

# **Chongqing Jianshe Motorcycle Co., Ltd.**

## **The First Quarterly Report 2016**

**2016-044**

**April 2016**

## 1 Important notes

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

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

Mr. Li Huaguang, The Company Leader, Mr.Xue Gangyi , Chief financial officer and the Ms.Niu Yanli, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in the report.

## II. Main financial data and changes of shareholders

### I. Main financial data and financial index

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

Yes  No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (RMB)	208,588,488.00	355,351,388.28	-41.30%
Net profit attributable to the shareholders of the listed company (RMB)	4,399,465.71	-16,904,008.56	-126.03%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	4,348,808.64	-17,459,103.30	-124.91%
Cash flow generated by business operation, net (RMB)	24,195,604.08	5,981,111.44	304.53%
Basic earning per share(RMB/Share)	0.0369	-0.1416	-126.03%
Diluted gains per share(RMB/Share)(RMB/Share)	0.0369	-0.1416	-126.03%
Weighted average return on equity (%)	1.70%	-190.59%	192.29%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	1,364,672,524.54	1,311,765,831.44	4.03%
Net assets attributable to the shareholders of the listed company (RMB)	260,515,551.23	256,116,085.51	1.72%

Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted	71,000.00	

under the state's policies)		
Other non-business income and expenditures other than the above	-20,342.93	
Total	50,657.07	--

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

Applicable  Not applicable

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

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

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

In shares

Total number of common shareholders at the period-end	8,475	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
China Military Equipment Group Co., Ltd.	State-owned legal person	71.13%	84,906,250	84,906,250		
Gu Zuocheng	Domestic natural person	1.86%	2,218,750	2,218,750		
Anhui Hengsheng Economic Development Group Co., Ltd.	Domestic non-state-owned legal person	1.47%	1,750,000	1,750,000		
Feng Yonghui	Domestic natural person	0.42%	500,000	500,000		
Liu Dan	Domestic natural person	1.05%	1,249,401	0		
Chen Xinqiang	Domestic natural person	0.52%	625,000	0		
Xu Yuanhui	Domestic natural person	0.50%	600,989	0		
Xie Qingjun	Domestic natural person	0.44%	527,850	0		
Zhang Meilan	Domestic natural person	0.43%	513,560	0		
CREDIT SUISSE (HONG KONG) LIMITED	Overseas legal person	0.39%	467,960	0		
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held	Share type				
		Share type	Quantity			
Liu Dan	1,249,401	Foreign shares placed in domestic exchange	1,249,401			
Chen Xinqiang	625,000	Foreign shares placed in domestic exchange	625,000			
Xu Yuanhui	600,989	Foreign shares placed in domestic exchange	600,989			
Xie Qingjun	527,850	Foreign shares placed in domestic	527,850			

		exchange	
Zhang Meilan	513,560	Foreign shares placed in domestic exchange	513,560
CREDIT SUISSE (HONG KONG) LIMITED	467,960	Foreign shares placed in domestic exchange	467,960
Feng Yongxia	398,575	Foreign shares placed in domestic exchange	398,575
Yu Lingfeng	350,525	Foreign shares placed in domestic exchange	350,525
Wang Xianfeng	343,420	Foreign shares placed in domestic exchange	343,420
Zhang Huaian	330,000	Foreign shares placed in domestic exchange	330,000
Explanation on associated relationship among the aforesaid shareholders	There isn't any associated relationship between the sponsoring shareholder and the other shareholders among the top-10 list. None of them are regarded as 'Acting in concert' in accordance with 'The rules of information disclosure on change of shareholding.' Foreign shareholders are unknown for their condition of 'Associated relationship' and 'Acting in concert'.		

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

Yes  No

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

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

Applicable  Not applicable

### III. Significant Events

#### I. Particular about large-margin change of main accounting statement item and financial index and its reason.

√ Applicable □ Not applicable

The reporting period, compared with the beginning of prepayments increase of 8.93 million yuan, an increase of 96%, mainly due to the air-conditioning company purchased the imported parts and equipment led to increased prepayments; main income statement indicators fell major asset reorganization, the current consolidation scope changes (last year including motorcycles business).

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

√ Applicable □ Not applicable

For the progress situation and explanation of financial institute's debt transfer involved with the significant asset reorganization implemented by the Company in 2015, please refer to the point 9 of this report

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

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform						
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement	Jianshe Mechanical and Electrical , Air-conditioner Co	Commitments on horizontal competition, related transaction and capital occupation	The reason why listed companies offer external guarantee is that the conditioning company, as the subsidiary corporation of Jianshe stock , provided credit guarantee 186 million yuan for its parent company' bank loan. And as the relevant liabilities of Jianshe stock's motorbike business has been	October 20, 2015	After the guarantee period stipulated in the contract expires, the above financing assurance will be lifted	

		<p>transferred into Jianshe Mechanical and Electrical, corresponding secured party should be Jianshe Mechanical and Electrical .Moreover,Jianshe Stock provided credit guarantee 30 million yuan for the wholly-owned subsidiary, the sales company, after this transaction, Jianshe Mechanical and Electrical , whose' sales company is subsidiary corporation of Construction and Mechanical and Electrical company, will be wholly-owned subsidiaries under Military Equipment Group control.Above-mentioned the guarantees formed the external guarantees of the conditioning company, which has gained the permission from the company' s general meeting of stockholders. Jianshe stock and the conditioning company has made promise respectively on October 20, 2015,after guarantee expires in the guarantee period, above financing guarantee will be lifted . For the Jianshe stock's guarantee for the sales company, Mechanical and Electrical has promised that it will ensure the debtor to repay its creditors to protect listed company' s legal interests, and if there are any loss for the listed company,Jianshed Mechanical and Electrical company will</p>			
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			<p>give first dollar coverage for Jianshe stock. And Jianshe Mechanical and Electrical has presented Commitment to provide counter guarantee after the reorganization about above related-party guarantee.1, after the sales of substantial assets and the relevant matters of related-party guarantee provided by Jianshe stock, which has been approved by general meeting of stockholders of Jianshe stock the company will provide the equal counter guarantee for Jianshe stock 2.If the company violates the above pledge and caused any damages or negative effects for Jianshe stock,the Company will assume full financial responsibility and liability.</p>			
Equity incentive commitment						
Other commitments made to minority shareholders						
Executed timely or not?						
<p>If the commitments failed to complete the execution when expired, should specifically explain the reasons of unfulfillment and the net stage of the working plan</p>			<p>Yes</p>			

**IV. Anticipation of Business Performance from January to June, 2016**

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable  Not applicable

**V Securities investments**

Applicable  Not applicable

No such cases in the Reporting Period

**VI. Investment in derivatives**

Applicable  Not applicable

No such cases in the Reporting Period

**VII. Reception of investigations, communications, or interviews**

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
January 12,2016	By phone		Q: When will the Company issue the earnings pre-announcement? A: The earnings pre-announcement of 2015 will be completed by the end of this month.
January 29,2016	By phone	Individual	Q:Has the implementation of the Company’s significant asset reorganization completed? A:Up to now, the Company has completed the changes procedure in registration of Jianshe Mechanical and Electrical and has received the deal payment from Military Equipment Group. The asset transfer and the transfer of creditor’s rights and liability related with this reorganization are being orderly promoted.
February 1,2016	By phone	Individual	Q: What’s the progress of CRSC’s application for exempting the tender offer obligation of Jianshe Mechanical and Electrical? A: On January 26, 2016, Jianshe Mechanical and Electrical received “Reply on Approving Exempting Chongqing Jianshe Mechanical and Electrical Co., Ltd.’s tender offer obligation of Chongqing Jianshe Motorcycle Co., Ltd.”from CSRC, see details at the announcement published by the Company on January 29, 2016.
February 16,2016	By phone	Individual	Q: At this sales of significant asset, all motorcycle capital was offered for sales, but why Shangjian Jianshe was kept? A:At present, Shanghai Jianshe has engaged in the production and sales of moped, moreover, the Company has a plan of disposing the holding share rights of Shanghai Jianshe, thus which has not been included in the reorganization scope.

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

Applicable  Not applicable

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

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

√ Applicable   □ Not applicable

In RMB'0000

Shareholder sorassociate sname	Time occupied	Reasons	Amount at the beginning	The newly increased occupancy amount	The total amount of reimburse ment in the reimburse ment	Amount at the end of period	Expected repayment method	Expected amountof payment	Expected payback time(month)
Import and Export Co.	December 31,2015	Business and financial dealings	62.17	0	62.17		Cash Settlement	3,461.67	Repaid on March 31, 2016
Jianshe Mechanical and Electrical	December 31,2015	Financial dealings	3,461.67	0		3,461.67	Cash Settlement		Repaid on April 26, 2016
JIAN SHE mechanical and Electrical	December 31,2015	Financial debt restructurin g process is not yet completed the procedures for transferring formed	21,399.2	0	0	21,399.2	Other	3,461.67	December 31,2016
Total			24,923.04	0	62.17	24,860.87	--	3,461.67	--
The end of the latest issue of the total value of accounts audited net assets ratio									97.31%
Relevant decision-making procedures			截止 2016 年 4 月 26 日已全部偿还完。						
Add the current major shareholder and its affiliated non-operating capital occupation reasons, the case be held responsible and the Board has developed a description of measures taken.			公司重大资产重组工作经 2015 年 11 月 17 日公司 2015 年第一次临时股东大会审议通过 后实施。本次资产重组将公司摩托车业务涉及的主要资产和债务剥离至建设机电并 将其转让给兵装集团，其中应转移的金融机构债务总计为 80,750 万元。因本次资产重 组工作涉及的资产及债务转移工作体量较大，时间较紧。且部分金融机构的审批流程 长，截至 2016 年 4 月 30 日，已完成金融机构债务转移共计 59,350 万元。尚有 21,400 万元的金融机构债务转移正在办理过程中。一、对未转移金融机构债务的风险说明经 立信会计师事务所审计，截至 2016 年 4 月 30 日，公司未转移的金融机构债务共计 21,400 万元，暂作了其他应收款的账务处理。根据公司与建设机电签署的《资产负债						

	<p>注入安排协议》(详见 2015 年 11 月 11 日披露于巨潮咨询的关于公司重大资产重组的相关公告)约定: 双方最晚不得迟于 2016 年 12 月 31 日完成资产及债务的转移手续, 且因上述债务均为未到期债务, 公司无需偿付且金融机构也未追缴, 并未形成资金流, 也不存在公司代建设机电偿还债务的情形, 此账务的处理不构成建设机电对公司的实质性的非经营性资金占用。为此, 公司董事会认为, 尚未完成转移的金融机构债务仅是公司的暂时的账务处理, 不会对公司形成债务风险。二、金融机构债务转移的后续措施自重组实施以来, 公司与建设机电一直遵循《资产负债注入安排协议》的约定有序推进相关的资产过户及债务转移工作。将于 2016 年 12 月 31 日到期前完成相关资产债务的转移工作。在此期间, 若遇债权人要求公司清偿的, 应由建设机电直接向债权人清偿或者由建设机电通过公司向债权人清偿。若必须由公司履行的, 建设机电应承担公司因履行债务遭受的全部损失。到期后仍未完成上述债务转移, 建设机电将对未转移且已到期的债务额度向公司支付该笔款项。</p>
Failed to explain measures planned liquidation of non-operating capital occupation reasons, conditions and accountability of the Board of Directors proposed action	Not applicable
Disclosure date for specific approval opinion on fund occupation from CPA	April 30,2016
Disclosure index for specific approval opinion on fund occupation from CPA	Refer to <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on April 30, 2016, Announcement No. 2016-041 , <i>Chongqing Jianshe Motorcycle Co., Ltd. the Statement of Special Auditing on Capital Appropriation by Holding Shareholder or Related Parties</i>

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Chongqing Jianshe Motorcycle Co., Ltd.

March 31,2016

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	286,314,530.16	259,802,758.76
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	55,196,705.98	47,008,704.63
Account receivable	205,234,197.13	217,759,208.43
Prepayments	18,243,391.94	9,309,626.86
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	59,948,205.53	61,817,644.42
Repurchasing of financial assets		
Inventories	172,439,174.95	146,350,934.34
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	4,248,406.72	5,430,548.06
Total of current assets	801,624,612.41	747,479,425.50
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset		

Expired investment in possess		
Long-term receivable		
Long term share equity investment	80,574,733.87	83,381,316.13
Property investment		
Fixed assets	388,734,618.26	395,975,005.27
Construction in progress	49,790,123.19	40,435,429.90
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	28,087,801.60	28,270,393.63
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	3,562,466.05	3,926,091.85
Deferred income tax asset	1,819,643.46	1,819,643.46
Other non-current asset	10,478,525.70	10,478,525.70
Total of non-current assets	563,047,912.13	564,286,405.94
Total of assets	1,364,672,524.54	1,311,765,831.44
Current liabilities		
Short-term loans	265,000,000.00	245,000,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	634,280,000.00	607,705,000.00
Account payable	77,177,232.30	75,885,325.83
Advance payment	3,955,287.58	1,401,319.97
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	2,751,164.94	1,654,497.94
Tax payable	17,632,694.26	16,857,642.89
Interest payable		

Dividend payable		
Other account payable	15,028,150.79	16,874,326.53
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	15,500,000.00	8,000,000.00
Other current liability		
Total of current liability	1,031,324,529.87	973,378,113.16
Non-current liabilities:		
Long-term loan	71,990,000.00	81,490,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	71,990,000.00	81,490,000.00
Total of liability	1,103,314,529.87	1,054,868,113.16
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserves		

Surplus reserves	125,686,000.00	125,686,000.00
Common risk provision		
Undistributed profit	-943,120,543.06	-947,520,008.78
Total of owner's equity belong to the parent company	260,515,551.23	256,116,085.51
Minority shareholders' equity	842,443.44	781,632.77
Total of owners' equity	261,357,994.67	256,897,718.28
Total of liabilities and owners' equity	1,364,672,524.54	1,311,765,831.44

Legal Representative: Li Huaguang    Person in charge of accounting: Xue Gangyi    Accounting Dept Leader: Niu Yanli

## 2.Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	54,219,842.44	4,487,832.30
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	460,000.00	2,000,000.00
Account receivable	514,369.84	527,570.36
Prepayments		
Interest receivable		
Dividend receivable		
Other account receivable	56,054,972.38	57,613,619.11
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	111,249,184.66	64,629,021.77
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		



Long term share equity investment	248,734,733.87	251,541,316.13
Property investment		
Fixed assets	180,343,047.22	183,278,272.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	16,157,254.24	16,261,765.57
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset		
Other non-current asset		
Total of non-current assets	445,235,035.33	451,081,353.70
Total of assets	556,484,219.99	515,710,375.47
Current liabilities		
Short-term loans	53,000,000.00	53,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable	32,770,747.87	42,646,214.18
Advance payment	730,815.52	220,124.53
Employees' wage payable	14,724.06	58,886.32
Tax payable	16,098,653.60	15,268,307.65
Interest payable		
Dividend payable		
Other account payable	257,686,940.44	216,034,017.49
Classified as held for sale debt		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	360,301,881.49	327,227,550.17
Non-current liabilities:		

Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable to employees		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities		
Total of liability	360,301,881.49	327,227,550.17
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	125,686,000.00	125,686,000.00
Undistributed profit	-1,007,453,755.79	-1,015,153,268.99
Total of owners' equity	196,182,338.50	188,482,825.30
Total of liabilities and owners' equity	556,484,219.99	515,710,375.47

### 3.Consolidated Income statement

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	208,588,488.00	355,351,388.28
Incl: Business income	208,588,488.00	355,351,388.28
Interest income		
Insurance fee earned		

Fee and commission received		
II. Total business cost	204,659,249.66	381,384,387.54
Incl: Business cost	170,745,766.66	306,007,074.58
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	356,476.19	234,498.00
Sales expense	6,585,036.39	22,440,371.24
Administrative expense	18,561,087.00	33,036,758.48
Financial expenses	8,430,883.42	19,665,685.24
Asset impairment loss	-20,000.00	
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	593,417.74	8,723,838.36
Incl: investment gains from affiliates	593,417.74	8,723,838.36
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	4,522,656.08	-17,309,160.90
Add : Non-operational income	77,576.56	632,644.74
Including: Income from disposal of non-current assets		
Less: Non business expenses	26,919.49	77,550.00
Incl: Loss from disposal of non-current assets		
IV.Total profit(“-”for loss)	4,573,313.15	-16,754,066.16
Less: Income tax expenses	113,036.77	133,570.67
V. Net profit	4,460,276.38	-16,887,636.83
Net profit attributable to the owners of parent company	4,399,465.71	-16,904,008.56
Minority shareholders' equity	60,810.67	16,371.73
VI. Other comprehensive income		

Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	4,460,276.38	-16,887,636.83
Total comprehensive income attributable to the owner of the parent company	4,399,465.71	-16,904,008.56
Total comprehensive income attributable minority shareholders	60,810.67	16,371.73
VIII. Earnings per share		
(I) Basic earnings per share	0.0369	-0.1416

(II)Diluted earnings per share	0.0369	-0.1416
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If there are entities merged under common control, their net profit realized before the merger were totaled to RMB\*\*\*. While it was RMB\*\*\* previous period.

Legal Representative: Li Huaguang    Person in charge of accounting: Xue Gangyi    Accounting Dept Leader: Niu Yanli

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

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	168,456,814.53	277,992,340.65
Less: Business cost	154,409,687.53	271,091,091.34
Business tax and surcharge	129,873.29	
Sales expense		3,707,440.43
Administrative expense	6,845,070.91	23,193,593.98
Financial expenses	-60,600.17	12,127,313.44
Asset impairment loss		
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	593,417.74	8,723,838.36
Incl: investment gains from affiliates	593,417.74	8,723,838.36
II. Operational profit (“-”for loss)	7,726,200.71	-23,403,260.18
Add : Non-operational income		111,509.69
Including: Income from disposal of non-current assets		
Less: Non business expenses	26,687.51	70,000.00
Incl: Loss from disposal of non-current assets		
III.Total profit(“-”for loss)	7,699,513.20	-23,361,750.49
Less: Income tax expenses		
IV. Net profit (“-”for net loss)	7,699,513.20	-23,361,750.49
V.Net of profit of other comprehensive i ncome		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent		

accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
( II ) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	7,699,513.20	-23,361,750.49
VII. Earnings per share:		
( I ) Basic earnings per share	0.0645	-0.1957
(II)Diluted earnings per share	0.0645	-0.1957

## 5. Consolidated Cash flow statement

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	120,437,308.27	210,773,831.67
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from		

other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	1,181,006.06	2,201,755.21
Other cash received from business operation	1,597,362.26	2,308,166.72
Sub-total of cash inflow	123,215,676.59	215,283,753.60
Cash paid for purchasing of merchandise and services	76,162,178.20	149,302,310.21
Net increase of client trade and advance		
Net increase of savings n central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	16,767,249.54	44,780,031.79
Taxes paid	2,246,164.85	2,120,242.49
Other cash paid for business activities	3,844,479.92	13,100,057.67
Sub-total of cash outflow from business activities	99,020,072.51	209,302,642.16
Cash flow generated by business operation, net	24,195,604.08	5,981,111.44
II.Cash flow generated by investing		

Cash received from investment retrieving		
Cash received as investment gains	3,400,000.00	32,500,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	3,400,000.00	32,500,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	9,956,479.52	10,043,152.13
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	9,956,479.52	10,043,152.13
Net cash flow generated by investment	-6,556,479.52	22,456,847.87
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	182,000,000.00	204,000,000.00
Cash received from bond placing		
Other financing –related cash received	518,963,714.88	368,105,303.76
Sub-total of cash inflow from financing activities	700,963,714.88	572,105,303.76
Cash to repay debts	203,500,000.00	314,500,000.00
Cash paid as dividend, profit, or interests	25,695,112.68	31,106,682.52
Incl: Dividend and profit paid by subsidiaries to minor shareholders		



Other cash paid for financing activities	483,046,955.36	226,676,691.00
Sub-total of cash outflow due to financing activities	712,242,068.04	572,283,373.52
Net cash flow generated by financing	-11,278,353.16	-178,069.76
IV. Influence of exchange rate alternation on cash and cash equivalents		207,404.73
V.Net increase of cash and cash equivalents	6,360,771.40	28,467,294.28
Add: balance of cash and cash equivalents at the beginning of term	23,643,515.81	35,555,585.06
VI ..Balance of cash and cash equivalents at the end of term	30,004,287.21	64,022,879.34

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	62,935,102.03	113,480,428.69
Tax returned		834,940.19
Other cash received from business operation	130,460.63	1,009,187.18
Sub-total of cash inflow	63,065,562.66	115,324,556.06
Cash paid for purchasing of merchandise and services	42,225,351.14	141,111,969.26
Cash paid to staffs or paid for staffs	9,669,061.12	36,635,617.08
Taxes paid	387,883.70	287,830.13
Other cash paid for business activities	117,962.09	4,513,361.59
Sub-total of cash outflow from business activities	52,400,258.05	182,548,778.06
Cash flow generated by business operation, net	10,665,304.61	-67,224,222.00
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	3,400,000.00	32,500,000.00

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	3,400,000.00	32,500,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	400,000.00	1,623,632.13
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	400,000.00	1,623,632.13
Net cash flow generated by investment	3,000,000.00	30,876,367.87
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	162,000,000.00	134,000,000.00
Cash received from bond placing		
Other financing –related ash received	683,285,394.29	607,038,750.02
Sub-total of cash inflow from financing activities	845,285,394.29	741,038,750.02
Cash to repay debts	171,500,000.00	279,500,000.00
Cash paid as dividend, profit, or interests	16,797,788.76	18,630,983.09
Other cash paid for financing activities	670,923,900.00	398,952,000.00
Sub-total of cash outflow due to financing activities	859,221,688.76	697,082,983.09
Net cash flow generated by financing	-13,936,294.47	43,955,766.93
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash	-270,989.86	7,607,912.80

equivalents		
Add: balance of cash and cash equivalents at the beginning of term	4,486,524.01	22,292,965.15
VI ..Balance of cash and cash equivalents at the end of term	4,215,534.15	29,900,877.95

## II. Auditor' report

Is the First Quarterly Report be audited?

Yes  No

The First Quarterly report is not audited.