

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

## **The Third Quarterly Report For 2020**

**October 2020**

## **Section I. Important Notice**

**Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Tellus Holding 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 present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.**

**Fu Chunlong, person in charge of the Company, head of the accounting works Lou Hong and Liu Yuhong, accounting body principals (accountant in charge) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.**

## 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)	1,653,818,772.81		1,645,782,144.03		0.49%
Net assets attributable to shareholders of listed company (RMB)	1,292,498,718.84		1,270,965,296.02		1.69%
	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)	96,868,200.81	-34.27%	293,919,991.10	-30.95%	
Net profit attributable to shareholders of the listed company (RMB)	14,042,886.48	-27.09%	39,637,872.26	-38.11%	
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	12,592,060.82	-29.64%	33,994,881.65	-41.36%	
Net cash flow arising from operating activities (RMB)	96,198,322.43	215.05%	113,504,644.63	95.80%	
Basic earnings per share (RMB/Share)	0.0326	-27.07%	0.0920	-38.09%	
Diluted earnings per share (RMB/Share)	0.0326	-27.07%	0.0920	-38.09%	
Weighted average ROE	0.25%	-1.49%	0.77%	-5.15%	

Items and amount of extraordinary profit (gains)/losses

☒Applicable ☐Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
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	1,198,548.91	The government subsidiary received by Huari Company due

business)		to the impact of epidemic
Except for effective hedge business relevant to normal operation of the Company, gains and losses arising from fair value change of tradable financial assets and tradable financial liabilities, and investment income from disposal of tradable financial assets, tradable financial liabilities and financial assets available for sale	5,923,030.44	Income from financing
Restoring of receivable impairment provision that tested individually	599,333.06	Reverse of bad debt provision
Other items conforming to the definition of non-recurring profit and loss	969,018.67	The income generated by tenant's forfeiting the lease deposit in advance
Less: impact on income tax	1,852,589.04	
Impact on minority shareholders' equity (post-tax)	1,194,351.43	
Total	5,642,990.61	--

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

In share

Total number of common shareholders at the end of report period		45,781		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders							
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	
SHENZHEN SDG CO., LTD.	State-owned corporate	49.09%	211,591,621	0			0
Shenzhen Capital	Domestic	15.33%	66,101,386	0			0

Fortune Jewelry Industry Investment Enterprise (limited partnership)	non-state-owned corporate					
GUOTAIJUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.40%	1,736,091	0		0
Hong Kong Securities Clearing Company Ltd.	Foreign corporation	0.28%	1,190,134	0		0
Wang Aihua	Domestic nature person	0.22%	940,345	0		0
Li Haotong	Domestic nature person	0.20%	881,641	0		0
Huang Sanhe	Domestic nature person	0.19%	807,049	0		0
Zhou Shengguo	Domestic nature person	0.17%	727,934	0		0
Agricultural Bank of China Ltd. – CSI 500 ETF	Other	0.16%	680,789	0		0
Wang Lixia	Domestic nature person	0.15%	632,410	0		0
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict shares held	Type of shares		Type	Amount	
SHENZHEN SDG CO., LTD.	211,591,621	RMB ordinary shares			211,591,621	
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (limited partnership)	66,101,386	RMB ordinary shares			66,101,386	
GUOTAIJUNAN SECURITIES(HONGKONG) LIMITED	1,736,091	Domestically listed foreign shares			1,736,091	
Hong Kong Securities Clearing Company Ltd.	1,190,134	RMB ordinary shares			1,190,134	

Wang Aihua	940,345	RMB ordinary shares	940,345
Li Haotong	881,641	RMB ordinary shares	881,641
Huang Sanhe	807,049	RMB ordinary shares	807,049
Zhou Shengguo	727,934	RMB ordinary shares	727,934
Agricultural Bank of China Ltd. – CSI 500 ETF	680,789	RMB ordinary shares	680,789
Wang Lixia	632,410	RMB ordinary shares	632,410
Explanation on associated relationship among the top ten shareholders or consistent action	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders Shenzhen SDG Co., Ltd and other shareholders, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the consistent actionist.		
Explanation on top ten common shareholders involving margin business (if applicable)	Shareholder Wang Aihua holds 940,345 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account, 940,345 shares are held in total by Tang; Shareholder Li Haotong holds 881,641 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account, 881,641 shares are held in total by Li; Shareholder Huang Sanhe holds 762,104 shares of the Company through security account for credit transactions, and holds 44,945 share of the Company via common security account, 807,049 shares are held in total by Huang; Shareholder Zhou Shengguo holds 727,934 shares of the Company through security account for credit transactions, and holds 0 share of the Company via common security account, 727,934 shares are held in total by Zhou; Shareholder Huang Lixia holds 571,310 shares of the Company through security account for credit transactions, and holds 61,100 share of the Company via common security account, 632,410 shares are held in total by Huang;		

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 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

Balance Sheet					
Assets	Closing balance	Opening balance	Amount changed	Ratio changed	Causes
Monetary Fund	221,270,052.08	428,851,606.04	-207,581,553.96	-48.40%	Monetary fund declined mainly due to paying the enterprise income tax for equity transfer of Xinglong Company, distributing the cash dividend and purchasing financial products.
Trading financial assets	299,198,582.57	60,486,575.34	238,712,007.23	394.65%	Financial products purchased in the Period increased on a y-o-y basis.
Account receivable	24,551,701.00	112,613,224.27	-88,061,523.27	-78.20%	Account receivable declined mainly due to the collection of receivable from Sichuan Jewelry Company increased.
Other current assets	33,903,908.62	3,403,969.23	30,499,939.39	896.01%	The supervision fund for the land plot 02 project of the upgrading project of Tellus-Gman Gold Jewelry Industrial Park
Construction in progress	110,515,997.92	47,654,393.55	62,861,604.37	131.91%	Mainly due to the preliminary input for the project of Jinzuan Trading Building
Taxes payable	14,125,400.74	71,425,267.61	-57,299,866.87	-80.22%	Mainly due to the enterprise income tax paying for the equity transfer of Xinglong Company
Other account payable	154,499,007.56	101,266,802.49	53,232,205.07	52.57%	The performance bond received in the year for equity transfer of Dongfeng
Profit statement					
Item	Accumulated this year	Same period last year	Amount changed	Ratio changed	Causes
Operating income	293,919,991.10	425,637,522.85	-131,717,531.75	-30.95%	Including 1. The decrease of income for responding to the government's call for rent relief for tenants; and 2. Affected by the epidemic, rental and jewelry operating income declined.
Taxes and additional	2,500,339.74	4,319,838.32	-1,819,498.58	-42.12%	Taxes declined due to the decrease of

					business from epidemic
Financial expenses	-2,683,364.51	4,716,086.24	-7,399,450.75	-156.90%	Interest expenses declined due to the decrease of bank loans on a y-o-y basis
Other income	1,198,548.91	278,123.14	920,425.77	330.94%	The government policy subsidy for enterprises received in the year.
Income from change of fair value Income from change of fair value	481,512.38	-	481,512.38		Changes in fair value of the unexpired financial products in the year.
Loss of credit impairment	599,333.06	276,528.83	322,804.23	116.73%	Decrease of the receivable from Sichuan Company are transfer to loss of credit impairment in the year
Assets impairment loss	-	-11,907.69	11,907.69	-100.00%	No such losses in the year
Income from assets disposal	-	244,106.72	-244,106.72	-100.00%	No such income in the year
Non-operation revenue	1,038,078.15	88,241.69	949,836.46	1076.40%	Including 1.the government subsidy obtained due to epidemic; 2. gains from forfeiture of a tenant's lease deposit due to early surrender of the lease
Non-operation expenditure	69,059.48	834,987.39	-765,927.91	-91.73%	At same period last year, the late fee for breach of contract from Anhui Company
Cash flow statement					
Item	Accumulated this year	Same period last year	Amount changed	Ratio changed	Causes
Net cash flow arising from operation activities	113,504,644.63	57,968,425.90	55,536,218.73		The performance bond received in the year for equity transfer of Dongfeng
Net cash flow arising from investment activities	-304,041,964.84	70,629,412.84	-374,671,377.68		Including 1.financial products purchased in the Period increased on a y-o-y basis; and 2. the preliminary input for the project of Jinzuan Trading Building increased
Net cash flow arising from financing activities	-17,778,202.09	-81,626,498.60	63,848,296.51		At same period last year, Zhongtian Company repaid the project loans and made the cash out-flow declined on a y-o-y basis, while there was no such item occurred in the year.
Net increase of cash and cash equivalent	-208,315,433.88	46,971,349.98	-255,286,783.86		



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

√Applicable    □Not applicable

On 17 July 2020, the Company holds the 17<sup>th</sup> extraordinary meeting of 9<sup>th</sup> BOD to deliberate and approved the Proposal of Signing the Intention Agreement with Hubei Hans' Industry Investment Co., Ltd. and the Company entered into an intention agreement with Hubei Hans' Industry Investment Co., Ltd. (hereinafter referred to as Hans') on the same day. The wholly-owned subsidiary of the Company - Shenzhen Auto Industry and Trade Corporation (hereinafter referred to as Auto Industry and Trade Company) will sell 25% equity of the Shenzhen Dongfeng Motor Co., Ltd (hereinafter referred to as Shenzhen Dongfeng) held publicly listed through the United Assets and Equity Exchange. Hans' committed to participate in the 25% equity of Shenzhen Dongfeng transferred by Auto Industry and Trade Company according to the laws and regulations, and bought the target equity with price not less than 1/2 of the transaction price of Dongfeng's 50% equity transfer by Hans', and not lower than the evaluation price made by the third-party intermediary selected or recognized by Auto Industry and Trade Company.

As of end of June 2020, the balance of long-term equity investment for Shenzhen Dongfeng from Auto Industry and Trade Company amounted as 44.9888 million Yuan. Based on the agreement, Hans' proposes an intention of acquisition to Auto Industry and Trade Company, if the Company sells 25% equity of Shenzhen Dongfeng, it will affect the total profit and net profit of the Company for the current period, the specific amount shall be subject to the evaluation price and final transaction price generated by the public listing. Found more in the Notice on Planning to Transfer Equity of the Stock-Jointly Subsidiary and Signing the Intention Agreement (Notice No.: 2020-039) released on Securities Times, Hong Kong Commercial Daily and Juchao Website (<http://www.cninfo.com.cn>) dated 18 July 2020.

Overview	Date for disclosure	Information index for temporary report disclosure
Relevant items of planning to transfer equity of the stock-jointly subsidiary and signing the intention agreement	2020-07-18	Notice on Planning to Transfer Equity of the Stock-Jointly Subsidiary and Signing the Intention Agreement (Notice No.: 2020-039) released on Securities Times, Hong Kong Commercial Daily and Juchao Website ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

Progress of shares buy-back

□Applicable    √Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

□Applicable    √Not applicable

## III. Commitments that the actual controller, shareholders, related party, acquirer and the Company etc. 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 actual controller, shareholders, related party, acquirer and the Company etc. have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

## IV. Financial asset investment

### 1. Particular about security investment

☐ Applicable ☒ Not applicable

The Company had no security investment in Period.

### 2. Particulars about derivatives investment

☐ Applicable ☒ Not applicable

The Company had no derivatives investment in Period.

## V. Progress of investment projects with raised funds

☐ Applicable ☒ Not applicable

## VI. Prediction of 2020 business performance

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

## VII. Major contracts for daily operations

☐ Applicable ☒ Not applicable

## VIII. Trust financing

☒ Applicable ☐ Not applicable

In RMB

Type	Capital sources	Amount entrust	Unexpired balance	Overdue amount
Bank financial products	Own funds	106,000,000	298,210,000	0
Total		106,000,000	298,210,000	0

Details of the single major amount, or high-risk entrust investment with low security, poor fluidity and non-guaranteed:

☐ Applicable ☒ Not applicable

Entrust financial expected to be unable to recover the principal or impairment might be occurred

☐ Applicable ☒ Not applicable

## IX. Guarantee outside against the regulation

☐ Applicable ☒ Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

## **X. Non-operational fund occupation from controlling shareholders and its related party**

☐ Applicable ☒ Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

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

☐ Applicable ☒ Not applicable

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

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Shenzhen Tellus Holding Co., Ltd.

September 30, 2020

In RMB

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	221,270,052.08	428,851,606.04
Settlement provisions		
Capital lent		
Tradable financial assets	299,198,582.57	60,486,575.34
Derivative financial assets		
Note receivable		
Account receivable	24,551,701.00	112,613,224.27
Receivable financing		
Accounts paid in advance	16,299,669.11	12,683,603.89
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	47,623,792.56	44,908,546.40
Including: Interest receivable		
Dividend receivable	39,647,732.42	39,647,732.42
Buying back the sale of financial assets		
Inventories	15,670,163.83	21,389,602.83
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	33,903,908.62	3,403,969.23

Total current assets	658,517,869.77	684,337,128.00
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	126,716,224.96	162,178,544.05
Investment in other equity instrument	10,176,617.20	10,176,617.20
Other non-current financial assets		
Investment real estate	541,402,184.99	554,599,503.55
Fixed assets	103,177,432.95	107,119,796.59
Construction in progress	110,515,997.92	47,654,393.55
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	49,648,213.14	50,561,225.67
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	14,473,865.00	13,606,805.49
Deferred income tax asset	8,629,755.74	8,658,962.39
Other non-current asset	30,560,611.14	6,889,167.54
Total non-current asset	995,300,903.04	961,445,016.03
Total assets	1,653,818,772.81	1,645,782,144.03
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	66,396,824.64	69,087,430.42
Accounts received in advance	20,060,250.04	27,299,822.71

Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	26,965,606.62	31,204,794.89
Taxes payable	14,125,400.74	71,425,267.61
Other account payable	154,499,007.56	101,266,802.49
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	282,047,089.60	300,284,118.12
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	3,920,160.36	3,920,160.36
Long-term wages payable		
Accrual liability	2,225,468.76	2,225,468.76
Deferred income	139,400.00	139,400.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	6,285,029.12	6,285,029.12

Total liabilities	288,332,118.72	306,569,147.24
Owner's equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	431,449,554.51	431,449,554.51
Less: Inventory shares		
Other comprehensive income	26,422.00	26,422.00
Reasonable reserve		
Surplus public reserve	21,007,488.73	21,007,488.73
Provision of general risk		
Retained profit	408,956,933.60	387,423,510.78
Total owner's equity attributable to parent company	1,292,498,718.84	1,270,965,296.02
Minority interests	72,987,935.25	68,247,700.77
Total owner's equity	1,365,486,654.09	1,339,212,996.79
Total liabilities and owner's equity	1,653,818,772.81	1,645,782,144.03

Legal Representative: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting institute: Liu Yuhong

## 2. Balance Sheet of Parent Company

In RMB

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	82,222,762.12	201,885,691.27
Trading financial assets	100,464,315.06	40,324,383.56
Derivative financial assets		
Note receivable		
Account receivable	206,710.76	206,710.76
Receivable financing		

Accounts paid in advance	26,400.00	100,000.00
Other account receivable	131,548,161.57	116,037,773.09
Including: Interest receivable		
Dividend receivable	547,184.35	547,184.35
Inventories		
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	5,014,926.51	1,419,760.18
Total current assets	319,483,276.02	359,974,318.86
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	890,681,562.11	859,355,040.60
Investment in other equity instrument	10,176,617.20	10,176,617.20
Other non-current financial assets		
Investment real estate	37,437,902.45	39,616,602.02
Fixed assets	13,992,559.97	14,012,830.64
Construction in progress	73,115,276.63	35,321,704.26
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	48,127,432.44	48,953,266.56
Research and development costs		
Goodwill		
Long-term deferred expenses	2,371,088.86	2,639,122.63
Deferred income tax assets	3,528,642.39	3,557,849.04
Other non-current assets	30,460,611.14	6,789,167.54
Total non-current assets	1,109,891,693.19	1,020,422,200.49
Total assets	1,429,374,969.21	1,380,396,519.35
Current liabilities		
Short-term borrowings		



Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	267,841.07	14,000.00
Accounts received in advance	1,822,089.80	
Contractual liability		
Wage payable	13,723,093.22	8,199,278.01
Taxes payable	2,407,558.31	54,684,929.01
Other accounts payable	344,081,998.59	257,260,350.77
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	362,302,580.99	320,158,557.79
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	362,302,580.99	320,158,557.79
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instrument		

Including: preferred stock		
Perpetual capital securities		
Capital public reserve	428,256,131.23	428,256,131.23
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	21,007,488.73	21,007,488.73
Retained profit	186,750,448.26	179,916,021.60
Total owner's equity	1,067,072,388.22	1,060,237,961.56
Total liabilities and owner's equity	1,429,374,969.21	1,380,396,519.35

### 3. Consolidated Profit Statement (the period)

In RMB

Item	Current period	Last period
I. Total operating income	96,868,200.81	147,368,783.52
Including: Operating income	96,868,200.81	147,368,783.52
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	89,402,056.59	129,187,557.75
Including: Operating cost	76,260,755.18	112,823,023.58
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		
Tax and extras	1,123,612.17	1,351,673.26
Sales expense	5,974,935.95	4,897,794.44

Administrative expense	6,523,967.25	9,156,755.99
R&D expense		
Financial expense	-481,213.96	958,310.48
Including: Interest expenses	400,000.00	1,159,928.56
Interest income	-942,789.54	-2,556,683.27
Add: other income	1,145,702.21	271,511.85
Investment income (Loss is listed with “-”)	7,097,708.47	5,855,398.96
Including: Investment income on affiliated company and joint venture	6,015,814.07	4,262,192.41
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	837,614.73	
Loss of credit impairment (Loss is listed with “-”)	131.63	174,862.69
Losses of devaluation of asset (Loss is listed with “-”)		-11,907.69
Income from assets disposal (Loss is listed with “-”)		140,947.04
III. Operating profit (Loss is listed with “-”)	16,547,301.26	24,612,038.62
Add: Non-operating income	91,971.23	-31,383.75
Less: Non-operating expense	40,000.00	1,587.39
IV. Total profit (Loss is listed with “-”)	16,599,272.49	24,579,067.48
Less: Income tax expense	2,270,444.21	4,150,432.73
V. Net profit (Net loss is listed with “-”)	14,328,828.28	20,428,634.75
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	14,328,828.28	20,428,634.75
2.termination of net profit (net loss listed with “-”)		

(ii) Classify by ownership		
1.Net profit attributable to owner's of parent company	14,042,886.48	19,261,241.23
2.Minority shareholders' gains and losses	285,941.80	1,167,393.52
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency		

financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	14,328,828.28	20,428,634.75
Total comprehensive income attributable to owners of parent Company	14,042,886.48	19,261,241.23
Total comprehensive income attributable to minority shareholders	285,941.80	1,167,393.52
VIII. Earnings per share:		
(i) Basic earnings per share	0.0326	0.0447
(ii) Diluted earnings per share	0.0326	0.0447

Legal Representative: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting institute: Liu Yuhong

#### 4. Profit Statement of Parent Company (the period)

In RMB

Item	Current period	Last period
I. Operating income	14,841,200.40	9,291,270.65
Less: Operating cost	2,905,764.50	874,952.45
Taxes and surcharge	348,042.42	330,105.68
Sales expenses	271,271.30	
Administration expenses	5,155,326.58	4,592,365.64
R&D expenses		
Financial expenses	-408,511.03	966,496.79
Including: interest expenses		1,114,808.00
Interest income	-410,695.78	-1,853,888.60
Add: other income		
Investment income (Loss is listed with "-")	4,100,070.30	4,921,934.63
Including: Investment income	3,863,575.08	3,991,312.37

on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	464,315.06	
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	11,133,691.99	7,449,284.72
Add: Non-operating income		6,940.95
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	11,133,691.99	7,456,225.67
Less: Income tax	1,209,549.76	9,735.55
IV. Net profit (Net loss is listed with “-”)	9,924,142.23	7,446,490.12
(i)continuous operating net profit (net loss listed with “-”)	9,924,142.23	7,446,490.12
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		

4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	9,924,142.23	7,446,490.12
VII. Earnings per share:		
(i) Basic earnings per share	0.0230	0.0173
(ii) Diluted earnings per share	0.0230	0.0173

## 5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	293,919,991.10	425,637,522.85
Including: Operating income	293,919,991.10	425,637,522.85
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	267,329,366.28	372,644,654.54

Including: Operating cost	231,035,342.70	323,317,036.00
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		
Tax and extras	2,500,339.74	4,319,838.32
Sales expense	12,751,080.49	14,256,308.73
Administrative expense	23,725,967.86	26,035,385.25
R&D expense		
Financial expense	-2,683,364.51	4,716,086.24
Including: Interest expenses	446,986.20	5,925,865.62
Interest income	-3,396,284.53	-1,404,628.58
Add: other income	1,198,548.91	278,123.14
Investment income (Loss is listed with "-")	19,979,198.97	22,566,849.89
Including: Investment income on affiliated company and joint venture	14,537,680.91	15,037,716.95
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with "-")		
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Income from change of fair value (Loss is listed with "-")	481,512.38	
Loss of credit impairment (Loss is listed with "-")	599,333.06	276,528.83
Losses of devaluation of asset (Loss is listed with "-")		-11,907.69
Income from assets disposal		244,106.72



(Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	48,849,218.14	76,346,569.20
Add: Non-operating income	1,038,078.15	88,241.69
Less: Non-operating expense	69,059.48	834,987.39
IV. Total profit (Loss is listed with “-”)	49,818,236.81	75,599,823.50
Less: Income tax expense	8,718,750.27	10,188,689.49
V. Net profit (Net loss is listed with “-”)	41,099,486.54	65,411,134.01
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	41,099,486.54	65,411,134.01
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	39,637,872.26	64,041,189.83
2.Minority shareholders’ gains and losses	1,461,614.28	1,369,944.18
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified		

subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	41,099,486.54	65,411,134.01
Total comprehensive income attributable to owners of parent Company	39,637,872.26	64,041,189.83
Total comprehensive income attributable to minority shareholders	1,461,614.28	1,369,944.18
VIII. Earnings per share:		
(i) Basic earnings per share	0.0920	0.1486
(ii) Diluted earnings per share	0.0920	0.1486

Legal Representative: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting institute: Liu Yuhong

## 6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	27,962,054.92	28,403,325.20

Less: Operating cost	6,763,484.07	2,649,509.45
Taxes and surcharge	757,131.78	1,116,336.75
Sales expenses	1,841,233.28	
Administration expenses	17,664,855.43	13,099,860.82
R&D expenses		
Financial expenses	-1,370,167.92	3,742,293.34
Including: interest expenses		4,725,451.70
Interest income	-1,460,954.48	-1,002,153.90
Add: other income	21,849.42	
Investment income (Loss is listed with “-”)	23,330,593.48	16,716,400.08
Including: Investment income on affiliated Company and joint venture	12,579,521.51	12,367,784.04
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	139,931.50	
Loss of credit impairment (Loss is listed with “-”)		-18,945.66
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	25,797,892.68	24,492,779.26
Add: Non-operating income	-18,810.00	26,366.66
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	25,779,082.68	24,519,145.92
Less: Income tax	840,206.58	774,206.65
IV. Net profit (Net loss is listed with “-”)	24,938,876.10	23,744,939.27
(i)continuous operating net profit (net loss listed with “-”)	24,938,876.10	23,744,939.27

(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	24,938,876.10	23,744,939.27
VII. Earnings per share:		
(i) Basic earnings per share	0.0579	0.0551

(ii) Diluted earnings per share	0.0579	0.0551
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## 7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	414,449,994.54	431,307,307.07
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		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received		
Other cash received concerning operating activities	97,462,502.03	35,433,801.62
Subtotal of cash inflow arising from operating activities	511,912,496.57	466,741,108.69
Cash paid for purchasing commodities and receiving labor service	219,090,488.56	316,903,853.04
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 capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	39,462,106.68	41,099,923.77
Taxes paid	72,870,782.65	15,344,440.44
Other cash paid concerning operating activities	66,984,474.05	35,424,465.54
Subtotal of cash outflow arising from operating activities	398,407,851.94	408,772,682.79
Net cash flows arising from operating activities	113,504,644.63	57,968,425.90
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,028,050,000.00	1,342,157,575.52
Cash received from investment income	20,718,816.21	49,812,733.56
Net cash received from disposal of fixed, intangible and other long-term assets	32,400.00	302,900.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		148,187,000.00
Subtotal of cash inflow from investing activities	1,048,801,216.21	1,540,460,209.08
Cash paid for purchasing fixed, intangible and other long-term assets	121,583,181.05	95,210,796.24
Cash paid for investment	1,231,260,000.00	1,374,620,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	1,352,843,181.05	1,469,830,796.24
Net cash flows arising from investing activities	-304,041,964.84	70,629,412.84

III. Cash flows arising from financing activities		
Cash received from absorbing investment	7,000,000.00	20,000,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	7,000,000.00	20,000,000.00
Cash received from loans		158,020,000.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	7,000,000.00	178,020,000.00
Cash paid for settling debts	2,952,372.85	253,614,887.55
Cash paid for dividend and profit distributing or interest paying	21,825,829.24	6,031,611.05
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	24,778,202.09	259,646,498.60
Net cash flows arising from financing activities	-17,778,202.09	-81,626,498.60
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	88.42	9.84
V. Net increase of cash and cash equivalents	-208,315,433.88	46,971,349.98
Add: Balance of cash and cash equivalents at the period -begin	400,668,257.81	142,848,120.69
VI. Balance of cash and cash equivalents at the period -end	192,352,823.93	189,819,470.67

## 8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	26,308,394.79	25,003,577.51

Write-back of tax received		
Other cash received concerning operating activities	129,151,090.40	8,002,129.94
Subtotal of cash inflow arising from operating activities	155,459,485.19	33,005,707.45
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	20,382,445.94	13,452,722.60
Taxes paid	56,244,533.03	2,466,614.79
Other cash paid concerning operating activities	50,104,038.39	16,204,073.88
Subtotal of cash outflow arising from operating activities	126,731,017.36	32,123,411.27
Net cash flows arising from operating activities	28,728,467.83	882,296.18
II. Cash flows arising from investing activities:		
Cash received from recovering investment	392,000,000.00	727,000,000.00
Cash received from investment income	10,892,118.02	22,458,538.51
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		148,187,000.00
Subtotal of cash inflow from investing activities	402,892,118.02	897,645,538.51
Cash paid for purchasing fixed, intangible and other long-term assets	63,165,945.48	63,593,442.68
Cash paid for investment	470,747,000.00	749,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	533,912,945.48	812,593,442.68
Net cash flows arising from investing activities	-131,020,827.46	85,052,095.83



III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		143,000,000.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		143,000,000.00
Cash paid for settling debts		193,000,000.00
Cash paid for dividend and profit distributing or interest paying	18,104,449.44	4,958,262.11
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	18,104,449.44	197,958,262.11
Net cash flows arising from financing activities	-18,104,449.44	-54,958,262.11
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-120,396,809.07	30,976,129.90
Add: Balance of cash and cash equivalents at the period -begin	173,702,343.04	62,172,486.14
VI. Balance of cash and cash equivalents at the period -end	53,305,533.97	93,148,616.04

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules from 2020

☒ Applicable ☐ Not applicable

Whether to adjust the balance sheet account at the beginning of the year

☐ Yes ☒ No

Reasons for not adjusting the balance sheet account at the beginning of the year

On 5 July 2017, the Ministry of Finance issued the "Notice of Amendments and Issuance" (Cai Kuai [2017] No.22) (hereinafter referred to as New Revenue Standard), and requires the enterprises listed in China to take effect on 1 January 2020.

The Company release the accounting statements in accordance with the requirement of New Revenue Standards since 1 January 2020, and there is no need to retrograde the comparable for year of 2019, change of the accounting policy has no impact on the relevant financial index for year of 2019.

**2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020**

☐Applicable    ☒Not applicable

**III. Audit report**

Whether the 3<sup>rd</sup> quarterly report has been audited or not

☐Yes   ☒No

The 3<sup>rd</sup> quarterly report of the Company has not been audited.