



CHANGCHAI COMPANY, LIMITED

FIRST QUARTER REPORT 2020

30 April 2020

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Changchai Company, Limited (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Shi Xinkun, the Company’s legal representative, Zhang Xin, the Company’s General Manager, and Jiang He, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

Part II Key Corporate Information

I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

	Q1 2020	Q1 2019	Change (%)
Operating revenue (RMB)	537,033,349.19	557,670,611.48	-3.70%
Net profit attributable to the listed company's shareholders (RMB)	1,510,305.60	2,518,025.10	-40.02%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	1,271,708.92	1,083,678.62	17.35%
Net cash generated from/used in operating activities (RMB)	19,241,295.96	-63,832,631.41	---
Basic earnings per share (RMB/share)	0.0027	0.0045	-40.00%
Diluted earnings per share (RMB/share)	0.0027	0.0045	-40.00%
Weighted average return on equity (%)	0.07%	0.13%	-0.06%
	31 March 2020	31 December 2019	Change (%)
Total assets (RMB)	3,474,796,945.66	3,484,975,990.48	-0.29%
Equity attributable to the listed company's shareholders (RMB)	2,069,762,903.54	2,109,239,597.94	-1.87%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-29,514.41	
Government subsidies charged to current profit and loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	805,876.00	
Non-operating income and expense other than the above	-237,574.70	
Less: Income tax effects	128,493.99	
Non-controlling interests effects (net of tax)	171,696.22	
Total	238,596.68	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the

Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 31 March 2020

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	48,072	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
Changzhou Investment Group Co., Ltd	State-owned legal person	30.43%	170,845,236	0		
China Construction Bank Corporation- First State Cinda New Energy Industry Stock Securities Investment Fund	Other	0.59%	3,308,833	0		
KGI ASIA LIMITED	Foreign legal person	0.57%	3,189,845	0		
Zhou Yong	Domestic natural person	0.38%	2,150,000	0		
Lei Yanqin	Domestic natural person	0.36%	2,038,025	0		
Gao Fenhuai	Domestic natural person	0.35%	1,988,200	0		
Hu Wenyong	Domestic natural person	0.28%	1,561,866	0		
Huang Guoliang	Domestic natural person	0.27%	1,528,891	0		
Li Suinan	Domestic natural person	0.27%	1,523,700	0		
Zhao Nanyang	Domestic natural person	0.24%	1,332,600	0		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Changzhou Investment Group Co., Ltd	170,845,236	RMB-denominated ordinary stock	170,845,236			
China Construction Bank Corporation-First State Cinda New Energy Industry	3,308,833	RMB-denominated ordinary stock	3,308,833			

Stock Securities Investment Fund			
KGI ASIA LIMITED	3,189,845	Domestically listed foreign stock	3,189,845
Zhou Yong	2,150,000	RMB-denominated ordinary stock	2,150,000
Lei Yanqin	2,038,025	RMB-denominated ordinary stock	2,038,025
Gao Fenhuai	1,988,200	RMB-denominated ordinary stock	1,988,200
Hu Wenyong	1,561,866	Domestically listed foreign stock	1,561,866
Huang Guoliang	1,528,891	Domestically listed foreign stock	1,528,891
Li Suinan	1,523,700	Domestically listed foreign stock	1,523,700
Zhao Nanyang	1,332,600	RMB-denominated ordinary stock	1,332,600
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is among the top 10 public shareholders and the top 10 unrestricted public shareholders any related parties or acting-in-concert parties as defined in the Administrative Measures for Information Regarding Shareholding Alteration.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	The shareholders Lei Yanqin and Gao Fenhuai respectively hold 1,711,402 shares and 1,988,200 shares of the Company through their credit account.		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Key Financial Statement Line Items and Explanation of why

Applicable Not applicable

1. Accounts receivable increased by RMB220,822,035.75, or 52.66%, as of 31 March 2020 compared to 31 December 2019, primarily because the Company properly allowed customers' buying on credit for more markets in Q1 2020 and multi-cylinder diesel engine customers are mainly supporting companies of main engine, which are usually given longer payment days.
2. Other current assets decreased by RMB2,126,634.01, or 33.47%, as of 31 March 2020 compared to 31 December 2019, mainly because excess VAT paid of the Company decreased.
3. taxes payable increased by RMB6,550,657.24, or 72.03%, as of 31 March 2020 compared to 31 December 2019, mainly because of the increase in VAT payable and other taxes.
4. Payroll payable decreased by RMB18,064,824.80, or 40.54%, as of 31 March 2020 compared to 31 December 2019, mainly because accrued salary and bonus in last period was partially paid in this period.
5. Finance costs went down by RMB3,161,220.82, during Q1 2020 compared to Q1 2019, primarily because the obvious gains on exchange, and the interest expense was saved due to the reduction in loan scale.
6. Net profit attributable to owners of the Company as the parent went down by RMB1,007,719.50, or 40.02%, during Q1 2020 compared to Q1 2019, primarily driven by the impact of epidemic situation, which resulted in the decrease of operating revenue and influenced the current profit.

II Progress, Influence and Solutions with regard to Significant Events

Applicable Not applicable

Progress of any share repurchase:

Applicable Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV Securities Investments

Applicable Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Capital resources
Stock	600166	FOTON	41,784,000.00	Fair value measurement	302,005,000.00	-26,010,000.00	-22,108,500.00	0.00	0.00	0.00	275,995,000.00	Other equity instrument investment	Self-owned funds
Stock	600919	Bank of Jiangsu	18,000.00	Fair value measurement	130,320,000.00	-22,140,000.00	-18,819,000.00	0.00	0.00	0.00	108,180,000.00	Other equity instrument investment	Self-owned funds
Stock	600377	Jiangsu Expressway	90,500.00	Fair value measurement	561,000.00	-70,000.00	-59,500.00	0.00	0.00	0.00	491,000.00	Other equity instrument investment	Self-owned funds
Total			59,874,5	--	432,886,	-48,220,0	-40,987,0	0.00	0.00	0.00	384,666,	--	--

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Disclosure date of announcement on Board's consent for securities investment											
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)											

V Wealth Management Entrustment

Applicable Not applicable

RMB:'0,000

Specific type	Capital resources	Amount incurred	Undue balance	Overdue amount
Broker financial products	Self-owned funds	302.2	1,152.3	0
Total		302.2	1,152.3	0

Particulars of entrusted cash management with single significant amount or low security, bad liquidity, and no capital preservation

Applicable Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted asset management

Applicable Not applicable

VI Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Applicable Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
19 March 2020	Other	Individual	Development proposals of the Company
19 March 2020	Other	Individual	Transformation and upgrading of the Company

12 March 2020	Other	Individual	2019 Annual Report of the Company
9 March 2020	Other	Individual	Products of lithium battery diaphragm project
9 March 2020	Other	Individual	Products of lithium battery diaphragm project
9 March 2020	Other	Individual	Products of the Company
3 March 2020	Other	Individual	Business of the Company
2 March 2020	Other	Individual	Brand value of the Company
28 February 2020	Other	Individual	Reform and development of the Company
22 February 2020	Other	Individual	Operation of lithium battery diaphragm project
22 February 2020	Other	Individual	Operation of lithium battery diaphragm project
22 February 2020	Other	Individual	Production plan of lithium battery diaphragm project
17 February 2020	Other	Individual	Progress of lithium battery diaphragm project
17 February 2020	Other	Individual	Progress of lithium battery diaphragm project
14 February 2020	Other	Individual	Work resumption of the Company
14 February 2020	Other	Individual	Change the term of directors
6 February 2020	Other	Individual	Epidemic prevention of the Company
5 February 2020	Other	Individual	Completion of major task in 2019 and major target in 2020 of the Company
4 February 2020	Other	Individual	Development proposals of the Company
4 February 2020	Other	Individual	Market concept of the Company
3 February 2020	Other	Individual	Progress of lithium battery diaphragm project
3 February 2020	Other	Individual	Change the term of directors and supervisors
22 January 2020	Other	Individual	Development proposals of the Company
22 January 2020	Other	Individual	Development of the Company
15 January 2020	Other	Individual	Lithium battery diaphragm project
14 January 2020	Other	Individual	Progress of lithium battery diaphragm project
13 January 2020	Other	Individual	Customers of the Company
9 January 2020	Other	Individual	Progress of lithium battery diaphragm project
7 January 2020	Other	Individual	Progress of lithium battery diaphragm project and remuneration of senior managers of the Company
1 January 2020	Other	Individual	Development of the Company

VIII Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Changchai Company, Limited

31 March 2020

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	631,355,956.14	637,214,006.06
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	11,522,956.16	10,000,000.00
Derivative financial assets		
Notes receivable	490,161,207.68	606,283,023.05
Accounts receivable	640,117,701.26	419,295,665.51
Accounts receivable financing		
Prepayments	12,068,892.69	12,930,546.16
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	8,723,308.37	10,597,073.18
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	416,055,195.29	473,352,010.58
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	4,227,286.32	6,353,920.33
Total current assets	2,214,232,503.91	2,176,026,244.87

Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	484,666,000.00	532,886,000.00
Other non-current financial assets	77,952,101.63	77,952,101.63
Investment property	47,895,581.63	48,447,666.83
Fixed assets	438,812,208.05	457,582,514.13
Construction in progress	111,656,326.68	91,358,156.24
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets	98,558,367.24	99,699,450.26
R&D expense		
Goodwill		
Long-term prepaid expense		
Deferred income tax assets	1,023,856.52	1,023,856.52
Other non-current assets		
Total non-current assets	1,260,564,441.75	1,308,949,745.61
Total assets	3,474,796,945.66	3,484,975,990.48
Current liabilities:		
Short-term borrowings	22,000,000.00	22,000,000.00
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	415,218,000.00	403,035,000.00
Accounts payable	543,545,367.15	525,610,256.89
Advances from customers		30,836,615.21
Contractual liabilities	36,863,974.04	
Financial assets sold under repurchase agreements		

Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	26,494,190.99	44,559,015.79
Taxes payable	15,645,039.82	9,094,382.58
Other payables	215,627,249.06	203,840,127.19
Including: Interest payable		
Dividends payable	3,891,433.83	3,891,433.83
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	1,283,077.89	1,177,712.38
Total current liabilities	1,276,676,898.95	1,240,153,110.04
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income	58,864,111.22	58,864,111.22
Deferred income tax liabilities	49,849,890.27	57,082,890.27
Other non-current liabilities		
Total non-current liabilities	108,714,001.49	115,947,001.49
Total liabilities	1,385,390,900.44	1,356,100,111.53
Owners' equity:		
Share capital	561,374,326.00	561,374,326.00
Other equity instruments		
Including: Preferred shares		

Perpetual bonds		
Capital reserves	164,328,665.43	164,328,665.43
Less: Treasury stock		
Other comprehensive income	276,072,775.00	317,059,775.00
Specific reserve	17,560,202.07	17,560,202.07
Surplus reserves	322,226,700.34	322,226,700.34
General reserve		
Retained earnings	728,200,234.70	726,689,929.10
Total equity attributable to owners of the Company as the parent	2,069,762,903.54	2,109,239,597.94
Non-controlling interests	19,643,141.68	19,636,281.01
Total owners' equity	2,089,406,045.22	2,128,875,878.95
Total liabilities and owners' equity	3,474,796,945.66	3,484,975,990.48

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	588,185,079.91	584,957,678.96
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	468,199,058.92	576,948,023.05
Accounts receivable	555,986,587.00	337,447,538.04
Accounts receivable financing		
Prepayments	5,286,406.81	6,386,284.14
Other receivables	21,030,505.09	23,639,899.46
Including: Interest receivable		
Dividends receivable		
Inventories	302,327,441.92	368,653,472.39
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets		3,898,333.51
Total current assets	1,941,015,079.65	1,901,931,229.55
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	266,752,730.03	251,752,730.03
Investments in other equity instruments	484,666,000.00	532,886,000.00
Other non-current financial assets	50,000,000.00	50,000,000.00
Investment property	47,895,581.63	48,447,666.83
Fixed assets	347,310,451.70	364,071,199.07
Construction in progress	93,455,413.37	89,330,161.60
Productive living assets		
Oil and gas assets		
Use rights assets		

Intangible assets	69,346,042.11	70,169,770.91
R&D expense		
Goodwill		
Long-term prepaid expense		
Deferred income tax assets	970,026.67	970,026.67
Other non-current assets		
Total non-current assets	1,360,396,245.51	1,407,627,555.11
Total assets	3,301,411,325.16	3,309,558,784.66
Current liabilities:		
Short-term borrowings	5,000,000.00	5,000,000.00
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	404,288,000.00	392,105,000.00
Accounts payable	502,379,414.90	481,854,210.18
Advances from customers		28,673,664.87
Contractual liabilities	34,190,302.40	
Payroll payable	20,434,470.80	39,125,477.30
Taxes payable	12,499,731.48	5,952,664.10
Other payables	203,834,517.21	191,962,821.35
Including: Interest payable		
Dividends payable	3,243,179.97	3,243,179.97
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	1,182,626,436.79	1,144,673,837.80
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		

Provisions		
Deferred income	58,864,111.22	58,864,111.22
Deferred income tax liabilities	48,718,725.00	55,951,725.00
Other non-current liabilities		
Total non-current liabilities	107,582,836.22	114,815,836.22
Total liabilities	1,290,209,273.01	1,259,489,674.02
Owners' equity:		
Share capital	561,374,326.00	561,374,326.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	183,071,147.70	183,071,147.70
Less: Treasury stock		
Other comprehensive income	276,072,775.00	317,059,775.00
Specific reserve	17,560,202.07	17,560,202.07
Surplus reserves	322,226,700.34	322,226,700.34
Retained earnings	650,896,901.04	648,776,959.53
Total owners' equity	2,011,202,052.15	2,050,069,110.64
Total liabilities and owners' equity	3,301,411,325.16	3,309,558,784.66

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Revenue	537,033,349.19	557,670,611.48
Including: Operating revenue	537,033,349.19	557,670,611.48
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	529,922,440.47	549,460,701.31
Including: Cost of sales	468,398,298.69	490,367,392.94
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	3,081,606.93	2,586,596.10
Selling expense	27,529,136.09	25,812,066.86
Administrative expense	16,267,262.68	14,279,960.47
R&D expense	15,470,032.84	14,077,360.88
Finance costs	-823,896.76	2,337,324.06
Including: Interest expense	272,391.02	813,946.55
Interest income	1,559,568.83	1,405,261.21
Add: Other income	805,876.00	129,300.00
Return on investment (“-” for loss)	24,734.34	115,280.60
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	-5,148,895.63	-6,247,186.29
Asset impairment loss (“-” for loss)		

Asset disposal income (“-” for loss)	-29,514.41	984,535.95
3. Operating profit (“-” for loss)	2,763,109.02	3,191,840.43
Add: Non-operating income	131,146.74	452,748.32
Less: Non-operating expense	368,721.44	20,108.63
4. Profit before tax (“-” for loss)	2,525,534.32	3,624,480.12
Less: Income tax expense	1,008,368.05	1,057,440.67
5. Net profit (“-” for net loss)	1,517,166.27	2,567,039.45
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	1,517,166.27	2,567,039.45
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	1,510,305.60	2,518,025.10
5.2.1 Net profit attributable to non-controlling interests	6,860.67	49,014.35
6. Other comprehensive income, net of tax	-40,987,000.00	81,621,250.00
Attributable to owners of the Company as the parent	-40,987,000.00	81,621,250.00
6.1 Items that will not be reclassified to profit or loss	-40,987,000.00	81,621,250.00
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	-40,987,000.00	81,621,250.00
6.1.4 Changes in the fair value of the company’s credit risks		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss		
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Allowance for credit impairments in investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements		

6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	-39,469,833.73	84,188,289.45
Attributable to owners of the Company as the parent	-39,476,694.40	84,139,275.10
Attributable to non-controlling interests	6,860.67	49,014.35
8. Earnings per share		
8.1 Basic earnings per share	0.0027	0.0045
8.2 Diluted earnings per share	0.0027	0.0045

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

4. Income Statement of the Company as the Parent

Unit: RMB

Item	Q1 2020	Q1 2019
1. Operating revenue	503,170,117.52	517,869,769.55
Less: Cost of sales	442,502,103.14	460,358,879.40
Taxes and surcharges	2,157,929.61	2,027,946.33
Selling expense	25,275,600.91	23,691,858.67
Administrative expense	12,115,923.01	9,526,479.22
R&D expense	15,078,747.40	13,521,905.65
Finance costs	-1,041,410.01	1,105,188.53
Including: Interest expense	54,875.67	558,794.31
Interest income	1,479,923.86	1,325,611.24
Add: Other income	300,000.00	129,300.00
Return on investment (“-” for loss)		
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	-4,870,810.22	-6,247,186.29
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)	-29,514.41	984,535.95
2. Operating profit (“-” for loss)	2,480,898.83	2,504,161.41
Add: Non-operating income	14,530.00	187,691.12
Less: Non-operating expense	1,380.00	9,093.98
3. Profit before tax (“-” for loss)	2,494,048.83	2,682,758.55
Less: Income tax expense	374,107.32	402,413.78
4. Net profit (“-” for net loss)	2,119,941.51	2,280,344.77
4.1 Net profit from continuing operations (“-” for net loss)	2,119,941.51	2,280,344.77
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-40,987,000.00	81,621,250.00
5.1 Items that will not be reclassified to profit or loss	-40,987,000.00	81,621,250.00
5.1.1 Changes caused by remeasurements on defined benefit		

pension schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments	-40,987,000.00	81,621,250.00
5.1.4 Changes in the fair value of the company's credit risks		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Allowance for credit impairments in investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	-38,867,058.49	83,901,594.77
7. Earnings per share		
7.1 Basic earnings per share	0.0038	0.0041
7.2 Diluted earnings per share	0.0038	0.0041

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	394,536,274.90	385,993,156.10
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	8,340,486.99	13,338,440.09
Cash generated from other operating activities	3,065,965.22	5,026,831.34
Subtotal of cash generated from operating activities	405,942,727.11	404,358,427.53
Payments for commodities and services	281,322,512.13	345,226,371.02
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	76,966,977.12	87,234,321.19
Taxes paid	7,741,624.22	8,260,325.27
Cash used in other operating activities	20,670,317.68	27,470,041.46
Subtotal of cash used in operating activities	386,701,431.15	468,191,058.94
Net cash generated from/used in operating activities	19,241,295.96	-63,832,631.41
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,500,000.00	4,000,000.00

Return on investment	1,778.18	115,280.60
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	46,500.00	1,001,035.95
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	1,548,278.18	5,116,316.55
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	25,124,094.04	7,647,974.81
Payments for investments	3,000,000.00	10,000,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	930,300.00	
Subtotal of cash used in investing activities	29,054,394.04	17,647,974.81
Net cash generated from/used in investing activities	-27,506,115.86	-12,531,658.26
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings obtained		7,000,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		7,000,000.00
Repayments of borrowings		7,000,000.00
Payments for interest and dividends	272,391.02	813,946.55
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	272,391.02	7,813,946.55
Net cash generated from/used in financing activities	-272,391.02	-813,946.55
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-8,537,210.92	-77,178,236.22
Add: Cash and cash equivalents, beginning of the period	544,584,744.17	687,079,639.59
6. Cash and cash equivalents, end of the period	536,047,533.25	609,901,403.37

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	354,637,979.41	350,605,925.78
Tax rebates	5,440,557.38	10,449,706.25
Cash generated from other operating activities	2,354,261.65	2,573,315.54
Subtotal of cash generated from operating activities	362,432,798.44	363,628,947.57
Payments for commodities and services	254,044,882.14	321,914,661.45
Cash paid to and for employees	65,955,095.38	74,643,724.56
Taxes paid	3,705,225.58	4,780,770.52
Cash used in other operating activities	16,543,652.69	20,159,658.65
Subtotal of cash used in operating activities	340,248,855.79	421,498,815.18
Net cash generated from/used in operating activities	22,183,942.65	-57,869,867.61
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	46,500.00	984,535.95
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	46,500.00	984,535.95
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	6,656,932.63	5,500,496.74
Payments for investments	15,000,000.00	10,000,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	21,656,932.63	15,500,496.74
Net cash generated from/used in investing activities	-21,610,432.63	-14,515,960.79
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings obtained		
Cash generated from other financing activities		

Subtotal of cash generated from financing activities		
Repayments of borrowings		
Payments for interest and dividends	54,875.67	558,794.31
Cash used in other financing activities		
Subtotal of cash used in financing activities	54,875.67	558,794.31
Net cash generated from/used in financing activities	-54,875.67	-558,794.31
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	518,634.35	-72,944,622.71
Add: Cash and cash equivalents, beginning of the period	497,777,104.81	651,854,206.79
6. Cash and cash equivalents, end of the period	498,295,739.16	578,909,584.08

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases from 2020

√Applicable □ Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2019	1 January 2020	Adjusted
Current assets:			
Monetary assets	637,214,006.06	637,214,006.06	
Settlement reserve			
Interbank loans granted			
Held-for-trading financial assets	10,000,000.00	10,000,000.00	
Derivative financial assets			
Notes receivable	606,283,023.05	606,283,023.05	
Accounts receivable	419,295,665.51	419,295,665.51	
Accounts receivable financing			
Prepayments	12,930,546.16	12,930,546.16	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	10,597,073.18	10,597,073.18	
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	473,352,010.58	473,352,010.58	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	6,353,920.33	6,353,920.33	
Total current assets	2,176,026,244.87	2,176,026,244.87	
Non-current assets:			
Loans and advances to customers			

Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments			
Investments in other equity instruments	532,886,000.00	532,886,000.00	
Other non-current financial assets	77,952,101.63	77,952,101.63	
Investment property	48,447,666.83	48,447,666.83	
Fixed assets	457,582,514.13	457,582,514.13	
Construction in progress	91,358,156.24	91,358,156.24	
Productive living assets			
Oil and gas assets			
Use rights assets			
Intangible assets	99,699,450.26	99,699,450.26	
R&D expense			
Goodwill			
Long-term prepaid expense			
Deferred income tax assets	1,023,856.52	1,023,856.52	
Other non-current assets			
Total non-current assets	1,308,949,745.61	1,308,949,745.61	
Total assets	3,484,975,990.48	3,484,975,990.48	
Current liabilities:			
Short-term borrowings	22,000,000.00	22,000,000.00	
Borrowings from the central bank			
Interbank loans obtained			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	403,035,000.00	403,035,000.00	
Accounts payable	525,610,256.89	525,610,256.89	
Advances from customers	30,836,615.21		-30,836,615.21
Contractual liabilities		30,836,615.21	30,836,615.21
Financial assets sold under repurchase agreements			
Customer deposits and interbank			

deposits			
Payables for acting trading of securities			
Payables for underwriting of securities			
Payroll payable	44,559,015.79	44,559,015.79	
Taxes payable	9,094,382.58	9,094,382.58	
Other payables	203,840,127.19	203,840,127.19	
Including: Interest payable			
Dividends payable	3,891,433.83	3,891,433.83	
Handling charges and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities	1,177,712.38	1,177,712.38	
Total current liabilities	1,240,153,110.04	1,240,153,110.04	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Provisions			
Deferred income	58,864,111.22	58,864,111.22	
Deferred income tax liabilities	57,082,890.27	57,082,890.27	
Other non-current liabilities			
Total non-current liabilities	115,947,001.49	115,947,001.49	
Total liabilities	1,356,100,111.53	1,356,100,111.53	
Owners' equity:			
Share capital	561,374,326.00	561,374,326.00	

Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	164,328,665.43	164,328,665.43	
Less: Treasury stock			
Other comprehensive income	317,059,775.00	317,059,775.00	
Specific reserve	17,560,202.07	17,560,202.07	
Surplus reserves	322,226,700.34	322,226,700.34	
General reserve			
Retained earnings	726,689,929.10	726,689,929.10	
Total equity attributable to owners of the Company as the parent	2,109,239,597.94	2,109,239,597.94	
Non-controlling interests	19,636,281.01	19,636,281.01	
Total owners' equity	2,128,875,878.95	2,128,875,878.95	
Total liabilities and owners' equity	3,484,975,990.48	3,484,975,990.48	

Note to adjustment

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2019	1 January 2020	Adjusted
Current assets:			
Monetary assets	584,957,678.96	584,957,678.96	
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	576,948,023.05	576,948,023.05	
Accounts receivable	337,447,538.04	337,447,538.04	
Accounts receivable financing			
Prepayments	6,386,284.14	6,386,284.14	
Other receivables	23,639,899.46	23,639,899.46	
Including: Interest receivable			
Dividends receivable			
Inventories	368,653,472.39	368,653,472.39	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			

Other current assets	3,898,333.51	3,898,333.51	
Total current assets	1,901,931,229.55	1,901,931,229.55	
Non-current assets:			
Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	251,752,730.03	251,752,730.03	
Investments in other equity instruments	532,886,000.00	532,886,000.00	
Other non-current financial assets	50,000,000.00	50,000,000.00	
Investment property	48,447,666.83	48,447,666.83	
Fixed assets	364,071,199.07	364,071,199.07	
Construction in progress	89,330,161.60	89,330,161.60	
Productive living assets			
Oil and gas assets			
Use rights assets			
Intangible assets	70,169,770.91	70,169,770.91	
R&D expense			
Goodwill			
Long-term prepaid expense			
Deferred income tax assets	970,026.67	970,026.67	
Other non-current assets			
Total non-current assets	1,407,627,555.11	1,407,627,555.11	
Total assets	3,309,558,784.66	3,309,558,784.66	
Current liabilities:			
Short-term borrowings	5,000,000.00	5,000,000.00	
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	392,105,000.00	392,105,000.00	
Accounts payable	481,854,210.18	481,854,210.18	
Advances from customers	28,673,664.87		-28,673,664.87
Contractual liabilities		28,673,664.87	28,673,664.87
Payroll payable	39,125,477.30	39,125,477.30	
Taxes payable	5,952,664.10	5,952,664.10	

Other payables	191,962,821.35	191,962,821.35	
Including: Interest payable	0.00	0.00	
Dividends payable	3,243,179.97	3,243,179.97	
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	1,144,673,837.80	1,144,673,837.80	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Provisions			
Deferred income	58,864,111.22	58,864,111.22	
Deferred income tax liabilities	55,951,725.00	55,951,725.00	
Other non-current liabilities			
Total non-current liabilities	114,815,836.22	114,815,836.22	
Total liabilities	1,259,489,674.02	1,259,489,674.02	
Owners' equity:			
Share capital	561,374,326.00	561,374,326.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	183,071,147.70	183,071,147.70	
Less: Treasury stock			
Other comprehensive income	317,059,775.00	317,059,775.00	
Specific reserve	17,560,202.07	17,560,202.07	
Surplus reserves	322,226,700.34	322,226,700.34	
Retained earnings	648,776,959.53	648,776,959.53	

Total owners' equity	2,050,069,110.64	2,050,069,110.64	
Total liabilities and owners' equity	3,309,558,784.66	3,309,558,784.66	

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases from 2020

Applicable Not applicable

III Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.