



深圳南山热电股份有限公司
Shenzhen Nanshan Power Co., Ltd.

The Third Quarterly Report for 2018

2018-031

October 2018

Section I. Important Note

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All Directors are attended the Board Meeting for Quarterly Report deliberation. Chairman 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 Deputy Manager 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.

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 Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

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	Definition
Company, the Company, Shen Nan Dian, listed Company	Refers to	Shenzhen Nanshan Power Co., Ltd.
Shen Nan Dian Zhongshan Co	Refers to	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shen Nan Dian Dongguan Co	Refers to	Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd
Shen Nan Dian Engineering Co.,	Refers to	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.
Shen Nan Dian Environment Protection Co.,	Refers to	Shenzhen Shen Nan Dian Environment Protection Co., Ltd.
Server Co.,	Refers to	Shenzhen Server Petrochemical Supplying Co., Ltd.
New Power Co.,	Refers to	Shenzhen New Power Industrial Co., Ltd.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Nanshan Power Factory	Refers to	Nanshan Power Factory of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nam Long Power Plant	Refers to	Zhongshan Nam Long Power Plant of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Dongguan Gaobu Power Plant	Refers to	Dongguan Gaobu Power Plant of Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd.
Syndisome Company	Refers to	Hong Kong Syndisome Co., Ltd.
Articles of association	Refers to	Article of Association of Shenzhen Nanshan Power Co., Ltd.
RMB: Yuan, ten thousand Yuan, 100 million Yuan	Refers to	Except the special description of the monetary unit, the rest of the monetary unit is RMB Yuan, ten thousand Yuan
The reporting period	Refers to	Jul. 1, 2018 to Sept. 30, 2018

Section II Basic information of Company

I. Main accounting data and index

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

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets(RMB)	3,210,638,746.56	2,883,804,392.70	11.33%	
Net assets attributable to shareholders of listed company (RMB)	1,995,793,483.52	1,958,618,085.39	1.90%	
	Current period	Increase/decrease in comparison with same period of last year	From year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	540,079,674.10	-22.61%	1,619,839,888.90	3.12%
Net profit attributable to shareholders of the listed company (RMB)	7,163,302.91	-65.01%	37,175,398.13	-1,825.67%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	5,706,327.68	-70.16%	34,610,700.46	-677.54%
Net cash flow arising from operating activities(RMB)	--	--	182,384,779.63	-206.44%
Basic earnings per share (RMB/Share)	0.01	-66.67%	0.06	-1,825.67%
Diluted earnings per share (RMB/Share)	0.01	-66.67%	0.06	-1,825.67%
Weighted average ROE	0.36%	-66.08%	1.88%	-1,809.28%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-909,718.63	Loss from non-current assets disposal

Governmental subsidy 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)	4,103,381.92	Government grants are amortized with assets concerned
Other non-operating income and expenditure except for the aforementioned items	-2,025.00	-
Less: impact on income tax	560,822.87	-
Impact on minority shareholders' equity (post-tax)	66,117.75	-
Total	2,564,697.67	--

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

Applicable Not applicable

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

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

1. 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		30,845	Total preferred stockholders with voting rights recover at the end of report period (if applicable)		0	
Top ten share-holding						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD.	Foreign corporate	15.28%	92,123,248	0		
Shenzhen Guangju Industrial Co., Ltd.	State-owned corporate	12.22%	73,666,824	0		
SHENZHEN	State-owned	10.80%	65,106,130	0		

ENERGY (GROUP) CO., LTD.	corporate				
BOCI SECURITIES LIMITED	Foreign corporate	1.44%	8,690,627	0	
Zeng Ying	Domestic nature person	1.22%	7,336,332	0	
CMS (HK)	State-owned corporate	0.99%	5,954,969	0	
Liu Fang	Domestic nature person	0.83%	5,004,273	0	
Mei Yi Investment Property Co., Ltd.	Domestic non-state-owned legal person	0.77%	4,616,000	0	
Li Baoqin	Domestic nature person	0.65%	3,891,450	0	
Zhang Heping	Domestic nature person	0.64%	3,840,300	0	

Particular about top ten shareholders with un-restrict shares held

Shareholders' name	Amount of unrestricted shares held at reporting period-end	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 ordinary shares	73,666,824
SHENZHEN ENERGY (GROUP) CO., LTD.	65,106,130	RMB ordinary shares	65,106,130
BOCI SECURITIES LIMITED	8,690,627	Domestically listed foreign shares	8,690,627
Zeng Ying	7,336,332	Domestically listed foreign shares	7,336,332
CMS (HK)	5,954,969	Domestically listed foreign shares	5,954,969
Liu Fang	5,004,273	RMB ordinary	2,059,373

		shares	
		Domestically listed foreign shares	2,944,900
Mei Yi Investment Property Co., Ltd.	4,616,000	RMB ordinary shares	4,616,000
Li Baoqin	3,891,450	RMB ordinary shares	920,400
		Domestically listed foreign shares	2,971,050
Zhang Heping	3,840,300	RMB ordinary shares	2,600,000
		Domestically listed foreign shares	1,240,300
Explanation on associated relationship among the top ten shareholders or consistent action	1. Shenzhen Energy (Group) Co., Ltd. holds 100% equities of HONG KONG NAM HOI (INTERNATIONAL) LTD indirectly; 2. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.		
Explanation on top ten common shareholders involving margin business (if applicable)	Among the top ten shareholders, Ms. Liu Fang holds 2,059,373 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

Top ten common shareholders or top ten common shareholders with un-restrict shares not held have a buy-back agreement dealing in reporting period

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

Applicable Not applicable

Section III. Important events

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

√Applicable □Not applicable

1. Closing number of monetary fund counted as 779.2185 million Yuan, increased 77.78% over that of year-beginning, mainly because revenue from electricity-sales increased and more new bank loans;
2. Closing number of note receivable and account receivable counted the same as 190.52 million Yuan, increased 58.7% over that of year-beginning, mainly because receivable from sales of electricity increased;
3. Closing number of account paid in advance counted as 81.4973 million Yuan, decreased 31.56% over that of year-beginning, mainly because the account of natural gas paid in advance declined;
4. Closing number of other receivable counted as 45.1485 million Yuan, increased 16.45% over that of year-beginning, mainly because intercourse funds increased;
5. Closing number of construction in process counted as 118.5794 million Yuan, increased 132.70% over that of year-beginning, mainly because costs of technical innovation increased;
6. Closing number of short-term loans counted as 857 million Yuan, increased 66.13% over that of year-beginning, mainly because short-term loans from bank increased;
7. Closing number of note payable and account payables counted the same as 59.5287 million Yuan, decreased 10.53% over that of year-beginning, mainly because notes payable are paid on maturity;
8. Closing number of wages payable counted as 39.6253 million Yuan, decreased 18.02% over that of year-beginning, mainly because wages paid to the employees;
9. Closing number of tax payable counted as 18.5892 million Yuan, increased 20.41% over that of year-beginning, mainly because the accrual income taxes increased;
10. Closing number of non-current liability due within one year counted as 0 Yuan, decreased 100% over that of year-beginning, mainly because loans due within one year are paid to the bank;
11. Operation revenue counted as 1619.8399 million Yuan in the Period, increased 3.12% on a y-o-y basis, mainly because revenue from power-sales increased;
12. Operation cost counted as 1471.0837 million Yuan in the Period, increased 0.50% on a y-o-y basis, mainly due to the increase of power generation;

13. Taxes and surcharge counted as 7.8463 million Yuan in the Period, increased 9.52% on a y-o-y basis, mainly because the property tax and VAT surcharge increased;
14. Sales expenses counted as 2.8099 million Yuan in the Period, increased 18.81% on a y-o-y basis, mainly because sludge disposal capacity increased;
15. Financial expenses counted as 30.8423 million Yuan in the Period, decreased 29.97% on a y-o-y basis, mainly because the financing scale declined;
16. Non-operation revenue counted as 8,000 Yuan in the Period, decreased 97.72% on a y-o-y basis, mainly because at same period last year, non-operation revenue mainly came from the account payables which unable to paid, and no such account revenue occurred in the year;
17. Non-operation expenditure counted as 919,700 Yuan in the Period, increased 434.69% on a y-o-y basis, mainly because loss of non-current assets retirement increased;
18. Net cash flow from operation activities counted as 182.3848 million Yuan in the Period, increased 206.44% on a y-o-y basis in net inflow, mainly because revenue from electricity increased and the taxes paid are declined;
19. Net cash flow from investment activities counted as (115.2062) million Yuan in the Period, increased 129.21% on a y-o-y basis in net out-flow, mainly because costs of technical innovation and assets purchased increased;
20. Net cash flow from financing activities counted as 289.2011 million Yuan in the Period, increased 134.72% on a y-o-y basis, mainly because loans from the bank increased

II. Progress and influence of the main events as well as solution analysis specification

√ Applicable □ Not applicable

1. T102-0011, T102-0155 land related matters. In reporting period, the *Land Reserve Plan for Year of 2018 in Shenzhen* was issued by the Shenzhen Municipal Planning and Land Resources Committee. According to the *Land Reserve Plan* and its addendum, the land reserve plan for year of 2018 in Qianhai Cooperation Zone including the lands of Nanshan Power Plant under the name of the Company. The Company will continues to exercise relevant works with the counsel participation and cooperation, closely follow the comprehensive plans of Qianhai Shekou Free Trade Zone, and eye on relevant works from Shenzhen's Government, making every efforts to safe-guard the rights and interest of shareholders and the employees. (found more in Notice of *Land Reserve Plan for Year of 2018 in Shenzhen* issued by Shenzhen Municipal Planning and Land Resources Committee [Notice No.: 2018-22] released on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao website)
2. "Shenzhen Blue" renovation project. On 17 September, in accordance with the *Notice of Municipal Human Settlements Committee and Municipal Finance Committee on Printing and Distributing the Methods for the Subsidy of Improvement on Atmospheric Environmental Quality in Shenzhen (2018-2020)* [SRH [2018]No.581] released on official website of Shenzhen Human Settlements Committee, the Notice well-defined the financial subsidy standards for those gas turbine units that completed the low nitrogen burner upgrade or flue gas deni-trification reconstruction within a specified time limit. According to the Notice, the Company plans to

complete one 9E low nitrogen burner upgrade respectively in the Company and Shenzhen New Power Industrial Co., Ltd. before 31 October, ensuring the concentration of Nox emission in policy-oriented standards. Rests of one 9E gas turbine units will reform according to further actual reconstruction conditions. (found more on *Notice About Received the Notification of Shenzhen Municipal People's Government on Printing and Issuing the 2018 "Shenzhen Blue" Sustainable Action Plan* and *Notice About Received the Methods for the Subsidy of Improvement on Atmospheric Environmental Quality in Shenzhen (2018-2020)*[Notice No.:2018-015 and No.:2018-028] disclosed on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao website)

3. Electricity price adjustment for natural gas generation. In the reporting period, according to the *Notice of Lower the on-grid price for natural gas generation* issued by Guangdong Provincial Development & Reform Commission, reducing some of the on-grid price for power generation enterprise with natural gas in Guangdong Province since 1 July 2018. Three power plants under the Company has the on-grid price of 0.665 Yuan/Kw-hr from 0.715 Yuan/Kw-hr. (found more in the *Notice of On-grid Adjustment for natural gas generation* Notice No.: 2018-027 released on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website)

4. Terminating the issue of MTN(Medium Term Note. Since the expiration date for application documents has expired, that is the application for 500 million Yuan MTN to National Association of Financial Market Institutional Investors and corporate bond of two billion Yuan at most (inclusive) offer in private way (found more in the *Notice of Issue the MTN* and *Notice of Privately Placement of Corporate Bonds* Notice No.: 2015-062 and 2015-063 released on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website dated 25 August 2015), the Company plans to terminate the offering issues.

In addition to the above matters, the refund collection works of "Project Technical Reform Benefit Fund" and the Xinjiang Aid Project of Guangdong Province participated in 2013 is have no further progress in the reporting period

III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There are no commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

IV. Estimation of operation performance for year of 2018

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

Applicable Not applicable

V. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

VI. Trust financing

Applicable Not applicable

The Company had no trust financing in Period.

VII. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

VIII. Registration form of receiving research, communication and interview in the report period

Applicable Not applicable

Time	Way	Type	Contents discussed and material provided
2018-07-18	Written inquiry on investor interaction platform	Person (1)	Numbers of the shareholders are changed, reply on written
2018-09-30	Telephone	Person (many times)	Relevant works of the lands of Nanshan Power Plant, and sustainable operation and further transformation & development plan after the adjustment of tariff policy, no material required

IX. External security against the rules

Applicable Not applicable

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

X. 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. Consolidated Balance Sheet

Prepared by Shenzhen Nanshan Power Co., Ltd.

2018-09-30

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	779,218,461.47	438,316,169.81
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable and accounts receivable	190,519,995.44	120,052,275.76
Including: Notes receivable	1,600,000.00	6,702,500.00
Accounts receivable	188,919,995.44	113,349,775.76
Accounts paid in advance	81,497,333.59	119,069,891.55
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	45,148,508.37	38,771,888.74
Purchase restituted finance asset		
Inventories	70,123,944.14	77,834,903.89
Assets held for sale		
Non-current asset due within one year		
Other current assets	379,157,958.25	452,184,523.24
Total current assets	1,545,666,201.26	1,246,229,652.99
Non-current assets:		
Loans and payments on behalf		
Finance asset available for sales	60,615,000.00	60,615,000.00

Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	16,590,483.77	18,254,673.40
Investment property	2,655,337.11	2,802,440.31
Fixed assets	1,394,121,341.13	1,420,620,565.05
Construction in progress	118,579,436.46	50,958,741.92
Productive biological asset		
Oil and gas asset		
Intangible assets	46,606,728.40	48,470,500.60
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	2,922,036.65	2,922,036.65
Other non-current asset	22,882,181.78	32,930,781.78
Total non-current asset	1,664,972,545.30	1,637,574,739.71
Total assets	3,210,638,746.56	2,883,804,392.70
Current liabilities:		
Short-term loans	857,000,000.00	515,850,000.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable and accounts payable	59,528,745.38	66,534,493.16
Accounts received in advance		
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	39,625,260.95	48,337,588.25
Taxes payable	18,589,220.53	15,437,758.76
Other accounts payable	86,477,132.49	86,221,176.90
Reinsurance payables		
Insurance contract reserve		

Security trading of agency		
Security sales of agency		
Liability held for sale		
Non-current liabilities due within 1 year		32,400,000.00
Other current liabilities		
Total current liabilities	1,061,220,359.35	764,781,017.07
Non-current liabilities:		
Long-term loans	25,940,000.00	25,940,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Projected liabilities	26,744,332.38	26,788,590.38
Deferred income	38,944,849.20	41,948,231.12
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	91,629,181.58	94,676,821.50
Total liabilities	1,152,849,540.93	859,457,838.57
Owner's 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		
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	697,351,567.82	660,176,169.69
Total owner's equity attributable to parent company	1,995,793,483.52	1,958,618,085.39
Minority interests	61,995,722.11	65,728,468.74
Total owner's equity	2,057,789,205.63	2,024,346,554.13

Total liabilities and owner's equity	3,210,638,746.56	2,883,804,392.70
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Legal representative: Chairman Li Xinwei

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

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

2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	587,518,316.52	159,883,551.05
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable and accounts receivable	119,954,844.21	17,599,743.80
Including: Notes receivable		
Accounts receivable	119,954,844.21	17,599,743.80
Account paid in advance	49,616,874.04	72,042,056.16
Other receivables	1,203,915,251.17	913,646,990.47
Inventories	59,960,177.06	68,187,593.73
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	355,062,382.97	406,616,846.60
Total current assets	2,376,027,845.97	1,637,976,781.81
Non-current assets:		
Available-for-sale financial assets	60,615,000.00	60,615,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	691,982,849.76	691,982,849.76
Investment property		
Fixed assets	274,106,004.22	220,519,962.58
Construction in progress	34,488,546.51	755,227.83
Productive biological assets		
Oil and natural gas assets		
Intangible assets	1,819,007.10	2,726,256.15

Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		1,516,600.00
Total non-current assets	1,063,011,407.59	978,115,896.32
Total assets	3,439,039,253.56	2,616,092,678.13
Current liabilities:		
Short-term borrowings	857,000,000.00	50,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable and accounts payable	48,513,906.57	40,330,866.72
Accounts received in advance		
Wage payable	17,274,113.11	23,669,295.53
Taxes payable	11,468,463.50	5,703,576.67
Other accounts payable	157,647,158.18	176,969,515.07
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,091,903,641.36	296,673,253.99
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Projected liabilities		
Deferred income	21,678,471.96	23,665,762.95
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	21,678,471.96	23,665,762.95

Total liabilities	1,113,582,113.32	320,339,016.94
Owners' equity:		
Share capita	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		
Reasonable reserve		
Surplus reserve	332,908,397.60	332,908,397.60
Retained profit	1,099,823,106.94	1,070,119,627.89
Total owner's equity	2,325,457,140.24	2,295,753,661.19
Total liabilities and owner's equity	3,439,039,253.56	2,616,092,678.13

3. Consolidated Profit Statement (this report period)

In RMB

Item	Current Period	Last Period
I. Total operating income	540,079,674.10	697,890,935.29
Including: Operating income	540,079,674.10	697,890,935.29
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	532,319,916.09	676,086,365.59
Including: Operating cost	501,388,631.81	636,024,697.52
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		

Reinsurance expense		
Operating tax and extras	3,124,279.89	3,669,791.65
Sales expenses	1,159,673.57	951,931.82
Administration expenses	18,099,285.61	24,103,443.73
R&D expenses		
Financial expenses	8,548,045.21	12,360,100.87
Including: Interest expenses	11,706,839.34	13,001,851.88
Interest income	-3,109,638.26	-784,465.91
Losses of devaluation of asset		-1,023,600.00
Add: other income	3,236,394.61	1,770,275.49
Investment income (Loss is listed with “-”)	-587,285.32	-518,050.11
Including: Investment income on affiliated company and joint venture		
Changing income of fair value(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	10,408,867.30	23,056,795.08
Add: Non-operating income	3,200.00	343,403.40
Less: Non-operating expense	60,699.90	
IV. Total Profit (Loss is listed with “-”)	10,351,367.40	23,400,198.48
Less: Income tax expense	5,738,478.65	2,274,536.80
V. Net profit (Net loss is listed with “-”)	4,612,888.75	21,125,661.68
(i) net profit from continuous operation (Net loss is listed with “-”)		
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	7,163,302.91	20,474,941.54
Minority shareholders’ gains and	-2,550,414.16	650,720.14

losses		
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 as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority		

shareholders		
VII. Total comprehensive income	4,612,888.75	21,125,661.68
Total comprehensive income attributable to owners of parent Company	7,163,302.91	20,474,941.54
Total comprehensive income attributable to minority shareholders	-2,550,414.16	650,720.14
VIII. Earnings per share:		
(i) Basic earnings per share	0.01	0.03
(ii) Diluted earnings per share	0.01	0.03

The net profit achieved before combination was 0.00 Yuan from combined party, new profit achieved by combined party last period, while enterprise combined under the same control

Legal representative: Chairman Li Xinwei

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

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

4. Profit Statement of parent company (this report period)

In RMB

Item	Current Period	Last Period
I. Operating income	242,999,651.01	282,150,380.05
Less: Operating cost	224,777,354.74	259,054,134.55
Operating tax and extras	698,179.44	820,098.07
Sales expenses		
Administration expenses	6,758,774.44	8,990,301.26
R&D expenses		
Financial expenses	-5,320,737.46	-935,402.68
Including: Interest expenses	11,150,980.92	4,928,268.85
Interest income	-16,788,473.01	-5,793,514.04
Losses of devaluation of asset		
Add: other income	1,662,430.33	662,430.33
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
Changing income of fair value (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		

II. Operating profit (Loss is listed with “-”)	17,748,510.18	14,883,679.18
Add: Non-operating income	2,200.00	342,403.39
Less: Non-operating expense	88,000.00	
III. Total Profit (Loss is listed with “-”)	17,662,710.18	15,226,082.57
Less: Income tax expense	4,415,677.54	
IV. Net profit (Net loss is listed with “-”)	13,247,032.64	15,226,082.57
(i) net profit from continuous operation (Net loss is listed with “-”)		
(ii) net profit from discontinued operation (Net loss is 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 as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity		

investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	13,247,032.64	15,226,082.57
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated profit statement (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Total operating income	1,619,839,888.90	1,570,853,632.62
Including: Operating income	1,619,839,888.90	1,570,853,632.62
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,577,363,145.86	1,581,145,383.63
Including: Operating cost	1,471,083,684.84	1,463,786,256.85
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	7,846,282.62	7,164,273.12

Sales expenses	2,809,911.61	2,365,011.12
Administration expenses	64,780,935.65	65,294,662.19
R&D expenses		
Financial expenses	30,842,331.14	44,039,491.32
Including: Interest expenses	35,744,972.25	52,090,629.98
Interest income	-5,296,804.36	-8,694,653.64
Losses of devaluation of asset		-1,504,310.97
Add: other income	7,373,199.99	5,260,138.59
Investment income (Loss is listed with “-”)	-1,664,189.63	-1,537,470.11
Including: Investment income on affiliated company and joint venture		
Changing income of fair value(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	48,185,753.40	-6,569,082.53
Add: Non-operating income	7,975.00	349,199.40
Less: Non-operating expense	919,718.63	172,009.57
IV. Total Profit (Loss is listed with “-”)	47,274,009.77	-6,391,892.70
Less: Income tax expense	13,831,358.27	3,195,032.67
V. Net profit (Net loss is listed with “-”)	33,442,651.50	-9,586,925.37
(i) net profit from continuous operation (Net loss is listed with “-”)		
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	37,175,398.13	-2,154,259.84
Minority shareholders’ gains and losses	-3,732,746.63	-7,432,665.53
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 as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	33,442,651.50	-9,586,925.37

Total comprehensive income attributable to owners of parent Company	37,175,398.13	-2,154,259.84
Total comprehensive income attributable to minority shareholders	-3,732,746.63	-7,432,665.53
VIII. Earnings per share:		
(i) Basic earnings per share	0.06	-0.004
(ii) Diluted earnings per share	0.06	-0.004

The net profit achieved before combination was 0.00 Yuan from combined party, new profit achieved by combined party last period, while enterprise combined under the same control

6. Profit Statement of parent company (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Operating income	649,846,092.85	610,550,939.54
Less: Operating cost	598,007,415.86	612,475,302.77
Operating tax and extras	1,552,236.68	1,518,758.73
Sales expenses		
Administration expenses	27,772,982.44	28,391,217.61
R&D expenses		
Financial expenses	-14,847,889.40	-11,237,786.40
Including: Interest expenses	23,538,101.34	22,006,989.98
Interest income	-39,227,719.49	-33,115,144.03
Losses of devaluation of asset		-480,710.97
Add: other income	3,087,290.99	2,182,970.99
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
Changing income of fair value (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	40,448,638.26	-17,932,871.21
Add: Non-operating income	3,975.00	343,403.39
Less: Non-operating expense	847,974.53	159,602.00

III. Total Profit (Loss is listed with “-”)	39,604,638.73	-17,749,069.82
Less: Income tax expense	9,901,159.68	
IV. Net profit (Net loss is listed with “-”)	29,703,479.05	-17,749,069.82
(i) net profit from continuous operation (Net loss is listed with “-”)		
(ii) net profit from discontinued operation (Net loss is 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 as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from		

cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	29,703,479.05	-17,749,069.82
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

7. Consolidated Cash Flow Statement (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,806,639,861.18	1,691,955,407.45
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		
Write-back of tax received	4,030,530.35	2,170,304.49
Other cash received concerning operating activities	12,658,115.06	379,307,395.05
Subtotal of cash inflow arising from operating activities	1,823,328,506.59	2,073,433,106.99
Cash paid for purchasing commodities and receiving labor service	1,422,180,905.60	1,836,931,110.80
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	100,336,870.19	106,241,002.36
Taxes paid	78,049,256.10	266,415,531.89
Other cash paid concerning operating activities	40,376,695.07	35,188,297.66
Subtotal of cash outflow arising from operating activities	1,640,943,726.96	2,244,775,942.71
Net cash flows arising from operating activities	182,384,779.63	-171,342,835.72
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	277,500.00	
Net cash received from disposal of subsidiaries and other units		

Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	277,500.00	
Cash paid for purchasing fixed, intangible and other long-term assets	115,483,689.48	50,262,554.32
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	115,483,689.48	50,262,554.32
Net cash flows arising from investing activities	-115,206,189.48	-50,262,554.32
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	1,157,000,000.00	617,290,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	21,000,000.00	22,520,613.68
Subtotal of cash inflow from financing activities	1,178,000,000.00	639,810,613.68
Cash paid for settling debts	848,250,000.00	1,422,840,000.00
Cash paid for dividend and profit distributing or interest paying	35,378,885.11	44,344,877.74
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	5,170,000.00	5,540,000.00
Subtotal of cash outflow from financing	888,798,885.11	1,472,724,877.74

activities		
Net cash flows arising from financing activities	289,201,114.89	-832,914,264.06
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	352,586.62	-286,585.73
V. Net increase of cash and cash equivalents	356,732,291.66	-1,054,806,239.83
Add: Balance of cash and cash equivalents at the period -begin	411,613,377.07	1,389,482,327.86
VI. Balance of cash and cash equivalents at the period -end	768,345,668.73	334,676,088.03

8. Cash Flow Statement of parent company (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	937,902,617.87	892,462,292.20
Write-back of tax received		
Other cash received concerning operating activities	435,177,432.37	488,204,832.60
Subtotal of cash inflow arising from operating activities	1,373,080,050.24	1,380,667,124.80
Cash paid for purchasing commodities and receiving labor service	604,176,979.39	879,431,296.51
Cash paid to/for staff and workers	61,122,432.34	65,224,532.95
Taxes paid	13,132,503.10	229,059,661.67
Other cash paid concerning operating activities	964,304,444.41	552,800,106.88
Subtotal of cash outflow arising from operating activities	1,642,736,359.24	1,726,515,598.01
Net cash flows arising from operating activities	-269,656,309.00	-345,848,473.21
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	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	262,500.00	
Cash paid for purchasing fixed, intangible and other long-term assets	89,604,338.48	635,342.16
Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	89,604,338.48	635,342.16
Net cash flows arising from investing activities	-89,341,838.48	-635,342.16
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	987,000,000.00	80,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	11,660,000.00	
Subtotal of cash inflow from financing activities	998,660,000.00	80,000,000.00
Cash paid for settling debts	180,000,000.00	692,000,000.00
Cash paid for dividend and profit distributing or interest paying	20,369,318.89	17,532,981.10

Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	200,369,318.89	709,532,981.10
Net cash flows arising from financing activities	798,290,681.11	-629,532,981.10
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	2,231.84	-1,405.71
V. Net increase of cash and cash equivalents	439,294,765.47	-976,018,202.18
Add: Balance of cash and cash equivalents at the period -begin	148,223,551.05	1,119,323,850.36
VI. Balance of cash and cash equivalents at the period -end	587,518,316.52	143,305,648.18

II. Audit Report

Whether the third quarter report was audited or not

Yes No

The third quarter report of the Company has not been audited.