

# JCET Group Reports Financial Results for the Third Quarter 2019

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# Consolidated Income Statement- Unaudited

JCET Group Co., Ltd.

Unit : YUAN Currency: RMB

|                                                      | Third Quarter<br>2019   | Third Quarter<br>2018   | Third Quarter 2019<br>(YTD) | Third Quarter 2018<br>(YTD) |
|------------------------------------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|
| <b>Net Revenue</b>                                   | <b>7,047,485,231.13</b> | <b>6,782,613,999.34</b> | <b>16,195,946,797.21</b>    | <b>18,085,343,862.02</b>    |
| <b>Cost Of Revenue</b>                               | <b>6,209,181,930.48</b> | <b>5,952,235,889.02</b> | <b>14,506,581,778.96</b>    | <b>15,856,583,824.66</b>    |
| Gross Profit                                         | 838,303,300.65          | 830,378,110.32          | 1,689,365,018.25            | 2,228,760,037.36            |
| Business tax &<br>surcharges                         | 8,804,097.77            | 8,977,283.75            | 26,247,652.69               | 32,110,395.35               |
| Selling expense                                      | 70,693,897.18           | 68,618,892.86           | 199,259,753.46              | 183,045,007.44              |
| General and<br>administrative expense                | 265,158,984.51          | 299,551,342.36          | 814,120,688.05              | 846,789,977.56              |
| Research &<br>development expense                    | 227,124,893.70          | 218,732,515.36          | 575,758,377.86              | 476,543,554.83              |
| Financial expense                                    | 223,322,207.98          | 250,127,641.83          | 656,944,570.47              | 723,770,671.70              |
| Including : interest<br>expense                      | 220,304,604.20          | 239,104,551.72          | 588,942,670.71              | 658,990,854.88              |
| Including : interest<br>income                       | 7,173,596.94            | 9,151,047.07            | 15,617,000.00               | 15,000,542.22               |
| Add : other gain                                     | 21,514,190.35           | 24,891,065.03           | 216,505,390.69              | 121,526,230.31              |
| Add: gain from<br>investment ( minus<br>mean loss)   | 4,933,727.11            | -3,823,495.34           | 1,183,768.29                | 657,378.66                  |
| Gain from fair value<br>change ( minus mean<br>loss) |                         | 34,601,752.10           |                             | 34,601,752.10               |
| Credit<br>impairment loss ( minus<br>mean loss)      | 1,946,845.74            |                         | -5,660,736.41               |                             |
| Assets<br>impairment loss ( minus<br>mean loss)      | -925,012.96             | -6,717,546.38           | -14,952,459.70              | -21,145,305.13              |
| Assets disposal<br>gain ( minus mean<br>loss)        | 6,913,094.60            | 111,902.38              | 13,647,647.78               | 1,706,518.26                |
| <b>Operation income<br/>(minus mean loss)</b>        | <b>87,582,064.35</b>    | <b>43,344,112.15</b>    | <b>-371,342,594.64</b>      | <b>102,947,712.68</b>       |
| Add :<br>Non-operating<br>income                     | 174,630.00              | 564,344.64              | 651,559.19                  | 1,708,509.19                |
| Minus :<br>Non-operating<br>expense                  | 420,572.06              | -254,356.16             | 4,128,463.09                | 4,818,174.88                |
| <b>Income before tax<br/>(minus mean loss)</b>       | <b>87,336,122.29</b>    | <b>44,162,812.95</b>    | <b>-374,819,498.54</b>      | <b>99,838,046.99</b>        |
| Minus : Income<br>tax                                | 9,993,905.08            | 33,036,253.59           | -194,164,243.39             | 67,978,851.48               |
| <b>Net Income (minus<br/>mean loss)</b>              | <b>77,342,217.21</b>    | <b>11,126,559.36</b>    | <b>-180,655,255.15</b>      | <b>31,859,195.51</b>        |