

# **Tunghsu Optoelectronic Technology Co., Ltd.**

## **The Frist Quarterly Report 2020**

**April 2020**

## I. Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Gu Xuan, Person in charge of the Company, Mr. Wang Qing, Person in charge of accounting works, Mr. Wang Qing, Chief of the accounting organ (chief of accounting ) hereby confirm the authenticity and completeness of the financial report enclosed in this report.

## II. Basic information about the company

### I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes  No

	This period	Same period of last year	Changes of this period-end over same period-end of last year(%)
Operating revenue (Yuan)	1,030,628,692.95	3,816,412,812.51	-72.99%
Net assets attributable to the shareholders of the listed company (Yuan)	-332,074,298.57	431,060,886.41	-177.04%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-354,123,553.35	396,063,134.95	-189.41%
Net cash generated from /used in operating activities (Yuan)	159,026,281.37	638,683,628.95	-75.10%
Basic earning per share(Yuan/Share)	-0.06	0.08	-175.00%
Diluted gains per share(Yuan/Share)	-0.06	0.08	-175.00%
Weighted average return on equity (%)	-1.08%	1.32%	-2.40%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (Yuan)	70,212,669,842.89	69,628,320,928.19	0.84%
Net assets attributable to the shareholders of the listed company (Yuan)	30,684,717,024.74	31,020,123,473.81	-1.08%

Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	34,798,415.75	
Other non-operating income and expenditure beside for the above	-3,134,773.94	

items		
Less: Influenced amount of income tax	5,998,980.39	
Amount of influence of minority interests (After tax)	3,615,406.64	
Total	22,049,254.78	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable  Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

## II.Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

### 1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	406,749 (including 389,995 shareholders holding A shares and 16,754 shareholders holding B shares)	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Tunghsu Group Co., Ltd.	Domestic Non -State-owned legal person	15.97%	915,064,091	352,006,791	pledge	799,643,042
					freeze	915,064,091
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non -State-owned legal person	4.82%	276,064,271		pledge	153,520,000
Shanghai Huimao	Domestic Non -State-owned	4.58%	262,626,262	262,626,262	pledge	80,000,000

Enterprise Management Co., Ltd.	legal person					
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non-State-owned legal person	1.07%	61,165,682		pledge	61,165,682
Hong Kong central clearing company limited	Foreign legal person	0.82%	47,107,537			
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	State-owned legal person	0.73%	41,838,269			
China securities finance co., Ltd	Domestic Non-State-owned legal person	0.54%	30,906,112			
Lin Zhengnan	Domestic Natural person	0.22%	12,860,000			
Mianyang science and technology city development investment (group) co., Ltd	Domestic legal person	0.20%	11,380,165		pledge	11,380,000
Ye Yajun	Domestic Natural person	0.17%	10,000,000			

## Shares held by the Top 10 Shareholders of Non-restricted shares

Shareholders' Names	Number of the non-restricted shares held	Share type	
		Share type	Quantity
Tunghsu Group Co., Ltd.	563,057,300	RMB Common shares	563,057,300
Shijiazhuang Baoshi Electronic Group Co., Ltd.	276,064,271	RMB Common shares	276,064,271
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682

Hong Kong Securities Clearing Co., Ltd.	47,107,537	RMB Common shares	47,107,537
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	41,838,269	RMB Common shares	41,838,269
China securities finance co., Ltd	30,906,112	RMB Common shares	30,906,112
Lin Zhengnan	12,860,800	RMB Common shares	12,860,800
Mianyang science and technology city development investment (group) co., Ltd	11,380,165	RMB Common shares	11,380,165
Ye Yajun	10,000,000	RMB Common shares	10,000,000
Industrial and Commercial Bank of China. - huataibairui Csi 300 etf investment fund	9,562,353	RMB Common shares	9,562,353
Explanation on shareholders participating in the margin trading business	Among the top 10 shareholders, Shijiazhuang Baoshi Electronics Group Co., Ltd. and Dongxu Group Co., Ltd. constitute a concerted relationship. The company does not know whether the other 8 shareholders are related to each other or whether they belong to the concerted action as stipulated in the Regulations Governing the Purchase of Public Companies.		
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Among the top 10 shareholders, Shijiazhuang Baoshi Electronic Group Co., Ltd. conducted margin financing and short selling business through the customer credit transaction guarantee securities account of Southwest Securities co., Ltd, involving 122,538,600 shares.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

## 2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable  Not applicable

### III Significant Events

#### I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable  Not applicable

No	Items	Ending balance	Opening balance	Changes	Remarks on the change
1	Operating revenue	1,030,628,692.95	3,816,412,812.51	-72.99%	COVID-19 epidemic effects
2	Operating costs	869,978,952.06	2,866,380,893.72	-69.65%	COVID-19 epidemic effects
3	Finance	305,954,286.63	195,587,354.83	56.43%	The rising cost of financing leads to an increase in interest charges
4	Other income	76,186,615.30	105,585,373.30	-27.84%	Reduced government subsidies

#### II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

Applicable  Not applicable

Progress in the implementation of share repurchase

Applicable  Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

Applicable  Not applicable

#### III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Applicable  Not applicable

The company has no commitments completed in period and those without completed till lend of the period from actual controller, shareholders, related parties, purchaser and companies.

#### IV. Investment in securities

Applicable  Not applicable

There is no securities investment during the reporting period.

#### V. Entrusted Financial Management

Applicable  Not applicable

There is no Entrusted Financial Management during the report period.

#### VI. Investment in derivatives

Applicable  Not applicable

There is no derivative investment during the report period.

**VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference**

Applicable  Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

**VIII. External guarantee get out of line**

Applicable  Not applicable

The Company has no external guarantee get out of the line in the Period

**IX. Controlling shareholder and its related parties occupying non-business capital of the listed company**

Applicable  Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period



## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

March 31,2020

In RMB

Items	March 30,2020	December 31,2019
Current asset :		
Cash and bank balances	11,282,851,931.20	11,580,819,578.44
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		
Notes receivable	28,693,287.00	34,510,584.50
Account receivable	11,509,509,617.42	11,496,500,929.28
Financing of receivables	1,348,226,951.15	1,712,996,551.15
Prepayments	10,029,103,942.57	8,993,206,274.68
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	4,927,587,215.26	4,831,348,641.69
Including: Interest receivable	10,523,223.15	2,325,948.16
Dividend receivable	11,585,960.88	11,585,960.88
Repurchasing of financial assets		
Inventories	4,407,335,022.93	4,326,590,183.49
Contract assets	515,175,866.68	
Assets held for sales	119,355,435.58	119,355,435.58
Non-current asset due within 1 year		
Other current asset	846,365,626.31	837,951,546.82
Total of current assets	45,014,204,896.10	43,933,279,725.63
Non-current assets :		

Loans and payment on other's behalf disbursed		
Debt investment		
Other investment on bonds		
Long-term receivable	298,196,207.56	306,158,872.38
Long term share equity investment	2,205,512,222.23	2,207,456,475.75
Other equity instruments investment		
Other non-current financial assets	248,158,605.30	248,158,605.30
Property investment	687,245,205.96	695,653,870.87
Fixed assets	8,938,139,665.75	9,075,392,171.23
Construction in progress	4,906,903,605.17	4,856,161,438.68
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	1,049,189,188.74	1,061,801,667.12
Development expenses	48,064,594.16	44,748,355.95
Goodwill	1,995,588,453.44	1,995,588,453.44
Long-germ expenses to be amortized	20,758,975.64	21,707,770.53
Deferred income tax asset	426,475,548.87	430,229,031.02
Other non-current asset	4,374,232,673.97	4,751,984,490.29
Total of non-current assets	25,198,464,946.79	25,695,041,202.56
Total of assets	70,212,669,842.89	69,628,320,928.19
Current liabilities		
Short-term loans	9,701,654,583.03	9,807,921,003.28
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	357,023,425.42	850,447,788.10
Account payable	6,905,882,512.89	7,007,558,192.78
Advance receipts	1,229,191,453.92	1,652,587,387.44
Contract Liabilities	1,890,117,383.58	
Selling of repurchased financial assets		
Deposit taking and interbank deposit		

Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	173,295,136.20	206,227,756.49
Tax payable	287,422,957.20	339,813,007.03
Other account payable	3,926,135,794.91	3,693,138,656.67
Including: Interest payable	672,290,687.17	452,834,591.96
Dividend payable	66,278,190.37	66,278,190.37
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	7,922,647,232.99	7,841,514,464.78
Other current liability	454,869,410.15	454,404,004.66
Total of current liability	32,848,239,890.29	31,853,612,261.23
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	2,977,169,601.99	3,003,722,151.74
Bond payable	301,145,832.60	301,145,832.60
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	1,038,281,614.65	1,077,918,138.44
Long-term remuneration payable to staff		
Expected liabilities	124,239,165.21	124,239,165.21
Deferred income	702,922,558.06	713,023,519.35
Deferred income tax liability	52,912,208.69	54,472,480.31
Other non-current liabilities	508,000,000.00	508,000,000.00
Total non-current liabilities	5,704,670,981.20	5,782,521,287.65
Total of liability	38,552,910,871.49	37,636,133,548.88
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Capital reserves	21,812,136,465.66	21,812,136,465.66
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-29,175.80	-29,175.80
Special reserve	25,167,575.12	28,499,725.62
Surplus reserves	245,507,019.95	245,507,019.95
Common risk provision		
Retained profit	2,876,107,341.81	3,208,181,640.38
Total of owner's equity belong to the parent company	30,684,717,024.74	31,020,123,473.81
Minority shareholders' equity	975,041,946.66	972,063,905.50
Total of owners' equity	31,659,758,971.40	31,992,187,379.31
Total of liabilities and owners' equity	70,212,669,842.89	69,928,320,928.19

Legal representative : Gu Xuan

Person-in-charge of the accounting work: Wang Qing

Person-in -charge of the accounting organ: Wang Qing

## 2. Balance sheet of Parent Company

In RMB

Items	March 31,2020	December 31,2019
Current asset :		
Cash and bank balances	4,701,977,737.58	4,700,601,207.82
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	236,947,979.44	236,947,979.44
Financing of receivables		
Prepayments	1,366,762.61	1,033,942.61
Other account receivable	11,598,999,959.64	11,551,051,968.51
Including: Interest receivable		
Dividend receivable	500,000,000.00	500,000,000.00
Inventories	199,583,388.31	193,714,314.48
Contract assets		
Assets held for sales		

Non-current asset due within 1 year		
Other current asset	148,973.38	148,973.38
Total of current assets	16,739,024,800.96	16,683,498,386.24
Non-current assets:		
Debt investment		
Other investment on bonds		
Long-term receivable		
Long term share equity investment	28,376,758,195.28	28,378,702,448.80
Other equity instruments investment		
Other non-current financial assets	129,500,056.00	129,500,056.00
Property investment		
Fixed assets	141,677,524.73	145,493,375.51
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	8,904,753.11	8,991,679.94
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	0.00	
Other non-current asset	300,000,000.00	300,000,000.00
Total of non-current assets	28,956,840,529.12	28,962,687,560.25
Total of assets	45,695,865,330.08	45,646,185,946.49
Current liabilities		
Short-term loans	6,507,370,461.11	6,507,370,461.11
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	8,518,058.47	8,663,754.33
Advance receipts	842,498.78	842,498.78
Contract Liabilities		
Employees' wage payable	7,056,903.62	5,226,344.53
Tax payable	16,738,341.28	16,766,064.54

Other account payable	5,100,019,042.78	4,861,267,706.46
Including: Interest payable	651,814,803.28	426,748,970.50
Dividend payable	66,278,190.37	66,278,190.37
Liabilities held for sales		
Non-current liability due within 1 year	6,098,388,482.58	6,097,417,230.96
Other current liability		
Total of current liability	17,738,933,788.62	17,497,554,060.71
Non-current liabilities:		
Long-term loan	495,175,833.33	495,175,833.33
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities	54,389,500.40	54,389,500.40
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	549,565,333.73	549,565,333.73
Total of liability	18,288,499,122.35	18,047,119,394.44
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,832,453,907.50	21,832,453,907.50
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserve		
Surplus reserves	226,517,795.62	226,517,795.62
Retained profit	-377,433,293.39	-185,732,949.07
Total of owners' equity	27,407,366,207.73	27,599,066,552.05

Total of liabilities and owners' equity	45,695,865,330.08	45,646,185,946.49
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### 3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Turnover	1,030,628,692.95	3,816,412,812.51
Including : Operating income	1,030,628,692.95	3,816,412,812.51
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total operating costs	1,419,363,468.14	3,378,198,668.06
Including : Operating costs	869,978,952.06	2,866,380,893.72
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty, net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	6,931,232.92	15,926,112.39
Sales expense	58,517,929.55	61,858,043.90
Administrative expense	129,908,567.13	141,671,065.56
R & D expense	48,072,499.85	96,775,197.66
Financial expenses	305,954,286.63	195,587,354.83
Including: Interest expense	320,838,751.05	288,031,321.60
Interest income	16,801,990.79	-95,626,567.30
Add: Other income	76,186,615.30	105,585,373.30
Investment gain ( "-"for loss )	-1,944,253.53	18,510,790.49
Including: investment gains from affiliates	-1,944,253.53	7,222,622.82
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		

Changing income of fair value		
Credit impairment loss	-2,283,096.88	
Impairment loss of assets		4,550,554.80
Assets disposal income		
III. Operating profit (“-”for loss)	-316,775,510.30	566,860,863.04
Add : Non-operating income	1,889,059.27	8,308,090.03
Less: Non-operating expenses	5,023,833.21	5,567,209.46
IV. Total profit (“-”for loss)	-319,910,284.24	569,601,743.61
Less: Income tax expenses	13,432,307.99	118,907,014.42
V. Net profit	-333,342,592.23	450,694,729.19
(I) Classification by business continuity		
1.Net continuing operating profit	-333,342,592.23	450,694,729.19
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	-332,074,298.57	431,060,886.41
2.Minority shareholders’ equity	-1,268,293.66	19,633,842.78
VI. Net after-tax of other comprehensive income		
Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		



5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-333,342,592.23	450,694,729.19
Total comprehensive income attributable to the owner of the parent company	-332,074,298.57	431,060,886.41
Total comprehensive income attributable minority shareholders	-1,268,293.66	19,633,842.78
VIII. Earnings per share		
(I) Basic earnings per share	-0.06	0.08
(II)Diluted earnings per share	-0.06	0.08

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB 0.00.

Legal representative : Gu Xuan

Person-in-charge of the accounting work: Wang Qing

Person-in -charge of the accounting organ : Wang Qing

**4.Income statement of the Parent Company of the Report period**

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	0.00	58,425,489.32
Including : Operating costs	0.00	50,591,128.19
Business tax and surcharge	976,888.96	995,340.65
Sales expense		
Administrative expense	2,048,746.13	6,035,848.15
R & D expense	566,821.38	879,302.46
Financial expenses	186,163,634.32	56,873,326.71
Including: Interest expenses	241,905,411.35	168,844,922.67
Interest income	55,742,450.49	112,217,347.31
Add: Other income		
Investment gain (“-”for loss )	-1,944,253.53	7,219,446.42
Including: investment gains from affiliates	-1,944,253.53	7,219,446.42
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		241.00
Assets disposal income		
II. Operating profit (“-”for loss )	-191,700,344.32	-49,729,769.42
Add : Non-operating income		730.00
Less: Non -operating expenses		
III. Total profit(“-”for loss)	-191,700,344.32	-49,729,039.42
Less: Income tax expenses		
IV. Net profit	-191,700,344.32	-49,729,039.42
1.Net continuing operating profit	-191,700,344.32	-49,729,039.42
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items		

that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	-191,700,344.32	-49,729,039.42
VII. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

**5 Consolidated Cash flow statement**

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,865,598,799.57	5,076,060,941.82
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	16,301,033.04	61,166,837.37
Other cash received from business operation	110,728,411.17	1,198,893,570.39
Sub-total of cash inflow	1,992,628,243.78	6,336,121,349.58
Cash paid for purchasing of merchandise and services	1,373,671,844.10	4,150,952,638.34
Net increase of client trade and advance		
Net increase of savings in central bank		

and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	216,484,554.13	299,283,804.82
Taxes paid	43,091,758.89	398,156,980.53
Other cash paid for business activities	200,353,805.29	849,044,296.94
Sub-total of cash outflow from business activities	1,833,601,962.41	5,697,437,720.63
Net cash generated from /used in operating activities	159,026,281.37	638,683,628.95
II. Cash flow generated by investing		
Cash received from investment retrieving		87,956,080.78
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		24,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	24,896,582.24	339,995,038.76
Sub-total of cash inflow due to investment activities	24,896,582.24	427,975,119.54
Cash paid for construction of fixed assets, intangible assets and other long-term assets	30,672,489.27	106,155,263.08
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	75,037,633.04	446,950,176.89
Sub-total of cash outflow due to	105,710,122.31	553,105,439.97

investment activities		
Net cash flow generated by investment	-80,813,540.07	-125,130,320.43
III.Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	358,229,504.54	2,939,250,000.00
Other financing –related cash received	368,397,591.89	1,082,451,154.52
Sub-total of cash inflow from financing activities	726,627,096.43	4,021,701,154.52
Cash to repay debts	478,166,532.68	1,776,368,478.34
Cash paid as dividend, profit, or interests	52,121,943.43	352,665,722.75
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	382,377,110.65	275,139,574.98
Sub-total of cash outflow due to financing activities	912,665,586.76	2,404,173,776.07
Net cash flow generated by financing	-186,038,490.33	1,617,527,378.45
IV. Influence of exchange rate alternation on cash and cash equivalents	-328,562.49	-1,426,795.20
V.Net increase of cash and cash equivalents	-108,154,311.52	2,129,653,891.77
Add: balance of cash and cash equivalents at the beginning of term	8,001,611,170.08	14,916,637,291.04
VI ..Balance of cash and cash equivalents at the end of term	7,893,456,858.56	17,046,291,182.81

## 6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services		84,181,455.03

Tax returned		
Other cash received from business operation	5,236,758.45	1,013,835,129.83
Sub-total of cash inflow	5,236,758.45	1,098,016,584.86
Cash paid for purchasing of merchandise and services	3,805.00	206,012.32
Cash paid to staffs or paid for staffs	396,108.02	4,618,891.20
Taxes paid		12,178,186.23
Other cash paid for business activities	37,651.59	657,575,351.98
Sub-total of cash outflow from business activities	437,564.61	674,578,441.73
Net cash generated from /used in operating activities	4,799,193.84	423,438,143.13
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities		
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment		225,300,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	9,751,759.54	8,364,163,788.74
Sub-total of cash outflow due to investment activities	9,751,759.54	8,589,463,788.74
Net cash flow generated by investment	-9,751,759.54	-8,589,463,788.74
III. Cash flow generated by financing		

Cash received as investment		
Cash received as loans		1,130,000,000.00
Other financing –related cash received	15,068,278.00	7,896,851,205.51
Sub-total of cash inflow from financing activities	15,068,278.00	9,026,851,205.51
Cash to repay debts		322,883,333.28
Cash paid as dividend, profit, or interests	8,739,182.54	96,424,046.00
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	8,739,182.54	419,307,379.28
Net cash flow generated by financing	6,329,095.46	8,607,543,826.23
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	1,376,529.76	441,518,180.62
Add: balance of cash and cash equivalents at the beginning of term	4,660,058,550.70	9,732,302,654.23
VI. Balance of cash and cash equivalents at the end of term	4,661,435,080.46	10,173,820,834.85

## II Adjustments to the Financial Statements

### 1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for revenues and the new standards for lease implemented commencing from year 2020

Applicable  Not applicable

### Consolidated balance sheet

In RMB

Items	December 31, 2019	January 1, 2020	Adjustment
Current asset :			
Cash and bank balances	11,580,819,578.44	11,580,819,578.44	
Notes receivable	34,510,584.50	34,510,584.50	
account receivable	11,496,500,929.28	11,496,500,929.28	



Receivables financing	1,712,996,551.15	1,712,996,551.15	
Prepayments	8,993,206,274.68	8,993,206,274.68	
Other account receivable	4,831,348,641.69	4,831,348,641.69	
Including: Interest receivable	2,325,948.16	2,325,948.16	
dividends receivable	11,585,960.88	11,585,960.88	
Inventories	4,326,590,183.49	3,978,174,408.21	-348,415,775.28
Contract assets		348,415,775.28	348,415,775.28
Held-for-sale assets	119,355,435.58	119,355,435.58	
Other current assets	837,951,546.82	837,951,546.82	
Total of current assets	43,933,279,725.63	43,933,279,725.63	
Non-current assets:			
Long-term receivable	306,158,872.38	306,158,872.38	
Long term share equity investment	2,207,456,475.75	2,207,456,475.75	
Other equity instruments investment	248,158,605.30	248,158,605.30	
Property investment	695,653,870.87	695,653,870.87	
Fixed assets	9,075,392,171.23	9,075,392,171.23	
Construction in progress	4,856,161,438.68	4,856,161,438.68	
Intangible assets	1,061,801,667.12	1,061,801,667.12	
Development expenses	44,748,355.95	44,748,355.95	
Goodwill	1,995,588,453.44	1,995,588,453.44	
Long-germ expenses to be amortized	21,707,770.53	21,707,770.53	
Deferred tax assets	430,229,031.02	430,229,031.02	
Other non-current asset	4,751,984,490.29	4,751,984,490.29	
Total of non-current assets	25,695,041,202.56	25,695,041,202.56	
Total of assets	69,628,320,928.19	69,628,320,928.19	
Current liabilities			
Short-term loans	9,807,921,003.28	9,807,921,003.28	
Notes payable	850,447,788.10	850,447,788.10	
account payable	7,007,558,192.78	7,007,558,192.78	
Advance payment	1,652,587,387.44	99,359,865.10	-1,553,227,522.34
Contract liability		1,553,227,522.34	1,553,227,522.34

Employees' wage payable	206,227,756.49	206,227,756.49	
Tax payable	339,813,007.03	339,813,007.03	
Other account payable	3,693,138,656.67	3,693,138,656.67	
Including: Interest payable	452,834,591.96	452,834,591.96	
dividends receivable	66,278,190.37	66,278,190.37	
Non-current liability due within 1 year	7,841,514,464.78	7,841,514,464.78	
Other current liability	454,404,004.66	454,404,004.66	
Total of current liability	31,853,612,261.23	31,853,612,261.23	
Non-current liabilities:			
Long-term loan	3,003,722,151.74	3,003,722,151.74	
Bond payable	301,145,832.60	301,145,832.60	
Long-term payable	1,077,918,138.44	1,077,918,138.44	
Estimated liabilities	124,239,165.21	124,239,165.21	
Deferred income	713,023,519.35	713,023,519.35	
Deferred income tax liability	54,472,480.31	54,472,480.31	
Other non-current liability	508,000,000.00	508,000,000.00	
Total non-current liabilities	5,782,521,287.65	5,782,521,287.65	
Total of liability	37,636,133,548.88	37,636,133,548.88	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Capital reserves	21,812,136,465.66	21,812,136,465.66	
Less: treasury shares	4,422,320.00	4,422,320.00	
Other comprehensive income	-29,175.80	-29,175.80	
Special reserve	28,499,725.62	28,499,725.62	
Surplus reserves	245,507,019.95	245,507,019.95	
Retained profit	3,208,181,640.38	3,208,181,640.38	
Total of owner's equity belong to the parent company	31,020,123,473.81	31,020,123,473.81	
Minority shareholders' equity	972,063,905.50	972,063,905.50	
Total of owners' equity	31,992,187,379.31	31,992,187,379.31	
Total of liabilities and owners' equity	69,628,320,928.19	69,628,320,928.19	

Adjustment statement

The ministry of finance revised and issued the accounting standards for enterprises no. 14 -- revenue (hereinafter referred to as the "new revenue standards") On July 5, 2017. The domestic enterprises will take effect for the new revenue standards from January 1, 2020. This accounting policy change does not involve retroactive adjustments for previous years.

### Parent Company Balance Sheet

In RMB

Items	December 31, 2019	January 1, 2020	Adjustment
Current asset :			
Cash and bank balances	4,700,601,207.82	4,700,601,207.82	
account receivable	236,947,979.44	236,947,979.44	
Prepayments	1,033,942.61	1,033,942.61	
Other account receivable	11,551,051,968.51	11,551,051,968.51	
Dividend receivable	500,000,000.00	500,000,000.00	
Inventories	193,714,314.48	193,714,314.48	
Other current assets	148,973.38	148,973.38	
Total of current assets	16,683,498,386.24	16,683,498,386.24	
Non-current assets:			
Long term share equity investment	28,378,702,448.80	28,378,702,448.80	
Other equity instruments investment	129,500,056.00	129,500,056.00	
Fixed assets	145,493,375.51	145,493,375.51	
Intangible assets	8,991,679.94	8,991,679.94	
other non-current assets	300,000,000.00	300,000,000.00	
Total of non-current assets	28,962,687,560.25	28,962,687,560.25	
Total of assets	45,646,185,946.49	45,646,185,946.49	
Current liabilities			
Short-term loans	6,507,370,461.11	6,507,370,461.11	
accounts payable	8,663,754.33	8,663,754.33	
Prepayments	842,498.78	842,498.78	
Employees' wage payable	5,226,344.53	5,226,344.53	
Tax payable	16,766,064.54	16,766,064.54	
Other account payable	4,861,267,706.46	4,861,267,706.46	
Including: Interest payable	426,748,970.50	426,748,970.50	

dividends payable	66,278,190.37	66,278,190.37	
Non-current liabilities due within 1 year	6,097,417,230.96	6,097,417,230.96	
Total of current assets	17,497,554,060.71	17,497,554,060.71	
Non-current assets:			
long-term loan	495,175,833.33	495,175,833.33	
anticipation liabilities	54,389,500.40	54,389,500.40	
Total of non-current assets	549,565,333.73	549,565,333.73	
Total of assets	18,047,119,394.44	18,047,119,394.44	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Capital reserves	21,832,453,907.50	21,832,453,907.50	
Less: treasury shares	4,422,320.00	4,422,320.00	
Surplus reserves	226,517,795.62	226,517,795.62	
Retained profit	-185,732,949.07	-185,732,949.07	
Total of owners' equity	27,599,066,552.05	27,599,066,552.05	
Total of liabilities and owners' equity	45,646,185,946.49	45,646,185,946.49	

#### Adjustment statement

The ministry of finance revised and issued the accounting standards for enterprises no. 14 -- revenue (hereinafter referred to as the "new revenue standards") On July 5, 2017. The domestic enterprises will take effect for the new revenue standards from January 1, 2020. This accounting policy change does not involve retroactive adjustments for previous years.

#### 2. Note to the retroactive adjustment of the previous comparative data according to the new standards for revenue and the new standards for lease implemented commencing from year 2020

Applicable  Not applicable

#### III. Auditor' report

Is the Frist Quarterly Report be audited?

Yes  No

The Frist Quarterly report is not audited.

Tunghsu Optoelectronic Technology Co., Ltd.

Board Chairman: Gu Xuan

Issue day approved by the Board of Directors: April 30,2020