

Shenzhen SEG Co., Ltd.

Q1 2019 Report

Notice No.:2019-051

April 2019

Chapter 1 Important Notice

The Board of Directors, the Board of Supervisors, the directors, the supervisors, and the senior executives guarantee that the quarterly report is authentic, accurate, and complete and that it has no false records, misleading statements or major omissions and they undertake joint and several legal liabilities.

All directors other than the following directors have attended this board meeting to review the annual report.

Name of director not present	Position of director not present	Reason for absence	Name of proxy
Gao Jianbai	Director	For work	Chen Huijie
Song Pingping	Independent director	For work	Fan Zhiqing
Zhang Yuwang	Director	For work	Chen Huijie
Zhang Liang	Director	For work	Xu Laping

Chairman of the Board Chen Huijie, Chief Financial Officer Yan Dongxia, and the responsible person of the accounting institution (accountant in charge) Yan Dongxia hereby declare that the Financial statements enclosed in this quarterly report are true, accurate and complete.

Chapter 2 Basic Information about the Company

I. Major accounting data and financial indexes

Are retrospective adjustments made to previous financial statements?

Yes No

	Amount of the reporting period	Amount of the same period of the previous year	Year-on-year increase/decrease in the reporting period
Operating revenue (yuan)	376,087,480.56	391,140,155.46	-3.85%
Net profit attributable to shareholders of the listed company (yuan)	60,097,292.93	62,622,931.80	-4.03%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	15,160,088.23	27,128,268.89	-44.12%
Net cash flow arising from operating activities (yuan)	-10,122,641.51	-1,165,334.33	
Basic EPS (yuan/share)	0.0486	0.0507	-4.14%
Diluted EPS (yuan/share)	0.0486	0.0507	-4.14%
Weighted average ROE	2.41%	2.40%	0.01%
	Amount at the end of the reporting period	Amount at the end of the previous year	Year-on-year increase/decrease in the reporting period
Total assets (yuan)	6,628,767,304.85	7,128,009,738.20	-7.00%
Net assets attributable to shareholders of the listed company (yuan)	1,920,074,451.41	1,867,881,216.44	2.79%

Items and amount of non-recurring gains and losses

Applicable Not Applicable

Unit: yuan

Item	Amount from the beginning of year to the end of the period	Remarks
Profit or loss on disposal of non-current assets (including the write-off of assets depreciation reserves)	55,036,051.26	Income from reduction of holding-shares of Huakong SEG
Government subsidies recognized in current profit or loss (except those closely related to corporate business and enjoyed according to national standards or certain quota)	474,999.99	Support project fund for the construction of Nantong SEG electronics market

Profit and loss from commissioned investment or asset management	4,806,398.41	
Other items conforming to the definition of non-recurring profit and loss	349,538.55	
Less: Amount of affected income tax	15,166,747.05	
Amount of influence of minority shareholders' equity (after tax)	563,036.46	
Total	44,937,204.70	--

An explanation shall be made with regard to the Company's considerations for defining non-recurring profit and loss according to the *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profit and Loss* and the reason of classifying the non-recurring profit and loss listed in this announcement as recurring.

Applicable Not applicable

In the reporting period, no item of non-recurring profit and loss defined and listed according to the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Profit and Loss* is defined as an item of recurring profit and loss.

II. Total number of shareholders and shares held by top 10 shareholders at the end of the reporting period

1. Total number of ordinary shareholders and preferred shareholders restored with voting rights and shares held by top 10 shareholders

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	70,146	Total number of preferred shareholders restored with the voting rights (if any)	0			
Shares held by top 10 shareholders						
Name of shareholder	Nature of shareholder	Proportion of shareholding	Shares held	Quantity of restricted shares held	Information on pledged or frozen shares	
					Share status	Quantity
Shenzhen SEG Group Co., Ltd.	State-owned legal person	56.70%	700,628,759	450,857,239		
Shenzhen Rongchao Investment Development Co., Ltd.	Domestic non-state-owned legal person	0.62%	7,660,000	0		
Liu Guocheng	Domestic natural person	0.57%	7,052,702	0		
Liu Guohong	Domestic natural person	0.26%	3,234,898	0		

Gong Qianhua	Overseas natural person	0.24%	2,940,000	0		
Shanghai Juzhang Investment Management Co., Ltd.	Domestic non-state-owned legal person	0.21%	2,652,541	0		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	0.18%	2,271,900	0		
Xu Yueying	Domestic natural person	0.14%	1,760,000	0		
China Hi-tech Group Corporation	State-owned legal person	0.12%	1,500,000	0		
Chongqing International Trust Co., Ltd. - Yuxin Chuangxin Youshi No. 12 Assembled Funds Trust	Others	0.10%	1,220,000	0		
Information on top 10 shareholders of non-restricted shares						
Name of shareholder	Quantity of unrestricted ordinary shares held	Type of share				
		Type of share	Quantity			
Shenzhen SEG Group Co., Ltd.	249,771,520	RMB ordinary shares	249,771,520			
Shenzhen Rongchao Investment Development Co., Ltd.	7,660,000	RMB ordinary shares	7,660,000			
Liu Guocheng	7,052,702	Domestically listed foreign shares	7,052,702			
Liu Guohong	3,234,898	Domestically listed foreign shares	3,234,898			
Gong Qianhua	2,940,000	Domestically listed foreign shares	2,940,000			
Shanghai Juzhang Investment Management Co., Ltd.	2,652,541	RMB ordinary shares	2,652,541			
China Securities Finance Corporation Limited	2,271,900	RMB ordinary shares	2,271,900			
Xu Yueying	1,760,000	Domestically listed foreign shares	1,760,000			
China Hi-tech Group Corporation	1,500,000	RMB ordinary shares	1,500,000			
Chongqing International Trust Co., Ltd. - Yuxin Chuangxin Youshi No. 12 Assembled Funds Trust	1,220,000	RMB ordinary shares	1,220,000			
Explanations on the association relationship or concerted action among the	Shenzhen SEG Group Co., Ltd. has no association relationship with other shareholders and is not a person acting in concert with other shareholders as specified in the <i>Management Methods for Disclosure of Information on Changes of</i>					

above-mentioned shareholders	<i>Shareholding Status of Shareholders of Listed Companies</i> . It is unclear whether other shareholders are persons acting in concert.
Information on top 10 ordinary shareholders participating in securities margin trading (if any)	None.

Did top 10 ordinary shareholders of the Company or top 10 ordinary shareholders of non-restricted shares conduct agreed repurchase transactions in the reporting period?

Yes No

Top 10 ordinary shareholders of the Company or top 10 ordinary shareholders of non-restricted shares did not conduct agreed repurchase transactions in the reporting period.

2. Total number of preferred shareholders and shares held by top 10 preferred shareholders

Applicable Not applicable

Chapter 3 Important Matters

I. Changes in main financial data and financial indicators of the reporting period and reasons

√ Applicable □ Not applicable

(I) Items of the Consolidated Balance Sheet Statement

Unit: RMB/Yuan

Item	Closing balance	Opening balance	Difference	Increase/decrease year on year (%)
Monetary funds	1,230,137,703.98	1,757,492,816.67	-527,355,112.69	-30.01%
Notes receivable and accounts receivable	74,163,820.86	54,426,228.11	19,737,592.75	36.26%
Prepayment	1,542,058.75	2,701,718.53	-1,159,659.78	-42.92%
Payroll payable	30,080,168.48	44,065,725.59	-13,985,557.11	-31.74%
Taxes payable	171,476,588.03	121,045,597.93	50,430,990.10	41.66%
Other payables	588,676,374.70	1,021,673,905.77	-432,997,531.07	-42.38%

1. Monetary funds decreased by RMB 527,355,112.69 or 30.01% over the beginning of the period, mainly due to repayment of the restructuring consideration to SEG Group and bank loans.
2. Notes receivable and accounts receivable increased by RMB 19,737,592.75 or 36.26% over the beginning of the period, mainly because SEG Property Management accrued the management expenses of RMB 20,527,800.
3. Prepayment decreased by RMB 1,159,659.78 or 42.92% over the beginning of the period, mainly due to business contraction of SEG Industrial in the reporting period.
4. Payroll payable decreased by RMB 13,985,557.11 or 31.74% over the beginning of the period, mainly because the company granted part of salaries and bonuses accrued in the previous year.
5. Taxes payable increased by RMB 50,430,990.10 or 41.66% over the beginning of the period, mainly because SEG New Urban incurred the land VAT for property sales of RMB 21 million and the Company incurred the enterprise income tax of RMB 9,246,600 for sales of shares of Huakong SEG.
6. Other payables decreased by RMB 432,997,531.07 or 42.38% over the beginning of the period, mainly due to repayment of the restructuring consideration to SEG Group.

(II) Items of the Consolidated Profit Statement

Unit: RMB/Yuan

Item	Amount for the current period	Amount of the same period of the previous year	Difference	Increase/decrease year on year (%)
Interest income	0.00	5,020,857.08	-5,020,857.08	-100.00%
Service charges and commissions	0.00	223,839.96	-223,839.96	-100.00%

income				
Tax and surcharges	31,785,231.34	10,239,902.06	21,545,329.28	210.41%
Sale expenses	5,180,963.20	7,610,500.75	-2,429,537.55	-31.92%
Financial expenses	23,195,019.91	15,524,536.56	7,670,483.35	49.41%
Loss from asset impairment	0.00	3,428,150.12	-3,428,150.12	-100.00%
Non-operating revenue	1,059,075.24	1,567,854.35	-508,779.11	-32.45%
Non-operating expenses	234,536.70	4,264,049.51	-4,029,512.81	-94.50%

- Interest income decreased by RMB 5,020,857.08 or 100% year on year, mainly because the equity of SEG Credit was sold in the previous year and such income was not generated in the reporting period.
- Service charges and commissions income decreased by RMB 223,839.96 or 100% year on year, mainly because the equity of SEG Credit was sold in the previous year and such income was not generated in the reporting period.
- Tax and surcharges increased by RMB 21,545,329.28 or 210.41% year on year, mainly because SEG New Urban incurred the land VAT for property sales of RMB 21 million.
- Sale expenses decreased by RMB 2,429,537.55 or 31.92% year on year, mainly because the sales agent expense paid by SEG New Urban decreased by RMB 1.55 million year on year and the advertising expenses paid by Nantong SEG and Huizhou Stars decreased by RMB 670 thousand year on year.
- Financial expenses increased by RMB 7,670,483.35 or 49.41% year on year, mainly because the interest of RMB 9,088,400 was incurred due to issue of corporate bonds of RMB 800 million.
- Loss from asset impairment decreased by RMB 3,428,150.12 year on year, mainly because SEG Credit accrued the provision for loan loss in the same the period of the previous year and there is no such impairment in the reporting period as SEG Credit has been sold.
- Non-operating revenue decreased by RMB 508,779.11 or 32.45% year on year, mainly because SEG Property Development received the subsidy of RMB 666,200 for facade renovation of SEG Plaza in the same the period of the previous year and no such income was generated in the reporting period.
- Non-operating expenses decreased by RMB 4,029,512.81 or 94.50% year on year, mainly because SEG Real Estate paid for termination of a contract (2017 Y. 0307 M. C. No. 6835) in the same the period of the previous year.

(III) Items of the Consolidated Cash Flow Statement

Unit: RMB/Yuan

Item	Amount for the current period	Amount for the same period of the previous year (adjusted)	Difference	Increase/decrease year on year (%)
Cash received from interest, handling charges and commissions	371,052.26	4,661,395.77	-4,290,343.51	-92.04%
Cash paid for goods and service	104,282,449.76	244,997,988.68	-140,715,538.92	-57.44%
Net increase in loans to customers and advances	0.00	-16,784,988.00	16,784,988.00	
Taxes paid	37,114,103.27	70,845,921.44	-33,731,818.17	-47.61%
Net cash received from disposal of subsidiaries and other business units	0.00	-3,394,971.91	3,394,971.91	

Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	4,150,185.67	32,963,785.60	-28,813,599.93	-87.41%
Cash paid for investment	793,128,340.34	350,880,000.00	442,248,340.34	126.04%
Cash received from absorbing investment	0.00	980,000.00	-980,000.00	-100.00%
Cash received from borrowings	250,000,000.00	152,000,000.00	98,000,000.00	64.47%
Cash paid for debt repayment	375,632,579.00	281,320,347.76	94,312,231.24	33.52%
Cash paid for dividend and profit distribution or interest payment	8,805,931.09	12,986,315.44	-4,180,384.35	-32.19%

- Cash received from interest, handling charges and commissions decreased by RMB 4,290,343.51 or 92.04% year on year, mainly because the equity of SEG Credit has been transferred in the reporting period and no loan was incurred.
- Cash paid for goods and service decreased by RMB 140,715,538.92 or 57.44% year on year, mainly because the projects of Nantong SEG and SEG New Urban have been completed and the expenditure decreased by RMB 141,325,500 year on year.
- Net increase in loans to customers and advances decreased by RMB 16,784,988.00 year on year, mainly because no loan was incurred in the reporting period.
- Taxes paid decreased by RMB 33,731,818.17 or 47.61% year on year, mainly because taxes paid by SEG Real Estate decreased by RMB 29,478,700 year on year.
- Net cash received from disposal of subsidiaries and other business units decreased by RMB 3,394,971.91 year on year, mainly because no subsidiaries and other business units were disposed of in the reporting period.
- Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets decreased by RMB 28,813,599.93 or 87.41%, mainly because this item included the prepayment for equipment by Shenzhen-Shantou Longyan last year.
- Cash paid for investment increased by RMB 442,248,340.34 or 126.04% year on year, mainly because repayment of the restructuring consideration of RMB 375,626,200 to SEG Group.
- Cash received from absorbing investment decreased by RMB 980,000.00 or 100% year on year, mainly because the company acquired the investment from minority shareholders of SEG Yicheng in the same period of the previous year.
- Cash received from borrowings increased by RMB 98,000,000.00 or 64.47% year on year, mainly because borrowings increased in the reporting period.
- Cash paid for debt repayment increased by RMB 94,312,231.24 or 33.52% year on year, mainly because loan repayment increased in the reporting period.
- Cash paid for dividend and profit distribution or interest payment decreased by RMB 41,803,843,500 or 32.19% year on year, mainly because SEG Credit paid the interest of RMB 2,996,600 in the same period of the previous year and this expenditure was not incurred in the reporting period.

II. Progress and impacts of major events and analysis of solutions

√ Applicable □ Not applicable

Overview of major events	Disclosure date	Inquiry index for the websites disclosing the temporary reports
1. Progress of breach of contract by the holding sub-subsidiary SEG New Urban	April 30, 2019	http://www.cninfo.com.cn <i>Annual Report of 2018 of Shenzhen SEG</i>

Due to such force majeure as severe weather, the construction of the ECO project developed by the holding sub-subsidiary SEG New Urban was affected, resulting in breach of contract with 585 owners (of which 29 owners filed lawsuits). As of the end of the reporting period, SEG New Urban has reached a compromise with 417 owners.		<i>Co., Ltd.</i>
	January 3, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 10, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 17, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 24, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 31, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	February 14, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	February 28, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	March 7, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	March 21, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
March 28, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding</i>	

		<i>Sub-subsidiary</i>
<p>2. Dispute over the lease contract arose between Nanning Haiqi Real Estate Development Co., Ltd. and Shenzhen SEG Co., Ltd. Case number: 2016 G. 0102 M. C. No. 3653</p> <p>Second instance judgment: Nanning SEG shall pay the liquidated damages of RMB 8 million, pay the attorney fee of RMB 263,000 to Nanning Haiqi, and pay the case acceptance fee of RMB 134,238.</p> <p>The Company has applied for retrial. On July 11, 2018, the Higher People's Court of Guangxi Zhuang Autonomous Region decided to put the case on file. On March 22, 2019, the company received the <i>Civil Ruling Paper</i> served by the Higher People's Court of Guangxi Zhuang Autonomous Region which rejected the re-trial application of the company. Now the case is fulfilled completely.</p>	<p>September 26, 2016</p> <p>August 31, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on Receipt of Court Summons and the Civil Complaint</i></p> <p>http://www.cninfo.com.cn <i>Semi-Annual Report 2018 of Shenzhen SEG Co., Ltd.</i></p>
<p>3. SEG Industrial sued against Shenzhen Wonder Industry Co., Ltd., Liu Guiyun and Liu Yu for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 5092; involved amount: 8,394,100 yuan</p> <p>The first-instance judgment has taken effect. The claims filed by SEG Industrial were basically supported, except that not all of the overdue fine was supported, and SEG Industrial has applied for enforcement with the court.</p> <p>Shenzhen Wonder Industry Co., Ltd. and Liu Yu refused to accept the first instance judgment and applied for re-trial to Shenzhen Intermediate People's Court. On March 4, 2019, the court decided to put the case on file.</p>	<p>September 20, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit Involving Holding Subsidiaries</i></p>
<p>4. SEG Industrial sued against Shenzhen Yixin Zhongtian Technology Co., Ltd., Zhe Shaojun, and Zhao Xiaoyan for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 5088; involved amount: 14,805,700 yuan</p> <p>The first-instance judgment has taken effect. The claims filed by SEG Industrial were basically supported, except that not all of the overdue fine was supported.</p> <p>On January 30, 2019, Shenzhen Yixin Zhongtian Technology Co., Ltd., Zhe Shaojun, and Zhao Xiaoyan applied for re-trial to Guangdong Higher People's Court and the court decided to put the case on file.</p>	<p>September 20, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit Involving Holding Subsidiaries</i></p>
<p>5. SEG Industrial sued against Shenzhen Comnet Technology Co., Ltd., Xiao Qingshan, Zhou Ronghua, Anhua Meishan Small Loan Co., Ltd., and Shenzhen Baiyide</p>	<p>September 20, 2018</p>	<p>http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit</i></p>

Technology Co., Ltd. for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 7976; involved amount: 5,155,400 yuan According to the first-instance judgment, SEG Industrial was the prevailing party. The other party arrested the first-instance judgment and instituted an appeal. The second instance is in progress.		<i>Involving Holding Subsidiaries</i>
6. SEG Industrial sued against Shenzhen Runneng Digital Technology Co., Ltd., Xiao Qingshan, Zhou Ronghua, Anhua Meishan Small Loan Co., Ltd., and Shenzhen Baiyide Technology Co., Ltd. for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 7977; involved amount: 15,345,000 yuan According to the first-instance judgment, SEG Industrial was the prevailing party. The other party arrested the first-instance judgment and instituted an appeal. The second instance is in progress.	September 20, 2018	http://www.cninfo.com.cn Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit Involving Holding Subsidiaries
7. In the reporting period, 16 cases involving Nantong SEG Operation are not settled yet, in which 2 cases are new. Merchants owed the rents and management fees to Nantong SEG Operation, resulting in disputes over lease contracts. Involved amount: 7,813,500 yuan Twelve cases were settled and Nantong SEG Operation was the prevailing party. The remaining four cases are not settled, among which two are on first trial and the other two are on second trial.	August 31, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2018 of Shenzhen SEG Co., Ltd.</i>
In the reporting period, Nantong SEG is involved in 16 cases. In one case, Nantong SEG was the defendant. All lawsuits arise from disputes over the house decoration contract, involving RMB 34,506,300. 12 cases have been settled and are being enforced. One case is under re-trial. Three cases are under second trial.	August 31, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2018 of Shenzhen SEG Co., Ltd.</i>
9. Follow-up on the business transaction between the holding sub-subsidiary SEG New Urban and Shenzhen Zhaocheng Group	February 1, 2019	http://www.cninfo.com.cn <i>Risk Warning on Suspension of Some Bank Accounts of the Holding Sub-subsidiary</i>
	March 2, 2019	http://www.cninfo.com.cn <i>Announcement on the Receipt of the Legal Instrument & the Progress of Suspension of Some Bank Accounts of the Holding Sub-subsidiary</i>
	March 22, 2019	http://www.cninfo.com.cn

		<i>Announcement on Unfreezing Accounts of the Holding Sub-subsidiary</i>
	March 29, 2019	http://www.cninfo.com.cn <i>Risk Warning on the Possibility of the Holding Sub-subsidiary's Liability for Guarantee</i>
	April 16, 2019	http://www.cninfo.com.cn <i>Announcement on the Receipt of the Civil Ruling Paper and the Notice for Assistance in Enforcement</i>
	April 23, 2019	http://www.cninfo.com.cn <i>Risk Warning on Matters Related to the Receipt of the Notice of Contract Termination by the Holding Sub-subsidiary</i>
<p>10. Public offering of corporate bonds</p> <p>To meet the capital needs of the Company during main business development and to further expand financing channels, based on financial and operational status of the Company, the Company planned to publicly issue corporate bonds worth RMB 800 million on Shenzhen Stock Exchange and provided counter-guarantee for mortgage.</p> <p>On January 15, 2019, the corporate bonds (1st issue) of RMB 800 million issued by the Company were listed.</p>	April 30, 2019	http://www.cninfo.com.cn/ 2018 Annual Report
	January 15, 2019	http://www.cninfo.com.cn <i>Announcement on Public Offering of Corporate Bonds (1st Issue) to Qualified Investors in 2018</i>
	February 19, 2019	http://www.cninfo.com.cn <i>Announcement on Contemplated Changes in Details of Repayment Objects of 18 SEG 01 and 18 SEG 02</i>
	February 22, 2019	http://www.cninfo.com.cn <i>Announcement on Contemplated Changes in Details of Repayment Objects of 18 SEG 01 and 18 SEG 02</i>
<p>11. Retirement of Vice General Manager of the Company</p> <p>Hong Xi was removed from Vice General Manager of the Company due to retirement and no longer holds any post in the Company.</p>	January 31, 2019	http://www.cninfo.com.cn <i>Announcement on the Retirement of Vice General Manager of the Company</i>
<p>12. Reduction of Holding-shares of Shenzhen Huakong SEG Co., Ltd.</p>	January 15, 2019	http://www.cninfo.com.cn <i>Announcement on the Resolution of the 1st Extraordinary General Meeting in 2019</i>
	April 24, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of</i>

		<i>Reduction of Holding-shares of Shenzhen Huakong SEG Co., Ltd.</i>
13. Suspension of the Construction Project of the PV Industry Base of Shenzhen-Shantou Special Cooperation & the Connected Transaction Concerning Proposed Transfer of 100% of the Equity of Shenzhen-Shantou Cooperation Zone SEG Longyan Energy Technology Co., Ltd. Held by the Holding Subsidiary	March 12, 2019	http://www.cninfo.com.cn <i>Suggestive Announcement on Suspension of the Construction Project of the PV Industry Base of Shenzhen-Shantou Special Cooperation & the Connected Transaction Concerning Proposed Transfer of 100% of the Equity of Shenzhen-Shantou Cooperation Zone SEG Longyan Energy Technology Co., Ltd. Held by the Holding Subsidiary</i>
14. Leasing of the entire commercial podium of SEG Times Plaza by the wholly-owned subsidiary Nantong SEG Times Plaza Development Co., Ltd. and execution of the lease contract The wholly-owned subsidiary Nantong SEG Times Plaza Development Co., Ltd. and Red Star Macalline Group Corporation Ltd. ("Macalline") entered into the Lease Contract. The Company leased the entire commercial podium of Nantong SEG Times Plaza (with a total area of 57,481 m ²) to Macalline. The lease term is 15 years. The total contract price is RMB 246,731,000.	January 16, 2019	http://www.cninfo.com.cn <i>Announcement on Leasing of the Entire Commercial Podium of SEG Times Plaza by the Wholly-owned Subsidiary Nantong SEG Times Plaza Development Co., Ltd. and Execution of the Lease Contract</i>
15. Payment of the transaction consideration of SEG Group for major assets restructuring According to the major assets restructuring appraisal results and the transaction payment method, 86.90% of the transaction consideration for 55% of equity of SEG Recreation, 100% of equity of SEG Property, 100% of equity of SegMaker, and 79.02% of equity of SEG Real Estate (RMB 4,481,521,000 in total) was paid by non-public offering of shares; 13.10% of the transaction consideration (RMB 675,626,200) was paid in cash. On January 19, 2017, the business registration alteration procedures for the four target companies involved in the major assets restructuring of SEG Group were completed. On February 25, 2017, 450,857,239 A-shares were determined for non-public offering in the major assets restructuring and were listed on March 6, 2017. On March 7, 2019, payment for the consideration of RMB 675,626,200 in cash was completed.	January 18, 2017	http://www.cninfo.com.cn <i>Report of Share Issuance and Cash Payment to Acquire Assets and Raise Supporting Funds & Connected Transaction</i>
	January 25, 2017	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on Transfer of Underlying Assets for Share Issuance and Cash Payment to Acquire Assets and Raise Funds & Connected Transactions</i>
	March 4, 2017	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on Transfer of Underlying Assets for Share Issuance and Cash Payment to Acquire Assets and Raise Funds & Connected Transactions & Public Offering of New Shares</i>

Progress of share repurchase

Applicable Not applicable

Progress of reduction of holding-shares in the form of centralized bidding

Applicable Not applicable

III. Commitments not fulfilled in the reporting period by the actual controller of the Company, shareholders, buyers, or other related parties

√ Applicable □ Not applicable

Commitments	Subject	Type	Content	Commitment date	Commitment term	Performance
Commitment for share reform	Not applicable					
Commitments in the Acquisition Report and the Report of Changes on Equity	Not applicable					
Commitments made at the time of restructuring of assets	Shenzhen SEG Group Co., Ltd.	Other commitment	"After updating and restructuring of SEG Industrial Building, SEG Economy Building, and SEG Recreation Industry Building, the area of added part that belongs to SegMaker, SEG Recreation and SEG Property is 2,855.20 m ² . SEG Group undertakes that the use of the temporary buildings belonged to SegMaker, SEG Recreation and SEG Property will be renewed after expiration of the two-year use duration. In case when, due to failure in renewal of use of temporary buildings, the listed company has any loss or the income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period is lower than the expected compensation, or the listed company has any loss because the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period, SEG Group will compensate the listed company timely and in full amount	August 3, 2016	April 20, 2024	Extended performance (The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such

		<p>according to the following compensation methods:</p> <p>1. SEG Group has made commitments for the performance of the subject company within three years after completion of major asset restructuring. Influence of the updating and restructuring project has been taken into account in the commitments.</p> <p>2. The amount of compensation for the income that is lower than the expected income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = (the predicted accumulated income to the end of the report period - actual accumulated income to the end of the report period) - the compensated amount.</p> <p>3. The loss caused when the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = the dismantling cost and compensation amount related - (the accumulated total income to the time the buildings are dismantled- predicted accumulated income during the predication period). Note: the predicted income refers to the net value remained after the predicted total income from the newly added temporary buildings in the evaluation reports of the subject companies minuses the allocated investment cost during the operating period and the amount influenced by permanent rent termination predicted in the evaluation report. Shenzhen SEG should employ an audit agency with security practice qualification recognized by SEG Group to provide a formal audit report on the compensation methods for the property investment within the compensation scope of the report period within four months at the end of each accounting year during the compensation period. SEG Group should compensate in cash any property investment and compensation items within the</p>			<p>extension application. The renewal application is still under approval and the license for renewal is not obtained yet.)</p>
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			compensation scope of the report period. Shenzhen SEG should calculate the payable compensation amount within 15 working days upon final specific review opinions provided by the audit agency, and send a written notice to SEG Group. Within 30 working days upon receipt of the written notice from Shenzhen SEG, SEG Group should pay the compensation in cash in full amount."			
Commitment made at the time of initial public offerings or refinancing	Not applicable					
Commitment on equity incentives	Not applicable					
Other commitments made to the medium and small shareholders of the Company	Not applicable					
Whether commitments were fulfilled on time	No					
For commitments unfulfilled in the commitment period, specify the reasons for non-fulfillment and further plans	The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such extension application. The renewal application is still under approval and the license for renewal is not obtained yet.					

IV. Estimation of operating results of January-June 2019

Warning of negative estimated accumulated net profit from the beginning of the year to the end of the next reporting period or large fluctuation over the same period of the previous year and causes

□ Applicable √ Not applicable

V. Securities investment

√ Applicable □ Not applicable

Unit: Yuan

Stock type	Stock code	Short form of the security	Initial investment cost	Accounting measurement mode	Opening book value	Profit or loss from changes in fair value in the current period	Accumulative changes in fair value counted into equity	Amount of purchase in the current period	Amount of sales in the current period	Profit or loss in the reporting period	Closing book value	Accounting item	Source of capital
Domestic and overseas shares	600778	Youhao Group	90,405.00	Measurement of fair value	274,287.16		47,787.86	0.00	0.00	0.00	322,075.02	Available-for-sale financial assets	Self-owned capital
Domestic and overseas shares	000068	Huakong SEG	173,687,994.45	Measurement of cost method	139,130,451.09		-184.27		-7,455,408.85	-4,608,463.34	127,066,394.64	Long term equity investment	Self-owned capital
Domestic and overseas shares	832770	SEG Navigations	8,275,321.43	Measurement of cost method	13,515,392.83			0.00	0.00	0.00	13,515,392.83	Available-for-sale financial assets	Self-owned capital
Other securities investment held at the end of the period													-
Total			182,053,720.88	--	152,920,131.08	0.00	47,603.59	0.00	-7,455,408.85	-4,608,463.34	140,903,862.48	-	

VI. Derivative investment

Applicable Not applicable

No derivative investment is involved in the reporting period.

VII. Registration form for investigations, communication and interviews in the reporting period

Applicable Not applicable

Time	Means	Type	Investigation Index
January 7, 2019	Phone call	Individual	Inquire about recent operations of the Company.
January 28, 2019	Phone call	Individual	Inquire about whether the controlling shareholder of the Company SEG Group has pledged stocks of the Company.
January 29, 2019	Phone call	Individual	Inquire about whether the Company will release the performance forecast for 2018.
February 1, 2019	Phone call	Individual	Inquire about lawsuits involving the holding sub-subsiary SEG New Urban and suspension of some bank accounts.
February 27, 2019	Phone call	Organization	Inquire about the progress of suspension of some bank accounts of the holding sub-subsiary SEG New Urban and whether the reason is known.
March 4, 2019	Phone call	Individual	Inquire about the latest number of shareholders of the Company.
March 11, 2019	Phone call	Individual	Consult the latest register of shareholders of the Company.
March 12, 2019	Phone call	Individual	Inquire about equity transfer of Shenzhen-Shantou Longyan.
March 21, 2019	Phone call	Individual	Inquire about the latest number of shareholders of the Company.
March 29, 2019	Phone call	Individual	Inquire about recent operations of the Company.

VIII. Illegal external guarantee

Applicable Not applicable

No illegal external guarantee is involved in the reporting period.

IX. Non-operating capital occupation on the listed company by the controlling shareholders and related parties

Applicable Not applicable

No non-operating capital occupation on the listed company by the controlling shareholders and related parties is involved in the reporting period.

Chapter 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet Statement

Prepared by: Shenzhen SEG Co., Ltd.

March 31, 2019

Unit: Yuan

Item	March 31, 2019	December 31, 2018
Current assets:		
Monetary funds	1,230,137,703.98	1,757,492,816.67
Deposit reservation for balance		
Loans to other banks		
Trading financial assets		
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable and accounts receivable	74,163,820.86	54,426,228.11
Including: Notes receivable		
Accounts receivable	74,163,820.86	54,426,228.11
Advances	1,542,058.75	2,701,718.53
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance deposit receivable		
Other accounts receivable	139,939,762.92	115,570,683.93
Including: Interest receivable	1,063,684.93	1,063,684.93
Dividends receivable	2,000,000.00	2,000,000.00
Redemptory monetary capital for resale		
Inventory	2,620,086,306.94	2,670,294,017.74
Contract assets		
Held-for-sale assets		

Non-current assets due within one year		
Other current assets	532,771,414.44	468,083,201.09
Total current assets	4,598,641,067.89	5,068,568,666.07
Non-current assets:		
Loans and advances issued		
Debt investment		
Financial assets available for sale		34,069,679.99
Other debt investment		
Held-to-maturity investment		
Long-term receivables	19,000,000.00	19,000,000.00
Long-term equity investment	159,455,526.58	172,684,147.74
Other equity instrument investment	34,135,217.63	
Other non-current financial assets		
Investment properties	1,398,792,580.02	1,412,916,851.46
Fixed assets	56,170,824.11	59,351,351.90
Construction in progress	161,470,294.54	151,214,015.76
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	31,224,808.45	32,471,556.32
Development expenses		
Goodwill	0.00	0.00
Long-term expenses to be amortized	67,658,319.56	73,769,436.90
Deferred income tax assets	55,185,914.76	56,931,280.75
Other non-current assets	47,032,751.31	47,032,751.31
Total non-current assets	2,030,126,236.96	2,059,441,072.13
Total assets	6,628,767,304.85	7,128,009,738.20
Current liabilities:		
Short-term borrowing	460,000,000.00	520,000,000.00
Loans from central bank		
Loans from other banks		
Trading financial liabilities		
Financial liabilities measured by fair value with changes included in current		

gains and losses		
Derivative financial liabilities		
Notes payable and accounts payable	290,397,686.55	293,130,435.56
Advances from customers	609,813,302.36	692,811,462.75
Financial assets sold for repurchase		
Deposits from customers and interbank		
Acting trading securities		
Acting underwriting securities		
Payroll payable	30,080,168.48	44,065,725.59
Taxes payable	171,476,588.03	121,045,597.93
Other payables	588,676,374.70	1,021,673,905.77
Including: Interest payable	3,284,767.84	4,943,712.80
Dividends payable	4,196,371.01	4,196,371.01
Service charges and commissions payable		
Reinsurance accounts payable		
Contract liabilities		
Held-for-sale liabilities		
Non-current liabilities due within one year	258,569,415.58	272,569,415.58
Other current liabilities		
Total current liabilities	2,409,013,535.70	2,965,296,543.18
Non-current liabilities:		
Insurance deposit		
Long-term borrowing	710,000,000.00	748,250,000.00
Bonds payable	798,516,471.59	787,752,107.90
Including: Preferred stock		
Perpetual capital securities		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities	90,254,503.10	90,254,503.10
Deferred income	6,257,529.58	6,732,529.57
Deferred income tax liabilities	84,629,817.27	79,875,150.30

Other non-current liabilities		
Total non-current liabilities	1,689,658,321.54	1,712,864,290.87
Total liabilities	4,098,671,857.24	4,678,160,834.05
Owners' equity:		
Share capital	1,235,656,249.00	1,235,656,249.00
Other equity instruments		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	148,933,205.15	156,892,820.25
Less: Treasury shares		
Other comprehensive income	147,322.80	91,765.66
Special reserve		
Surplus reserve	152,762,534.98	152,762,534.98
General risk provision		
Undistributed profits	382,575,139.48	322,477,846.55
Total owners' equity attributable to the parent company	1,920,074,451.41	1,867,881,216.44
Minority shareholders' equity	610,020,996.20	581,967,687.71
Total owners' equity	2,530,095,447.61	2,449,848,904.15
Total liabilities and owners' equity	6,628,767,304.85	7,128,009,738.20

Legal representative: Chen Huijie
institution: Yan Dongxia

Person in charge of accounting: Yan Dongxia

Responsible person of the accounting

2. Balance Sheet Statement of the Parent Company

Unit: Yuan

Item	March 31, 2019	December 31, 2018
Current assets:		
Monetary funds	614,617,390.40	971,108,422.35
Trading financial assets		
Financial assets measured by fair value with changes included in current gains and losses		
Derivative financial assets		
Notes receivable and accounts receivable	127,360.00	217,360.00

Including: Notes receivable		
Accounts receivable	127,360.00	217,360.00
Advances	256,415.82	
Other accounts receivable	1,183,543,911.60	1,098,488,672.67
Including: Interest receivable	0.00	
Dividends receivable	2,000,000.00	2,000,000.00
Inventory		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	4,087,189.77	4,172,729.68
Total current assets	1,802,632,267.59	2,073,987,184.70
Non-current assets:		
Debt investment		
Financial assets available for sale		33,515,392.83
Other debt investment		
Held-to-maturity investment		
Long-term receivables	9,000,000.00	9,000,000.00
Long-term equity investment	1,312,118,572.24	1,326,039,288.79
Other equity instrument investment	33,515,392.83	
Other non-current financial assets		
Investment properties	250,212,749.91	252,842,527.62
Fixed assets	17,463,525.28	17,786,925.84
Construction in progress	356,437.64	
Productive biological assets		
Oil & gas assets		
Right-of-use assets		
Intangible assets	1,548,532.03	1,671,913.78
Development expenses		
Goodwill		
Long-term expenses to be amortized	8,774,276.34	9,404,881.96
Deferred income tax assets	1,633,980.97	1,673,932.41
Other non-current assets		39,560.00
Total non-current assets	1,634,623,467.24	1,651,974,423.23

Total assets	3,437,255,734.83	3,725,961,607.93
Current liabilities:		
Short-term borrowing	460,000,000.00	520,000,000.00
Trading financial liabilities		
Financial liabilities measured by fair value with changes included in current gains and losses		
Derivative financial liabilities		
Notes payable and accounts payable	206,374.11	206,374.11
Advances from customers	17,728,535.49	22,491,215.88
Contract liabilities		
Payroll payable	4,068,340.24	5,143,700.56
Taxes payable	14,536,082.17	4,471,684.00
Other payables	176,644,527.94	439,491,749.59
Including: Interest payable	1,578,179.07	1,578,179.07
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	673,183,859.95	991,804,724.14
Non-current liabilities:		
Long-term borrowing		
Bonds payable	799,068,579.49	787,752,107.90
Including: Preferred stock		
Perpetual capital securities		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income	6,112,104.54	6,592,529.57
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	805,180,684.03	794,344,637.47
Total liabilities	1,478,364,543.98	1,786,149,361.61

Owners' equity:		
Share capital	1,235,656,249.00	1,235,656,249.00
Other equity instruments		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	223,456,332.26	231,415,947.36
Less: Treasury shares		
Other comprehensive income	-132.81	-55.90
Special reserve		
Surplus reserve	152,762,534.98	152,762,534.98
Undistributed profits	347,016,207.42	319,977,570.88
Total owners' equity	1,958,891,190.85	1,939,812,246.32
Total liabilities and owners' equity	3,437,255,734.83	3,725,961,607.93

3. Consolidated Profit Statement

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Total operating revenue	376,087,480.56	396,384,852.50
Including: Operating revenue	376,087,480.56	391,140,155.46
Interest income		5,020,857.08
Earned premiums		
Service charges and commissions income		223,839.96
II. Total operating cost	329,289,265.35	334,036,630.74
Including: Operating cost	241,791,059.45	267,621,500.55
Interest expenses		
Service charges and commissions expenses		
Surrender value		
Net compensation pay-outs		
Net insurance deposit accrued		
Insurance dividends		
Reinsurance expenses		
Operating tax and surcharges	31,785,231.34	10,239,902.06

Sale expenses	5,180,963.20	7,610,500.75
Management expenses	27,336,991.45	29,612,040.70
R&D expenses		
Financial expenses	23,195,019.91	15,524,536.56
Including: Interest expenses	23,580,249.71	
Interest income	-2,423,553.92	
Loss from asset impairment		3,428,150.12
Loss from credit impairment		
Add: Other income		
Income from investment (enter "-" for loss)	52,122,030.89	43,590,161.83
Including: Income from investment in joint ventures or associates	-7,720,418.78	-5,476,059.45
Income from exchange (enter "-" for loss)		
Net exposure hedge return (enter "-" for loss)		
Income from change of fair value (enter "-" for loss)		
Income from asset disposal (enter "-" for loss)		
III. Operating profit (enter "-" for loss)	98,920,246.10	105,938,383.59
Add: Non-operating revenue	1,059,075.24	1,567,854.35
Less: Non-operating expenses	234,536.70	4,264,049.51
IV. Total profit (enter "-" for total loss)	99,744,784.64	103,242,188.43
Less: Income tax	29,451,629.62	29,410,259.23
V. Net profit (enter "-" for net loss)	70,293,155.02	73,831,929.20
(I) Classified by continuity of operations		
1. Net profit from continuing operations (enter "-" for net loss)	70,293,155.02	73,831,929.20
2. Net profit from discontinuing operations (enter "-" for net loss)		
(II) Classified by ownership		
1. Net profit attributable to the owner of the parent company	60,097,292.93	62,622,931.80

2. Profit and loss of minority shareholders	10,195,862.09	11,208,997.40
VI. Net of tax of other comprehensive incomes	47,603.59	-46,016.42
Total owners' net of tax of other comprehensive incomes attributable to the parent company	47,603.59	-30,654.12
(I) Other comprehensive incomes not to be reclassified into gains and losses		
1. Changes of the re-measured defined benefit plans		
2. Other comprehensive incomes not to be reclassified into gains and losses under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into gains and losses	47,603.59	-30,654.12
1. Other comprehensive incomes to be reclassified into gains and losses under the equity method	47,603.59	-49.05
2. Changes in fair value of other debt investments		
3. Gains and losses from changes of fair value of the available-for-sale financial assets		-30,506.07
4. Amount of financial assets reclassified into other comprehensive income		
5. Held-to-maturity investments categorized as gains and losses from the available-for-sale financial assets		
6. Provision for impairment of other debt investment credit		
7. Cash flow hedge reserve		
8. Foreign currency translation		

differences		
9. Others		
Net of tax of other comprehensive income attributable to minority shareholders		-15,362.30
VII. Total comprehensive income	70,340,758.61	73,785,912.78
Total comprehensive income attributable to shareholders of the parent company	60,128,925.82	62,592,277.68
Total comprehensive income attributable to minority shareholders	10,211,832.79	11,193,635.10
VIII. Earnings per share		
1. Basic earnings per share	0.0486	0.0507
2. Diluted earnings per share	0.0486	0.0507

In case of merger of enterprises under common control in the current period, the net profit of the merged party recognized before merger is RMB 0.00 and the net profit of the merged party in the previous period is RMB 0.00.

Legal representative: Chen Huijie Person in charge of accounting: Yan Dongxia Responsible person of the accounting institution: Yan Dongxia

4. Profit Statement of the Parent Company

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Operating revenue	20,516,104.34	19,007,580.23
Less: Operating cost	9,266,866.74	10,624,151.64
Tax and surcharges	1,038,804.70	1,075,625.92
Sale expenses	252,056.61	
Management expenses	6,319,012.27	3,949,591.80
R&D expenses		
Financial expenses	14,744,143.83	5,261,030.51
Including: Interest expenses	16,284,676.62	
Interest income	-3,376,552.77	
Loss from asset impairment		
Loss from credit impairment		
Add: Other income		
Income from investment (enter "-" for loss)	48,706,678.30	46,361,937.23
Including: Income from	-6,465,030.50	-4,250,907.89

investment in joint ventures or associates		
Net exposure hedge income (enter "-" for loss)		
Income from change of fair value (enter "-" for loss)		
Income from asset disposal (enter "-" for loss)		
II. Operating profit (enter "-" for loss)	37,601,898.49	44,459,117.59
Add: Non-operating revenue	488,166.99	561,600.03
Less: Non-operating expenses	41,873.20	13,788.00
III. Total profit (enter "-" for total loss)	38,048,192.28	45,006,929.62
Less: Income tax	11,009,555.74	11,366,905.21
IV. Net profit (enter "-" for net loss)	27,038,636.54	33,640,024.41
(I) Net profit from continuing operations (enter "-" for net loss)	27,038,636.54	33,640,024.41
(II) Net profit from discontinuing operations (enter "-" for net loss)		
V. Net of tax of other comprehensive incomes	-184.27	-49.05
(I) Other comprehensive incomes not to be reclassified into gains and losses		
1. Changes of the re-measured defined benefit plans		
2. Other comprehensive incomes not to be reclassified into gains and losses under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into gains and losses	-184.27	-49.05
1. Other comprehensive incomes to be reclassified into gains and losses under the equity method	-184.27	-49.05
2. Changes in fair value of other debt investments		

3. Gains and losses from changes of fair value of the available-for-sale financial assets		
4. Amount of financial assets reclassified into other comprehensive income		
5. Held-to-maturity investments categorized as gains and losses from the available-for-sale financial assets		
6. Provision for impairment of other debt investment credit		
7. Cash flow hedge reserve		
8. Foreign currency translation differences		
9. Others		
VI. Total comprehensive income	27,038,452.27	33,639,975.36
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	288,094,199.99	386,113,295.26
Net increase in deposits from customers and interbank		
Loans from central bank		
Net increase in loans from other banks		
Cash received from premium of the original insurance contract		
Net cash received from reinsurance business		
Net increase in the deposit of the insured and investments		

Net increase in financial assets measured by fair value with changes included in current gains and losses		
Cash received from interest, handling charges and commissions	371,052.26	4,661,395.77
Net increase in loans from other banks		
Net increase in redemption capital		
Net cash received from acting trading securities		
Tax refunds		
Other cash received from operating activities	85,403,184.28	162,307,155.67
Subtotal of cash inflow from operating activities	373,868,436.53	553,081,846.70
Cash paid for goods and service	104,282,449.76	244,997,988.68
Net increase in loans to customers and advances		-16,784,988.00
Net increase in deposits with central bank and interbank		
Cash paid for indemnity payment of the original insurance contract		
Net increase in financial assets held for trading purposes		
Net increase in lending funds		
Cash paid for interest, handling charges and commissions		15,359.20
Cash paid as insurance dividends		
Cash paid to and on behalf of employees	74,373,921.08	78,163,795.83
Taxes paid	37,114,103.27	70,845,921.44
(1) Other cash received from operating activities	168,220,603.93	177,009,103.88
Subtotal of cash outflow in operating activities	383,991,078.04	554,247,181.03
Net cash flow from operating activities	-10,122,641.51	-1,165,334.33
III. Cash flow from financing activities:		
Cash received from disposal of investments	355,042,739.73	359,690,000.00

Cash received from returns on investments	58,464,069.12	52,184,734.09
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		-3,394,971.91
Other cash received from financing activities		79,263.84
Subtotal of cash inflow from financing activities	413,506,808.85	408,559,026.02
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	4,150,185.67	32,963,785.60
Cash paid for investment	793,128,340.34	350,880,000.00
Net increase in mortgage loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid for investment activities		78,250.87
Subtotal of cash outflow in financing activities	797,278,526.01	383,922,036.47
Net cash flow arising from financing activities	-383,771,717.16	24,636,989.55
III. Cash flow from financing activities:		
Cash received from absorbing investment		980,000.00
Including: Cash received by subsidiaries from investment of minority shareholders		
Borrowings received	250,000,000.00	152,000,000.00
Cash received from bond issue		
Other cash received from financing activities		15,000,000.00
Subtotal of cash inflow from financing activities	250,000,000.00	167,980,000.00
Cash paid for debt repayment	375,632,579.00	281,320,347.76
Cash paid for dividend and profit	8,805,931.09	12,986,315.44

distribution or interest payment		
Including: Dividends and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities		4,238,250.00
Subtotal of cash outflow in financing activities	384,438,510.09	298,544,913.20
Net cash flow arising from financing activities	-134,438,510.09	-130,564,913.20
IV. Influence of exchange rate fluctuation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-528,332,868.76	-107,093,257.98
Add: Opening balance of cash and cash equivalents	1,758,470,572.74	951,482,605.92
VI. Closing balance of cash and cash equivalents	1,230,137,703.98	844,389,347.94

6. Cash Flow Statement of the Parent Company

Unit: Yuan

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	14,920,675.13	16,362,940.86
Tax refunds		
Other cash received from operating activities	133,005,791.11	102,294,007.13
Subtotal of cash inflow from operating activities	147,926,466.24	118,656,947.99
Cash paid for goods and service	7,910,812.48	13,935,879.77
Cash paid to and on behalf of employees	8,210,460.43	9,029,567.41
Taxes paid	1,218,697.98	2,240,849.30
Other cash received from operating activities	173,302,675.36	125,336,391.41
Subtotal of cash outflow in operating activities	190,642,646.25	150,542,687.89
Net cash flow from operating activities	-42,716,180.01	-31,885,739.90

II. Cash flow from financing activities:		
Cash received from disposal of investments	40,000,000.00	180,000,000.00
Cash received from returns on investments	54,667,639.02	51,024,186.69
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	94,667,639.02	231,024,186.69
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		114,000.00
Cash paid for investment	260,000,000.00	105,000,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid for investment activities		
Subtotal of cash outflow in financing activities	260,000,000.00	105,114,000.00
Net cash flow arising from investment activities	-165,332,360.98	125,910,186.69
III. Cash flow from financing activities:		
Cash received by absorbing investment		
Borrowings received	250,000,000.00	152,000,000.00
Cash received from bond issue		
Other cash received from financing activities	17,546,666.67	1,963,333.34
Subtotal of cash inflow from financing activities	267,546,666.67	153,963,333.34
Cash paid for debt repayment	310,000,000.00	200,000,000.00
Cash paid for dividend and profit distribution or interest payment	6,256,774.15	6,088,791.66
Other cash paid for financing activities	100,000,000.00	4,000,000.00

Subtotal of cash outflow in financing activities	416,256,774.15	210,088,791.66
Net cash flow arising from financing activities	-148,710,107.48	-56,125,458.32
IV. Influence of exchange rate fluctuation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-356,758,648.47	37,898,988.47
Add: Opening balance of cash and cash equivalents	971,376,038.87	104,463,125.70
VI. Closing balance of cash and cash equivalents	614,617,390.40	142,362,114.17

II. Adjustments to Financial Statements

1. Adjustments in first implementation of new standards for financial instruments, new standards for income, and new standards for lease, and first implementation of financial statements at the beginning of the year

√ Applicable □ Not applicable

Consolidated Balance Sheet Statement

Unit: Yuan

Item	December 31, 2018	January 1, 2019	Amount of adjustment
Current assets:			
Monetary funds	1,757,492,816.67	1,757,492,816.67	
Deposit reservation for balance			
Loans to other banks			
Trading financial assets	Not applicable		
Financial assets measured by fair value with changes included in current gains and losses		Not applicable	
Derivative financial assets			
Notes receivable and accounts receivable	54,426,228.11	54,426,228.11	
Including: Notes receivable			
Accounts receivable	54,426,228.11	54,426,228.11	
Advances	2,701,718.53	2,701,718.53	
Premiums receivable			

Reinsurance accounts receivable			
Reinsurance deposit receivable			
Other accounts receivable	115,570,683.93	115,570,683.93	
Including: Interest receivable	1,063,684.93	1,063,684.93	
Dividends receivable	2,000,000.00	2,000,000.00	
Redemptory monetary capital for resale			
Inventory	2,670,294,017.74	2,670,294,017.74	
Contract assets	Not applicable		
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	468,083,201.09	468,083,201.09	
Total current assets	5,068,568,666.07	5,068,568,666.07	
Non-current assets:			
Loans and advances issued			
Debt investment	Not applicable		
Financial assets available for sale	34,069,679.99	Not applicable	-34,069,679.99
Other debt investment	Not applicable		
Held-to-maturity investment		Not applicable	
Long-term receivables	19,000,000.00	19,000,000.00	
Long-term equity investment	172,684,147.74	172,684,147.74	
Other equity instrument investment	Not applicable	34,069,679.99	34,069,679.99
Other non-current financial assets	Not applicable		
Investment properties	1,412,916,851.46	1,412,916,851.46	
Fixed assets	59,351,351.90	59,351,351.90	
Construction in progress	151,214,015.76	151,214,015.76	
Productive biological assets			
Oil & gas assets			
Right-of-use assets	Not applicable		
Intangible assets	32,471,556.32	32,471,556.32	
Development expenses			

Goodwill			
Long-term expenses to be amortized	73,769,436.90	73,769,436.90	
Deferred income tax assets	56,931,280.75	56,931,280.75	
Other non-current assets	47,032,751.31	47,032,751.31	
Total non-current assets	2,059,441,072.13	2,059,441,072.13	
Total assets	7,128,009,738.20	7,128,009,738.20	
Current liabilities:			
Short-term borrowing	520,000,000.00	520,000,000.00	
Loans from central bank			
Loans from other banks			
Trading financial liabilities	Not applicable		
Financial liabilities measured by fair value with changes included in current gains and losses		Not applicable	
Derivative financial liabilities			
Notes payable and accounts payable	293,130,435.56	293,130,435.56	
Advances from customers	692,811,462.75	692,811,462.75	
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	44,065,725.59	44,065,725.59	
Taxes payable	121,045,597.93	121,045,597.93	
Other payables	1,021,673,905.77	1,021,673,905.77	
Including: Interest payable	4,943,712.80	4,943,712.80	
Dividends payable	4,196,371.01	4,196,371.01	
Service charges and commissions payable			
Reinsurance accounts payable			
Contract liabilities	Not applicable		
Held-for-sale liabilities			
Non-current liabilities due	272,569,415.58	272,569,415.58	

within one year			
Other current liabilities			
Total current liabilities	2,965,296,543.18	2,965,296,543.18	
Non-current liabilities:			
Insurance deposit			
Long-term borrowing	748,250,000.00	748,250,000.00	
Bonds payable	787,752,107.90	787,752,107.90	
Including: Preferred stock			
Perpetual capital securities			
Lease liabilities	Not applicable		
Long-term payables			
Estimated liabilities	90,254,503.10	90,254,503.10	
Deferred income	6,732,529.57	6,732,529.57	
Deferred income tax liabilities	79,875,150.30	79,875,150.30	
Other non-current liabilities			
Total non-current liabilities	1,712,864,290.87	1,712,864,290.87	
Total liabilities	4,678,160,834.05	4,678,160,834.05	
Owners' equity:			
Share capital	1,235,656,249.00	1,235,656,249.00	
Other equity instruments			
Including: Preferred stock			
Perpetual capital securities			
Capital reserve	156,892,820.25	156,892,820.25	
Less: Treasury shares			
Other comprehensive income	91,765.66	91,765.66	
Surplus reserve	152,762,534.98	152,762,534.98	
General risk provision			
Undistributed profits	322,477,846.55	322,477,846.55	
Total owners' equity attributable to the parent company	1,867,881,216.44	1,867,881,216.44	
Minority shareholders' equity	581,967,687.71	581,967,687.71	
Total owners' equity	2,449,848,904.15	2,449,848,904.15	
Total liabilities and owners' equity	7,128,009,738.20	7,128,009,738.20	

Notes to adjustments

In 2017, the ministry of finance issued the revised "accounting standards for enterprises no. 22 - recognition and measurement of

financial instruments", "the accounting standards for enterprises no. 23 - transfer of financial assets", "the accounting standards for enterprises no. 24 - hedging accounting" and "accounting standards for enterprises no. 37 - presentation of financial instruments (generally referred to as the "new financial instruments standards"), and new financial instruments accounting standards shall enter into force as of January 1, 2019 for domestic listed companies. According to the new financial instrument standards, the company will hold the equity investment designated as fair value measurement and its changes into other comprehensive income of non-trading equity instrument investment, financial statements to other equity instrument investment.

Balance Sheet Statement of the Parent Company

Unit: Yuan

Item	December 31, 2018	January 1, 2019	Amount of adjustment
Current assets:			
Monetary funds	971,108,422.35	971,108,422.35	
Trading financial assets	Not applicable		
Financial assets measured by fair value with changes included in current gains and losses		Not applicable	
Derivative financial assets			
Notes receivable and accounts receivable	217,360.00	217,360.00	
Including: Notes receivable			
Accounts receivable	217,360.00	217,360.00	
Advances			
Other accounts receivable	1,098,488,672.67	1,098,488,672.67	
Including: Interest receivable			
Dividends receivable	2,000,000.00	2,000,000.00	
Inventory			
Contract assets	Not applicable		
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	4,172,729.68	4,172,729.68	
Total current assets	2,073,987,184.70	2,073,987,184.70	
Non-current assets:			
Debt investment	Not applicable		
Financial assets available for sale	33,515,392.83	Not applicable	-33,515,392.83
Other debt investment	Not applicable		

Held-to-maturity investment		Not applicable	
Long-term receivables	9,000,000.00	9,000,000.00	
Long-term equity investment	1,326,039,288.79	1,326,039,288.79	
Other equity instrument investment	Not applicable	33,515,392.83	33,515,392.83
Other non-current financial assets	Not applicable		
Investment properties	252,842,527.62	252,842,527.62	
Fixed assets	17,786,925.84	17,786,925.84	
Construction in progress			
Productive biological assets			
Oil & gas assets			
Right-of-use assets	Not applicable		
Intangible assets	1,671,913.78	1,671,913.78	
Development expenses			
Goodwill			
Long-term expenses to be amortized	9,404,881.96	9,404,881.96	
Deferred income tax assets	1,673,932.41	1,673,932.41	
Other non-current assets	39,560.00	39,560.00	
Total non-current assets	1,651,974,423.23	1,651,974,423.23	
Total assets	3,725,961,607.93	3,725,961,607.93	
Current liabilities:			
Short-term borrowing	520,000,000.00	520,000,000.00	
Trading financial liabilities	Not applicable		
Financial liabilities measured by fair value with changes included in current gains and losses		Not applicable	
Derivative financial liabilities			
Notes payable and accounts payable	206,374.11	206,374.11	
Advances from customers	22,491,215.88	22,491,215.88	
Contract liabilities	Not applicable		
Payroll payable	5,143,700.56	5,143,700.56	
Taxes payable	4,471,684.00	4,471,684.00	
Other payables	439,491,749.59	439,491,749.59	

Including: Interest payable	1,578,179.07	1,578,179.07	
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	991,804,724.14	991,804,724.14	
Non-current liabilities:			
Long-term borrowing			
Bonds payable	787,752,107.90	787,752,107.90	
Including: Preferred stock			
Perpetual capital securities			
Lease liabilities	Not applicable		
Long-term payables			
Estimated liabilities			
Deferred income	6,592,529.57	6,592,529.57	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	794,344,637.47	794,344,637.47	
Total liabilities	1,786,149,361.61	1,786,149,361.61	
Owners' equity:			
Share capital	1,235,656,249.00	1,235,656,249.00	
Other equity instruments			
Including: Preferred stock			
Perpetual capital securities			
Capital reserve	231,415,947.36	231,415,947.36	
Less: Treasury shares			
Other comprehensive income	-55.90	-55.90	
Surplus reserve	152,762,534.98	152,762,534.98	
Undistributed profits	319,977,570.88	319,977,570.88	
Total owners' equity	1,939,812,246.32	1,939,812,246.32	
Total liabilities and owners' equity	3,725,961,607.93	3,725,961,607.93	

Notes to adjustments

In 2017, the ministry of finance issued the revised "accounting standards for enterprises no. 22 - recognition and measurement of financial instruments", "the accounting standards for enterprises no. 23 - transfer of financial assets", "the accounting standards for

enterprises no. 24 - hedging accounting" and "accounting standards for enterprises no. 37 - presentation of financial instruments (generally referred to as the "new financial instruments standards"), and new financial instruments accounting standards shall enter into force as of January 1, 2019 for domestic listed companies. According to the new financial instrument standards, the company will hold the equity investment designated as fair value measurement and its changes into other comprehensive income of non-trading equity instrument investment, financial statements to other equity instrument investment.

2. Retroactive adjustments of comparative date of previous periods in first implementation of new standards for financial instruments and new standards for lease

Applicable Not applicable

III. Audit Report

Is the Q1 report audited?

Yes No

The Q1 report of the Company has not been audited.