

**Chongqing Jianshe Vehicle System Co., Ltd.**

**The Third Quarterly Report 2019**

2019-075

**October 2019**

## 1 Important notes

The Board of Directors, the Supervisory Committee, the directors, the supervisors, and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Quarterly Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Quarterly Report.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Lv Hongxian, The Company Leader, Mr. Tan Mingxian , Chief financial officer and the Ms.Niu Yanli, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in the report.

## II. Basic Information of the Company

### I.Main accounting data and financial Index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes  No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (Yuan)	1,200,078,091.33	1,461,770,573.54	-17.90%	
Net assets attributable to the shareholders of the listed company (Yuan)	232,201,851.59	293,301,450.54	-20.83%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (Yuan)	176,235,751.40	-18.27%	594,849,928.69	-18.21%
Net profit attributable to the shareholders of the listed company (Yuan)	-24,215,481.45	1,427.65%	-61,099,598.95	-194.74%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-24,503,633.33	684.34%	-60,309,092.50	-1,786.13%
Cash flow generated by business operation, net (Yuan)	--	--	189,140,483.22	123.19%
Basic earning per share(Yuan/Share)	-0.2029	1,425.56%	-0.5118	-194.74%

Diluted gains per share(Yuan/Share)	-0.2029	1,425.56%	-0.5118	-194.74%
Weighted average income/asset ratio (%)	-9.22%	-8.72%	-23.25%	-43.72%

#### Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-1,693,205.55	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	27,000.00	
Operating income and expenses other than the aforesaid items	202,624.17	
Other non-business income and expenditures other than the above	673,074.93	
Total	-790,506.45	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable  Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

## II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

### 1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	7,860	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Chongqing Jianshe Mechanical and Electric Co., Ltd.	State-owned legal person	71.13%	84,906,250	84,906,250		
Gu Zuocheng	Domestic natural person	1.86%	2,218,750	2,218,750		
Hengsheng Sunshine Group Co., Ltd.	Domestic non-state-owned legal person	1.47%	1,750,000	1,750,000	Freeze	1,750,000
Liu Dan	Domestic natural person	0.91%	1,083,251	0		
Xu Yuanhui	Domestic natural person	0.56%	666,789	0		
Yu Lingfeng	Domestic natural person	0.51%	612,921	0		
Chen Xinqiang	Domestic natural person	0.51%	612,400	0		
Zhang Meilan	Domestic natural person	0.43%	513,560	0		
Feng Yonghui	Domestic natural person	0.42%	500,000	500,000		
CORE PACIFIC-YAMAICHI INTERNATIONAL (H.K.) LIMITED	Overseas legal person	0.36%	434,650	0		
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held	Share type				
		Share type	Quantity			
Liu Dan	1,083,251	Foreign shares placed in domestic exchange	1,083,251			
Xu Yuanhui	666,789	Foreign shares placed in domestic exchange	666,789			
Yu Lingfeng	612,921	Foreign shares placed in domestic exchange	612,921			
Chen Xinqiang	612,400	Foreign shares placed in domestic exchange	612,400			
Zhang Meilan	513,560	Foreign shares placed in domestic exchange	513,560			
CORE PACIFIC-YAMAICHI	434,650	Foreign shares placed in domestic exchange	434,650			

INTERNATIONAL (H.K.) LIMITED			
Li Jianping	430,000	Foreign shares placed in domestic exchange	430,000
Chen Houping	423,561	Foreign shares placed in domestic exchange	423,561
Liu Guosheng	345,575	Foreign shares placed in domestic exchange	345,575
Lv Gang	343,000	Foreign shares placed in domestic exchange	343,000
Explanation on associated relationship among the aforesaid shareholders	There isn't any associated relationship between the sponsoring shareholder and the other shareholders among the top-10 list. None of them are regarded as 'Acting in concert' in accordance with 'The rules of information disclosure on change of shareholding.' Foreign shareholders are unknown for their condition of 'Associated relationship' and 'Acting in concert'.		

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 number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable  Not applicable

### III Significant Events

#### I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

√ Applicable □ Not applicable

In the first half of 2018, the Company transferred its holding shares of 51% shares of Shanghai Jianshe Motorcycle Co., Ltd and realized an investment income of RMB 53.04 million, resulting in a high net profit base in the first three quarters of 2018. During the reporting period, due to the sales volume decline in the automobile market, the Company's product sales decreased YOY and the Company's operating income declined, resulting in that the Company recorded a loss in net profit, a significant decline compared with the same period last year.

#### II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

√ Applicable □ Not applicable

(1) Due to the Sales and Purchase Contract dispute between the Company's subsidiary- Chongqing Jianshe Automobile Air-conditioner Co., Ltd. and Hubei Meiyang Automobile Industry Co., Ltd, the Vehicle Air Conditioner Company filed a lawsuit in the People's Court of Xiangyang High-tech Industrial Development Zone in September 2019, requesting the court to terminate the Auto/engine parts purchase contract signed with Hubei Meiyang and the Hubei Meiyang Company to pay the payable payment for goods and the occupation fee of capital of totaling to RMB 1,543,200. The People's court of Xiangyang High-tech Industrial Development Zone has placed it on file on September 25, 2019.

(2) Due to the sales and purchase contract dispute among the Company's subsidiary- Air-conditioning Company, Chongqing Magic Speed Auto Parts Co., Ltd, Chongqing Bisu Yunbo Power Technology Co., Ltd and Chongqing Kate Power Technology Co., Ltd, the Air-conditioning Company filed a lawsuit in the People's Court of Chongqing Yubei District in November 2018, demanding Chongqing Magic Speed Auto Parts Co., Ltd, Chongqing Bisu Yunbo Power Technology Co., Ltd and Chongqing Kate Power Technology Co., Ltd to pay for the payable payment for goods and the occupation fee of capital. The People's Court of Chongqing Yubei District ended the trial in August and September 2019 respectively, and issued the "Civil Judgment of the People's Court of Chongqing Yubei District". For details, please see the following disclosed information:

Summary of material issues	Date of disclosure	Index of provisional announcement
Announcement on the Progress of Civil Litigation	August 16,2019	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2019-070)
	September 12,2019	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2019-071)
	September 25,2019	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2019-072)

Progress in the implementation of share repurchase

Applicable  Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

Applicable  Not applicable

### **III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period**

Applicable  Not applicable

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

### **IV. Investment in securities**

Applicable  Not applicable

No Securities investment in period

### **V. Entrusted Financial Management**

Applicable  Not applicable

There is no Entrusted Financial Management during the report period.

### **VI. Investment in derivatives**

Applicable  Not applicable

There is no derivative investment during the report period.

### **VII. Registration form of such Activities as Reception, Research, Communication, Interview in the Reporting Period**

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
July 16,2019	By phone	Individual	Q: how's the Company's half-year performance? A: please refer to "The Half-yearly performance forecast of 2019" disclosed by the Company on July 12.

### **VIII. External guarantee get out of line**

Applicable  Not applicable

The Company has no external guarantee get out of the line in the Period

### **IX. Controlling shareholder and its related parties occupying non-business capital of the listed company**

Applicable  Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Chongqing Jianshe Vehicle System Co., Ltd.

September 30,2019

In RMB

Items	September 30,2019	December 31,2018
Current asset :		
Monetary fund	154,944,496.69	351,903,987.18
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	29,188,534.54	28,022,405.38
Account receivable	213,181,689.46	274,941,895.41
Financing of receivables		
Prepayments	14,856,806.16	15,797,660.14
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	9,864,273.50	2,414,406.24
Including: Interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventories	136,629,313.35	177,566,823.26
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	1,237,718.68	4,292,742.61



Total of current assets	559,902,832.38	854,939,920.22
Non-current assets :		
Loans and payment on other's behalf disbursed		
Debt investment		
Available for sale of financial assets		
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	241,338,067.49	187,208,081.45
Other equity instruments investment		
Other non-current financial assets		
Property investment	33,927,586.59	45,698,993.28
Fixed assets	321,358,365.21	341,863,883.57
Construction in progress	5,733,156.86	
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	22,987,850.89	23,481,249.43
Development expenses		
Goodwill		
Long-germ expenses to be amortized	2,531,232.18	1,912,833.34
Deferred income tax asset	4,850,090.39	4,850,090.39
Other non-current asset	7,448,909.34	1,815,521.86
Total of non-current assets	640,175,258.95	606,830,653.32
Total of assets	1,200,078,091.33	1,461,770,573.54
Current liabilities		
Short-term loans	210,000,000.00	262,000,000.00
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable	516,379,075.95	627,563,000.00

Account payable	206,314,438.08	237,795,755.60
Advance receipts	1,299,102.44	1,982,012.20
Contract Liabilities		
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	5,346,567.28	3,155,693.31
Tax payable	16,284,989.13	19,484,228.95
Other account payable	12,252,066.86	14,988,432.94
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year		1,500,000.00
Other current liability		
Total of current liability	967,876,239.74	1,168,469,123.00
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities		
Total of liability	967,876,239.74	1,168,469,123.00
Owners' equity		

Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserve		
Surplus reserves	125,686,000.00	125,686,000.00
Common risk provision		
Retained profit	-971,434,242.70	-910,334,643.75
Total of owner's equity belong to the parent company	232,201,851.59	293,301,450.54
Minority shareholders' equity		
Total of owners' equity	232,201,851.59	293,301,450.54
Total of liabilities and owners' equity	1,200,078,091.33	1,461,770,573.54

Legal Representative: Lv Hongxian

Person-in-charge of the accounting work: Tan Mingxian

Person-in -charge of the accounting organ: Niu Yanli

## 2.Parent Company Balance Sheet

In RMB

Items	September 30,2019	December 31,2018
Current asset :		
Monetary fund	1,708,382.12	66,377,117.54
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		12,106,000.00
Account receivable	1,338,106.75	1,700,752.51
Financing of receivables		
Prepayments	10,323,143.53	7,910,371.97
Other account receivable	3,043,745.12	567,726.24

Including: Interest receivable		
Dividend receivable		
Inventories	8,698,673.76	14,582,880.35
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset		4,292,742.61
Total of current assets	25,112,051.28	107,537,591.22
Non-current assets:		
Debt investment		
Available for sale of financial assets		
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	401,338,067.49	347,208,081.45
Other equity instruments investment		
Other non-current financial assets		
Property investment	33,927,586.59	45,698,993.28
Fixed assets	123,901,603.99	121,333,665.76
Construction in progress	255,228.04	
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	14,694,095.62	15,007,629.61
Development expenses		
Goodwill		
Long-germ expenses to be amortized	2,217,237.41	1,418,480.05
Deferred income tax asset		
Other non-current asset		
Total of non-current assets	576,333,819.14	530,666,850.15
Total of assets	601,445,870.42	638,204,441.37
Current liabilities		
Short-term loans		
Transactional financial liabilities		

Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	173,582,697.42	200,972,608.59
Advance receipts	180,083.38	180,083.38
Contract Liabilities		
Employees' wage payable	2,671,266.19	185,652.20
Tax payable	15,152,251.03	15,239,129.76
Other account payable	274,439,606.69	223,902,707.22
Including: Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability		
Total of current liability	466,025,904.71	440,480,181.15
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities		
Total of liability	466,025,904.71	440,480,181.15
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including: preferred stock		

Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserve		
Surplus reserves	125,686,000.00	125,686,000.00
Retained profit	-1,068,216,128.58	-1,005,911,834.07
Total of owners' equity	135,419,965.71	197,724,260.22
Total of liabilities and owners' equity	601,445,870.42	638,204,441.37

### 3. Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Turnover	176,235,751.40	215,629,758.62
Including: Operating income	176,235,751.40	215,629,758.62
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total operating costs	195,111,413.24	219,187,233.31
Including: Operating costs	156,526,170.75	185,312,031.08
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty, net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	2,252,951.97	2,109,894.40
Sales expense	5,277,566.24	6,106,921.31
Administrative expense	23,042,882.30	21,970,135.73
R & D expense		
Financial expenses	8,011,841.98	3,688,250.79
Including: Interest expense		
Interest income		

Add: Other income	271,974.93	932,000.00
Investment gain (“-”for loss)	-5,627,971.49	633,370.20
Including: investment gains from affiliates	-5,627,971.49	633,370.20
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income	19,176.95	568,599.82
III. Operating profit (“-”for loss)	-24,212,481.45	-1,423,504.67
Add : Non-operating income	-3,000.00	1,955.00
Less: Non-operating expenses		-36,392.76
IV. Total profit (“-”for loss)	-24,215,481.45	-1,385,156.91
Less: Income tax expenses		199,990.22
V. Net profit	-24,215,481.45	-1,585,147.13
(I) Classification by business continuity		
1.Net continuing operating profit	-24,215,481.45	-2,153,746.95
2.Termination of operating net profit		568,599.82
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	-24,215,481.45	-1,585,147.13
2.Minority shareholders’ equity		
VI. Net after-tax of other comprehensive income		
Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		

4. Changes in the fair value of the company's credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-24,215,481.45	-1,585,147.13
Total comprehensive income attributable to the owner of the parent company	-24,215,481.45	-1,585,147.13
Total comprehensive income attributable minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	-0.2029	-0.0133
(II) Diluted earnings per share	-0.2029	-0.0133

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Lv Hongxian

Person-in-charge of the accounting work: Tan Mingxian



Person-in -charge of the accounting organ: Niu Yanli

#### 4.Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	123,916,467.19	179,253,429.91
Including: Operating costs	128,337,118.68	170,642,930.96
Business tax and surcharge	1,383,697.31	1,321,670.39
Sales expense	510,947.46	372,002.78
Administrative expense	11,517,617.93	8,716,564.43
R & D expense		
Financial expenses	5,211,290.46	621,412.35
Including: Interest expenses		
Interest income		
Add: Other income		
Investment gain (“-”for loss )	-5,627,971.49	633,370.21
Including: investment gains from affiliates	-5,627,971.49	633,370.21
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income	19,176.95	621,195.22
II. Operating profit (“-”for loss )	-28,652,999.18	-1,166,585.58
Add : Non-operating income		1,455.00
Less: Non -operating expenses		-3,797.36
III. Total profit(“-”for loss)	-28,652,999.18	-1,161,333.22
Less: Income tax expenses		
IV. Net profit	-28,652,999.18	-1,161,333.22
1.Net continuing operating profit	-28,652,999.18	-1,782,528.44
2.Termination of operating net profit		621,195.22
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting		

period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II)		
Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3.		
Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
VI. Total comprehensive income	-28,652,999.18	-1,161,333.22
VII. Earnings per share		
(I) Basic earnings per share	-0.2400	-0.0097
(II)Diluted earnings per share	-0.2400	-0.0097

## 5. Consolidated Income statement between the beginning of the year and end of the report period

In RMB

Items	Amount in this period	Amount in last period
I. Turnover	594,849,928.69	727,326,490.03

Including: Operating income	594,849,928.69	727,326,490.03
Interest income		
Insurance fee earned		
Commission charge and commission income		
II. Total operating costs	638,534,018.18	725,000,141.21
Including: Operating costs	530,681,470.70	609,582,968.09
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty,net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	6,331,590.03	6,207,533.78
Sales expense	14,282,961.32	18,769,057.57
Administrative expense	67,722,574.68	65,752,924.15
R & D expense		
Financial expenses	19,234,644.15	24,273,648.50
Including: Interest expense		
Interest income		
Add: Other income	673,074.93	932,000.00
Investment gain (“-”for loss )	-16,419,669.26	61,464,235.66
Including: investment gains from affiliates	-16,419,669.26	61,464,235.66
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income	-1,693,205.55	568,599.82
III. Operating profit (“-”for loss )	-61,123,889.37	65,291,184.30
Add : Non-operating income	229,624.17	359,915.24
Less: Non-operating expense		40,979.72

IV. Total profit("-"for loss)	-60,894,265.20	65,610,119.82
Less: Income tax expenses	205,333.75	761,766.06
V. Net profit	-61,099,598.95	64,848,353.76
(I) Classification by business continuity		
1.Net continuing operating profit	-59,406,393.40	5,184,687.29
2.Termination of operating net profit	-1,693,205.55	59,663,666.47
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	-61,099,598.95	64,491,381.36
2.Minority shareholders' equity		356,972.40
VI. Net after-tax of other comprehensive income		
Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3.Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		

5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-61,099,598.95	64,848,353.76
Total comprehensive income attributable to the owner of the parent company	-61,099,598.95	64,491,381.36
Total comprehensive income attributable minority shareholders		356,972.40
VIII. Earnings per share		
(I) Basic earnings per share	-0.5118	0.5402
(II)Diluted earnings per share	-0.5118	0.5402

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Lv Hongxian

Person-in-charge of the accounting work: Tan Mingxian

Person-in -charge of the accounting organ: Niu Yanli

## 6.Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	437,119,327.89	576,399,129.24
Including: Operating costs	433,446,742.06	533,315,207.62
Business tax and surcharge	2,252,228.49	2,837,387.63
Sales expense	1,212,289.42	696,480.24
Administrative expense	33,437,402.97	29,259,434.01
R & D expense		
Financial expenses	10,984,757.21	11,212,784.49

Including: Interest expenses		
Interest income		
Add: Other income		
Investment gain (“-”for loss)	-16,419,669.26	55,409,169.00
Including: investment gains from affiliates	-16,419,669.26	55,409,169.00
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income	-1,693,205.55	621,195.22
II. Operating profit (“-”for loss)	-62,326,967.07	55,108,199.47
Add : Non-operating income	22,672.56	3,551.06
Less: Non -operating expenses		
III. Total profit(“-”for loss)	-62,304,294.51	55,111,750.53
Less: Income tax expenses		
IV. Net profit	-62,304,294.51	55,111,750.53
1.Net continuing operating profit	-60,611,088.96	-4,604,511.34
2.Termination of operating net profit	-1,693,205.55	59,716,261.87
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee		

tee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9. Other		
VI. Total comprehensive income	-62,304,294.51	55,111,750.53
VII. Earnings per share		
(I) Basic earnings per share	-0.5219	0.4617
(II) Diluted earnings per share	-0.5219	0.4617

## 7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	365,397,706.38	319,459,908.63
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		

Net cash received by agent in securities trading		
Tax returned	16,886,990.47	11,284,265.34
Other cash received from business operation	3,031,639.95	6,291,906.92
Sub-total of cash inflow	385,316,336.80	337,036,080.89
Cash paid for purchasing of merchandise and services	100,168,991.25	126,971,395.73
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	73,259,420.49	60,563,809.16
Taxes paid	8,070,369.48	19,101,817.78
Other cash paid for business activities	14,677,072.36	45,653,509.35
Sub-total of cash outflow from business activities	196,175,853.58	252,290,532.02
Net cash generated from /used in operating activities	189,140,483.22	84,745,548.87
II. Cash flow generated by investing		
Cash received from investment retrieving	30,193,650.00	8,160,000.00
Cash received as investment gains	2,000,000.00	56,540,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	78,380.08	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	32,272,030.08	64,700,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	3,932,686.79	5,287,121.79
Cash paid as investment	36,672,895.58	21,300,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	40,605,582.37	26,587,121.79
Net cash flow generated by investment	-8,333,552.29	38,112,878.21
III. Cash flow generated by financing		



Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	110,000,000.00	242,000,000.00
Other financing –related cash received	354,318,214.09	470,113,577.49
Sub-total of cash inflow from financing activities	464,318,214.09	712,113,577.49
Cash to repay debts	363,530,208.33	363,870,078.18
Cash paid as dividend, profit, or interests	18,699,469.49	25,377,488.79
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	455,614,530.52	501,822,118.52
Sub-total of cash outflow due to financing activities	837,844,208.34	891,069,685.49
Net cash flow generated by financing	-373,525,994.25	-178,956,108.00
IV. Influence of exchange rate alternation on cash and cash equivalents	-167.57	
V.Net increase of cash and cash equivalents	-192,719,230.89	-56,097,680.92
Add: balance of cash and cash equivalents at the beginning of term	196,834,130.34	126,225,466.46
VI ..Balance of cash and cash equivalents at the end of term	4,114,899.45	70,127,785.54

## 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	141,870,951.07	104,547,043.20
Tax returned		
Other cash received from business operation	204,985.65	39,322.09
Sub-total of cash inflow	142,075,936.72	104,586,365.29
Cash paid for purchasing of merchandise and services	47,074,489.72	111,301,139.13
Cash paid to staffs or paid for staffs	32,526,329.34	37,056,019.78
Taxes paid	707,760.19	6,514,063.24
Other cash paid for business activities	2,465,184.68	1,956,180.85
Sub-total of cash outflow from business activities	82,773,763.93	156,827,403.00
Net cash generated from /used in operating activities	59,302,172.79	-52,241,037.71
II.Cash flow generated by investing		

Cash received from investment retrieving	30,193,650.00	8,160,000.00
Cash received as investment gains	2,000,000.00	56,540,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	78,380.08	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	32,272,030.08	64,700,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	3,926,726.25	1,854,365.90
Cash paid as investment	36,672,895.58	21,300,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	40,599,621.83	23,154,365.90
Net cash flow generated by investment	-8,327,591.75	41,545,634.10
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Other financing –related cash received	558,200,000.00	474,126,000.00
Sub-total of cash inflow from financing activities	558,200,000.00	474,126,000.00
Cash to repay debts		
Cash paid as dividend, profit, or interests	9,701,312.83	11,616,901.36
Other cash paid for financing activities	664,142,003.63	531,626,824.85
Sub-total of cash outflow due to financing activities	673,843,316.46	543,243,726.21
Net cash flow generated by financing	-115,643,316.46	-69,117,726.21
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-64,668,735.42	-79,813,129.82
Add: balance of cash and cash equivalents at the beginning of term	66,377,117.54	93,728,199.64
VI ..Balance of cash and cash equivalents at the end of term	1,708,382.12	13,915,069.82

## **II Adjustments to the Financial Statements**

**1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2019**

Applicable  Not applicable

**2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2019**

Applicable  Not applicable

## **III. Auditor' report**

Is the Third Quarterly Report be audited?

Yes  No

The Third Quarterly report is not audited.