

Tunghsu Optoelectronic Technology Co., Ltd.

The First Quarterly Report 2019

April 2019

I. Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr.Wang Lipeng, The Company leader, Ms.Feng Qiuju Chief financial officer and the Mr.Wang Cang, the person in charge of the accounting department (the person in charge of the accounting)declare: the financial report carried in this report is authentic and completed

II. Basic information about the company

I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

√Yes □No

Reasons for retrospective restatements:

Business merger under the same control.

	This period	Same period of last year		Changes of this period over same period of last year (%)
		Before adjustment	After adjustment	After adjustment
Operating income (RMB)	3,816,412,812.51	4,665,751,599.66	4,665,570,392.15	-18.20%
Net profit attributable to the shareholders of the listed company (RMB)	431,060,886.41	424,438,428.17	425,984,601.17	1.19%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	396,063,134.95	391,162,587.16	395,736,897.36	0.08%
Cash flow generated by business operation, net (RMB)	638,683,628.95	-1,127,140,487.84	-1,057,540,776.02	160.39%
Basic earning per share(RMB/Share)	0.08	0.07	0.07	14.29%
Diluted gains per share(RMB/Share)	0.08	0.07	0.07	14.29%
Weighted average return on equity (%)	1.32%	1.36%	1.37%	-0.05%
	End of this period	End of last period		Changes of this period-end over same period-end of last year(%)
		Before adjustment	After adjustment	After adjustment
Gross assets (RMB)	72,232,411,541.83	72,576,122,859.60	72,576,122,859.60	-0.47%
Net assets attributable to the shareholders of the listed company (RMB)	32,952,747,344.61	32,521,130,925.14	32,521,130,925.14	1.33%

Items and amount of non-current gains and losses

√ Applicable □ Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
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Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	11,045,143.65	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	25,906,295.87	
Gain/loss on loans obtained by entrusting others	246,200.42	
Other non-operating income and expenditure beside for the above items	2,740,855.07	
Less: Influenced amount of income tax	3,018,604.72	
Amount of influence of minority interests (After tax)	1,922,138.83	
Total	34,997,751.46	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

☐ Applicable ☒ Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

II.Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period**1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders**

In shares

Total number of common shareholders at the period-end		357,654(including 340,582 shareholders holding A shares and 17,072 shareholders holding B shares)	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)		0	
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Tunghsu Group Co., Ltd.	Domestic Non-State-owned legal person	15.97%	915,064,091	352,006,791	Pledge	799,643,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	5.80%	332,382,171		Pledge	153,520,000
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non-State-owned legal person	4.58%	262,626,262	262,626,262	Pledge	80,240,722
Minsheng Royal Fund Management Co., Ltd—Ping An Bank-Daye Trust Zengli 2 single Fund Trust	Other	1.63%	93,363,625			
Tunghsu Optoelectronic Technology Co., Ltd.—The first ESOP	Other	1.27%	72,639,296			

Beixin Ruifeng Fund—China Merchants Bank—Daye Trust—Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032			
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non -State-owned legal person	1.07%	61,165,682		Pledge	55,265,682
Zhonghai Trust Co., Ltd. — Zhonghai Trust — Tunghsu Optoelectronic ESOP pooled Fund trust	Other	0.92%	52,555,280			
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	State-owned legal person	0.77%	43,988,269			
Yang Haihui	Domestic Natural person	0.55%	31,767,200			
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders’ Names	Number of the non-restricted shares held	Share type		Share type	Quantity	
Tunghsu Group Co., Ltd.	563,057,300	RMB Common shares			563,057,300	
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares			332,382,171	
Minsheng Royal Fund Management Co., Ltd—-Ping An Bank-Daye Trust Zengli 2 single Fund Trust	93,363,625	RMB Common shares			93,363,625	
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	72,639,296	RMB Common shares			72,639,296	
Beixin Ruifeng Fund—China Merchants Bank—Daye Trust—Daye	62,095,032	RMB Common			62,095,032	

Trust Profit increase 3 single fund plan		shares	
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682
Zhonghai Trust Co., Ltd. — Zhonghai Trust — Tunghsu Optoelectronic ESOP pooled Fund trust	52,555,280	RMB Common shares	52,555,280
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	43,988,269	RMB Common shares	43,988,269
Yang Haihui	31,767,200	RMB Common shares	31,767,200
Hong Kong Securities Clearing Co., Ltd.	31,386,235	RMB Common shares	31,386,235
Explanation on shareholders participating in the margin trading business	Among the top 10 unrestricted tradable shareholders, Shijiazhuang Baoshi Electronics Group Co., Ltd. and Yang Haihui and Dongxu Group Co., Ltd. among the top 10 shareholders constitute a concerted relationship.		
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Not applicable		

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 top 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 number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

☐ Applicable ☒ Not applicable

III Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

√ Applicable □ Not applicable

Financial index	This period (RMB)	Same period of last year (RMB)	Increase/decrease (%)	Main reason for change
Prepayments	3,931,402,375.92	5,215,414,219.51	-24.62%	The decrease in the current period was mainly due to the settlement of prepaid materials and construction funds.
Inventories	4,504,747,450.05	3,510,786,666.85	28.31%	The increase in inventory is the concentration of suppliers in the current period, and the company has increased inventory in the second quarter.
Other account payable	2,881,335,938.76	2,089,603,676.60	37.89%	The increase in the current period was mainly due to the increase in related party funds and interest payable.
Financial index	This period (RMB)	Same period of last year (RMB)	Increase/decrease (%)	Main reason for change
Administrative expense	141,671,065.56	108,880,249.34	30.12%	Management salary increases, new intangible assets lead to amortization increase in the current period.
Other gains	105,585,373.30	22,072,399.68	378.36%	The substantial increase in this period was mainly due to the receipt of tax returns from the company during the period.
Net cash flow arising from operating activities	638,683,628.95	-1,057,540,776.02	160.39%	The increase in net traffic of operating activities was mainly due to the strengthening of management and control of remittances in the current period

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

□ Applicable √ Not applicable

Progress in the implementation of share repurchase

□ Applicable √ Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

□ Applicable √ Not applicable

III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

□ Applicable √ Not applicable

The company has no commitments completed in period and those without completed till end of the period from actual controller, shareholders, related parties, purchaser and companies.

IV. Prediction of Business performance for January- June 2019

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. Investment in securities

☐ Applicable ☒ Not applicable

No securities investment in period.

VI. Investments in derivatives

☐ Applicable ☒ Not applicable

There is no derivative investment during the report period.

VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

☐ Applicable ☒ Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

VIII. External guarantee get out of line

☐ Applicable ☒ Not applicable

The Company has no external guarantee get out of the line in the Period

IX. Controlling shareholder and its related parties occupying non-business capital of the listed company

☐ Applicable ☒ Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

March 31,2019

In RMB

Items	March 31,2019	December 31,2018
Current asset:		
Cash and bank balances	21,868,775,404.92	19,807,094,397.16
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	12,875,768,132.42	14,852,563,398.56
Including: Notes receivable	133,966,295.17	499,781,503.17
Account receivable	11,759,507,555.40	14,352,781,895.39
Prepayments	3,931,402,375.92	5,215,414,219.51
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	1,365,242,855.34	1,125,991,020.55
Including: Interest receivable	69,727,317.64	56,811,961.67
Dividend receivable		
Repurchasing of financial assets		
Inventories	4,504,747,450.05	3,510,786,666.85
Contract assets		
Assets held for sales	119,355,435.58	119,355,435.58
Non-current asset due within 1 year		

Other current asset	734,372,232.99	809,360,778.49
Total of current assets	45,399,663,887.22	45,440,565,916.70
Non-current assets:		
Loans and payment on other's behalf disbursed	0.00	0.00
Debt investment		
Available for sale of financial assets		243,158,605.30
Other investment on bonds		
Expired investment in possess		
Long-term receivable	332,695,486.12	344,430,815.68
Long term share equity investment	2,181,567,415.64	2,174,347,969.22
Other equity instruments investment	243,158,605.30	
Other non-current financial assets		
Property investment	679,225,968.15	686,993,881.02
Fixed assets	10,431,077,361.39	9,634,463,323.77
Construction in progress	4,300,612,597.38	5,013,941,980.61
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	1,127,906,489.92	1,146,949,745.14
Development expenses	44,059,846.91	37,122,235.94
Goodwill	2,835,672,586.90	2,835,672,586.90
Long-germ expenses to be amortized	23,820,063.21	21,884,204.82
Deferred income tax asset	525,019,873.64	533,094,627.68
Other non-current asset	4,107,931,360.05	4,463,496,966.82
Total of non-current assets	26,832,747,654.61	27,135,556,942.90
Total of assets	72,232,411,541.83	72,576,122,859.60
Current liabilities		
Short-term loans	9,696,203,233.99	8,361,106,651.33
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		

Derivative financial liabilities		
Notes payable & account payable	8,250,370,349.89	10,276,094,132.88
Advance receipts	1,386,317,184.61	1,402,283,662.37
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	171,810,742.84	238,146,977.17
Tax payable	435,516,934.45	817,173,127.12
Other account payable	2,881,335,938.76	2,089,603,676.60
Including: Interest payable	193,564,089.90	117,554,951.58
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Contract Liabilities		
Liabilities held for sales		
Non-current liability due within 1 year	3,513,975,684.59	3,697,392,864.91
Other current liability	423,576,078.84	315,193,128.73
Total of current liability	26,759,106,147.97	27,196,994,221.11
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	2,646,367,000.00	2,741,589,600.00
Bond payable	5,633,222,143.65	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	2,438,463,569.95	2,644,309,592.95
Long-term remuneration payable to staff		
Expected liabilities	99,517,466.33	99,765,750.04
Deferred income	652,279,998.28	676,146,399.31
Deferred income tax liability	52,628,771.09	55,192,983.97
Other non-current liabilities	108,000,000.00	108,000,000.00
Total non-current liabilities	11,630,478,949.30	11,955,823,151.59
Total of liability	38,389,585,097.27	39,152,817,372.70

Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,786,851,245.71	21,786,233,393.78
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-29,175.80	-29,175.80
Special reserve	12,552,012.48	12,614,331.35
Surplus reserves	245,507,019.95	245,507,019.95
Common risk provision		
Retained profit	5,182,038,444.27	4,750,977,557.86
Total of owner's equity belong to the parent company	32,952,747,344.61	32,521,130,925.14
Minority shareholders' equity	890,079,099.95	902,174,561.76
Total of owners' equity	33,842,826,444.56	33,423,305,486.90
Total of liabilities and owners' equity	72,232,411,541.83	72,576,122,859.60

Legal Representative: Wang Lipeng Person in charge of accounting: Feng Qiuju Accounting Dept Leader: Wang Cang

2. Parent Company Balance Sheet

In RMB

Items	March 31, 2019	December 31, 2018
Current asset:		
Cash and bank balances	10,173,820,834.85	9,732,302,654.23
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	92,092,626.78	176,613,926.23
Including: Notes receivable		50,000.00
Account receivable	92,092,626.78	176,563,926.23
Prepayments	2,008,459.20	2,008,364.11
Other account receivable	7,074,837,367.78	6,281,675,319.27

Including: Interest receivable	20,906,186.10	7,521,489.86
Dividend receivable	500,000,000.00	500,000,000.00
Inventories	227,280,898.35	269,759,580.95
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	148,973.38	148,973.38
Total of current assets	17,570,189,160.34	16,462,508,818.17
Non-current assets:		
Debt investment		
Available for sale of financial assets		129,500,056.00
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	26,737,254,647.31	26,504,735,200.89
Other equity instruments investment	129,500,056.00	
Other non-current financial assets		
Property investment		
Fixed assets	156,864,236.65	160,867,244.63
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	9,252,460.43	9,339,387.26
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	119,964,967.85	119,964,967.85
Other non-current asset		
Total of non-current assets	27,152,836,368.24	26,924,406,856.63
Total of assets	44,723,025,528.58	43,386,915,674.80
Current liabilities		
Short-term loans	5,208,000,000.00	4,278,000,000.00
Transactional financial liabilities		

Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	7,630,771.12	11,500,796.58
Advance receipts	1,580,498.78	1,991,498.78
Contract Liabilities		
Employees' wage payable	4,482,571.86	4,484,401.86
Tax payable	16,187,914.80	17,959,833.09
Other account payable	4,239,098,935.56	3,656,725,253.66
Including: Interest payable	166,840,023.32	97,197,464.99
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year	1,410,500,000.00	1,533,383,333.28
Other current liability		
Total of current liability	10,887,480,692.12	9,504,045,117.25
Non-current liabilities:		
Long-term loan		
Bond payable	5,633,222,143.65	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	5,633,222,143.65	5,630,818,825.32
Total of liability	16,520,702,835.77	15,134,863,942.57
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Capital reserves	21,832,453,907.50	21,832,453,907.50
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserve		
Surplus reserves	226,517,795.62	226,517,795.62
Retained profit	417,523,191.69	467,252,231.11
Total of owners' equity	28,202,322,692.81	28,252,051,732.23
Total of liabilities and owners' equity	44,723,025,528.58	43,386,915,674.80

3.Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	3,816,412,812.51	4,665,570,392.15
Including: Business income	3,816,412,812.51	4,665,570,392.15
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	3,373,648,113.26	4,167,464,873.10
Including: Business cost	2,866,380,893.72	3,677,219,792.28
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	15,926,112.39	20,764,364.68
Sales expense	61,858,043.90	54,605,649.37
Administrative expense	141,671,065.56	108,880,249.34
R & D costs	96,775,197.66	92,974,038.34
Financial expenses	195,587,354.83	192,105,024.78
Including: Interest expense	288,031,321.60	288,950,916.32
Interest income	-95,626,567.30	-86,248,410.44

Asset impairment loss	-4,550,554.80	20,915,754.31
Credit impairment loss		
Add: Other income	105,585,373.30	22,072,399.68
Investment gain ("-"for loss)	18,510,790.49	23,809,013.93
Including: investment gains from affiliates	7,222,622.82	9,885,561.86
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
III. Operational profit ("-"for loss)	566,860,863.04	543,986,932.66
Add : Non-operational income	8,308,090.03	3,878,016.34
Less: Non-operating expense	5,567,209.46	1,629,618.28
IV. Total profit("-"for loss)	569,601,743.61	546,235,330.72
Less: Income tax expenses	118,907,014.42	114,231,867.77
V. Net profit	450,694,729.19	432,003,462.95
(I) Classification by business continuity		
1.Net continuing operating profit	450,694,729.19	432,003,462.95
2.Termination of operating net profit		
(II) Classification by ownership		
Net profit attributable to the owners of parent company	431,060,886.41	425,984,601.17
Minority shareholders' equity	19,633,842.78	6,018,861.78
VI. Net after-tax of other comprehensive income		6,061.60
Net of profit of other comprehensive income attributable to owners of the parent company.		3,333.88
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		

4. Changes in the fair value of the company's credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		3,333.88
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		3,333.88
9. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		2,727.72
VII. Total comprehensive income	450,694,729.19	432,009,524.55
Total comprehensive income attributable to the owner of the parent company	431,060,886.41	425,987,935.05
Total comprehensive income attributable minority shareholders	19,633,842.78	6,021,589.50
VIII. Earnings per share		
(I) Basic earnings per share	0.08	0.07
(II) Diluted earnings per share	0.08	0.07

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Wang Lipeng Person in charge of accounting: Feng Qiuju Accounting Dept Leader: Wang Cang

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Revenue	58,425,489.32	50,573,688.01
Including: Business cost	50,591,128.19	30,911,502.36
Business tax and surcharge	995,340.65	1,031,055.02
Sales expense		
Administrative expense	6,035,848.15	7,022,719.76
R & D costs	879,302.46	5,165,021.73
Financial expenses	56,873,326.71	106,787,141.95
Including: Interest expenses	168,844,922.67	163,891,082.00
Interest income	112,217,347.31	57,157,666.05
Asset impairment loss	-241.00	
Credit impairment loss		
Add: Other income		
Investment gain ("-"for loss)	7,219,446.42	23,809,013.93
Including: investment gains from affiliates	7,219,446.42	9,885,561.86
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
II. Operational profit ("-"for loss)	-49,729,769.42	-76,534,738.88
Add : Non-operational income	730.00	371.41
Less: Non -operational expenses		0.15
III. Total profit("-"for loss)	-49,729,039.42	-76,534,367.62
Less: Income tax expenses		
IV. Net profit	-49,729,039.42	-76,534,367.62
1.Net continuing operating profit	-49,729,039.42	-76,534,367.62
2.Termination of operating net profit		
V. Net after-tax of other comprehensive		

income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		

VI. Total comprehensive income	-49,729,039.42	-76,534,367.62
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	5,076,060,941.82	4,573,844,188.26
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit 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 inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	61,166,837.37	28,936,072.03
Other cash received from business operation	1,198,893,570.39	676,868,577.90
Sub-total of cash inflow	6,336,121,349.58	5,279,648,838.19

Cash paid for purchasing of merchandise and services	4,150,952,638.34	5,030,947,005.57
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	299,283,804.82	348,304,672.37
Taxes paid	398,156,980.53	262,769,703.54
Other cash paid for business activities	849,044,296.94	695,168,232.73
Sub-total of cash outflow from business activities	5,697,437,720.63	6,337,189,614.21
Net cash generated from /used in operating activities	638,683,628.95	-1,057,540,776.02
II. Cash flow generated by investing		
Cash received from investment retrieving	87,956,080.78	1,200,000,000.00
Cash received as investment gains		13,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	24,000.00	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	339,995,038.76	8,227.27
Sub-total of cash inflow due to investment activities	427,975,119.54	1,213,931,679.34
Cash paid for construction of fixed assets, intangible assets and other long-term assets	106,155,263.08	221,643,375.29
Cash paid as investment		52,099,996.00
Net increase of loan against pledge		

Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	446,950,176.89	260,000,000.00
Sub-total of cash outflow due to investment activities	553,105,439.97	533,743,371.29
Net cash flow generated by investment	-125,130,320.43	680,188,308.05
III.Cash flow generated by financing		
Cash received as investment		2,000,000.00
Including: Cash received as investment from minor shareholders		
Cash received as loans	2,939,250,000.00	1,164,206,756.55
Cash received from bond placing		
Other financing –related cash received	1,082,451,154.52	103,648,950.73
Sub-total of cash inflow from financing activities	4,021,701,154.52	1,269,855,707.28
Cash to repay debts	1,776,368,478.34	723,884,505.43
Cash paid as dividend, profit, or interests	352,665,722.75	249,936,221.30
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	275,139,574.98	477,612,499.98
Sub-total of cash outflow due to financing activities	2,404,173,776.07	1,451,433,226.71
Net cash flow generated by financing	1,617,527,378.45	-181,577,519.43
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,426,795.20	4,861,325.08
V.Net increase of cash and cash equivalents	2,129,653,891.77	-554,068,662.32
Add: balance of cash and cash equivalents at the beginning of term	14,916,637,291.04	25,457,990,759.03
VI ..Balance of cash and cash equivalents at the end of term	17,046,291,182.81	24,903,922,096.71

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	84,181,455.03	5,521,970.00
Tax returned		
Other cash received from business operation	1,013,835,129.83	239,806,134.59
Sub-total of cash inflow	1,098,016,584.86	245,328,104.59
Cash paid for purchasing of merchandise and services	206,012.32	834,370.85
Cash paid to staffs or paid for staffs	4,618,891.20	10,318,166.57
Taxes paid	12,178,186.23	1,579,682.56
Other cash paid for business activities	657,575,351.98	230,107,073.24
Sub-total of cash outflow from business activities	674,578,441.73	242,839,293.22
Net cash generated from /used in operating activities	423,438,143.13	2,488,811.37
II. Cash flow generated by investing		
Cash received from investment retrieving		1,220,000,000.00
Cash received as investment gains		678,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities		1,898,923,452.07
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	225,300,000.00	271,040,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	8,364,163,788.74	5,720,200,000.00

Sub-total of cash outflow due to investment activities	8,589,463,788.74	5,991,240,000.00
Net cash flow generated by investment	-8,589,463,788.74	-4,092,316,547.93
III. Cash flow generated by financing		
Cash received as investment	0.00	0.00
Cash received as loans	1,130,000,000.00	350,000,000.00
Cash received from bond placing		
Other financing –related cash received	7,896,851,205.51	4,263,448,809.94
Sub-total of cash inflow from financing activities	9,026,851,205.51	4,613,448,809.94
Cash to repay debts	322,883,333.28	423,883,333.34
Cash paid as dividend, profit, or interests	96,424,046.00	95,990,973.14
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	419,307,379.28	519,874,306.48
Net cash flow generated by financing	8,607,543,826.23	4,093,574,503.46
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	441,518,180.62	3,746,766.90
Add: balance of cash and cash equivalents at the beginning of term	9,732,302,654.23	11,224,359,236.39
VI ..Balance of cash and cash equivalents at the end of term	10,173,820,834.85	11,228,106,003.29

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

√ Applicable □ Not applicable

Consolidated balance sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current asset:			

Cash and bank balances	19,807,094,397.16	19,807,094,397.16	
Notes receivable & account receivable	14,852,563,398.56	14,852,563,398.56	
Including: Notes receivable	499,781,503.17	499,781,503.17	
Notes receivable	14,352,781,895.39	14,352,781,895.39	
Prepayments	5,215,414,219.51	5,215,414,219.51	
Other account receivable	1,125,991,020.55	1,125,991,020.55	
Including: Interest receivable	56,811,961.67	56,811,961.67	
Inventories	3,510,786,666.85	3,510,786,666.85	
Held-for-sale assets	119,355,435.58	119,355,435.58	
Other current assets	809,360,778.49	809,360,778.49	
Total of current assets	45,440,565,916.70	45,440,565,916.70	
Non-current assets:			
发放贷款和垫款	0.00		
Available-for-sale financial assets	243,158,605.30	Not applicable	-243,158,605.30
Long-term receivable	344,430,815.68	344,430,815.68	
Long term share equity investment	2,174,347,969.22	2,174,347,969.22	
Other equity instruments investment	Not applicable	243,158,605.30	243,158,605.30
Property investment	686,993,881.02	686,993,881.02	
Fixed assets	9,634,463,323.77	9,634,463,323.77	
Construction in progress	5,013,941,980.61	5,013,941,980.61	
Intangible assets	1,146,949,745.14	1,146,949,745.14	
Development expenses	37,122,235.94	37,122,235.94	
Goodwill	2,835,672,586.90	2,835,672,586.90	
Long-germ expenses to be amortized	21,884,204.82	21,884,204.82	
Deferred tax assets	533,094,627.68	533,094,627.68	
Other non-current asset	4,463,496,966.82	4,463,496,966.82	
Total of non-current assets	27,135,556,942.90	27,135,556,942.90	
Total of assets	72,576,122,859.60	72,576,122,859.60	
Current liabilities			
Short-term loans	8,361,106,651.33	8,361,106,651.33	

Notes payable & account payable	10,276,094,132.88	10,276,094,132.88	
Advance payment	1,402,283,662.37	1,402,283,662.37	
Employees' wage payable	238,146,977.17	238,146,977.17	
Tax payable	817,173,127.12	817,173,127.12	
Other account payable	2,089,603,676.60	2,089,603,676.60	
Including: Interest payable	117,554,951.58	117,554,951.58	
Non-current liability due within 1 year	3,697,392,864.91	3,697,392,864.91	
Other current liability	315,193,128.73	315,193,128.73	
Total of current liability	27,196,994,221.11	27,196,994,221.11	
Non-current liabilities:			
Long-term loan	2,741,589,600.00	2,741,589,600.00	
Bond payable	5,630,818,825.32	5,630,818,825.32	
Long-term payable	2,644,309,592.95	2,644,309,592.95	
Estimated liabilities	99,765,750.04	99,765,750.04	
Deferred income	676,146,399.31	676,146,399.31	
Deferred income tax liability	55,192,983.97	55,192,983.97	
Other non-current liability	108,000,000.00	108,000,000.00	
Total non-current liabilities	11,955,823,151.59	11,955,823,151.59	
Total of liability	39,152,817,372.70	39,152,817,372.70	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Capital reserves	21,786,233,393.78	21,786,233,393.78	
Less: treasury shares	4,422,320.00	4,422,320.00	
Other comprehensive income	-29,175.80	-29,175.80	
Special reserve	12,614,331.35	12,614,331.35	
Surplus reserves	245,507,019.95	245,507,019.95	
Retained profit	4,750,977,557.86	4,750,977,557.86	
Total of owner's equity belong to the parent company	32,521,130,925.14	32,521,130,925.14	
Minority shareholders' equity	902,174,561.76	902,174,561.76	
Total of owners' equity	33,423,305,486.90	33,423,305,486.90	
Total of liabilities and owners' equity	72,576,122,859.60	72,576,122,859.60	

Adjustment statement

The new financial standard was implemented on January 1, 2019. According to the new financial instrument standard, the ending of the 2018 statement available-for-sale financial assets was adjusted to other equity instrument investments at the beginning of 2019.

Parent Company Balance Sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current asset:			
Cash and bank balances	9,732,302,654.23	9,732,302,654.23	
Notes receivable & account receivable	176,613,926.23	176,613,926.23	
Including: Notes receivable	50,000.00	50,000.00	
Account receivable	176,563,926.23	176,563,926.23	
Prepayments	2,008,364.11	2,008,364.11	
Other account receivable	6,281,675,319.27	6,281,675,319.27	
Including: Interest receivable	7,521,489.86	7,521,489.86	
Dividend receivable	500,000,000.00	500,000,000.00	
Inventories	269,759,580.95	269,759,580.95	
Other current assets	148,973.38	148,973.38	
Total of current assets	16,462,508,818.17	16,462,508,818.17	
Non-current assets:			
Available-for-sale financial assets	129,500,056.00	Not applicable	-129,500,056.00
Long term share equity investment	26,504,735,200.89	26,504,735,200.89	
Other equity instruments investment	Not applicable	129,500,056.00	129,500,056.00
Fixed assets	160,867,244.63	160,867,244.63	
Intangible assets	9,339,387.26	9,339,387.26	
Deferred income tax assets	119,964,967.85	119,964,967.85	
Total of non-current assets	26,924,406,856.63	26,924,406,856.63	
Total of assets	43,386,915,674.80	43,386,915,674.80	
Current liabilities			
Short-term loans	4,278,000,000.00	4,278,000,000.00	
Notes payable &	11,500,796.58	11,500,796.58	

Account payable			
Prepayments	1,991,498.78	1,991,498.78	
Employees' wage payable	4,484,401.86	4,484,401.86	
Tax payable	17,959,833.09	17,959,833.09	
Other account payable	3,656,725,253.66	3,656,725,253.66	
Including: Interest payable	97,197,464.99	97,197,464.99	
Non-current liabilities due within 1 year	1,533,383,333.28	1,533,383,333.28	
Total of current assets	9,504,045,117.25	9,504,045,117.25	
Non-current assets:			
Bond payable	5,630,818,825.32	5,630,818,825.32	
Total of non-current assets	5,630,818,825.32	5,630,818,825.32	
Total of assets	15,134,863,942.57	15,134,863,942.57	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Capital reserves	21,832,453,907.50	21,832,453,907.50	
Less: treasury shares	4,422,320.00	4,422,320.00	
Surplus reserves	226,517,795.62	226,517,795.62	
Retained profit	467,252,231.11	467,252,231.11	
Total of owners' equity	28,252,051,732.23	28,252,051,732.23	
Total of liabilities and owners' equity	43,386,915,674.80	43,386,915,674.80	

Adjustment statement

The new financial standard was implemented on January 1, 2019. According to the new financial instrument standard, the ending of the 2018 statement available-for-sale financial assets was adjusted to other equity instrument investments at the beginning of 2019.

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

☒ Applicable ☐ Not applicable

Beginning January 1, 2019, the company began to implement the new financial instrument guidelines, but does not involve data adjustment during the comparative period of the income statement.

III. Auditor' report

Is the First Quarterly Report be audited?

☐ Yes ☒ No

The First Quarterly report is not audited.

Tunghsu Optoelectronic Technology Co., Ltd.

Board Chairman: Wang Lipeng

Issue day approved by the Board of Directors: April 29,2019