



**Shenzhen Nanshan Power Co., Ltd.**

**The First Quarterly Report 2019**

**2019-021**

**April 2019**

## Section I. Important Notes

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

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

**All Directors are attended the Board Meeting for Quarterly Report deliberation. Concerning the forward-looking statements with future planning involved in the Semi-Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.**

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

## Paraphrase

Items	Refers to	Contents
Company, the Company, Shen Nan Dian	Refers to	Shenzhen Nanshan Power Co., Ltd.
HUAENG International	Refers to	HUAENG Power International Inc
SASAC of Shenzhen	Refers to	State-owned Assets Supervision and Administration Committee of Shenzhen People's Government
SZ Capital	Refers to	Shenzhen Capital Co., Ltd.
NAM HOI	Refers to	HONG KONG NAM HOI (INTERNATIONAL) LTD.
Shenzhen Energy Group	Refers to	Shenzhen Energy Group Co., Ltd.
Articles of association	Refers to	Article of Association of Shenzhen Nanshan Power Co., Ltd.
RMB, in 10 thousand Yuan, 100 Million Yuan	Refers to	Except the special description of the monetary unit, rest of the monetary unit is RMB Yuan, ten thousand Yuan, the 100 Million Yuan
Reporting period	Refers to	1 Jan. 2019 to 31 Mar. 2019

## Section II. Basic situation of the Company

### I. Main accounting data and financial indexes

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

Yes  No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	152,975,230.74	403,525,942.67	-62.09%
Net profit attributable to shareholders of the listed company(RMB)	-28,373,168.62	-10,927,762.57	159.64%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-28,916,498.43	-11,221,495.07	157.69%
Net cash flow arising from operating activities(RMB)	-4,897,654.96	-69,260,605.97	-92.93%
Basic earnings per share (RMB/Share)	-0.05	-0.02	150.00%
Diluted earnings per share (RMB/Share)	-0.05	-0.02	150.00%
Weighted average ROE	-1.47%	-0.57%	157.89%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	3,161,675,892.68	3,307,148,289.92	-4.40%
Net assets attributable to shareholder of listed company (RMB)	1,949,498,682.89	1,977,871,851.51	-1.43%

Items of non-recurring gains and losses

Applicable  Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-402,738.25	Income from fixed assets disposal
Governmental grant reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	843,139.16	Apportion of government grant with assets concerned
Other non-operating income and expenditure except for the aforementioned items	79,297.63	Income from waste material disposal

Less: impact on income tax	8,648.95	
Impact on minority shareholders' equity (post-tax)	-32,280.22	
Total	543,329.81	--

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

Applicable  Not applicable

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

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

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

In Share						
Total common shareholders at the end of report period		32,518	Total preferred stockholders with voting rights recover at the end of report period (if applicable)		0	
Top ten share-holding						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Overseas legal person	15.28%	92,123,248			
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824			
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned legal person	10.80%	65,106,130			
Gaohua—HSBC—GOLDMAN, SACHS & CO.LLC	Overseas legal person	1.62%	9,769,723			
BOCI	Overseas legal	1.50%	9,025,627			

SECURITIES LIMITED	person					
Zeng Ying	Domestic nature person	1.26%	7,595,000			
China Merchants Securities H.K. Co., Ltd.	State-owned legal person	1.24%	7,495,058			
Liu Fang	Domestic nature person	0.90%	5,425,488			
LI SHERYN ZHAN MING	Foreign nature person	0.67%	4,025,000			
Zhu Wen	Domestic nature person	0.65%	3,929,900			
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held			Type of shares		
				Type	Amount	
HONG KONG NAM HOI (INTERNATIONAL) LTD.		92,123,248	Domestically listed foreign shares		92,123,248	
Shenzhen Guangju Industrial Co., Ltd.		73,666,824	RMB common shares		73,666,824	
SHENZHEN ENERGY (GROUP) CO., LTD.		65,106,130	RMB common shares		65,106,130	
Gaohua—HSBC—GOLDMAN, SACHS & CO.LLC		9,769,723	RMB common shares		9,769,723	
BOCI SECURITIES LIMITED		9,025,627	Domestically listed foreign shares		9,025,627	
Zeng Ying		7,595,000	Domestically listed foreign shares		7,595,000	
China Merchants Securities H.K. Co., Ltd.		7,495,058	Domestically listed foreign shares		7,495,058	
Liu Fang		5,425,488	RMB common shares		2,364,688	
			Domestically listed foreign shares		3,060,800	

LI SHERYN ZHAN MING	4,025,000	Domestically listed foreign shares	4,025,000
Zhu Wen	3,929,900	RMB common shares	3,929,900
Explanation on associated relationship among the aforesaid shareholders	1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED was held by SHENZHEN ENERGY (GROUP) CO., LTD 2. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.		
Explanation on top 10 shareholders involving margin business (if applicable)	1. Among the top ten shareholders, Ms. Liu Fang holds 2,346,688 shares through credit transaction guarantee securities account; 2. Among the top ten shareholders, Mr. Zhu Wen holds 3,929,900 shares through credit transaction guarantee securities account		

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Significant Events

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

Applicable Not applicable

1. Monetary fund has 789.0103 million Yuan at end of the period, a decrease of 14.78% over that of period beginning, mainly due to the loans paid to the bank;
2. Note receivable and account receivable have 138.2623 million yuan at end of the period, an increase of 4.4% over that of period beginning, mainly because note receivable increased in the period;
3. Account paid in advance has 48.3541 million Yuan at end of the period, a decrease of 9.88% over that of period beginning, mainly because the account paid in advance for nature gas declined;
4. Other account receivable has 38.0521 million Yuan at end of the period, a decrease of 5.19% over that of period beginning, mainly because current account declined;
5. Construction in progress has 63.2925 million Yuan at end of the period, a decrease of 23.14% over that of period beginning, mainly because the project for technical improvement completed and transfer to fixed assets;
6. Ending balance of long-term pending expenses amounted as 451000 yuan with 100 percent up over that of year-beginning, mainly due to the increase of decoration expenses for exhibition in the period;
7. Other non-current assets has 22.8822 million Yuan at end of the period, a decrease of 8.12% over that of period beginning, mainly because account paid in advance for engineering and equipment declined;
8. Short-term loan has 900 million Yuan at end of the period, a decrease of 10.00% over that of period beginning, mainly because bank loans declined;
9. Note payable and account payable has 21.7694 million Yuan at end of the period, an increase of 20.50% over that of period beginning, mainly because account payable for nature gas increased;
10. Taxes payable has 11.8498 million Yuan at end of the period, a decrease of 25.94% over that of period beginning, mainly because enterprise income tax for year of 2018 are paid in the period;
11. Operation revenue has 152.9752 million Yuan in the period, a decrease of 62.09% from a year earlier, mainly because sales of electricity revenue declined for the decline of power generation;
12. Operation cost has 159.1116 million Yuan in the period, a decrease of 58.68% from a year earlier, mainly because cost of power generation declined for the decline of power generation;
13. Tax and surcharge has 1.3876 million Yuan in the period, a decrease of 31.69% from a year earlier, mainly because the surcharge for VAT decreased;
14. Sales expense has 1.0538 million Yuan in the period, an increase of 129.51% from a year earlier, mainly because sludge disposal fee increased;
15. Financial expense has 4.9192 million Yuan in the period, a decrease of 52.16% from a year earlier, mainly because interest income from the bank increased;
16. Income from assets disposal has -402,700 Yuan in the period, a decrease of 100% from a year earlier, mainly because loss from fixed assets disposal increased;
17. Non-operation revenue has 104500 Yuan in the period, an increase of 5,124.29% from a year earlier, mainly because income from disposal of waste materials increased;

18. Non-operation expenditure has 25200 Yuan in the period, a decrease of 96.84% from a year earlier, mainly because loss from fixed assets discharge declined in the year;

19. Income tax expense has 973600 Yuan in the period, a decrease of 56.70% from a year earlier, mainly because the enterprise income tax accrual in the year declined due to the total profit decreased on a y-o-y basis.;

20. Net cash flow arising from operation activity has -4.8977 million Yuan in the period, a decrease of 92.93% from a year earlier in net out-flow, mainly because account paid for nature gas decreased and taxes paid are declined etc.;

21. Net cash flow arising from investment activity has -14.6956 million Yuan in the period, a decrease of 54.06% from a year earlier in net out-flow, mainly because fixed assets purchase and expenditure for technical improvement declined;

22. Net cash flow arising from financing activity has -114.9606 million Yuan in the period, a decrease of 131.25% from a year earlier in net in-flow, mainly because net in-flow from bank loans declined .

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

Applicable Not applicable

1. Free transfer of state-owned shares held by major shareholder of the Company Shenzhen Energy Group. Due to the 75% shares held by major shareholder of the Company Shenzhen Energy Group, are plans to transfer to SZ Capital for free by Shenzhen SASAC, according to the Notice from Shenzhen Energy Group and being apply to Shenzhen Stock Exchange, stock of the Company will suspend since 18 Feb. 2019, and continued to suspend since 20 Feb. 2019 and resumption since 21 Feb. 2019; on 1 March 2019, Shenzhen SASAC entered into an Free Transfer of State-owned Shares of Shenzhen Energy Group with SZ Capital, the 75% shares of Shenzhen Energy Group will transfer to SZ Capital for free; on 8 April 2019, the above mentioned state-owned shares transfer has completed the registration changed in industrial and commerce bureau, and obtained the Notice of Change (Filing) from Shenzhen Market Supervision and Administration. Before the state-owned transferred, 65,106,130 (A-share) shares are directly held by Shenzhen Energy Group, a 10.80% in total share capital of the Company, and 92,123,248 (B-share) shares are indirectly held with 15.28% takes, totally 157,229,378 shares of the Company are held by Shenzhen Energy Group, a 26.08% in total share capital. After the state-owned shares transfer, SZ Capital comes to the controlling shareholder of Shenzhen Energy Group with 75% shares held, Shenzhen Energy Group still is the first largest shareholder of the Company. The Company did not have controlling shareholder and actual controller either.(found more in Notice of Suspension for Major Events, Continue Suspension and Progress of Major Events, Progress of Major Events and Resumption, A Prompt Notice on Free Transfer of Major Shareholder's State-Owned Shares, Detail Report on Changes in Equity and Notice on Completion of Registration of Industrial and Commercial Changes by Free Transfer of State-owned Shares of major shareholders released on China Securities Jornal, Securities Times, Hong Kong Commercial Daily and Juchao Website with Notice No as 2019—001, 2019—002, 2019—003, 2019—005 and 2019—016)

2. Project of ‘Shenzhen Blue’ Technical Improvement: in reporting period, the Company continues to promoted the technical improvement of “Shenzhen Blue”. and on 15 March 2019, the upgrading of low nitrogen burner of the last one 9E gas gasket in Nanshan Power Plant has been completed, after improvement, the nitrogen oxide emission value superior to the government requirements as 15mg/m<sup>3</sup>, thus, the upgrading and improvement work of “Shenzhen Blue” has been successfully completed. The Company will actively follow up implementation of government subsidy.

Except for the above mentioned, the projects as Guangdong Aid to Xingjiang participated in 2013, the benefit fund of the technical improvement, collection work for funds refundable, and relevant works of T102-0011 and T102-0155 lands are no have progress in the reporting period.

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 2017**

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

Applicable  Not applicable

### **V. Securities Investment**

Applicable  Not applicable

No security investment in Period.

### **VI. Derivative investment**

Applicable  Not applicable

No derivative investment in the Period.

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

Applicable  Not applicable

Time	Way	Type	Basic situation index of investigation
2019-02-22	Field research	Individual (2)	Search the register of shareholders
2019-03-05	Field research	Individual (9)	Search the register of shareholders
2019-03-19	Field research	Individual (3)	Search the register of shareholders
2019-03-26	Field research	Individual (6)	Search the register of shareholders
Jan.-Mar. 2019	Reply on interaction easily	Individual (5)	Continuing operation of the Company, events of lands of Nanshan Power Plant

			and numbers of shareholders etc., reply in written
Jan.-Mar. 2019	Telephone communication	Individual (times)	Continuing operation of the Company, events of lands of Nanshan Power Plant, no material acquired

### VIII. External security against the rules

Applicable  Not applicable

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

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

Applicable  Not applicable

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



## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Shenzhen Nanshan Power Co., Ltd

In RMB

Items	2019-3-31	2018-12-31
Current assets:		
Monetary fund	789,010,297.84	925,829,404.44
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	138,262,279.36	132,430,024.97
Including: Notes receivable	1,500,000.00	
Accounts receivable	136,762,279.36	132,430,024.97
Account paid in advance	48,354,119.27	53,655,777.12
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	38,052,060.78	40,133,297.74
Including: Interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	118,190,324.28	124,758,334.97
Contractual assets		
Assets held for sale		

Non-current assets maturing within one year		
Other current assets	389,472,247.51	390,108,844.11
Total current assets	1,521,341,329.04	1,666,915,683.35
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Available-for-sale financial assets	60,615,000.00	60,615,000.00
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	15,617,291.85	16,049,044.95
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	2,557,268.31	2,606,302.71
Fixed assets	1,427,480,166.98	1,405,649,989.24
Construction in progress	63,292,505.54	82,348,008.39
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	45,367,848.72	45,987,255.24
Research and development costs		
Goodwill		
Long-term deferred expenses	450,976.20	
Deferred income tax assets	2,071,324.26	2,071,324.26
Other non-current assets	22,882,181.78	24,905,681.78
Total non-current assets	1,640,334,563.64	1,640,232,606.57
Total assets	3,161,675,892.68	3,307,148,289.92
Current liabilities		
Short-term borrowings	900,000,000.00	1,000,000,000.00
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	21,769,447.66	18,065,898.69
Accounts received in advance		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposits		
Agent buying and selling securities		
Acting underwriting securities		
Wage payable	40,699,716.19	44,912,599.66
Taxes payable	11,849,758.95	16,000,039.55
Other accounts payable	61,532,763.02	63,091,881.43
Including: Interest payable	1,135,362.09	1,608,290.72
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	1,035,851,685.82	1,142,070,419.33
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	21,940,000.00	25,940,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Accrued liabilities	26,726,232.38	26,726,232.38
Deferred income	74,769,120.17	75,612,259.33
Deferred income tax liabilities		
Other non-current liabilities		

Total non-current liabilities	123,435,352.55	128,278,491.71
Total liabilities	1,159,287,038.37	1,270,348,911.04
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	362,770,922.10	362,770,922.10
Less: Inventory shares		
Other comprehensive income		
Surplus reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	651,056,767.19	679,429,935.81
Total owner's equity attributable to parent Company	1,949,498,682.89	1,977,871,851.51
Minority interests	52,890,171.42	58,927,527.37
Total owner's equity	2,002,388,854.31	2,036,799,378.88
Total liabilities and owner's equity	3,161,675,892.68	3,307,148,289.92

Legal Representative: President Li Xinwei

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

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

## 2. Balance Sheet of Parent Company

In RMB

Items	2019-3-31	2018-12-31
Current assets:		
Monetary fund	655,283,552.62	766,041,463.01
Transactional financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable and account	25,933,876.70	50,415,180.20

receivable		
Including: Notes receivable		
Accounts receivable	25,933,876.70	50,415,180.20
Account paid in advance	44,595,439.09	33,326,061.81
Other account receivable	1,147,841,633.04	1,048,357,217.53
Including: Interest receivable		
Dividends receivable		
Inventories	106,374,215.06	111,279,675.08
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	365,808,635.75	362,678,678.87
Total current assets	2,345,837,352.26	2,372,098,276.50
Non-current assets:		
Debt investment		
Available-for-sale financial assets	60,615,000.00	60,615,000.00
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	303,341,165.00	303,341,165.00
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fixed assets	306,724,823.78	284,572,482.22
Construction in progress	5,858,709.40	16,490,240.75
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	1,217,186.40	1,518,096.75
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		

Total non-current assets	677,756,884.58	666,536,984.72
Total assets	3,023,594,236.84	3,038,635,261.22
Current liabilities		
Short-term borrowings	860,000,000.00	860,000,000.00
Transactional financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable & account payable	8,326,114.90	5,349,562.56
Accounts received in advance		
Contractual liability		
Wage payable	25,986,264.30	26,953,632.92
Taxes payable	6,292,362.72	11,962,377.72
Other accounts payable	158,979,178.36	157,816,358.94
Including: Interest payable	1,135,362.09	
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,059,583,920.28	1,062,081,932.14
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Accrued liabilities		
Deferred income	40,969,318.97	41,337,945.14
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	40,969,318.97	41,337,945.14
Total liabilities	1,100,553,239.25	1,103,419,877.28

Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	289,963,039.70	289,963,039.70
Less: Inventory shares		
Other comprehensive income		
Surplus reserve	332,908,397.60	332,908,397.60
Retained profit	697,406,964.29	709,581,350.64
Total owner's equity	1,923,040,997.59	1,935,215,383.94
Total liabilities and owner's equity	3,023,594,236.84	3,038,635,261.22

### 3. Consolidated Profit Statement

In RMB

Items	Current Period	Last Period
I. Total operating income	152,975,230.74	403,525,942.67
Including: Operating income	152,975,230.74	403,525,942.67
Interest income		
Insurance gained		
Handling fees and commissions income		
II. Total operating cost	187,113,939.80	416,971,883.63
Including: Operating cost	159,111,562.68	385,053,424.45
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	1,387,607.12	2,031,387.85

Sales expenses	1,053,802.16	459,156.87
Administration expenses	20,641,767.60	19,145,685.78
R&D expenses		
Financial expenses	4,919,200.24	10,282,228.68
Including: interest expenses	12,647,043.44	11,002,416.40
Interest income	-7,889,780.98	-963,023.73
Losses of devaluation of asset		
Loss of credit impairment		
Add: other income	1,456,931.10	1,714,804.83
Investment income (Loss is listed with “-”)	-431,753.10	-532,242.73
Including: Investment income on affiliated Company and joint venture		
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 “-”)	-402,738.25	
III. Operating profit (Loss is listed with “-”)	-33,516,269.31	-12,263,378.86
Add: Non-operating income	104,485.70	2,000.00
Less: Non-operating expense	25,188.07	796,877.44
IV. Total Profit (Loss is listed with “-”)	-33,436,971.68	-13,058,256.30
Less: Income tax	973,552.89	2,248,293.10
V. Net profit (Net loss is listed with “-”)	-34,410,524.57	-15,306,549.40
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)		
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner's of parent company	-28,373,168.62	-10,927,762.57
2.Minority shareholders' gains and losses	-6,037,355.95	-4,378,786.83

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 or loss		
1. Changes of the defined benefit plans that re-measured		
2. Other comprehensive income under equity method that cannot be transferred 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 be transferred 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-classified to other comprehensive income		
5. Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial assets		
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	-34,410,524.57	-15,306,549.40
Total comprehensive income attributable to owners of parent Company	-28,373,168.62	-10,927,762.57
Total comprehensive income attributable to minority shareholders	-6,037,355.95	-4,378,786.83
VIII. Earnings per share:		
(i) Basic earnings per share	-0.05	-0.02
(ii) Diluted earnings per share	-0.05	-0.02

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

Legal Representative: President Li Xinwei

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

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

#### 4. Profit Statement of Parent Company

In RMB

Items	Current Period	Last Period
I. Operating income	51,953,247.12	165,304,888.90
Less: Operating cost	59,371,196.61	155,632,212.68
Taxes and surcharge	548,340.11	178,168.35
Sales expenses		
Administration expenses	11,917,938.97	9,385,988.12
R&D expenses		
Financial expenses	-7,572,589.42	-6,277,213.03
Including: interest expenses	11,511,308.35	4,256,330.00
Interest income	-19,015,116.03	-10,401,896.66
Losses of devaluation of asset		
Loss of credit impairment		
Add: other income	368,626.17	762,430.33
Investment income (Loss is listed with “-” )		
Including: Investment income on affiliated Company and joint venture		

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 “-” )	-231,373.37	
II. Operating profit (Loss is listed with “-”)	-12,174,386.35	7,148,163.11
Add: Non-operating income		
Less: Non-operating expense		786,877.44
III. Total Profit (Loss is listed with “-”)	-12,174,386.35	6,361,285.67
Less: Income tax		1,590,321.42
IV. Net profit (Net loss is listed with “-”)	-12,174,386.35	4,770,964.25
(i)continuous operating net profit (net loss listed with ‘-’)		
(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 or 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	-12,174,386.35	4,770,964.25
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

In RMB

Items	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	186,351,276.89	389,122,193.60
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		620,709.11
Other cash received concerning operating activities	22,895,402.99	2,172,748.21
Subtotal of cash inflow arising from operating activities	209,246,679.88	391,915,650.92
Cash paid for purchasing commodities and receiving labor service	154,761,126.02	394,654,009.46
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	38,267,116.27	34,455,664.92
Taxes paid	9,429,950.97	22,451,695.31
Other cash paid concerning operating activities	11,686,141.58	9,614,887.20
Subtotal of cash outflow arising from operating activities	214,144,334.84	461,176,256.89
Net cash flows arising from operating activities	-4,897,654.96	-69,260,605.97
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	1,989,560.00	262,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	1,989,560.00	262,500.00
Cash paid for purchasing fixed, intangible and other long-term assets	16,685,177.41	32,248,431.89
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	16,685,177.41	32,248,431.89
Net cash flows arising from investing activities	-14,695,617.41	-31,985,931.89
III. Cash flows arising from financing		

activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	230,000,000.00	530,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	2,133,338.86	15,460,000.00
Subtotal of cash inflow from financing activities	232,133,338.86	545,460,000.00
Cash paid for settling debts	334,000,000.00	167,000,000.00
Cash paid for dividend and profit distributing or interest paying	13,093,959.02	10,555,809.13
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	347,093,959.02	177,555,809.13
Net cash flows arising from financing activities	-114,960,620.16	367,904,190.87
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-131,875.21	-231,298.80
V. Net increase of cash and cash equivalents	-134,685,767.74	266,426,354.21
Add: Balance of cash and cash equivalents at the period -begin	914,956,611.70	411,613,377.07
VI. Balance of cash and cash equivalents at the period -end	780,270,843.96	678,039,731.28

## 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	80,902,171.49	165,849,848.40
Write-back of tax received		
Other cash received concerning operating activities	38,366,707.44	892,094.12
Subtotal of cash inflow arising from operating activities	119,268,878.93	166,741,942.52
Cash paid for purchasing commodities and receiving labor service	72,960,767.27	164,618,568.76
Cash paid to/for staff and workers	22,272,693.24	19,415,113.07
Taxes paid	6,293,432.39	6,308,794.09
Other cash paid concerning operating activities	107,367,157.23	22,699,771.73
Subtotal of cash outflow arising from operating activities	208,894,050.13	213,042,247.65
Net cash flows arising from operating activities	-89,625,171.20	-46,300,305.13
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	1,794,800.00	262,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	1,794,800.00	262,500.00
Cash paid for purchasing fixed, intangible and other long-term assets	11,886,483.79	28,368,843.96
Cash paid for investment		

Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	11,886,483.79	28,368,843.96
Net cash flows arising from investing activities	-10,091,683.79	-28,106,343.96
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	230,000,000.00	360,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		11,660,000.00
Subtotal of cash inflow from financing activities	230,000,000.00	371,660,000.00
Cash paid for settling debts	230,000,000.00	30,000,000.00
Cash paid for dividend and profit distributing or interest paying	11,040,179.19	3,194,917.92
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	241,040,179.19	33,194,917.92
Net cash flows arising from financing activities	-11,040,179.19	338,465,082.08
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-876.21	-1,583.93
V. Net increase of cash and cash equivalents	-110,757,910.39	264,056,849.06
Add: Balance of cash and cash equivalents at the period -begin	766,041,463.01	148,223,551.05
VI. Balance of cash and cash equivalents at the period -end	655,283,552.62	412,280,400.11

## **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

### **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

1Q report of the Company is unaudited.