



深圳南山热电股份有限公司
Shenzhen Nanshan Power Co., Ltd.
The Third Quarterly Report for 2017

Notice No.: 2017-063

October 2017

Section I. Important Note

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All Directors are attended the Board Meeting for Quarterly Report deliberation.

Chairman Li Xinwei, person in charge of the Company, Director GM Chen Yuhui, person in charge of accounting works and CFO Huang Jian as well as Deputy Manager Leng Jiwei (act for the financial management dept.), person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

On 11 August 2017, Mr. Chen Yuhui appointed as GM on the 20th session of 7th BOD. And on 28 August 2017, Mr. Li Xinwei, and Mr. Chen Yuhui elected as director of the 7th BOD of the Company on First Extraordinary Shareholder Meeting for 2017, on the same day, the 22nd session of 7th BOD elected Director Mr. Li Xinwei as the Chairman of 7th BOD of the Company.

Concerning the forward-looking statements with future planning involved in the Semi-Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

The report has been prepared in both Chinese and English, for any discrepancies, the Chinese version shall prevail. Please read the full report seriously.

Paraphrase

Items	Refers to	Definition
Company, the Company, Shen Nan Dian, listed Company	Refers to	Shenzhen Nanshan Power Co., Ltd.
Shen Nan Dian Zhongshan Co	Refers to	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shen Nan Dian Dongguan Co	Refers to	Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd
Shen Nan Dian Engineering Co.,	Refers to	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.
Shen Nan Dian Environment Protection Co.,	Refers to	Shenzhen Shen Nan Dian Environment Protection Co., Ltd.
Server Co.,	Refers to	Shenzhen Server Petrochemical Supplying Co., Ltd.
New Power Co.,	Refers to	Shenzhen New Power Industrial Co., Ltd.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Nanshan Power Factory	Refers to	Nanshan Power Factory of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nam Long Power Plant	Refers to	Zhongshan Nam Long Power Plant of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Dongguan Gaobu Power Plant	Refers to	Dongguan Gaobu Power Plant of Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd.
Syndisome Company	Refers to	Hong Kong Syndisome Co., Ltd.
NAM HOI	Refers to	HONG KONG NAM HOI (INTERNATIONAL) LTD.
Shen Energy Group	Refers to	Shenzhen Energy Co., Ltd.
Guangju Industrial	Refers to	Shenzhen Guangju Industrial Co., Ltd.
Paipu Technology	Refers to	Shenzhen Paipu Energy Technology Development Co.,LTD.
Audit unit, Ruihua CPA	Refers to	Ruihua Certified Public Accountant (LLP)
CSRC	Refers to	China Securities Regulatory Commission
Securities regulatory bureau	Refers to	Shenzhen Securities Regulatory Commission of China Securities Regulation Commission
SZ Stock Exchange, Exchange	Refers to	Shenzhen Stock Exchange
Company Law	Refers to	Company Law of The People's Republic of China
Securities Law	Refers to	Securities Law of The People's Republic of China
Rules of Listing	Refers to	Rules of Shenzhen Stock Exchange for the Listing of Stocks
Articles of association	Refers to	Article of Association of Shenzhen Nanshan Power Co., Ltd.
RMB: Yuan, ten thousand Yuan, 100 million Yuan	Refers to	Except the special description of the monetary unit, the rest of the monetary unit is RMB Yuan, ten thousand Yuan

Section II Basic information of Company

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets(RMB)	3,071,070,966.82	4,363,703,614.03	-29.62%	
Net assets attributable to shareholders of listed company (RMB)	1,940,559,643.08	1,942,713,902.92	-0.11%	
	Current period	Increase/decrease in comparison with same period of last year	From year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	697,890,935.29	37.14%	1,570,853,632.62	30.19%
Net profit attributable to shareholders of the listed company (RMB)	20,474,941.54	365.74%	-2,154,259.84	-96.64%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	19,120,423.23	1,018.73%	-5,992,786.88	-91.21%
Net cash flow arising from operating activities(RMB)	--	--	-171,342,835.72	-227.70%
Basic earnings per share (RMB/Share)	0.03	365.74%	-0.0036	-96.64%
Diluted earnings per share (RMB/Share)	0.03	365.74%	-0.0036	-96.64%
Weighted average ROE	1.06%	179.26%	-0.11%	-98.96%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-160,729.35	Loss from disposal of non-current assets

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	3,259,872.87	Government grants with assets concerned are amortized
Switch back of the impairment for receivables which has impairment test independently	480,710.97	The part-individual amount, has collected which has been accrual for bad debts
Other non-operating income and expenditure except for the aforementioned items	337,919.18	The account payable unable to paid are transfer to non-operation revenue
Impact on minority shareholders' equity (post-tax)	79,246.63	
Total	3,838,527.04	--

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

Applicable Not applicable

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

II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

1. Common and preferred stockholders with voting rights recover and the top ten share-holding

In Share

Total common shareholders at the end of report period		31,557	Total preferred stockholders with voting rights recover at the end of report period (if applicable)	0		
Top ten share-holding						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD	Foreign corporate	15.28%	92,123,248			
Shenzhen Guangju	State-owned corporate	12.22%	73,666,824			

Industrial Co., Ltd.						
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned corporate	10.80%	65,106,130			
BOCI SECURITIES LIMITED	Foreign corporate	1.39%	8,360,627			
Zeng Ying	Domestic nature person	1.05%	6,331,656			
CMS (HK)	State-owned corporate	0.90%	5,416,930			
Zhang Heping	Domestic nature person	0.83%	5,025,900			
Mei Yi Investment Property Co., Ltd.	Domestic non-state-owned legal person	0.77%	4,614,920			
Li Baoqin	Domestic nature person	0.66%	3,994,100			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporate	0.61%	3,649,690			
Particular about top ten shareholders with un-restrict shares held						
Shareholders' name	Amount of unrestricted shares held at reporting period-end	Type of shares				
		Type	Amount			
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Domestically listed foreign shares	92,123,248			
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB ordinary shares	73,666,824			
SHENZHEN ENERGY (GROUP) CO., LTD.	65,106,130	RMB ordinary shares	65,106,130			
BOCI SECURITIES LIMITED	8,360,627	Domestically listed foreign shares	8,360,627			
Zeng Ying	6,331,656	Domestically listed foreign	6,331,656			

		shares	
CMS (HK)	5,416,930	Domestically listed foreign shares	5,416,930
Zhang Heping	5,025,900	RMB ordinary shares	3,785,600
		Domestically listed foreign shares	1,240,300
Mei Yi Investment Property Co., Ltd.	4,614,920	Domestically listed foreign shares	4,614,920
Li Baoqin	3,994,100	RMB ordinary shares	946,700
		Domestically listed foreign shares	3,047,400
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,649,690	Domestically listed foreign shares	3,649,690
Explanation on associated relationship among the top ten shareholders or consistent action	1. Shenzhen Energy (Group) Co., Ltd. holds 100% equities of HONG KONG NAM HOI (INTERNATIONAL) LTD indirectly; 2. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.		
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

Top ten common shareholders or top ten common shareholders with un-restrict shares not held have a buy-back agreement dealing in reporting period

2. Total of shareholders with preferred stock held and the top ten shareholdings

Applicable Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√Applicable □Not applicable

1. Closing number of monetary fund counted as 343.7636 million Yuan, decreased 75.72% over that of year-beginning, mainly because loans are paid to the bank;
2. Closing number of note receivable counted as 2 million Yuan, increased 233.33% over that of year-beginning, mainly due to the increase of note receivable;
3. Closing number of account receivable counted as 303.4772 million Yuan, increased 81.93% over that of year-beginning, mainly because receivable revenue from power-sales increased;
4. Closing number of account paid in advance counted as 175.774 million Yuan, increased 302.57% over that of year-beginning, mainly because the account of natural gas paid in advance increased;
5. Closing number of other receivable counted as 44.2921 million Yuan, decreased 88.81% over that of year-beginning, mainly because rest money for equity transfer in 2016 have collected;
6. Closing number of construction in process counted as 48.343 million Yuan, increased 503.65% over that of year-beginning, mainly because costs of technical innovation for CHP (combined heat and power generation) increased;
7. Closing number of short-term loans counted as 541.35 million Yuan, decreased 32.06% over that of year-beginning, mainly because short-term loans from bank declined;
8. Closing number of note payable counted as 54.1549 million Yuan, decreased 81.47% over that of year-beginning, mainly because some notes are paid on maturity;
9. Closing number of wages payable counted as 30.7396 million Yuan, decreased 32.92% over that of year-beginning, mainly because wages paid to the employees;
10. Closing number of tax payable counted as 22.8602 million Yuan, decreased 90.25% over that of year-beginning, mainly because taxable enterprise income tax for year of 2016 are paid in January;
11. Closing number of interest payable counted as 3.2901 million Yuan, decreased 28.17% over that of year-beginning, mainly because volume of credit declined;
12. Closing number of non-current liability due within one year counted as 229.9 million Yuan, decreased 50.35% over that of year-beginning, mainly because lonas due within one year are paid to the bank;
13. Closing number of long-term loans counted as 26.94 million Yuan, decreased 92.17% over that of year-beginning, mainly because long-term loans from the bank declined;
14. Operation revenue counted as 1570.8536 million Yuan in the Period, increased 30.19% on a y-o-y basis, mainly because revenue from power-sales increased;
15. Operation cost counted as 1463.7863 million Yuan in the Period, increased 34.23% on a y-o-y basis, mainly due to the increase of power generation;
16. Taxes and surcharge counted as 7.1643 million Yuan in the Period, increased 54.80% on a y-o-y basis, mainly because according to the “Notice of Accounting Regulation for VAT”, the property tax, land using costs and stamp taxes ect. should counted as “Taxes and surcharge” since 31 December 2016;
17. Sales expenses counted as 2.365 million Yuan in the Period, decreased 40.47% on a y-o-y basis, mainly because sludge disposal fee declined;
18. Financial expenses counted as 44.0395 million Yuan in the Period, decreased 67.68% on a y-o-y basis, mainly because the

financing scale declined;

19. Non-operation revenue counted as 0.3492 million Yuan in the Period, decreased 97.78% on a y-o-y basis, mainly because under the new accounting rules of Government Grants, the deferred income amortization and VAT refund should counted as “Other income”;

20. Non-operation expenditure counted as 0.172 million Yuan in the Period, decreased 97.81% on a y-o-y basis, mainly because Shenzhen Government’s fuel consumption tax subsidy 6.5978 million Yuan refund in July 2016;

21. Net cash flow from operation activities counted as -171.3428 million Yuan in the Period, decreased 227.70% on a y-o-y basis, mainly because natural gas amount payable and taxable amount increased;

22. Net cash flow from investment activities counted as -50.2626 million Yuan in the Period, decreased 245.19% on a y-o-y basis, mainly because costs of technical innovation for CHP (combined heat and power generation) increased;

23. Net cash flow from financing activities counted as -832.9143 million Yuan in the Period, decreased 308.92% on a y-o-y basis, mainly because loans are paid to the bank increased;

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

Applicable Not applicable

1. Electin of new Chairman and GM appointment: On 11 August 2017, Chairman Mr. Yang Haixian on his retirement age, and Mr. Wu Dongxiang resigned his post as director GM, in response to this, Mr. Chen Yuhui appointed as GM of the Company on 20th extrarorinary meeting of 7th BOD, and Mr. Li Xinwei and Chen Yuhui nominated as the director candidate for 7th BOD. On 28 August 2017, the first extraordiarnng shareholders meeting of 2017 elected Mr. Li Xinwei and Chen Yuhui as the director of 7th BOD, director Li Xinwei also elected as Chairman of 7th BOD of the Company on 22nd extraordinary meeting of 7th BOD held on same date.

2. T102-0011, T102-0155 land acquisition and storage. On July 14, the company learned on the official website of Municipality Planning Land Commission that Municipality Planning Land Commission issued the Notice on the Publicity of Municipality Planning Land Commission about the Comprehensive Planning of China (Guangdong) Pilot Free Trade Zone Shenzhen Qianhai Shekou Zone on its official website (hereinafter referred to as the “Notice”), the publicity period was 30 natural days, from July 13, 2017 to August 11, 2017. According to the “Notice” and its annex, the no longer needed infrastructure in Nanshan Power Plant and other zones should be shut down. The Company performs disclosure duty on time on 15 July. On July 18, the company received the Letter about Proposal for Carrying out the Feasibility Research of Removing Nanshan Power Plant to Shenzhen-Shantou Cooperation Zone from Economy, Trade and Information Commission of Shenzhen Municipality, which suggested the company to seriously study the feasibility of removing Nanshan Power Plant to Shenzhen-Shantou Cooperation Zone. On 10 August, the Company submite a Statement of Objections on Comprehensive Planning of Qianhai Shekou Free Trade Zone to Municipality Planning Land Commission on the issues with lands (where Nan Shan Power Plant locates) concerned in the Notice that public above mentioned, and relevant annucement (Notice No.: 2017-053) were released on China Securities Journal, Securities Times, Hong Kong Comercial Daily and Juchao Website dated 12 August. In reporting period, we study the feasibility of relocations (move the Nanshan Power Plant to Shen-Shang Cooperation Zone), and appointed legal adviser for relevant works conducts according to the resolution from the Board. We continues to contact with relevnat authorities, and make the best of guarantee legal interest of the Company and its shareholders as well as its emoloyees.

3. Assets transfer of #7 and #9 power units from Nanshan Power Plant: on 4 August 2017, the “Proposals of listing transfer of #7 and #9 power units under Nanshan Power Plant” approved by 12th session of 7th BOD, the assets of #7 and #9 power units will transfer publicly on listing. (Found more in relevant announcement Notice: 2017-048 released on China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website dated 8 August 2017). On 11 September, assets of #7 and #9 power units are transferred publicly on Shenzhen United Property and Share Rights Exchange. Relevant assets transferred by listing still in process during the period. Up to the listing announcement, no potential clients in subscription registration, further research for the above

mentioned assets transfer is needed by the Company.

4. CHP project and monthly centralized bidding transaction under Shen Nan Dian Dongguan Company and Shen Nan Dian Zhongshan Company. During the period, Shen Nan Dian Dongguan Company actively promote the reconstruction works of CHP, and entered into a Pipeline Steam Supply & Deman Contract with initial clinets, and participates the monthly centralized bidding transaction in Guangdong pronvince; the Shen Nan Dian Zhongshan Company's first phase of heat supply network for CHP has basically completed in the plant, the projects out of the plant are in final acceptance stage. The monthly centralized bidding transaction is in norma operatoin and in routine operation works. The Company will strenghten supervision, make sure the CHP prjects were implemented smoothly, effectively avoiding the risks of production and operation.

Except the above mentioned projects, the follow works are no any progress or changes in this period, that is Aid in Xinjiang of Guangdong Pronvince (participated in 2013), the plans to applying for MTN insurance (500 million Yuan at most, 5 million Yuan included) to the China Interbank Market Dealers Association, and plans to offering 2 billion Yuan (2 billion Yuan included) corporate bonds privately, and the collection works of refundable for "benefit fund for project technological transformation".

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

There are no 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.

IV. Estimation of operation performance for year of 2017

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. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

VI. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

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

Applicable Not applicable

Time	Way	Type	Contents discussed and material provided
2017-08-28	Field research	Person 6)	In the premise of not violating the principles of information disclosure and the confidential system of significant

			information, the Company seriously and timely responded to the investors' inquiries about the Company's basic business circumstances, financial management situation, and relevant information of subordinate companies.
Jul. to Sep. of 2017	Investor interaction platform – written inquiry	Person (16)	In the premise of not violating the principles of information disclosure and the confidential system of significant information, the Company seriously and timely responded to the investors' inquiries about the Company's basic business circumstances, financial management situation, and relevant information of subordinate companies.
2017-08-09	Letter inquiry	Person (1)	Reply without break the rules of information disclosure and important information security system

VIII. External security against the rules

Applicable Not applicable

The Company has no external security against the rules in the Period.

IX. Controlling shareholders' and its related party's non-business capital occupying of the listed company

Applicable Not applicable

There are no controlling shareholders' and its related party's non-business capital occupying of the listed company.

X. Fulfill the precise social responsibility for poverty alleviation

The Company has no precise social responsibility for poverty alleviation in the period and has no follow-up plan either.

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by Shenzhen Nanshan Power Co., Ltd

2017-10-23

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	343,763,552.51	1,415,550,406.02
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable	2,000,000.00	600,000.00
Accounts receivable	303,477,152.11	166,808,672.42
Accounts paid in advance	175,774,024.15	43,663,090.22
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	44,292,139.86	395,804,901.21
Purchase restituted finance asset		
Inventories	87,169,305.27	80,684,079.57
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	459,229,987.79	548,542,780.69
Total current assets	1,415,706,161.69	2,651,653,930.13
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales	59,315,000.00	59,315,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	18,767,594.07	20,305,064.18
Investment property	2,851,474.71	2,998,577.91
Fixed assets	1,451,185,900.14	1,544,562,696.68
Construction in progress	48,342,993.51	8,008,476.13
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	49,123,077.91	51,081,104.21
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	2,896,583.01	2,896,583.01
Other non-current asset	22,882,181.78	22,882,181.78
Total non-current asset	1,655,364,805.13	1,712,049,683.90
Total assets	3,071,070,966.82	4,363,703,614.03
Current liabilities:		
Short-term loans	541,350,000.00	796,840,000.00
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	54,154,924.23	292,275,804.17
Accounts payable	7,206,873.73	6,329,078.85
Accounts received in advance		
Selling financial asset of repurchase		
Commission charge and commission payable		

Wage payable	30,739,634.58	45,823,790.61
Taxes payable	22,860,245.21	234,534,017.11
Interest payable	3,290,127.54	4,580,481.81
Dividend payable		
Other accounts payable	70,128,414.25	79,532,095.96
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	229,900,000.00	463,000,000.00
Other current liabilities		
Total current liabilities	959,630,219.54	1,922,915,268.51
Non-current liabilities:		
Long-term loans	26,940,000.00	343,900,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities	27,100,000.00	27,100,000.00
Deferred income	43,018,195.28	45,818,868.15
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	97,058,195.28	416,818,868.15
Total liabilities	1,056,688,414.82	2,339,734,136.66
Owner's equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	362,770,922.10	362,770,922.10

Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	642,117,727.38	644,271,987.22
Total owner's equity attributable to parent company	1,940,559,643.08	1,942,713,902.92
Minority interests	73,822,908.92	81,255,574.45
Total owner's equity	2,014,382,552.00	2,023,969,477.37
Total liabilities and owner's equity	3,071,070,966.82	4,363,703,614.03

Legal representative: Chairman Li Xinwei

Person in charge of accounting works: Director GM Chen Yuhui; CFO Huang Jian

Person in charge of accounting institution: Deputy Manager Leng Jiwei (act for the financial management dept.)

2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	143,305,648.18	1,119,323,850.36
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable		
Accounts receivable	153,433,407.50	54,934,957.47
Account paid in advance	48,949,994.33	14,823,585.50
Interest receivable		
Dividends receivable		
Other receivables	937,178,523.80	1,094,134,273.27
Inventories	75,239,073.56	72,731,417.64
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	403,900,014.27	447,404,211.11
Total current assets	1,762,006,661.64	2,803,352,295.35
Non-current assets:		

Available-for-sale financial assets	59,315,000.00	59,315,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	691,982,849.76	691,982,849.76
Investment property		
Fixed assets	221,325,372.06	229,535,920.87
Construction in progress	922,185.90	709,640.09
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	3,058,783.56	4,056,650.19
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	976,604,191.28	985,600,060.91
Total assets	2,738,610,852.92	3,788,952,356.26
Current liabilities:		
Short-term borrowings	80,000,000.00	460,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	5,440,035.81	168,066,042.58
Accounts payable	282,920.71	427,800.87
Accounts received in advance		
Wage payable	13,546,244.72	27,224,865.99
Taxes payable	3,393,992.12	222,340,992.27
Interest payable	428,237.51	1,546,004.16
Dividend payable		
Other accounts payable	147,685,635.25	170,040,022.78
Divided into liability held for sale		

Non-current liabilities due within 1 year	195,500,000.00	123,000,000.00
Other current liabilities		
Total current liabilities	446,277,066.12	1,172,645,728.65
Non-current liabilities:		
Long-term loans	1,000,000.00	305,500,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income	24,328,193.28	26,051,964.27
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	25,328,193.28	331,551,964.27
Total liabilities	471,605,259.40	1,504,197,692.92
Owners' equity:		
Share capita	602,762,596.00	602,762,596.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	289,963,039.70	289,963,039.70
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	332,908,397.60	332,908,397.60
Retained profit	1,041,371,560.22	1,059,120,630.04
Total owner's equity	2,267,005,593.52	2,284,754,663.34
Total liabilities and owner's equity	2,738,610,852.92	3,788,952,356.26

3. Consolidated Profit Statement (this report period)

In RMB

Item	Current Period	Last Period
I. Total operating income	697,890,935.29	508,884,871.33
Including: Operating income	697,890,935.29	508,884,871.33
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	676,086,365.59	518,933,147.78
Including: Operating cost	636,024,697.52	450,577,571.37
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	3,669,791.65	1,527,827.78
Sales expenses	951,931.82	1,519,370.58
Administration expenses	24,103,443.73	25,519,877.05
Financial expenses	12,360,100.87	39,793,501.00
Losses of devaluation of asset	-1,023,600.00	-5,000.00
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	-518,050.11	-547,076.53
Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with “-”)		
Other income	1,770,275.49	
III. Operating profit (Loss is listed with “-”)	23,056,795.08	-10,595,352.98
Add: Non-operating income	343,403.40	3,906,768.35

Including: Disposal gains of non-current asset		
Less: Non-operating expense		7,621,025.11
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with “-”)	23,400,198.48	-14,309,609.74
Less: Income tax expense	2,274,536.80	1,767,353.20
V. Net profit (Net loss is listed with “-”)	21,125,661.68	-16,076,962.94
Net profit attributable to owner’s of parent company	20,474,941.54	-7,704,809.93
Minority shareholders’ gains and losses	650,720.14	-8,372,153.01
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	21,125,661.68	-16,076,962.94
Total comprehensive income attributable to owners of parent Company	20,474,941.54	-7,704,809.93
Total comprehensive income attributable to minority shareholders	650,720.14	-8,372,153.01
VIII. Earnings per share:		
(i) Basic earnings per share	0.03	-0.01
(ii) Diluted earnings per share	0.03	-0.01

The net profit achieved before combination was 0.00 Yuan from combined party, new profit achieved by combined party last period, while enterprise combined under the same control

Legal representative: Chairman Li Xinwei

Person in charge of accounting works: Director GM Chen Yuhui; CFO Huang Jian

Person in charge of accounting institution: Deputy Manager Leng Jiwei (act for the financial management dept.)

4. Profit Statement of parent company (this report period)

In RMB

Item	Current Period	Last Period
I. Operating income	282,150,380.05	150,882,243.89
Less: Operating cost	259,054,134.55	169,225,101.93
Operating tax and extras	820,098.07	
Sales expenses		
Administration expenses	8,990,301.26	7,949,880.09
Financial expenses	-935,402.68	1,426,086.00
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		
Other income	662,430.33	
II. Operating profit (Loss is listed with “-”)	14,883,679.18	-27,718,824.13
Add: Non-operating income	342,403.39	2,718,431.72
Including: Disposal gains of non-current asset		
Less: Non-operating expense		7,624,271.21
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with “-”)	15,226,082.57	-32,624,663.62
Less: Income tax expense		1,413,007.16
IV. Net profit (Net loss is listed with “-”)	15,226,082.57	-34,037,670.78
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	15,226,082.57	-34,037,670.78
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated profit statement (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Total operating income	1,570,853,632.62	1,206,573,138.41
Including: Operating income	1,570,853,632.62	1,206,573,138.41
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,581,145,383.63	1,305,532,407.49
Including: Operating cost	1,463,786,256.85	1,090,497,394.12
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	7,164,273.12	4,628,113.83
Sales expenses	2,365,011.12	3,972,760.84
Administration expenses	65,294,662.19	70,196,981.58
Financial expenses	44,039,491.32	136,242,157.12
Losses of devaluation of asset	-1,504,310.97	-5,000.00
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	-1,537,470.11	-1,629,936.37
Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with “-”)		
Other income	5,260,138.59	
III. Operating profit (Loss is listed with “-”)	-6,569,082.53	-100,589,205.45
Add: Non-operating income	349,199.40	15,728,109.02
Including: Disposal gains of non-current asset		
Less: Non-operating expense	172,009.57	7,844,301.19
Including: Disposal loss of non-current asset	160,729.35	203,276.08
IV. Total Profit (Loss is listed with “-”)	-6,391,892.70	-92,705,397.62
Less: Income tax expense	3,195,032.67	2,852,363.73
V. Net profit (Net loss is listed with “-”)	-9,586,925.37	-95,557,761.35
Net profit attributable to owner’s of parent company	-2,154,259.84	-64,159,556.17
Minority shareholders’ gains and losses	-7,432,665.53	-31,398,205.18
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		

1. Changes 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	-9,586,925.37	-95,557,761.35
Total comprehensive income attributable to owners of parent Company	-2,154,259.84	-64,159,556.17
Total comprehensive income attributable to minority shareholders	-7,432,665.53	-31,398,205.18
VIII. Earnings per share:		
(i) Basic earnings per share	-0.0036	-0.11
(ii) Diluted earnings per share	-0.0036	-0.11

The net profit achieved before combination was 0.00 Yuan from combined party, new profit achieved by combined party last period, while enterprise combined under the same control

6. Profit Statement of parent company (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Operating income	610,550,939.54	308,869,006.98
Less: Operating cost	612,475,302.77	336,178,413.47
Operating tax and extras	1,518,758.73	2,292,405.28
Sales expenses		
Administration expenses	28,391,217.61	18,091,535.04
Financial expenses	-11,237,786.40	21,895,482.42
Losses of devaluation of asset	-480,710.97	
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		
Other income	2,182,970.99	
II. Operating profit (Loss is listed with “-”)	-17,932,871.21	-69,588,829.23
Add: Non-operating income	343,403.39	4,026,012.38
Including: Disposal gains of non-current asset		
Less: Non-operating expense	159,602.00	7,818,836.10
Including: Disposal loss of non-current asset	159,602.00	194,564.88
III. Total Profit (Loss is listed with “-”)	-17,749,069.82	-73,381,652.95
Less: Income tax expense		1,413,007.16
IV. Net profit (Net loss is listed with “-”)	-17,749,069.82	-74,794,660.11
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	-17,749,069.82	-74,794,660.11
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

7. Consolidated Cash Flow Statement (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		

Cash received from selling commodities and providing labor services	1,691,955,407.45	1,286,867,142.76
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	2,170,304.49	2,310,771.15
Other cash received concerning operating activities	379,307,395.05	163,677,716.41
Subtotal of cash inflow arising from operating activities	2,073,433,106.99	1,452,855,630.32
Cash paid for purchasing commodities and receiving labor service	1,836,931,110.80	1,125,557,782.23
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	106,241,002.36	94,833,886.31
Taxes paid	266,415,531.89	53,310,414.00
Other cash paid concerning operating activities	35,188,297.66	44,973,082.63
Subtotal of cash outflow arising from operating activities	2,244,775,942.71	1,318,675,165.17
Net cash flows arising from operating activities	-171,342,835.72	134,180,465.15
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	50,262,554.32	12,560,838.09
Cash paid for investment		2,000,000.00
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	50,262,554.32	14,560,838.09
Net cash flows arising from investing activities	-50,262,554.32	-14,560,838.09

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	617,290,000.00	1,965,164,173.08
Cash received from issuing bonds		
Other cash received concerning financing activities	22,520,613.68	5,300,000.00
Subtotal of cash inflow from financing activities	639,810,613.68	1,970,464,173.08
Cash paid for settling debts	1,422,840,000.00	2,014,800,000.00
Cash paid for dividend and profit distributing or interest paying	44,344,877.74	148,038,506.25
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	5,540,000.00	11,309,958.60
Subtotal of cash outflow from financing activities	1,472,724,877.74	2,174,148,464.85
Net cash flows arising from financing activities	-832,914,264.06	-203,684,291.77
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-286,585.73	170,698.12
V. Net increase of cash and cash equivalents	-1,054,806,239.83	-83,893,966.59
Add: Balance of cash and cash equivalents at the period -begin	1,389,482,327.86	1,016,326,480.06
VI. Balance of cash and cash equivalents at the period -end	334,676,088.03	932,432,513.47

8. Cash Flow Statement of parent company (from year-begin to end of this period)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		

Cash received from selling commodities and providing labor services	892,462,292.20	660,592,522.11
Write-back of tax received		
Other cash received concerning operating activities	488,204,832.60	160,498,932.06
Subtotal of cash inflow arising from operating activities	1,380,667,124.80	821,091,454.17
Cash paid for purchasing commodities and receiving labor service	879,431,296.51	486,124,655.15
Cash paid to/for staff and workers	65,224,532.95	50,738,270.93
Taxes paid	229,059,661.67	15,954,491.78
Other cash paid concerning operating activities	552,800,106.88	183,333,407.78
Subtotal of cash outflow arising from operating activities	1,726,515,598.01	736,150,825.64
Net cash flows arising from operating activities	-345,848,473.21	84,940,628.53
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	635,342.16	276,403.60
Cash paid for investment		2,000,000.00
Net cash received from		

subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	635,342.16	2,276,403.60
Net cash flows arising from investing activities	-635,342.16	-2,276,403.60
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	80,000,000.00	1,520,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		5,300,000.00
Subtotal of cash inflow from financing activities	80,000,000.00	1,525,300,000.00
Cash paid for settling debts	692,000,000.00	1,755,500,000.00
Cash paid for dividend and profit distributing or interest paying	17,532,981.10	103,820,617.30
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	709,532,981.10	1,859,320,617.30
Net cash flows arising from financing activities	-629,532,981.10	-334,020,617.30
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,405.71	2,226.64
V. Net increase of cash and cash equivalents	-976,018,202.18	-251,354,165.73
Add: Balance of cash and cash equivalents at the period -begin	1,119,323,850.36	675,408,711.65
VI. Balance of cash and cash equivalents at the period -end	143,305,648.18	424,054,545.92

II. Audit Report

Whether the third quarter report was audited or not

Yes No

The third quarter report of the Company has not been audited.