

TCL 科技集团股份有限公司

TCL Technology Group Corporation



创意感动生活
The Creative Life

FIRST QUARTER REPORT 2020

29 April 2020

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Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of TCL Technology Group Corporation (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.

Mr. Li Dongsheng, the Chairman of the Board, Ms. Du Juan, the person-in-charge of financial affairs (Chief Financial Officer), and Mr. Xi Wenbo, the person-in-charge of the financial department, hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

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

Definitions

Term	Definition
The “Company”, the “Group”, “TCL”, “TCL Tech.” or “we”	TCL Technology Group Corporation and its consolidated subsidiaries, except where the context otherwise requires
The “Reporting Period”	The period from 1 January 2020 to 31 March 2020
TCL CSOT	TCL China Star Optoelectronics Technology Co., Ltd.
Wuhan CSOT	Wuhan China Star Optoelectronics Technology Co., Ltd.
Highly	Highly Information Industry Co., Ltd., a majority-owned subsidiary of the Company listed on the National Equities Exchange and Quotations (stock code: 835281)
CDOT	China Display Optoelectronics Technology Holdings Limited, a majority-owned subsidiary of the Company listed on the Stock Exchange of Hong Kong (stock code: 00334.HK)
Bank of Shanghai	Bank of Shanghai Co., Ltd. (stock code: 601229.SH), with the Company holding a 5.33% interest
712 Corp.	Tianjin 712 Communication & Broadcasting Co., Ltd. (stock code: 603712.SH), with the Company holding a 19.07% interest as its second largest shareholder
Fantasia	Fantasia Holdings Group Co., Limited, a listed company on the Stock Exchange of Hong Kong (stock code: 01777.HK), with the Company holding a 20.06% interest as its second largest shareholder
Admiralty Harbour Capital	Admiralty Harbour Capital Limited
China Innovative	China Innovative Capital Management Limited
t1 project	The generation 8.5 (or G8.5) TFT-LCD production line of TCL CSOT
t2 project	The generation 8.5 (or G8.5) TFT-LCD (including oxide semiconductor) production line of TCL CSOT
t3 project	The generation 6 (or G6) LTPS-LCD panel production line of TCL CSOT
t4 project	The generation 6 (or G6) flexible LTPS-AMOLED panel production line of TCL CSOT
t6 project	The generation 11 (or G11) new TFT-LCD production line of TCL CSOT
t7 project	The generation 11 (or G11) new ultra-high-definition (UHD) TFT-LCD and AMOLED production line of TCL CSOT

Part II Key Corporate Information

I Key Financial Information

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

Yes No

Series No.	Item	Q1 2020	Q1 2019	Change (%)
1	Revenue (RMB) ^{Note}	13,742,129,162	29,600,956,875	-53.58
	Revenue on the same basis after the restructuring (RMB) ^{Note}	13,742,129,162	11,918,022,387	15.31
2	EBITDA (RMB)	2,809,282,184	4,155,509,053	-32.40
3	Net profit attributable to the listed company's shareholders (RMB) ^{Note}	408,125,802	779,088,389	-47.61
	Net profit attributable to the listed company's shareholders on the same basis after the restructuring (RMB) ^{Note}	408,125,802	769,299,155	-46.94
	Net profit attributable to the listed company's shareholders before non-recurring gains and losses (RMB)	-109,881,642	560,950,806	-119.59
4	Basic earnings per share (RMB/share)	0.0316	0.0578	-45.33
	Diluted earnings per share (RMB/share)	0.0302	0.0576	-47.57
5	Weighted average return on equity (%)	1.35	2.54	-1.19
6	Net cash generated from/used in operating activities (RMB)	2,299,183,493	2,243,903,241	2.46
	Net cash per share generated from/used in operating activities (RMB/share)	0.1700	0.1656	2.66
		31 March 2020	31 December 2019	Change (%)
7	Total assets (RMB)	172,763,657,093	164,844,884,926	4.80
8	Total owners' equity (RMB)	65,853,394,662	63,883,145,340	3.08
	Owners' equity attributable to the listed company's shareholders (RMB)	30,393,949,636	30,111,946,237	0.94
9	Share capital (share)	13,528,438,719	13,528,438,719	0.00
10	Equity per share attributable to the listed company's shareholders (RMB/share)	2.2467	2.2258	0.94

Note: In April 2019, the Company completed the handover of major assets in a restructuring. Therefore, the revenue data of Q1 2020 and Q1 2019 are not comparable as the former does not include the January-March 2020 revenue generated by the restructured assets, while the latter comprises the January-March 2019 such revenue. On the same basis after the restructuring, revenue would be up by

15.31% and net profit attributable to the listed company's shareholders would be down by 46.94% in Q1 2020 compared to Q1 2019.

The total share capital at the end of the last trading session before the disclosure of this Report:

Total share capital at the end of the last trading session before the disclosure of this Report (share)	13,528,438,719
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Fully diluted earnings per share based on the latest total share capital above:

Dividend paid to preference shareholders	-
Fully diluted earnings per share based on the latest total share capital above (RMB/share)	0.0302

Non-recurring gains and losses:

Unit: RMB

Item	Q1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	270,735,649	Not applicable
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	200,818,821	Not applicable
Gain equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	--	
Restructuring costs in staff arrangement, integration, etc.	--	
Gain or loss on fair-value changes in held-for-trading and derivative financial assets and liabilities & income from disposal of held-for-trading and derivative financial assets and liabilities and other investments in debt obligations (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	-35,311	Not applicable
Non-operating income and expense other than the above	131,273,286	Not applicable
Other gains and losses that meet the definition of non-recurring gain/loss	--	
Less: Corporate income tax	63,414,374	Not applicable
Non-controlling interests (net of tax)	21,370,627	Not applicable
Total	518,007,444	--

Explanation of why the Company reclassifies as recurrent a non-recurring gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gain/Loss

Items:

□ Applicable ■ Not applicable

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		635,909		Number of preferred shareholders with resumed voting rights at the period-end (if any)		-	
Top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen		
					Status	Shares	
Li Dongsheng and his acting-in-concert party	Domestic natural person/general legal person	8.56	1,157,872,411	609,636,366	Put in pledge by Li Dongsheng	275,000,000	
					Put in pledge by Jiutian Liancheng	344,899,521	
Huizhou Investment Holding Co., Ltd.	State-owned legal person	6.49	878,419,747				
Tibet Tianfeng Enterprise Management Co., Ltd.	Domestic general legal person	3.08	417,344,415				
China Securities Finance Corporation Limited	Domestic general legal person	2.76	373,231,553				
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	2.19	296,517,411				
Central Huijin Asset Management Co., Ltd.	State-owned legal person	1.53	206,456,500				

TCL Corporation — The First Employee Stock Ownership Plan	Domestic general legal person	0.73	99,148,115			
Star Century Enterprises Limited	Foreign legal person	0.67	90,532,347	90,532,347		
Huizhou Investment and Development Co., Ltd.	State-owned legal person	0.56	75,504,587			
ICBC Credit Suisse Asset Management Co., Ltd. — Agricultural Bank of China—ICBC Credit Suisse China Securities Financial Assets Management Plan	Domestic general legal person	0.55	74,761,500			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Huizhou Investment Holding Co., Ltd.	878,419,747	RMB-denominated ordinary stock	878,419,747			
Li Dongsheng and his acting-in-concert party	548,236,045	RMB-denominated ordinary stock	548,236,045			
Tibet Tianfeng Enterprise Management Co., Ltd.	417,344,415	RMB-denominated ordinary stock	417,344,415			
China Securities Finance Corporation Limited	373,231,553	RMB-denominated ordinary stock	373,231,553			
Hong Kong Securities Clearing Company Ltd.	296,517,411	RMB-denominated ordinary stock	296,517,411			
Central Huijin Asset Management Co., Ltd.	206,456,500	RMB-denominated ordinary stock	206,456,500			
TCL Corporation — The First Employee Stock Ownership Plan	99,148,115	RMB-denominated ordinary stock	99,148,115			

Huizhou Investment and Development Co., Ltd.	75,504,587	RMB-denominated ordinary stock	75,504,587
ICBC Credit Suisse Asset Management Co., Ltd. – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Assets Management Plan	74,761,500	RMB-denominated ordinary stock	74,761,500
China Southern Asset Management Co., Ltd. – Agricultural Bank of China – Southern China Securities Financial Assets Management Plan	74,761,500	RMB-denominated ordinary stock	74,761,500
Related or acting-in-concert parties among the shareholders above	<p>Being acting-in-concert parties upon the signing of the Agreement on Acting in Concert, Mr. Li Dongsheng and Xinjiang Jiutian Liancheng Equity Investment Partnership (Limited Partnership) (hereinafter referred to as “Jiutian Liancheng”) are the biggest shareholder of the Company with a total of 1,157,872,411 shares. As certain partners of Jiutian Liancheng have quit from the company and as requested by these partners, the meeting of partners of Jiutian Liancheng has resolved to reduce shareholdings in the Company corresponding to the shares of these partners in the partnership. And these partners would withdraw from the partnership. On 27 February 2020, Jiutian Liancheng reduced, through bulk trading, its shareholdings in the Company by 63,876,000 shares, or 0.5% of the Company’s total share capital. This shareholding reduction is in compliance with the Several Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors and Senior Management of the Listed Company. With confidence in the future development of the Company, Mr. Li Dongsheng and the incumbent senior management of the Company do not reduce their direct or indirect shareholdings in the Company. Mr. Li has also undertaken on 28 April 2020 not to reduce his shareholdings in the Company during the period from the date when the resolutions of the first Board meeting convened to review the plan to acquire the 39.95% interest held by Wuhan Optics Valley Industrial Investment Co., Ltd. in Wuhan China Star Optoelectronics Technology Co., Ltd. through share offering, convertible corporate bonds offering and cash payment and raise the matching funds (hereinafter referred to as the “Transaction”) were disclosed in an announcement to the date of the completion/termination of the Transaction.</p>		
Top 10 shareholders involved in securities margin trading (if any)	None		

Indicate 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

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

Applicable Not applicable

Part III Directors' Report

I Overview

Q1 2020 saw improvement in both supply and demand of the semi-conductor display industry, with rising prices for large size panels. However, the outbreak of COVID-19 slowed down the commercial activities of most of the major countries, the economy was hit severely, and the momentum of the recovery slowed down. Facing such a sudden challenge from the business and operation, the Company focused on its strategic target, strengthened its cost effectiveness advantage, and kept on its aim as a global leading intelligent technology group.

Since the fight against COVID-19, the Company has established the epidemic emergency reaction center, and actively carried out the epidemic monitoring and prevention well. The Company took the life and health of the employees as the top priority, and strengthened disinfection and sterilization, disease prevention, health management, and other measures. Supported by the independent digital system of the Company, the Company arranged employees at various places for decentralized work according to the actual situation. The operation and management functioned well with remote communication and coordination. The Shenzhen and Huizhou plants help Wuhan CSOT also. Confronted with the severe situation, all the employees united together and overcame the difficulties together to guarantee the safe and efficiency of the Company.

On the same basis after the spin-off, in Q1 2020, the Company recorded revenue of RMB13.74 billion, up 15.3% year-on-year; and the net profit attributable to the listed company's shareholders was RMB0.41 billion, down by 46.9% year-on-year while up by RMB0.37 billion compared with Q4 2019. Revenue of TCL CSOT was RMB9.14 billion, up by 25.3% year-on-year, with a net profit of RMB-0.174 billion, up by RMB0.159 billion compared with Q4 2019. Prices of large size panels saw an increase in the Reporting Period, but were still at the bottom of the historical price. By the ultimate efficiency and profitability advantage of TCL CSOT, the large size panel BU returned to profit comparing with Q4 2019. t3 LTPS and t4 AMOLED plants of small and mid-size panels in Wuhan has normal production and operation; however, the additional cost, like epidemic prevention, employees' welfare, as well as additional logistic cost boosted the operation cost of this quarter and affect the financial performance. During the Reporting Period, the industrial finance, investment

and venture capital and other business of the Company achieved a net profit of RMB0.44 billion and improved the profitability of the Company during the trough of the industry.

The epidemic further increased the short term uncertainty of economy. Consumption and demand were contained. And the environment of the Company deteriorated currently. The Company stuck to its strategy, reduced the cost and controlled the expenses ultimately, strictly controlled the operation risk, guaranteed the sufficient liquidity, and comprehensively built up the competitiveness and risk-resistance ability of the Company. In February, TCL CSOT exerted the advantages of management system and supply chain system, guaranteed t1, t2, and t6 production lines to operate at full capacity, and was the monthly shipment champion of TV panels in the world. t3 in Wuhan is the largest LTPS single plant in the world, and t4 spent less than one year from lighting the panel of AMOLED to mass production and shipment to brand clients, making swift improvement in the high-end product technology capability in a fast manner. Construction of t7 plant of the Company proceeded smoothly.

Crisis and opportunity are always together. The COVID-19 epidemic also hints the opportunities for the semi-conductor display industry. On the demand, the life style mainly based on remote interaction promotes the fast development of multiple-application display terminals and contents. Video, game, education, life, office and other sub-ecologies are getting more and more mature, which foster the long term demand for household smart TV, gaming monitors, education whiteboards, conference whiteboards, and other contents carrier and main interactive interfaces. During the Reporting Period, the Company deepened cooperation with strategic clients, launched large size “smart screen”, “wisdom screen” and other interactive products, jointly promoted the IoT ecology construction of multiple scenarios with large size household screens as core application. The market share of 55-inch TV panel of the Company ranked the 1st in the world, while 65-inch and 75-inch panels ranked the 2nd in the world.

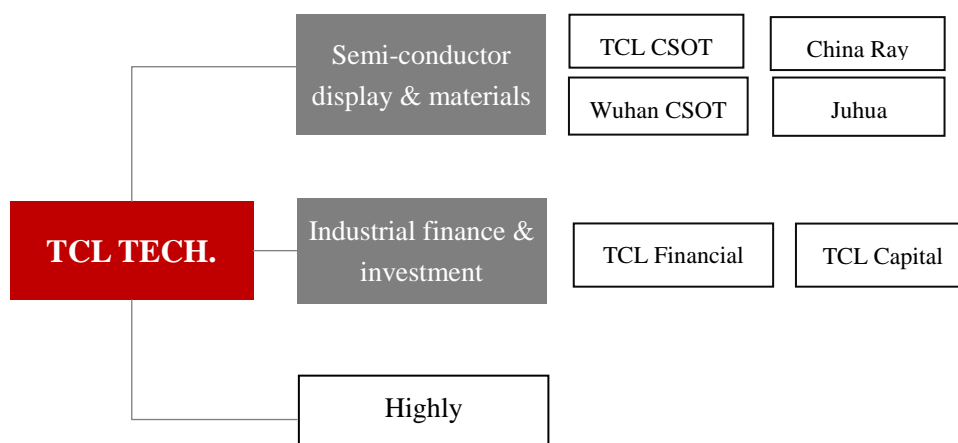
Looking forward, we believe that the long term trend of economic globalization and basic logic of industrial development will not be changed by the nationalism. The relative competitiveness and international comparative advantage of China’s manufacturing industry are the foundation and guarantee of global industry division and value distribution. The semi-conductor display industry is one of the two core basic industries of electronic worldwide as well as one of the most promising

industries in China to take a leading position in the world. Chinese enterprises have established efficiency and scale advantages. The epidemic has accelerated the exit of overseas companies and the trend for the eco-system to transfer to China. Leading enterprises with relative competitive advantages and resource accumulation will embrace the opportunity of M&A and restructuring in the industry. As industry concentration increases rapidly, the rate of return on investment in the industry is expected to enter an up cycle. The Company will seize opportunities arising from the development of the industry and concentrate resources to grow bigger and stronger in the semi-conductor display industry. In the meantime, the Company will properly take new tracks in strategic emerging industries which are of a long cycle, high-tech and capital intensive, so as to become a globally leading technology group.

The impact of the epidemic increased the uncertainty of global economic growth, and there will be continued pressure in Q2 this year. However, the outlook and market demand are improving. The Company will keep on its operation budget formulated at the beginning of this year. In the second half of this year, as the semi-conductor display industry is expected to enter a growing period of the cycle, we have confidence to overcome difficulties and challenges to further expand the market share and achieve a strong growth this year.

II Core Business Analysis

The Company primarily consists of the following three business segments: the semi-conductor display and materials business, the industrial finance & investment business and the other businesses.



(I) Semi-conductor Display and Material Business

During the Reporting Period, TCL CSOT overcame difficulties and challenges, deployed the management advantages, and kept on expanding the market share. CSOT achieved sales area of 7.1 million square meters, up by 53% year-on-year, achieved revenue of RMB9.14 billion, up by 25.3% year-on-year, and EBITDA was RMB2.19 billion, up by 6.15% year-on-year. The prices of large size panel saw an increase but were still low in the cycle. Combined with impact of the COVID-19, TCL COST had a deficit of RMB0.174 billion during the Reporting Period.

The large size panel production lines of TCL COST are all in Shenzhen, which are less affected by COVID-19. With the excellent management ability and the supply chain system, t1, t2 and t6 production lines kept operating at full capacity, achieved sales area of 6.88 million square meters, up by 58% year-on-year, along with the sales volume as 11.912 million pieces, up by 27% year-on-year. The sales volume and area of LCD TV panels in February were the 1st in the world for the first time with a market share of 18.8% and 19.6% respectively, of which the market shares of 32-inch and 55-inch products ranked 1st in the world while the market shares of 65-inch and 75-inch products ranked 2nd in the world. During the Reporting Period, the large size panel business recognized revenue of RMB6.19 billion, up by 44.6% year-on-year. By the enlarging scale and improvement in operation and management efficiency, the large size panel business achieved profit in a single quarter and its performance was improved strikingly compared to the previous quarter.

The small size panel production lines of TCL CSOT are all in Wuhan. Because of its special production requirements, they need to be operated continuously. Confronted with the sudden outbreak of the epidemic, Wuhan CSOT took strict epidemic prevention and control measures, and guaranteed the safe production continuously. The major steps of the t3 LTPS production line operated at full capacity. As the supply chain was affected by certain logistic constrains during the peak of the epidemic and the work resumption progress of employees, the production capacity of the module section lagged behind at the first but has gradually returned to normal. The ramp-up of flexible AMOLED of the t4 production line progressed as scheduled, but with an increase in one-off additional cost due to traffic control as well as stricter pandemic control and prevention measures during the epidemic. For the Reporting Period, the sales area of t3 and t4 plants of TCL CSOT was 0.22 million square meters, down by 25.4% year-on-year, with the sales volume as 16.58 million

pieces, down by 37.6% year-on-year. The small and mid-size panel business (including CDOT) recognized revenue of RMB2.95 billion. The sales volume of LTPS smart phone panels of the t3 production line ranked 3rd in the world. As for the t4 production line, after the foldable screen was shipped to international brand clients, the double-curved perforated screen was mass produced and shipped to the world famous phone makers for their flagship products.

Looking forward, the influence of the overseas epidemic situation is uncertain, which will cause some impact on the demand of the industry. However, the epidemic also accelerates the exit of inefficient production capacity of the industry, and generates new demands. In the long run, the restructuring and integration of the global industry will speed up, and industry concentration will further increase. With the resumption of the household large screen market and the fast growth of commercial display, the supply and demand of the industry will gradually resume its balance, with a good long term development prospect. In 2020, the large size panel business of TCL CSOT will continue to improve product positioning and market share in addition to maintaining leadership in scale, technology and efficiency. In the small and mid-size panel business, LTPS will continue to grow by new customers and products to optimize the business. The flexible AMOLED will be mass produced, and the breakthrough will be made in new business model and high-end products. TCL CSOT will keep on promoting ultimate cost reduction and profit increase, improve efficiency, further optimize product and customer structure, actively develop video interaction and commercial product business, increase operating profit, and guarantee strong growth in sales area and revenue.

(II) Industrial Finance and Investment Business

TCL Financial mainly includes the Company's finance and the supply chain finance. As the operation of the business was affected by the COVID-19, the finance business focused on the liquidity, currency risk and active management of assets. The supply chain finance business took full advantage of Internet platform, and continuously provided high quality and convenient receivables financing services with preferential prices for small and medium enterprise partners affected by the epidemic. The industrial finance business will stick to the service concept of "partner finance", focus on real industrial needs, and constantly enrich and deepen service.

TCL Capital seeks investment opportunities in key fields of technological industries, including new

display technology, semi-conductor and related businesses, as well as high-end materials and technological equipment, etc., which promotes technology and synergy. At the same time, investment value is created. By the end of the Reporting Period, the scale of funds managed by TCL venture capital business reached RMB8.989 billion, and it has invested in 118 projects cumulatively. Currently, it owns stocks like, CATL, Dynanonic, Willsemi, and other listed companies, and the interest in Cambricon, Dkem, Transwarp, and other companies. Admiralty Harbour Capital obtained No. 6 license from HK SFC successfully during the Reporting Period and became an investment bank with full licenses. During the Reporting Period, it completed 5 bonds issuing and underwriting projects and 2 debt management projects. Its investment banking and asset management business developed healthily, with a superior performance. China Innovative Capital Management Limited has invested in more than 110 listed companies cumulatively with steady growth in performance. It invests mature companies related to the Company's businesses.

At the end of the Reporting Period, the Company invests some listed companies directly, including a 19.07% interest in 712 Corp. (603712.SH), a 5.33% interest in Bank of Shanghai (601229.SH) and a 20.06% interest in Fantasia Holdings (01777.HK).

Part IV Significant Events

I Major Changes of Main Items in Financial Statements and Financial Indicators within the Reporting Period, as well as the Reasons for the Changes

Item	31 March 2020/ Q1 2020	31 December 2019/ Q1 2019	Change (%)	Reasons for the Changes
Held-for-trading financial assets	9,343,312,655	6,074,750,918	53.8%	Increase in investments in wealth management products purchased
Notes receivable	123,291,567	228,941,977	-46.1%	Collection of payments
Prepayments	486,656,441	364,422,948	33.5%	Increase in prepayments to suppliers
R&D expense	971,078,841	1,548,470,972	-37.3%	Transfer-out due to reaching the intended use in the Current Period
Other non-current assets	5,619,189,251	4,250,658,887	32.2%	Increase in prepayments for equipment
Held-for-trading financial liabilities	731,256,011	188,220,097	288.5%	Increase in liabilities associated with investments
Customer deposits and interbank deposits	889,638,625	1,355,128,509	-34.4%	Decrease in deposits received by TCL Finance Co., Ltd.
Advances from customers	24,542,009	141,748,956	-82.7%	Adoption of the new accounting standard governing revenue
Contractual liabilities	141,702,747	-	100.0%	Adoption of the new accounting standard governing revenue
Payroll payable	733,687,839	1,094,216,685	-32.9%	Payment of employee benefits
Revenue	13,742,129,162	29,600,956,875	-53.6%	Asset restructuring
Cost of sales	12,743,745,923	24,435,034,582	-47.8%	Asset restructuring
Taxes and surcharges	38,902,775	194,829,143	-80.0%	Asset restructuring
Selling expense	159,592,940	2,182,421,040	-92.7%	Asset restructuring
Administrative expense	321,790,541	900,923,674	-64.3%	Asset restructuring
Credit impairment loss	7,478,551	23,000,942	-67.5%	Asset restructuring
Other income	620,518,501	465,016,958	33.4%	Increase in subsidies for R&D
Gain on changes in fair value	-205,634,246	-55,490,496	270.6%	Changes in the fair value of financial instruments
Net cash generated from/used in investing activities	-9,123,262,761	-6,787,262,973	34.4%	YoY decrease in investments withdrawn

Net cash generated from/used in financing activities	7,670,463,871	1,668,797,144	359.6%	Increase in financings
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II Progress, Influence and Solutions with regard to Significant Events

Summary of the significant event	Disclosure date	Index to the related announcement
Announcement on the Completion of Share Repurchase & Changes in Shares	13 January 2020	http://www.cninfo.com
Announcement on Change of the Company Name with the Industrial and Commercial Administration and Change of the Stock Name	7 February 2020	
Announcement on Progress on the Capital Contribution to Equity Investment Fund & Related-Party Transaction	8 February 2020	
Announcement on Intended Capital Increase to TCL CSOT	31 March 2020	

Progress of any share repurchase:

It is the key operational philosophy and mission of the Company to create value for and grow with the shareholders. In order to effectively protect shareholders' interests and enhance shareholder value, the Company convened the 14th Meeting of the 6th Board of Directors on 10 January 2019, at which the Proposal on the Repurchase of Certain Public Shares was approved. The Report on the Repurchase of Certain Public Shares was disclosed on 14 February 2019. In view of the trends on the secondary market of stocks, the Company convened the 15th Meeting of the 6th Board of Directors on 19 March 2019, at which the Proposal on the Adjustment to the Upper Limit of the Share Repurchase Price. As such, the upper limit of the share repurchase price was adjusted from RMB3.80/share to RMB5.00/share. The Company implemented the share repurchase from 14 February 2019. Up to 10 January 2020, the Company has cumulatively repurchased 565,333,922 shares (or 4.18% of the Company's total share capital) in its special securities account for repurchases by way of centralized bidding, with the highest trading price being RMB4.17/share, the lowest trading price being RMB3.13/share, and the average trading price being RMB3.42/share. The total transaction amount was RMB1,933.5965 million (exclusive of trading fees). The share repurchase has been implemented in a process in compliance with the applicable regulations including the Specific Rules of the Shenzhen Stock Exchange for Share Repurchase by Listed Companies. The actual number of shares repurchased, repurchase price and amount used were in compliance with the repurchase plan approved at the 14th Meeting of the 6th Board of Directors, with no difference compare to the disclosed Report on Share Repurchase. As such, the Company has completed the share repurchase as per the repurchase plan that it disclosed.

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

IV Operating Performance Forecast for H1 2020

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit of H1 2020, as well as explanation of why:

Applicable Not applicable

V Securities Investments

Unit: RMB'0,000

Security type	Security code	Security name	Initial investment cost	Measurement method	Beginning carrying amount	Purchased in Reporting Period	Sold in Reporting Period	Gain/losses in Reporting Period	Ending carrying amount	Accounting title	Funding source
Bank's wealth management product	N/A	Agricultural Bank of China-"Huili Feng" Customized CNY Structured Deposit Product for Corporate Clients	145,000	At fair value through profit or loss	-	145,000	-	108	145,108	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	Agricultural Bank of China-"Huili Feng" Customized CNY Structured Deposit Product for Corporate Clients	120,000	At fair value through profit or loss	-	120,000	-	170	120,170	Held-for-trading financial assets	Self-funded

Bank's wealth management product	N/A	Bank of China Principal-Guaranteed Wealth Management-CNYAQKF	100,000	At fair value through profit or loss	-	100,000	-	175	100,175	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	Agricultural Bank of China-"Huilifeng" Customized CNY Structured Deposit Product for Corporate Clients	80,000	At fair value through profit or loss	-	80,000	-	60	80,060	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	China Development Bank Win-Win CNY Wealth Management Product Tranche 2017666	50,000	At fair value through profit or loss	50,753	-	-	511	51,264	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	2020 Structured Deposit for Corporate Clients Pegged Exchange Rate Customized Product Tranche 1, 286	34,950	At fair value through profit or loss	-	34,950	-	149	35,099	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	ICBC Wealth Management Corporate CNY Wealth Management	30,000	At fair value through profit or loss	30,487	-	-	322	30,809	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	Agricultural Bank of China "Anxin Deli" Directional RMB Wealth Management Product	30,000	At fair value through profit or loss	30,475	-	-	307	30,782	Held-for-trading financial assets	Self-funded

Trust plan	N/A	China Fortune International Trust CICC Xintou Collective Capital Trust Plan No. 2	30,000	At fair value through profit or loss	-	30,000		91	30,091	Held-for-trading financial assets	Self-funded
Bank's wealth management product	N/A	Agricultural Bank of China "Anxin Deli" Directional RMB Wealth Management Product	20,000	At fair value through profit or loss	20,321	-		207	20,528	Held-for-trading financial assets	Self-funded
Other securities investments held at period-end			409,119	--	484,057	558,606	675,056	-10,017	335,325	--	--
Total			1,049,069	--	616,093	1,068,556	675,056	-7,917	979,412	--	--
Disclosure date of board announcement approving securities investment (if any)			20 March 2019								
Disclosure date of general meeting announcement approving securities investment (if any)			10 April 2019								

VI Cash Entrusted for Wealth Management

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Bank's wealth management product	Self-funded	648,948	625,921	0
Securities firm's wealth management product	Self-funded	115,000	45,000	0
Trust plan	Self-funded	80,000	70,000	0

Other	Self-funded	26,944	26,944	0
Total		870,892	767,865	0

High-risk wealth management transactions with a significant single amount, low liquidity and no principal protection:

Applicable Not applicable

Situation where the principal is expectedly irrecoverable or an impairment may be incurred:

Applicable Not applicable

VII Investments in Derivative Financial Instruments

Funding source	Mostly foreign-currency revenue
Legal matters involved (if applicable)	Not applicable
Disclosure date of board announcement approving derivative investment (if any)	28 April 2018
Disclosure date of general meeting announcement approving derivative investment (if any)	Not applicable
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>In order to effectively manage the exchange and interest rate risks of foreign currency assets, liabilities and cash flows, the Company, after fully analyzing the market trend and predicting the operation (including orders and capital plans), adopts forward foreign exchange contracts, options and interest rate swaps to avoid future exchange rate and interest rate risks. As its business scale changes subsequently, the Company will adjust the exchange rate risk management strategy according to the actual market conditions and business plans.</p> <p>Risk analysis:</p> <ol style="list-style-type: none"> 1. Market risk: the financial derivatives business carried out by the Group belongs to hedging and trading business related to main business operations, and there is a market risk of loss due to the fluctuation of underlying interest and exchange rates, which lead to the fluctuation of prices of financial derivatives; 2. Liquidity risk: the derivatives business carried out by the Group is an over-the-counter transaction operated by a financial institution, and there is a risk of loss due to paying fees to the bank for the operations of evening up or selling the derivatives below the buying prices; 3. Performance risk: the Group conducts the derivative business based on rolling budgets for risk management, and there is a risk of performance failure due to deviation between the actual operating results and budgets; 4. Other risks: in the case of specific business operations, if the operator fails to finish the prescribed procedures for report or approval, or fails to record the financial derivative business information accurately, timely and completely, it may result in loss of derivative business or

	<p>trading opportunities. Moreover, if the trading operator fails to fully understand the terms of transaction contracts or product information, the Group will face the legal risks and transaction losses therefrom.</p> <p>Measures taken for risk control:</p> <ol style="list-style-type: none"> 1. Basic management principles: the Group strictly follows the hedging principle and the main purpose of locking costs and avoiding risks. It is required that the financial derivatives business to be carried out matches the variety, size, direction and duration of spot goods, and no speculative trading should be involved. In the selection of hedging instruments, only simple financial derivatives that are closely related to the main business operation and meet the requirements of hedge accounting treatment should be selected, and avoid complex business that exceeds the prescribed business scope or is difficult to recognize in terms of risk and pricing; 2. The Group has formulated a special risk management system tailored to the risk characteristics of the financial derivatives business, covering all key aspects such as pre-emptive prevention, in-process monitoring and post-processing. Professional personnel are rationally arranged for investment decision-making, business operations and risk control. Investment participants are required to fully understand the risks of financial derivatives investment and strictly implement the business operations and risk management systems of derivatives. Before starting the derivatives business, the holding company must submit to the management department of the Group detailed business reports including its internal approval, main product terms, operational necessity, preparations, risk analysis, risk management strategy, fair value analysis and accounting methods, and special summary reports on business operated. Operations can be implemented only after getting opinions from the professional department of the Group; 3. Relevant departments should track the changes in the open market price or fair value of financial derivatives, timely assess the risk exposure changes of invested financial derivatives, and make reports to the board of directors on business development; 4. When the combined impairment of the fair value of derivatives and changes in the value of the assets (if any) used for risk hedging by the Group results in a total loss or floating loss amounting to 10% of the recently audited net assets of the Company, and the absolute amount exceeds RMB10 million, the Group will disclose it in a timely manner.
<p>Changes in market prices or fair value of derivative investments in Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)</p>	<p>With the rapid expansion of overseas sales, the Company keeps following the above rules in the operation of forward foreign exchange contracts, interest rate swap contracts and futures contracts to avoid and hedge foreign exchange risks arising from operation and financing. It saw a loss of RMB1.48 million for the Reporting Period. The fair value of derivatives is determined by real-time quoted price of the foreign exchange market, based on the difference between the contractual price and the forward exchange rate quoted immediately in the foreign exchange market on the balance sheet date.</p>
<p>Major changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period</p>	<p>No major changes</p>
<p>Opinion of independent directors on derivative investments and</p>	<p>In view of the fact that certain raw materials of the core business of the Company are purchased overseas, a wide range of settlement currencies is involved. The Company reduces exchange</p>

risk control	<p>losses and locks transaction costs by reasonable financial derivatives, which helps to reduce risk control costs and improve company competitiveness. Risks are effectively controlled as the Company has taken series of measures such as conducting a rigorous internal evaluation for the operation of financial derivatives business, establishing a corresponding regulatory mechanism, formulating reasonable accounting policies and specific accounting principles, setting limits for risk exposure management, and operating simple financial derivatives. The contracting agent for financial derivatives business of the Company is a sound financial agent with good credit standing. The financial derivatives transactions carried out by the Company in Q1 2020 are closely related to the daily operation needs of the Company with controllable risks. The business is in line with the interests of minority shareholders of the company and the relevant laws and regulations.</p>
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Unit: RMB'0,000

Type of contract	Beginning amount		Ending amount		Gain/loss in Reporting Period	Ending contractual amount as % of the Company's ending net asset value	
	Contractual amount	Actual amount	Contractual amount	Actual amount		Contractual amount	Actual amount
1. Forward forex contracts	1,279,232	36,087	1,546,090	48,394	-148	23.48	0.73
2. Interest rate swaps	528,098	15,843	581,687	17,451		8.83	0.26
3. Currency swaps	215,565	14,399	357,018	21,972		5.42	0.33
Total	2,022,895	66,329	2,484,795	87,817	-148	37.73	1.32

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

Date	Way of communication	Type of communication party	Index to main information communicated
15 January 2020	By visit	Institution	www.cninfo.com.cn
16 January 2020	By visit	Institution	www.cninfo.com.cn
31 March 2020	By visit and by phone	Institution	www.cninfo.com.cn

IX Irregularities in the Provision of Guarantees

Applicable Not applicable

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

Applicable Not applicable

Part V Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by TCL Technology Group Corporation

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	19,770,216,093.00	18,648,184,663.00
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	9,343,312,655.00	6,074,750,918.00
Derivative financial assets	221,068,889.00	159,035,592.00
Notes receivable	123,291,567.00	228,941,977.00
Accounts receivable	8,550,847,668.00	8,340,353,992.00
Accounts receivable financing		
Prepayments	486,656,441.00	364,422,948.00
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	3,568,442,598.00	2,750,041,514.00
Including: Interest receivable		
Dividends receivable		5,771,104.00
Financial assets purchased under resale agreements		
Inventories	5,059,806,606.00	5,677,963,123.00
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	7,109,383,796.00	5,911,827,639.00
Total current assets	54,233,026,313.00	48,155,522,366.00
Non-current assets:		

Loans and advances to customers	2,082,761,822.00	3,637,768,065.00
Investments in debt obligations	19,973,914.00	20,373,264.00
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	17,883,198,011.00	17,194,284,162.00
Investments in other equity instruments	254,138,926.00	279,883,515.00
Other non-current financial assets	2,622,182,615.00	2,542,689,268.00
Investment property	84,107,837.00	82,272,964.00
Fixed assets	44,171,551,061.00	45,459,070,330.00
Construction in progress	35,968,034,536.00	33,578,289,802.00
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets	5,987,233,025.00	5,684,584,119.00
R&D expense	971,078,841.00	1,548,470,972.00
Goodwill	2,452,186.00	2,452,186.00
Long-term prepaid expense	1,965,190,848.00	1,567,690,992.00
Deferred income tax assets	899,537,907.00	840,874,034.00
Other non-current assets	5,619,189,251.00	4,250,658,887.00
Total non-current assets	118,530,630,780.00	116,689,362,560.00
Total assets	172,763,657,093.00	164,844,884,926.00
Current liabilities:		
Short-term borrowings	11,187,904,691.00	12,069,657,099.00
Borrowings from the central bank	741,908,082.00	573,222,113.00
Interbank loans obtained		
Held-for-trading financial liabilities	731,256,011.00	188,220,097.00
Derivative financial liabilities	164,796,874.00	84,704,591.00
Notes payable	1,802,949,640.00	1,720,401,552.00
Accounts payable	11,321,827,555.00	11,549,133,141.00
Advances from customers	24,542,009.00	141,748,956.00
Contractual liabilities	141,702,747.00	
Financial assets sold under repurchase agreements		

Customer deposits and interbank deposits	889,638,625.00	1,355,128,509.00
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	733,687,839.00	1,094,216,685.00
Taxes payable	299,992,111.00	226,806,037.00
Other payables	11,816,266,457.00	12,293,565,901.00
Including: Interest payable		
Dividends payable	11,058,239.00	11,058,225.00
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	1,391,848,421.00	1,691,963,496.00
Other current liabilities	38,708,414.00	69,021,962.00
Total current liabilities	41,287,029,476.00	43,057,790,139.00
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	43,569,455,600.00	38,512,059,200.00
Bonds payable	19,475,871,500.00	16,479,085,461.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	24,210,128.00	24,206,057.00
Long-term payroll payable	22,816,497.00	23,017,619.00
Provisions		
Deferred income	1,578,324,797.00	1,912,421,056.00
Deferred income tax liabilities	952,554,433.00	952,677,822.00
Other non-current liabilities		482,232.00
Total non-current liabilities	65,623,232,955.00	57,903,949,447.00
Total liabilities	106,910,262,431.00	100,961,739,586.00
Owners' equity:		
Share capital	13,528,438,719.00	13,528,438,719.00

Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,726,522,215.00	5,716,667,384.00
Less: Treasury stock	1,952,956,751.00	1,952,956,751.00
Other comprehensive income	-670,059,091.00	-534,081,855.00
Specific reserve		
Surplus reserves	2,238,368,089.00	2,238,368,089.00
General reserve	360,766.00	360,766.00
Retained earnings	11,523,275,689.00	11,115,149,885.00
Total equity attributable to owners of the Company as the parent	30,393,949,636.00	30,111,946,237.00
Non-controlling interests	35,459,445,026.00	33,771,199,103.00
Total owners' equity	65,853,394,662.00	63,883,145,340.00
Total liabilities and owners' equity	172,763,657,093.00	164,844,884,926.00

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	15,532,031,977.00	3,966,899,016.00
Held-for-trading financial assets	3,254,410,434.00	2,969,105,570.00
Derivative financial assets	34,182,661.00	
Notes receivable	19,539,531.00	22,514,486.00
Accounts receivable	510,818,457.00	445,089,599.00
Accounts receivable financing		
Prepayments	95,802,083.00	97,127,177.00
Other receivables	17,874,324,003.00	17,129,473,443.00
Including: Interest receivable		
Dividends receivable	4,833,542,415.00	4,211,824,115.00
Inventories	37,016,902.00	14,868,714.00
Contractual assets		

Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	19,493,926.00	6,471,074.00
Total current assets	37,377,619,974.00	24,651,549,079.00
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	39,929,455,258.00	39,297,272,437.00
Investments in other equity instruments	15,000,000.00	15,000,000.00
Other non-current financial assets	1,561,751,746.00	1,540,912,643.00
Investment property	91,637,927.00	92,622,685.00
Fixed assets	52,301,387.00	54,238,373.00
Construction in progress	12,965,861.00	1,241,308.00
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets	18,336,269.00	19,144,884.00
R&D expense		
Goodwill		
Long-term prepaid expense	452,021,127.00	454,968,882.00
Deferred income tax assets		
Other non-current assets		
Total non-current assets	42,133,469,575.00	41,475,401,212.00
Total assets	79,511,089,549.00	66,126,950,291.00
Current liabilities:		
Short-term borrowings	5,736,238,571.00	6,484,481,271.00
Held-for-trading financial liabilities		
Derivative financial liabilities		5,980,760.00
Notes payable	36,068,297.00	30,282,528.00
Accounts payable	441,590,603.00	424,224,599.00
Advances from customers	80,718.00	17,470,841.00
Contractual liabilities	15,676,793.00	

Payroll payable	71,036,306.00	125,095,153.00
Taxes payable	9,821,553.00	10,354,865.00
Other payables	16,329,492,284.00	9,347,609,813.00
Including: Interest payable		
Dividends payable	11,057,515.00	11,057,515.00
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	963,448,166.00	847,326,922.00
Other current liabilities		
Total current liabilities	23,603,453,291.00	17,292,826,752.00
Non-current liabilities:		
Long-term borrowings	5,320,000,000.00	2,110,000,000.00
Bonds payable	19,475,871,500.00	16,479,085,461.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable	22,816,497.00	23,017,619.00
Provisions		
Deferred income	44,414,600.00	51,561,600.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	24,863,102,597.00	18,663,664,680.00
Total liabilities	48,466,555,888.00	35,956,491,432.00
Owners' equity:		
Share capital	13,528,438,719.00	13,528,438,719.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	8,382,956,975.00	8,382,776,032.00
Less: Treasury stock	1,952,956,751.00	1,952,956,751.00
Other comprehensive income	56,064,337.00	56,064,337.00
Specific reserve		
Surplus reserves	2,036,303,650.00	2,036,303,650.00

Retained earnings	8,993,726,731.00	8,119,832,872.00
Total owners' equity	31,044,533,661.00	30,170,458,859.00
Total liabilities and owners' equity	79,511,089,549.00	66,126,950,291.00

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Revenue	13,789,536,228.00	29,650,896,518.00
Including: Operating revenue	13,742,129,162.00	29,600,956,875.00
Interest income	47,407,066.00	49,939,643.00
Premium income		
Handling charge and commission income		
2. Costs and expenses	14,493,594,692.00	29,202,984,510.00
Including: Cost of sales	12,743,745,923.00	24,435,034,582.00
Interest expense	7,195,716.00	18,216,588.00
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	38,902,775.00	194,829,143.00
Selling expense	159,592,940.00	2,182,421,040.00
Administrative expense	321,790,541.00	900,923,674.00
R&D expense	837,453,524.00	1,162,045,199.00
Finance costs	384,913,273.00	309,514,284.00
Including: Interest expense	553,121,614.00	659,007,115.00
Interest income	162,367,782.00	199,963,103.00
Add: Other income	620,518,501.00	465,016,958.00
Return on investment ("-" for loss)	694,268,712.00	536,480,452.00

Including: Share of profit or loss of joint ventures and associates	300,625,432.00	233,511,429.00
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Foreign exchange gain (“-” for loss)	182,919.00	-2,170,320.00
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-205,634,246.00	-55,490,496.00
Credit impairment loss (“-” for loss)	-7,478,551.00	-23,000,942.00
Asset impairment loss (“-” for loss)	-232,590,984.00	-171,248,740.00
Asset disposal income (“-” for loss)	6,658.00	-410,714.00
3. Operating profit (“-” for loss)	165,214,545.00	1,197,088,206.00
Add: Non-operating income	141,925,394.00	30,958,150.00
Less: Non-operating expense	10,715,126.00	8,628,523.00
4. Profit before tax (“-” for loss)	296,424,813.00	1,219,417,833.00
Less: Income tax expense	25,846,940.00	213,340,303.00
5. Net profit (“-” for net loss)	270,577,873.00	1,006,077,530.00
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	270,577,873.00	1,006,077,530.00
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	408,125,802.00	779,088,389.00
5.2.1 Net profit attributable to non-controlling interests	-137,547,929.00	226,989,141.00
6. Other comprehensive income, net of tax	-201,191,608.00	360,421,531.00
Attributable to owners of the Company as the parent	-135,977,236.00	182,670,669.00
6.1 Items that will not be reclassified to profit or loss	-24,540,407.00	

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	-24,540,407.00	
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	-111,436,829.00	182,670,669.00
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	8,800,657.00	-219,502,741.00
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	-31,380,198.00	-1,824,916.00
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-88,857,288.00	373,035,904.00
6.2.7 Other		30,962,422.00
Attributable to non-controlling interests	-65,214,372.00	177,750,862.00
7. Total comprehensive income	69,386,265.00	1,366,499,061.00
Attributable to owners of the Company as the parent	272,148,566.00	961,759,058.00
Attributable to non-controlling interests	-202,762,301.00	404,740,003.00
8. Earnings per share		
8.1 Basic earnings per share	0.0316	0.0578
8.2 Diluted earnings per share	0.0302	0.0576

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

4. Income Statement of the Company as the Parent

Unit: RMB

Item	Q1 2020	Q1 2019
1. Operating revenue	277,992,615.00	391,405,520.00
Less: Cost of sales	186,288,369.00	336,142,776.00
Taxes and surcharges	884,082.00	5,415,554.00
Selling expense	5,539,685.00	7,861,046.00
Administrative expense	44,402,485.00	59,858,577.00
R&D expense	22,086,746.00	13,988,515.00
Finance costs	269,483,384.00	174,605,997.00
Including: Interest expense	403,477,889.00	343,515,714.00
Interest income	134,103,744.00	202,474,056.00
Add: Other income	4,807,000.00	3,481,500.00
Return on investment (“-” for loss)	899,034,332.00	351,140,692.00
Including: Share of profit or loss of joint ventures and associates	265,646,202.00	225,928,594.00
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)	81,456,431.00	-75,625,521.00
Credit impairment loss (“-” for loss)	995.00	
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		12,900.00
2. Operating profit (“-” for loss)	734,606,622.00	72,542,626.00
Add: Non-operating income	139,294,872.00	8,843,380.00
Less: Non-operating expense	7,636.00	
3. Profit before tax (“-” for loss)	873,893,858.00	81,386,006.00
Less: Income tax expense		

4. Net profit (“-” for net loss)	873,893,858.00	81,386,006.00
4.1 Net profit from continuing operations (“-” for net loss)	873,893,858.00	81,386,006.00
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
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		
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	873,893,858.00	81,386,006.00
7. Earnings per share		

7.1 Basic earnings per share	0.0676	0.0060
7.2 Diluted earnings per share	0.0646	0.0060

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	14,850,100,323.00	29,948,578,250.00
Net increase in customer deposits and interbank deposits	-465,489,884.00	-260,489,195.00
Net increase in borrowings from the central bank	168,685,969.00	-102,574,602.00
Net increase in loans from other financial institutions		100,000,000.00
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	47,407,066.00	50,234,049.00
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	608,001,845.00	1,527,267,914.00
Cash generated from other operating activities	467,981,716.00	611,209,398.00
Subtotal of cash generated from operating activities	15,676,687,035.00	31,874,225,814.00
Payments for commodities and services	11,369,283,220.00	22,624,066,728.00
Net increase in loans and advances to customers	-1,555,006,243.00	101,081,629.00
Net increase in deposits in the central bank and in interbank loans granted	-202,132,448.00	-73,444,006.00

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	1,589,132,206.00	2,262,538,883.00
Taxes paid	844,676,500.00	1,528,965,251.00
Cash used in other operating activities	1,331,550,307.00	3,187,114,088.00
Subtotal of cash used in operating activities	13,377,503,542.00	29,630,322,573.00
Net cash generated from/used in operating activities	2,299,183,493.00	2,243,903,241.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	4,618,844,632.00	6,994,293,557.00
Return on investment	76,434,103.00	107,806,341.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	23,052.00	12,094,929.00
Net proceeds from the disposal of subsidiaries and other business units	197,487,161.00	857,657,948.00
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	4,892,788,948.00	7,971,852,775.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	4,982,864,051.00	6,728,764,686.00
Payments for investments	9,033,187,658.00	7,860,153,161.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		170,197,901.00
Cash used in other investing activities		
Subtotal of cash used in investing activities	14,016,051,709.00	14,759,115,748.00
Net cash generated from/used in investing activities	-9,123,262,761.00	-6,787,262,973.00
3. Cash flows from financing activities:		

Capital contributions received	2,260,200,000.00	1,717,989,160.00
Including: Capital contributions by non-controlling interests to subsidiaries	2,260,200,000.00	1,717,989,160.00
Borrowings obtained	13,646,741,209.00	11,450,834,740.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	15,906,941,209.00	13,168,823,900.00
Repayments of borrowings	7,266,785,974.00	10,215,385,719.00
Payments for interest and dividends	640,411,211.00	633,721,052.00
Including: Dividends paid by subsidiaries to non-controlling interests	26,392,667.00	29,586,633.00
Cash used in other financing activities	329,280,153.00	650,919,985.00
Subtotal of cash used in financing activities	8,236,477,338.00	11,500,026,756.00
Net cash generated from/used in financing activities	7,670,463,871.00	1,668,797,144.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	-26,758,509.00	141,176,713.00
5. Net increase in cash and cash equivalents	819,626,094.00	-2,733,385,875.00
Add: Cash and cash equivalents, beginning of the period	17,637,742,929.00	25,702,383,482.00
6. Cash and cash equivalents, end of the period	18,457,369,023.00	22,968,997,607.00

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	189,757,308.00	323,551,914.00
Tax rebates		332,021.00
Cash generated from other operating activities	8,341,488,901.00	6,660,157,054.00
Subtotal of cash generated from operating activities	8,531,246,209.00	6,984,040,989.00
Payments for commodities and services	185,587,256.00	362,320,629.00

Cash paid to and for employees	56,588,057.00	44,495,298.00
Taxes paid	8,220,063.00	18,593,335.00
Cash used in other operating activities	316,261,198.00	2,809,080,047.00
Subtotal of cash used in operating activities	566,656,574.00	3,234,489,309.00
Net cash generated from/used in operating activities	7,964,589,635.00	3,749,551,680.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,365,307,500.00	5,542,600,000.00
Return on investment	11,669,831.00	54,718,062.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		88,286.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	1,376,977,331.00	5,597,406,348.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	5,391,188.00	4,812,806.00
Payments for investments	1,969,900,000.00	1,992,870,615.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	1,975,291,188.00	1,997,683,421.00
Net cash generated from/used in investing activities	-598,313,857.00	3,599,722,927.00
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings obtained	8,612,000,000.00	3,810,956,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	8,612,000,000.00	3,810,956,000.00
Repayments of borrowings	4,272,903,033.00	7,080,956,000.00
Payments for interest and dividends	168,428,437.00	323,287,951.00

Cash used in other financing activities	1,332,082.00	650,919,985.00
Subtotal of cash used in financing activities	4,442,663,552.00	8,055,163,936.00
Net cash generated from/used in financing activities	4,169,336,448.00	-4,244,207,936.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	-3,131,768.00	-30,210,032.00
5. Net increase in cash and cash equivalents	11,532,480,458.00	3,074,856,639.00
Add: Cash and cash equivalents, beginning of the period	3,941,090,221.00	1,328,680,629.00
6. Cash and cash equivalents, end of the period	15,473,570,679.00	4,403,537,268.00

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 in 2020

The consolidated balance sheet:

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	18,648,184,663.00	18,648,184,663.00	
Settlement reserve			
Interbank loans granted			
Held-for-trading financial assets	6,074,750,918.00	6,074,750,918.00	
Derivative financial assets	159,035,592.00	159,035,592.00	
Notes receivable	228,941,977.00	228,941,977.00	
Accounts receivable	8,340,353,992.00	8,340,353,992.00	
Accounts receivable financing			
Prepayments	364,422,948.00	364,422,948.00	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	2,750,041,514.00	2,750,041,514.00	

Including: Interest receivable			
Dividends receivable	5,771,104.00	5,771,104.00	
Financial assets purchased under resale agreements			
Inventories	5,677,963,123.00	5,677,963,123.00	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	5,911,827,639.00	5,911,827,639.00	
Total current assets	48,155,522,366.00	48,155,522,366.00	
Non-current assets:			
Loans and advances to customers	3,637,768,065.00	3,637,768,065.00	
Investments in debt obligations	20,373,264.00	20,373,264.00	
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	17,194,284,162.00	17,194,284,162.00	
Investments in other equity instruments	279,883,515.00	279,883,515.00	
Other non-current financial assets	2,542,689,268.00	2,542,689,268.00	
Investment property	82,272,964.00	82,272,964.00	
Fixed assets	45,459,070,330.00	45,459,070,330.00	
Construction in progress	33,578,289,802.00	33,578,289,802.00	
Productive living assets			
Oil and gas assets			
Use rights assets			
Intangible assets	5,684,584,119.00	5,684,584,119.00	
R&D expense	1,548,470,972.00	1,548,470,972.00	
Goodwill	2,452,186.00	2,452,186.00	

Long-term prepaid expense	1,567,690,992.00	1,567,690,992.00	
Deferred income tax assets	840,874,034.00	840,874,034.00	
Other non-current assets	4,250,658,887.00	4,250,658,887.00	
Total non-current assets	116,689,362,560.00	116,689,362,560.00	
Total assets	164,844,884,926.00	164,844,884,926.00	
Current liabilities:			
Short-term borrowings	12,069,657,099.00	12,069,657,099.00	
Borrowings from the central bank	573,222,113.00	573,222,113.00	
Interbank loans obtained			
Held-for-trading financial liabilities	188,220,097.00	188,220,097.00	
Derivative financial liabilities	84,704,591.00	84,704,591.00	
Notes payable	1,720,401,552.00	1,720,401,552.00	
Accounts payable	11,549,133,141.00	11,549,133,141.00	
Advances from customers	141,748,956.00	5,499,574.00	-136,249,382.00
Contractual liabilities		133,818,206.00	133,818,206.00
Financial assets sold under repurchase agreements			
Customer deposits and interbank deposits	1,355,128,509.00	1,355,128,509.00	
Payables for acting trading of securities			
Payables for underwriting of securities			
Payroll payable	1,094,216,685.00	1,094,216,685.00	
Taxes payable	226,806,037.00	229,237,213.00	2,431,176.00
Other payables	12,293,565,901.00	12,293,565,901.00	
Including: Interest payable			
Dividends payable	11,058,225.00	11,058,225.00	
Handling charges and commissions payable			
Reinsurance payables			

Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities	1,691,963,496.00	1,691,963,496.00	
Other current liabilities	69,021,962.00	69,021,962.00	
Total current liabilities	43,057,790,139.00	43,057,790,139.00	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	38,512,059,200.00	38,512,059,200.00	
Bonds payable	16,479,085,461.00	16,479,085,461.00	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	24,206,057.00	24,206,057.00	
Long-term payroll payable	23,017,619.00	23,017,619.00	
Provisions			
Deferred income	1,912,421,056.00	1,912,421,056.00	
Deferred income tax liabilities	952,677,822.00	952,677,822.00	
Other non-current liabilities	482,232.00	482,232.00	
Total non-current liabilities	57,903,949,447.00	57,903,949,447.00	
Total liabilities	100,961,739,586.00	100,961,739,586.00	
Owners' equity:			
Share capital	13,528,438,719.00	13,528,438,719.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	5,716,667,384.00	5,716,667,384.00	
Less: Treasury stock	1,952,956,751.00	1,952,956,751.00	
Other comprehensive income	-534,081,855.00	-534,081,855.00	
Specific reserve			

Surplus reserves	2,238,368,089.00	2,238,368,089.00	
General reserve	360,766.00	360,766.00	
Retained earnings	11,115,149,885.00	11,115,149,885.00	
Total equity attributable to owners of the Company as the parent	30,111,946,237.00	30,111,946,237.00	
Non-controlling interests	33,771,199,103.00	33,771,199,103.00	
Total owners' equity	63,883,145,340.00	63,883,145,340.00	
Total liabilities and owners' equity	164,844,884,926.00	164,844,884,926.00	

The balance sheet of the Company as the parent:

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	3,966,899,016.00	3,966,899,016.00	
Held-for-trading financial assets	2,969,105,570.00	2,969,105,570.00	
Derivative financial assets			
Notes receivable	22,514,486.00	22,514,486.00	
Accounts receivable	445,089,599.00	445,089,599.00	
Accounts receivable financing			
Prepayments	97,127,177.00	97,127,177.00	
Other receivables	17,129,473,443.00	17,129,473,443.00	
Including: Interest receivable			
Dividends receivable	4,211,824,115.00	4,211,824,115.00	
Inventories	14,868,714.00	14,868,714.00	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	6,471,074.00	6,471,074.00	
Total current assets	24,651,549,079.00	24,651,549,079.00	
Non-current assets:			

Investments in debt obligations			
Investments in other debt obligations			
Long-term receivables			
Long-term equity investments	39,297,272,437.00	39,297,272,437.00	
Investments in other equity instruments	15,000,000.00	15,000,000.00	
Other non-current financial assets	1,540,912,643.00	1,540,912,643.00	
Investment property	92,622,685.00	92,622,685.00	
Fixed assets	54,238,373.00	54,238,373.00	
Construction in progress	1,241,308.00	1,241,308.00	
Productive living assets			
Oil and gas assets			
Use rights assets			
Intangible assets	19,144,884.00	19,144,884.00	
R&D expense			
Goodwill			
Long-term prepaid expense	454,968,882.00	454,968,882.00	
Deferred income tax assets			
Other non-current assets			
Total non-current assets	41,475,401,212.00	41,475,401,212.00	
Total assets	66,126,950,291.00	66,126,950,291.00	
Current liabilities:			
Short-term borrowings	6,484,481,271.00	6,484,481,271.00	
Held-for-trading financial liabilities			
Derivative financial liabilities	5,980,760.00	5,980,760.00	
Notes payable	30,282,528.00	30,282,528.00	
Accounts payable	424,224,599.00	424,224,599.00	
Advances from customers	17,470,841.00	80,718.00	-17,390,123.00
Contractual liabilities		17,390,123.00	17,390,123.00
Payroll payable	125,095,153.00	125,095,153.00	

Taxes payable	10,354,865.00	10,354,865.00	
Other payables	9,347,609,813.00	9,347,609,813.00	
Including: Interest payable			
Dividends payable	11,057,515.00	11,057,515.00	
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities	847,326,922.00	847,326,922.00	
Other current liabilities			
Total current liabilities	17,292,826,752.00	17,292,826,752.00	
Non-current liabilities:			
Long-term borrowings	2,110,000,000.00	2,110,000,000.00	
Bonds payable	16,479,085,461.00	16,479,085,461.00	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payable	23,017,619.00	23,017,619.00	
Provisions			
Deferred income	51,561,600.00	51,561,600.00	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	18,663,664,680.00	18,663,664,680.00	
Total liabilities	35,956,491,432.00	35,956,491,432.00	
Owners' equity:			
Share capital	13,528,438,719.00	13,528,438,719.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			

Capital reserves	8,382,776,032.00	8,382,776,032.00	
Less: Treasury stock	1,952,956,751.00	1,952,956,751.00	
Other comprehensive income	56,064,337.00	56,064,337.00	
Specific reserve			
Surplus reserves	2,036,303,650.00	2,036,303,650.00	
Retained earnings	8,119,832,872.00	8,119,832,872.00	
Total owners' equity	30,170,458,859.00	30,170,458,859.00	
Total liabilities and owners' equity	66,126,950,291.00	66,126,950,291.00	

2. Retrospective Restatement of Comparative Data due to the First Execution of the New Accounting Standards Governing Revenue and Leases in 2020

Applicable Not applicable

III Independent Auditor's Report

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

Yes No