paid for purchasing fixed, intangible and other long-term assets	16,588,411.61	9,559,753.28
Cash paid for investment	427,700,000.00	194,300,000.00
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	444,288,411.61	203,859,753.28
Net cash flows arising from investing activities	-55,828,779.95	-4,855,305.59
III. Cash flows arising from financing activities		
Cash received from absorbing investment	20,000,000.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	58,000,000.00	1,200,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	78,000,000.00	1,200,000.00
Cash paid for settling debts	87,934,887.55	3,665,112.45
Cash paid for dividend and profit distributing or interest paying	2,902,751.27	2,061,561.38
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	90,837,638.82	5,726,673.83
Net cash flows arising from financing activities	-12,837,638.82	-4,526,673.83
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-65,679,550.54	-17,687,613.86
Add: Balance of cash and cash equivalents at the period -begin	142,848,120.69	161,793,218.56

VI. Balance of cash and cash equivalents at the period -end	77,168,570.15	144,105,604.70
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## 6. Cash Flow Statement of Parent Company

In RMB

Items	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,079,519.00	10,410,481.00
Write-back of tax received		
Other cash received concerning operating activities	292,450.85	1,390,790.70
Subtotal of cash inflow arising from operating activities	3,371,969.85	11,801,271.70
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	3,994,426.10	4,087,113.14
Taxes paid	597,098.64	636,407.02
Other cash paid concerning operating activities	7,855,272.11	7,129,970.63
Subtotal of cash outflow arising from operating activities	12,446,796.85	11,853,490.79
Net cash flows arising from operating activities	-9,074,827.00	-52,219.09
II. Cash flows arising from investing activities:		
Cash received from recovering investment	211,000,000.00	174,000,000.00
Cash received from investment income	1,512,350.70	1,886,129.56
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		

Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	212,512,350.70	175,886,129.56
Cash paid for purchasing fixed, intangible and other long-term assets	3,396,472.63	1,378,282.33
Cash paid for investment	223,000,000.00	189,974,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	226,396,472.63	191,352,282.33
Net cash flows arising from investing activities	-13,884,121.93	-15,466,152.77
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	43,000,000.00	
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	43,000,000.00	
Cash paid for settling debts	42,000,000.00	
Cash paid for dividend and profit distributing or interest paying	1,936,452.73	1,490,437.48
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	43,936,452.73	1,490,437.48
Net cash flows arising from financing activities	-936,452.73	-1,490,437.48
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash	-23,895,401.66	-17,008,809.34

equivalents		
Add: Balance of cash and cash equivalents at the period -begin	62,172,486.14	97,991,738.05
VI. Balance of cash and cash equivalents at the period -end	38,277,084.48	80,982,928.71

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new financial instrument rules, new revenue rules and new leasing rules

√ Applicable □ Not applicable

Consolidate balance sheet

In RMB

Items	2018-12-31	2019-1-1	Adjustment
Current assets:			
Monetary fund	169,512,260.69	169,512,260.69	
Note receivable and account receivable	86,104,660.51	86,104,660.51	
Accounts receivable	86,104,660.51	86,104,660.51	
Account paid in advance	9,112,473.27	9,112,473.27	
Other account receivable	14,483,208.41	14,483,208.41	
Including: Interest receivable	723,407.50	723,407.50	
Dividend Receivable	232,683.74	232,683.74	
Inventories	12,342,854.40	12,342,854.40	
Assets held for sale	85,017,251.77	85,017,251.77	
Other current assets	332,432,494.44	332,432,494.44	
Total current assets	709,005,203.49	709,005,203.49	
Non-current assets:			
Available-for-sale financial assets	10,176,617.20	Not applicable	-10,176,617.20
Long-term equity investments	224,644,766.21	224,644,766.21	
Other equity instruments	Not applicable	10,176,617.20	10,176,617.20

investments			
Investment real estate	503,922,413.70	503,922,413.70	
Fixed assets	112,674,017.53	112,674,017.53	
Construction in progress	12,843,571.97	12,843,571.97	
Intangible assets	51,012,282.25	51,012,282.25	
Long-term deferred expenses	6,304,607.22	6,304,607.22	
Deferred income tax assets	24,355,086.71	24,355,086.71	
Other non-current assets	3,356,964.72	3,356,964.72	
Total non-current assets	949,290,327.51	949,290,327.51	
Total assets	1,658,295,531.00	1,658,295,531.00	
Current liabilities			
Short-term borrowings	143,000,000.00	143,000,000.00	
Notes payable & account payable	73,365,876.09	73,365,876.09	
Accounts received in advance	15,897,763.97	15,897,763.97	
Wage payable	25,802,670.36	25,802,670.36	
Taxes payable	9,377,393.57	9,377,393.57	
Other accounts payable	250,489,094.47	250,489,094.47	
Including: Interest payable	290,215.78	290,215.78	
Total current liabilities	517,932,798.46	517,932,798.46	
Non-current liabilities:			
Long-term loans	34,934,887.55	34,934,887.55	
Long-term account payable	3,920,160.36	3,920,160.36	
Expected liabilities	2,225,468.76	2,225,468.76	
Total non-current liabilities	41,080,516.67	41,080,516.67	
Total liabilities	559,013,315.13	559,013,315.13	
Owners' equity:			
Share capital	297,281,600.00	297,281,600.00	
Capital public reserve	565,226,274.51	565,226,274.51	
Other comprehensive income	26,422.00	26,422.00	

Surplus public reserve	3,139,918.14	3,139,918.14	
Retained profit	184,535,322.70	184,535,322.70	
Total owner's equity attributable to parent company	1,050,209,537.35	1,050,209,537.35	
Minority interests	49,072,678.52	49,072,678.52	
Total owner's equity	1,099,282,215.87	1,099,282,215.87	
Total liabilities and owner's equity	1,658,295,531.00	1,658,295,531.00	

#### Statement of adjustment

On 31 March 2017, Ministry of Finance revised the “Accounting Standards for Business Enterprise No.22-Recognition and Measurement of Financial Instruments”, “Accounting Standards for Business Enterprise No.23-Transfer of Financial Assets”, “Accounting Standards for Business Enterprise No.24-Hedge Accounting” and “Accounting Standards for Business Enterprise No.37-Presentation of Financial Instruments”, and requires the listed companies listed separately in China to implemented the above mentioned Standards since 1 Jan. 2019.

According to the regulation of new financial standards, the “Financial assets available for sale” will re-classify to “Financial assets measured by fair value and with its variation reckoned into other comprehensive income”, and adjusted the “Financial assets available for sale” carried in balance sheet of beginning of 2019 pursuit to the presentation requirement.

#### Balance Sheet of Parent Company

In RMB

Item	2018-12-31	2019-1-1	Adjustment
Current assets:			
Monetary fund	88,836,626.14	88,836,626.14	
Note receivable and account receivable	38,274.00	38,274.00	
Accounts receivable	38,274.00	38,274.00	
Account paid in advance	604,800.00	604,800.00	
Other account receivable	115,782,944.37	115,782,944.37	
Including: Interest receivable	723,407.50	723,407.50	
Dividend Receivable	232,683.74	232,683.74	
Assets held for sale	85,017,251.77	85,017,251.77	
Other current assets	195,506,958.35	195,506,958.35	
Total current assets	485,786,854.63	485,786,854.63	
Non-current assets:			
Available-for-sale	10,176,617.20	Not applicable	-10,176,617.20

financial assets			
Long-term equity investments	836,283,491.38	836,283,491.38	
Other equity instruments investments	Not applicable	10,176,617.20	10,176,617.20
Investment real estate	44,820,151.69	44,820,151.69	
Fixed assets	14,824,845.14	14,824,845.14	
Construction in progress	12,843,571.97	12,843,571.97	
Intangible assets	249,731.94	249,731.94	
Long-term deferred expenses	2,958,817.65	2,958,817.65	
Deferred income tax assets	13,830,369.64	13,830,369.64	
Total non-current assets	935,987,596.61	935,987,596.61	
Total assets	1,421,774,451.24	1,421,774,451.24	
Current liabilities			
Short-term borrowings	143,000,000.00	143,000,000.00	
Notes payable & account payable	19,800.00	19,800.00	
Accounts received in advance	4,742.51	4,742.51	
Wage payable	4,858,788.51	4,858,788.51	
Taxes payable	331,909.65	331,909.65	
Other accounts payable	392,558,990.89	392,558,990.89	
Including: Interest payable	232,810.41	232,810.41	
Total current liabilities	540,774,231.56	540,774,231.56	
Non-current liabilities:			
Total liabilities	540,774,231.56	540,774,231.56	
Owners' equity:			
Share capital	297,281,600.00	297,281,600.00	
Capital public reserve	562,032,851.23	562,032,851.23	
Surplus reserve	3,139,918.14	3,139,918.14	
Retained profit	18,545,850.31	18,545,850.31	
Total owner's equity	881,000,219.68	881,000,219.68	
Total liabilities and owner's	1,421,774,451.24	1,421,774,451.24	



equity			
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## Statement of adjustment

On 31 March 2017, Ministry of Finance revised the “Accounting Standards for Business Enterprise No.22-Recognition and Measurement of Financial Instruments”, “Accounting Standards for Business Enterprise No.23-Transfer of Financial Assets”, “Accounting Standards for Business Enterprise No.24-Hedge Accounting” and “Accounting Standards for Business Enterprise No.37-Presentation of Financial Instruments”, and requires the listed companies listed separately in China to implemented the above mentioned Standards since 1 Jan. 2019.

According to the regulation of new financial standards, the “Financial assets available for sale” will re-classify to “Financial assets measured by fair value and with its variation reckoned into other comprehensive income”, and adjusted the “Financial assets available for sale” carried in balance sheet of beginning of 2019 pursuit to the presentation requirement.

## 2. Retrospective adjustment of the comparative data for initial implementation of new financial instrument rules and new leasing rules

☐Applicable    ☒Not applicable

### III. Audit report

Whether the 1<sup>st</sup> quarterly report has been audited or not

☐Yes    ☒No

The 1<sup>st</sup> quarterly report of the Company was unaudited.