

China Fangda Group Co., Ltd.

2020 First Quarter Report

April 2020

I Important Statement

The members of the Board and the Company guarantee that the quarterly report is free from any false information, misleading statement or material omission and are jointly and severally liable for the information's truthfulness, accuracy and integrity.

All the Directors have attended the meeting of the board meeting at which this report was examined.

Mr. Xiong Jianming, the Chairman of Board, Mr. Lin Kebin, the Chief Financial Officer, and Mr. Wu Bohua, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.

II. General Information

1. Financial Highlight

Whether the Company needs to make retroactive adjustment or restatement of financial data of previous years

☐ Yes ☒ No

	This report period	Same period last year	Year-on-year change (%)
Turnover (yuan)	413,826,888.79	670,452,093.70	-38.28%
Net profit attributable to shareholders of the listed company (yuan)	94,777,419.75	69,998,533.09	35.40%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (RMB)	95,563,557.35	64,930,951.19	47.18%
Net cash flow generated by business operation (RMB)	-339,105,046.99	-296,237,735.96	-14.47%
Basic earnings per share (yuan/share)	0.08	0.06	33.33%
Diluted Earnings per share (yuan/share)	0.08	0.06	33.33%
Weighted average net income/asset ratio	1.81%	1.37%	0.44%
	End of the report period	End of last year	Year-on-year change
Total asset (RMB)	11,349,613,130.91	11,369,964,580.11	-0.18%
Net profit attributable to the shareholders of the listed company (RMB)	5,264,523,419.03	5,182,795,079.67	1.58%

In the current period, the net profit of the current period is increased by about 7, 570.26 million yuan as a result of changes in the accounting estimates of accounts receivable and the expected credit loss rate of contractual assets.

Accidental gain/loss item and amount

☒ Applicable ☐ Inapplicable

In RMB

Item	Amount from beginning of the year to the end of the report period	Notes
Subsidies accounted into the current income account (except the government subsidy closely related to the enterprise's business and based on unified national standard quota)	712,484.43	

Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional and derivative financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses	1,026,287.87	
Gain/loss from commissioned loans	226,200.00	
Other non-business income and expenditures other than the above	-2,923,742.72	
Less: Influenced amount of income tax	-172,632.82	
Total	-786,137.60	--

Explanation statement should be made for accidental gain/loss items defined and accidental gain/loss items defined as regular gain/loss items according to the Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss mentioned.

☐ Applicable ☒ Inapplicable

No circumstance that should be defined as recurrent profit and loss according to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss occurs in the report period.

2. Total number of shareholders and shareholding of top 10 shareholders by the end of the report period

1. Ordinary shareholders, preference shareholders with resumed voting rights and top 10 shareholders

In share

Number of shareholders of common shares at the end of the report period		63,114	Number of shareholders of preferred stocks of which voting rights recovered in the report period (if any)		0	
Top 10 Shareholders						
Shareholder name	Nature of shareholder	Shareholding percentage	Shareholding number	Conditional shares	Pledging or freezing	
					Share status	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	10.22%	114,847,854	0	Pledged	32,700,000
Shengjiu Investment Ltd.	Foreign legal person	9.27%	104,127,379	0		
Fang Wei	Domestic natural person	3.50%	39,372,437	0		

Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	2.38%	26,791,488	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.71%	7,946,483	0		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.65%	7,253,756	0		
SUN HUNG KAI INVESTMENT SERVICES LTD	Foreign legal person	0.62%	6,916,495	0		
Liu Qi	Domestic natural person	0.54%	6,115,600	0		
VANGUARD TOTAL INTERNATION AL STOCK INDEX FUND	Foreign legal person	0.53%	5,911,907	0		
Qu Chunlin	Domestic natural person	0.49%	5,557,011	0		
Top 10 holders of unconditional shares						
Shareholder name	Amount of shares without sales restriction	Category of shares				
		Category of shares	Quantity			
Shenzhen Banglin Technologies Development Co., Ltd.	114,847,854	RMB common shares	114,847,854			
Shengjiu Investment Ltd.	104,127,379	Foreign shares listed in domestic exchanges	104,127,379			
Fang Wei	39,372,437	RMB common shares	39,372,437			

Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	26,791,488	RMB common shares	26,791,488
VANGUARD EMERGING MARKETS STOCK INDEX FUND	7,946,483	Foreign shares listed in domestic exchanges	7,946,483
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	7,253,756	Foreign shares listed in domestic exchanges	7,253,756
SUN HUNG KAI INVESTMENT SERVICES LTD	6,916,495	Foreign shares listed in domestic exchanges	6,916,495
Liu Qi	6,115,600	RMB common shares	6,115,600
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,911,907	Foreign shares listed in domestic exchanges	5,911,907
Qu Chunlin	5,557,011	RMB common shares	5,557,011
Notes to top ten shareholder relationship or "action in concert"	Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert. Shenzhen Banglin Technology Development Co., Ltd. and Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise are related parties. The Company is not notified of other action-in-concert or related parties among the other holders of current shares.		
Top-10 common share shareholders participating in margin trade (if any)	None		

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

☐ Yes ☒ No

No agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

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

☐ Applicable ☒ Inapplicable

III Significant Events

1. Major changes in accounting items and financial data in the report period and reasons

√ Applicable □ Inapplicable

In RMB

Item	December 31, 2020	December 31, 2019	YOY change (%)	Reason
Transactional financial assets	42,597,937.65	10,330,062.18	312.37%	Mainly due to increase in Closing balance bank borrowings
Account receivable	275,062,961.50	1,956,191,307.07	-85.94%	Mainly due to the implementation of the new income standard classification into contract assets
Prepayment	37,831,932.19	21,327,109.18	77.39%	Mainly due to increase in prepayment for materials
Contract assets	1,679,646,778.83		100.00%	Mainly due to the implementation of the new income standard classification into contract assets
Other current assets	141,866,486.65	323,765,585.90	-56.18%	Mainly due to redemption of prior-period structural deposits due in current period
Derivative financial liabilities	14,980,250.00	96,767.62	15380.64%	Due to adjustment of fair value of investment real estate
Prepayment received	1,811,168.69	136,340,104.73	-98.67%	Mainly due to the implementation of the new income standard classification into contract Liabilities
Employees' wage payable	21,333,262.35	55,847,134.20	-61.80%	Annual bonus paid
Contract liabilities	143,783,832.39		100.00%	Mainly due to the implementation of the new income standard classification into contract assets
Non-current liabilities due in 1 year	446,154,052.14	922,346,563.72	-51.63%	Mainly due to long-term borrowing of the return portion of the current period
Long-term loans	1,167,161,462.35	546,501,491.56	113.57%	Mainly due to long-term borrowing of the return portion of the current period
Other miscellaneous	-13,524,489.64	-475,409.25	-2744.81%	Due to adjustment of fair value

income				of investment real estate
Item	Total amount in this year	Last period	YOY change (%)	Reason
Turnover	413,826,888.79	670,452,093.70	-38.28%	Mainly due to the decrease in real estate sales over the same period last year and the decrease in output value due to epidemic
Operation cost	314,413,603.26	467,237,374.40	-32.71%	Main due to decrease in income
Taxes and surcharges	3,390,682.90	33,241,693.55	-89.80%	Mainly due to the decrease in estate income which is due to the decrease in provision of the land VAT.
Administrative expense	31,000,994.73	48,521,803.12	-36.11%	Main due to decrease in Expense
R&D cost	14,980,824.81	4,150,525.60	260.94%	Mainly due to increased investment in research and development
Credit impairment ("-" for loss)	93,078,793.56	3,514,366.55	2548.52%	This is mainly due to a change in the accounting estimate by recalculating the expected credit loss rate of receivables based on the latest data information as required by the new Financial Instruments Guidelines
Net profit attributable to the owners of parent company	94,777,419.75	69,998,533.09	35.40%	Mainly due to the adjustment of the expected credit loss rate for the current period
Cash flow generated by investment activities, net	97,240,746.73	-253,395,866.96	138.38%	Mainly due to the recovery of wealth management investment in this period is greater than the expenditure

2. Progress of key issues and its impacts and solutions

☐ Applicable ☒ Inapplicable

Progress in the implementation of share repurchase

☒ Applicable ☐ Inapplicable

2.The company convened the 19th meeting of eighth board of directors and the first extraordinary general meeting of shareholders on November 28, 2019 and December 16, 2019 respectively. The plan for listing foreign shares (B shares) ".On March 13, 2020, the company disclosed the "2019 Annual Report on the Repurchase of Certain Domestically Listed Foreign Shares (B Shares) Shares of the Company". On April 3, 2020, the company repurchased 2,705,700 B shares of the company for the first time through centralized

auction, Accounting for 0.24% of the company's total share capital, the highest purchase price is 2.67 Hong Kong dollars / share, the lowest price is 2.45 Hong Kong dollars / share, and the total amount paid is 7,144,091.82 Hong Kong dollars (excluding transaction fees).

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

☐ Applicable ☒ Inapplicable

3. Commitments that have not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

☐ Applicable ☒ Inapplicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

4. Securities investment

☐ Applicable ☒ Inapplicable

The Company made no investment in securities in the report period

5. Entrusted wealth management

☒ Applicable ☐ Inapplicable

In RMB10,000

Type	Source of fund	Amount	Undue balance	Due balance to be recovered
Bank financial products	Self-owned fund	47,313.01	4,259.79	0
Total		47,313.01	4,259.79	0

Specific circumstances of high-risk entrusted financing with large individual amount or low security, poor liquidity, and no cost protection

☐ Applicable ☒ Inapplicable

Entrusted financial management expected to fail to recover the principal or likely result in impairment

☐ Applicable ☒ Inapplicable

6. Derivative investment

☒ Applicable ☐ Inapplicable

In RMB10,000

Derivative investment operator name	Relationship	Related transaction	Type	Initial amount	Start date	End date	Initial investment amount	Amount in this period	Amount sold in this period	Impairment provision (if any)	Closing investment amount	Proportion of closing investment amount in the closing net assets in the report period	Actual gain/loss in the report period
Shanghai Futures Exchange	No	No	Shanghai aluminum	0	01/01/2020	March 31, 2020		10,149.04	295.27		9,853.78	1.87%	-20.31
Banks	No	No	Forward foreign exchange	2,166	01/01/2020	March 31, 2020	2,166		2,166		0	0.00%	-29.79
Total				2,166	--	--	2,166	10,149.04	2,461.27		9,853.78	1.87%	-50.1
Capital source				Self-owned fund									
Lawsuit involved				None									
Disclosure date of derivative investment approval by the Board of Directors				31 October, 2017 November 30, 2019									
Disclosure date of derivative investment approval by the shareholders' meeting				None									
Risk analysis and control measures for the derivative holding in the report period (including without limitation market, liquidity, credit, operation and legal risks)				The company's aluminum futures hedging and foreign exchange derivatives trading business are all derivatives investment business. The company has established and implemented the "Derivatives Investment Business Management Measures" and "Commodity Futures Hedging Business Internal Control and Risk Management System". It has made clear regulations on the approval authority, business management, risk management, information disclosure and file management of derivatives trading business, which can effectively control the risk of the company's derivatives holding positions.									

Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters.	Fair value of derivatives are measured at open prices in the open market
Material changes in the accounting policies and rules related to the derivative in the report period compared to last period	None
Opinions of independent directors on the Company's derivative investment and risk controlling	None

7. Reception of investigations, communications, or interviews in the reporting period

☒ Applicable ☐ Inapplicable

Time/date	Way	Visitor	Disclosure of information
January 01, 2020 to March 31, 2020	Written inquiry	Individual	Investor Q&A conducted on the interactive and e-platform of the Shenzhen Stock Exchange website (http://irm.cninfo.com.cn/)

8. Incompliant external guarantee

☐ Applicable ☒ Inapplicable

The Company made no incompliant external guarantee in the report period.

9. Non-operating capital use by the controlling shareholder or related parties in the reporting term

☐ Applicable ☒ Inapplicable

The controlling shareholder and its affiliates occupied no capital for non-operating purpose of the Company during the report period.

IV Financial Statements

1. Financial statements

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

March 31, 2020

In RMB

Item	March 31, 2020	31 December 2019
Current asset:		
Monetary capital	1,305,254,496.98	1,209,811,978.95
Settlement provision		
Outgoing call loan		
Transactional financial assets	42,597,937.65	10,330,062.18
Derivative financial assets		
Notes receivable	260,977,307.42	305,070,930.97
Account receivable	275,062,961.50	1,956,191,307.07
Receivable financing	1,472,986.00	2,954,029.00
Prepayment	37,831,932.19	21,327,109.18
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other receivables	171,831,350.87	139,947,655.35
Including: interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventory	769,041,997.23	733,711,143.46
Contract assets	1,679,646,778.83	
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	141,866,486.65	323,765,585.90
Total current assets	4,685,584,235.32	4,703,109,802.06

Non-current assets:		
Loan and advancement provided		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	57,053,297.24	57,222,240.83
Investment in other equity tools	20,660,181.44	20,660,181.44
Other non-current financial assets	5,013,856.94	5,009,728.02
Investment real estate	5,526,406,257.72	5,522,391,984.11
Fixed assets	471,760,408.25	477,332,830.92
Construction in process	137,218,049.71	129,988,982.86
Productive biological assets		
Gas & petrol		
Use right assets		
Intangible assets	77,263,888.98	78,322,265.05
R&D expense		
Goodwill		
Long-term amortizable expenses	4,175,900.83	3,875,198.12
Deferred income tax assets	333,911,341.48	343,349,564.70
Other non-current assets	30,565,713.00	28,701,802.00
Total of non-current assets	6,664,028,895.59	6,666,854,778.05
Total of assets	11,349,613,130.91	11,369,964,580.11
Current liabilities		
Short-term loans	901,425,596.21	724,618,197.34
Loans from Central Bank		
Call loan received		
Transactional financial liabilities		
Derivative financial liabilities	14,980,250.00	96,767.62
Notes payable	491,474,890.57	578,816,027.44
Account payable	932,332,203.83	1,190,773,300.24
Prepayment received	1,811,168.69	136,340,104.73
Contract liabilities	143,783,832.39	
Selling of repurchased financial assets		

Deposit received and held for others		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	21,333,262.35	55,847,134.20
Taxes payable	13,261,911.44	17,848,987.68
Other payables	693,660,830.97	701,432,408.28
Including: interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	446,154,052.14	922,346,563.72
Other current liabilities	134,565,414.64	181,694,574.47
Total current liabilities	3,794,783,413.23	4,509,814,065.72
Non-current liabilities:		
Insurance contract provision		
Long-term loans	1,167,161,462.35	546,501,491.56
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities		
Long-term payable		
Long-term employees' wage payable		
Anticipated liabilities	5,335,897.31	7,793,527.16
Deferred earning	10,748,057.41	10,817,247.40
Deferred income tax liabilities	1,058,659,536.08	1,063,833,159.00
Other non-current liabilities		
Total of non-current liabilities	2,241,904,953.15	1,628,945,425.12
Total liabilities	6,036,688,366.38	6,138,759,490.84
Owner's equity:		
Share capital	1,123,384,189.00	1,123,384,189.00
Other equity instruments		

Including: preferred stock		
Perpetual bond		
Capital reserves	1,454,191.59	1,454,191.59
Less: Shares in stock		
Other miscellaneous income	-13,524,489.64	-475,409.25
Special reserves		
Surplus reserve	159,805,930.34	159,805,930.34
Common risk provisions		
Undistributed profit	3,993,403,597.74	3,898,626,177.99
Total of owner's equity belong to the parent company	5,264,523,419.03	5,182,795,079.67
Minor shareholders' equity	48,401,345.50	48,410,009.60
Total of owners' equity	5,312,924,764.53	5,231,205,089.27
Total of liabilities and owner's interest	11,349,613,130.91	11,369,964,580.11

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Wu Bohua

2. Balance Sheet of the Parent Company

In RMB

Item	March 31, 2020	31 December, 2019
Current asset:		
Monetary capital	281,250,615.02	175,591,953.63
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	1,352,173.43	297,813.76
Receivable financing		
Prepayment	60,990.56	250,205.32
Other receivables	2,132,709,589.52	1,973,381,342.74
Including: interest receivable		
Dividend receivable		
Inventory		
Contract assets		
Assets held for sales		
Non-current assets due in 1 year		

Other current assets	931,156.00	877,430.41
Total current assets	2,416,304,524.53	2,150,398,745.86
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	963,508,253.00	963,508,253.00
Investment in other equity tools	18,604,010.22	18,604,010.22
Other non-current financial assets	48,831,242.35	48,831,242.35
Investment real estate	295,355,002.00	295,355,002.00
Fixed assets	66,803,009.98	67,361,529.52
Construction in process		
Productive biological assets		
Gas & petrol		
Use right assets		
Intangible assets	1,744,519.79	1,824,589.22
R&D expense		
Goodwill		
Long-term amortizable expenses	928,084.25	934,669.73
Deferred income tax assets	46,612,122.44	44,408,630.81
Other non-current assets		
Total of non-current assets	1,442,386,244.03	1,440,827,926.85
Total of assets	3,858,690,768.56	3,591,226,672.71
Current liabilities		
Short-term loans	200,256,666.67	300,442,988.19
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	606,941.85	606,941.85
Prepayment received	708,863.49	746,761.55
Contract liabilities		
Employees' wage payable	1,254,349.93	3,215,013.16
Taxes payable	484,036.82	312,647.89
Other payables	696,597,777.98	109,837,934.17

Including: interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	380,572,858.33	520,872,206.95
Other current liabilities		
Total current liabilities	1,280,481,495.07	936,034,493.76
Non-current liabilities:		
Long-term loans		70,000,000.00
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities		
Long-term payable		
Long-term employees' wage payable		
Anticipated liabilities		
Deferred earning		
Deferred income tax liabilities	64,276,220.28	64,351,075.92
Other non-current liabilities		
Total of non-current liabilities	64,276,220.28	134,351,075.92
Total liabilities	1,344,757,715.35	1,070,385,569.68
Owner's equity:		
Share capital	1,123,384,189.00	1,123,384,189.00
Other equity instruments		
Including: preferred stock		
Perpetual bond		
Capital reserves	360,835.52	360,835.52
Less: Shares in stock		
Other miscellaneous income	1,287,629.38	1,287,629.38
Special reserves		
Surplus reserve	159,805,930.34	159,805,930.34
Undistributed profit	1,229,094,468.97	1,236,002,518.79
Total of owners' equity	2,513,933,053.21	2,520,841,103.03
Total of liabilities and owner's interest	3,858,690,768.56	3,591,226,672.71

3. Consolidated Income Statement

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Total revenue	413,826,888.79	670,452,093.70
Incl. Business income	413,826,888.79	670,452,093.70
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	394,659,366.67	590,046,791.08
Incl. Business cost	314,413,603.27	467,237,374.40
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy responsibility reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	3,390,682.90	33,241,693.55
Sales expense	8,076,166.66	12,854,606.25
Administrative expense	31,000,994.73	48,521,803.12
R&D cost	14,980,824.81	4,150,525.60
Financial expenses	22,797,094.30	24,040,788.16
Including: interest cost	22,193,016.28	18,523,514.10
Interest income	2,199,503.22	1,220,042.73
Add: other gains	1,234,219.99	2,764,802.92
Investment gains ("-" for loss)	241,358.65	2,241,105.98
Incl. Investment gains from affiliates and joint ventures	-168,943.59	-530,564.20
Financial assets derecognised as a result of amortized cost		
Exchange gains ("-" for loss)		

Net open hedge gains ("-" for loss)		
Gains from change of fair value ("-" for loss)	4,128.92	
Credit impairment ("-" for loss)	93,078,793.56	3,514,366.55
Investment impairment loss ("-" for loss)		
Investment gains ("-" for loss)		-18,130.72
3. Operational profit ("-" for loss)	113,726,023.24	88,907,447.35
Plus: non-operational income	106,391.56	875,385.81
Less: non-operational expenditure	3,026,114.28	271,123.59
4. Gross profit ("-" for loss)	110,806,300.52	89,511,709.57
Less: Income tax expenses	16,037,544.87	19,513,176.48
5. Net profit ("-" for net loss)	94,768,755.65	69,998,533.09
(1) By operating consistency		
1. Net profit from continuous operation ("-" for net loss)	94,768,755.65	69,998,533.09
2. Net profit from discontinuous operation ("-" for net loss)		
(2) By ownership		
1. Net profit attributable to the owners of parent company	94,777,419.75	69,998,533.09
2. Minor shareholders' equity	-8,664.10	
6. After-tax net amount of other misc. incomes	-13,049,080.39	836,382.73
After-tax net amount of other misc. incomes attributed to parent's owner	-13,049,080.39	836,382.73
(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fair value change of investment in other equity tools		

4. Fair value change of the company's credit risk		
5. Others		
(2) Other misc. incomes that will be re-classified into gain and loss	-13,049,080.39	836,382.73
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Fair value change of other debt investment		
3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. Other credit investment credit impairment provisions		
5. Cash flow hedge reserve	-12,650,960.02	1,029,625.00
6. 外币财务报表折算差额	-398,120.37	-193,242.27
7. 其他		
After-tax net of other misc. income attributed to minority shareholders		
7. Total of misc. incomes	81,719,675.26	70,834,915.82
Total of misc. incomes attributable to the owners of the parent company	81,728,339.36	70,834,915.82
Total misc gains attributable to the minor shareholders	-8,664.10	
8. Earnings per share:		
(1) Basic earnings per share	0.08	0.06
(2) Diluted earnings per share	0.08	0.06

Net profit contributed by entities merged under common control in the report period was RMB0.00, net profit realized by parties merged during the previous period is RMB0.00.

Legal representative: Xiong Jianming

CFO: Lin Keping

Accounting Manager: Wu Bohua

4. Income Statement of the Parent Company

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Turnover	6,518,715.41	9,808,576.55

Less: Operation cost	38,161.28	2,950,845.09
Taxes and surcharges	320,625.81	323,222.03
Sales expense		
Administrative expense	6,007,355.43	6,952,633.68
R&D cost		
Financial expenses	9,528,622.34	8,008,968.34
Including: interest cost	10,094,338.89	6,297,956.94
Interest income	571,446.30	241,185.83
Add: other gains	70,235.05	200,000.00
Investment gains ("-" for loss)	125,658.72	982,583.57
Incl. Investment gains from affiliates and joint ventures		
Financial assets derecognised as a result of amortized cost ("-" for loss)		
Net open hedge gains ("-" for loss)		
Gains from change of fair value ("-" for loss)		
Credit impairment ("-" for loss)	-6,241.41	4,480.08
Investment impairment loss ("-" for loss)		
Investment gains ("-" for loss)		
2. Operational profit ("-" for loss)	-9,186,397.09	-7,240,028.94
Plus: non-operational income		8,947.57
Less: non-operational expenditure		6,388.64
4. Gross profit ("-" for loss)	-9,186,397.09	-7,237,470.01
Less: Income tax expenses	-2,278,347.27	-1,789,154.52
4. Net profit ("-" for net loss)	-6,908,049.82	-5,448,315.49
(1) Net profit from continuous operation ("-" for net loss)	-6,908,049.82	-5,448,315.49
(2) Net profit from discontinuous operation ("-" for net loss)		
5. After-tax net amount of other misc. incomes		

(1) Other misc. incomes that cannot be re-classified into gain and loss		
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fair value change of investment in other equity tools		
4. Fair value change of the company's credit risk		
5. Others		
(2) Other misc. incomes that will be re-classified into gain and loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Fair value change of other debt investment		
3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. Other credit investment credit impairment provisions		
5. Cash flow hedge reserve		
6. Translation difference of foreign exchange statement		
7. Others		
6. Total of misc. incomes	-6,908,049.82	-5,448,315.49
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	Amount occurred in the current period	Occurred in previous period
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1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	552,621,802.47	598,615,290.91
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		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received from trading securities		
Tax refunded	1,811,320.46	901,931.07
Other cash received from business operation	72,333,751.51	21,534,849.71
Sub-total of cash inflow from business operations	626,766,874.44	621,052,071.69
Cash paid for purchasing products and services	606,808,963.41	557,177,871.33
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 funds dismantled		

Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to and for the staff	99,253,547.69	92,365,794.06
Taxes paid	31,853,052.06	70,963,606.86
Other cash paid for business activities	227,956,358.27	196,782,535.40
Sub-total of cash outflow from business operations	965,871,921.43	917,289,807.65
Cash flow generated by business operations, net	-339,105,046.99	-296,237,735.96
2. Cash flow generated by investment:		
Cash received from investment recovery	1,344,500,000.00	973,200,000.00
Cash received as investment profit	8,789,161.18	2,771,670.18
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		13,225,019.48
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	250.00	
Sub-total of cash inflow generated from investment	1,353,289,411.18	989,196,689.66
Cash paid for construction of fixed assets, intangible assets and other long-term assets	59,588,664.45	49,192,556.62
Cash paid as investment	1,196,460,000.00	1,193,400,000.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	1,256,048,664.45	1,242,592,556.62
Cash flow generated by investment activities, net	97,240,746.73	-253,395,866.96
3. Cash flow generated by financing activities:		
Cash received from investment		

Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	1,725,388,124.18	600,000,000.00
Other cash received from financing activities		39,406.61
Subtotal of cash inflow from financing activities	1,725,388,124.18	600,039,406.61
Cash paid to repay debts	1,403,978,153.39	58,000,000.00
Cash paid as dividend, profit, or interests	24,999,493.27	249,442,954.36
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid for financing activities		
Subtotal of cash outflow from financing activities	1,428,977,646.66	307,442,954.36
Net cash flow generated by financing activities	296,410,477.52	292,596,452.25
4. Influence of exchange rate changes on cash and cash equivalents	467,765.09	-844,162.82
5. Net increase in cash and cash equivalents	55,013,942.35	-257,881,313.49
Plus: Balance of cash and cash equivalents at the beginning of term	725,269,902.90	956,190,890.68
6. Balance of cash and cash equivalents at the end of the period	780,283,845.25	698,309,577.19

6. Cash Flow Statement of the Parent Company

In RMB

Item	Amount occurred in the current period	Occurred in previous period
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	3,513,156.36	7,829,887.29
Tax refunded		

Other cash received from business operation	2,136,488,278.30	857,398,618.28
Sub-total of cash inflow from business operations	2,140,001,434.66	865,228,505.57
Cash paid for purchasing products and services	29,756.47	1,486,439.86
Cash paid to and for the staff	6,328,845.37	5,580,350.62
Taxes paid	399,458.88	802,896.19
Other cash paid for business activities	1,707,124,112.24	863,556,002.15
Sub-total of cash outflow from business operations	1,713,882,172.96	871,425,688.82
Cash flow generated by business operations, net	426,119,261.70	-6,197,183.25
2. Cash flow generated by investment:		
Cash received from investment recovery	364,500,000.00	518,000,000.00
Cash received as investment profit	125,658.72	982,583.57
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 generated from investment	364,625,658.72	518,982,583.57
Cash paid for construction of fixed assets, intangible assets and other long-term assets	6,250.00	18,000.00
Cash paid as investment	364,500,000.00	518,000,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	364,506,250.00	518,018,000.00
Cash flow generated by investment activities, net	119,408.72	964,583.57

3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans	200,000,000.00	400,000,000.00
Other cash received from financing activities		39,406.61
Subtotal of cash inflow from financing activities	200,000,000.00	400,039,406.61
Cash paid to repay debts	510,000,000.00	
Cash paid as dividend, profit, or interests	10,580,009.03	230,221,221.83
Other cash paid for financing activities		
Subtotal of cash outflow from financing activities	520,580,009.03	230,221,221.83
Net cash flow generated by financing activities	-320,580,009.03	169,818,184.78
4. Influence of exchange rate changes on cash and cash equivalents		576.24
5. Net increase in cash and cash equivalents	105,658,661.39	164,586,161.34
Plus: Balance of cash and cash equivalents at the beginning of term	175,341,953.63	281,594,621.80
6. Balance of cash and cash equivalents at the end of the period	281,000,615.02	446,180,783.14

II. Financial Statement Adjustment

1. The first implementation of the new financial instruments guidelines, new income standards, new lease standards, adjustments the first implementation of the financial statements at the beginning of the year

√ Applicable □ Inapplicable

Consolidated Balance Sheet

In RMB

Item	31 December 2019	01/01/2020	Adjustment
Current asset:			
Monetary capital	1,209,811,978.95	1,209,811,978.95	
Settlement provision			

Outgoing call loan			
Transactional financial assets	10,330,062.18	10,330,062.18	
Derivative financial assets			
Notes receivable	305,070,930.97	305,070,930.97	
Account receivable	1,956,191,307.07	486,113,221.52	-1,470,078,085.55
Receivable financing	2,954,029.00	2,954,029.00	
Prepayment	21,327,109.18	21,327,109.18	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other receivables	139,947,655.35	139,947,655.35	
Including: interest receivable			
Dividend receivable			
Repurchasing of financial assets			
Inventory	733,711,143.46		
Contract assets		1,470,078,085.55	1,470,078,085.55
Assets held for sales			
Non-current assets due in 1 year			
Other current assets	323,765,585.90	323,765,585.90	
Total current assets	4,703,109,802.06	4,703,109,802.06	
Non-current assets:			
Loan and advancement provided			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term share equity investment	57,222,240.83	57,222,240.83	

Investment in other equity tools	20,660,181.44	20,660,181.44	
Other non-current financial assets	5,009,728.02	5,009,728.02	
Investment real estate	5,522,391,984.11	5,522,391,984.11	
Fixed assets	477,332,830.92	477,332,830.92	
Construction in process	129,988,982.86	129,988,982.86	
Productive biological assets			
Gas & petrol			
Use right assets			
Intangible assets	78,322,265.05	78,322,265.05	
R&D expense			
Goodwill			
Long-term amortizable expenses	3,875,198.12	3,875,198.12	
Deferred income tax assets	343,349,564.70	343,349,564.70	
Other non-current assets	28,701,802.00	28,701,802.00	
Total of non-current assets	6,666,854,778.05	6,666,854,778.05	
Total of assets	11,369,964,580.11	11,369,964,580.11	
Current liabilities			
Short-term loans	724,618,197.34	724,618,197.34	
Loans from Central Bank			
Call loan received			
Transactional financial liabilities			
Derivative financial liabilities	96,767.62	96,767.62	
Notes payable	578,816,027.44	578,816,027.44	
Account payable	1,190,773,300.24	1,190,773,300.24	
Prepayment received	136,340,104.73	1,332,457.45	-135,007,647.28
Contract liabilities		123,981,276.51	123,981,276.51
Selling of repurchased financial assets			

Deposit received and held for others			
Entrusted trading of securities			
Entrusted selling of securities			
Employees' wage payable	55,847,134.20	55,847,134.20	
Taxes payable	17,848,987.68	17,848,987.68	
Other payables	701,432,408.28	701,432,408.28	
Including: interest payable			
Dividend payable			
Fees and commissions payable			
Reinsurance fee payable			
Liabilities held for sales			
Non-current liabilities due in 1 year	922,346,563.72	922,346,563.72	
Other current liabilities	181,694,574.47	192,720,945.24	11,026,370.77
Total current liabilities	4,509,814,065.72		
Non-current liabilities:			
Insurance contract provision			
Long-term loans	546,501,491.56	546,501,491.56	
Bond payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities			
Long-term payable			
Long-term employees' wage payable			
Anticipated liabilities	7,793,527.16	7,793,527.16	
Deferred earning	10,817,247.40	10,817,247.40	

Deferred income tax liabilities	1,063,833,159.00	1,063,833,159.00	
Other non-current liabilities			
Total of non-current liabilities	1,628,945,425.12	1,628,945,425.12	
Total liabilities	6,138,759,490.84	6,138,759,490.84	
Owner's equity:			
Share capital	1,123,384,189.00	1,123,384,189.00	
Other equity instruments			
Including: preferred stock			
Perpetual bond			
Capital reserves	1,454,191.59	1,454,191.59	
Less: Shares in stock			
Other miscellaneous income	-475,409.25	-475,409.25	
Special reserves			
Surplus reserve	159,805,930.34	159,805,930.34	
Common risk provisions			
Undistributed profit	3,898,626,177.99	3,898,626,177.99	
Total of owner's equity belong to the parent company	5,182,795,079.67	5,182,795,079.67	
Minor shareholders' equity	48,410,009.60	48,410,009.60	
Total of owners' equity	5,231,205,089.27	5,231,205,089.27	
Total of liabilities and owner's interest	11,369,964,580.11	11,369,964,580.11	

About the adjustment

Balance Sheet of the Parent Company

In RMB

Item	31 December 2019	01/01/2020	Adjustment
Current asset:			
Monetary capital	175,591,953.63	175,591,953.63	
Transactional financial assets			

Derivative financial assets			
Notes receivable			
Account receivable	297,813.76	297,813.76	
Receivable financing			
Prepayment	250,205.32	250,205.32	
Other receivables	1,973,381,342.74	1,973,381,342.74	
Including: interest receivable			
Dividend receivable			
Inventory			
Contract assets			
Assets held for sales			
Non-current assets due in 1 year			
Other current assets	877,430.41	877,430.41	
Total current assets	2,150,398,745.86	2,150,398,745.86	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term share equity investment	963,508,253.00	963,508,253.00	
Investment in other equity tools	18,604,010.22	18,604,010.22	
Other non-current financial assets	48,831,242.35	48,831,242.35	
Investment real estate	295,355,002.00	295,355,002.00	
Fixed assets	67,361,529.52	67,361,529.52	
Construction in process			
Productive biological assets			
Gas & petrol			
Use right assets			
Intangible assets	1,824,589.22	1,824,589.22	

R&D expense			
Goodwill			
Long-term amortizable expenses	934,669.73	934,669.73	
Deferred income tax assets	44,408,630.81	44,408,630.81	
Other non-current assets			
Total of non-current assets	1,440,827,926.85	1,440,827,926.85	
Total of assets	3,591,226,672.71	3,591,226,672.71	
Current liabilities			
Short-term loans	300,442,988.19	300,442,988.19	
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Account payable	606,941.85	606,941.85	
Prepayment received	746,761.55	746,761.55	
Contract liabilities			
Employees' wage payable	3,215,013.16	3,215,013.16	
Taxes payable	312,647.89	312,647.89	
Other payables	109,837,934.17	109,837,934.17	
Including: interest payable			
Dividend payable			
Liabilities held for sales			
Non-current liabilities due in 1 year	520,872,206.95	520,872,206.95	
Other current liabilities			
Total current liabilities	936,034,493.76	936,034,493.76	
Non-current liabilities:			
Long-term loans	70,000,000.00	70,000,000.00	
Bond payable			

Including: preferred stock			
Perpetual bond			
Lease liabilities			
Long-term payable			
Long-term employees' wage payable			
Anticipated liabilities			
Deferred earning			
Deferred income tax liabilities	64,351,075.92	64,351,075.92	
Other non-current liabilities			
Total of non-current liabilities	134,351,075.92	134,351,075.92	
Total liabilities	1,070,385,569.68	1,070,385,569.68	
Owner's equity:			
Share capital	1,123,384,189.00	1,123,384,189.00	
Other equity instruments			
Including: preferred stock			
Perpetual bond			
Capital reserves	360,835.52	360,835.52	
Less: Shares in stock			
Other miscellaneous income	1,287,629.38	1,287,629.38	
Special reserves			
Surplus reserve	159,805,930.34	159,805,930.34	
Undistributed profit	1,236,002,518.79	1,236,002,518.79	
Total of owners' equity	2,520,841,103.03	2,520,841,103.03	
Total of liabilities and owner's interest	3,591,226,672.71	3,591,226,672.71	

About the adjustment

As of January 1, 2020, the Company has implemented new revenue guidelines, listed the assigned goods or services entitled to receive consideration as contractual assets, and has been recognized as accounts receivable upon acquisition of unconditional

collection rights; The non-leased portion of the advances is included in the contractual liability and the tax portion is included in the other current liabilities.

2. Description of the 2020 first implementation of the new Income criteria, new lease standard retrospective adjustment of the previous period comparison data

☐ Applicable ☒ Inapplicable

3. Auditor's Report

Whether the Q1 report is audited

☐ Yes ☒ No

The Q2 Report is not audited.