



**ZHEJIANG DAHUA TECHNOLOGY CO., LTD.**

**2019 Q1 Report**

**April 2019**

## **Section I Important Notes**

**The Board of Directors, Board of Supervisors, Directors, Supervisors and Senior Management of the Company hereby warrant that the information presented in this quarterly report shall be authentic, accurate, complete and free of any false records, misleading statements or material omissions, and they shall assume joint and several liabilities for such information.**

**All directors have attended the board meeting for the deliberation of this quarterly report.**

**Fu Liquan, the Company's principal, Wei Meizhong, the person in charge of accounting, and Xu Qiaofen, the person in charge of the accounting institutions (accounting supervisor) hereby represent and warrant that the financial statements contained in this quarterly report are authentic, accurate and complete.**

## Section II Corporate Information

### I. Key Accounting Data and Financial Indicators

Whether the Company needs to adjust or restate the accounting data of previous years retrospectively

Yes  No

	This period	Same period of last year	Change (%)
Operating income (RMB)	4,347,918,104.26	3,617,652,691.40	20.19%
Net profit attributable to shareholders of the listed company (RMB)	316,343,906.02	295,523,140.67	7.05%
Net profit attributable to shareholders of the listed company, excluding non-recurring profit and loss (RMB)	286,016,593.97	290,656,854.31	-1.60%
Net cash flow from operational activities (RMB)	-1,728,487,212.91	-1,286,295,160.14	-34.38%
Basic earnings per share (RMB/share)	0.11	0.10	10.00%
Diluted earnings per share (RMB/share)	0.11	0.10	10.00%
Weighted average ROE	2.47%	2.78%	-0.31%
	End of this period	End of last year	Change (%)
Total assets (RMB)	25,249,751,298.42	26,350,599,778.15	-4.18%
Net assets attributable to shareholders of the listed company (RMB)	12,992,582,839.54	12,618,758,918.48	2.96%

Non-recurring profit and loss items and amounts

Applicable  Not applicable

Unit: RMB

Item	Amount from the beginning of the year to the end of this period	Note
Profit and loss from disposal of non-current assets (including the write-off for the accrued impairment of assets)	9,128,384.28	
The government subsidies included in current profits and losses (excluding the government subsidies closely related to regular businesses of the Company and issued in quota or quantity based on the national standards)	11,417,827.04	
Profits and losses from changes at fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment income gained	16,288,059.40	

from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other investments on creditor's rights, excluding effective hedging businesses related to the normal business operation of the Company		
Non-operating revenue and expenses other than the above	1,579,646.02	
Less: Impact of income tax	5,432,794.47	
Impact of minority equity (after-tax)	2,653,810.22	
Total	30,327,312.05	--

As to the non-recurring profit and loss items defined by the Company according to Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profit and Loss, or non-recurring profit and loss items listed in the said document defined as recurring ones, the Company shall specify the reason.

Applicable  Not applicable

In this reporting period, the Company did not have any non-recurring profit and loss items listed in Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profit and Loss defined as recurring ones.

## II. Total Number of Shareholders and Holdings of the Top 10 Shareholders at the End of the Reporting Period

### 1. Total number of common shareholders, number of preferred shareholders with voting rights recovered and holdings of the Top 10 shareholders

Unit: share

Total number of common shareholders at the end of the reporting period		124,488	Total number of preferred shareholders with voting rights recovered at the end of the reporting period (if any)		0	
Holdings of the Top 10 shareholders						
Shareholder name	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares	Pledged or frozen	
					Status	Amount
Fu Liquan	Domestic natural person	36.10%	1,082,081,880	834,736,410	Pledged	157,192,000
Zhu Jiangming	Domestic natural person	6.22%	186,461,490	139,846,117	Pledged	36,504,000
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	2.63%	78,796,029	0		
Chen Ailing	Domestic natural person	2.38%	71,262,813	53,447,110		
Wu Jun	Domestic natural	2.31%	69,250,886	51,938,164		

	person					
National Social Security Fund Portfolio 102	Others	1.47%	44,039,310	0		
China Securities Finance Co., Ltd.	Domestic non-state-owned legal person	1.32%	39,611,241	0		
Central Huijin Asset Management Co., Ltd.	State-owned legal person	1.05%	31,448,750	0		
Zhejiang Dahua Technology Co., Ltd. - Phase III Employee Stock Ownership Plan	Others	0.88%	26,247,928	0		
Shanghai Greenwoods Asset Management Ltd. - Greenwoods Global Fund	Others	0.66%	19,904,829	0		
Holdings of the Top 10 unrestricted shareholders						
Shareholder name	Number of unrestricted shares	Type of shares				
		Type of shares	Amount			
Fu Liquan	247,345,470	RMB common stock	247,345,470			
Hong Kong Securities Clearing Co., Ltd.	78,796,029	RMB common stock	78,796,029			
Zhu Jiangming	46,615,373	RMB common stock	46,615,373			
National Social Security Fund Portfolio 102	44,039,310	RMB common stock	44,039,310			
China Securities Finance Co., Ltd.	39,611,241	RMB common stock	39,611,241			
Central Huijin Asset Management Co., Ltd.	31,448,750	RMB common stock	31,448,750			
Zhejiang Dahua Technology Co., Ltd. - Phase III Employee Stock Ownership Plan	26,247,928	RMB common stock	26,247,928			

Shanghai Greenwoods Asset Management Ltd. - Greenwoods Global Fund	19,904,829	RMB common stock	19,904,829
Shanghai Greenwoods Asset Management Co., Ltd. - Greenwoods Value Fund	18,821,078	RMB common stock	18,821,078
Chen Ailing	17,815,703	RMB common stock	17,815,703
Association or concerted action of above-mentioned shareholders	Mr. Fu Liquan and Ms. Chen Ailing are husband and wife. The Company is unaware of whether other shareholders have associated relationship or are persons acting in concert.		
Participation of Top 10 common shareholders in securities margin trading businesses (if any)	N/A		

Whether the Company's Top 10 common shareholders or Top 10 unrestricted common shareholders have agreed upon any repurchase transaction in the reporting period

Yes  No

None of the Company's Top 10 common shareholders or Top 10 unrestricted common shareholders have agreed upon any repurchases transaction in the reporting period.

## 2. Total number of preferred shareholders and holdings of the Top 10 preferred shareholders

Applicable  Not applicable

## Section III Important Matters

### I. Major changes in key financial data and indicators in the reporting period and reasons

√ Applicable □ Not applicable

#### (I) Changes in assets and liabilities and reasons

1. Available-for-sale financial assets decreased by 100% compared with the end of last year, which was mainly caused by the application of the New Accounting Standards for Financial Instruments starting from 2019 and that the Company adjusted the items previously listed as available-for-sale financial assets to other non-current financial assets;

2. Other non-current financial assets increased by 100% compared with the end of last year, which was mainly caused by the application of the New Accounting Standards for Financial Instruments starting from 2019 and that the Company adjusted the items previously listed as available-for-sale financial assets to other non-current financial assets;

3. Long-term receivables increased by 33.25% compared with the end of last year, which was mainly caused by the confirmed increase of installments in the acceptance inspection in this reporting period;

4. Other non-current assets increased by 87.18% compared with the end of last year, which was mainly caused by the increase of pre-payments for the manufacturing equipment in this reporting period;

5. Short-term borrowings increased by 57.09% compared with the end of last year, which was mainly caused by the increase of bank loans in this reporting period;

6. Trading financial liabilities increased by 100% compared with the end of last year, which was mainly caused by the application of the New Accounting Standards for Financial Instruments starting from 2019 and that the Company adjusted the items measured at fair value with their changes previously listed as financial liabilities through profit and loss of the current period to trading financial liabilities;

7. Financial liabilities measured at fair value through profit and loss of the current period decreased by 100% compared with the end of last year, which was mainly caused by the application of the New Accounting Standards for Financial Instruments starting from 2019 and that the Company adjusted the items measured at fair value with their changes previously listed as financial liabilities through profit and loss of the current period to trading financial liabilities;

8. Received pre-payments increased by 37.53% compared with the end of last year, which was mainly caused by the business growth of the Company and the increase of received pre-payments;

9. Employee compensation payable decreased by 56.75% compared with the end of last year, which was mainly caused by the payment of year-end bonus in this reporting period;

10. Taxes payable decreased by 43.09% compared with the end of last year, which was mainly caused by the payment of value-added taxes and corporate income taxes which were not paid at the start of the period;

11. Interests payable increased by 54.69% compared with the end of last year, which was mainly caused by the increase of bank loans resulting in the increase of corresponding interest expenses;

12. Other comprehensive incomes increased by 108.34% compared with the end of last year, which was mainly caused by the increased difference from the conversion of foreign currency statements;

#### (II) Changes in income statement items and reasons

1. Management fee increased by 48.86% compared with the same period of last year, which was mainly caused by the business growth of the Company and the impact of equity incentive fees in this reporting period;

2. R&D fee increased by 47.45% compared with the same period of last year, which was mainly caused by the increased

investment in R&D by the Company;

3. Loss from impairment of assets increased by 67.73% compared with the same period of last year, which was mainly caused by the increase of the accrued bad debt provision in this reporting period compared with the same period of last year;

4. Other income increased by 50.18% compared with the same period of last year, which was mainly caused by the increase of returned part of the value-added taxes due to excess burden compared with the same period of last year;

5. Profit and loss resulting from the changes in fair value increased by 1179.13% compared with the same period of last year, which was mainly caused by the changes in the fair value of the Company's financial derivatives;

6. Non-operating income increased by 214.71% compared with the same period of last year, which was mainly caused by the increase of received government subsidies in this reporting period compared with the same period of last year;

7. Non-operating expense decreased by 58.50% compared with the same period of last year, which was mainly caused by the decrease of the losses resulting from disposal of fixed assets in this reporting period compared with the same period of last year;

8. Income tax expense decreased by 57.75% compared with the same period of last year, which was mainly caused by the increase in the weighted deduction ratio of R&D fees compared with the same period of last year;

### (III) Changes in cash flow statement items and reasons

1. Net cash flow from operational activities decreased by 34.38% compared with the same period of last year, which was mainly caused by the scale expansion of the Company resulting in the increase of cash payment for businesses;

2. Net cash flow from investment activities increased by 45.38% compared with the same period of last year, which was mainly caused by the acquisition activities in the same period of last year;

3. Net cash flow from financing activities increased by 254.44% compared with the same period of last year, which was mainly caused by the increase of bank loans in this reporting period;

## II. Progress and Impact of Important Matters and Solutions

Applicable  Not applicable

1. On January 24, 2017, the Company's holding sub-subsidiary, Nanbei United Information Technology Co., Ltd. and its wholly-owned subsidiary, Zhejiang Dahua System Engineering Co., Ltd. signed a Cooperation Agreement on PPP Investment in Safe City Project of Shache County with the People's Government of Shache County in Kashgar, Xinjiang, which was just a framework agreement on the PPP project. The agreement stipulated that the service content was the pre-feasibility study of the project and the design of the project, etc. For the implementation of the specific project, related decision-making and approval procedures, such as government procurement, shall still be fulfilled.

On July 21, 2017, the Company received the Notification of Award issued by the project purchasing unit, which confirmed that the wholly-owned subsidiary Zhejiang Dahua System Engineering Co., Ltd. (the consortium leader), with the holding sub-subsidiary Nanbei United Information Technology Co., Ltd. (member of the consortium) was the winning bidder for the Safe City Construction Project (PPP) in Shache County. The winning bid amount of the project was RMB 4.31479 billion (the final amount shall be subject to the signed contract), which was the total amount for construction and operation within a 10-year project cooperation period.

On August 4, 2017, the Company's 34th session of the 5th Board of Directors' meeting reviewed and approved the Proposal on Investing to Establish A PPP Project Company in Shache County, Xinjiang, and the Company submitted a bid based on the requirements for the Shache County City Construction Project (PPP), and the winning consortium jointly funded the establishment of the project company, with a registered capital of RMB 335,567,200. Among them, Zhejiang Dahua System Engineering Co., Ltd. contributed RMB 234,897,040, accounted for 70% of the total contribution; Nanbei United Information Technology Co., Ltd. contributed RMB 100,670,160, accounted for 30%. In August 2017, the project company was established and the name of the company approved by the industrial and commercial bureau was Xinjiang Dahua Xinzhi Information Technology Co., Ltd.



On April 18, 2018, the winning bidder received the notice from the Public Security Bureau of Shache County to stop the implementation of the Safe City Construction Project of Shache County (PPP). Nearly half of the project was completed, and no subsequent expenses for equipment replacement, operation and maintenance were incurred. The actual investment amount during the construction period shall be further calculated and confirmed with the government.

The winning bidder's project participation and construction was in compliance with the requirements of relevant laws and regulations of PPP, but there exists the risk that the project would not be continued and lead to the decrease of the Company's future recognizable income. The Company would actively cooperate with relevant government departments in their work, and timely perform the obligation of information disclosure based on subsequent progression of the project and the provisions in relevant laws and regulations and the Articles of Association.

2. On May 16, 2017, the Company's 2016 Annual General Meeting of Shareholders reviewed and approved the Zhejiang Dahua Technology Co., Ltd. Phase III Employee Stock Ownership Plan (Draft) and its summary, and decided to implement the Phase III Employee Stock Ownership Plan. On June 1, 2017, the Company's Phase III Employee Stock Ownership Plan completed the stock purchase through DAHUA No. 3 Directed Asset Management Plan of Caitong Securities Asset Management, with an average purchase price of RMB 16.83 per share and a total purchase volume of 47,000,000 shares.

On November 12, 2018, the Company's 18th session of the 6th Board of Directors' meeting reviewed and approved the "Suggestive Proposal on Extension of the Company's Phase III Employee Stock Ownership Plan's Duration at the Time of Expiration". The Board of Directors agreed to extend the Company's Phase III Employee Stock Ownership Plan for one year based on the voting results of the shareholders' meeting. That is, the duration was extended for one additional year on the basis of the original termination date, until May 15, 2020.

3. On December 27, 2018, the Company's 5th interim shareholders' meeting in 2018 reviewed and approved the "Proposal on Repurchase and Cancellation of Some Granted but Unlocked Restricted Shares", and agreed to repurchase and cancel 44,200 granted but unlocked restricted shares held by the incentive targets who have left the Company and one deceased personnel. The repurchase price was RMB 8.17 per share, same as the granting price of the restricted shares, and the registered capital was reduced accordingly. The above repurchase and cancellation matters were completed on March 4, 2019, and the modification procedures at the Bureau of Industry and Commerce were completed on April 15, 2019.

Important matters	Date of disclosure	Interim report disclosure search website
Announcement on the Signing of A Framework Agreement for A PPP Project by A Subsidiary	January 26, 2017	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Suggestive Announcement on the Pre-winning Publicity for the PPP Project of the Subsidiary	July 18, 2017	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Announcement on Investing in and Establishing A PPP Project Company in Shache County, Xinjiang	August 7, 2017	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Announcement on the Progress of the Subsidiary's PPP Project	April 18, 2018	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Announcement on the Resolution of the Annual Shareholders' Meeting in 2016	May 17, 2017	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Announcement on the Completion of Purchase for the Phase III Employee Stock Ownership Plan	June 2, 2017	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Suggestive Proposal on Extension of the Company's Phase III Employee Stock Ownership Plan's Duration at the Time of Expiration	November 13, 2018	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

Announcement on the Resolution of the 5th Interim Shareholders' Meeting in 2018	December 28, 2018	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Announcement on the Completion of Repurchase and Cancellation of Some Restricted Shares	March 6, 2019	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

The Progress on Share Repurchase

Applicable  Not applicable

The Progress on Reducing Share Repurchase by Means of Centralized Bidding

Applicable  Not applicable

### III. Commitments of the Company's de facto Controllers, Shareholders, Related Parties, Buyers, the Company and Other Parties related to the Commitments not Fulfilled in the Reporting Period

Applicable  Not applicable

All of the commitments of the Company's de facto controllers, shareholders, related parties, buyers, the Company and other parties related to the commitments have been fulfilled in the reporting period.

### IV. Estimation on Business Performance from January to June of 2019

Estimated business performance from January to June of 2019: the net profit attributable to shareholders of the listed company is a positive value and it's not a turn from loss to profit.

Changes in the net profit attributable to shareholders of the listed company from January to June of 2019	0.00%	to	15.00%
Range of changes in the net profit attributable to shareholders of the listed company from January to June of 2019 (in RMB 10,000)	108,191.69	to	124,420.44
Net profit attributable to shareholders of the listed company from January to June of 2018 (in RMB 10,000)	108,191.69		
Reasons for the performance changes	The sales scale of the Company has expanded and the operating income has increased. It's estimated that the net profit attributable to the owners of the parent company will increase by 0%-15% compared with the same period of last year.		

### V. Financial Assets Measured at Fair Value

Applicable  Not applicable

Unit: RMB

Type of assets	Initial investment cost	Profit and loss resulting from the changes in fair value in	Cumulative changes in fair value recognized	Amount of purchase in the reporting	Amount of sales in the reporting	Cumulative investment income	Amount at the end of the period	Capital source

		this period	in equity	period	period			
Financial derivatives		34,436,817.76				-19,529,927.20	387,573.16	Own fund
Equity investment	82,970,227.00						82,970,227.00	Own fund
Total	82,970,227.00	34,436,817.76	0.00	0.00	0.00	-19,529,927.20	83,357,800.16	--

## VI. Rule-violating External Guarantee

Applicable  Not applicable

No rule-violating external guarantee was provided by the Company in the reporting period.

## VII. Occupation of the Listed Company's Fund by the Controlling Shareholders or Other Related Parties for Non-operating Purposes

Applicable  Not applicable

During the reporting period, there is no occupation of the listed company's fund by the controlling shareholders or other related parties for non-operating purposes.

## VIII. Registration Form for Received Researches, Communications, Interviews in the Reporting Period

Applicable  Not applicable

Time	Method	Target type	Basic information search website
January 29, 2019	Field research	Organization	For more information, please see the investor relations activity list at <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
January 29, 2019	Telephone communication	Organization	For more information, please see the investor relations activity list at <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
January 30, 2019	Field research	Organization	For more information, please see the investor relations activity list at <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
January 30, 2019	Telephone communication	Organization	For more information, please see the investor relations activity list at <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

## Section IV Financial Statements

### I. Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: Zhejiang Dahua Technology Co., Ltd.

Unit: RMB

Item	March 31, 2019	December 31, 2018
Current assets:		
Monetary fund	3,388,154,787.00	4,160,153,847.06
Deposit reservation for balance		
Loans to banks and other financial institutions		
Trading financial assets	387,573.16	
Financial assets measured at fair value with changes recognized into current profit and loss		
Derivative financial assets		
Notes receivable and accounts receivable	11,636,044,122.03	12,577,066,194.44
Including: notes receivable	1,734,839,459.26	2,385,693,417.06
Accounts receivable	9,901,204,662.77	10,191,372,777.38
Pre-payments	161,293,518.30	126,891,259.00
Premium receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	338,563,516.18	398,170,769.40
Including: interests receivable	5,807,523.44	6,754,941.00
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,996,728,364.05	3,035,579,709.14
Contractual assets		

Held-for-sale assets		
Non-current assets due within 1 year	574,701,552.44	578,733,057.27
Other current assets	405,106,796.33	402,255,078.05
Subtotal of current assets	19,500,980,229.49	21,278,849,914.36
Non-current assets:		
Granting of loans and advances		
Investments on creditor's rights		
Financial assets available for sale		82,970,227.00
Other investments on creditor's rights		
Held-to-maturity investments		
Long-term receivables	2,480,468,764.43	1,861,485,568.28
Long-term equity investment	181,978,072.22	185,872,021.58
Other equity instrument investments		
Other non-current financial assets	82,970,227.00	
Investment properties	347,900,181.69	346,831,376.55
Fixed assets	1,401,032,946.90	1,407,471,330.83
Projects under construction	231,711,748.22	226,191,587.11
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	368,037,008.04	372,467,409.09
Development expense		
Goodwill	109,745,412.21	109,745,412.21
Long-term prepaid expenses	39,031,771.45	37,117,918.55
Deferred income tax assets	475,426,712.53	425,319,406.98
Other non-current assets	30,468,224.24	16,277,605.61
Subtotal of non-current assets	5,748,771,068.93	5,071,749,863.79
Total assets	25,249,751,298.42	26,350,599,778.15
Current liabilities:		
Short-term loan	2,908,880,172.39	1,851,709,561.83
Borrowings from the Central Bank		
Borrowings from banks and other financial institutions		
Trading financial liabilities	4,314,915.55	

Financial liabilities measured at fair value with changes recognized into current profit and loss		38,602,602.30
Derivative financial liabilities		
Notes payable and accounts payable	5,647,489,443.82	7,461,315,698.99
Received pre-payments	472,153,342.43	343,297,891.20
Financial assets sold for repurchase		
Deposit taking and interbank deposit		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Payroll payable	486,255,924.62	1,124,358,611.94
Tax payable	341,186,897.43	599,478,049.81
Other payables	1,013,706,211.94	1,051,537,094.97
Including: interests payable	7,340,553.07	4,745,203.31
Dividends payable		
Service charge and commission payable		
Reinsurance accounts payable		
Contractual liabilities		
Held-for-sale liabilities		
Non-current liabilities due within 1 year	25,500,000.00	25,500,000.00
Other current liabilities	78,959,310.21	70,845,639.51
Subtotal of current liabilities	10,978,446,218.39	12,566,645,150.55
Non-current liabilities:		
Insurance contract reserves		
Long-term loan	179,000,000.00	179,000,000.00
Bonds payable		
Including: preferred stocks		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Expected liabilities	243,421,368.96	193,761,170.12

Deferred income	57,900,377.53	58,693,533.40
Deferred income tax liabilities	49,635,458.14	50,137,969.76
Other non-current liabilities	456,775,480.73	399,096,280.89
Subtotal of non-current liabilities	986,732,685.36	880,688,954.17
Total liabilities	11,965,178,903.75	13,447,334,104.72
Shareholders' equity:		
Share capital	2,997,577,730.00	2,997,621,930.00
Other equity instruments		
Including: preferred stocks		
Perpetual bonds		
Capital reserves	1,547,144,808.22	1,501,180,862.83
Less: treasury share	807,372,472.00	807,733,586.00
Other comprehensive incomes	21,536,320.06	10,337,164.41
Special reserves		
Surplus reserves	1,246,369,430.91	1,246,369,430.91
General risk reserves		
Undistributed profits	7,987,327,022.35	7,670,983,116.33
Total shareholders' equity attributable to the parent company	12,992,582,839.54	12,618,758,918.48
Minority shareholders' equity	291,989,555.13	284,506,754.95
Total shareholders' equity	13,284,572,394.67	12,903,265,673.43
Total liabilities and shareholders' equity	25,249,751,298.42	26,350,599,778.15

Legal representative: Fu Liquan    Person in charge of accounting: Wei Meizhong    Person in charge of the accounting institution: Xu Qiaofen

## 2. Balance Sheet of the Parent Company

Unit: RMB

Item	March 31, 2019	December 31, 2018
Current assets:		
Monetary fund	152,724,456.67	611,190,236.01
Trading financial assets		
Financial assets measured at fair value with changes recognized into current profit and loss		

Derivative financial assets		
Notes receivable and accounts receivable	4,944,891,210.90	5,551,148,625.96
Including: notes receivable	1,070,445,568.17	952,572,702.92
Accounts receivable	3,874,445,642.73	4,598,575,923.04
Pre-payments	26,904,344.76	26,772,044.53
Other receivables	7,503,145,920.62	6,954,655,863.03
Including: interests receivable		42,500.00
Dividends receivable		
Inventory	172,681,553.68	120,181,267.85
Contractual assets		
Held-for-sale assets		
Non-current assets due within 1 year	52,015,403.28	50,793,137.80
Other current assets	5,768,760.74	24,858,982.78
Subtotal of current assets	12,858,131,650.65	13,339,600,157.96
Non-current assets:		
Investments on creditor's rights		
Financial assets available for sale		80,496,000.00
Other investments on creditor's rights		
Held-to-maturity investments		
Long-term receivables	164,850,489.71	160,299,143.83
Long-term equity investment	3,085,368,105.84	3,001,639,428.55
Other equity instrument investments		
Other non-current financial assets	80,496,000.00	
Investment properties	180,963,770.22	183,321,198.72
Fixed assets	479,817,819.21	496,363,638.38
Projects under construction	152,575,924.51	151,072,585.67
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	170,256,158.63	170,879,747.04
Development expense		
Goodwill		
Long-term prepaid expenses	30,436,564.49	28,927,258.54



Deferred income tax assets	61,990,058.11	40,821,902.57
Other non-current assets	129,584.70	929,380.00
Subtotal of non-current assets	4,406,884,475.42	4,314,750,283.30
Total assets	17,265,016,126.07	17,654,350,441.26
Current liabilities:		
Short-term loan	2,046,841,815.43	1,380,000,000.00
Trading financial liabilities		
Financial liabilities measured at fair value with changes recognized into current profit and loss		
Derivative financial liabilities		
Notes payable and accounts payable	331,422,612.56	1,065,528,900.01
Received pre-payments	63,522,498.49	80,361,211.04
Contractual liabilities		
Payroll payable	318,529,714.36	817,723,936.19
Tax payable	188,386,974.21	351,294,836.50
Other payables	1,038,112,767.76	1,060,909,330.56
Including: interests payable	3,670,702.11	2,416,340.30
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within 1 year		
Other current liabilities	6,809,092.48	6,464,333.12
Subtotal of current liabilities	3,993,625,475.29	4,762,282,547.42
Non-current liabilities:		
Long-term loan		
Bonds payable		
Including: preferred stocks		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Expected liabilities	1,387,820.00	3,396,100.00
Deferred income		
Deferred income tax liabilities		

Other non-current liabilities	23,568,083.39	23,684,423.74
Subtotal of non-current liabilities	24,955,903.39	27,080,523.74
Total liabilities	4,018,581,378.68	4,789,363,071.16
Shareholders' equity:		
Share capital	2,997,577,730.00	2,997,621,930.00
Other equity instruments		
Including: preferred stocks		
Perpetual bonds		
Capital reserves	1,541,000,010.41	1,497,801,068.88
Less: treasury share	807,372,472.00	807,733,586.00
Other comprehensive incomes		
Special reserves		
Surplus reserves	1,246,369,430.91	1,246,369,430.91
Undistributed profits	8,268,860,048.07	7,930,928,526.31
Total shareholders' equity	13,246,434,747.39	12,864,987,370.10
Total liabilities and shareholders' equity	17,265,016,126.07	17,654,350,441.26

### 3. Consolidated Income Statement

Unit: RMB

Item	This period's amount of occurrence	Previous period's amount of occurrence
I. Total operating income	4,347,918,104.26	3,617,652,691.40
Including: operating income	4,347,918,104.26	3,617,652,691.40
Interest income		
Earned premiums		
Service charge and commission income		
II. Total operating cost	4,251,849,773.85	3,408,142,945.83
Including: operating cost	2,719,715,306.27	2,207,716,754.78
Interest expenses		
Service charge and commission expenses		
Surrender value		
Net claims paid		
Net amount withdrawn for insurance contract reserves		

Policyholder dividend expense		
Reinsurance cost		
Taxes and surcharges	23,874,799.92	20,096,268.10
Sales cost	655,869,241.60	565,570,425.04
Administration cost	148,771,651.74	99,939,115.39
R&D cost	541,327,378.49	367,136,026.47
Financial cost	117,284,844.28	120,852,117.44
Including: interest cost	35,426,066.33	18,433,356.21
Interest income	39,467,635.58	26,376,191.13
Loss from impairment of assets	45,006,551.55	26,832,238.61
Loss from impairment of credit		
Add: other incomes	193,253,518.07	128,684,631.99
Investment income (Mark "-" for loss)	-9,778,727.73	-10,440,741.57
Including: investment gains from affiliates and joint ventures	-782,168.13	-11,061,652.58
Exchange gains (Mark "-" for loss)		
Net hedging gains from exposures (Mark "-" for loss)		
Gains from changes in fair value (Mark "-" for loss)	34,436,817.76	2,692,200.00
Asset disposal gains (Mark "-" for loss)		-13,523.79
III. Operating profit (Mark "-" for loss)	313,979,938.51	330,432,312.20
Add: non-operating income	6,715,442.18	2,133,831.13
Less: non-operating expense	512,570.47	1,235,146.38
IV. Total profit (Mark "-" for total loss)	320,182,810.22	331,330,996.95
Less: income tax cost	14,762,513.41	34,942,391.53
V. Net profit (Mark "-" for net loss)	305,420,296.81	296,388,605.42
(I) Classified by operation continuity		
1. Net profit from continuing operation (Mark "-" for net loss)	305,420,296.81	296,388,605.42
2. Net profit from discontinued operation (Mark "-" for net loss)		
(II) Classified by ownership		
1. Net profit attributable to the owners of the parent company	316,343,906.02	295,523,140.67
2. Minority shareholders' profit and loss	-10,923,609.21	865,464.75

VI. Net amount of other comprehensive incomes after taxes	11,199,155.65	5,546,042.67
Net amount of other comprehensive incomes after taxes attributable to the owners of the parent company	11,199,155.65	5,546,042.67
(I) Other comprehensive incomes that cannot be reclassified as profit and loss		
1. Changes resulting from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profit and loss under the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified as profit and loss	11,199,155.65	5,546,042.67
1. Other comprehensive incomes that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other investments on creditor's rights		
3. Profits and losses from changes in fair value of available-for-sale financial assets		
4. Amount of financial assets reclassified as other comprehensive incomes		
5. Profits and losses from held-to-maturity investments reclassified as available-for-sale financial assets		
6. Other provisions for the impairment of credit in investments on creditor's rights		
7. Hedging reserves for cash flow		
8. Difference from the conversion of foreign currency statements	11,199,155.65	5,546,042.67
9. Others		
Net amount of other comprehensive incomes		

after taxes attributable to minority shareholders		
VII. Total comprehensive income	316,619,452.46	301,934,648.09
Total comprehensive income attributable to the owners of the parent company	327,543,061.67	301,069,183.34
Total comprehensive income attributable to minority shareholders	-10,923,609.21	865,464.75
VIII. Earnings per share:		
(I) Basic earnings per share	0.11	0.10
(II) Diluted earnings per share	0.11	0.10

For statement consolidation for the enterprises under the same control in this period, the net profit realized by the consolidated party before the consolidation is: RMB. The net profit realized by the consolidated party in previous period is: RMB.

Legal representative: Fu Liquan    Person in charge of accounting: Wei Meizhong    Person in charge of the accounting institution: Xu Qiaofen

#### 4. Income Statement of the Parent Company

Unit: RMB

Item	This period's amount of occurrence	Previous period's amount of occurrence
I. Operating income	1,160,709,728.28	1,458,256,770.27
Less: operating cost	111,231,656.05	415,219,943.24
Taxes and surcharges	13,406,573.12	15,120,966.67
Sales cost	327,870,861.50	309,704,200.14
Administration cost	81,251,635.80	44,795,649.77
R&D cost	456,283,172.66	318,585,135.77
Financial cost	15,403,187.19	-17,699,076.75
Including: interest cost	25,906,898.88	6,101,362.80
Interest income	10,767,232.85	23,796,931.31
Loss from impairment of assets	-5,848,611.97	2,264,906.05
Loss from impairment of credit		
Add: other incomes	182,806,535.54	121,175,350.16
Investment income (Mark "-" for loss)	1,320,536.95	-10,475,553.89
Including: investment gains from affiliates and joint ventures	-60,631.89	-11,061,652.58
Net hedging gains from		

exposures (Mark "-" for loss)		
Gains from changes in fair value (Mark "-" for loss)		
Asset disposal gains (Mark "-" for loss)		-13,523.79
II. Operating profit (Mark "-" for loss)	345,238,326.42	480,951,317.86
Add: non-operating income	1,881,023.83	1,866,412.07
Less: non-operating expense	282,834.14	70,622.62
III. Total profit (Mark "-" for total loss)	346,836,516.11	482,747,107.31
Less: income tax cost	8,904,994.35	55,047,331.08
IV. Net profit (Mark "-" for net loss)	337,931,521.76	427,699,776.23
(I) Net profit from continuing operation (Mark "-" for net loss)	337,931,521.76	427,699,776.23
(II) Net profit from discontinued operation (Mark "-" for net loss)		
V. Net amount of other comprehensive incomes after taxes		
(I) Other comprehensive incomes that cannot be reclassified as profit and loss		
1. Changes resulting from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be transferred to profit and loss under the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes that will be reclassified as profit and loss		
1. Other comprehensive incomes that can be transferred to profit and loss under the equity method		
2. Changes in fair value of		

other investments on creditor's rights		
3. Profits and losses from changes in fair value of available-for-sale financial assets		
4. Amount of financial assets reclassified as other comprehensive incomes		
5. Profits and losses from held-to-maturity investments reclassified as available-for-sale financial assets		
6. Other provisions for the impairment of credit in investments on creditor's rights		
7. Hedging reserves for cash flow		
8. Difference from the conversion of foreign currency statements		
9. Others		
VI. Total comprehensive income	337,931,521.76	427,699,776.23
VII. Earnings per share:		
(I) Basic earnings per share	0.12	0.15
(II) Diluted earnings per share	0.12	0.15

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	This period's amount of occurrence	Previous period's amount of occurrence
I. Cash flow from operational activities:		
Cash from sales of merchandise and provision of services	5,084,524,142.75	4,211,360,373.46
Net increase in customer's bank deposit and interbank deposit		
Net increase in borrowings from the Central Bank		
Net increase in borrowings from other financial institutions		

Cash from receiving premiums for the original insurance contract		
Net amount from reinsurance business		
Net increase in deposits and investments from policyholders		
Net increase in financial assets measured at fair value with changes recognized into current profit and loss		
Cash from interests, service charges and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in repurchase business fund		
Net cash from receiving from vicariously traded securities		
Tax refund	458,798,417.38	415,701,884.80
Other received cashes related to operational activities	38,953,212.45	40,712,592.60
Subtotal of cash inflow from operational activities	5,582,275,772.58	4,667,774,850.86
Cash paid for merchandise and services	4,827,278,072.02	3,781,495,185.28
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in financial assets held for trading purpose		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, service charges and commissions		
Cash paid for policy dividends		



Cash paid to and for employees	1,591,249,215.21	1,247,603,790.17
Cash paid for taxes and surcharges	517,455,490.85	392,555,916.83
Other cashes paid for operational activities	374,780,207.41	532,415,118.72
Subtotal of cash outflow from operational activities	7,310,762,985.49	5,954,070,011.00
Net cash flow from operational activities	-1,728,487,212.91	-1,286,295,160.14
II. Cash flow from investment activities:		
Cash from disposal of investments		106,300,000.00
Cash from investment gains	21,168.84	620,911.02
Net cash from disposal of fixed assets, intangible assets and other long-term assets	3,514,007.57	164,288.72
Net cash from disposal of subsidiaries and other business units		
Other received cashes related to investment activities	2,853,407.03	
Subtotal of cash inflow from investment activities	6,388,583.44	107,085,199.74
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	134,928,482.99	101,042,468.25
Cash paid for investments	12,200,000.00	126,300,000.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		93,019,565.77
Other cashes paid for investment activities	19,920,975.30	80,892,025.18
Subtotal of cash outflow from investment activities	167,049,458.29	401,254,059.20
Net cash flow from investment activities	-160,660,874.85	-294,168,859.46
III. Cash flow from financing activities:		
Cash from absorbing investments	15,949,250.00	4,400,000.00
Including: cash from subsidiaries	15,949,250.00	4,400,000.00

absorbing investments by minority shareholders		
Cash from borrowings	2,694,932,981.06	1,723,234,241.10
Cash from bond issue		
Other received cashes related to financing activities	705,446,141.85	223,726,180.00
Subtotal of cash inflow from financing activities	3,416,328,372.91	1,951,360,421.10
Cash paid for debts repayment	1,536,335,296.99	1,073,430,976.54
Cash paid for distribution of dividends and profits or payment of interests	25,649,072.19	16,748,941.37
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cashes paid for financing activities	741,523,904.02	547,214,999.99
Subtotal of cash outflow from financing activities	2,303,508,273.20	1,637,394,917.90
Net cash flow from financing activities	1,112,820,099.71	313,965,503.20
IV. Impact of fluctuation in exchange rates on cash and cash equivalents	-38,821,971.01	-10,211,961.36
V. Net increase in cash and cash equivalents	-815,149,959.06	-1,276,710,477.76
Add: cash and cash equivalents at the start of the period	3,702,283,803.54	3,062,678,993.88
VI. Cash and cash equivalents at the end of the period	2,887,133,844.48	1,785,968,516.12

## 6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	This period's amount of occurrence	Previous period's amount of occurrence
I. Cash flow from operational activities:		
Cash from sales of merchandise and provision of services	1,237,857,022.90	2,898,163,592.45
Tax refund	178,394,009.37	119,875,350.16

Other received cashes related to operational activities	11,635,775.73	4,401,729.41
Subtotal of cash inflow from operational activities	1,427,886,808.00	3,022,440,672.02
Cash paid for merchandise and services	238,102,377.98	475,265,943.57
Cash paid to and for employees	1,085,112,295.39	850,389,026.13
Cash paid for taxes and surcharges	296,316,540.83	248,509,633.49
Other cashes paid for operational activities	224,380,235.96	256,284,196.59
Subtotal of cash outflow from operational activities	1,843,911,450.16	1,830,448,799.78
Net cash flow from operational activities	-416,024,642.16	1,191,991,872.24
II. Cash flow from investment activities:		
Cash from disposal of investments		100,300,000.00
Cash from investment gains	21,168.84	586,098.69
Net cash from disposal of fixed assets, intangible assets and other long-term assets	11,510,391.55	1,774,332.18
Net cash from disposal of subsidiaries and other business units		
Other received cashes related to investment activities	8,041,013.16	
Subtotal of cash inflow from investment activities	19,572,573.55	102,660,430.87
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	57,245,412.46	15,115,419.84
Cash paid for investments	89,195,750.00	314,992,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cashes paid for investment activities		
Subtotal of cash outflow from investment activities	146,441,162.46	330,107,419.84
Net cash flow from investment	-126,868,588.91	-227,446,988.97

activities		
III. Cash flow from financing activities:		
Cash from absorbing investments		
Cash from borrowings	1,213,811,815.43	400,000,000.00
Cash from bond issue		
Other received cashes related to financing activities	360,369,553.55	99,088,354.50
Subtotal of cash inflow from financing activities	1,574,181,368.98	499,088,354.50
Cash paid for debts repayment	546,970,000.00	200,000,000.00
Cash paid for distribution of dividends and profits or payment of interests	16,701,289.76	5,127,142.86
Other cashes paid for financing activities	928,248,678.61	1,691,125,187.17
Subtotal of cash outflow from financing activities	1,491,919,968.37	1,896,252,330.03
Net cash flow from financing activities	82,261,400.61	-1,397,163,975.53
IV. Impact of fluctuation in exchange rates on cash and cash equivalents	-155,662.94	-315,485.45
V. Net increase in cash and cash equivalents	-460,787,493.40	-432,934,577.71
Add: cash and cash equivalents at the start of the period	603,430,209.42	524,670,812.68
VI. Cash and cash equivalents at the end of the period	142,642,716.02	91,736,234.97

## II. Adjustments to Financial Statements

### 1. Adjustment to financial statements at the beginning of the year during the implementation of new accounting standards for financial instruments, new income standards or new lease standards for the first time

Applicable  Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2018	January 1, 2019	Adjusted amount
Current assets:			

Monetary fund	4,160,153,847.06	4,160,153,847.06	
Notes receivable and accounts receivable	12,577,066,194.44	12,577,066,194.44	
Including: notes receivable	2,385,693,417.06	2,385,693,417.06	
Accounts receivable	10,191,372,777.38	10,191,372,777.38	
Pre-payments	126,891,259.00	126,891,259.00	
Other receivables	398,170,769.40	398,170,769.40	
Including: interests receivable	6,754,941.00	6,754,941.00	
Inventory	3,035,579,709.14	3,035,579,709.14	
Non-current assets due within 1 year	578,733,057.27	578,733,057.27	
Other current assets	402,255,078.05	402,255,078.05	
Subtotal of current assets	21,278,849,914.36	21,278,849,914.36	
Non-current assets:			
Financial assets available for sale	82,970,227.00	NA	-82,970,227.00
Long-term receivables	1,861,485,568.28	1,861,485,568.28	
Long-term equity investment	185,872,021.58	185,872,021.58	
Other non-current financial assets	NA	82,970,227.00	82,970,227.00
Investment properties	346,831,376.55	346,831,376.55	
Fixed assets	1,407,471,330.83	1,407,471,330.83	
Projects under construction	226,191,587.11	226,191,587.11	
Intangible assets	372,467,409.09	372,467,409.09	
Goodwill	109,745,412.21	109,745,412.21	
Long-term prepaid expenses	37,117,918.55	37,117,918.55	
Deferred income tax assets	425,319,406.98	425,319,406.98	
Other non-current assets	16,277,605.61	16,277,605.61	
Subtotal of non-current assets	5,071,749,863.79	5,071,749,863.79	
Total assets	26,350,599,778.15	26,350,599,778.15	

Current liabilities:			
Short-term loan	1,851,709,561.83	1,851,709,561.83	
Trading financial liabilities	NA	38,602,602.30	38,602,602.30
Financial liabilities measured at fair value with changes recognized into current profit and loss	38,602,602.30	NA	-38,602,602.30
Notes payable and accounts payable	7,461,315,698.99	7,461,315,698.99	
Received pre-payments	343,297,891.20	343,297,891.20	
Payroll payable	1,124,358,611.94	1,124,358,611.94	
Tax payable	599,478,049.81	599,478,049.81	
Other payables	1,051,537,094.97	1,051,537,094.97	
Including: interests payable	4,745,203.31	4,745,203.31	
Non-current liabilities due within 1 year	25,500,000.00	25,500,000.00	
Other current liabilities	70,845,639.51	70,845,639.51	
Subtotal of current liabilities	12,566,645,150.55	12,566,645,150.55	
Non-current liabilities:			
Long-term loan	179,000,000.00	179,000,000.00	
Expected liabilities	193,761,170.12	193,761,170.12	
Deferred income	58,693,533.40	58,693,533.40	
Deferred income tax liabilities	50,137,969.76	50,137,969.76	
Other non-current liabilities	399,096,280.89	399,096,280.89	
Subtotal of non-current liabilities	880,688,954.17	880,688,954.17	
Total liabilities	13,447,334,104.72	13,447,334,104.72	
Shareholders' equity:			
Share capital	2,997,621,930.00	2,997,621,930.00	
Capital reserves	1,501,180,862.83	1,501,180,862.83	
Less: treasury share	807,733,586.00	807,733,586.00	
Other comprehensive incomes	10,337,164.41	10,337,164.41	

Surplus reserves	1,246,369,430.91	1,246,369,430.91	
Undistributed profits	7,670,983,116.33	7,670,983,116.33	
Total shareholders' equity attributable to the parent company	12,618,758,918.48	12,618,758,918.48	
Minority shareholders' equity	284,506,754.95	284,506,754.95	
Total shareholders' equity	12,903,265,673.43	12,903,265,673.43	
Total liabilities and shareholders' equity	26,350,599,778.15	26,350,599,778.15	

## Notes

In accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets and Accounting Standards for Business Enterprises No. 24 - Hedge Accounting promulgated by the Ministry of Finance on March 31, 2017 and the Accounting Standard for Business Enterprises No. 37 - Presentation of Financial Instruments revised and published by the Ministry of Finance on May 2, 2017 (collectively referred to as the "New Accounting Standards for Financial Instruments"), domestic listed companies are required to implement accordingly starting from January 1, 2019.

According to the requirements in the above revised accounting standards, the Company started to implement the new standards since January 1, 2019. The Company adjusted the items previously listed as financial liabilities measured at fair value with changes recognized into current profit and loss to trading financial liabilities; the equity investment measured using cost method and listed as available-for-sale financial assets to other non-current financial assets.

## Balance Sheet of the Parent Company

Unit: RMB

Item	December 31, 2018	January 1, 2019	Adjusted amount
Current assets:			
Monetary fund	611,190,236.01	611,190,236.01	
Notes receivable and accounts receivable	5,551,148,625.96	5,551,148,625.96	
Including: notes receivable	952,572,702.92	952,572,702.92	
Accounts receivable	4,598,575,923.04	4,598,575,923.04	
Pre-payments	26,772,044.53	26,772,044.53	
Other receivables	6,954,655,863.03	6,954,655,863.03	
Including: interests receivable	42,500.00	42,500.00	
Inventory	120,181,267.85	120,181,267.85	

Non-current assets due within 1 year	50,793,137.80	50,793,137.80	
Other current assets	24,858,982.78	24,858,982.78	
Subtotal of current assets	13,339,600,157.96	13,339,600,157.96	
Non-current assets:			
Financial assets available for sale	80,496,000.00	NA	-80,496,000.00
Long-term receivables	160,299,143.83	160,299,143.83	
Long-term equity investment	3,001,639,428.55	3,001,639,428.55	
Other non-current financial assets	NA	80,496,000.00	80,496,000.00
Investment properties	183,321,198.72	183,321,198.72	
Fixed assets	496,363,638.38	496,363,638.38	
Projects under construction	151,072,585.67	151,072,585.67	
Intangible assets	170,879,747.04	170,879,747.04	
Long-term prepaid expenses	28,927,258.54	28,927,258.54	
Deferred income tax assets	40,821,902.57	40,821,902.57	
Other non-current assets	929,380.00	929,380.00	
Subtotal of non-current assets	4,314,750,283.30	4,314,750,283.30	
Total assets	17,654,350,441.26	17,654,350,441.26	
Current liabilities:			
Short-term loan	1,380,000,000.00	1,380,000,000.00	
Notes payable and accounts payable	1,065,528,900.01	1,065,528,900.01	
Received pre-payments	80,361,211.04	80,361,211.04	
Payroll payable	817,723,936.19	817,723,936.19	
Tax payable	351,294,836.50	351,294,836.50	
Other payables	1,060,909,330.56	1,060,909,330.56	
Including: interests payable	2,416,340.30	2,416,340.30	
Other current liabilities	6,464,333.12	6,464,333.12	
Subtotal of current liabilities	4,762,282,547.42	4,762,282,547.42	



Non-current liabilities:			
Expected liabilities	3,396,100.00	3,396,100.00	
Other non-current liabilities	23,684,423.74	23,684,423.74	
Subtotal of non-current liabilities	27,080,523.74	27,080,523.74	
Total liabilities	4,789,363,071.16	4,789,363,071.16	
Shareholders' equity:			
Share capital	2,997,621,930.00	2,997,621,930.00	
Capital reserves	1,497,801,068.88	1,497,801,068.88	
Less: treasury share	807,733,586.00	807,733,586.00	
Surplus reserves	1,246,369,430.91	1,246,369,430.91	
Undistributed profits	7,930,928,526.31	7,930,928,526.31	
Total shareholders' equity	12,864,987,370.10	12,864,987,370.10	
Total liabilities and shareholders' equity	17,654,350,441.26	17,654,350,441.26	

Notes

## 2. Explanation on the retroactive adjustment to previous comparative data during the implementation of new accounting standards for financial instruments and new lease standards for the first time

Applicable  Not applicable

### III. Audit Report

Whether the Q1 report has been audited

Yes  No

The Q1 report of the Company has not been audited yet.

Board of Directors of Zhejiang Dahua Technology Co., Ltd.

Chairman: Fu Liquan

April 26, 2019