

Shenzhen China Bicycle Company (Holdings) Limited

THE THIRD QUARTERLY REPORT FOR 2018

(TEXT)

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 Shareholders 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.

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