



2019 First Quarter Report

Of

Chongqing Changan Automobile Company Limited

April, 2019

Chapter 1 Important Notes

The Board of Directors, the Supervisory Committee and directors, supervisors and senior management of Chongqing Changan Automobile Company Limited (hereinafter referred to as “the Company”) hereby guarantee that no false or misleading statement or major omission was made to the materials in this report and that they will assume all the responsibilities, individually and jointly, for the trueness, accuracy and completeness of the contents of this report.

All directors attended the board meeting for reviewing the first quarter report.

The Chairman of the Board Zhang Baolin, the Chief Financial Officer Zhang Deyong and the responsible person of the accounting institution (Accountant in charge) Chen Jianfeng hereby declare that the Financial Statements enclosed in this annual report are true, accurate and complete.

The report shall be presented in both Chinese and English, and should there be any conflicting understanding of the text, the Chinese version shall prevail.

Chapter 2 Basic Information

I. Main accounting data and financial indicators

Does the company conduct the retrospective adjustment or restatement of previous years accounting data due to changes in accounting policies or accounting errors?

☐ Yes ☒ No

In RMB Yuan

	The reporting period	The same period of last year	Variance (%)
Operating income	16,007,950,602.50	20,010,746,940.77	-20.00%
Net profit attributable to shareholders of the Company	-2,096,352,326.12	1,391,793,407.67	-250.62%
Net profit excluding non-recurring gains and losses attributable to shareholders of listed company	-2,161,147,810.27	896,758,297.55	-341.00%
cash flow from operating activities	3,258,788,381.35	2,636,312,735.66	23.61%
Basic earnings per share	-0.44	0.29	-251.72%
Diluted earnings per share	-	-	-
Weighted average return on net assets	-4.62%	2.88%	Down 7.50 points
	The reporting period	End of 2018	Variance (%)
Total assets	95,867,326,904.10	93,488,854,098.95	2.54%
Net assets attributable to shareholders of listed company	44,437,673,227.16	46,244,958,676.52	-3.91%

Accidental gain/loss item and amount

☒ Applicable ☐ Not applicable

In RMB Yuan

Item	Amount of the period from the beginning of year to the end of report term	Explanation
Gain/loss of non-current assets	-1,633,541.79	
Government subsidies accounted into current gain/loss account, other than those closely related to the Company's common business, comply with the national policy and continues to enjoy at certain fixed rate or amount.	57,557,097.02	
Interest on deferred payment of funds received by non financial enterprises	10,682,531.96	
Other non-business income and expenditures other than the above	8,990,590.89	
Less: Influenced amount of income tax	10,286,093.79	
Influenced amount of minority shareholders' equity	515,100.14	
Total	64,795,484.15	

According to "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" defined non-recurring items, and Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses "The items listed in the non-recurring items defined as recurring items shall be explained."

☐ Applicable ☒ Not applicable

The company in the reporting period does not base on the definition and listing of "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" about non-recurring gains and losses to define a case of recurring profit or loss.

II. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten tradable shareholders

1. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten shareholders

Unit: share

As of the reporting period, the total number of shareholders			203,311			
Top 10 Shareholders						
Name of the shareholder	Properties of shareholder	Shareholding (%)	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
China South Industries Group Co., Ltd.	State-owned legal person shares	21.56%	1,035,312,673		No pledge or frozen	0
China Changan Automobile Co., Ltd.	State-owned legal person shares	19.32%	928,044,946	139,762,403	No pledge or frozen	0
China securities finance Co, Ltd	domestic general legal person shares	4.88%	234,265,333		No pledge or frozen	0
United Prosperity (Hongkong) Investment Co., Limited	foreign legal person shares	3.21%	154,120,237		No pledge or frozen	0
Central Huijin Investment Ltd.	domestic general legal person shares	1.15%	55,393,100		No pledge or frozen	0
DRAGON BILLION SELECT MASTER FUND	foreign legal person shares	0.85%	40,597,114		No pledge or frozen	0
GIC PRIVATE LIMITED	foreign legal person shares	0.74%	35,340,771		No pledge or frozen	0
China Merchants Bank Co., Ltd.-Boss CSI Central Enterprise Structure Adjustment Transaction Open Index Securities Investment Fund	fund, finance products, etc.	0.55%	26,498,722		No pledge or frozen	0
Hong Kong Central Clearing Company Limited	foreign legal person shares	0.47%	22,768,083		No pledge or frozen	0
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	foreign legal person shares	0.38%	18,012,213		No pledge or frozen	0
Top 10 holders of unconditional shares						
Name of the shareholder		Amount of shares without sales restriction	Category of shares			
			Category of shares	Amount		
China South Industries Group Co., Ltd.		1,035,312,673	RMB ordinary shares	1,035,312,673		
China Changan Automobile Co., Ltd.		788,282,543	RMB ordinary shares	788,282,543		
China securities finance Co, Ltd		234,265,333	RMB ordinary shares	234,265,333		
United Prosperity (Hongkong) Investment Co., Limited		154,120,237	Domestic listed foreign shares	154,120,237		
Central Huijin Investment Ltd.		55,393,100	RMB ordinary shares	55,393,100		
DRAGON BILLION SELECT MASTER FUND		40,597,114	Domestic listed foreign shares	40,597,114		
GIC PRIVATE LIMITED		35,340,771	Domestic listed foreign shares	35,340,771		
China Merchants Bank Co., Ltd.-Boss CSI Central Enterprise Structure Adjustment Transaction Open Index Securities Investment Fund		26,498,722	RMB ordinary shares	26,498,722		
Hong Kong Central Clearing Company Limited		22,768,083	RMB ordinary shares	22,768,083		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND		18,012,213	Domestic listed foreign shares	18,012,213		

Explanation on the relationship and the action alike of above shareholders	Among the top 10 shareholders, China South Industries Group Co., Ltd., the actual controller; China Changan Automobile Group Co., Ltd., the controlling shareholder, and its wholly owned subsidiary United Prosperity (Hong Kong) Investment Co., Limited. belong to the concerted actor regulated by "Disclosure Administration of Shares Change Information of The Listed Company".
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Whether the company top 10 shareholders of ordinary shares, and the top 10 circulated shareholders agreed on the repurchase transactions during the report period

☐Applicable ☒Not Applicable

The top 10 shareholders of ordinary shares, and the top 10 circulated shareholders have not agreed on the repurchase transactions during the report period

2. Total number of preferred shareholders at the end of the reporting period and statement on preferred shares held by the top ten tradable shareholders

☐Applicable ☒Not Applicable

Chapter 3 Important Matters

I. Significant changes & reasons in major accounting data, financial indicators

√Applicable □Not Applicable

In RMB Yuan				
Number	Balance Sheet Items	Mar. 31 st ,2019	Jan. 1 st , 2019	Changes (%)
1	Advances from customers	3,214,095,309.18	1,556,482,278.92	106.50%
2	Payroll payables	950,601,604.89	1,362,995,277.56	-30.26%
3	Taxes payable	252,387,664.11	669,316,487.25	-62.29%
4	Other payables	5,163,334,579.88	3,079,749,015.80	67.65%
5	Deferred tax liabilities	185,815,474.08	135,231,170.60	37.41%
6	Other comprehensive income	495,814,992.98	235,509,930.44	110.53%
	Income Statement Items	Jan-Mar 2019	Jan-Mar 2018	Changes (%)
1	R&D expenses	455,925,951.99	265,386,051.26	71.80%
2	Financial expenses	-42,420,980.32	-124,880,508.71	66.03%
3	Investment income	-397,154,020.56	1,148,431,489.58	-134.58%
4	Income tax expenses	67,508,680.94	17,667,374.07	282.11%
	Cash Flow Statement Items	Jan-Mar 2019	Jan-Mar 2018	Changes (%)
1	Net cash flows from operating activities	3,258,788,381.35	2,636,312,735.66	23.61%
2	Net cash flows from investing activities	-1,241,139,566.02	-1,683,776,880.84	26.29%
3	Net cash flows from financing activities	-491,899,844.50	758,546,761.56	-164.85%
4	Net increase of cash and cash equivalents	1,542,739,858.66	1,712,679,597.26	-9.92%

As at the end of reporting period, the company's total asset was 95.867 billion Yuan, with 2.54% increase compared with the beginning of the year. The total liability was 51.528 billion Yuan, with 8.86% increase compared with the beginning of the year. The debt asset ratio was 53.75%, which was 3.12 percentage points higher than the beginning of the year. The balance of advances from customers increased compared with the beginning of the year, mainly due to the increase in on-transit vehicles that the company had invoiced but did not reach the dealers at the end of the quarter. The balance of payroll payables decreased mainly due to the company's first quarterly payment of the payables due from the end of the previous year. The balance of taxes payable decreased mainly due to the decrease in the consumption tax. The balance of other payables increased mainly due to the increase of dealer acceptance bill deposits. The balance of deferred tax liabilities increased mainly due to the increase in the fair value of the stocks held by the company. The balance of other comprehensive income increased mainly due to the increase in the fair value of the stocks held.

During the reporting period, R&D expenses increased significantly compared with the same period of last year, mainly due to the company's accounting conversion from year-end to quarter-end in the first quarter of 2019. Financial expenses increased significantly mainly due to the decrease in interest income. Investment income decreased mainly due to the significant decrease in investment income of Changan Ford. Income tax expenses increased mainly due to the decrease in deferred income tax assets.

During the reporting period, net increase of cash and cash equivalents was 1.543 billion Yuan, decreased by 9.92% on a year-on-year basis, mainly due to the significant decrease in net cash flows from financing activities. Net cash flows from operating activities was 3.259 billion Yuan, increased by 23.61% on a year-on-year basis, mainly due to the significant increase in other cash received related to operating activities. Net cash flows from investing activities was -1.241 billion Yuan, increased by 26.29% on a year-on-year basis, mainly due to the significant decrease in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets. Net cash flows from financing activities was -0.492 billion Yuan, decreased by 164.85% on a year-on-year basis, mainly due to the significant decrease in other cash received (finance acceptance, letter of credit recovery), and the significant increase in other cash payments related to financing activities.

II. The progress and influence of significant events and the analysis and explanation on resolving proposal

☐Applicable ☒Not Applicable

III. Commitments made within the reporting period by the controlling shareholders, shareholders, related party, acquirer and the company overdue and not fulfilled

☐Applicable ☒Not Applicable

During the reporting period, the company's actual controllers, shareholders, related parties, purchasers and companies and other commitment parties don't have any overdue unfulfilled commitments.

IV. Forecast of operation performance from Jan. – June of 2019

The warning or a reason for a loss or a significant change of cumulative net profit from the beginning of the year to the end of the next reporting period compared with the same period of last year

☐Applicable ☒Not Applicable

V. Securities Investment

☒Applicable ☐Not Applicable

Security variety	Stock code	Stock name	Initial investment cost (RMB Yuan)	Opening equity Holdings (share)	Opening equity holding ratio (%)	Closing equity holdings (share)	Closing equity Holdings (%)	Closing book value (RMB Yuan)	Gain/loss in the reporting period (RMB Yuan)	Accounting title	Equity source
Stock	600369	Southwest Securities	50,000,000	35,500,000	0.63%	35,500,000	0.63%	196,315,000	-	Investment in other equity instruments	Initial investment
Total			50,000,000	35,500,000	--	35,500,000	--	196,315,000	-	--	--

VI. Derivative Investment

☐Applicable ☒Not Applicable

During the company's reporting period, there is no derivative investment.

VII. Interviews and visits in the reporting period

☒Applicable ☐Not Applicable

Date	Manner	Object	Content discussed and material offered
2019.01.2	On-Site Survey	Institution	For details, see the January 4, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 2, 2019 investor relations activities record sheet
2019.01.10	On-Site Survey	Institution	For details, see the January 14, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 10, 2019 investor relations activities record sheet(1)
2019.01.10	On-Site Survey	Institution	For details, see the January 14, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 10, 2019 investor relations activities record sheet(2)
2019.01.10	On-Site Survey	Institution	For details, see the January 14, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 10, 2019 investor relations activities record sheet(3)

2019.01.11	On-Site Survey	Institution	For details, see the January 14, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 11, 2019 investor relations activities record sheet(1)
2019.01.11	On-Site Survey	Institution	For details, see the January 14, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 11, 2019 investor relations activities record sheet(2)
2019.01.15	On-Site Survey	Institution	For details, see the January 17, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 15, 2019 investor relations activities record sheet
2019.01.15	On-Site Survey	Institution	For details, see the January 18, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 15, 2019 investor relations activities record sheet(2)
2019.01.16	On-Site Survey	Institution	For details, see the January 18, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 16, 2019 investor relations activities record sheet
2019.01.18	On-Site Survey	Institution	For details, see the January 22, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 18, 2019 investor relations activities record sheet
2019.01.22	On-Site Survey	Institution	For details, see the January 24, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 22, 2019 investor relations activities record sheet(1)
2019.01.22	On-Site Survey	Institution	For details, see the January 24, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 22, 2019 investor relations activities record sheet(2)
2019.02.26	On-Site Survey	Institution	For details, see the February 27, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: February 26, 2019 investor relations activities record sheet
2019.02.28	On-Site Survey	Institution	For details, see the March 1, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: February 28, 2019 investor relations activities record sheet
2019.03.05	On-Site Survey	Institution	For details, see the March 7, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 5, 2019 investor relations activities record sheet
2019.03.14	On-Site Survey	Institution	For details, see the March 18, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 14, 2019 investor relations activities record sheet(1)
2019.03.14	On-Site Survey	Institution	For details, see the March 18, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 14, 2019 investor relations activities record sheet
2019.03.19	On-Site Survey	Institution	For details, see the March 20, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 19, 2019 investor relations activities record sheet
2019.03.22	On-Site Survey	Institution	For details, see the March 25, 2019 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: March 22, 2019 investor relations activities record sheet

VIII. Illegal external guarantee

☐Applicable ☒Not Applicable

The company doesn't violate the rules of external guarantee during the reporting period.

IX. Controlling shareholder and its related parties to the listing Corporation's non-operating funds

☐Applicable ☒Not Applicable

During the reporting period, there is no non-operating capital occupied by the controlling shareholder and its related parties to the

listed company.

Chapter 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

March 31, 2019

In RMB Yuan

Account	Ending Balance	Opening Balance
Current assets:		
Cash	12,023,594,008.52	9,980,544,526.14
Notes receivable and accounts receivable	20,598,377,328.35	21,971,045,405.74
Notes receivable		
Accounts receivable		
Prepayments	1,017,399,139.96	866,249,749.51
Other receivables	3,321,107,193.86	3,250,452,923.70
Inventories	6,199,642,538.90	4,917,420,457.19
Holding assets for sale		
Non-current assets due within one year		
Other current assets	1,681,537,503.74	2,227,565,353.23
Total current assets	44,841,657,713.33	43,213,278,415.51
Non-current assets:		
Available-for-sale financial assets	-	1,957,873,311.31
Long-term receivables		
Long-term equity investments	12,878,016,098.27	13,275,170,118.83
Investment in other equity instruments	2,295,847,767.70	-
Investment properties	7,272,883.39	7,329,561.28
Fixed assets	23,197,358,204.84	22,161,054,058.31
Construction in progress	5,157,326,015.29	5,383,844,030.75
Intangible assets	4,924,692,543.75	5,018,243,552.80
Development expenditure	952,809,135.58	789,597,615.60
Goodwill	9,804,394.00	9,804,394.00
Long-term deferred expenses	16,529,048.19	17,104,601.67
Deferred tax assets	1,586,013,099.76	1,655,554,438.89
Other non-current assets		
Total non-current assets	51,025,669,190.77	50,275,575,683.44
TOTAL ASSETS	95,867,326,904.10	93,488,854,098.95
Current liabilities:		
Short-term loans	215,000,000.00	190,000,000.00
Notes payable and accounts payable	30,035,449,763.21	28,724,063,539.34
Advances from customers	3,214,095,309.18	1,556,482,278.92
Payroll payable	950,601,604.89	1,362,995,277.56

Taxes payable	252,387,664.11	669,316,487.25
Other payables	5,163,334,579.88	3,079,749,015.81
Non-current liabilities within one year	-	6,594,120.00
Other current liabilities	3,796,224,641.85	4,325,441,152.61
Total current liabilities	43,627,093,563.12	39,914,641,871.49
Non-current liabilities:		
Long-term loans		
Long-term payables	323,229,072.47	303,590,824.69
Long-term payroll payable	50,819,993.72	53,837,000.00
Estimated liabilities	3,689,408,475.45	3,245,322,744.12
Deferred Revenue	3,651,912,499.87	3,683,308,534.73
Deferred tax liabilities	185,815,474.08	135,231,170.59
Other non-current liabilities		
Total non-current liabilities	7,901,185,515.59	7,421,290,274.13
Total liabilities	51,528,279,078.71	47,335,932,145.62
Owners' equity (or Shareholders' equity):		
Share capital	4,802,648,511.00	4,802,648,511.00
Capital reserves	5,057,242,440.17	5,057,242,440.17
Other comprehensive income	495,814,992.98	235,509,930.44
Special reserves	69,984,183.32	41,222,369.10
Surplus reserves	2,401,324,255.50	2,401,324,255.50
Retained earnings	31,610,658,844.19	33,707,011,170.31
Equity attributable to owners	44,437,673,227.16	46,244,958,676.52
Minority interests	-98,625,401.77	-92,036,723.19
Total Owners' equity (or Shareholders' equity)	44,339,047,825.39	46,152,921,953.33
Liabilities and owners' equity (or shareholders' equity) in total	95,867,326,904.10	93,488,854,098.95

Legal person: Zhang Baolin

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

2. Balance Sheet

In RMB Yuan

Account	Ending Balance	Opening Balance
Current assets:		
Cash	8,590,074,700.84	7,310,973,018.99
Notes receivable and accounts receivable	25,019,975,366.50	25,070,320,963.39
Notes receivable		
Accounts receivable		
Prepayments	874,981,674.29	671,849,711.04
Other receivables	2,118,212,863.27	2,344,318,158.83
Inventories	5,266,224,082.52	3,851,783,233.12
Holding assets for sale		
Non-current assets due within one year		
Other current assets	951,218,608.28	1,355,155,749.21
Total current assets	42,820,687,295.70	40,604,400,834.58
Non-current assets:		
Available-for-sale financial assets	-	541,182,000.00

Long-term receivables		
Long-term equity investments	17,888,228,446.96	18,017,137,600.72
Investment in other equity instruments	613,957,000.00	-
Investment properties		
Fixed assets	17,851,564,773.32	16,795,537,563.35
Construction in progress	3,910,699,408.35	4,114,409,774.13
Intangible assets	3,970,912,888.25	4,054,893,372.88
Development expenditure	588,978,506.49	559,309,970.45
Goodwill		
Long-term deferred expenses	11,916,261.00	12,555,353.69
Deferred tax assets	1,480,578,729.97	1,533,057,523.95
Other non-current assets	-	250,000,000.00
Total non-current assets	46,316,836,014.34	45,878,083,159.17
TOTAL ASSETS	89,137,523,310.04	86,482,483,993.75
Current liabilities:		
Short-term loans		
Notes payable and accounts payable	26,291,048,980.23	24,263,743,505.87
Advances from customers	2,888,962,129.86	1,208,631,011.05
Payroll payable	647,298,578.68	1,001,765,362.99
Taxes payable	255,030,148.19	604,525,457.30
Other payables	4,691,552,086.11	3,219,909,047.22
Holding liabilities for sale		
Non-current liabilities within one year		
Other current liabilities	3,330,483,877.42	3,923,419,042.37
Total current liabilities	38,104,375,800.49	34,221,993,426.80
Non-current liabilities:		
Long-term loans		
Long-term payables	254,265,380.88	248,240,115.29
Long-term payroll payable	21,454,931.87	24,315,000.00
Estimated liabilities	2,680,122,419.91	2,372,512,543.49
Deferred Revenue	2,894,468,237.77	2,827,208,446.74
Deferred tax liabilities	37,599,992.04	26,683,742.04
Other non-current liabilities		
Total non-current liabilities	5,887,910,962.47	5,498,959,847.56
Total liabilities	43,992,286,762.96	39,720,953,274.36
Owners' equity (or Shareholders' equity):		
Share capital	4,802,648,511.00	4,802,648,511.00
Capital reserves	4,705,917,638.38	4,705,917,638.38
Other comprehensive income	211,384,553.58	149,525,803.58
Special reserves	23,659,869.51	19,835,367.61
Surplus reserves	2,401,324,255.50	2,401,324,255.50
Retained earnings	33,000,301,719.11	34,682,279,143.32
Total Owners' equity (or Shareholders' equity)	45,145,236,547.08	46,761,530,719.39
Liabilities and owners' equity (or shareholders' equity) in total	89,137,523,310.04	86,482,483,993.75

3. Consolidated Income Statement of the report term

In RMB Yuan

Account	Current Period	Prior Period
I. Total operating income	16,007,950,602.50	20,010,746,940.77
Operating income	16,007,950,602.50	20,010,746,940.77
Interest income		
Earned premium		
Fee and commission income		
II. Total operating cost	17,711,143,051.82	20,389,516,370.09
Including: Operating cost	15,204,463,239.37	17,608,864,072.39
Tax and surcharges	587,353,356.83	733,870,230.80
Operating expenses	875,729,224.29	1,244,708,672.52
General and administrative expenses	626,499,621.93	660,215,017.26
R&D expenses	455,925,951.99	265,386,051.26
Financial expenses	-42,420,980.32	-124,880,508.71
Interest expense		
Interest income		
Impairment loss on assets	-	1,352,834.57
Impairment loss on credit	3,592,637.73	-
Add: Other income	57,557,097.02	612,605,944.25
Investment income ('-' represent loss)	-397,154,020.56	1,148,431,489.58
Investment income from associates and from joint venture	-388,909,153.76	1,148,431,489.57
Asset disposal income	-1,633,541.79	3,187,946.74
III. Operating profit ('-' represent loss)	-2,044,422,914.65	1,385,455,951.25
Add: Non-operating income	9,940,462.40	13,858,456.32
Less: Non-operating expenses	949,871.51	24,442,068.39
IV. Total profit ('-' represent loss)	-2,035,432,323.76	1,374,872,339.18
Less: Income tax expense	67,508,680.94	17,667,374.07
V. Net profit ('-' represent net loss)	-2,102,941,004.70	1,357,204,965.11
I) Net profit from continuing operations	-2,102,941,004.70	1,357,204,965.11
II) Net profit from discontinued operations		
Net profit attributable to owners	-2,096,352,326.12	1,391,793,407.67
Minority interests	-6,588,678.58	-34,588,442.56
VI. Other comprehensive income, net of tax	260,305,062.54	-29,597,039.17
Total comprehensive income attributable to owners, net of tax	260,305,062.54	-29,597,039.17
I) Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-
Change from defined benefit plan		
Other comprehensive income not to be reclassified to profit or loss under equity method		
II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	260,305,062.54	-29,597,039.17
Other comprehensive income transferable to profit or loss under the equity method		
Changes in fair value from available-for-sale financial assets	287,350,152.91	-8,147,250.00

Foreign currency reserve	-27,045,090.37	-21,449,789.17
VII. Total comprehensive income	-1,842,635,942.16	1,327,607,925.94
Total comprehensive income attributable to owners	-1,836,047,263.58	1,362,196,368.50
Total comprehensive income attributable to minority interest	-6,588,678.58	-34,588,442.56
VIII. Earnings per share:		
I) Basic earnings per share	-0.44	0.29
II) Diluted earnings per share	-0.44	0.29

Legal person: Zhang Baolin

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

4. Income Statement of the report term

In RMB Yuan

Account	Current Period	Prior Period
I. Operating income	14,441,944,991.72	19,213,800,292.11
Less: Operating cost	13,806,773,684.94	16,928,217,741.42
Tax and surcharges	483,106,911.75	650,954,224.15
Operating expenses	670,541,870.34	1,162,227,767.63
General and administrative expenses	347,026,490.13	478,427,972.21
R&D expenses	455,935,285.81	262,185,401.90
Financial expenses	-44,343,446.15	-126,234,600.20
Interest expense		
Interest income		
Impairment loss on assets	-	646,710.64
Impairment loss on credit	769,683.06	-
Add: Other income	27,829,453.81	595,291,993.63
Investment income ('-' represent loss)	-386,857,266.96	1,149,969,197.43
Investment income from associates and from joint venture	-388,909,153.76	1,148,431,489.57
Asset disposal income	-1,611,974.75	3,192,925.68
II. Operating profit ('-' represent loss)	-1,638,505,276.06	1,605,829,191.10
Add: Non-operating income	8,494,672.83	10,480,635.46
Less: Non-operating expenses	-511,973.00	17,500,000.00
III. Total profit ('-' represent loss)	-1,629,498,630.23	1,598,809,826.56
Less: Income tax expense	52,478,793.98	-3,333,793.88
IV. Net profit ('-' represent net loss)	-1,681,977,424.21	1,602,143,620.44
I) Net profit from continuing operations	-1,681,977,424.21	1,602,143,620.44
II) Net profit from discontinued operations		
V. Other comprehensive income, net of tax	61,858,750.00	-8,147,250.00
I) Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Change from defined benefit plan		
Other comprehensive income not to be reclassified to profit or loss under equity method		
II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	61,858,750.00	-8,147,250.00
Other comprehensive income transferable to profit or loss under the equity method		

Changes in fair value from available-for-sale financial assets	61,858,750.00	-8,147,250.00
Foreign currency reserve		
VI. Total comprehensive income	-1,620,118,674.21	1,593,996,370.44
VII. Earnings per share:		
I) Basic earnings per share	-0.35	0.33
II) Diluted earnings per share	-0.35	0.33

5. Consolidated Cash Flow Statement from the beginning of year to the end of report term.

In RMB Yuan

Account	Current Period	Prior Period
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sale of goods or rendering of services	20,101,009,864.13	24,813,884,558.55
Refunds of taxes	130,977,526.05	155,823,063.63
Cash received relating to other operating activities	2,351,463,047.17	1,228,231,229.46
Sub-total of cash inflows	22,583,450,437.35	26,197,938,851.64
Cash paid for goods and services	14,906,195,196.51	18,818,161,279.64
Cash paid to and on behalf of employees	1,732,748,414.84	2,032,314,303.62
Cash paid for all types of taxes	1,046,776,024.48	966,403,211.09
Cash paid relating to other operating activities	1,638,942,420.17	1,744,747,321.63
Sub-total of cash outflows	19,324,662,056.00	23,561,626,115.98
Net cash flows from operating activities	3,258,788,381.35	2,636,312,735.66
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from return on investments		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	20,000.00	811,738.47
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	348,000.00	-
Sub-total of cash inflows	368,000.00	811,738.47
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,241,507,566.02	1,684,588,619.31
Cash paid for acquisition of investments		
Net cash paid for subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	1,241,507,566.02	1,684,588,619.31
Net cash flows from investing activities	-1,241,139,566.02	-1,683,776,880.84

III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from borrowings	35,000,000.00	150,000,000.00
Cash received from the issuance of bonds		
Cash received relating to other financing activities	28,195,180.76	782,908,132.54
Sub-total of cash inflows	63,195,180.76	932,908,132.54
Cash repayments of borrowings	16,708,100.00	171,300,000.00
Cash paid for distribution of dividends or profits and interest expenses	9,358,472.79	3,061,370.98
Cash paid relating to other financing activities	529,028,452.47	-
Sub-total of cash outflows	555,095,025.26	174,361,370.98
Net cash flows from financing activities	-491,899,844.50	758,546,761.56
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	16,990,887.83	1,596,980.88
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	1,542,739,858.66	1,712,679,597.26
Add: Opening balance of cash and cash equivalents	9,648,153,614.80	21,478,422,090.31
VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT	11,190,893,473.46	23,191,101,687.57

6. Cash Flow Statement from the beginning of year to the end of report term.

In RMB Yuan

Account	Current Period	Prior Period
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sale of goods or rendering of services	17,714,720,410.20	24,043,396,961.25
Refunds of taxes		
Cash received relating to other operating activities	2,039,698,293.41	843,542,276.55
Sub-total of cash inflows	19,754,418,703.61	24,886,939,237.80
Cash paid for goods and services	13,537,740,196.23	17,648,824,167.26
Cash paid to and on behalf of employees	1,250,523,925.99	1,669,215,548.31
Cash paid for all types of taxes	825,010,270.02	739,200,376.02
Cash paid relating to other operating activities	1,679,903,064.63	1,461,235,460.94
Sub-total of cash outflows	17,293,177,456.87	21,518,475,552.53
Net cash flows from operating activities	2,461,241,246.74	3,368,463,685.27
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from return on investments	-	839,201.56
Cash received from investment income	2,175,000.00	1,800,416.67
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	-	785,538.47

Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows	2,175,000.00	3,425,156.70
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,169,656,810.40	1,577,600,661.86
Cash paid for acquisition of investments	10,000,000.00	8,000,000.00
Net cash paid for subsidiaries and other business units		
Cash paid relating to other investing activities	-	200,000,000.00
Sub-total of cash outflows	1,179,656,810.40	1,785,600,661.86
Net cash flows from investing activities	-1,177,481,810.40	-1,782,175,505.16
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from investors		
Cash received from borrowings		
Cash received from the issuance of bonds		
Cash received relating to other financing activities	-	416,856,503.42
Sub-total of cash inflows	-	416,856,503.42
Cash repayments of borrowings		
Cash paid for distribution of dividends or profits and interest expenses	4,657,754.49	-
Cash paid relating to other financing activities		
Sub-total of cash outflows	4,657,754.49	-
Net cash flows from financing activities	-4,657,754.49	416,856,503.42
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	-	-
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	1,279,101,681.85	2,003,144,683.53
Add: Opening balance of cash and cash equivalents	7,310,973,018.99	20,217,657,984.53
VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT	8,590,074,700.84	22,220,802,668.06

II. Notes on financial statement adjustments

1. Relevant situations of adjustment in financial statement at the beginning of the year when the new financial instrument standards, new income standards and new lease standards are first implemented

√Applicable □Not Applicable
Consolidated Balance Sheet

In RMB Yuan

Account	2018.12.31	2019.1.1	Adjustment
Current assets:			
Cash	9,980,544,526.14	9,980,544,526.14	
Notes receivable and accounts receivable	21,971,045,405.74	21,971,045,405.74	

Notes receivable			
Accounts receivable			
Prepayments	866,249,749.51	866,249,749.51	
Other receivables	3,250,452,923.70	3,250,452,923.70	
Inventories	4,917,420,457.19	4,917,420,457.19	
Holding assets for sale			
Non-current assets due within one year			
Other current assets	2,227,565,353.23	2,227,565,353.23	
Total current assets	43,213,278,415.51	43,213,278,415.51	
Non-current assets:			
Available-for-sale financial assets	1,957,873,311.31	not applicable	-1,957,873,311.31
Long-term receivables			
Long-term equity investments	13,275,170,118.83	13,275,170,118.83	
Investment in other equity instruments	not applicable	1,957,873,311.31	1,957,873,311.31
Investment properties	7,329,561.28	7,329,561.28	
Fixed assets	22,161,054,058.31	22,161,054,058.31	
Construction in progress	5,383,844,030.75	5,383,844,030.75	
Intangible assets	5,018,243,552.80	5,018,243,552.80	
Development expenditure	789,597,615.60	789,597,615.60	
Goodwill	9,804,394.00	9,804,394.00	
Long-term deferred expenses	17,104,601.67	17,104,601.67	
Deferred tax assets	1,655,554,438.89	1,655,554,438.89	
Other non-current assets			
Total non-current assets	50,275,575,683.44	50,275,575,683.44	
TOTAL ASSETS	93,488,854,098.95	93,488,854,098.95	
Current liabilities:			
Short-term loans	190,000,000.00	190,000,000.00	
Notes payable and accounts payable	28,724,063,539.34	28,724,063,539.34	
Advances from customers	1,556,482,278.92	1,556,482,278.92	
Payroll payable	1,362,995,277.56	1,362,995,277.56	
Taxes payable	669,316,487.25	669,316,487.25	
Other payables	3,079,749,015.81	3,079,749,015.81	
Non-current liabilities within one year	6,594,120.00	6,594,120.00	
Other current liabilities	4,325,441,152.61	4,325,441,152.61	
Total current liabilities	39,914,641,871.49	39,914,641,871.49	
Non-current liabilities:			
Long-term loans			
Long-term payables	303,590,824.69	303,590,824.69	
Long-term payroll payable	53,837,000.00	53,837,000.00	
Estimated liabilities	3,245,322,744.12	3,245,322,744.12	
Deferred Revenue	3,683,308,534.73	3,683,308,534.73	
Deferred tax liabilities	135,231,170.59	135,231,170.59	
Other non-current liabilities			
Total non-current liabilities	7,421,290,274.13	7,421,290,274.13	
Total liabilities	47,335,932,145.62	47,335,932,145.62	

Owners' equity (or Shareholders' equity):			
Share capital	4,802,648,511.00	4,802,648,511.00	
Capital reserves	5,057,242,440.17	5,057,242,440.17	
Other comprehensive income	235,509,930.44	235,509,930.44	
Special reserves	41,222,369.10	41,222,369.10	
Surplus reserves	2,401,324,255.50	2,401,324,255.50	
Retained earnings	33,707,011,170.31	33,707,011,170.31	
Equity attributable to owners	46,244,958,676.52	46,244,958,676.52	
Minority interests	-92,036,723.19	-92,036,723.19	
Total Owners' equity (or Shareholders' equity)	46,152,921,953.33	46,152,921,953.33	
Liabilities and owners' equity (or shareholders' equity) in total	93,488,854,098.95	93,488,854,098.95	

Statement of adjustment

In 2017, the Ministry of Finance revised and issued the “Accounting Standard for Business Enterprise No.22- Recognition of financial instrument and measurement”, “Accounting Standard for Business Enterprise No.23- Transfer of Financial assets”, “Accounting Standard for Business Enterprise No.24- Hedge Accounting” and “Accounting Standard for Business Enterprise No.37- Presentation of financial instruments”, and the enterprises listed in China are required to implementing relevant accounting rules of new financial instruments since 1 Jan. 2019.

In accordance with the requirement, the company carries out above mentioned accounting rules since 1 Jan. 2019 and reclassify “Available-for-sale financial assets” into “Investment in other equity instruments” for presenting.

Balance Sheet

In RMB Yuan

Account	2018.12.31	2019.1.1	Adjustment
Current assets:			
Cash	7,310,973,018.99	7,310,973,018.99	
Notes receivable and accounts receivable	25,070,320,963.39	25,070,320,963.39	
Notes receivable			
Accounts receivable			
Prepayments	671,849,711.04	671,849,711.04	
Other receivables	2,344,318,158.83	2,344,318,158.83	
Inventories	3,851,783,233.12	3,851,783,233.12	
Holding assets for sale			
Non-current assets due within one year			
Other current assets	1,355,155,749.21	1,355,155,749.21	
Total current assets	40,604,400,834.58	40,604,400,834.58	
Non-current assets:			
Available-for-sale financial assets	541,182,000.00	not applicable	-541,182,000.00
Long-term receivables			
Long-term equity investments	18,017,137,600.72	18,017,137,600.72	
Investment in other equity instruments	not applicable	541,182,000.00	541,182,000.00
Investment properties			
Fixed assets	16,795,537,563.35	16,795,537,563.35	
Construction in progress	4,114,409,774.13	4,114,409,774.13	
Intangible assets	4,054,893,372.88	4,054,893,372.88	
Development expenditure	559,309,970.45	559,309,970.45	
Goodwill			
Long-term deferred expenses	12,555,353.69	12,555,353.69	
Deferred tax assets	1,533,057,523.95	1,533,057,523.95	
Other non-current assets	250,000,000.00	250,000,000.00	

Total non-current assets	45,878,083,159.17	45,878,083,159.17	
TOTAL ASSETS	86,482,483,993.75	86,482,483,993.75	
Current liabilities:			
Short-term loans			
Notes payable and accounts payable	24,263,743,505.87	24,263,743,505.87	
Advances from customers	1,208,631,011.05	1,208,631,011.05	
Payroll payable	1,001,765,362.99	1,001,765,362.99	
Taxes payable	604,525,457.30	604,525,457.30	
Other payables	3,219,909,047.22	3,219,909,047.22	
Holding liabilities for sale			
Non-current liabilities within one year			
Other current liabilities	3,923,419,042.37	3,923,419,042.37	
Total current liabilities	34,221,993,426.80	34,221,993,426.80	
Non-current liabilities:			
Long-term loans			
Long-term payables	248,240,115.29	248,240,115.29	
Long-term payroll payable	24,315,000.00	24,315,000.00	
Estimated liabilities	2,372,512,543.49	2,372,512,543.49	
Deferred Revenue	2,827,208,446.74	2,827,208,446.74	
Deferred tax liabilities	26,683,742.04	26,683,742.04	
Other non-current liabilities			
Total non-current liabilities	5,498,959,847.56	5,498,959,847.56	
Total liabilities	39,720,953,274.36	39,720,953,274.36	
Owners' equity (or Shareholders' equity):			
Share capital	4,802,648,511.00	4,802,648,511.00	
Capital reserves	4,705,917,638.38	4,705,917,638.38	
Other comprehensive income	149,525,803.58	149,525,803.58	
Special reserves	19,835,367.61	19,835,367.61	
Surplus reserves	2,401,324,255.50	2,401,324,255.50	
Retained earnings	34,682,279,143.32	34,682,279,143.32	
Total Owners' equity (or Shareholders' equity)	46,761,530,719.39	46,761,530,719.39	
Liabilities and owners' equity (or shareholders' equity) in total	86,482,483,993.75	86,482,483,993.75	

Statement of adjustment

In 2017, the Ministry of Finance revised and issued the “Accounting Standard for Business Enterprise No.22- Recognition of financial instrument and measurement”, “Accounting Standard for Business Enterprise No.23- Transfer of Financial assets”, “Accounting Standard for Business Enterprise No.24- Hedge Accounting” and “Accounting Standard for Business Enterprise No.37- Presentation of financial instruments”, and the enterprises listed in China are required to implementing relevant accounting rules of new financial instruments since 1 Jan. 2019.

In accordance with the requirement, the company carries out above mentioned accounting rules since 1 Jan. 2019 and reclassify “Available-for-sale financial assets” into “Investment in other equity instruments” for presenting.

2. Explanation on retrospective adjustments in the previous comparison data for the first implementation of new financial instrument standards and new lease standards

☐Applicable ☒Not Applicable

III. Auditors' Report

Whether the first quarter report has been audited

☐ Yes ☒ No

The first quarter report has not been audited.