

**Chongqing Jianshe Vehicle System Co., Ltd.**

**The Third Quarterly Report 2020**

2020-078

**October 2020**

## 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. Lv Hongxian, The Company Leader, Mr. Tan Mingxian, 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. Basic Information of the Company

### I. Main accounting data and financial Index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes  No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (Yuan)	1,230,073,040.56	1,190,147,356.58	3.35%	
Net assets attributable to the shareholders of the listed company (Yuan)	177,949,550.42	172,172,730.61	3.36%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (Yuan)	202,858,501.83	15.11%	537,448,763.68	-9.65%
Net profit attributable to the shareholders of the listed company (Yuan)	40,472,240.13	-267.13%	5,776,819.81	-109.45%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-2,059,817.75	-91.59%	-36,200,374.63	-39.98%
Cash flow generated by business operation, net (Yuan)	47,434,377.12	-32.23%	120,556,271.10	-36.26%

Basic earning per share(Yuan/Share)	0.3390	-267.08%	0.0484	-109.46%
Diluted gains per share(Yuan/Share)	0.3390	-267.08%	0.0484	-109.46%
Weighted average income/asset ratio (%)	23.12%	32.34%	3.30%	26.55%

#### 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
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	42,516,031.33	
Other non-business income and expenditures other than the above	-538,836.89	
Total	41,977,194.44	--

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		7,484	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 Investment Development Co., Ltd.	Domestic non-state-owned legal person	1.47%	1,750,000	1,750,000		
Liu Dan	Domestic natural person	0.77%	918,251			
Xu Yuanhui	Domestic natural person	0.65%	777,889			
Chen Xinqiang	Domestic natural person	0.51%	612,400			
Xue Xiaoping	Domestic natural person	0.43%	517,175			
Zhang Meilan	Domestic natural person	0.43%	513,560			
Feng Yonghui	Domestic natural person	0.42%	500,000	500,000		
CORE PACIFIC-YAMA ICHI INTERNATIONAL (H.K.) LIMITED	Overseas Legal person	0.37%	445,650			
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	918,251	Foreign shares placed in domestic	918,251			

		exchange	
Xu Yuanhui	777,889	Foreign shares placed in domestic exchange	777,889
Chen Xinqiang	612,400	Foreign shares placed in domestic exchange	612,400
Xue Xiaoping	517,175	Foreign shares placed in domestic exchange	517,175
Zhang Meilan	513,560	Foreign shares placed in domestic exchange	513,560
CORE PACIFIC-YAMAICHI INTERNATIONAL (H.K.) LIMITED	445,650	Foreign shares placed in domestic exchange	445,650
Li Jianping	430,000	Foreign shares placed in domestic exchange	430,000
Chen Houping	423,561	Foreign shares placed in domestic exchange	423,561
Yu Lingfeng	390,000	Foreign shares placed in domestic exchange	390,000
Liu Guosheng	345,575	Foreign shares placed in domestic exchange	345,575
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'.
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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. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable  Not applicable

The net profit attributable to shareholders of the Listed Company from the beginning of the year to the end of the reporting period was 5,776,800 yuan, which turned losses into profits compared to the same period last year. The main reason was that on June 5, 2020, the Company and Japan Yamaha Motor Co., Ltd (hereinafter referred to as YAMAHA), Japan Aisan Industry Co., Ltd (hereinafter referred to as AISAN), Japan TK Vaporizer Co., Ltd (Hereinafter referred to as TK) signed the "Equity Transfer Contract" to purchase the 20%, 25%, and 5% of Pingshan Taikai equity respectively held by YAMAHA, AISAN, and TK at a price of USD 3. The equity transfer for the acquisition project was completed on September 8, 2020 (Please refer to the relevant Announcement No.: 2020-020, 2020-031, 2020-055, 2020-060 and 2020-073 on [www.cninfo.com.cn](http://www.cninfo.com.cn) on April 28, 2020, May 23, 2020, June 9, 2020 and September 12, 2020 for details). The income realized from this equity acquisition was 42.52 million yuan, which was included in the Company's non-operating income (non-recurring profit and loss item), resulting in an increase in the Company's total profit in the current period.

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

Applicable  Not applicable

Chongqing Bisu Yumbo Power Technology Co., Ltd. (hereinafter referred to as "Chongqing Bisu") have failed to pay Vehicle Air Conditioning Company, a full-owned subsidiary of the Company for the air conditioner compressors. The Vehicle Air Conditioning Company filed a lawsuit with Chongqing Yubei District People's Court in November 2018, who held a hearing on July 11, 2019 and issued the "Civil Judgment of Chongqing Yubei District People's Court" on September 18, 2019 ((2018) Y0112 MC, No. 23992), where the "General Rules for Purchase of Parts and Materials" signed by the Company and Chongqing Bisu was cancelled. Chongqing Bisu paid 5,396,775.35 yuan and loss of capital occupation to the Vehicle Air-Conditioning Company. Baic Yinxiang Automobile Co., Ltd. is jointly and severally liable for the above debts of the Defendant Chongqing Bisu. At the end of September 2020, Baic Yingxiang has filed for bankruptcy and reorganization, and the Vehicle Air-Conditioning Company has declared a general claim on the joint and several liabilities of Baic Yingxiang, with a total amount of 6,378,653.75 yuan.

Progress in the implementation of share repurchase

Applicable  Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

Applicable  Not applicable

**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

The company has no commitments completed in period and those without completed till lend of the period from actual controller, shareholders, related parties, purchaser and companies.



#### **IV. Financial asset investment**

##### **1. Investment in securities**

Applicable  Not applicable

No Securities investment in period

##### **2. Investment in derivatives**

Applicable  Not applicable

There is no derivative investment during the report period.

#### **V. Progress of investment projects with raised funds**

Applicable  Not applicable

#### **VI. Prediction of 2020 business performance**

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

#### **VII. Major contracts for daily operations**

Applicable  Not applicable

#### **VIII. Entrusted Financial Management**

Applicable  Not applicable

There is no Entrusted Financial Management during the report period.

#### **IX. External guarantee get out of line**

Applicable  Not applicable

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

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

Applicable  Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

#### **XI. The registration form of acceptance of investigation, communication and interview in the report period for future reference**

Applicable  Not applicable

No such cases in the reporting period.

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Chongqing Jianshe Vehicle System Co., Ltd.

September 30,2020

In RMB

Items	September 30,2020	December 31, 2019
Current asset :		
Monetary fund	121,690,907.47	154,613,734.94
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable	178,452,021.40	23,412,900.18
Account receivable	209,446,470.54	231,648,218.97
Financing of receivables		
Prepayments	6,966,037.90	10,076,917.93
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	9,175,922.08	3,439,028.39
Including: Interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventories	126,853,596.88	146,318,458.60
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	2,417,882.21	3,047,932.61
Total of current assets	655,002,838.48	572,557,191.62

Non-current assets :		
Loans and payment on other's behalf disbursed		
Creditor's right investment		
Other Creditor's right investment		
Long-term receivable		
Long term share equity investment	181,562,637.14	230,649,585.63
Other equity instruments investment		
Other non-current financial assets		
Property investment	23,340,936.63	71,928,994.28
Fixed assets	328,015,350.23	278,885,442.43
Construction in progress	5,372,488.81	3,858,269.05
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	26,979,854.05	22,823,384.71
Development expenses		
Goodwill		
Long-germ expenses to be amortized	209,285.77	
Deferred income tax asset	6,060,931.98	6,060,931.98
Other non-current asset	3,528,717.47	3,383,556.88
Total of non-current assets	575,070,202.08	617,590,164.96
Total of assets	1,230,073,040.56	1,190,147,356.58
Current liabilities		
Short-term loans	511,900,000.00	422,280,000.00
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	207,870,000.00	330,644,075.95
Account payable	264,724,399.11	225,193,165.80
Advance receipts	1,769,718.93	1,117,423.35
Contract liabilities		
Selling of repurchased financial assets		

Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	33,159,477.52	14,879,129.15
Tax payable	18,793,671.57	17,773,372.17
Other account payable	12,004,473.68	6,087,459.55
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability		
Total of current liability	1,050,221,740.81	1,017,974,625.97
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability	1,901,749.33	
Other non-current liabilities		
Total non-current liabilities	1,901,749.33	
Total of liability	1,052,123,490.14	1,017,974,625.97
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserve		
Surplus reserves	125,686,000.00	125,686,000.00
Common risk provision		
Retained profit	-1,025,686,543.87	-1,031,463,363.68
Total of owner's equity belong to the parent company	177,949,550.42	172,172,730.61
Minority shareholders' equity		
Total of owners' equity	177,949,550.42	172,172,730.61
Total of liabilities and owners' equity	1,230,073,040.56	1,190,147,356.58

Legal Representative: Lv Hongxian

Person-in-charge of the accounting work: Tan Mingxian

Person-in -charge of the accounting organ: Niu Yanli

## 2.Parent Company Balance Sheet

In RMB

Items	September 30,2020	December 31, 2019
Current asset :		
Monetary fund	3,396,993.79	4,448,232.99
Transactional financial assets		
Derivative financial assets		
Notes receivable	75,500,000.00	16,320,000.00
Account receivable	1,339,329.20	1,184,945.81
Financing of receivables		
Prepayments	3,450,114.66	5,428,338.82
Other account receivable	6,774,440.96	2,376,451.69
Including: Interest receivable		
Dividend receivable		
Inventories	1,126,297.55	1,446,434.47
Contract assets		
Assets held for sales		

Non-current asset due within 1 year		
Other current asset		3,047,932.61
Total of current assets	91,587,176.16	34,252,336.39
Non-current assets:		
Creditor's right investment		
Other Creditor's right investment		
Long-term receivable		
Long term share equity investment	380,608,081.09	390,649,585.63
Other equity instruments investment		
Other non-current financial assets		
Property investment	23,340,936.63	71,928,994.28
Fixed assets	122,848,295.60	77,199,380.23
Construction in progress	139,837.74	166,386.41
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	14,276,050.30	14,589,584.29
Development expenses		
Goodwill		
Long-germ expenses to be amortized	172,160.77	
Deferred income tax asset		
Other non-current asset		
Total of non-current assets	541,385,362.13	554,533,930.84
Total of assets	632,972,538.29	588,786,267.23
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	216,317,745.99	191,919,884.09
Advance receipts	475,302.29	200,823.38
Contract Liabilities		
Employees' wage payable	13,583,023.70	12,275,806.23
Tax payable	15,233,221.50	15,169,059.96

Other account payable	346,124,426.05	293,722,742.58
Including: Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability		
Total of current liability	591,733,719.53	513,288,316.24
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities		
Total of liability	591,733,719.53	513,288,316.24
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserve		
Surplus reserves	125,686,000.00	125,686,000.00
Retained profit	-1,162,397,275.53	-1,128,138,143.30
Total of owners' equity	41,238,818.76	75,497,950.99
Total of liabilities and owners' equity	632,972,538.29	588,786,267.23

## 3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	202,858,501.83	176,235,751.40
Incl: Business income	202,858,501.83	176,235,751.40
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	203,266,783.73	195,111,413.24
Incl: Business cost	170,135,134.63	156,526,170.75
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	2,690,471.09	2,252,951.97
Sales expense	5,046,518.63	5,277,566.24
Administrative expense	16,145,116.01	19,143,223.14
R & D costs	3,617,297.89	3,899,659.16
Financial expenses	5,632,245.48	8,011,841.98
Including: Interest expense		
Interest income		
Add: Other income	106,000.00	271,974.93
Investment gain (“-”for loss)	-1,827,456.90	-5,627,971.49
Incl: investment gains from affiliates	-1,827,456.90	-5,627,971.49
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		



Impairment loss of assets	69,921.05	
Assets disposal income		19,176.95
III. Operational profit ( “-”for loss )	-2,059,817.75	-24,212,481.45
Add : Non-operational income	42,532,057.88	-3,000.00
Less: Non-operating expense		
IV. Total profit(“-”for loss)	40,472,240.13	-24,215,481.45
Less: Income tax expenses		
V. Net profit	40,472,240.13	-24,215,481.45
(I) Classification by business continuity		
1.Net continuing operating profit	40,472,240.13	-24,215,481.45
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	40,472,240.13	-24,215,481.45
2.Minority shareholders’ equity		
VI. Net after-tax of 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.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		
5.Other		
(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. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	40,472,240.13	-24,215,481.45
Total comprehensive income attributable to the owner of the parent company	40,472,240.13	-24,215,481.45
Total comprehensive income attributable minority shareholders		0.00
VIII. Earnings per share		
( I ) Basic earnings per share	0.3390	-0.2029
(II)Diluted earnings per share	0.3390	-0.2029

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Lv Hongxian

Person-in-charge of the accounting work: Tan Mingxian

Person-in -charge of the accounting organ: Niu Yanli

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

In RMB

Items	Amount in this period	Amount in last period
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I. Income from the key business	157,895,158.59	123,916,467.19
Incl: Business cost	162,381,476.31	128,337,118.68
Business tax and surcharge	1,077,024.90	1,383,697.31
Sales expense	776,169.89	510,947.46
Administrative expense	9,050,666.97	11,028,350.71
R & D expense	385,683.86	489,267.22
Financial expenses	-60,506.46	5,211,290.46
Including: Interest expenses		
Interest income		
Add: Other income		
Investment gain (“-”for loss)	-1,827,456.90	-5,627,971.49
Including: investment gains from affiliates	-1,827,456.90	-5,627,971.49
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income		19,176.95
II. Operational profit (“-”for loss)	-17,542,813.77	-28,652,999.18
Add : Non-operational income		
Less: Non -operational expenses		
III. Total profit (“-”for loss)	-17,542,813.77	-28,652,999.18
Less: Income tax expenses		
IV. Net profit	-17,542,813.77	-28,652,999.18
1.Net continuing operating profit	-17,542,813.77	-28,652,999.18
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(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.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5. Other		
(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. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Translation differences in currency financial statements		
7. Other		
VI. Total comprehensive income	-17,542,813.77	-28,652,999.18
VII. Earnings per share		
(I) Basic earnings per share	-0.1470	-0.2400
(II) Diluted earnings per share	-0.1470	-0.2400

### 5. Consolidated Income statement between the beginning of the year and end of the report period

In RMB

Items	Amount in this period	Amount in last period
I. Turnover	537,448,763.68	594,849,928.69
Including: Operating income	537,448,763.68	594,849,928.69
Interest income		

Insurance fee earned		
Commission charge and commission income		
II. Total operating costs	565,563,802.51	638,253,240.88
Including : Operating costs	469,717,457.33	530,681,470.70
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty, net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	4,960,963.50	6,331,590.03
Sales expense	13,783,979.73	14,282,961.32
Administrative expense	50,380,324.93	57,480,231.31
R & D expense	9,989,003.61	10,242,343.37
Financial expenses	16,732,073.41	19,234,644.15
Including: Interest expense		
Interest income		
Add: Other income	518,200.00	673,074.93
Investment gain ( "-"for loss )	-10,041,525.08	-16,419,669.26
Including: investment gains from affiliates	-10,041,525.08	-16,419,669.26
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets	1,492,614.67	-280,777.30
Assets disposal income	-54,625.39	-1,693,205.55
III. Operating profit ( "-"for loss )	-36,200,374.63	-61,123,889.37
Add : Non-operating income	42,611,557.87	229,624.17
Less: Non-operating expense	634,363.43	
IV. Total profit("-"for loss)	5,776,819.81	-60,894,265.20

Less: Income tax expenses		205,333.75
V. Net profit	5,776,819.81	-61,099,598.95
(I) Classification by business continuity		
1.Net continuing operating profit	5,776,819.81	-61,099,598.95
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	5,776,819.81	-61,099,598.95
2.Minority shareholders' equity		
VI. Net after-tax of 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.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(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. Changes in the fair value of investments in other debt obligations		

3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	5,776,819.81	-61,099,598.95
Total comprehensive income attributable to the owner of the parent company	5,776,819.81	-61,099,598.95
Total comprehensive income attributable minority shareholders		
VIII. Earnings per share		
( I ) Basic earnings per share	0.0484	-0.5118
(II)Diluted earnings per share	0.0484	-0.5118

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Lv Hongxian

Person-in-charge of the accounting work: Tan Mingxian

Person-in -charge of the accounting organ: Niu Yanli

## 6.Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

Items	In RMB	
	Amount in this period	Amount in last period
I. Revenue	380,363,821.56	437,119,327.89
Including : Operating costs	369,144,044.06	433,446,742.06
Business tax and surcharge	1,639,338.45	2,252,228.49
Sales expense	1,546,435.64	1,212,289.42
Administrative expense	29,988,335.87	32,287,985.84
R & D expense	1,026,976.27	1,149,417.13

Financial expenses	499,157.04	10,984,757.21
Including: Interest expenses		
Interest income		
Add: Other income		
Investment gain (“-”for loss)	-10,041,525.08	-16,419,669.26
Including: investment gains from affiliates	-10,041,525.08	-16,419,669.26
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		
Assets disposal income	-158,358.75	-1,693,205.55
II. Operating profit (“-”for loss)	-33,680,349.60	-62,326,967.07
Add : Non-operating income	55,100.00	22,672.56
Less: Non -operating expenses	633,882.63	
III. Total profit(“-”for loss)	-34,259,132.23	-62,304,294.51
Less: Income tax expenses		
IV. Net profit	-34,259,132.23	-62,304,294.51
1.Net continuing operating profit	-34,259,132.23	-62,304,294.51
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(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.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		



5.Other		
(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. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	-34,259,132.23	-62,304,294.51
VII. Earnings per share		
(I) Basic earnings per share	-0.2870	-0.5219
(II) Diluted earnings per share	-0.2870	-0.5219

## 7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

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	339,897,169.27	365,397,706.38
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		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	6,209,464.70	16,886,990.47
Other cash received from business operation	9,366,049.06	3,031,639.95
Sub-total of cash inflow	355,472,683.03	385,316,336.80
Cash paid for purchasing of merchandise and services	139,267,551.33	100,168,991.25
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	71,218,557.71	73,259,420.49
Taxes paid	4,647,648.56	8,070,369.48
Other cash paid for business activities	19,782,654.33	14,677,072.36
Sub-total of cash outflow from business activities	234,916,411.93	196,175,853.58
Net cash generated from /used in operating activities	120,556,271.10	189,140,483.22
II. Cash flow generated by investing		
Cash received from investment retrieving		30,193,650.00
Cash received as investment gains		2,000,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,900.00	78,380.08

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	1,900.00	32,272,030.08
Cash paid for construction of fixed assets, intangible assets and other long-term assets	2,613,911.45	3,932,686.79
Cash paid as investment		36,672,895.58
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	-21,450,668.55	
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	-18,836,757.10	40,605,582.37
Net cash flow generated by investment	18,838,657.10	-8,333,552.29
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	476,120,000.00	110,000,000.00
Other financing –related cash received	140,489,828.84	354,318,214.09
Sub-total of cash inflow from financing activities	616,609,828.84	464,318,214.09
Cash to repay debts	386,500,000.00	363,530,208.33
Cash paid as dividend, profit, or interests	17,089,567.09	18,699,469.49
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	396,395,937.75	455,614,530.52
Sub-total of cash outflow due to financing activities	799,985,504.84	837,844,208.34
Net cash flow generated by financing	-183,375,676.00	-373,525,994.25
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,986.42	-167.57
V.Net increase of cash and cash equivalents	-43,983,734.22	-192,719,230.89
Add: balance of cash and cash equivalents	74,380,326.10	196,834,130.34

at the beginning of term		
VI ..Balance of cash and cash equivalents at the end of term	30,396,591.88	4,114,899.45

## 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

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	100,282,689.95	141,870,951.07
Tax returned		
Other cash received from business operation	8,250,860.95	204,985.65
Sub-total of cash inflow	108,533,550.90	142,075,936.72
Cash paid for purchasing of merchandise and services	72,976,693.73	47,074,489.72
Cash paid to staffs or paid for staffs	33,112,607.45	32,526,329.34
Taxes paid	683,634.16	707,760.19
Other cash paid for business activities	5,157,047.78	2,465,184.68
Sub-total of cash outflow from business activities	111,929,983.12	82,773,763.93
Net cash generated from /used in operating activities	-3,396,432.22	59,302,172.79
II.Cash flow generated by investing		
Cash received from investment retrieving		30,193,650.00
Cash received as investment gains		2,000,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		78,380.08
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		32,272,030.08
Cash paid for construction of fixed assets, intangible assets and other long-term assets	2,613,911.45	3,926,726.25

Cash paid as investment	20.54	36,672,895.58
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	2,613,931.99	40,599,621.83
Net cash flow generated by investment	-2,613,931.99	-8,327,591.75
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Other financing –related ash received	257,219,125.01	558,200,000.00
Sub-total of cash inflow from financing activities	257,219,125.01	558,200,000.00
Cash to repay debts		
Cash paid as dividend, profit, or interests		9,701,312.83
Other cash paid for financing activities	252,260,000.00	664,142,003.63
Sub-total of cash outflow due to financing activities	252,260,000.00	673,843,316.46
Net cash flow generated by financing	4,959,125.01	-115,643,316.46
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-1,051,239.20	-64,668,735.42
Add: balance of cash and cash equivalents at the beginning of term	4,448,232.99	66,377,117.54
VI ..Balance of cash and cash equivalents at the end of term	3,396,993.79	1,708,382.12

## II Adjustments to the Financial Statements

### 1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2020

Applicable  Not applicable

Whether to adjust the balance sheet accounts at the beginning of the year

Yes  No

No need to adjust the balance sheet account at the beginning of the year.

In 2020, the company will implement new revenue standards, and the revenue method will be the same as before.

**2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2020**

Applicable  Not applicable

**III. Auditor' report**

Is the Third Quarterly Report be audited?

Yes  No

The Third Quarterly report is not audited.