



Chengde Nanjiang Co., Ltd.
First Quarterly Report 2016

April 2016

Section I. Important Notes

Board of Directors and the Supervisory Committee of Chengde Nanjiang 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. Zhao Yongsheng, Person in charge of the Company, Zhao Yongsheng, person in charger of accounting works and Liu Guofeng, person in charger 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 |
|---|------------------------------------|--------------------------|------------------|--|
| | | Before adjustment | After adjustment | After adjustment |
| Operating income (RMB) | 46,379,194.49 | 76,700,090.57 | 26,398,533.74 | 75.69% |
| Net profit attributable to shareholders of the listed company(RMB) | 1,078,731.20 | -6,512,864.22 | -6,204,376.06 | 117.39% |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB) | 1,147,902.15 | -6,556,527.19 | -6,248,039.03 | 118.37% |
| Net cash flow arising from operating activities(RMB) | 30,707,074.03 | -13,134,238.84 | -13,134,238.84 | 333.79% |
| Basic earnings per share (RMB/Share) | 0.002 | -0.01 | -0.01 | 120.00% |
| Diluted earnings per share (RMB/Share) | 0.002 | -0.01 | -0.01 | 120.00% |
| Weighted average ROE (%) | 0.31% | -2.27% | -2.16% | 2.47% |
| | 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 |
| | | Before adjustment | After adjustment | After adjustment |
| Total assets (RMB) | 864,868,178.16 | 854,793,263.22 | 854,793,263.22 | 1.18% |
| Net assets attributable to shareholder of listed company (RMB) | 353,334,854.76 | 352,256,123.56 | 352,256,123.56 | 0.31% |

The causes of changes in accounting policies and the situation of accounting error correction

Some sold products of Nanjiang Huijing Tiandi Community project developed and constructed by the Company has not been handled with property right registration procedures, resulting in the recognition criteria not completely meeting the revenue, the company has adjusted the data of this part after the confirmation of accountants, resulting in the differences between the above-mentioned financial index and the financial indicators related to the disclosed quarterly reports reports.

Items of non-recurring gains and losses

Applicable Not applicable

In RMB

| Item | Amount from year-begin to period-end | Note |
|--|--------------------------------------|------|
| Other non-operating income and expenditure except for the aforementioned items | -69,170.95 | |
| Total | -69,170.95 | -- |

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 | 19,555 | 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 non-tradable shares held | Number of share pledged/frozen | |
| | | | | | State of share | Amount |
| Wang Dong | Domestic natural person | 29.49% | 208,324,800 | 208,324,800 | Frozen | 208,324,800 |
| China Everbright Securities (HK) Limited | Overseas legal person | 13.28% | 93,833,093 | 0 | | |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | Overseas legal person | 6.87% | 48,524,062 | 0 | | |
| Chengde North Industrial Corporation | Domestic non-state-owned legal person | 2.62% | 18,517,651 | 18,517,651 | | |
| Wang Zhengsong | Domestic natural person | 1.89% | 13,327,891 | 13,327,891 | | |
| Wang Wensheng | Domestic natural person | 1.03% | 7,258,007 | 0 | | |

| Zhou Haihong | Domestic natural person | 0.95% | 6,708,495 | 0 | |
|--|--------------------------------|------------------------------------|------------|---|--|
| Li Tianyun | Domestic natural person | 0.73% | 5,158,000 | 0 | |
| Shanghai H.K. Wangguo Securities | Overseas legal person | 0.71% | 4,995,920 | 0 | |
| Chen Yan | Domestic natural person | 0.57% | 4,023,256 | 0 | |
| Top ten shareholders with tradable shares held | | | | | |
| Shareholder's name | Amount of tradable shares held | Type of shares | | | |
| | | Type | Amount | | |
| China Everbright Securities (HK) Limited | 93,833,093 | Domestically listed foreign shares | 93,833,093 | | |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | 48,524,062 | Domestically listed foreign shares | 48,524,062 | | |
| Wang Wensheng | 7,258,007 | Domestically listed foreign shares | 7,258,007 | | |
| Zhou Haihong | 6,708,495 | Domestically listed foreign shares | 6,708,495 | | |
| Li Tianyun | 5,158,000 | Domestically listed foreign shares | 5,158,000 | | |
| Shanghai H.K. Wangguo Securities | 4,995,920 | Domestically listed foreign shares | 4,995,920 | | |
| Chen Yan | 4,023,256 | Domestically listed foreign shares | 4,023,256 | | |
| Zhao Ziyang | 3,286,616 | Domestically listed foreign shares | 3,286,616 | | |
| VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 3,182,875 | Domestically listed foreign shares | 3,182,875 | | |
| Peng Wei | 2,978,525 | Domestically listed foreign | 2,978,525 | | |

| | | | |
|---|--|--------|--|
| | | shares | |
| Explanation on associated relationship among the aforesaid shareholders | The Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “management method for acquisition of listed company” among the above said shareholders. | | |
| Explanation on top ten 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

| Serial 1 | Item | Ending balance | Opening balance | Changes | | Reasons |
|-------------|--|----------------|-----------------|----------------|------------------|---|
| | | | | Amount changed | Ratio changed | |
| 1 | Long-term equity investment | 27,343,974.43 | 2,343,974.43 | 25,000,000.00 | 1066.56% | Due to an increase in funds invested in Dongguan Dongfeng in current period |
| 2 | Operation income | 46,379,194.49 | 26,398,533.74 | 19,980,660.75 | 75.69% | Due to an increase in carry-over incomes from real estate in current period |
| 3 | Operation cost | 36,430,367.17 | 26,996,960.32 | 9,433,406.85 | 34.94% | Due to an increase in cost from real estate in current period |
| 4 | Operation taxes and additional | 2,726,869.98 | 17,761.16 | 2,709,108.82 | 15252.99% | Due to an increase in taxes and dues on carry-over incomes from real estate in current period |
| 5 | Operation profit | 559,568.39 | -6,783,369.20 | 7,342,937.59 | 108.25% | Due to an increase in profits of carry-over incomes from real estate in current period |
| 6 | Net cash flow from operation activity | 30,707,074.03 | -13,134,238.84 | 43,841,312.87 | 333.79% | Due to an increase in house-selling funds in current period |
| 7 | Net cash flow from investment activity | -26,108,450.99 | -142,355.00 | -25,966,095.99 | -18240.38% | Because the funds invested in Dongguan Dongfeng has been paid in current period |

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

□ Applicable √ Not applicable

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 | Content of commitments | Commitment date | Commitment term | Implementation |
|-------------|---------|---------|------------------------|-----------------|-----------------|----------------|
|-------------|---------|---------|------------------------|-----------------|-----------------|----------------|

| | | commitments | | | | |
|---|-------------------------|--|--|------------|-------------------------|--|
| Commitments for Share Merger Reform | | | | | | |
| Commitments in report of acquisition or equity change | Controlling shareholder | Commitments in horizontal competition, related transactions, and capital occupying | <p>1. Commitments in aspect of independency of listed company:</p> <p>For the equity changes, that is 208,324,800 shares of Chengde Dalu Co., Ltd held by Chen Rong was transfer, Wang Dong guarantee there are no influence on the independent of employee, financial, institution, business and integrity of assets of Chengde Dalu Co., Ltd. After transaction, Chengde Dalu Co., Ltd still has the ability of independent operation and owes independent legal person, and continues to owes the independency of institution, assts, employees, production and financial. 2. Commitments for horizontal competition: after 208,324,800 shares of Chengde Dalu Co., Ltd held by Chen Rong was transfer, Wang Dong guarantee there are no or potential horizontal competition between the Chengde Dalu Co., Ltd and Wang Dong and related parties of Wang Dong</p> | 2012-04-24 | Duration of the Company | Implementing |
| Commitments in assets reorganization | Controlling shareholder | Performance commitment and compensation arrangements | <p>The performance compensation commitment: net profit (deducting non-recurring gains and losses) for 2012, 2013, 2014 and 2015 for Runhua RW (Tianjin) International Trade Co., Ltd. Respectively can't be less than 306,300 Yuan, 904,000 Yuan, 1,500,000 Yuan and 3,400,000 year. If the actual net profit is less than the promised, the controlling shareholders shall perform the obligations of profit compensation accordingly.</p> | 2013-04-10 | 2012-2015 | After auditing, net profit for year of 2015 under the name of Runhua RW (Tianjin) International Trade Co., Ltd. was -9.2722 million Yuan, which is short of the commitment of performance for year of 2015. the Company will supervise and urge the controlling shareholder to implement |

| | | | | | | |
|---|-----|--|--|--|--|---|
| | | | | | | compensation commitment according to the auditing results. |
| Commitments in initial public offering or re-financing | | | | | | |
| Commitments in stock option incentive plan | | | | | | |
| Other commitments for medium and small shareholders | | | | | | |
| Completed on time | Yes | | | | | |

IV. Predict of the business performance from January to June 2016

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

Applicable Not applicable

V. Securities Investment

Applicable Not applicable

No security investment in Period.

VI. Derivative investment

Applicable Not applicable

No derivative investment in the Period.

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

Applicable Not applicable

| Time | Way | Type | Basic situation index of investigation |
|------------|-------------------------|------------|--|
| 2016-01-20 | Telephone communication | Individual | Progress of the suspension of the Company, no materials required |
| 2016-02-24 | Telephone communication | Individual | Operation of the Company, no materials required |
| 2016-03-17 | Telephone communication | Individual | Current condition of the Company, no |

| | | | |
|--|--|--|--------------------|
| | | | materials required |
|--|--|--|--------------------|

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. Consolidated balance sheet

Prepared by Chengde Nanjiang Co., Ltd.

2016-03-31

In RMB

| Item | Closing balance | Opening balance |
|--|-----------------|-----------------|
| Current assets: | | |
| Monetary funds | 92,836,040.02 | 88,237,416.98 |
| Settlement provisions | | |
| Capital lent | | |
| Financial liability measured by fair value and with variation reckoned into current gains/losses | | |
| Derivative financial assets | | |
| Notes receivable | | |
| Accounts receivable | 649,087.53 | 156,113.53 |
| Accounts paid in advance | 1,192,732.25 | 1,105,122.95 |
| Insurance receivable | | |
| Reinsurance receivables | | |
| Contract reserve of reinsurance receivable | | |
| Interest receivable | | |
| Dividend receivable | | |
| Other receivables | 87,520,928.87 | 88,149,302.51 |
| Purchase restituted finance asset | | |
| Inventories | 599,537,144.06 | 619,241,374.72 |
| Divided into assets held for sale | | |
| Non-current asset due within one year | | |
| Other current assets | 33,133,044.43 | 33,761,457.51 |
| Total current assets | 814,868,977.16 | 830,650,788.20 |
| Non-current assets: | | |
| Loans and payments on behalf | | |
| Finance asset available for sales | | |

| | | |
|--|----------------|----------------|
| Held-to-maturity investment | | |
| Long-term account receivable | | |
| Long-term equity investment | 27,343,974.43 | 2,343,974.43 |
| Investment property | | |
| Fixed assets | 9,388,743.16 | 8,905,699.17 |
| Construction in progress | 1,040.00 | |
| Engineering material | | |
| Disposal of fixed asset | | |
| Productive biological asset | 103,960.37 | 148,509.76 |
| Oil and gas asset | | |
| Intangible assets | 6,359,821.58 | 6,392,510.57 |
| Expense on Research and Development | 392,149.86 | 172,416.18 |
| Goodwill | | |
| Long-term expenses to be apportioned | 432,500.66 | 202,353.97 |
| Deferred income tax asset | 775,645.41 | 775,645.41 |
| Other non-current asset | 5,201,365.53 | 5,201,365.53 |
| Total non-current asset | 49,999,201.00 | 24,142,475.02 |
| Total assets | 864,868,178.16 | 854,793,263.22 |
| 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 | 26,014,313.37 | 35,013,234.30 |
| Accounts received in advance | 454,746,415.11 | 435,991,938.57 |
| Selling financial asset of repurchase | | |
| Commission charge and commission payable | | |
| Wage payable | -4,846.84 | 9,929.42 |

| | | |
|---|----------------|----------------|
| Taxes payable | 121,581.10 | 21,343.61 |
| Interest payable | | |
| Dividend payable | | |
| Other accounts payable | 12,493,352.36 | 12,746,101.70 |
| 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 | 493,370,815.10 | 483,782,547.60 |
| 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 | 493,370,815.10 | 483,782,547.60 |
| Owner's equity: | | |
| Share capital | 706,320,000.00 | 706,320,000.00 |
| Other equity instrument | | |
| Including: preferred stock | | |
| Perpetual capital securities | | |
| Capital public reserve | 459,871,788.64 | 452,767,424.55 |
| Less: Inventory shares | | |

| | | |
|---|-----------------|-----------------|
| Other comprehensive income | | |
| Reasonable reserve | | |
| Surplus public reserve | 76,791,550.17 | 76,791,550.17 |
| Provision of general risk | | |
| Retained profit | -889,648,484.05 | -883,622,851.16 |
| Total owner's equity attributable to parent company | 353,334,854.76 | 352,256,123.56 |
| Minority interests | 18,162,508.30 | 18,754,592.06 |
| Total owner's equity | 371,497,363.06 | 371,010,715.62 |
| Total liabilities and owner's equity | 864,868,178.16 | 854,793,263.22 |

Legal representative: Zhao Yongsheng

Person in charge of accounting works: Zhao Yongsheng

Person in charge of accounting organ: Liu Fengguo

2. Balance Sheet of Parent Company

In RMB

| Item | Closing balance | Opening balance |
|--|-----------------|-----------------|
| Current assets: | | |
| Monetary funds | 29,347,077.54 | 25,647,536.08 |
| Financial liability measured by fair value and with variation reckoned into current gains/losses | | |
| Derivative financial assets | | |
| Notes receivable | | |
| Accounts receivable | 548,352.00 | |
| Account paid in advance | 990,000.00 | 10,000.00 |
| Interest receivable | | |
| Dividends receivable | | |
| Other receivables | 14,139,318.21 | 13,893,565.73 |
| Inventories | 583,669,087.02 | 599,128,751.32 |
| Divided into assets held for sale | | |
| Non-current assets maturing within one year | | |
| Other current assets | 32,023,648.85 | 32,139,201.03 |
| Total current assets | 660,717,483.62 | 670,819,054.16 |
| Non-current assets: | | |

| | | |
|--|----------------|----------------|
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 227,284,836.37 | 202,284,836.37 |
| Investment property | | |
| Fixed assets | 1,855,020.05 | 1,906,708.89 |
| Construction in progress | | |
| Project materials | | |
| Disposal of fixed assets | | |
| Productive biological assets | | |
| Oil and natural gas assets | | |
| Intangible assets | | |
| Research and development costs | | |
| Goodwill | | |
| Long-term deferred expenses | 174,756.20 | 130,322.92 |
| Deferred income tax assets | 750.00 | 750.00 |
| Other non-current assets | | |
| Total non-current assets | 229,315,362.62 | 204,322,618.18 |
| Total assets | 890,032,846.24 | 875,141,672.34 |
| 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 | 17,054,673.17 | 25,479,538.71 |
| Accounts received in advance | 454,102,887.53 | 430,730,271.19 |
| Wage payable | 628.22 | 628.22 |
| Taxes payable | 18,749.07 | 2,174.06 |
| Interest payable | | |
| Dividend payable | | |
| Other accounts payable | 243,876,525.36 | 246,243,610.32 |
| Divided into liability held for sale | | |

| | | |
|---|-------------------|-------------------|
| Non-current liabilities due within 1 year | | |
| Other current liabilities | | |
| Total current liabilities | 715,053,463.35 | 702,456,222.50 |
| 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 | 715,053,463.35 | 702,456,222.50 |
| Owners' equity: | | |
| Share capita | 706,320,000.00 | 706,320,000.00 |
| Other equity instrument | | |
| Including: preferred stock | | |
| Perpetual capital securities | | |
| Capital public reserve | 452,767,424.55 | 452,767,424.55 |
| Less: Inventory shares | | |
| Other comprehensive income | | |
| Reasonable reserve | | |
| Surplus reserve | 76,791,550.17 | 76,791,550.17 |
| Retained profit | -1,060,899,591.83 | -1,063,193,524.88 |
| Total owner's equity | 174,979,382.89 | 172,685,449.84 |
| Total liabilities and owner's equity | 890,032,846.24 | 875,141,672.34 |

3. Consolidated Profit Statement

In RMB

| Item | Current Period | Last Period |
|--|----------------|---------------|
| I. Total operating income | 46,379,194.49 | 26,398,533.74 |
| Including: Operating income | 46,379,194.49 | 26,398,533.74 |
| Interest income | | |
| Insurance gained | | |
| Commission charge and commission income | | |
| II. Total operating cost | 45,819,626.10 | 33,181,902.94 |
| Including: Operating cost | 36,430,367.17 | 26,996,960.32 |
| 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 | 2,726,869.98 | 17,761.16 |
| Sales expenses | 282,787.51 | 515,114.80 |
| Administration expenses | 6,413,012.54 | 5,668,146.41 |
| Financial expenses | -33,411.10 | -16,079.75 |
| Losses of devaluation of asset | | |
| Add: Changing income of fair value(Loss is listed with "-") | | |
| Investment income (Loss is listed with "-") | | |
| Including: Investment income on affiliated company and joint venture | | |
| Exchange income (Loss is listed with "-") | | |
| III. Operating profit (Loss is listed with "-") | 559,568.39 | -6,783,369.20 |

| | | |
|---|--------------|---------------|
| Add: Non-operating income | 60,482.07 | 389,950.54 |
| Including: Disposal gains of non-current asset | | |
| Less: Non-operating expense | 129,653.02 | 346,287.57 |
| Including: Disposal loss of non-current asset | | |
| IV. Total Profit (Loss is listed with “-”) | 490,397.44 | -6,739,706.23 |
| Less: Income tax expense | 3,750.00 | |
| V. Net profit (Net loss is listed with “-”) | 486,647.44 | -6,739,706.23 |
| Net profit attributable to owner’s of parent company | 1,078,731.20 | -6,204,376.06 |
| Minority shareholders’ gains and losses | -592,083.76 | -535,330.17 |
| 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 | 486,647.44 | -6,739,706.23 |
| Total comprehensive income attributable to owners of parent Company | 1,078,731.20 | -6,204,376.06 |
| Total comprehensive income attributable to minority shareholders | -592,083.76 | -535,330.17 |
| VIII. Earnings per share: | | |
| (i) Basic earnings per share | 0.002 | -0.01 |
| (ii) Diluted earnings per share | 0.002 | -0.01 |

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: Zhao Yongsheng
 Person in charge of accounting organ: Liu Fengguo

Person in charge of accounting works: Zhao Yongsheng

4. Profit Statement of Parent Company

In RMB

| Item | Current Period | Last Period |
|--------------------------------|----------------|--------------|
| I. Operating income | 35,691,817.41 | 258,212.49 |
| Less: Operating cost | 26,749,014.87 | 258,212.49 |
| Operating tax and extras | 2,610,025.31 | |
| Sales expenses | 94,575.00 | 155,110.76 |
| Administration expenses | 3,949,373.25 | 3,417,073.44 |
| Financial expenses | -11,544.07 | -18,541.09 |
| Losses of devaluation of asset | | |

| | | |
|---|--------------|---------------|
| Add: Changing income of fair value(Loss is listed with “-”) | | |
| Investment income (Loss is listed with “-”) | | |
| Including: Investment income on affiliated company and joint venture | | |
| II. Operating profit (Loss is listed with “-”) | 2,300,373.05 | -3,553,643.11 |
| Add: Non-operating income | | |
| Including: Disposal gains of non-current asset | | |
| Less: Non-operating expense | 6,440.00 | 4,005.43 |
| Including: Disposal loss of non-current asset | | |
| III. Total Profit (Loss is listed with “-”) | 2,293,933.05 | -3,557,648.54 |
| Less: Income tax expense | | |
| IV. Net profit (Net loss is listed with “-”) | 2,293,933.05 | -3,557,648.54 |
| 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 | 2,293,933.05 | -3,557,648.54 |
| VII. Earnings per share: | | |
| (i) Basic earnings per share | | |
| (ii) Diluted earnings per share | | |

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 | 71,490,509.55 | 89,208,054.81 |
| 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 | 2,612,164.23 | 9,634,942.23 |
| Subtotal of cash inflow arising from operating activities | 74,102,673.78 | 98,842,997.04 |
| Cash paid for purchasing commodities and receiving labor service | 27,337,527.31 | 85,195,111.63 |
| 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 | 4,056,345.64 | 2,933,619.77 |
| Taxes paid | 2,729,508.05 | 4,151,467.04 |
| Other cash paid concerning operating activities | 9,272,218.75 | 19,697,037.44 |
| Subtotal of cash outflow arising from operating activities | 43,395,599.75 | 111,977,235.88 |
| Net cash flows arising from operating activities | 30,707,074.03 | -13,134,238.84 |
| II. Cash flows arising from investing activities: | | |
| Cash received from recovering | | |

| | | |
|---|----------------|-------------|
| investment | | |
| Cash received from investment income | | |
| Net cash received from disposal of fixed, intangible and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other units | | |
| Other cash received concerning investing activities | | |
| Subtotal of cash inflow from investing activities | | |
| Cash paid for purchasing fixed, intangible and other long-term assets | 1,108,450.99 | 142,355.00 |
| Cash paid for investment | 25,000,000.00 | |
| 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 | 26,108,450.99 | 142,355.00 |
| Net cash flows arising from investing activities | -26,108,450.99 | -142,355.00 |
| III. Cash flows arising from financing activities | | |
| Cash received from absorbing investment | | |
| Including: Cash received from absorbing minority shareholders' investment by subsidiaries | | |
| Cash received from loans | | |
| Cash received from issuing bonds | | |
| Other cash received concerning financing activities | 753,264.46 | |
| Subtotal of cash inflow from financing activities | 753,264.46 | |
| Cash paid for settling debts | | |

| | | |
|--|---------------|----------------|
| Cash paid for dividend and profit distributing or interest paying | | |
| Including: Dividend and profit of minority shareholder paid by subsidiaries | | |
| Other cash paid concerning financing activities | 484,000.00 | 910,900.00 |
| Subtotal of cash outflow from financing activities | 484,000.00 | 910,900.00 |
| Net cash flows arising from financing activities | 269,264.46 | -910,900.00 |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate | | |
| V. Net increase of cash and cash equivalents | 4,867,887.50 | -14,187,493.84 |
| Add: Balance of cash and cash equivalents at the period -begin | 84,543,677.45 | 35,582,359.90 |
| VI. Balance of cash and cash equivalents at the period -end | 89,411,564.95 | 21,394,866.06 |

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 | 59,191,631.16 | 19,043,794.16 |
| Write-back of tax received | | |
| Other cash received concerning operating activities | 11,928,121.37 | 20,274,985.23 |
| Subtotal of cash inflow arising from operating activities | 71,119,752.53 | 39,318,779.39 |
| Cash paid for purchasing commodities and receiving labor service | 17,397,043.73 | 24,788,394.00 |
| Cash paid to/for staff and workers | 2,923,416.78 | 2,105,157.16 |

| | | |
|---|----------------|----------------|
| Taxes paid | 2,727,254.44 | 3,503,711.99 |
| Other cash paid concerning operating activities | 19,361,708.12 | 24,338,005.24 |
| Subtotal of cash outflow arising from operating activities | 42,409,423.07 | 54,735,268.39 |
| Net cash flows arising from operating activities | 28,710,329.46 | -15,416,489.00 |
| II. Cash flows arising from investing activities: | | |
| Cash received from recovering investment | | |
| Cash received from investment income | | |
| Net cash received from disposal of fixed, intangible and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other units | | |
| Other cash received concerning investing activities | | |
| Subtotal of cash inflow from investing activities | | |
| Cash paid for purchasing fixed, intangible and other long-term assets | 10,788.00 | 142,355.00 |
| Cash paid for investment | 25,000,000.00 | |
| Net cash received from subsidiaries and other units | | |
| Other cash paid concerning investing activities | | |
| Subtotal of cash outflow from investing activities | 25,010,788.00 | 142,355.00 |
| Net cash flows arising from investing activities | -25,010,788.00 | -142,355.00 |
| III. Cash flows arising from financing activities | | |
| Cash received from absorbing investment | | |
| Cash received from loans | | |

| | | |
|--|---------------|----------------|
| Cash received from issuing bonds | | |
| Other cash received concerning financing activities | | |
| Subtotal of cash inflow from financing activities | | |
| Cash paid for settling debts | | |
| Cash paid for dividend and profit distributing or interest paying | | |
| Other cash paid concerning financing activities | 484,000.00 | 910,900.00 |
| Subtotal of cash outflow from financing activities | 484,000.00 | 910,900.00 |
| Net cash flows arising from financing activities | -484,000.00 | -910,900.00 |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate | | |
| V. Net increase of cash and cash equivalents | 3,215,541.46 | -16,469,744.00 |
| Add: Balance of cash and cash equivalents at the period -begin | 22,671,791.13 | 17,625,400.53 |
| VI. Balance of cash and cash equivalents at the period -end | 25,887,332.59 | 1,155,656.53 |

II. Audit report

Whether the first quarterly report had been audited or not

Yes No

The first quarterly report of the Company had not been audited.