

**Shenzhen Tellus Holding Co., Ltd.**  
**First Quarterly Report 2016**

**April 2016**

## **Section I. Important Notes**

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

**All Directors are attended the Board Meeting for Quarterly Report deliberation. Lv Hang, Person in charge of the Company, Yang Jianping, person in charge of accounting works and Ke Wensheng, person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.**

## Section II. Main financial data and changes of shareholders

### I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes  No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	79,720,863.02	81,285,344.52	-1.92%
Net profit attributable to shareholders of the listed company(RMB)	6,162,157.52	788,018.17	681.98%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	5,079,579.34	767,054.77	562.22%
Net cash flow arising from operating activities(RMB)	3,260,759.65	29,617,359.36	-88.99%
Basic earnings per share (RMB/Share)	0.0207	0.0032	546.88%
Diluted earnings per share (RMB/Share)	0.0207	0.0032	546.88%
Weighted average ROE	0.71%	0.15%	0.56%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	1,146,134,010.72	1,168,667,927.49	-1.93%
Net assets attributable to shareholder of listed company (RMB)	874,331,209.84	868,169,052.32	0.71%

Items of non-recurring gains and losses

Applicable  Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-1,237.84	
Profit and loss of assets delegation on others' investment or management	1,079,369.87	Bank guaranteed financial products revenue
Other non-operating income and expenditure except for the aforementioned items	5,715.59	
Less: Impact on income tax	869.44	

Impact on minority shareholders' equity (post-tax)	400.00	
Total	1,082,578.18	--

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

Applicable  Not applicable

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

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

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

In shares

Total number of common shareholders at the end of report period		66,810	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
SHENZHEN SDG CO., LTD.	State-owned corporation	51.09%	151,870,560	20,587,056		
Shenzhen Zhiyuan Fuhai Jewelry Industry Investment Enterprises (limited partnership)	Domestic non-state-owned corporation	23.88%	71,000,000	71,000,000		
KGI ASIA LIMITED	Foreign corporation	2.45%	7,292,417			
UOB Kai Hian (Hongkong) Co., Ltd.	Foreign corporation	0.40%	1,195,593			
GUOTAI JUNAN	Foreign corporation	0.37%	1,094,032			

SECURITIES(HONGKONG) LIMITED						
Weng Zhengwen	Foreign nature person	0.20%	604,499			
Zeng Huiming	Foreign nature person	0.13%	400,000			
Guoyuan Securities Brokerage (Hong Kong) Co., Ltd.	Foreign corporation	0.13%	379,078			
Li Guangxin	Domestic nature person	0.11%	314,158			
He Xing	Domestic nature person	0.10%	311,400			
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
SHENZHEN SDG CO., LTD.	131,283,504	RMB ordinary shares	131,283,504			
KGI ASIA LIMITED	7,292,417	Domestically listed foreign shares	7,292,417			
UOB Kai Hian (Hongkong) Co., Ltd.	1,195,593	Domestically listed foreign shares	1,195,593			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,094,032	Domestically listed foreign shares	1,094,032			
Weng Zhengwen	604,499	Domestically listed foreign shares	604,499			
Zeng Huiming	400,000	Domestically listed foreign shares	400,000			
Guoyuan Securities Brokerage (Hong Kong) Co., Ltd.	379,078	Domestically listed foreign shares	379,078			
Li Guangxin	314,158	Domestically listed foreign shares	314,158			

		shares	
He Xing	311,400	Domestically listed foreign shares	311,400
Huang Chuyun	265,900	Domestically listed foreign shares	265,900
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders Shenzhen SDG Co., Ltd and other shareholders, and they do not belong to the 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)	N/A		

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Significant Events

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

√ Applicable □ Not applicable

Balance sheet	Balance at period-end	Balance at year-begin	Change amount	Changes ratio	Reasons of changes
Account receivable	2,686,227.71	562,051.31	2,124,176.40	377.93%	Mainly due to an increase in accounts receivable for automobiles of subsidiary Huari Toyota Company.
Inventory	9,828,536.01	16,151,336.61	-6,322,800.60	-39.15%	Mainly because the inventory of automobiles in the subsidiary Huari Toyota Company has decreased.
Accounts received in advance	4,147,623.49	11,460,807.66	-7,313,184.17	-63.81%	Mainly because the subsidiary Huari Toyota Company has achieved sales carry-over funds in advance for automobiles.
Undistributed profit	9,904,418.01	3,742,260.49	6,162,157.52	164.66%	Net profit attributable to the parent company in current period has increased.

Item	Amount at this year	At same period of last year	Change amount	Changes ratio	Reasons of changes
Financial expenses	407,067.07	3,911,379.82	-3,504,312.75	-89.59%	Mainly because repayment of loans has reduced the interest expenses.
Total profit	6,476,926.40	793,410.55	5,683,515.85	716.34%	Mainly because the increase in rental income for the quarter year-on-year ,and the repayment of loans led to interest expense decrease year on year which cause an increase in total profit
Net profit	6,184,364.57	430,573.15	5,753,791.42	1336.31%	Mainly because the increase in rental income for the quarter year-on-year ,and the repayment of loans led to interest expense decrease year on year which cause an increase in total profit
Net profit attributable to the parent company	6,162,157.52	788,018.17	5,374,139.35	681.98%	Mainly because the increase in rental income for the quarter year-on-year ,and the repayment of loans led to interest expense decrease year on year which cause an increase in total profit
Net cash	3,260,759.65	29,617,359.36	-26,356,599.71	-88.99%	Mainly because the subsidiary Huari Toyota

flows from operating activities					Company has devoted greater efforts to sell the stocks of the beginning of the year in the same period of last year.
Net cash flows from investment activities	10,694,567.83	-32,216,038.75	42,910,606.58		Mainly because the redemption of financial products at the beginning of the year has increased cash inflows.
Net cash flows from financing activities	-12,387,491.67	622,869,185.00	-635,256,676.67		Mainly because the private placement in the same period of last year has fully funded, resulting in cash inflows.

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

√ Applicable □ Not applicable

The company has received the “Notification letter about Shenzhen SDG Co., Ltd. plans to reduce holding some shares of Tellus A” issued by the controlling shareholder Shenzhen SDG Co., Ltd. (hereinafter referred to as “SDG”) on April 11, 2016, SDG plans to reduce holding at most 5,945,632 shares of the Company (accounting for no more than 2% of the Company’s total capital) by aggregate auction within 6 months 15 days after the date of announcement.

Overview	Date for disclosure	Information index for temporary report disclosure
Shenzhen SDG Co., Ltd. plans to reduce holding some shares of Tellus A	2016-04-12	"Securities Times", "Hong Kong Commercial Daily" and www.cninfo.com.cn: No. 2016-020 – “Announcement on controlling shareholders’ plan for reducing holding shares of Shenzhen Tellus (Group) Co., Ltd.”

## 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

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for share merger reform	SDG	Commitments for share merger reform	(I) Commitments during the work of Share Merger Reform of the Company: 1. Commitments on Lock-up period (1) In accordance with the Measures for the Administration of the Share Merger Reform of Listed Companies, SDG would abide by the various laws, regulations and rules, and perform its	2005-12-25	Long-term	Implementing



		<p>statutory commitment duty. (2) Apart from the above-mentioned statutory commitment, SDG also made the following special commitment: with 36 months since the day the reform plan starts to take effect, SDG would not list at Shenzhen Stock Exchange and sell the shares of Tellus it held (except for the shares used to promote the administration level of Tellus). (3) The administration level would abide by the laws, regulations and rules, and perform its statutory commitment duty. (4) SDG made the commitment: “The Promiser hereby promises that, if the Promiser failed to fulfill its commitment or not fully fulfill its commitment, it would compensate other shareholders for their losses suffered thereafter”. (5) SDG declared: “The Promiser would dutifully fulfill its commitments and shoulder corresponding legal responsibilities. The Promiser would transfer the shares held by it only if the assignee agree and have the ability to shoulder the commitment responsibility.”</p> <p>2. Special commitment concerning the incentive mechanism</p> <p>In order to effectively boost the core management level and business backbones for long, SDG would take out its shares, not exceeding 10% in total number after the Share Merger Reform, and apply them to the boost of the administration level. The shares would be sold to the Company’s administrative level over 3 years, with the selling price being the net asset value per share audited during the period nearest to the implementation. Before the implementation of the promoting plan by share selling each year, the administration level must prepay the Company a risk responsibility fund, i.e. 20% of the planned selling price; Should the work of the performance examination set by the Board failed to be finished, the paid risk responsibility fund would not be refunded and shall be owned by the Company. Detailed rules concerning the limitations on the administration level, such as the subscription conditions and risk responsibility fund, and boost plans would be set by the Board and submitted to relevant departments for</p>			
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			approval. The implementation of the shares for promoting would be conducted strictly according to relevant laws and regulations, and the circulation conditions of these shares would be in conformity with relevant regulations set by the Shenzhen Stock Exchange.  3. Relevant expenses of this Share Merger Reform of Tellus would be paid by SDG.			
	SDG	Commitments for Share Merger Reform	SDG, the controlling shareholder of the Company, made a special commitment of incentive mechanism in Share Merger Reform. After that SASAC and Ministry of Finance jointly issued a “Trial Approach of Equity Incentive for State-Owned Listed Companies”, and CSRC issued the “Incentive Management on Shares of Listed Companies (Trial)”, after comparison, the above mentioned commitments made by SDG are out of the relevant regulations and requirement, relevant commitments are not implemented as a result. On 26 June 2014, the Company actively communicating with SDG, and promised that on the premise of subjecting to applicable laws and regulations and supervision requirements, continues to support the Company promote a long-term incentive plan as soon as possible in stead of the commitments made in share merger reform, and complete the long-term incentive plan before 30 June 2016. At that time, the long-term incentive plan shall be implemented after submit for deliberation in General Meeting.	2014-06-26	2016-6-30	Implementing
Commitments in report of acquisition or equity change						
Commitments in assets reorganization						
Commitments make in initial public offering or re-financing	ShenZhen Tellus Holding Co.,Ltd	Other	The commitments to the fulfillment of information disclosure about the company business development are as follows: except for the information has been disclosed publicly, the Company has not had the disclosed information about asset acquisition and business development	2014-10-17	Long-term	Implementing

			that has not been disclosed within one year. In the future, the company shall timely, accurately and adequately disclose the relevant information according to the progress of new business and the related requirements.			
Equity incentive commitment						
Other commitments for medium and small shareholders	SDG	Horizontal Competition	In order to avoid the horizontal competition, the company's controlling shareholder, Shenzhen SDG Co., Ltd., has issued the "commitment letter about the avoidance of horizontal competition" on May 26, 2014. The full commitment letter is as follows: 1. The Company and other enterprises controlled by the Company except Test Rite Group haven't occupied in any business that could substantially compete with the main businesses of Tellus Group, and have no horizontal competition relationship with Tellus Group.	2014-05-26	Long-term	Implementing
	Shenzhen Tellus Holding Co.,Ltd	Commitments for dividend	From 2014 to 2016, the company's profits will first be used to cover the losses of previous years; after making up for losses of previous years, in the premise that the company's profits and cash flow can meet the company's normal operations and long-term development, reward shareholders, the company will implement positive profit distribution approaches to reward the shareholders, details are as follows: 1. The company's profit distribution can adopt cash, stock or the combination of cash and stock or other methods permitted by law. The foreign currency conversion rates of domestically listed foreign shares dividend are calculated according to the standard price of HK dollar against RMB announced by People's Bank of China on the first working day after the resolution date of the shareholders' meeting. The company prefers to adopt the cash dividends to distribute profits. In order to maintain the adaptability between capital expansion and performance growth, in the premise of ensuring the full cash dividend distributions and the rationality of equity scale and equity structure, the company can adopt the stock dividend methods to distribute profits. 2. According to the "Company Law" and other relevant laws and the provisions of	2014-06-03	2016-12-31	Implementing

		<p>the company's "Articles of Association", following conditions should be satisfied when the company implements cash dividends: (1) the company's annual distributable profits (i.e. the after-tax profits after making up for losses and withdrawing accumulation funds) are positive value, the implementation of cash dividends will not affect the company's subsequent continuing operations; (2) the audit institution issues the standard audit report with clean opinion to the company's annual financial report; (3) the company has no significant investment plans or significant cash outlay (except for fund-raising projects). Major investment plans or significant cash outlay refer to: the accumulated expenditures the company plans to used for investments abroad, acquisition of assets, or purchase of equipments within the next 12 months reach or exceed 30% of the net assets audited in the latest period. 3. In the premise of meeting the conditions of cash dividends and ensuring the company's normal operation and long-term development, the company makes cash dividends once a year in principle, the company's board of directors can propose the company to make interim cash dividends in accordance with the company's profitability and capital demand conditions. The proportion of cash dividends in profits available for distribution and in distribution of profits should meet the following requirements: (1) in principle, the company's profits distributed in cash every year should not be less than 10% of profit available for distribution realized in the same year, and the company's profits accumulatively distributed in cash in the last three years should not be less than 30% of the annual average profit available for distribution realized in the last three years. (2) if the company's development stage belongs to mature stage and there is no significant capital expenditure arrangement, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 80%; (3) if the company's development stage belongs to mature stage and there are significant capital expenditure arrangements, when distributing profits, the</p>			
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			<p>minimum proportion of cash dividends in this profit distribution should be 40%; (4) if the company's development stage belongs to growth stage and there are significant capital expenditure arrangements, when distributing profits, the minimum proportion of cash dividends in this profit distribution should be 20%; when the company's development stage is not easy to be differed but there are significant capital expenditure arrangements, please handle according to the preceding provisions. 4. On the condition of meeting the cash dividend distribution, if the company's operation revenue and net profit grow fast, and the board of directors considers that the company's equity scale and equity structure are reasonable, the company can propose and implement the dividend distribution plans except proposing the cash dividend distribution plans. When allocating stock dividend every time, the stock dividend per 10 shares should be no less than 1 share. Stock allocation can be implemented individually or in combination of cash dividends. When confirming the exact amount of profit distribution by stock, the company should fully consider if the general capital after profit distribution by stock matches with the company's current operation scale and profit growth rate and consider the impact on future financing so as to make sure the allocation plans meet the overall interests of all shareholders.</p>			
Completed on time(Y/N)	Y					
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan	Not applicable					

#### IV. Forecast of operation performance from Jan. – June of 2016

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. Securities Investment**

Applicable  Not applicable

No security investment in Period.

## **VI. Derivative investment**

Applicable  Not applicable

No derivative investment in Period.

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

Applicable  Not applicable

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

## **VIII. Guarantee outside against the regulation**

Applicable  Not applicable

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

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

Applicable  Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by ShenZhen Tellus Holding Co.,Ltd.

2016-03-31

In RMB

Items	Closing balance	Opening balance
Current assets:		
Monetary funds	160,752,546.74	159,184,710.93
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	2,686,227.71	562,051.31
Accounts paid in advance	5,853,249.29	6,454,769.40
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		348,833.33
Dividend receivable		
Other receivables	10,685,204.82	11,128,001.89
Purchase restituted finance asset		
Inventories	9,828,536.01	16,151,336.61
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	132,019,674.72	165,565,445.21
Total current assets	321,825,439.29	359,395,148.68
Non-current assets:		

Loans and payments on behalf		
Finance asset available for sales	10,478,985.77	10,478,985.77
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	219,702,355.51	220,180,721.29
Investment property	80,970,208.64	82,100,133.48
Fixed assets	134,603,133.57	136,583,565.00
Construction in progress	298,081,462.00	279,056,650.35
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	52,669,658.22	52,985,273.37
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	1,424,059.96	1,499,006.24
Deferred income tax asset	24,478,707.76	24,488,443.31
Other non-current asset	1,900,000.00	1,900,000.00
Total non-current asset	824,308,571.43	809,272,778.81
Total assets	1,146,134,010.72	1,168,667,927.49
Current liabilities:		
Short-term loans		
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		
Accounts payable	23,490,306.91	27,417,068.61
Accounts received in advance	4,147,623.49	11,460,807.66
Selling financial asset of repurchase		
Commission charge and		



commission payable		
Wage payable	19,188,524.06	19,639,738.81
Taxes payable	9,489,018.24	10,043,901.26
Interest payable		
Dividend payable		
Other accounts payable	177,386,892.49	193,797,786.68
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	233,702,365.19	262,359,303.02
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	13,972,779.67	13,972,779.67
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities	416,741.61	478,085.12
Other non-current liabilities	13,269,356.04	13,269,356.04
Total non-current liabilities	27,658,877.32	27,720,220.83
Total liabilities	261,361,242.51	290,079,523.85
Owner's equity:		
Share capital	297,281,600.00	297,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		

Capital public reserve	564,192,605.51	564,192,605.51
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	2,952,586.32	2,952,586.32
Provision of general risk		
Retained profit	9,904,418.01	3,742,260.49
Total owner's equity attributable to parent company	874,331,209.84	868,169,052.32
Minority interests	10,441,558.37	10,419,351.32
Total owner's equity	884,772,768.21	878,588,403.64
Total liabilities and owner's equity	1,146,134,010.72	1,168,667,927.49

Legal representative: Lv Hang

Person in charge of accounting works: Yang Jianping

Person in charge of accounting organ: Ke Wensheng

## 2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	89,885,229.30	80,301,551.68
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable		
Account paid in advance	101,280.00	101,280.00
Interest receivable		348,833.33
Dividends receivable		
Other receivables	97,806,266.08	93,744,827.52
Inventories		
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	130,000,000.00	145,000,000.00

Total current assets	317,792,775.38	319,496,492.53
Non-current assets:		
Available-for-sale financial assets	10,176,617.20	10,176,617.20
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	682,852,270.03	682,223,207.17
Investment property	52,037,324.44	52,808,715.01
Fixed assets	16,855,085.62	17,096,105.47
Construction in progress	362,279.69	362,279.69
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	448,418.10	478,422.33
Research and development costs		
Goodwill		
Long-term deferred expenses	30,731.39	31,644.20
Deferred income tax assets	13,937,460.69	13,947,196.24
Other non-current assets		
Total non-current assets	776,700,187.16	777,124,187.31
Total assets	1,094,492,962.54	1,096,620,679.84
Current liabilities:		
Short-term borrowings		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable		
Accounts received in advance		
Wage payable	5,461,463.21	5,247,871.02
Taxes payable	524,088.91	592,579.23
Interest payable		
Dividend payable		

Other accounts payable	312,649,139.06	320,935,774.45
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	318,634,691.18	326,776,224.70
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	318,634,691.18	326,776,224.70
Owners' equity:		
Share capita	297,281,600.00	297,281,600.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	560,999,182.23	560,999,182.23
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	2,952,586.32	2,952,586.32
Retained profit	-85,375,097.19	-91,388,913.41
Total owner's equity	775,858,271.36	769,844,455.14
Total liabilities and owner's equity	1,094,492,962.54	1,096,620,679.84

## 3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	79,720,863.02	81,285,344.52
Including: Operating income	79,720,863.02	81,285,344.52
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	73,849,418.46	80,575,356.86
Including: Operating cost	58,812,336.35	63,046,997.78
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	1,622,851.91	1,257,341.86
Sales expenses	3,535,418.08	4,779,425.47
Administration expenses	9,471,745.05	7,580,211.93
Financial expenses	407,067.07	3,911,379.82
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	601,004.09	55,390.23
Including: Investment income on affiliated company and joint venture	-478,365.78	55,390.23
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	6,472,448.65	765,377.89

Add: Non-operating income	9,115.59	28,048.23
Including: Disposal gains of non-current asset		
Less: Non-operating expense	4,637.84	15.57
Including: Disposal loss of non-current asset	1,237.84	
IV. Total Profit (Loss is listed with “-”)	6,476,926.40	793,410.55
Less: Income tax expense	292,561.83	362,837.40
V. Net profit (Net loss is listed with “-”)	6,184,364.57	430,573.15
Net profit attributable to owner’s of parent company	6,162,157.52	788,018.17
Minority shareholders’ gains and losses	22,207.05	-357,445.02
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	6,184,364.57	430,573.15
Total comprehensive income attributable to owners of parent Company	6,162,157.52	788,018.17
Total comprehensive income attributable to minority shareholders	22,207.05	-357,445.02
VIII. Earnings per share:		
(i) Basic earnings per share	0.0207	0.0032
(ii) Diluted earnings per share	0.0207	0.0032

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

Legal representative: Lv Hang

Person in charger of accounting works: Yang Jianping

Person in charger of accounting organ: Ke Wensheng

#### 4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	10,216,640.80	7,001,308.74
Less: Operating cost	935,820.47	926,624.02
Operating tax and extras	572,131.88	392,073.27
Sales expenses		
Administration expenses	4,079,657.55	3,174,099.92
Financial expenses	244,007.76	2,889,799.36
Losses of devaluation of asset		

Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	1,638,528.63	522,570.79
Including: Investment income on affiliated company and joint venture	629,062.86	522,570.79
II. Operating profit (Loss is listed with “-”)	6,023,551.77	141,282.96
Add: Non-operating income		
Including: Disposal gains of non-current asset		
Less: Non-operating expense		
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	6,023,551.77	141,282.96
Less: Income tax expense	9,735.55	9,735.55
IV. Net profit (Net loss is listed with “-”)	6,013,816.22	131,547.41
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	6,013,816.22	131,547.41
VII. Earnings per share:		
(i) Basic earnings per share	0.0202	0.0005
(ii) Diluted earnings per share	0.0202	0.0005

## 5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	72,495,435.90	82,736,862.70
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		
Other cash received concerning operating activities	12,023,046.33	8,090,089.32
Subtotal of cash inflow arising from operating activities	84,518,482.23	90,826,952.02
Cash paid for purchasing commodities and receiving labor service	41,761,809.34	30,813,742.32
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	17,953,619.18	15,200,586.22
Taxes paid	6,537,460.58	3,831,180.11
Other cash paid concerning operating activities	15,004,833.48	11,364,084.01
Subtotal of cash outflow arising from operating activities	81,257,722.58	61,209,592.66
Net cash flows arising from operating activities	3,260,759.65	29,617,359.36
II. Cash flows arising from investing activities:		
Cash received from recovering	78,000,000.00	

investment		
Cash received from investment income	1,079,369.87	
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	79,079,369.87	
Cash paid for purchasing fixed, intangible and other long-term assets	23,384,802.04	32,216,038.75
Cash paid for investment	45,000,000.00	
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	68,384,802.04	32,216,038.75
Net cash flows arising from investing activities	10,694,567.83	-32,216,038.75
III. Cash flows arising from financing activities		
Cash received from absorbing investment		635,500,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		24,698,215.03
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		660,198,215.03
Cash paid for settling debts		33,100,000.00

Cash paid for dividend and profit distributing or interest paying	12,387,491.67	3,952,030.03
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		277,000.00
Subtotal of cash outflow from financing activities	12,387,491.67	37,329,030.03
Net cash flows arising from financing activities	-12,387,491.67	622,869,185.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	1,567,835.81	620,270,505.61
Add: Balance of cash and cash equivalents at the period -begin	159,184,710.93	80,045,669.65
VI. Balance of cash and cash equivalents at the period -end	160,752,546.74	700,316,175.26

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	10,945,790.43	5,335,204.77
Write-back of tax received		
Other cash received concerning operating activities	21,207,672.58	8,621,975.36
Subtotal of cash inflow arising from operating activities	32,153,463.01	13,957,180.13
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	5,562,167.56	5,066,273.89

Taxes paid	1,030,910.74	686,365.45
Other cash paid concerning operating activities	19,588,782.19	4,728,429.55
Subtotal of cash outflow arising from operating activities	26,181,860.49	10,481,068.89
Net cash flows arising from operating activities	5,971,602.52	3,476,111.24
II. Cash flows arising from investing activities:		
Cash received from recovering investment	55,000,000.00	
Cash received from investment income	1,009,465.77	
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	56,009,465.77	
Cash paid for purchasing fixed, intangible and other long-term assets	9,899.00	31,680.80
Cash paid for investment	40,000,000.00	
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	40,009,899.00	31,680.80
Net cash flows arising from investing activities	15,999,566.77	-31,680.80
III. Cash flows arising from financing activities		
Cash received from absorbing investment		635,500,000.00
Cash received from loans		

Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		635,500,000.00
Cash paid for settling debts		14,100,000.00
Cash paid for dividend and profit distributing or interest paying	12,387,491.67	3,197,076.67
Other cash paid concerning financing activities		277,000.00
Subtotal of cash outflow from financing activities	12,387,491.67	17,574,076.67
Net cash flows arising from financing activities	-12,387,491.67	617,925,923.33
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	9,583,677.62	621,370,353.77
Add: Balance of cash and cash equivalents at the period -begin	80,301,551.68	26,441,746.73
VI. Balance of cash and cash equivalents at the period -end	89,885,229.30	647,812,100.50

## II. Audit report

Whether the first quarterly report had been audited or not

Yes  No

The 1Q report of the Company was unaudited.