



深物業集團  
— SZPRD —

# **SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.**

## **FIRST QUARTER REPORT 2020**

(Announcement No. 2020-23)

**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 ShenZhen Properties & Resources Development (Group) Ltd. (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.**

**Liu Shengxiang, the Company’s legal representative, Cai Lili, the Company’s head of financial affairs, and Liu Qiang, 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

Reason for retrospective restatement

Business combination under the same control

	Q1 2020	Q1 2019		Change (%)
		Before	After	After
Operating revenue (RMB)	861,546,080.08	385,944,107.52	524,703,768.39	64.20%
Net profit attributable to the listed company's shareholders (RMB)	152,014,318.10	78,431,920.59	95,281,689.98	59.54%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	152,909,860.77	77,831,706.94	94,455,738.08	61.89%
Net cash generated from/used in operating activities (RMB)	-609,307,576.52	-64,518,467.02	-30,874,623.89	1,873.49%
Basic earnings per share (RMB/share)	0.2551	0.1316	0.1599	59.54%
Diluted earnings per share (RMB/share)	0.2551	0.1316	0.1599	59.54%
Weighted average return on equity (%)	4.72%	2.32%	2.42%	2.30%
	31 March 2020	31 December 2019		Change (%)
		Before	After	After
Total assets (RMB)	11,287,993,362.09	10,772,491,740.53	10,772,491,740.53	4.79%
Equity attributable to the listed company's shareholders (RMB)	3,298,549,330.03	3,147,949,009.38	3,147,949,009.38	4.78%

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)	-458.25	Disposal of miscellaneous fixed assets
Government subsidies recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	298,303.57	Government subsidy for epidemic

Non-operating income and expense other than the above	-1,591,336.74	Expense on special fund donation of RMB2 million for assisting Hubei Province
Less: Income tax effects	-397,948.75	
Total	-895,542.67	--

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	38,645	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
Shenzhen Investment Holdings Corporation	State-owned legal person	57.96%	345,412,223	3,326		
China Orient Asset Management Co., Ltd.	State-owned legal person	5.87%	34,970,000			
Duan Shaoteng	Domestic natural person	0.32%	1,935,855			
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned legal person	0.29%	1,730,300	1,730,300		
Yang Yaochu	Domestic natural person	0.24%	1,425,020			
Li Jing	Domestic natural person	0.23%	1,360,040			
Shantou Real Estate Hexin Co., Ltd.	Domestic non-state-owned	0.23%	1,352,861			

	legal person					
China Industrial Securities Co., Ltd.-Broad Jiujiang Hybrid Securities Investment Fund	Other	0.21%	1,251,100			
Mai Furong	Domestic natural person	0.20%	1,221,500			
China Construction Bank Corporation-Great Wall Quantified Small-cap Stock Securities Investment Fund	Other	0.18%	1,050,000			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Shenzhen Investment Holdings Corporation	345,408,897	RMB-denominated ordinary stock	345,408,897			
China Orient Asset Management Co., Ltd.	34,970,000	RMB-denominated ordinary stock	34,970,000			
Duan Shaoteng	1,935,855	RMB-denominated ordinary stock	1,935,855			
Yang Yaochu	1,425,020	Domestically listed foreign stock	1,425,020			
Li Jing	1,360,040	Domestically listed foreign stock	1,360,040			
Shantou Real Estate Hexin Co., Ltd.	1,352,861	RMB-denominated ordinary stock	1,352,861			
China Industrial Securities Co., Ltd.-Broad Jiujiang Hybrid Securities Investment Fund	1,251,100	RMB-denominated ordinary stock	1,251,100			
Mai Furong	1,221,500	Domestically listed foreign stock	1,221,500			
China Construction Bank Corporation-Great Wall Quantified Small-cap Stock Securities Investment Fund	1,050,000	RMB-denominated ordinary stock	1,050,000			
Wang Hui	900,000	Domestically listed foreign stock	900,000			
Related or acting-in-concert parties among the shareholders above	The first largest shareholder, Shenzhen Investment Holding Corporation, is the actual controlling shareholder of the Company. And the Company does not know					

	whether there are related parties or acting-in-concert parties among the other 9 shareholders.
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A

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 stood at RMB298,975,721.06 as at 31 March 2020, rising 37.83% compared to 31 December 2019, primarily driven by the increase in property management charges and rents receivable.
2. Prepayments stood at RMB94,177,685.77 as at 31 March 2020, rising 35.42% compared to 31 December 2019, primarily driven by the increase in demolition service fee prepaid.
3. Other current assets stood at RMB15,479,937.23 as at 31 March 2020, declining 63.58% compared to 31 December 2019, primarily driven by the decrease in debit balance of taxes payable needing to be reclassified.
4. Other non-current assets stood at RMB6,974,331.66 as at 31 December 2020, rising 48.01% compared to 31 December 2019, primarily driven by the increase in prepayments for expenses related to acquisition or construction of long-term assets.
5. Advances from customers stood at RMB194,116,954.09 as at 31 March 2020, declining 73.34% compared to 31 December 2019, primarily driven by that the advances from commercial building sales had reached the carry-forward income conditions.
6. Current portion of non-current liabilities stood at RMB5,237,946.33 as at 31 March 2020, rising 33.59% compared to 31 December 2019, primarily driven by the increase in withdrawn interest payable.
7. Long-term borrowings stood at RMB3,000,833,000.00 as at 31 March 2020, rising 36.78% compared to 31 December 2019, primarily driven by new bank borrowings.
8. Operating Revenue stood at RMB861,546,080.08 during Q1 2020, rising 64.20% compared to Q1 2019, primarily driven by the increase in income from real estate business caused by YoY increase in project clearing area and unit price.
9. Taxes and surcharges stood at RMB266,678,061.72 during Q1 2020, rising 362.54% compared to Q1 2019, primarily driven by the increase in VAT of land caused by the increase in carry-forward income from real estate business and high value-added rate of carry-forward projects.
10. Finance costs stood at RMB21,628,629.97 during Q1 2020 and that of Q1 2019 at RMB-2,785,169.31, primarily driven by the increase in interest expense.
11. Investment income stood at RMB-10,994.73 during Q1 2020 and that of Q1 2019 at RMB473,204.19, primarily driven by the decrease in realized income of joint ventures of the Company affected by the epidemic.
12. Non-operating expense stood at RMB2,078,006.42 during Q1 2020, rising 260.83% compared to Q1 2019, primarily driven by special fund donation of RMB2 million for assisting Hubei Province.
13. Income tax expense stood at RMB71,031,397.02 during Q1 2020, rising 95.32% compared to Q1 2019, primarily driven by the increase in realized profit of the Company.
14. Net cash generated from/used in operating activities stood at RMB-609,307,576.52 during Q1 2020, and the net cash used in operating activities rose 1873.49% compared to that of Q1 2019, primarily driven by the increase in expense on construction projects and tax payments during Q1 2020.
15. Net cash generated from/used in financing activities stood at RMB772,655,600.48 during Q1 2020, and that of Q1 2019 at RMB-60,321,156.25, primarily driven by obtaining new loans of RMB0.807 billion during Q1 2020.

## II Progress, Influence and Solutions with regard to Significant Events

√ Applicable □ Not applicable

1. On 4 March 2020, the controlling shareholder of the Company, Shenzhen Investment Holdings Co., Ltd. agreed to transfer partial Company's shares and has finished the transfer registration procedures in China Securities Depository and Clearing Co., Ltd. after the completion of the transfer, Shenzhen Investment Holdings Co., Ltd. holds 345,412,223 shares of the Company, reducing to 57.96% from 63.82%, while still be the controlling shareholder. China Orient Asset Management Co., Ltd. holds 34,970,000 shares, accounting for 5.87% of the total shares, which has been the second largest shareholders holding over 5% of the Company's shares. The Company has disclosed the information in designated media and newspaper on 6 March 2020.

2. In order of fight against the epidemic situation together, fulfill social responsibilities actively, accelerate the implementation of the decisions and plans of overcoming the epidemic situation and supporting enterprises by Shenzhen Municipal Government and Shenzhen State-owned Assets Supervision and Administration Commission, the Company has taken measures of rental reduction, and disclosed the information in designated media and newspaper on 3 March 2020.

3. In order to response the call of Shenzhen State-owned Assets Supervision and Administration Commission, further promote the concentration of high-quality resources to advanced enterprises especially to listed companies, improve the development potential of the listed companies, optimize and enhance the industrial structure of listed company, and expand and strengthen the advanced main business, the Company intended to acquire 100% of equity in Shenzhen Toukong Property Management Co., Ltd. (hereinafter referred to as "TK Property") held by Shenzhen Investment Holdings Co., Ltd.. The equity acquisition has been approved by the Board of Directors and General Meeting after the deliberation of the 8<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors on 6 September 2019 and the 2<sup>nd</sup> Extraordinary General Meeting on 23 September 2019, in which the independent director has issued the audit opinion and professional independent opinion. As of the end of the Reporting Period, the Company has finished the relevant alteration registration procedures of 100% of equity of TK Property.

Overview of significant events	Disclosure date	Index to disclosure website for interim report
Shenzhen Investment Holdings Co., Ltd., the controlling shareholder of the Company, agreed to transfer partial shares of the Company to China Orient Asset Management Co., Ltd.	2 January 2020	Announcement on Progress of Partial Shares Transfer by Controlling Shareholder and Equity Changes (Announcement No. 2020-1) on www.cninfo.com.cn
	6 March 2020	Announcement on Completion of Transfer Registration of Partial Shares by Controlling Shareholder (Announcement No. 2020-6) on www.cninfo.com.cn
Rental reduction	3 March 2020	Announcement on Voluntary Disclosure of Rental Reduction (Announcement No. 2020-4) on www.cninfo.com.cn
The acquisition of 100% equity of Shenzhen Toukong Property Management Co., Ltd. and related-party transaction	13 December 2018	Announcement on Signing Letter of Equity Transfer Intent with Controlling Shareholder (Announcement No. 2018-39) on www.cninfo.com.cn
	7 September 2019	Announcement on Acquisition of 100% Equity of Shenzhen Toukong Property Management Co., Ltd. and Related-party Transaction (Announcement No. 2019-30) on www.cninfo.com.cn
	21 September 2019	Announcement on Acquisition of 100% Equity of Shenzhen Toukong Property Management Co., Ltd.



		and Related-party Transaction (Announcement No. 2019-33) on www.cninfo.com.cn
	9 November 2019	Announcement on Acquisition of 100% Equity of Shenzhen Toukong Property Management Co., Ltd. and Related-party Transaction (Announcement No. 2019-47) on www.cninfo.com.cn
	28 November 2019	Announcement on Acquisition of 100% Equity of Shenzhen Toukong Property Management Co., Ltd. and Related-party Transaction (Announcement No. 2019-50) on www.cninfo.com.cn

Progress of any share repurchases:

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 Investment

Applicable  Not applicable

Unit: RMB

Variety of security	Symbol of security	Name of security	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss of changes in fair value in the Reporting Period	Accumulative changes in fair value recorded into equities	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in Reporting Period	Ending carrying value	Accounting title	Capital source
Domestic	400016	Gintian A	3,565,856.0	Fair value	1,580,475.8	-329,260.4	-2,380,528.	0.00	0.00	0.00	1,251,215.4	Other equity	Obtained in

verseas stock	420016	Gintian B	6	measur ement	6	1	65				5	instru ment invest ment	debt restru cturin g
Total			3,565, 856.0 6	--	1,580, 475.8 6	-329, 260.4 1	-2,38 0,528. 65	0.00	0.00	0.00	1,251, 215.4 5	--	--
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

No such cases in the Reporting Period.

## 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
2 January 2020	EasyIR platform of SZSE	Individual	Inquired of disclosure information of 2011 Annual Report
6 January 2020	EasyIR platform of SZSE	Individual	Inquired of completion of Golden Collar Project
24 February 2020	EasyIR platform of SZSE	Individual	Inquired of share transfer of Shenzhen Investment Holdings
4 March 2020	By phone	Individual	Inquired of stock performance business performance of the Company

5 March 2020	EasyIR platform of SZSE	Individual	Inquired of trusteeship of Foreign Trade Group
18 March 2020	By phone	Individual	Inquired of project construction in the annual report
18 March 2020	By phone	Individual	Inquired of inventories and project construction in the annual report
18 March 2020	By phone	Individual	Inquired of property management income in the annual report and the progress of Bangling Project
21 March 2020	EasyIR platform of SZSE	Individual	Inquired of performance of Rongyao Real Estate
23 March 2020	By phone	Individual	Inquired of the proportion of business division in the annual report and project progress

### 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 ShenZhen Properties & Resources Development (Group) Ltd.

31 March 2020

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	3,463,320,372.92	3,297,890,935.91
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	298,975,721.06	216,923,663.25
Accounts receivable financing		
Prepayments	94,177,685.77	69,546,774.17
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	798,858,900.07	917,981,165.74
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	5,283,561,318.69	4,913,510,876.66
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	15,479,937.23	42,500,585.94

Total current assets	9,954,373,935.74	9,458,354,001.67
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	45,065,127.99	45,076,122.72
Investments in other equity instruments	1,251,215.45	1,580,475.86
Other non-current financial assets		
Investment property	495,358,857.42	503,323,428.61
Fixed assets	91,107,930.38	93,557,782.83
Construction in progress		
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets	513,875.22	700,369.66
R&D expense		
Goodwill		
Long-term prepaid expense	6,763,383.23	7,034,472.79
Deferred income tax assets	686,584,705.00	658,153,122.73
Other non-current assets	6,974,331.66	4,711,963.66
Total non-current assets	1,333,619,426.35	1,314,137,738.86
Total assets	11,287,993,362.09	10,772,491,740.53
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	504,355,538.60	577,689,139.10
Advances from customers	194,116,954.09	728,186,032.63

Contractual liabilities		
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	124,222,035.64	143,493,868.80
Taxes payable	2,672,775,395.02	2,598,283,291.68
Other payables	1,277,433,713.45	1,149,104,928.85
Including: Interest payable		
Dividends payable	12,202,676.04	12,202,676.04
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	5,237,946.33	3,921,032.24
Other current liabilities		
Total current liabilities	4,778,141,583.13	5,200,678,293.30
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,000,833,000.00	2,193,833,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions	2,903,327.87	2,903,327.87
Deferred income	341,259.63	341,259.63
Deferred income tax liabilities	3,821.08	3,821.08
Other non-current liabilities	111,694,340.84	108,164,737.46
Total non-current liabilities	3,115,775,749.42	2,305,246,146.04

Total liabilities	7,893,917,332.55	7,505,924,439.34
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	80,488,045.38	80,488,045.38
Less: Treasury stock		
Other comprehensive income	-4,112,368.89	-2,698,371.44
Specific reserve		
Surplus reserves	17,060,448.05	17,060,448.05
General reserve		
Retained earnings	2,609,134,113.49	2,457,119,795.39
Total equity attributable to owners of the Company as the parent	3,298,549,330.03	3,147,949,009.38
Non-controlling interests	95,526,699.51	118,618,291.81
Total owners' equity	3,394,076,029.54	3,266,567,301.19
Total liabilities and owners' equity	11,287,993,362.09	10,772,491,740.53

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	2,786,666,477.84	2,455,001,204.14
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	4,432,693.46	755,932.14
Accounts receivable financing		
Prepayments	508,591.09	496,729.09
Other receivables	375,529,093.37	501,082,153.81
Including: Interest receivable		

Dividends receivable		
Inventories	625,506,701.19	624,499,208.02
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	383,792.83	1,113,935.28
Total current assets	3,793,027,349.78	3,582,949,162.48
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	1,070,531,008.38	1,070,542,003.11
Investments in other equity instruments	1,481,715.45	1,810,975.86
Other non-current financial assets		
Investment property	307,491,893.39	312,638,785.76
Fixed assets	25,118,139.40	26,337,488.29
Construction in progress		
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term prepaid expense	562,172.22	605,416.29
Deferred income tax assets	344,168,332.90	343,958,821.07
Other non-current assets	1,089,298,553.68	1,613,657,031.92
Total non-current assets	2,838,651,815.42	3,369,550,522.30
Total assets	6,631,679,165.20	6,952,499,684.78
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		



Derivative financial liabilities		
Notes payable		
Accounts payable	39,975,866.24	64,503,938.37
Advances from customers	208,088.58	320,469.53
Contractual liabilities		
Payroll payable	29,653,474.22	36,735,205.68
Taxes payable	1,330,434,497.42	1,322,751,671.37
Other payables	2,820,613,878.36	3,146,684,268.89
Including: Interest payable		
Dividends payable	29,642.40	29,642.40
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	4,220,885,804.82	4,570,995,553.84
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		
Deferred income tax liabilities		
Other non-current liabilities	40,000,000.00	40,000,000.00
Total non-current liabilities	40,000,000.00	40,000,000.00
Total liabilities	4,260,885,804.82	4,610,995,553.84
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		

Capital reserves	53,876,380.11	53,876,380.11
Less: Treasury stock		
Other comprehensive income	-2,380,528.65	-2,051,268.24
Specific reserve		
Surplus reserves	16,403,637.61	16,403,637.61
Retained earnings	1,706,914,779.31	1,677,296,289.46
Total owners' equity	2,370,793,360.38	2,341,504,130.94
Total liabilities and owners' equity	6,631,679,165.20	6,952,499,684.78

### 3. Consolidated Income Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Revenue	861,546,080.08	524,703,768.39
Including: Operating revenue	861,546,080.08	524,703,768.39
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	662,964,303.05	399,133,736.56
Including: Cost of sales	330,926,955.66	299,142,758.17
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	266,678,061.72	57,655,679.89
Selling expense	4,689,041.03	3,702,598.12
Administrative expense	39,041,614.67	41,417,869.69
R&D expense		
Finance costs	21,628,629.97	-2,785,169.31

Including: Interest expense	38,309,547.10	13,494,997.51
Interest income	-16,103,643.77	-16,545,473.37
Add: Other income	1,170,615.61	0.00
Return on investment (“-” for loss)	-10,994.73	473,204.19
Including: Share of profit or loss of joint ventures and associates	-10,994.73	473,204.19
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)	1,016,216.33	0.00
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	200,757,614.24	126,043,236.02
Add: Non-operating income	784,515.00	1,401,846.79
Less: Non-operating expense	2,078,006.42	575,894.89
4. Profit before tax (“-” for loss)	199,464,122.82	126,869,187.92
Less: Income tax expense	71,031,397.02	36,367,428.73
5. Net profit (“-” for net loss)	128,432,725.80	90,501,759.19
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	128,432,725.80	90,501,759.19
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	152,014,318.10	95,281,689.98
5.2.1 Net profit attributable to non-controlling interests	-23,581,592.30	-4,779,930.79

6. Other comprehensive income, net of tax	-1,413,997.45	1,128,843.82
Attributable to owners of the Company as the parent	-1,413,997.45	1,128,843.82
6.1 Items that will not be reclassified to profit or loss	-329,260.41	0.00
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		0.00
6.1.3 Changes in the fair value of investments in other equity instruments	-329,260.41	0.00
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	-1,084,737.04	1,128,843.82
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	-1,084,737.04	1,128,843.82
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	127,018,728.35	91,630,603.01
Attributable to owners of the	150,600,320.65	96,410,533.80

Company as the parent		
Attributable to non-controlling interests	-23,581,592.30	-4,779,930.79
8. Earnings per share		
8.1 Basic earnings per share	0.2551	0.1599
8.2 Diluted earnings per share	0.2551	0.1599

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB16,853,717.77.

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

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

Unit: RMB

Item	Q1 2020	Q1 2019
1. Operating revenue	9,570,288.89	170,999,874.89
Less: Cost of sales	7,201,252.82	32,647,485.77
Taxes and surcharges	1,448,803.87	46,678,135.05
Selling expense	11,069.00	1,563,480.03
Administrative expense	11,018,364.52	11,124,847.45
R&D expense		
Finance costs	-15,068,444.79	-12,118,735.77
Including: Interest expense	0.00	0.00
Interest income	-15,074,747.59	-12,177,082.31
Add: Other income		
Return on investment (“-” for loss)	36,174,277.60	2,306,537.53
Including: Share of profit or loss of joint ventures and associates	-10,994.73	473,204.19
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)		
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	41,133,521.07	93,411,199.89
Add: Non-operating income	18,036.00	160,000.00
Less: Non-operating expense	2,000,000.00	319,808.09
3. Profit before tax (“-” for loss)	39,151,557.07	93,251,391.80
Less: Income tax expense	9,533,067.22	23,200,088.89
4. Net profit (“-” for net loss)	29,618,489.85	70,051,302.91
4.1 Net profit from continuing operations (“-” for net loss)	29,618,489.85	70,051,302.91
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-329,260.41	0.00
5.1 Items that will not be reclassified to profit or loss	-329,260.41	0.00
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	-329,260.41	0.00
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	29,289,229.44	70,051,302.91
7. Earnings per share		
7.1 Basic earnings per share	0.0497	0.1175
7.2 Diluted earnings per share	0.0497	0.1175

## 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	308,259,221.14	606,092,852.81
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		
Cash generated from other operating activities	278,533,921.65	81,041,513.07
Subtotal of cash generated from operating activities	586,793,142.79	687,134,365.88
Payments for commodities and services	659,349,883.60	417,499,429.71
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	170,204,761.13	154,766,206.98
Taxes paid	309,457,486.32	104,235,821.73
Cash used in other operating activities	57,088,588.26	41,507,531.35
Subtotal of cash used in operating activities	1,196,100,719.31	718,008,989.77
Net cash generated from/used in operating activities	-609,307,576.52	-30,874,623.89
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	0.00	970.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	0.00	970.00



Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	3,384,962.58	1,178,538.73
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	0.00	1,555,272.25
Cash used in other investing activities		
Subtotal of cash used in investing activities	3,384,962.58	2,733,810.98
Net cash generated from/used in investing activities	-3,384,962.58	-2,732,840.98
3. Cash flows from financing activities:		
Capital contributions received	490,000.00	0.00
Including: Capital contributions by non-controlling interests to subsidiaries	490,000.00	0.00
Borrowings obtained	807,000,000.00	0.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	807,490,000.00	0.00
Repayments of borrowings		
Payments for interest and dividends	34,834,399.52	60,321,156.25
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	34,834,399.52	60,321,156.25
Net cash generated from/used in financing activities	772,655,600.48	-60,321,156.25
4. Effect of foreign exchange rate changes on cash and cash equivalents	1,083,303.30	-1,113,462.35
5. Net increase in cash and cash equivalents	161,046,364.68	-95,042,083.47
Add: Cash and cash equivalents,	3,285,345,233.47	3,881,027,257.89

beginning of the period		
6. Cash and cash equivalents, end of the period	3,446,391,598.15	3,785,985,174.42

## 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	5,388,532.54	210,768,021.48
Tax rebates	0.00	
Cash generated from other operating activities	150,366,853.96	438,941,608.53
Subtotal of cash generated from operating activities	155,755,386.50	649,709,630.01
Payments for commodities and services	27,546,580.74	37,404,275.70
Cash paid to and for employees	13,488,663.13	10,964,754.93
Taxes paid	5,805,090.10	48,051,017.73
Cash used in other operating activities	344,578,504.62	64,533,773.42
Subtotal of cash used in operating activities	391,418,838.59	160,953,821.78
Net cash generated from/used in operating activities	-235,663,452.09	488,755,808.23
2. Cash flows from investing activities:		
Proceeds from disinvestment	565,000,000.00	
Return on investment	0.00	152,777.78
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	0.00	690.00
Net proceeds from the disposal of subsidiaries and other business units	0.00	
Cash generated from other investing activities	0.00	
Subtotal of cash generated from investing activities	565,000,000.00	153,467.78
Payments for the acquisition of fixed assets, intangible assets and	2,290,332.09	251,436.80

other long-lived assets		
Payments for investments	0.00	500,000,000.00
Net payments for the acquisition of subsidiaries and other business units	0.00	1,600,000.00
Cash used in other investing activities	0.00	
Subtotal of cash used in investing activities	2,290,332.09	501,851,436.80
Net cash generated from/used in investing activities	562,709,667.91	-501,697,969.02
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		
Cash used in other financing activities		
Subtotal of cash used in financing activities		
Net cash generated from/used in financing activities		
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	327,046,215.82	-12,942,160.79
Add: Cash and cash equivalents, beginning of the period	2,450,935,673.17	2,520,788,994.16
6. Cash and cash equivalents, end of the period	2,777,981,888.99	2,507,846,833.37

## 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 Revenue or Leases from 2020

Applicable  Not applicable

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

Applicable  Not applicable

According to the regulations of new accounting standards governing revenue, the Company disclosed the accounting statements in line with new accounting standards governing revenue from the first quarter of 2020 and did not restate comparative data in 2019, which didn't influence the relevant financial index in 2019. There was no significant change in the revenue recognition method of the Company resulted from the implementation of new standards governing revenue, as well as the net profit, total assets and net assets in the prior and current period.

## **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.