



GUANGDONG JADIETE HOLDINGS GROUP COMPANY LIMITED

THIRD QUARTER REPORT 2018

2018-044

October 2018

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Guangdong Jadiete Holdings Group Company Limited (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Ding Lihong, the Company’s legal representative, Chen Jincai, the Company’s Chief Financial Officer (CFO), and Zeng Zhihua, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

Part II Key Corporate Information

I Key Consolidated Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

	30 September 2018	31 December 2017	Change (%)	
Total assets (RMB)	540,644,757.87	723,587,997.04	-25.28%	
Equity attributable to the listed company's shareholders (RMB)	344,803,407.54	352,491,657.80	-2.18%	
	Q3 2018	YoY change (%)	Q1-Q3 2018	YoY change (%)
Operating revenue (RMB)	1,033,574.67	-99.26%	95,083,226.42	-71.23%
Net profit attributable to the listed company's shareholders (RMB)	-2,684,050.35	-28.42%	-7,688,250.26	-34.55%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	-2,425,833.51	12.10%	-9,017,492.35	65.49%
Net cash generated from/used in operating activities (RMB)	--	--	-1,247,708.06	-84.87%
Basic earnings per share (RMB/share)	-0.01	0.00%	-0.02	-45.95%
Diluted earnings per share (RMB/share)	-0.01	0.00%	-0.02	-45.95%
Weighted average return on equity (%)	-0.78%	0.27%	-2.21%	1.05%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2018	Note
Gain or loss on fair-value changes in trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	536.00	
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	2,715,536.92	Recovery of part of accounts receivable by the subsidiary

		CHINESE GOLD NOBILITY
Non-operating income and expense other than above	379,808.16	
Less: Income tax effects	764,612.09	
Non-controlling interests effects (net of tax)	1,002,026.90	
Total	1,329,242.09	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2018

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders		11,380		Number of preferred shareholders with resumed voting rights (if any)	0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
SHENZHEN SHENGHENGCO	Domestic non-state-owned legal person	36.99%	117,855,000	117,855,000	Frozen	117,855,000
HANG HUIFU INDUSTRIAL CO., LTD.					In pledge	117,855,000
SHENZHEN RISHENG CHUANGYUAN ASSET MANAGEMENT CO., LTD.	Domestic non-state-owned legal person	10.68%	34,020,000	34,020,000	In pledge	34,020,000
					Frozen	34,020,000

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	8.07%	25,722,950			
SHENZHEN LIANHUA HUIREN INDUSTRIAL CO., LTD.	Domestic non-state-owned legal person	3.81%	12,150,000	12,150,000	In pledge	12,150,000
					Frozen	12,150,000
SHENWAN HONGYUAN SECURITIES (HK) LIMITED	Foreign legal person	2.07%	6,600,346			
CHINA EVERBRIGHT SECURITIES (HK) LIMITED	Foreign legal person	1.33%	4,226,600			
SU YOUHE	Domestic natural person	1.06%	3,388,862			
FAN JIONGYANG	Domestic natural person	0.58%	1,843,000			
CHEN JIANXING	Domestic natural person	0.44%	1,416,919			
WEI GUOBIN (NGAI KWOK PAN)	Foreign natural person	0.36%	1,145,816			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares	Shares by type				
		Type	Shares			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	25,722,950	Domestically listed stock	foreign 25,722,950			
SHENWAN HONGYUAN SECURITIES (HK) LIMITED	6,600,346	Domestically listed stock	foreign 6,600,346			

CHINA EVERBRIGHT SECURITIES (HK) LIMITED	4,226,600	Domestically listed foreign stock	4,226,600
SU YOUHE	3,388,862	Domestically listed foreign stock	3,388,862
FAN JIONGYANG	1,843,000	Domestically listed foreign stock	1,843,000
CHEN JIANXING	1,416,919	Domestically listed foreign stock	1,416,919
WEI GUOBIN (NGAI KWOK PAN)	1,145,816	Domestically listed foreign stock	1,145,816
QU CHEN	820,000	Domestically listed foreign stock	820,000
CHEN JINMING	765,500	Domestically listed foreign stock	765,500
HAN LIANG	711,458	Domestically listed foreign stock	711,458
Related or acting-in-concert parties among shareholders above	Shenzhen Shenghengchang Huifu Industrial Co., Ltd., Shenzhen Risheng Chuangyuan Asset Management Co., Ltd. and Shenzhen Lianhua Huiren Industrial Co., Ltd., which belonged to action-in-concert promulgated by Measures for the Administration of Disclosure of Information on the Change of Shareholdings in Listed Companies. The Company did not know whether there existed related relationship among other shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Key Consolidated Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Items with Greater than 30% Movement and Explanation of why

Balance sheet items	30 September 2018	31 December 2017	Change (%)	Explanation of why
Monetary capital	1,163,158.55	2,956,199.38	-60.65	Production and operation in the current period
Accounts receivable	23,800,132.58	153,954,425.28	-84.54	Collection of payments by subsidiary Chinese Gold Nobility from its customers
Other receivables	1,780,199.48	51,173,077.48	-96.52	Adjustment to the security deposit payable to Tian Rui (HK) Trading Company Limited for dividend payment
Fixed assets	39,917,237.65	29,961,223.62	33.23	The plants were not under lease in the current period, causing reclassification of investment property to fixed assets
Investment property	0.00	15,057,817.47	-100.00	The plants were not under lease in the current period, causing reclassification of investment property to fixed assets
Accounts payable	75,953,566.50	206,507,636.62	-63.22	Decline in procurement
Payroll payable	1,475,375.67	788,844.58	87.03	Production and operation in the current period
Other payables	42,483,174.67	88,422,479.70	-51.95	Adjustment to the security deposit payable to Tian Rui (HK) Trading Company Limited for dividend payment
Income statement items	Q1~Q3 2018	Q1~Q3 2017	Change (%)	Explanation of why
Operating revenue	95,083,226.42	330,527,876.01	-71.23	Decline in the sales of subsidiary Chinese Gold Nobility in the current period due to business restructuring
Cost of sales	93,962,141.50	314,035,742.31	-70.08	Decline in the sales of subsidiary Chinese Gold Nobility in the current period due to business restructuring
Taxes and surcharges	703,481.33	1,013,876.05	-30.61	Decline in the sales of subsidiary Chinese Gold Nobility in the current period due to business restructuring
Operating expenses	1,383,147.50	2,192,421.37	-36.91	Decline in the sales of subsidiary Chinese Gold Nobility in the current period due to business restructuring

Asset impairment loss	-2,715,536.92	-530,254.26	412.12	Less such loss due to the reversal of impairment loss on accounts receivable
Gain on changes in fair value	0.00	-5,513,470.21	-100.00	Decline in stock investments in the current period
Non-operating expense	221,569.91	355,834.94	-37.73	Other rental expenses in the current period
Income tax expense	768,741.42	3,038,416.90	-74.70	Lower profit of subsidiary Chinese Gold Nobility in the current period
Investment income	536.00	-1,495,500.82	-100.04	Decline in stock investment income during the current period
Cash flow statement items	Q1~Q3 2018	Q1~Q3 2017	Change (%)	Explanation of why
Net cash generated from/used in operating activities	-1,247,708.06	-8,243,936.39	-84.87	More cash used in operating activities during the current period
Net cash generated from/used in investing activities	-602,292.09	-111,895,473.34	-99.46	Decline in investments during the current period
Net cash generated from/used in financing activities	56,900.00	0.00	100.00	Capital contributions from non-controlling interests
Net increase in cash and cash equivalents	-1,793,040.83	-120,139,879.24	-98.51	Decline in investments during the current period

II Progress, Influence and Solutions Associated with Significant Events

Applicable Not applicable

The Asia Pacific (Group) Accounting Firm (Special General Partnership) issued a qualified audit report on the Company's 2017 audit report. The 2017 internal control verification report was issued by the firm with a negative opinion that the Company has great defects in internal control. The Board of Directors, and Supervisory Committee of the Company have given specific explanation for the relevant events, for details, see the documents issued on www.cninfo.co by the Company on 28 April 2018. The Company attaches great importance to it and urges to solve relevant problems ASAP. Meanwhile, the Company further improves the internal control management, promotes the standardized management and operation level of the Company, and standardizes the operation to prevent risks.

Summary of significant event	Disclosure date	Index to related announcement
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III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Parties, Failed to Fulfill on Time during Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV 2018 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in net profit for year 2018, as well as explanation of why:

Applicable Not applicable

V Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

VI Wealth Management Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

VII Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VIII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	About
9 July 2018	By phone	Individual	Time for disclosure of semi-annual earnings forecast of the Company

IX Irregularities in Provision of Guarantees for External Parties

Applicable Not applicable

No such cases in the Reporting Period.

X Occupation of the Company's Capital by Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Guangdong Jadiete Holdings Group Company Limited

30 September 2018

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	1,163,158.55	2,956,199.38
Settlement reserve		
Interbank loans granted		
Financial assets at fair value through profit or loss		6,316.00
Derivative financial assets		
Notes and accounts receivable	23,800,132.58	153,954,425.28
Including: Notes receivable		
Accounts receivable	23,800,132.58	153,954,425.28
Prepayments	2,236,712.44	2,436,902.27
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,780,199.48	51,173,077.48
Financial assets purchased under resale agreements		
Inventories	162,096,074.39	161,350,742.00
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	24,229,530.02	23,930,553.25
Total current assets	215,305,807.46	395,808,215.66
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets		

Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	269,998,221.71	269,998,221.71
Investment property		15,057,817.47
Fixed assets	39,917,237.65	29,961,223.62
Construction in progress		
Productive living assets		
Oil and gas assets		
Intangible assets	8,870,209.04	5,742,427.70
R&D expense	258,705.00	
Goodwill	2,395,820.87	2,395,820.87
Long-term prepaid expense	326,862.52	298,544.88
Deferred income tax assets	3,571,893.62	4,325,725.13
Other non-current assets		
Total non-current assets	325,338,950.41	327,779,781.38
Total assets	540,644,757.87	723,587,997.04
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Customer deposits and interbank deposits		
Interbank loans obtained		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	75,953,566.50	206,507,636.62
Advances from customers	11,209,141.53	11,433,013.53
Financial assets sold under repurchase agreements		
Handling charges and commissions payable		
Payroll payable	1,475,375.67	788,844.58
Taxes payable	23,737,963.64	23,317,798.05
Other payables	42,483,174.67	88,422,479.70
Reinsurance payables		
Insurance contract reserve		

Payables for acting trading of securities		
Payables for underwriting of securities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	154,859,222.01	330,469,772.48
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	154,859,222.01	330,469,772.48
Owners' equity:		
Share capital	318,600,000.00	318,600,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	52,303,274.80	52,303,274.80
Less: Treasury stock		
Other comprehensive income		
Specific reserve		
Surplus reserves	86,036,260.20	86,036,260.20
General reserve		
Retained earnings	-112,136,127.46	-104,447,877.20
Total equity attributable to owners of the Company as the parent	344,803,407.54	352,491,657.80
Non-controlling interests	40,982,128.32	40,626,566.76

Total owners' equity	385,785,535.86	393,118,224.56
Total liabilities and owners' equity	540,644,757.87	723,587,997.04

Legal representative: Ding Lihong Chief of the accounting work: Chen Jincai Chief of the accounting organ: Zeng Zhihua

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2018	31 December 2017
Current assets:		
Monetary capital	175,918.86	166,675.93
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable		
Including: Notes receivable		
Accounts receivable		
Prepayments		
Other receivables	19,270,061.27	66,228,472.94
Inventories		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets		
Total current assets	19,445,980.13	66,395,148.87
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	350,028,229.97	349,998,229.97
Investment property		15,057,817.47
Fixed assets	38,231,906.48	28,175,564.88
Construction in progress		
Productive living assets		
Oil and gas assets		
Intangible assets	8,870,209.04	5,742,427.70
R&D expense		

Goodwill		
Long-term prepaid expense		
Deferred income tax assets	2,591,594.52	2,683,594.52
Other non-current assets		
Total non-current assets	399,721,940.01	401,657,634.54
Total assets	419,167,920.14	468,052,783.41
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes and accounts payable	19,442.64	19,442.64
Advances from customers	171,253.66	171,253.66
Payroll payable	1,089,614.27	459,301.04
Taxes payable	16,431,350.99	15,857,461.62
Other payables	13,094,453.75	56,827,110.62
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	30,806,115.31	73,334,569.58
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	30,806,115.31	73,334,569.58
Owners' equity:		

Share capital	318,600,000.00	318,600,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	52,129,496.58	52,129,496.58
Less: Treasury stock		
Other comprehensive income		
Specific reserve		
Surplus reserves	86,036,260.20	86,036,260.20
Retained earnings	-68,403,951.95	-62,047,542.95
Total owners' equity	388,361,804.83	394,718,213.83
Total liabilities and owners' equity	419,167,920.14	468,052,783.41

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Revenue	1,033,574.67	140,067,791.16
Including: Operating revenue	1,033,574.67	140,067,791.16
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	3,872,994.74	140,337,324.38
Including: Cost of sales	605,454.83	135,501,088.27
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	206,867.42	359,692.49

Selling expense	254,027.97	758,013.98
Administrative expense	2,308,300.67	3,726,004.86
R&D expense		
Finance costs	271,660.58	111,218.42
Including: Interest expense		
Interest income		
Asset impairment loss	226,683.27	-118,693.64
Add: Other income		
Investment income (“-” for loss)		-1,528,795.59
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)		26,455.00
Foreign exchange gain (“-” for loss)		
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	-2,839,420.07	-1,771,873.81
Add: Non-operating income	1,378.07	0.01
Less: Non-operating expense	32,562.76	353,430.78
4. Profit before tax (“-” for loss)	-2,870,604.76	-2,125,304.58
Less: Income tax expense		731,384.29
5. Net profit (“-” for net loss)	-2,870,604.76	-2,856,688.87
5.1 Net profit from continuing operations (“-” for net loss)		
5.2 Net profit from discontinued operations (“-” for net loss)		
Net profit attributable to owners of the Company as the parent	-2,684,050.35	-3,749,881.68
Net profit attributable to non-controlling interests	-186,554.41	893,192.81
6. Other comprehensive income, net of tax		
Attributable to owners of the Company as the parent		
6.1 Items that will not be reclassified to profit or loss		

6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss		
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements		
6.2.6 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	-2,870,604.76	-2,856,688.87
Attributable to owners of the Company as the parent	-2,684,050.35	-3,749,881.68
Attributable to non-controlling interests	-186,554.41	893,192.81
8. Earnings per share		
8.1 Basic earnings per share	-0.01	-0.01
8.2 Diluted earnings per share	-0.01	-0.01

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB , with the amount for the same period of last year being RMB .

Legal representative: Ding Lihong Chief of the accounting work: Chen Jincai Chief of the accounting organ: Zeng Zhihua

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2018	Q3 2017
1. Operating revenue	0.00	739,816.14
Less: Cost of sales	6,264,087.65	196,798.62
Taxes and surcharges	621,000.00	625,714.06
Selling expense		
Administrative expense	5,998,000.22	8,606,254.32
R&D expense		
Finance costs	13,087.65	823,122.59
Including: Interest expense		
Interest income		
Asset impairment loss	-368,000.00	
Add: Other income		
Investment income (“-” for loss)		15,164.93
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	-6,264,087.87	-9,496,908.52
Add: Non-operating income		
Less: Non-operating expense	321.13	353,362.97
3. Profit before tax (“-” for loss)	-6,264,409.00	-9,850,271.49
Less: Income tax expense	92,000.00	0.00
4. Net profit (“-” for net loss)	-6,356,409.00	-9,850,271.49
4.1 Net profit from continuing operations (“-” for net loss)		
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on		

defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	-6,356,409.00	-9,850,271.49
7. Earnings per share		
7.1 Basic earnings per share	-0.02	-0.03
7.2 Diluted earnings per share	-0.02	-0.03

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Revenue	95,083,226.42	330,527,876.01
Including: Operating revenue	95,083,226.42	330,527,876.01
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	102,073,504.04	328,184,046.43

Including: Cost of sales	93,962,141.50	314,035,742.31
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	703,481.33	1,013,876.05
Selling expense	1,383,147.50	2,192,421.37
Administrative expense	8,404,895.73	11,050,508.43
R&D expense		
Finance costs	335,374.90	421,752.53
Including: Interest expense		
Interest income		
Asset impairment loss	-2,715,536.92	-530,254.26
Add: Other income		
Investment income (“-” for loss)	536.00	-1,495,500.82
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)		-5,513,470.21
Foreign exchange gain (“-” for loss)		
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	-6,989,741.62	-4,665,141.45
Add: Non-operating income	601,378.07	0.34
Less: Non-operating expense	221,569.91	355,834.94
4. Profit before tax (“-” for loss)	-6,609,933.46	-5,020,976.05
Less: Income tax expense	768,741.42	3,038,416.90
5. Net profit (“-” for net loss)	-7,378,674.88	-8,059,392.95

5.1 Net profit from continuing operations (“-” for net loss)		
5.2 Net profit from discontinued operations (“-” for net loss)		
Net profit attributable to owners of the Company as the parent	-7,688,250.26	-11,746,986.46
Net profit attributable to non-controlling interests	309,575.38	3,687,593.51
6. Other comprehensive income, net of tax		
Attributable to owners of the Company as the parent		
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss		
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements		
6.2.6 Other		
Attributable to non-controlling interests		

7. Total comprehensive income	-7,378,674.88	-8,059,392.95
Attributable to owners of the Company as the parent	-7,688,250.26	-11,746,986.46
Attributable to non-controlling interests	309,575.38	3,687,593.51
8. Earnings per share		
8.1 Basic earnings per share	-0.02	-0.04
8.2 Diluted earnings per share	-0.02	-0.04

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB , with the amount for the same period of last year being RMB .

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Operating revenue	0.00	739,816.14
Less: Cost of sales	6,264,087.17	196,798.62
Taxes and surcharges	621,000.00	625,714.06
Selling expense		
Administrative expense	5,998,000.22	8,606,254.32
R&D expense		
Finance costs	13,087.65	823,122.59
Including: Interest expense		
Interest income		
Asset impairment loss	-368,000.00	
Add: Other income		
Investment income (“-” for loss)		15,164.93
Including: Share of profit or loss of joint ventures and associates		
Gain on changes in fair value (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	-6,264,087.87	-9,496,908.52
Add: Non-operating income		
Less: Non-operating expense	321.13	353,362.97
3. Profit before tax (“-” for loss)	-6,264,409.00	-9,850,271.49

Less: Income tax expense	92,000.00	0.00
4. Net profit (“-” for net loss)	-6,356,409.00	-9,850,271.49
4.1 Net profit from continuing operations (“-” for net loss)		
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	-6,356,409.00	-9,850,271.49
7. Earnings per share		
7.1 Basic earnings per share	-0.02	-0.03
7.2 Diluted earnings per share	-0.02	-0.03

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	243,922,799.73	427,234,003.71
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Tax rebates	2,173.89	
Cash generated from other operating activities	57,503,486.43	61,306,244.19
Subtotal of cash generated from operating activities	301,428,460.05	488,540,247.90
Payments for commodities and services	240,299,871.25	426,752,204.15
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Interest, handling charges and commissions paid		

Policy dividends paid		
Cash paid to and for employees	4,584,065.60	3,310,703.21
Taxes paid	613,814.06	16,906,474.80
Cash used in other operating activities	57,178,417.20	49,814,802.13
Subtotal of cash used in operating activities	302,676,168.11	496,784,184.29
Net cash generated from/used in operating activities	-1,247,708.06	-8,243,936.39
2. Cash flows from investing activities:		
Proceeds from disinvestment	6,852.00	9,866,892.53
Investment income		50,187.43
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	6,852.00	9,917,079.96
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	611,854.67	143,367.08
Payments for investments	-2,710.58	121,669,186.22
Net increase in pledged loans granted		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	609,144.09	121,812,553.30
Net cash generated from/used in investing activities	-602,292.09	-111,895,473.34
3. Cash flows from financing activities:		
Capital contributions received	56,900.00	
Including: Capital contributions by non-controlling interests to subsidiaries		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		

Cash generated from other financing activities		
Subtotal of cash generated from financing activities	56,900.00	
Repayment of borrowings		
Payments for interest and dividends		
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities		
Net cash generated from/used in financing activities	56,900.00	0.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	59.32	-469.51
5. Net increase in cash and cash equivalents	-1,793,040.83	-120,139,879.24
Add: Cash and cash equivalents, beginning of the period	2,956,199.38	123,886,976.82
6. Cash and cash equivalents, end of the period	1,163,158.55	3,747,097.58

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2018	Q1~Q3 2017
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services		
Tax rebates		
Cash generated from other operating activities	54,443,244.98	49,412,876.60
Subtotal of cash generated from operating activities	54,443,244.98	49,412,876.60
Payments for commodities and services		
Cash paid to and for employees	749,860.79	1,354,964.19
Taxes paid	59,139.07	12,468,099.71
Cash used in other operating activities	53,595,002.19	29,223,154.54

Subtotal of cash used in operating activities	54,404,002.05	43,046,218.44
Net cash generated from/used in operating activities	39,242.93	6,366,658.16
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Investment income		
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities		
Payments for acquisition of fixed assets, intangible assets and other long-lived assets		
Payments for investments	30,000.00	120,000,000.00
Net payments for acquisition of subsidiaries and other business units		5,000,000.00
Cash used in other investing activities		
Subtotal of cash used in investing activities	30,000.00	125,000,000.00
Net cash generated from/used in investing activities	-30,000.00	-125,000,000.00
3. Cash flows from financing activities:		
Capital contributions received		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Payments for interest and dividends		
Cash used in other financing activities		
Sub-total of cash used in financing		

activities		
Net cash generated from/used in financing activities		
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	9,242.93	-118,633,341.84
Add: Cash and cash equivalents, beginning of the period	166,675.93	119,117,878.02
6. Cash and cash equivalents, end of the period	175,918.86	484,536.18

II Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.