

Shenzhen SEG Co., Ltd.

2019 3rd Quarter Report

October 2019

Chapter 1 Important Notice

The Board of Directors, the Board of Supervisors, the directors, the supervisors, and the senior executives guarantee that the quarter report is authentic, accurate, and complete, and that it has no false records misleading statements or major omissions and they are jointly and severally liable.

Chairman of the Board of Directors Zhang Liang, the Chief Financial Officer Yan Dongxia and the responsible person of the accounting institution (Accountant in charge) Wang Lei hereby declare that the Financial Statements enclosed in this quarter report are true, accurate and complete.

Definitions

Definition	Refers to	Description
This Company, the Company, the listed company, Shen SEG	Refers to	Shenzhen SEG Co., Ltd.
Shenzhen SEG Group Co., Ltd.	Refers to	Shenzhen SEG Group Co., Ltd.
Suzhou TST	Refers to	Suzhou TST Control Technology Co., Ltd.
Nanjing SEG	Refers to	Shenzhen SEG Nanjing Electronics Market Management Co., Ltd.
Nanning SEG	Refers to	Nanning SEG Digital Plaza Management Co., Ltd.
SEG Credit	Refers to	Shenzhen SEG Credit Co., Ltd.
Nantong SEG	Refers to	Nantong SEG Times Plaza Management Co., Ltd.
Nantong SEG Operation	Refers to	Nantong SEG Commercial Operation Management Co., Ltd.
Hangzhou SEG Longyan	Refers to	Hangzhou SEG Longyan Energy Technology Co., Ltd.
Shenzhen-Shantou SEG Longyan Technology	Refers to	Shenzhen-Shantou Special Cooperation Zone SEG Longyan Energy Technology Co., Ltd.
SEG Real Estate	Refers to	Shenzhen SEG Real Estate Investment Co., Ltd.
SEG Property Development	Refers to	Shenzhen SEG Property Development Co., Ltd.
SEG Recreation	Refers to	Shenzhen SEG Recreation Enterprise Development Co., Ltd.
SegMaker	Refers to	Shenzhen SegMaker Co., Ltd.
SEG Property Management	Refers to	Shenzhen SEG Property Management Co., Ltd.
SEG New Urban	Refers to	Shenzhen SEG New Urban Construction Development Co., Ltd.
SEG Yicheng	Refers	Shenzhen SEG Yicheng Science and Technology Co., Ltd.

	to	
Target companies	Refers to	SEG Real Estate, SEG Property Development, SEG Recreation and SegMaker that major assets are injected into
Huakong SEG	Refers to	Shenzhen Huakong SEG Co., Ltd.
SEG Navigations	Refers to	Shenzhen SEG GPS Scientific Navigations Co., Ltd.
Zhaocheng Group	Refers to	Shenzhen Zhaocheng Investment Group Co., Ltd.
Unless otherwise specified, the amount referred to in the report	Refers to	Amount in RMB

Chapter 2 Company Profile

I. Main Accounting Data and Financial Indexes

Are retrospective adjustments made to previous financial statements?

☐ Yes ☒ No

	Amount at the end of the reporting period	Amount at the end of last year	Increase/decrease at the end of the reporting period over the end of last year	
Total assets (Yuan)	6,245,469,176.91	7,128,009,738.20	-12.38%	
Net assets attributable to shareholders of the listed company (Yuan)	1,926,003,299.17	1,867,881,216.44	3.11%	
	Amount of the reporting period	Year-on-year increase/decrease	Amount from beginning of the year to the end of the reporting period	Year-on-year increase/decrease of amount from beginning of the year to the end of the reporting period
Operating income (Yuan)	348,105,199.21	-38.03%	1,113,596,884.35	-22.92%
Net profit attributable to shareholders of the listed company (Yuan)	26,970,095.87	-33.24%	110,257,647.89	-20.14%
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit and loss (Yuan)	14,803,482.35	-58.32%	44,030,014.96	-50.18%
Net cash flow from operating activities (Yuan)	--	--	101,017,368.07	14.26%
Basic EPS (yuan/share)	0.0218	-33.33%	0.0892	-20.14%
Diluted EPS (yuan/share)	0.0218	-33.33%	0.0892	-20.14%
Weighted average ROE	1.42%	-0.65%	5.81%	-1.28%

Total capital stock of the Company as of the trading day prior to disclosure:

Total capital stock of the Company as of the trading day prior to disclosure (share)	1,235,656,249
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Fully diluted earnings per share calculated based on the current capital stock:

Fully diluted earnings per share calculated based on the current capital stock (Yuan/share)	0.0892
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Items and Amount of Non-recurring Profit and Loss:

☒ Applicable ☐ Not applicable

Unit: yuan

Item	Amount from beginning of the year to the end of the reporting period	Remarks
Profit or loss on disposal of non-current assets (including the write-off of assets depreciation reserves)	77,328,300.79	Reduce holding-shares of Huakong SEG and transfer the equity of Shenzhen-Shantou SEG Longyan Technology, resulting in income.
Tax return, reduction or exemption with unauthorized approval or without any official approval document		
Government subsidies recognized in current profit or loss (except those closely related to corporate business and enjoyed according to national standards or certain quota)	4,369,752.53	
Fund appropriation charges for non-financial entities recognized in current profit or loss	1,283,299.33	
Gains on less acquisition costs of subsidiaries, associates and joint ventures than the accrued fair value of the investee's identifiable net assets		
Profit or loss on non-monetary assets exchange		
Profit or loss on investment or asset management in proxy	14,130,364.08	
Provision for impairment of assets due to force majeure(such as natural disasters)		
Profit or loss on debt restructuring		
Corporate restructuring costs, such as staffing expenses and integration costs		
Profit or loss on the part exceeding the fair value in unfair transactions		
Current net profit or loss of subsidiaries incurred by business combination under common control from the beginning of the reporting period to the date of merger		
Profit or loss on contingencies unrelated to business operation of the Company		

Profit or loss on changes in fair value due to holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, as well as investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, apart from valid hedging operations related to business operation of the Company		
Transferred-back impairment provision for accounts receivable and contract assets for which separate impairment tests are carried out		
Profit or loss on consignment loan		
Profit or loss on changes in fair value of investment property subsequently measured by the fair value		
Impact of one-time adjustment on the current profit or loss as required by taxation or accounting laws and regulations		
Trustee fee from entrusted operation	113,676.10	
Other non-operating income and expenses except the above-mentioned items	2,103,245.10	
Other items conforming to the definition of non-recurring profit and loss		
Less: Amount of affected income tax	24,832,159.48	
Effects of minority shareholders' equity (after tax)	8,268,845.51	
Total	66,227,632.94	--

An explanation shall be made with regard to the Company's considerations for defining non-recurring profit and loss according to the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit and Loss and the reason of classifying the non-recurring profit and loss listed in this announcement as recurring.

☐ Applicable ☒ Not applicable

In the reporting period, no items of non-recurring profit and loss listed in the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 — Non-recurring Profit and Loss are defined as items of recurring profit and loss.

II. Number of Shareholders and Shares Held by Top 10 Shareholders at the End of the Reporting Period

1. Total Number of Common Shareholders and Preferred Shareholders Restored with the Voting Rights and Shares Held by Top 10 Shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period		89,083		Total number of preferred shareholders restored with the voting rights (if any)		0	
Shares held by top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding proportion	Number of shares held	Quantity of restricted shares held	Information on pledged or frozen shares		
					Share status	Quantity	
Shenzhen SEG Group Co., Ltd.	State-owned legal person (01)	56.70%	700,628,759	450,857,239	/	/	
Liu Guocheng	Domestic natural person (03)	0.58%	7,155,802	/	/	/	
Liu Guohong	Domestic natural person (03)	0.27%	3,318,098	/	/	/	
Gong Qianhua	Overseas natural person (05)	0.24%	2,940,000	/	/	/	
China Securities Finance Corporation Limited	Domestic non-state-owned legal person (02)	0.18%	2,271,900	/	/	/	
LI SHERYN ZHAN MING	Overseas natural person (05)	0.16%	1,953,000	/	/	/	
Zhejiang Jiuzhang Asset Management Co., Ltd. - Jiuzhang Huangfang Haoyue No. 20 Private Equity	Funds and financial products (06)	0.15%	1,849,100	/	/	/	
Xu Yueying	Domestic natural person (03)	0.14%	1,780,000	/	/	/	
Fang Guowei	Overseas natural person (05)	0.11%	1,389,480	/	/	/	
Chongqing International Trust Co., Ltd. - Yuxin Chuangxin	Funds and financial products (06)	0.10%	1,220,000	/	/	/	

Youshi No. 12 Assembled Funds Trust						
Unrestricted Tradable Shares Held by Top 10 Shareholders						
Name of shareholder	Quantity of unrestricted shares held	Type of share		Quantity		
		Type of share				
Shenzhen SEG Group Co., Ltd.	249,771,520	RMB common stocks		249,771,520		
Liu Guocheng	7,155,802	Domestically listed foreign shares		7,155,802		
Liu Guohong	3,318,098	Domestically listed foreign shares		3,318,098		
Gong Qianhua	2,940,000	Domestically listed foreign shares		2,940,000		
China Securities Finance Corporation Limited	2,271,900	RMB common stocks		2,271,900		
LI SHERYN ZHAN MING	1,953,000	Domestically listed foreign shares		1,953,000		
Zhejiang Jiuzhang Asset Management Co., Ltd. - Jiuzhang Huangfang Haoyue No. 20 Private Equity	1,849,100	RMB common stocks		1,849,100		
Xu Yueying	1,780,000	Domestically listed foreign shares		1,780,000		
Fang Guowei	1,389,480	RMB common stocks		1,389,480		
Chongqing International Trust Co., Ltd. - Yuxin Chuangxin Youshi No. 12 Assembled Funds Trust	1,220,000	RMB common stocks		1,220,000		
Explanations on the association or concerted action among the above-mentioned shareholders	Shenzhen SEG Group Co., Ltd has no association with other shareholders, nor it is a concerted action unit as set forth in the <i>Management Methods for Disclosure of Information on Changes in Shares Held by Shareholders of the Listed Company</i> . Whether other shareholders have association with each other or they are concerted action units is unknown.					
Information of top 10 shareholders participating in securities margin trading (if any)	None					

Do top 10 common shareholders of the Company or top 10 common shareholders of non-restricted shares conduct agreed repurchase transactions in the reporting period?

☐ Yes ☒ No

Body of 2019 3rd Quarter Report of Shenzhen SEG Co., Ltd.

Top 10 common shareholders of the Company or top 10 common shareholders of non-restricted shares did not conduct agreed repurchase transactions in the reporting period.

2. Number of Preferred Shareholders and Shares Held by Top 10 Preferred Shareholders

☐ Applicable ☒ Not applicable

Chapter 3 Important Matters

I. Changes in the Main Financial Data and Financial Indexes in the Reporting Period and the Reasons

√ Applicable □ Not applicable

1. Items of Consolidated Balance Sheet Statement

Unit: yuan

Unit: yuan

Item	Closing balance	Opening balance	Difference	Year-on-year increase/decrease (%)
Monetary funds	744,965,034.99	1,757,492,816.67	-1,012,527,781.68	-57.61%
Accounts receivable	112,757,804.08	54,426,228.11	58,331,575.97	107.18%
Notes receivable	3,872,700.00	0.00	3,872,700.00	100.00%
Prepayment	6,272,695.31	2,701,718.53	3,570,976.78	132.17%
Other current assets	802,688,238.76	468,083,201.09	334,605,037.67	71.48%
Intangible assets	6,979,704.95	32,471,556.32	-25,491,851.37	-78.51%
Goodwill	11,231,391.49	0.00	11,231,391.49	100.00%
Short-term borrowing	103,500,000.00	520,000,000.00	-416,500,000.00	-80.10%
Taxes payable	160,833,019.89	121,045,597.93	39,787,421.96	32.87%
Other payables	564,743,730.63	1,021,673,905.77	-456,930,175.14	-44.72%
Non-current liabilities due within one year	143,069,415.58	272,569,415.58	-129,500,000.00	-47.51%
Estimated liabilities	56,077,659.53	90,254,503.10	-34,176,843.57	-37.87%

(1) Monetary Funds: decreased by 57.61% with the amount of RMB 1,012,527,781.68 over the beginning of the period, mainly because the company paid the final balance of cash consideration for major asset restructuring and returning bank loans in the reporting period.

(2) Accounts receivable: increased by 107.18% with the amount of RMB 58,331,575.97 over the beginning of the period, mainly because in the reporting period ① SEG Property Management Company, a subsidiary of SEG Real Estate, increased the property management area and thus increased the accrual property management fee; ② Suzhou TST is a newly incorporated company, which increased the company's accounts receivable; ③ SEG Longyan Technology accounts receivable increased as sales increased.

(3) Notes receivable: increased by 100% with the amount of RMB 3,872,700.00 over the beginning of the period, mainly because Suzhou TST is a newly incorporated company, which increased the company's accounts receivable by RMB 3,872,700.00.

(4) Prepayment: increased by 132.17% with the amount of RMB 3,570,976.78 over the beginning of the period, mainly because Nanjing SEG paid the property rent and the property development company Yitian Management Office prepaid the elevator renewal purchase in the reporting period.

(5) Other current assets: increased by 71.48% with the amount of RMB 334,605,037.67 over the beginning of the period, mainly

because the company purchased more bank financial products in the reporting period.

(6) Intangible assets: decreased by 78.51% with the amount of RMB 25,491,851.37 over the beginning of the period, mainly because the company transferred the equity of Shenzhen-Shantou SEG Longyan Technology which resulted in reduction of land use rights in the reporting period.

(7) Goodwill: increased by 100% with the amount of RMB 11,231,391.49 over the beginning of the period, mainly because the company invested and acquired Suzhou TST in the reporting period.

(8) Short-term borrowing: decreased by 80.10% with the amount of RMB 416,500,000.00 over the beginning of the period, mainly because the company repaid bank current loan in the reporting period.

(9) Tax payable: increased by 32.87% with the amount of RMB 39,787,421.96 over the beginning of the period, mainly because SEG Real Estate accrued land value-added tax, house sales value-added tax and income tax in the reporting period.

(10) Other accounts payable: decreased by 44.97% with the amount of RMB 459,426,421.64 over the beginning of the period, mainly because the company paid the final balance of cash consideration for major asset restructuring.

(11) Non-current liability due within one year: decreased by 47.51% with the amount of RMB 129,500,000.00 over the beginning of the period, mainly because SEG Real Estate repaid bank loan due in the reporting period.

(12) Estimated liabilities: decreased by 37.87% with the amount of RMB 34,176,843.57 over the beginning of the period, mainly because SEG New Urban paid liquidated damages in the reporting period.

2. Items of Consolidated Profit Statement

Unit: yuan

Item	Amount incurred in the current period	Amount of the same period of last year	Difference	Year-on-year increase/decrease (%)
Interest income	0.00	6,480,864.92	-6,480,864.92	-100.00%
Financial expenses	85,467,639.68	52,818,041.75	32,649,597.93	61.82%
Loss from asset impairment	7,565.00	3,362,022.85	-3,354,457.85	-99.77%
Non-operating expenses	1,258,085.11	14,951,136.75	-13,693,051.64	-91.59%

(1) Interest income: decreased by 100.00% with the amount of RMB 6,480,864.92 over the same period of last year, mainly because the equity transfer of SEG Credit was completed in last April and no loan business of SEG Credit occurred in the reporting period.

(2) Financial expense: increased by 61.82% with the amount of RMB 32,649,597.93 over the same period of last year, mainly because the company's external financing scale expanded.

(3) Assets impairment loss: decreased with the amount of RMB 3,354,457.85 over the same period of last year, Decreased by 99.77%,mainly because in the same period of last year SEG Credit accrued loan loss impairment while there is no such business in the reporting period.

(4) Non-business expenditure: decreased by 91.59% with the amount of RMB 13,693,051.64 over the same period of last year, mainly because in the same period of last year ① SEG Real Estate paid the contract termination fee (No. 2017 Yue 0307 M. C. 6835); ② Nanning SEG paid litigation indemnity, while no such business expenses occurred in the reporting period.

3. Items of Consolidated Cash Flow Statement

Item	Amount incurred in the current period	Amount of the same period of last year	Difference	Year-on-year increase/decrease (%)
Cash received from interest and commissions	0.00	6,311,198.08	-6,311,198.08	-100.00%

Other cash received related to operating activities	141,023,349.87	253,127,937.32	-112,104,587.45	-44.29%
Cash paid for purchasing goods and receiving services	376,476,832.61	565,344,689.47	-188,867,856.86	-33.41%
Net increase in loans to customers and prepayment	0.00	-15,664,988.00	15,664,988.00	-100.00%
Taxes paid	139,323,829.77	264,954,200.49	-125,630,370.72	-47.42%
Cash received by absorbing investment	0.00	980,000.00	-980,000.00	-100.00%
Borrowings received	513,500,000.00	979,000,000.00	-465,500,000.00	-47.55%
Other cash paid related to financing activities	110,000,023.31	169,669,157.90	-59,669,134.59	-35.17%

(1) Cash charge for interest, service charges and commissions: decreased by 100.00% with the amount of RMB 6,311,198.08 over the same period of last year, mainly because no loan business of SEG Credit occurred in the reporting period.

(2) Other cash received related to operating activities: decreased by 44.29% with the amount of RMB 112,104,587.45 over the same period of last year, mainly because the company received less current payment in the reporting period.

(3) Cash paid for purchasing goods and receiving services decreased by 33.41% with the amount of RMB 188,867,856.86 over the same period of last year, mainly because the company's sales situation was not as good as the same period of last year, and the corresponding payment reduced.

(4) Net increase in customer loans and advances: decreased by 100.00% with the amount of RMB 15,664,988.00 over the same period of last year, mainly because no loan business of SEG Credit occurred in the reporting period.

(5) Tax payments: decreased by 47.42% with the amount of RMB 125,630,370.72 over the same period of last year, mainly because the corporate income tax and land value-added tax paid by the company and its holding subsidiaries decreased compared with the same period of last year.

(6) Cash receipts from investments: decreased by 100.00% with the amount of RMB 980,000.00 over the same period of last year, mainly because SEG Yicheng received investments from minority shareholders in the same period of last year.

(7) Borrowings received: decreased by 47.55% with the amount of RMB 465,500,000.00 over the same period of last year, mainly because the company received less bank loans.

(8) Other cash paid related to financing activities: decreased by 35.17% with the amount of RMB 59,669,134.59 over the same period of last year, mainly because the amount of last year contained investments received by Longyan Technology from minority shareholders.

II. Analysis of Development, Impacts and Solutions of Major Events

√ Applicable □ Not applicable

There are no other major events except for those in the table below.

Overview of major events	Disclosure date	Query index of the provisional announcement disclosure website
Implementation of interest distribution (2018)	July 4, 2019	http://www.cninfo.com.cn <i>Announcement of Dividend Distribution for 2018</i>
The plan of reducing holding-shares of	July 24, 2019	http://www.cninfo.com.cn

Huakong SEG ended		<i>Announcement of the Implementation of Reduction of Holding-shares of Shenzhen Huakong SEG Co., Ltd.</i>
SEG New Urban received The Notice on Sealing up, Distraining, and Freezing Property served by the People's Court of Longgang District, Shenzhen City, Guangdong Province. The house property on the second to fifth floors of Building A of SEG New Urban Plaza under the name of SEG New Urban was sealed up	July 27, 2019	http://www.cninfo.com.cn/ <i>Risk Warning on House Property Sealing up of the Holding Sub-subsidiary</i>
Zhu Longqing, Vice General Manager of the company, resigned due to job change	July 31, 2019	http://www.cninfo.com.cn <i>Announcement on the Resignation of Vice General Manager Zhu Longqing</i>
SEG New Urban received the <i>Civil Ruling</i> and the <i>Notice on Assistance in Enforcement</i> served by the Shenzhen Intermediate People's Court.	August 8, 2019	http://www.cninfo.com.cn <i>Announcement on Receipt of the Civil Ruling and the Notice on Assistance in Enforcement by the Holding Sub-subsidiary</i>
	August 24, 2019	http://www.cninfo.com.cn <i>Announcement on Receipt of the Civil Ruling and the Notice on Assistance in Enforcement by the Holding Sub-subsidiary</i>
SEG New Urban plans to sign the <i>Agreement</i> with Huang Zhihui and other assignees of obligatory rights	August 17, 2019	http://www.cninfo.com.cn <i>Announcement on Proposed Agreement between the Holding Sub-subsidiary SEG New Urban and Related Assignees of Obligatory rights</i>
SEG New Urban received the <i>Notice of Trial</i> from the Shenzhen International Court of Arbitration. The applicant CITIC Bank filed an arbitration application about the financial loan contract disputes between it and the respondents such as Zhaocheng Group and SEG New Urban.	August 27, 2019	http://www.cninfo.com.cn <i>Announcement on Receipt of Notice of Arbitration Trial by the Holding Sub-subsidiary</i>
<i>Announcement on Corporate Stock Swing</i>	August 22, 2019	http://www.cninfo.com.cn <i>Announcement on Stock Swing</i>
	August 27, 2019	http://www.cninfo.com.cn

		<i>Announcement on Stock Swing</i>
	August 30, 2019	http://www.cninfo.com.cn <i>Announcement on Stock Swing</i>
Public offering of corporate bonds	August 5, 2019	http://www.cninfo.com.cn <i>Temporary Trusteeship Management Report (V) for Public Offering of Corporate Bonds to Qualified Investors (1st Issue) in 2018</i>
	August 20, 2019	http://www.cninfo.com.cn <i>Temporary Trusteeship Management Report (VI) for Public Offering of Corporate Bonds to Qualified Investors (1st Issue) in 2018</i>
	August 26, 2019	http://www.cninfo.com.cn <i>Temporary Trusteeship Management Report (VII) for Public Offering of Corporate Bonds to Qualified Investors (1st Issue) in 2018</i>
Matters on corporate bond No. 18 SEG 02	August 27, 2019	http://www.cninfo.com.cn/ <i>Announcement on the Coupon Rate Adjustment and Put-back Implementation Measures for Corporate Bond No. 18 SEG 02</i>
	from August 28, 2019 to June 30, 2019	http://www.cninfo.com.cn/ <i>First Suggestive Announcement on the Coupon Rate Adjustment and Put-back Implementation Measures for Corporate Bond No. 18 SEG 02, Second Suggestive Announcement on the Coupon Rate Adjustment and Put-back Implementation Measures for Corporate Bond No. 18 SEG 02, Third Suggestive Announcement on the Coupon Rate Adjustment and Put-back Implementation Measures for Corporate Bond No. 18 SEG 02</i>
	September 05, 2019	http://www.cninfo.com.cn/ <i>Announcement on the Declaration of Put-backs for Corporate Bond No. 18 SEG 02</i>
	September 23, 2019	http://www.cninfo.com.cn/

		<i>Announcement on 2019 Payment of Interest for Corporate Bond No. 18 SEG 02</i>
	September 24, 2019	http://www.cninfo.com.cn/ <i>Announcement on the Implementation of Put-backs for Corporate Bond No. 18 SEG 02</i>
The transfer of 100% of the equity of Shenzhen-Shantou SEG Longyan completed.	September 16, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Transfer of 100% of the Equity of Shenzhen-Shantou Cooperation Zone SEG Longyan Energy Technology Co., Ltd. Held by the Holding Subsidiary</i>
Matters on the reduction of corporate holding-shares by the controlling shareholder Shenzhen SEG Group Co., Ltd.	September 19, 2019	http://www.cninfo.com.cn <i>Pre-disclosure Announcement on the Reduction of Corporate Holding-shares by the Controlling Shareholder</i>
The changes of the Board of Directors and the Board of Supervisors	September 25, 2019	http://www.cninfo.com.cn <i>Announcement on Resolutions of the 58th Extraordinary Meeting of the 7th Board of Directors</i>
	September 27, 2019	http://www.cninfo.com.cn/ <i>Announcement on the Election of the Staff Representative Supervisor of the 8th Board of Supervisors</i>
	October 11, 2019	http://www.cninfo.com.cn/ <i>Announcement on the Resolution of the 6th Extraordinary General Meeting in 2019</i>
		http://www.cninfo.com.cn/ <i>Announcement on the Resolution of the 1st Meeting of the 8th Board of Directors</i>
		http://www.cninfo.com.cn/ <i>Announcement on the Resolution of the 1st Meeting of the 8th Board of Supervisors</i>
By the end of the reporting period, Nantong SEG Operating Company have been involved in 13 housing lease contract dispute cases and the case amount related is RMB 5,840,000.	August 27, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2019 of Shenzhen SEG Co., Ltd.</i>

Nantong SEG Operating Company have won all the cases, which have been concluded and are in execution.		
By the end of the reporting period, Nantong SEG has been involved in 16 house decoration contract dispute cases and the case amount related is RMB 34,506,300. Among these cases, 13 have been concluded and are in execution. Among the remaining 3 cases, one is in the procedure of retrial, another is in the procedure of first instance, and the last one is in the procedure of second instance.	August 27, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2019 of Shenzhen SEG Co., Ltd.</i>
For the dispute case over the lease contract of SEG New Urban vs. Belugaplan Culture Development (Dalian) Co., Ltd., the People's Court of Longgang District, Shenzhen made the first instance judgment, that is, Belugaplan Culture Development (Dalian) Co., Ltd. shall pay the liquidated damages of RMB 405,000 to SEG New Urban, as well as the overdue fine for management expenses and utilities of RMB 8,147.04 in total, while SEG New Urban does not need to refund the rental deposit of RMB 255,000. By the end of the reporting period, Belugaplan has paid part of the liquidated damages RMB 115,687.04, and the remaining RMB 305,000 has not been paid. SEG New Urban have applied to the court for enforcement and it is currently in execution.	August 27, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2019 of Shenzhen SEG Co., Ltd.</i>
In September 2019, due to engineering construction contract disputes, SEG New Urban filed a lawsuit in the People's Court of Longgang District, Shenzhen, requesting China Huashi Enterprises Co., Ltd. to compensate for liquidated damages and losses of RMB 57,069,600 in total.	/	/

Progress of share repurchase

☐ Applicable ☒ Not applicable

Progress of reduction of holding-shares through centralized bidding

☐ Applicable ☒ Not applicable

III. Commitments not fulfilled as of the end of the reporting period by the Company, actual controller, shareholders, affiliates, purchasers, or other related parties

√ Applicable □ Not applicable

Commitments	Subject	Type	Content	Commitment date	Commitment term	Performance
Commitment for share reform	Not applicable					
Commitments in the Acquisition Report and the Report of Changes on Equity	Not applicable					
Commitments made at the time of restructuring of assets	Shenzhen SEG Group Co., Ltd.	Other commitment	"After updating and restructuring of SEG Industrial Building, SEG Economy Building, and SEG Recreation Industry Building, the area of added part that belongs to SegMaker, SEG Recreation and SEG Property is 2,855.20 m2. SEG Group undertakes that the use of the temporary buildings belonged to SegMaker, SEG Recreation and SEG Property will be renewed after expiration of the two-year use duration. In case when, due to failure in renewal of use of temporary buildings, the listed company has any loss or the income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period is lower than the expected compensation, or the listed company has any loss because the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period, SEG Group will compensate the listed company timely and in full amount according to the following compensation methods:	August 03, 2016	Long-term	Extended performance (The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such extension application. The renewal application is still under approval and the license for renewal is

			1. SEG Group has made commitments for the performance of the subject company within three years after completion of major assets restructuring. Influence of the updating and restructuring project has been taken into account in the commitments. 2. The amount of compensation for the income that is lower than the expected income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = (the predicted accumulated income to the end of the report period - actual accumulated income to the end of the report period) - the compensated amount. 3. The loss caused when the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = the dismantling cost and compensation amount related - (the accumulated total income to the time the buildings are dismantled- predicted accumulated income during the predication period). Note: the predicted income refers to the net value remained after the predicted total income from the newly added temporary buildings in the evaluation reports of the subject companies minuses the allocated investment cost during the operating period and the amount influenced by permanent rent termination predicted in the evaluation report. Shenzhen SEG should engage an audit firm with security practice qualification recognized by SEG Group to provide a formal audit report on the compensation methods for the property investment within the compensation scope of the report period within four months at the end of each accounting year during the compensation period. SEG Group should compensate in cash any property investment and compensation items within the compensation scope of the report period. Shenzhen SEG should calculate the payable compensation amount within 15 business days upon final specific review opinions provided by the audit firm, and send a written notice to			not obtained yet.)
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			SEG Group. Within 30 business days upon receipt of the written notice from Shenzhen SEG, SEG Group should pay the compensation in cash in full amount.”			
Commitment made at the time of initial public offerings or refinancing	Not applicable					
Commitment on equity incentives	Not applicable					
Other commitments made to the medium and small shareholders of the Company	Not applicable					
Whether commitments were fulfilled on time	No					
For commitments unfulfilled in the commitment period, specify the reasons for non-fulfillment and further plans	The new property in the reconstruction project of SEG Industrial Building and other two buildings is a temporary building. According to the provisions of the <i>(Provisional) Measures for the Management of Temporary Buildings of Futian District, Shenzhen</i> , the service duration of this temporary building is from April 21, 2016 to April 20, 2018 can be extended for another year according to the provisions of the <i>Urban and Rural Planning Regulations of Guangdong Province</i> (As of April 20, 2019). Apart from this, no provisions on temporary buildings of Shenzhen and Futian District permit any extension or term of extension. After expiration of the service duration (April 20, 2018), the Company has applied for extension and submitted application materials to the relevant competent authority for approval. The extension license is not obtained yet. This matter has never subjected the listed company to losses or caused SEG Group to be liable for compensation.					

Forecasts of Operating Results for 2019

Warning and reasons for forecasts on loss of the cumulative net profit from the beginning of the year to the end of the next reporting period or significant changes in net profit over the same period last year

☐ Applicable ☒ Not applicable

IV. Security investment

☒ Applicable ☐ Not applicable

Unit: Yuan

Stock type	Stock code	Short form of the security	Initial investment cost	Accounting measurement mode	Opening book value	Change in fair value of the current period	Cumulative change in fair value recognized in the equity	Amount of purchase in the current period	Amount of sales in the current period	Profit or loss in the reporting period	Closing book value	Accounting item	Source of funds
Domestic and foreign stocks	600778	Youhao Group	90,405.00	Measured by fair value	274,287.16		24,273.20	0.00	0.00	0.00	298,560.36	Other equity instrument investment	Self-owned funds
Domestic and foreign stocks	000068	Huakong SEG	172,598.86	Measured by fair value	139,130.45		262.11	0.00	-8,293,874.35	-12,323,767.99	135,100.81	Long-term equity investment	Self-owned funds
Domestic and foreign stocks	832770	SEG Navigations	8,275,321.43	Measured by cost method	13,515,392.83			0.00	0.00	0.00	13,515,392.83	Other equity instrument investment	Self-owned funds
Other securities investment held at the end of period				--								--	--
Total			180,9	--	152,9	0.00	24,53	0.00	-8,293	-12,32	148,9	--	--

	64,59		20,13		5.31		,874.3	3,767.	14,77		
	4.67		1.08				5	99	2.75		

V. Entrusted Financing

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Type	Source of fund under entrusted financing	Amount of entrusted financing	Balance not yet due	Overdue amount unrecovered
Bank financial products	Self-owned funds	183,018.10	73,391.10	0
Total		183,018.10	73,391.10	0

Information on risky entrusted financing with a significant amount or featuring low security, poor liquidity, and no capital guarantee

☐ Applicable ☒ Not applicable

Entrusted financial management is not expected to recover the principal or other circumstances that may result in impairment

☐ Applicable ☒ Not applicable

VI. Investment of Derived Products

☐ Applicable ☒ Not applicable

No investment in derivatives is involved in the reporting period.

VII. Registration Form for Investigations, Communication and Interviews in the Reporting Period

☒ Applicable ☐ Not applicable

Time	Means	Type	Basic information on investigation
September 03, 2019	Phone call	Individual	Query the recent business performance of the company.
September 19, 2019	Phone call	Individual	Query the recent business performance of the company.

VIII. Illegal External Guarantee

☐ Applicable ☒ Not applicable

The Company has no illegal external guarantee in the reporting period.

IX. Non-operating Capital Occupation on the Listed Company by the Controlling Shareholder and Related Parties

☐ Applicable ☒ Not applicable

No non-operating capital occupation on the listed company by the controlling shareholder and related parties is involved in the reporting period.

Chapter 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet Statement

Prepared by: Shenzhen SEG Co., Ltd.

Unit: Yuan

Item	September 30, 2019	December 31, 2018
Current assets:		
Monetary funds	744,965,034.99	1,757,492,816.67
Deposit reservation for balance		
Loans to other banks		
Trading financial assets		
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable	3,872,700.00	
Accounts receivable	112,757,804.08	54,426,228.11
Receivable financing		
Prepayment	6,272,695.31	2,701,718.53
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance deposit receivable		
Other receivables	100,074,948.32	115,570,683.93
Including: Interest receivable	1,597,323.05	1,063,684.93
Dividends receivable	2,000,000.00	2,000,000.00
Redemptory monetary capital for resale		
Inventory	2,504,954,655.28	2,670,294,017.74
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		

Other current assets	802,688,238.76	468,083,201.09
Total current assets	4,275,586,076.74	5,068,568,666.07
Non-current assets:		
Loans and advances issued		
Debt investment		
Financial assets available for sale		
Other debt investment		
Held-to-maturity investment		
Long-term receivables	19,000,000.00	19,000,000.00
Long-term equity investment	186,238,263.85	172,684,147.74
Other equity instrument investment	34,093,953.19	34,069,679.99
Other non-current financial assets		
Investment properties	1,355,864,706.94	1,412,916,851.46
Fixed assets	71,329,563.69	59,351,351.90
Construction in progress	116,405,152.28	151,214,015.76
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	6,979,704.95	32,471,556.32
Development expenses		
Goodwill	11,231,391.49	
Long-term expenses to be amortized	65,280,831.69	73,769,436.90
Deferred income tax assets	56,575,030.78	56,931,280.75
Other non-current assets	46,884,501.32	47,032,751.31
Total non-current assets	1,969,883,100.17	2,059,441,072.13
Total assets	6,245,469,176.91	7,128,009,738.20
Current liabilities:		
Short-term borrowing	103,500,000.00	520,000,000.00
Loans from central bank		
Loans from other banks		
Trading financial liabilities		

Financial liabilities measured by fair value with changes included in current gains and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	280,099,827.39	293,130,435.56
Advance receipt	599,993,914.77	692,811,462.75
Contract liabilities		
Financial assets sold for repurchase		
Deposits from customers and interbank		
Acting trading securities		
Acting underwriting securities		
Payroll payable	31,185,275.62	44,065,725.59
Taxes payable	160,833,019.89	121,045,597.93
Other payables	564,743,730.63	1,021,673,905.77
Including: Interest payable	1,392,172.11	4,943,712.80
Dividends payable	4,614,796.97	4,196,371.01
Service charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	143,069,415.58	272,569,415.58
Other current liabilities		
Total current liabilities	1,883,425,183.88	2,965,296,543.18
Non-current liabilities:		
Insurance deposit		
Long-term borrowing	903,500,000.00	748,250,000.00
Bonds payable	772,147,044.47	787,752,107.90
Including: Preferred stock		
Perpetual capital securities		
Lease liabilities		
Long-term payables		

Long-term payroll payable		
Estimated liabilities	56,077,659.53	90,254,503.10
Deferred income	5,991,529.60	6,732,529.57
Deferred income tax liabilities	79,880,418.57	79,875,150.30
Other non-current liabilities	134,417.76	0.00
Total non-current liabilities	1,817,731,069.93	1,712,864,290.87
Total liabilities	3,701,156,253.81	4,678,160,834.05
Owners' equity:		
Share capital	1,235,656,249.00	1,235,656,249.00
Other equity instruments		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	148,038,034.55	156,892,820.25
Less: Treasury shares		
Other comprehensive income	104,148.59	91,765.66
Special reserve		
Surplus reserve	152,762,534.98	152,762,534.98
General risk provision		
Undistributed profits	389,442,332.05	322,477,846.55
Total owners' equity attributable to the parent company	1,926,003,299.17	1,867,881,216.44
Minority shareholders' equity	618,309,623.93	581,967,687.71
Total owners' equity	2,544,312,923.10	2,449,848,904.15
Total liabilities and owners' equity	6,245,469,176.91	7,128,009,738.20

Chairman of the Board of Directors: Zhang Liang Chief Financial Officer: Yan Dongxia The responsible person of the accounting institution: Wang Lei

2. Balance Sheet Statement of the Parent Company

Unit: Yuan

Item	September 30, 2019	December 31, 2018
Current assets:		
Monetary funds	219,424,284.80	971,108,422.35
Trading financial assets		
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable		
Accounts receivable	163,360.00	217,360.00
Receivable financing		
Prepayment	181,291.82	
Other receivables	914,421,196.35	1,098,488,672.67
Including: Interest receivable		
Dividends receivable	28,730,000.00	2,000,000.00
Inventory		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	101,737,225.02	4,172,729.68
Total current assets	1,235,927,357.99	2,073,987,184.70
Non-current assets:		
Debt investment		
Financial assets available for sale		
Other debt investment		
Held-to-maturity investment		
Long-term receivables	9,000,000.00	9,000,000.00
Long-term equity investment	1,387,682,637.01	1,326,039,288.79
Other equity instrument investment	33,515,392.83	33,515,392.83
Other non-current financial		

assets		
Investment properties	244,953,194.49	252,842,527.62
Fixed assets	18,022,003.16	17,786,925.84
Construction in progress		
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	1,368,226.88	1,671,913.78
Development expenses		
Goodwill		
Long-term expenses to be amortized	7,396,045.54	9,404,881.96
Deferred income tax assets	1,317,682.44	1,673,932.41
Other non-current assets		39,560.00
Total non-current assets	1,703,255,182.35	1,651,974,423.23
Total assets	2,939,182,540.34	3,725,961,607.93
Current liabilities:		
Short-term borrowing	100,000,000.00	520,000,000.00
Trading financial liabilities		
Financial liabilities measured by fair value with changes included in current gains and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	206,374.11	206,374.11
Advance receipt	19,449,689.07	22,491,215.88
Contract liabilities		
Payroll payable	3,305,015.13	5,143,700.56
Taxes payable	11,910,362.92	4,471,684.00
Other payables	70,754,326.48	439,491,749.59
Including: Interest payable		1,578,179.07
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		

Other current liabilities		
Total current liabilities	205,625,767.71	991,804,724.14
Non-current liabilities:		
Long-term borrowing		
Bonds payable	772,147,044.47	787,752,107.90
Including: Preferred stock		
Perpetual capital securities		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income	5,167,529.60	6,592,529.57
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	777,314,574.07	794,344,637.47
Total liabilities	982,940,341.78	1,786,149,361.61
Owners' equity:		
Share capital	1,235,656,249.00	1,235,656,249.00
Other equity instruments		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	222,561,161.66	231,415,947.36
Less: Treasury shares		
Other comprehensive income	206.21	-55.90
Special reserve		
Surplus reserve	152,762,534.98	152,762,534.98
Undistributed profits	345,262,046.71	319,977,570.88
Total owners' equity	1,956,242,198.56	1,939,812,246.32
Total liabilities and owners' equity	2,939,182,540.34	3,725,961,607.93

3. Consolidated Profit Statement in Current Reporting Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating income	348,105,199.21	561,704,545.25
Including: Operating income	348,105,199.21	561,704,545.25
Interest income		0.00
Earned premiums		0.00
Service charges and commissions income		0.00
II. Total operating cost	299,828,896.42	461,817,703.47
Including: Operating cost	233,255,315.85	385,280,407.90
Interest expenses		
Service charges and commissions expenses		
Surrender value		
Net compensation pay-outs		
Net insurance deposit accrued		
Insurance dividends		
Reinsurance expenses		
Operating tax and surcharges	7,957,446.65	18,760,506.17
Sale expenses	6,352,532.01	9,863,748.78
Management expenses	25,084,118.00	30,304,372.95
R&D expenses	2,054,425.95	0.00
Financial expenses	25,125,057.96	17,608,667.67
Including: Interest expenses	26,678,378.39	56,338,849.11
Interest income	-924,984.27	-4,428,143.40
Add: Other income	2,209,604.72	
Income from investment (enter "-" for loss)	18,067,431.48	693,535.91
Including: Income from investment in associates and joint ventures	-1,864,367.52	-4,808,467.81

Income from derecognition of financial assets at amortized cost		
Income from exchange (enter "-" for loss)		
Income from net exposure hedge (enter "-" for loss)		
Income from changes in fair value (enter "-" for loss)		
Credit impairment loss (enter "-" for loss)		
Asset impairment loss (enter "-" for loss)	-2,400.00	
Income from asset disposal (enter "-" for loss)		
III. Operating profit (enter "-" for loss)	68,550,938.99	100,580,377.69
Add: Non-operating income	1,560,343.79	2,428,758.29
Less: Non-operating expenses	-109,565.49	1,797,197.37
IV. Total profit (enter "-" for total loss)	70,220,848.27	101,211,938.61
Less: Income tax	23,143,005.22	32,529,740.36
V. Net profit (enter "-" for net loss)	47,077,843.05	68,682,198.25
(I) Classification by going concern		
1. Net profit from continuing operations (enter "-" for net loss)	47,077,843.05	205,277,474.20
2. Net profit from discontinuing operations (enter "-" for net loss)		-6,057,464.41
(II) Classification by ownership		
1. Net profit attributable to owners of the parent company	26,970,095.87	40,399,673.95
2. Profit and loss of minority shareholders	20,107,747.18	28,282,524.30
VI. Net of tax of other comprehensive income	-18,431.74	-1,702.10
Total owners' net of tax of other comprehensive income attributable to the parent company	-12,195.56	-20,106.43
1. Other comprehensive income not to be reclassified into profit and		

loss		
(1) Changes in net liabilities or net assets of the re-measured defined benefit plan		
(2) Shares of the investee of other comprehensive income not to be reclassified into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of corporate credit risks		
(5) Others		
2. Other comprehensive income to be reclassified into profit and loss	-12,195.56	-20,106.43
(1) Other comprehensive income to be reclassified into profit and loss under the equity method	-33.83	25.45
(2) Changes in fair value of other debt investment		
(3) Profit and loss from changes in fair value of the available-for-sale financial assets	-12,161.73	-20,131.88
(4) Amount of financial assets reclassified into other comprehensive income		
(5) Profit or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		
(6) Provision for credit impairment of other debt investment		
(7) Cash flow hedge reserve		
(8) Foreign currency translation differences		
(9) Others		
Net of tax of other comprehensive income attributable to minority	-6,236.18	18,404.33

shareholders		
VII. Total comprehensive income	47,059,411.31	68,680,496.15
Total comprehensive income attributable to shareholders of the parent company	26,957,900.31	40,379,567.52
Total comprehensive income attributable to minority shareholders	20,101,511.00	28,300,928.63
VIII. Earnings per share		
1. Basic earnings per share	0.0218	0.0327
2. Diluted earnings per share	0.0218	0.0327

In case of a business combination under common control in the current period, the net profit of the combined party before combination is RMB , and the net profit of the combined party in the previous period is RMB .

Chairman of the Board of Directors: Zhang Liang Chief Financial Officer: Yan Dongxia The responsible person of the accounting institution: Wang Lei

4. Profit Statement in Current Reporting Period of the Parent Company

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating income	17,149,195.34	17,036,869.30
Less: Operating cost	12,291,048.45	12,635,598.64
Operating tax and surcharges	1,045,869.42	1,077,632.77
Sale expenses	371,367.28	216,482.56
Management expenses	5,577,940.83	5,658,227.51
R&D expenses	3,571.00	0.00
Financial expenses	9,093,259.65	6,502,132.55
Including: Interest expenses	12,651,231.92	23,002,334.12
Interest income	-3,573,688.69	-8,312,097.89
Add: Other income	474,999.99	
Income from investment (enter "-" for loss)	3,962,805.46	95,833,070.48
Including: Income from investment in associates and joint ventures	-4,177,765.06	-4,808,467.81
Income from derecognition of financial assets at amortized cost		
Income from net exposure hedge (enter "-" for loss)		
Income from changes in fair value (enter "-" for loss)		
Credit impairment loss (enter "-" for loss)		
Asset impairment loss (enter "-" for loss)		
Income from asset disposal (enter "-" for loss)		
II. Operating profit (enter "-" for loss)	-6,785,342.84	86,779,865.75
Add: Non-operating income	11,000.00	1,570,422.99
Less: Non-operating expenses		1,700,000.00

III. Total profit (enter "-" for total loss)	-6,774,342.84	86,650,288.74
Less: Income tax	3,878,570.22	-1,546,771.59
IV. Net profit (enter "-" for net loss)	-10,652,913.06	88,197,060.33
(I) Net profit from continuing operations (enter "-" for net loss)	-10,652,913.06	88,197,060.33
(II) Net profit from discontinuing operations (enter "-" for net loss)		
V. Net of tax of other comprehensive income	228.28	118.39
1. Other comprehensive income not to be reclassified into profit and loss		
(1) Changes in net liabilities or net assets of the re-measured defined benefit plan		
(2) Shares of the investee of other comprehensive income not to be reclassified into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of corporate credit risks		
(5) Others		
2. Other comprehensive income to be reclassified into profit and loss	228.28	118.39
(1) Other comprehensive income to be reclassified into profit and loss under the equity method	228.28	118.39
(2) Changes in fair value of other debt investment		
(3) Profit and loss from changes in fair value of the available-for-sale financial assets		
(4) Amount of financial assets reclassified into other comprehensive income		

(5) Profit or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		
(6) Provision for credit impairment of other debt investment		
(7) Cash flow hedge reserve		
(8) Foreign currency translation differences		
(9) Others		
VI. Total comprehensive income	-10,652,684.78	88,197,178.72
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

5. Consolidated Profit Statement from Beginning of the Year to the End of the Reporting Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating income	1,113,596,884.35	1,451,123,498.84
Including: Operating income	1,113,596,884.35	1,444,642,633.92
Interest income		6,480,864.92
Earned premiums		
Service charges and commissions income		
II. Total operating cost	971,217,497.63	1,204,911,926.47
Including: Operating cost	734,338,928.62	994,429,779.15
Interest expenses		
Service charges and commissions expenses		
Surrender value		
Net compensation pay-outs		
Net insurance deposit accrued		
Insurance dividends		
Reinsurance expenses		
Operating tax and surcharges	49,262,755.54	42,196,977.10
Sale expenses	16,989,051.91	23,051,951.82
Management expenses	83,104,695.93	92,415,176.65
R&D expenses	2,054,425.95	0.00
Financial expenses	85,467,639.68	52,818,041.75
Including: Interest expenses	92,694,291.94	56,338,849.11
Interest income	-7,226,652.26	-4,428,143.40
Add: Other income	5,720,879.15	0.00
Income from investment (enter "-" for loss)	76,745,625.33	59,390,854.81
Including: Income from investment in associates and joint ventures	-12,813,039.54	-16,716,197.00

Income from derecognition of financial assets at amortized cost		
Income from exchange (enter "-" for loss)		
Income from net exposure hedge (enter "-" for loss)		
Income from changes in fair value (enter "-" for loss)		
Credit impairment loss (enter "-" for loss)		
Asset impairment loss (enter "-" for loss)	-7,565.00	-3,362,022.85
Income from asset disposal (enter "-" for loss)		
III. Operating profit (enter "-" for loss)	224,838,326.20	302,240,404.33
Add: Non-operating income	3,151,415.49	4,942,048.24
Less: Non-operating expenses	1,258,085.11	14,951,136.75
IV. Total profit (enter "-" for total loss)	226,731,656.58	292,231,315.82
Less: Income tax	76,293,559.52	93,011,306.00
V. Net profit (enter "-" for net loss)	150,438,097.06	199,220,009.82
(I) Classification by going concern		
1. Net profit from continuing operations (enter "-" for net loss)	150,438,097.06	205,277,474.23
2. Net profit from discontinuing operations (enter "-" for net loss)		-6,057,464.41
(II) Classification by ownership		
1. Net profit attributable to owners of the parent company	110,257,647.89	138,066,661.89
2. Profit and loss of minority shareholders	40,180,449.17	61,153,347.93
VI. Net of tax of other comprehensive income	18,467.01	-56,797.37
Total owners' net of tax of other comprehensive income attributable to the parent company	12,382.93	-37,828.28
1. Other comprehensive income not to be reclassified into profit and		

loss		
(1) Changes in net liabilities or net assets of the re-measured defined benefit plan		
(2) Shares of the investee of other comprehensive income not to be reclassified into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of corporate credit risks		
(5) Others		
2. Other comprehensive income to be reclassified into profit and loss	12,382.93	-37,828.28
(1) Other comprehensive income to be reclassified into profit and loss under the equity method	12,382.93	
(2) Changes in fair value of other debt investment		
(3) Profit and loss from changes in fair value of the available-for-sale financial assets		-37,828.28
(4) Amount of financial assets reclassified into other comprehensive income		
(5) Profit or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		
(6) Provision for credit impairment of other debt investment		
(7) Cash flow hedge reserve		
(8) Foreign currency translation differences		
(9) Others		
Net of tax of other comprehensive income attributable to minority	6,084.08	-18,969.09

shareholders		
VII. Total comprehensive income	150,456,564.07	199,163,212.45
Total comprehensive income attributable to shareholders of the parent company	110,270,030.82	138,028,833.61
Total comprehensive income attributable to minority shareholders	40,186,533.25	61,134,378.84
VIII. Earnings per share		
1. Basic earnings per share	0.0892	0.1117
2. Diluted earnings per share	0.0892	0.1117

In case of a business combination under common control in the current period, the net profit of the combined party before combination is RMB , and the net profit of the combined party in the previous period is RMB .

Chairman of the Board of Directors: Zhang Liang Chief Financial Officer: Yan Dongxia The responsible person of the accounting institution: Wang Lei

6. Profit Statement of the Parent Company from Beginning of the Year to the End of the Reporting Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating income	56,541,409.60	54,002,637.18
Less: Operating cost	31,899,284.78	33,720,284.08
Operating tax and surcharges	3,259,315.11	3,512,934.28
Sale expenses	371,367.28	216,482.56
Management expenses	18,557,639.12	16,232,297.04
R&D expenses		0.00
Financial expenses	35,096,781.08	14,837,050.62
Including: Interest expenses	45,997,934.71	23,002,334.12
Interest income	-10,961,502.79	-8,312,097.89
Add: Other income	3,037,399.97	
Income from investment (enter "-" for loss)	112,184,519.20	204,345,458.34
Including: Income from investment in associates and joint ventures	-12,883,039.54	-13,741,197.00
Income from derecognition of financial assets at amortized cost		
Income from net exposure hedge (enter "-" for loss)		
Income from changes in fair value (enter "-" for loss)		
Credit impairment loss (enter "-" for loss)		
Asset impairment loss (enter "-" for loss)		
Income from asset disposal (enter "-" for loss)		
II. Operating profit (enter "-" for loss)	82,582,512.40	189,829,046.94
Add: Non-operating income	38,167.00	2,772,317.01
Less: Non-operating expenses	41,873.20	8,874,462.04

III. Total profit (enter "-" for total loss)	82,578,806.20	183,726,901.91
Less: Income tax	14,001,167.98	13,902,604.49
IV. Net profit (enter "-" for net loss)	68,577,638.22	169,824,297.42
(I) Net profit from continuing operations (enter "-" for net loss)	68,577,638.22	169,824,297.42
(II) Net profit from discontinuing operations (enter "-" for net loss)		
V. Net of tax of other comprehensive income	262.11	92.94
1. Other comprehensive income not to be reclassified into profit and loss		
(1) Changes in net liabilities or net assets of the re-measured defined benefit plan		
(2) Shares of the investee of other comprehensive income not to be reclassified into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of corporate credit risks		
(5) Others		
2. Other comprehensive income to be reclassified into profit and loss	262.11	92.94
(1) Other comprehensive income to be reclassified into profit and loss under the equity method	262.11	92.94
(2) Changes in fair value of other debt investment		
(3) Profit and loss from changes in fair value of the available-for-sale financial assets		
(4) Amount of financial assets reclassified into other comprehensive income		

(5) Profit or loss from reclassification of held-to-maturity investments into available-for-sale financial assets		
(6) Provision for credit impairment of other debt investment		
(7) Cash flow hedge reserve		
(8) Foreign currency translation differences		
(9) Others		
VI. Total comprehensive income	68,577,900.33	169,824,390.36
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

7. Consolidated Cash Flow Statement from Beginning of the Year to the End of the Reporting Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	1,055,869,379.49	1,190,798,262.16
Net increase in deposits from customers and interbank		
Net increase in loans from central bank		
Net increase in borrowing from other financial institutions		
Cash received from premiums of primary insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investment		
Cash received from interest and commissions		6,311,198.08
Net increase in loans from other banks		
Net increase in redemption capital		
Net cash received from acting trading securities		
Tax refunds		246,846.66
Other cash received related to operating activities	141,023,349.87	253,127,937.32
Subtotal of cash inflow from operating activities	1,196,892,729.36	1,450,484,244.22
Cash paid for goods and service	376,476,832.61	565,344,689.47
Net increase in loans to customers and prepayment	0.00	-15,664,988.00
Net increase in deposits with central bank and interbank		
Cash paid for compensation		

pay-outs of primary insurance contracts		
Net increase in lending funds		
Cash paid for interest, service charges, and commissions		
Cash paid as insurance dividends		
Cash paid to and on behalf of employees	205,963,444.75	195,861,678.08
Taxes paid	139,323,829.77	264,954,200.49
Other cash paid related to operating activities	374,111,254.16	351,574,995.06
Subtotal of cash outflow in operating activities	1,095,875,361.29	1,362,070,575.10
Net cash flow from operating activities	101,017,368.07	88,413,669.12
II. Cash flows from investing activities:		
Cash received from withdrawal of investment	1,115,450,000.00	1,395,212,511.69
Cash received from investment income	47,026,015.29	64,918,960.93
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	42,818.11	1,220.00
Net cash received from disposal of subsidiaries and other business units	109,633,298.28	126,699,000.00
Other cash received related to investing activities	568,202.77	0.00
Subtotal of cash inflow from investing activities	1,272,720,334.45	1,586,831,692.62
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	61,067,813.82	66,254,262.96
Cash paid for investment	1,738,308,340.35	1,633,847,350.55
Net increase in mortgage loans		
Net cash paid for acquisition of subsidiaries and other business units		

Other cash paid related to investing activities	128,993,042.50	
Subtotal of cash outflow in investing activities	1,928,369,196.67	1,700,101,613.51
Net cash flow from investing activities	-655,648,862.22	-113,269,920.89
III. Cash flow from financing activities:		
Cash received by absorbing investment	0.00	980,000.00
Including: Cash received by subsidiaries from investment of minority shareholders	0.00	980,000.00
Borrowings received	513,500,000.00	979,000,000.00
Other cash received related to financing activities	237,899,000.00	196,900,800.36
Subtotal of cash inflow from financing activities	751,399,000.00	1,176,880,800.36
Cash repayment	944,565,815.94	924,664,813.71
Cash paid for dividend and profit distribution or interest payment	111,029,873.30	95,444,956.60
Including: Dividends and profit paid by subsidiaries to minority shareholders	32,299,129.40	26,262,417.89
Other cash paid related to financing activities	110,000,023.31	169,669,157.90
Subtotal of cash outflow in financing activities	1,165,595,712.55	1,189,778,928.21
Net cash flow from financing activities	-414,196,712.55	-12,898,127.85
IV. Influence of exchange rate fluctuation on cash and cash equivalents	425.02	452.95
V. Net increase in cash and cash equivalents	-968,827,781.68	-37,753,926.67
Add: Opening balance of cash and cash equivalents	1,713,792,816.67	951,482,605.92
VI. Closing balance of cash and cash equivalents	744,965,034.99	913,728,679.25

8. Cash Flow Statement of the Parent Company from Beginning of the Year to the End of the Reporting Period

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	58,515,246.54	51,123,098.98
Tax refunds		
Other cash received related to operating activities	140,828,104.57	311,283,263.32
Subtotal of cash inflow from operating activities	199,343,351.11	362,406,362.30
Cash paid for purchasing goods and receiving services	29,687,838.38	27,256,444.94
Cash paid to and on behalf of employees	23,916,391.23	19,716,496.24
Taxes paid	4,117,810.79	26,671,624.06
Other cash paid related to operating activities	85,334,181.43	185,871,943.22
Subtotal of cash outflow in operating activities	143,056,221.83	259,516,508.46
Net cash flow from operating activities	56,287,129.28	102,889,853.84
II. Cash flows from investing activities:		
Cash received from withdrawal of investment	40,980,000.00	525,597,700.00
Cash received from investment income	97,776,783.87	218,497,996.91
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units	0.00	77,654,200.00
Other cash received related to investing activities		
Subtotal of cash inflow from	138,756,783.87	821,749,896.91

investing activities		
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	0.00	114,000.00
Cash paid for investment	549,426,244.34	693,000,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid related to investing activities		
Subtotal of cash outflow in investing activities	549,426,244.34	693,114,000.00
Net cash flow from investing activities	-410,669,460.47	128,635,896.91
III. Cash flow from financing activities:		
Cash received by absorbing investment		
Borrowings received	250,000,000.00	729,000,000.00
Other cash received related to financing activities	221,441,666.68	46,394,666.68
Subtotal of cash inflow from financing activities	471,441,666.68	775,394,666.68
Cash repayment	710,000,000.00	530,000,000.00
Cash paid for dividend and profit distribution or interest payment	58,743,473.04	88,928,233.30
Other cash paid related to financing activities	100,000,000.00	255,061,667.00
Subtotal of cash outflow in financing activities	868,743,473.04	873,989,900.30
Net cash flow from financing activities	-397,301,806.36	-98,595,233.62
IV. Influence of exchange rate fluctuation on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-751,684,137.55	132,930,517.13
Add: Opening balance of cash and cash equivalents	971,108,422.35	104,463,125.70

VI. Closing balance of cash and cash equivalents	219,424,284.80	237,393,642.83
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II. Financial Statements Adjustments

1. Adjustments of items of financial statements as of the beginning of the current year due to implementation of new standards for financial instruments, new standards for income, or new standards for lease from 2019

√ Applicable □ Not applicable

Consolidated Balance Sheet Statement

Unit: Yuan

Item	December 31, 2018	January 01, 2019	Adjustments
Current assets:			
Monetary funds	1,757,492,816.67	1,757,492,816.67	
Deposit reservation for balance			
Loans to other banks			
Trading financial assets			
Financial assets measured by fair value with changes included in current gains and losses			
Derivative financial assets			
Notes receivable			
Accounts receivable	54,426,228.11	54,426,228.11	
Receivable financing			
Prepayment	2,701,718.53	2,701,718.53	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance deposit receivable			
Other receivables	115,570,683.93	115,570,683.93	
Including: Interest receivable	1,063,684.93	1,063,684.93	

Dividends receivable	2,000,000.00	2,000,000.00	
Redemptory monetary capital for resale			
Inventory	2,670,294,017.74	2,670,294,017.74	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	468,083,201.09	468,083,201.09	
Total current assets	5,068,568,666.07	5,068,568,666.07	
Non-current assets:			
Loans and advances issued			
Debt investment			
Financial assets available for sale	34,069,679.99	/	34,069,679.99
Other debt investment			
Held-to-maturity investment			
Long-term receivables	19,000,000.00	19,000,000.00	
Long-term equity investment	172,684,147.74	172,684,147.74	
Other equity instrument investment	/	34,069,679.99	34,069,679.99
Other non-current financial assets			
Investment properties	1,412,916,851.46	1,412,916,851.46	
Fixed assets	59,351,351.90	59,351,351.90	
Construction in progress	151,214,015.76	151,214,015.76	
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets	32,471,556.32	32,471,556.32	
Development			

expenses			
Goodwill			
Long-term expenses to be amortized	73,769,436.90	73,769,436.90	
Deferred income tax assets	56,931,280.75	56,931,280.75	
Other non-current assets	47,032,751.31	47,032,751.31	
Total non-current assets	2,059,441,072.13	2,059,441,072.13	
Total assets	7,128,009,738.20	7,128,009,738.20	
Current liabilities:			
Short-term borrowing	520,000,000.00	520,000,000.00	
Loans from central bank			
Loans from other banks			
Trading financial liabilities			
Financial liabilities measured by fair value with changes included in current gains and losses			
Derivative financial liabilities			
Notes payable			
Accounts payable	293,130,435.56	293,130,435.56	
Advance receipt	692,811,462.75	692,811,462.75	
Contract liabilities			
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	44,065,725.59	44,065,725.59	

Taxes payable	121,045,597.93	121,045,597.93	
Other payables	1,021,673,905.77	1,021,673,905.77	
Including: Interest payable	4,943,712.80	4,943,712.80	
Dividends payable	4,196,371.01	4,196,371.01	
Service charges and commissions payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	272,569,415.58	272,569,415.58	
Other current liabilities			
Total current liabilities	2,965,296,543.18	2,965,296,543.18	
Non-current liabilities:			
Insurance deposit			
Long-term borrowing	748,250,000.00	748,250,000.00	
Bonds payable	787,752,107.90	787,752,107.90	
Including: Preferred stock			
Perpetual capital securities			
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Estimated liabilities	90,254,503.10	90,254,503.10	
Deferred income	6,732,529.57	6,732,529.57	
Deferred income tax liabilities	79,875,150.30	79,875,150.30	
Other non-current liabilities	0.00		
Total non-current liabilities	1,712,864,290.87	1,712,864,290.87	
Total liabilities	4,678,160,834.05	4,678,160,834.05	

Owners' equity:			
Share capital	1,235,656,249.00	1,235,656,249.00	
Other equity instruments			
Including: Preferred stock			
Perpetual capital securities			
Capital reserve	156,892,820.25	156,892,820.25	
Less: Treasury shares			
Other comprehensive income	91,765.66	91,765.66	
Special reserve			
Surplus reserve	152,762,534.98	152,762,534.98	
General risk provision			
Undistributed profits	322,477,846.55	152,762,534.98	
Total owners' equity attributable to the parent company	1,867,881,216.44	152,762,534.98	
Minority shareholders' equity	581,967,687.71	152,762,534.98	
Total owners' equity	2,449,848,904.15	2,449,848,904.15	
Total liabilities and owners' equity	7,128,009,738.20	7,128,009,738.20	

Balance Sheet Statement of the Parent Company

Unit: Yuan

Item	December 31, 2018	January 01, 2019	Adjusted figures
Current assets:			
Monetary funds	971,108,422.35	971,108,422.35	
Trading financial assets			
Financial assets measured by fair value with changes included in current gains and losses			
Derivative financial assets			
Notes receivable			
Accounts receivable	217,360.00	17,360.00	
Receivable financing			
Prepayment			
Other receivables	1,098,488,672.67	1,098,488,672.67	
Including: Interest receivable			
Dividends receivable	2,000,000.00	2,000,000.00	
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	4,172,729.68	4,172,729.68	
Total current assets	2,073,987,184.70	2,073,987,184.70	
Non-current assets:			
Debt investment			
Financial assets available for sale	33,515,392.83	/	-33,515,392.83
Other debt investment			
Held-to-maturity investment			
Long-term receivables	9,000,000.00	9,000,000.00	

Long-term equity investment	1,326,039,288.79	1,326,039,288.79	
Other equity instrument investment		33,515,392.83	33,515,392.83
Other non-current financial assets			
Investment properties	252,842,527.62	252,842,527.62	
Fixed assets	17,786,925.84	17,786,925.84	
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets	1,671,913.78	1,671,913.78	
Development expenses			
Goodwill			
Long-term expenses to be amortized	9,404,881.96	9,404,881.96	
Deferred income tax assets	1,673,932.41	1,673,932.41	
Other non-current assets	39,560.00	39,560.00	
Total non-current assets	1,651,974,423.23	1,651,974,423.23	
Total assets	3,725,961,607.93	3,725,961,607.93	
Current liabilities:			
Short-term borrowing	520,000,000.00	520,000,000.00	
Trading financial liabilities			
Financial liabilities measured by fair value with changes included in current gains and losses			
Derivative financial liabilities			
Notes payable			

Accounts payable	206,374.11	206,374.11	
Advance receipt	22,491,215.88	22,491,215.88	
Contract liabilities			
Payroll payable	5,143,700.56	5,143,700.56	
Taxes payable	4,471,684.00	4,471,684.00	
Other payables	439,491,749.59	439,491,749.59	
Including: Interest payable	1,578,179.07	1,578,179.07	
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	991,804,724.14	991,804,724.14	
Non-current liabilities:			
Long-term borrowing			
Bonds payable	787,752,107.90	787,752,107.90	
Including: Preferred stock			
Perpetual capital securities			
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Estimated liabilities			
Deferred income	6,592,529.57	6,592,529.57	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	794,344,637.47	794,344,637.47	
Total liabilities	1,786,149,361.61	1,786,149,361.61	

Owners' equity:			
Share capital	1,235,656,249.00	1,235,656,249.00	
Other equity instruments			
Including: Preferred stock			
Perpetual capital securities			
Capital reserve	231,415,947.36	231,415,947.36	
Less: Treasury shares			
Other comprehensive income	-55.90	-55.90	
Special reserve			
Surplus reserve	152,762,534.98	152,762,534.98	
Undistributed profits	319,977,570.88	319,977,570.88	
Total owners' equity	1,939,812,246.32	1,939,812,246.32	
Total liabilities and owners' equity	3,725,961,607.93	3,725,961,607.93	

2. Notes to retrospective adjustments of comparative data of previous periods due to implementation of new standards for financial instruments or new standards for lease from 2019

☐ Applicable ☒ Not applicable

III. Audit Report

Is the 3rd quarter report audited?

☐ Yes ☒ No

The 3rd quarter report of the Company has not been audited.