

Shenzhen China Bicycle Company (Holdings) Limited
THE THIRD QUARTERLY REPORT FOR 2018

October 2018

Section I. Important Notes

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

All directors of the Company are attended the Meeting for quarterly report deliberation.

Principal of the Company Li Hai, Person in Charge of Accounting Works Sun Longlong and Person in Charge of Accounting Organ (Accounting Officer) Zhong Xiaojin hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Basic information of Company

I. Main accounting data and index

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

☐Yes ☒No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets (RMB)	70,158,059.66	73,559,961.28	-4.62%	
Net assets attributable to shareholders of listed company (RMB)	16,982,946.84	15,898,270.85	6.82%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	33,515,376.48	-28.06%	101,250,275.83	6.00%
Net profit attributable to shareholders of the listed company (RMB)	530,513.93	61.81%	1,084,675.99	-179.55%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	350,936.29	41.76%	872,302.68	-152.70%
Net cash flow arising from operating activities (RMB)	--	--	122,208.96	-101.93%
Basic earnings per share (RMB/Share)	0.0010	66.67%	0.0020	-180.00%
Diluted earnings per share (RMB/Share)	0.0010	66.67%	0.0020	-180.00%
Weighted average ROE	3.17%	0.62%	6.60%	16.56%

Items and amount of extraordinary profit (gains)/losses

☒Applicable ☐Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	141,486.00	

Other gains/losses qualify the definition of non-recurring gains and losses	176,288.48	
Less: impact on income tax	79,443.62	
Impact on minority shareholders' equity (post-tax)	25,957.55	
Total	212,373.31	--

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

☐ Applicable ☒ Not applicable

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

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

1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In share

Total number of common shareholders at the end of report period		54,872		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders							
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen		
					State of share	Amount	
Shenzhen Guosheng Energy Investment Development Co., Ltd.	Domestic non-State-owned legal person	11.52%	63,508,747	0			
UOB (H.K.) Co., Ltd.	Foreign legal person	2.89%	15,907,850	0			
Guosen Securities (H.K.) Co., Ltd.	Foreign legal person	2.52%	13,909,425	0			
Shenwan Hongyuan Securities	Foreign legal person	1.20%	6,631,116	0			

(Hongkong) Co., Ltd.						
Li Huili	Domestic nature person	0.71%	3,891,124	0		
CMS HK	State-owned legal person	0.61%	3,375,952	0		
Xu Hongbo	Domestic nature person	0.57%	3,137,419	0		
Specific account of property disposition for bankruptcy enterprise of CBC	Domestic non-State-owned legal person	0.47%	2,602,402	0		
JZX Investment Management (Shanghai) Co., Ltd. – Junfu Life FOF	Other	0.41%	2,246,400	0		
Zhuorun Technology Co., Ltd.	Foreign legal person	0.36%	2,000,000	0		
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict shares held	Type of shares		Type	Amount	
Shenzhen Guosheng Energy Investment Development Co., Ltd.	63,508,747	RMB ordinary shares			63,508,747	
UOB (H.K.) Co., Ltd.	15,907,850	Domestically listed foreign shares			15,907,850	
Guosen Securities (H.K.) Co., Ltd.	13,909,425	Domestically listed foreign shares			13,909,425	
Shenwan Hongyuan Securities (Hongkong) Co., Ltd.	6,631,116	Domestically listed foreign shares			6,631,116	
Li Huili	3,891,124	Domestically listed foreign shares			3,891,124	
CMS HK	3,375,952	Domestically			3,375,952	

		listed foreign shares	
Xu Hongbo	3,137,419	Domestically listed foreign shares	3,137,419
Specific account of property disposition for bankruptcy enterprise of CBC	2,602,402	RMB ordinary shares	1,383,313
		Domestically listed foreign shares	1,219,089
JZX Investment Management (Shanghai) Co., Ltd. – Junfu Life FOF	2,246,400	RMB ordinary shares	2,246,400
Zhuorun Technology Co., Ltd.	2,000,000	RMB ordinary shares	2,000,000
Explanation on associated relationship among the aforesaid shareholders	Li Huili, the spouse of actual controller Ji Hanfei, holding B-share of the Company on behalf of Shenzhen Guosheng Energy Investment Development Co., Ltd., beyond that, the Company has no idea of whether other circulated shareholders belong to concerted action persons ruled in the Administration Norms for Information Disclosure of Change on Shareholding of Listed Companies.		
Explanation on top ten common shareholders involving margin business (if applicable)	N/A		

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

☐ Yes ☒ No

The 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 of shareholders with preferred stock held and the top ten shareholdings

☐ Applicable ☒ Not applicable

Section III. Important events

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

√ Applicable □ Not applicable

Item	Ending Period or from year beginning to now	Opening Period or same period last year	Changes	Reasons
Monetary funds	19,282,191.32	27,985,654.24	-31.10%	The note payable issued last year was cash with bank deposit in the period
Advance payment	11,707,477.50	2,482,276.54	371.64%	The procurement account paid in advance for lithium battery material
Stock	5,838,360.82	2,777,174.63	110.23%	Increase the stock for peak season from subsidiary in the period
Net profit	1,236,251.31	-1,612,794.67	-176.65%	Operation revenue increased in the period
Cash received related with other operation activities	3,457,816.24	11,098,169.48	-68.84%	At same period of last year, received bid bond paid by relevant subscriber for private placement
Cash paid for purchasing commodities and receiving labor service	17,197,123.51	39,270,323.28	-56.21%	More goods are paid with bank acceptance in the period

II. Progress of significant events, their influences, and analysis and explanation of their solutions

√ Applicable □ Not applicable

In July 2016, the Company started to plan a non-public issue of shares with proceeds to be utilized to acquire material assets. The Plan on Non-public Issue of A shares in 2016 was considered and approved by the Board of the Company. Based on the due diligence, audit, assessment and business negotiation with intermediaries, taking into account the conditions of capital market and actual conditions of the Company, the Board of the Company considered and approved the Proposal Relating to Adjusting the Plan of non-public of A Shares, the Explanation on non-public of A-shares for year of 2016 Amendment, the Plan on Non-public Issue of A shares in 2016 (amended), the Plan on Non-public Issue of A shares in 2016 (Second Amended) and Plan on Non-public Issue of A shares in 2016 (Third Amended) from February 2017 to February 2018. According to the three revised drafts, the number of non-public offering of shares should not exceed 110,269,586 shares, and the total amount of funds

raised should not exceed 750 million Yuan. The non-public offer of shares will use in the followed projects after issuance costs deducted: (1) totally 680 million Yuan used in upgrading of the construction of marketing network platform on-line/off-line; and (2) 70 million Yuan used for R&D center construction. The issuing objects of this non-public offering include four specific investors which are Ruian Information, Zhisheng High-tech, Wansheng Industry and Beier High-tech. The subscription amount of Ruian Information does not exceed 250 million Yuan, and the number of subscribed shares does not exceed 36,756,529 shares; the subscription amount of Zhisheng High-tech does not exceed 200 million Yuan, and the number of subscribed shares does not exceed 29,405,223 shares; the subscription amount of Wansheng Industry and Beier High-tech respectively does not exceed 150 million Yuan, and the number of subscribed shares does not exceed 22,053,917 shares respectively. The Company convened the first extraordinary general meeting of 2018 on February 13, 2018 which reviewed and passed the Proposal on Plan on Non-public Issue of A shares in 2016 (Third Amended), etc. See details on the announcement issued by the board of directors of the company, relevant works still in promotion recently.

Overview	Date for disclosure	Information index for temporary report disclosure
Notice of re-adjustment of non-public offering of A-shares	2018-01-27	Juchao Website http://www.cninfo.com.cn
Plan of non-public offering of A-shares for 2016 (3 rd revised draft)	2018-01-27	Juchao Website http://www.cninfo.com.cn
Notice of signing the conditional subscription agreement by subscribed object (2 nd revised draft)	2018-01-27	Juchao Website http://www.cninfo.com.cn
Overview on revised plan of non-public offering of A-shares for 2016	2018-01-27	Juchao Website http://www.cninfo.com.cn
Non-public offering of shares and related transaction	2018-01-27	Juchao Website http://www.cninfo.com.cn
Feasibility analysis report on use of raised funds from non-public offering of A-shares for 2016 (3 rd revised draft)	2018-01-27	Juchao Website http://www.cninfo.com.cn
The next three-year (2018-2020) shareholder return planning	2018-01-27	Juchao Website http://www.cninfo.com.cn
Risk warning of spot return on non-public offering of shares, Notice of instructions for filling measures and related subject commitment (3 rd revised draft)	2018-01-27	Juchao Website http://www.cninfo.com.cn
Resolution of the 4 th (extraordinary) meeting of 10 th BOD	2018-01-27	Juchao Website http://www.cninfo.com.cn
Resolution of the 12 th (extraordinary) meeting of 8 th supervisory committee	2018-01-27	Juchao Website http://www.cninfo.com.cn
Resolution of the first extraordinary shareholders meeting of 2018	2018-02-14	Juchao Website http://www.cninfo.com.cn

III. Commitments that the actual controller, shareholders, related parties, acquirer and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

☐ Applicable ☒ Not applicable

There are no commitments that the actual controller, shareholders, related parties, acquirer and the Company have fulfilled during the

reporting period and have not yet fulfilled by the end of reporting period

IV. Estimation of operation performance for year of 2018

Estimation of 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 of reason

☐Applicable ☒Not applicable

V. Particular about security investment

☐ Applicable ☒ Not applicable

The Company had no security investment in Period.

VI. Trust financing

☐ Applicable ☒ Not applicable

The Company had no trust financing in Period.

VII. Particulars about derivatives investment

☐ Applicable ☒ Not applicable

The Company had no derivatives investment in Period.

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

☒ Applicable ☐ Not applicable

Time	Way	Type	Basic situation index of investigation
From January to September 2018	Telephone communication	Individual	Recombination consulting
From January to September 2018	Telephone communication	Individual	Progress of privately placement of shares consulting

IX. Guarantee outside against the regulation

☐Applicable ☒Not applicable

The Company had no guarantee outside against the regulation in the period.

X. Non-operational fund occupation from controlling shareholders and its related party

☐ Applicable ☒ Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by SHENZHEN CHINA BICYCLE COMPANY (HOLDINGS) LIMITED

2018-09-30

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	19,282,191.32	27,985,654.24
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable and accounts receivable	24,208,130.56	30,507,775.21
Including: Notes receivable	2,050,000.00	1,500,000.00
Accounts receivable	22,158,130.56	29,007,775.21
Accounts paid in advance	11,707,477.50	2,482,276.54
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	727,787.38	659,706.81
Purchase restituted finance asset		
Inventories	5,838,360.82	2,777,174.63
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,876,477.59	1,805,427.17
Total current assets	63,640,425.17	66,218,014.60
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment		
Investment property		
Fixed assets	3,681,555.78	3,941,117.97
Construction in progress		
Productive biological asset		
Oil and gas asset		
Intangible assets	1,694,250.00	2,259,000.00
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	741,828.71	741,828.71
Other non-current asset	400,000.00	400,000.00
Total non-current asset	6,517,634.49	7,341,946.68
Total assets	70,158,059.66	73,559,961.28
Current liabilities:		
Short-term loans		
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable and accounts payable	10,963,802.50	12,408,197.27
Accounts received in advance	1,160,579.92	1,268,479.32
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	634,221.18	706,703.40
Taxes payable	2,030,550.28	3,807,286.87
Other accounts payable	35,271,683.95	36,508,323.90
Reinsurance payables		

Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	50,060,837.83	54,698,990.76
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	50,060,837.83	54,698,990.76
Owner's equity:		
Share capital	551,347,947.00	551,347,947.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	32,673,227.01	32,673,227.01
Provision of general risk		
Retained profit	-1,194,872,525.02	-1,195,957,201.01
Total owner's equity attributable to parent company	16,982,946.84	15,898,270.85
Minority interests	3,114,274.99	2,962,699.67

Total owner's equity	20,097,221.83	18,860,970.52
Total liabilities and owner's equity	70,158,059.66	73,559,961.28

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	8,895,008.87	15,398,405.80
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable and accounts receivable	10,159,096.97	17,980,663.16
Including: Notes receivable		300,000.00
Accounts receivable	10,159,096.97	17,680,663.16
Account paid in advance	11,685,471.55	2,357,662.42
Other receivables	310,402.95	280,576.37
Inventories		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	1,876,477.59	1,792,452.81
Total current assets	32,926,457.93	37,809,760.56
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	10,379.73	10,379.73
Investment property		
Fixed assets	3,141,580.35	3,309,465.26
Construction in progress		
Productive biological assets		

Oil and natural gas assets		
Intangible assets	1,694,250.00	2,259,000.00
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	400,000.00	400,000.00
Total non-current assets	5,246,210.08	5,978,844.99
Total assets	38,172,668.01	43,788,605.55
Current liabilities:		
Short-term borrowings		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable and accounts payable		
Accounts received in advance		1,086,506.70
Wage payable	112,899.08	112,896.71
Taxes payable	970,055.39	2,806,928.48
Other accounts payable	27,363,028.61	30,786,588.98
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	28,445,983.08	34,792,920.87
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		

Other non-current liabilities		
Total non-current liabilities		
Total liabilities	28,445,983.08	34,792,920.87
Owners' equity:		
Share capita	551,347,947.00	551,347,947.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	627,834,297.85	627,834,297.85
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	32,673,227.01	32,673,227.01
Retained profit	-1,202,128,786.93	-1,202,859,787.18
Total owner's equity	9,726,684.93	8,995,684.68
Total liabilities and owner's equity	38,172,668.01	43,788,605.55

3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	33,515,376.48	46,587,182.39
Including: Operating income	33,515,376.48	46,587,182.39
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	32,766,746.08	46,181,463.39
Including: Operating cost	29,794,322.66	43,119,915.64
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of		

insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	58,517.27	81,383.34
Sales expenses	1,600,868.52	1,399,215.81
Administration expenses	1,495,548.79	1,587,145.47
R&D expenses		
Financial expenses	-41,025.16	-6,196.87
Including: Interest expenses		
Interest income		
Losses of devaluation of asset	-141,486.00	
Add: other income		
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
Changing income of fair value(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	748,630.40	405,719.00
Add: Non-operating income	134,302.20	109,552.14
Less: Non-operating expense		800.00
IV. Total Profit (Loss is listed with “-”)	882,932.60	514,471.14
Less: Income tax expense	138,597.70	
V. Net profit (Net loss is listed with “-”)	744,334.90	514,471.14
(i) net profit from continuous operation (Net loss is listed with “-”)	744,334.90	514,471.14
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner's of	530,513.93	327,866.56

parent company		
Minority shareholders' gains and losses	213,820.97	186,604.58
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		

Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	744,334.90	514,471.14
Total comprehensive income attributable to owners of parent Company	530,513.93	327,866.56
Total comprehensive income attributable to minority shareholders	213,820.97	186,604.58
VIII. Earnings per share:		
(i) Basic earnings per share	0.0010	0.0006
(ii) Diluted earnings per share	0.0010	0.0006

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: Li Hai

Person in charge of Accounting Works: Sun Longlong

Person in charge of Accounting Institution: Zhong Xiaojin

4. Profit Statement of Parent Company (the period)

In RMB

Item	Current Period	Last Period
I. Operating income	10,688,994.67	1,605,386.93
Less: Operating cost	9,514,999.72	784,652.86
Operating tax and extras	6,781.40	720.00
Sales expenses	362,220.29	
Administration expenses	924,928.15	1,033,403.43
R&D expenses		
Financial expenses	-27,763.78	-2,685.25
Including: Interest expenses		
Interest income		
Losses of devaluation of asset		
Add: other income		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
Changing income of fair		

value(Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	-92,171.11	-210,704.11
Add: Non-operating income	134,302.20	103,160.00
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	42,131.09	-107,544.11
Less: Income tax expense	10,532.77	
IV. Net profit (Net loss is listed with “-”)	31,598.32	-107,544.11
(i) net profit from continuous operation (Net loss is listed with “-”)	31,598.32	-107,544.11
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising		

from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	31,598.32	-107,544.11
VII. Earnings per share:		
(i) Basic earnings per share	0.0001	-0.0002
(ii) Diluted earnings per share	0.0001	-0.0002

5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	101,250,275.83	95,516,858.66
Including: Operating income	101,250,275.83	95,516,858.66
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	99,818,581.32	97,518,486.64
Including: Operating cost	90,958,528.99	88,806,188.47
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		

Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	134,255.02	172,736.39
Sales expenses	4,356,796.05	3,867,917.68
Administration expenses	4,805,269.03	4,926,676.97
R&D expenses		
Financial expenses	-302,000.97	-207,761.78
Including: Interest expenses		
Interest income		
Losses of devaluation of asset	-134,266.80	-47,271.09
Add: other income		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
Changing income of fair value(Loss is listed with "-")		
Exchange income (Loss is listed with "-")		
Income from assets disposal (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	1,431,694.51	-2,001,627.98
Add: Non-operating income	206,428.48	401,262.72
Less: Non-operating expense	30,140.00	800.00
IV. Total Profit (Loss is listed with "-")	1,607,982.99	-1,601,165.26
Less: Income tax expense	371,731.68	11,629.41
V. Net profit (Net loss is listed with "-")	1,236,251.31	-1,612,794.67
(i) net profit from continuous operation (Net loss is listed with "-")	1,236,251.31	-1,612,794.67
(ii) net profit from discontinued operation (Net loss is listed with "-")		
Net profit attributable to owner's of parent company	1,084,675.99	-1,363,511.88

Minority shareholders' gains and losses	151,575.32	-249,282.79
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive		

income attributable to minority shareholders		
VII. Total comprehensive income	1,236,251.31	-1,612,794.67
Total comprehensive income attributable to owners of parent Company	1,084,675.99	-1,363,511.88
Total comprehensive income attributable to minority shareholders	151,575.32	-249,282.79
VIII. Earnings per share:		
(i) Basic earnings per share	0.0020	-0.0025
(ii) Diluted earnings per share	0.0020	-0.0025

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	34,712,513.35	4,834,292.89
Less: Operating cost	30,361,217.80	2,778,728.66
Operating tax and extras	20,522.60	720.00
Sales expenses	639,048.04	
Administration expenses	3,032,240.65	3,199,158.88
R&D expenses		
Financial expenses	-110,767.09	-223.62
Including: Interest expenses		
Interest income		
Losses of devaluation of asset	-2,008.04	
Add: other income		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
Changing income of fair value (Loss is listed with "-")		
Income from assets disposal (Loss is listed with "-")		

II. Operating profit (Loss is listed with “-”)	772,259.39	-1,144,091.03
Add: Non-operating income	202,407.61	362,239.00
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	974,667.00	-781,852.03
Less: Income tax expense	243,666.75	
IV. Net profit (Net loss is listed with “-”)	731,000.25	-781,852.03
(i) net profit from continuous operation (Net loss is listed with “-”)	731,000.25	-781,852.03
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity		

investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	731,000.25	-781,852.03
VII. Earnings per share:		
(i) Basic earnings per share	0.0013	-0.0014
(ii) Diluted earnings per share	0.0013	-0.0014

7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	27,803,003.29	36,888,521.94
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		

Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	5,306.26	
Other cash received concerning operating activities	3,457,816.24	11,098,169.48
Subtotal of cash inflow arising from operating activities	31,266,125.79	47,986,691.42
Cash paid for purchasing commodities and receiving labor service	17,197,123.51	39,270,323.28
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	4,950,664.94	5,147,547.23
Taxes paid	2,100,451.20	2,037,613.77
Other cash paid concerning operating activities	6,895,677.18	7,870,659.02
Subtotal of cash outflow arising from operating activities	31,143,916.83	54,326,143.30
Net cash flows arising from operating activities	122,208.96	-6,339,451.88
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of		60,000.00

fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		60,000.00
Cash paid for purchasing fixed, intangible and other long-term assets	17,293.82	659,735.00
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	17,293.82	659,735.00
Net cash flows arising from investing activities	-17,293.82	-599,735.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by		

subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	104,915.14	-6,939,186.88
Add: Balance of cash and cash equivalents at the period -begin	19,177,276.18	24,015,287.71
VI. Balance of cash and cash equivalents at the period -end	19,282,191.32	17,076,100.83

8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	16,434.00	18,237.60
Write-back of tax received	5,306.26	
Other cash received concerning operating activities	3,153,882.61	14,141,053.76
Subtotal of cash inflow arising from operating activities	3,175,622.87	14,159,291.36
Cash paid for purchasing commodities and receiving labor service	46,278.04	
Cash paid to/for staff and workers	2,152,516.83	1,896,360.11
Taxes paid	1,071,443.86	301,847.14
Other cash paid concerning operating activities	6,396,936.25	8,484,628.39
Subtotal of cash outflow arising from	9,667,174.98	10,682,835.64

operating activities		
Net cash flows arising from operating activities	-6,491,552.11	3,476,455.72
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets	11,844.82	9,795.00
Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	11,844.82	9,795.00
Net cash flows arising from investing activities	-11,844.82	-9,795.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing		

activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-6,503,396.93	3,466,660.72
Add: Balance of cash and cash equivalents at the period -begin	15,398,405.80	1,143,418.29
VI. Balance of cash and cash equivalents at the period -end	8,895,008.87	4,610,079.01

II. Audit report

Whether the 3rd quarterly report has been audited or not

☐ Yes ☒ No

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

Board of Directors of
Shenzhen China Bicycle Company (Holdings) Limited
25 October 2018