

# Zhejiang Dahua Technology Co., Ltd.

## 2021 Q1 Report



**April, 2021**

This document is a translated version of the Chinese version 2021 Q1 Report (“2021 年第一季度报告”), and the published 2021 Q1 Report in the Chinese version shall prevail.  
The complete published Chinese 2021 Q1 Report may be obtained at <http://www.cninfo.com.cn>.

## **Section I Important Notice**

**The Board of Directors, the Board of Supervisors, directors, supervisors and senior management members of the Company hereby guarantee that the information presented in this quarterly report is authentic, accurate, complete and free of any false records, misleading statements or material omissions, and they will bear joint and several liability for such information.**

**All the directors attended the meeting of the Board of Directors for the deliberation of this quarterly report.**

**Fu Liquan, the Company's legal representative, Xu Qiaofen, chief accountant, and Zhu Zhuling, person in charge of accounting institution (Accounting Officer) hereby declare and warrant that the financial statements in the quarterly report are authentic, accurate, and complete.**

## Section II Basic Information about the Company

### I. Key Accounting Data and Financial Indicators

Whether the Company needs performed retroactive adjustment or restatement of accounting data in prior years or not

Yes  No

	The Current Reporting Period	The Same Period of Last Year	Increase/Decrease of the Current Reporting Period Compared with the Same Period of the Previous Year
Operating Income (RMB)	5,114,399,101.72	3,501,562,275.80	46.06%
Net Profit Attributable to Shareholders of the Listed Company (RMB)	347,573,484.46	317,916,471.89	9.33%
Net Profit Attributable to Shareholders of the Listed Company after Deducting Non-recurring Gains and Losses (RMB)	311,445,134.94	300,408,224.85	3.67%
Net Cash Flow Generated by Operational Activities (RMB)	-1,327,570,256.40	-1,190,517,598.97	-11.51%
Basic Earnings per Share (RMB/Share)	0.12	0.11	9.09%
Diluted Earnings per Share (RMB/Share)	0.12	0.11	9.09%
Weighted Average ROE	1.74%	2.01%	-0.27%
	At the End of the Current Reporting Period	At the End of the Previous Year	Increase/Decrease at the End of the Current Reporting Period Compared with the End of the Previous Year
Total assets (RMB)	37,793,288,583.82	36,595,034,080.75	3.27%
Net assets attributable to shareholders of the listed company (RMB)	20,730,157,335.50	19,773,030,426.40	4.84%

Note: The investment income of current period is decreased by RMB 59 million compared with the same period of previous year, a year-on-year decrease of 377.53%, mainly due to confirmed loss of RMB 98 million investment in Leapmotor, an associate.

Non-recurring Gains and Losses Items and Their Amounts

Applicable  Not applicable

Unit: RMB

Item	The Amount from the	Note
------	---------------------	------

	Beginning of the Year to the End of the Current Reporting Period	
Profits or Losses from Disposal of Non-current Assets (Including the Write-off for the Accrued Impairment of Assets)	483,524.47	
The Government Subsidies Included in the Current Profits and Losses (Excluding the Government Subsidies Closely Related to Regular Businesses of the Company And Issued in the Quota or Quantity Based on the National Standards)	20,323,912.52	
Gains or Losses From Investment or Asset Management Entrusted to Others	-2,913,829.24	
Profits and Losses Resulting from the Changes in Fair Value for Holding Trading Financial Assets, Derivative Financial Assets and Trading Financial Liabilities, Derivative Financial Liabilities and Investment Income from Disposal of Trading Financial Assets, Derivative Financial Assets, Trading Financial Liabilities, Derivative Financial Liabilities, and Other Obligatory Right Investment, Excluding the Effective Hedging Businesses Related to the Regular Business Operation of the Company	27,365,451.74	
Non-operating Revenue and Expenses Other than the above	1,484,792.89	
Other Gains and Losses Items that Fit the Definition of Non-Recurring Gains and Losses	169,645.79	
Less: Impact of Income Tax	7,098,388.91	
Impact of Minority Equity (After Tax)	3,686,759.74	
Total	36,128,349.52	--

For items defined as non-recurring gains and losses according to the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to Public - Non-recurring Gains and Losses, or non-recurring gains and losses items listed in the said document defined as recurring ones, please specify the reasons.

Applicable  Not applicable

In the reporting period, the Company did not define any non-recurring gains and losses items defined and listed in the No. 1 Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to Public - Non-recurring Gains and Losses, as recurring gains and losses items.

## II. The Total Number of Shareholder and the Holdings of the Top 10 Shareholders at the End of the Current Reporting Period

### 1. The total number of common shareholders, the number of preferred shareholders with restored voting rights and shareholding status of the top 10 shareholders

Unit: share

Total Number of Common Shareholders at The End of The Reporting Period		143,572	Total Number of Preferred Shareholders (If Any) Whose Voting Rights have been Recovered at the End of the Reporting Period		0	
The shareholdings of the top 10 shareholders						
Name of Shareholder	Nature of Shareholder	Shareholding Percentage	Number of Shares Held	Number of Shares Held with Limited Sales Conditions	Pledge or Freezing	
					State of Shares	Number
Fu Liqun	Domestic Natural Person	34.18%	1,023,868,980	767,901,735	Pledge	257,587,942
Zhu Jiangming	Domestic Natural Person	5.36%	160,577,490	120,433,117	Pledge	37,000,000
Shanghai Perseverance Asset Management (Limited Partnership) - Gaoyi Linshan No.1 Yuanwang Fund	Others	3.84%	115,000,000	0		
Hong Kong Securities Clearing Co. Ltd.	Overseas Legal Person	3.81%	114,260,034	0		
Chen Ailing	Domestic Natural Person	2.38%	71,262,813	53,447,110	Pledge	21,100,000
Wu Jun	Domestic Natural Person	2.31%	69,250,886	51,938,164		
China Galaxy Securities Co.,	State-owned Legal Person	1.61%	48,262,726	0		

Ltd.						
China Securities Finance Co., Ltd.	Domestic Non-state-owned Legal Person	1.32%	39,611,241	0		
Central Huijin Asset Management Co., Ltd.	State-owned Legal Person	1.05%	31,448,750	0		
Shanghai Greenwoods Asset Management Co., Ltd. - Greenwoods Global Fund	Others	0.95%	28,361,893	0		
Shareholding List of Top Ten Shareholders without Limited Sales Condition						
Name of Shareholder	Number of Shares Held without Limited Sales Condition	Type of Shares				
		Type of Shares	Number			
Fu Liquan	255,967,245	RMB common stock	255,967,245			
Shanghai Perseverance Asset Management (Limited Partnership) - Gaoyi Linshan No.1 Yuanwang Fund	115,000,000	RMB common stock	115,000,000			
Hong Kong Securities Clearing Co. Ltd.	114,260,034	RMB common stock	114,260,034			
China Galaxy Securities Co., Ltd.	48,262,726	RMB common stock	48,262,726			
Zhu Jiangming	40,144,373	RMB common stock	40,144,373			
China Securities Finance Co., Ltd.	39,611,241	RMB common stock	39,611,241			
Central Huijin Asset Management Co., Ltd.	31,448,750	RMB common stock	31,448,750			
Shanghai Greenwoods Asset Management Co., Ltd. - Greenwoods Global Fund	28,361,893	RMB common stock	28,361,893			
Agricultural Bank of China Co., Ltd.- Shanghai Investment Morgan Emerging Power Hybrid	18,691,142	RMB common stock	18,691,142			

Securities Investment Fund			
Chen Ailing	17,815,703	RMB common stock	17,815,703
Description of the association relationship or concerted action of above-mentioned shareholders	Mr. Fu Liquan And Ms. Chen Ailing Are Husband And Wife. The Company Is Unaware Of Whether Other Shareholders Have Associated Relationship Or Are Persons Acting In Concert.		
Explanation On Top Ten Shareholders' Participation In Securities Margin Trading (If Any)	N/A		

Whether the Company's top ten common shareholders or top ten common shareholders without limited shares agree on any repurchase transaction in the reporting period

Yes  No

None of the Company's top ten common shareholders or top ten common shareholders without limited shares agreed on repurchase in the reporting period.

## 2. The total number of the preferred shareholders and the shareholdings of the top 10 preferred shareholders

Applicable  Not applicable

## Section III Significant Events

### I. The Changes in Major Financial Data and Financial Indicators in the Current Reporting Period and the Reasons

√ Applicable □ Not applicable

#### i. The changes of assets and liabilities and the reasons

1. Trading Financial Assets increased by 20374.31% compared with end of the previous year, mainly due to newly increased structured deposits in this period.
2. Long-term Equity Investment increased by 90.50% compared with end of the previous year, mainly due to the change in Shareholders' Equity of company's associates in the current period, and the company confirmed the corresponding share according to the shareholding ratio;
3. Other Non-current Financial Assets increased by 140.57% compared with end of the previous year, mainly due to investment of RMB 500 million in new asset management plan in this period;
4. The right-of-use Assets increased by 100% compared with end of the previous year, mainly due to the implementation of the new lease standards and related statement adjustment in this period.
5. Intangible assets increased by 46.08% compared with end of the previous year, mainly due to the newly purchased land in this period.
6. Short-term loan increased by 392.23% compared with end of the previous year, mainly due to the increase of bank loan in this period;
7. Transaction financial liabilities increased by 100% compared with end of the previous year, mainly due to changes in the fair value of foreign currency exchange contracts in this period;
8. The salary payable to employees decreased by 64.09% compared with end of the previous year, mainly due to the issuance of year-end bonus in this period;
9. Non-current liabilities due within one year increased by 50.83% compared with end of the previous year, mainly due to the implementation of the new lease standards and reclassification of lease liabilities due within one year in this period;
10. Other Current Liabilities increased by 35.83% compared with end of the previous year, mainly due to the increase in the bills to be unrecognized compared in this period;
11. Long-term Loan increased by 56.95% compared with end of the previous year, mainly due to the increase of long-term bank loan in this period;
12. Lease Liabilities increased by 100% compared with end of the previous year, mainly due to implementation of the new lease standards and related adjustments in this period;
13. The Capital Reserves increased by 30.03% compared with end of the previous year, mainly due to confirmed increase of the changes in other rights and interests of associates in this period;

#### (II) The changes of items in the income statement and the reasons

1. Operating income increased by 46.06% compared with same period of previous year, mainly due to expansion of the company's sales scale;
2. Operating Costs increased by 70.02% compared with same period of the previous year, mainly due to the cost increases as the revenue grows;
3. Taxes and Surcharges increased by 142.08% compared with same period of previous year, mainly due to the increase of turnover tax payable in this period;
4. Financial Expenses decreased by 41.67% compared with same period of previous year, mainly due to the increase in

interest income in this period;

5. Other Income decreased by 30.94% compared with same period of the previous year, mainly due to the decrease in value-added tax refund;
6. Investment Income decreased by 377.53% compared with same period of the previous year, mainly due to confirmed investment losses of associates in this period;
7. The gains and losses from changes in fair value increased by 100% compared with same period of the previous year, mainly due to the increase of fair value changes in Other Non-current Financial Assets;
8. Credit Impairment Losses increased by 185.89% compared with same period of the previous year, mainly due to the increase of the provisions for bad debts accrued in this period;
9. Asset Impairment Losses increased by 212.70% compared with same period of the previous year, mainly due to the increase of inventory depreciation provisions made during the current period;
10. Non-operating Revenues increased by 56.93% compared with the same period of previous year, mainly due to the increase of contract liquidated damages received in this period;
11. Non-operating Expenses decreased by 71.87% compared with same period of previous year, mainly due to the decrease of donation in this period;
12. Income Tax Expenses increased by 119.29% over the same period of the previous year, mainly due to the increase of taxable income in this period;

(III) The changes of items in the cash flow statement and the reasons

1. The net amount of cash flow generated by investment activities decreased by 320.94% compared with same period of the previous year, mainly due to the increase of entrusted financial management investment in this period.

## II. Progress of Significant Events and the Analysis of Its Influence and Solutions

Applicable  Not applicable

1. On January 8, 2021, the eighth meeting of the seventh Board of Directors of the company reviewed and approved the "Proposal on Joint Capital Increase and Related Party Transactions with Related Parties", and agreed that the company and related parties Zhang Xingming, He Chao, Ningbo Huaqi Investment Management Partnership (Limited Partnership), Hangzhou Kangpi Enterprise Management Partnership (Limited Partnership) and non-related party Yao Weizhong to sign the "Agreement on Equity Transfer and Capital Increase of Zhejiang Healnoc Technology Co., Ltd.". The company and related parties Zhang Xingming, He Chao, Ningbo Huaqi Investment Management Partnership (Limited Partnership), Hangzhou Kangpi Enterprise Management Partnership (Limited Partnership) and unrelated party Yao Weizhong contributed RMB 50 million in total to Zhejiang Healnoc Technology Co., Ltd. (referred to as "Healnoc") as capital increase. In which, the company invested RMB 20 million of its own funds, holding 20% of Healnoc equity, and Healnoc became a shareholding company. The procedures for industrial and commercial change of the above matters have been completed in February 2021.
2. On January 8, 2021, the eighth meeting of company seventh Board of Directors reviewed and approved "Proposal on Giving up Shareholding Company Equity Increase in Capital and Related Party Transactions". Zhu Jiangming, Gao Dong, Chen Jinxia, Ningbo Hualing Investment management partnership( limited partnership), total of 14 investors made a B-1 round of capital increase in Leapmotor Technology. The related transaction amount of company giving up the right to increase capital in the same proportion was RMB 458,459 million. The procedures for the industrial and commercial change of the above matters have been completed in January 2021.
3. On January 27, 2021, the ninth meeting of the seventh Board of Directors the company reviewed and approved "Proposal on Giving up the Shareholding Company Equity Increase in Capital and Related Party Transactions". A total of 10 investors, including Zhejiang Mituo Investment Co., Ltd., Gao Dong, Huzhou Heninghai Investment Partnership

(Limited Partnership), intended to make a B-2 round of capital increase in Leapmotor. The amount of related party transactions involved in the company's abandonment of the right to increase capital in the same proportion was RMB 166,835.46 million. The procedures for the industrial and commercial change of the above matters have been completed in January 2021.

4. On March 26, 2021, the twelfth meeting of the seventh Board of Directors of the company and the eighth meeting of the company seventh Board of Supervision, reviewed and approved "Proposal on Processing Scheme of Non-public Issuance of Shares of Year 2021", "Proposal on Plan of Non-public Issuance of Shares of Year 2021" "Proposal on Signing of agreement( Subscription Agreement for Non-public Issuance of Shares with Effective Conditions) between company and the subscriber", "Proposal on Company Introducing Strategic Investors and Signing of Agreement (Strategic Cooperation Agreement with Effective Conditions)", "Proposal on Company Non-public Issuance of Shares Related Party Transactions" and so on. The company planned to issue 312,151,600 non-public shares, and the total amount of funds raised did not exceed RMB 5.6 billion (including RMB 5.6 billion). The target company of this non-public issuance is China Mobile Capital Holdings Co., Ltd., which is the wholly-owned subsidiary of China Mobile Communications Group Co., Ltd.,.

5. On April 1, 2021, the thirteenth meeting of the seventh Board of Directors and the ninth meeting of the seventh Board of Supervisors of the company, reviewed and approved the "Proposal of restricted share incentive plan for the second unlock period of the first grant and reserving the achievement for the first unlock of Year 2018 " It approved to unlock 29,431,520 restricted shares held by 2,889 incentive targets who met the share unlock conditions. The matter was completed on April 15, 2021.

6. On April 1, 2021, the thirteenth meeting of the seventh Board of Directors of the company and the ninth meeting of the seventh Board of Supervisors of the company reviewed and approved the "Proposal on Repurchase and Cancellation of Part of Restricted Share (granted but not yet unlocked)". It approved to repurchase 1,028,860 restricted shares that have been granted but not yet unlocked, held by 65 ex-employees , including 882,360 shares of first time granted at repurchase price of RMB 8.17 per share and 146,500 reserved shares at a purchase price of RMB 8.75 per share. The aforesaid repurchase and cancellation matters need to be submitted to the General Meeting of shareholders for approval.

Overview of the Significant Events	Date of Disclosure	Indexes for the Inquiry of Websites Disclosing the Provisional Reports
Related party transactions over capital increase in Healnoc with related parties	January 9, 2021	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Related matters on giving up the right to increase capital in the same proportion of Leapmotor, a shareholding company	January 9, 2021	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Related matters on giving up the right to increase capital in the same proportion of Leapmotor, a shareholding company	January 28, 2021	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Details of company non-public issuance of shares in Year 2021	March 27, 2021	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Matters concerning the conditions for the first granting of the second unlock period and reserved granting of the first unlock period in 2018 Restricted Stock Incentive Plan	April 02, 2021	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
Details of repurchase and cancellation of restricted shares that have been granted but not yet unlocked	April 02, 2021	Juchao Information Website <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

The progress on share repurchase

Applicable  Not applicable

The progress on reduction of re-purchase shares by means of centralized competitive bidding

Applicable  Not applicable

### III. Commitments made by the Company's actual controllers, shareholders, related parties, purchasers and purchasing companies having not been fulfilled during the reporting period

Applicable  Not applicable

During this reporting period, there is no commitment made by the Company's actual controllers, shareholders, related parties, purchasers and purchasing companies having not been fulfilled during the reporting period.

### IV. Financial assets investment

#### 1. Securities investment

Applicable  Not applicable

No such case as securities investment during the reporting period.

#### 2. Derivatives investment

Applicable  Not applicable

Unit: ten thousand RMB

Name of Derivatives Investment Operator	Relation with Related Party	Whether It Is A Related Transaction	Types of Derivatives Investment	Initial Amount of Derivatives Investment	Starting Date	Termination Date	Initial Investment Amount	Amount Purchased during the Reporting Period	Amount Sold during the Reporting Period	Amount of Provision for Impairment Accrued (if any)	Investment Amount at the End of the Period	Proportion of Investment Amount in the Company's Net Assets at End of the Reporting Period	Actual Profit and Loss during the Reporting Period
Bank	No relations	No	Structured deposits	50,000	January 26, 2021	June 30, 2021		50,000			50,000	2.41%	350.68
Bank	No relations	No	Foreign exchange contract		November 27, 2020	March 31, 2022	40,904.41	299,051.09	215,601.24		124,354.26	6.00%	1,202.53
Total				50,000	--	--	40,904.41	349,051.09	215,601.24		174,354.26	8.41%	1,553.21
Sources of funds for derivatives investment				Equity Fund									
Litigation involved (if applicable)				N/A									
Disclosure date of board of directors'				April 3, 2020									

announcement on the approval of derivatives investment (if any)	
Disclosure date of shareholder meeting's announcement on the approval of derivatives investment (if any)	May 13, 2020
Risk analysis and description of control measures for derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	For details of risk analysis and control measures, please refer to the "Announcement on the Use of Own Funds to Purchase Bank Wealth Management Products" (Announcement No. 2020-025) and "Announcement on Carrying out Foreign Exchange Hedging Transactions" (Announcement No. 2020-022), which were disclosed on April 3, 2020.
Changes in market prices or product fair value of invested derivatives during the reporting period, and the analysis of the fair value of derivatives should disclose the specific methods used and the setting of related assumptions and parameters.	For the structured deposits signed between the company and bank during the reporting period, the profit and loss of fair value shall be determined according to the association between interest rate and the foreign exchange options. The difference between the forward foreign exchange settlement contract quotation and the forward foreign exchange price determined the transactional financial assets or transactional financial liabilities.
Explanation of whether the Company's derivatives accounting policies and specific accounting principles have changed significantly during the reporting period compared with the previous reporting period	No
Independent directors' special opinions on the Company's derivatives investment and risk control	For details, please refer to the "Independent Opinions of Independent Directors on Related Matters" disclosed by the company on April 3, 2020.

## V. Progress of investment projects with raised funds

Applicable  Not applicable

## VI. Estimated operating performance from January to June, 2021

Warning and explanation of the prediction that the cumulative net profit from the beginning of the year to the end of the next reporting period may be a loss or a significant change compared the same period of last year

Applicable  Not applicable

## VII. Major contracts in daily operations

Applicable  Not applicable

## VIII. Entrusted Financing

Applicable  Not applicable

Unit: ten thousand RMB

Specific Type	Funding Source	Entrusted Amount	Unexpired Balance	Overdue Outstanding Amount
Bank financial products	Equity Fund	50,000	50,000	0
Financial products of securities companies	Equity Fund	50,000	50,000	0
<b>Total</b>		<b>100,000</b>	<b>100,000</b>	<b>0</b>

Specific matters on high-risk entrusted capital management with a large amount for a single item, or with low security, poor liquidity and no capital preservation guarantee.

Applicable  Not applicable

Unit: ten thousand RMB

Name of Trustee Organization (or Name of Trustee)	Trustee Organization (or Trustee) Type	Product Type	Amount	Capital Source	Starting Date	Termination Date	Investment Direction	Payment Determination Method	Reference for Annualized Rate of Return	Expected Earnings (If Any)	Actual Profit and Loss during the Reporting Period	Actual Recovery of Profits and Losses during the Reporting Period	Amount of Provision for Impairment Accrued (if any)	Whether it Passed the Legal Procedures	Whether there Will be Entrusted Financial Plan in the Future	Item Overview and Related Query Index (if any)
Guosen Securities co., Ltd.	Securities company	Asset Management Plan	50,000	Equity Fund	February 10, 2021	February 9, 2031	Private equity fund products, fixed income assets, equity assets, public equity hybrid funds	Payment of principal and income at maturity			-642.07	Unexpired		Yes	No	
<b>Total</b>			<b>50,000</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>		<b>-642.07</b>	<b>--</b>		<b>--</b>	<b>--</b>	<b>--</b>

Cases of entrusted financing expected to be unable to recover the principal or cases that may result in impairment

Applicable  Not applicable

## IX. Illegal external guarantees

Applicable  Not applicable

No illegal external guarantees during the reporting period.

## X. Non-operational capital occupation over listed companies by controlling shareholders and their related parties

Applicable  Not applicable

During the reporting period, there is no non-operational capital occupation over listed companies by controlling shareholders and their related parties.

## XI. Registration form for reception of research, communication, interviews, and other activities during the reporting period

Applicable  Not applicable

Reception Time	Reception Location	Reception Method	Reception Target Type	Reception Objects	Main Content of the Discussion and the Information Provided	Index of the Basic Information of Research
January 29, 2021	Company meeting room	Combination of field research and telephone communication	Institution	Destination Partners Limited, Franklin Templeton, Inforesight, (China Insight, Fund in CRM), LSQ SPAC Fund, Panjing, Harbourview Investment Fund, Point72, UBS, Essence Securities, Essence Fund, Power Pacific, Bingshen Investment, Bosera Fund, Caitong Fund, Caitong Asset Management, Ivy Capital, Chengshi Assets, All Fund, Morgan Stanley Huaxin fund, Danyi Investment, Springs Capital, Dehui Group, Northeast Securities, Dongfang Self-operated, Soochow Securities, East Securities Asset Management, Dunhe Asset Management, Fengling Capital, Fuanda Fund, Fidelity, Fullgoal fund, Gaoyi, Green Fund, Golden Eagle Fund, Golden Eagle, Invesco Great Wall, Jiutai Fund, Juming Investment, Junze Investment, Kendall Square Capital, Legend Investment, Neuberger Berman Fund, Minsheng Royal Fund, China Southern Fund, Ningbo Bank Wealth Management, Ningquan Assets, ABC-CA, Lion Fund, Ping An Assets, Peifeng Assets, Penghua Fund, Ping An Asset Management, Foresea Life Insurance, Headwater Investment, Ren Bridge Asset Management, Rongtong Fund, Foresight Fund, Xiamen Pearl Investment, Shanghai Chengtou Investment, Shanghai Daoren Assets, CIFM Asset Management, SWS Mu fund, Tenbagger Capital, Suzhou Junrong Asset Management Co., Ltd., CPIC, BOC International (China) Co.,Ltd, Bank of China Investment Management, China Post, China Re Assets, Rosefinch Fund, Zige Investment, CITIC Securities, CITIC Asset Management, CITIC Prudential, CITIC Construction Investment, Gen Xi Assets, ICBC Credit Suisse, GF Fund, GF Securities, GF Proprietary, Sinolink Securities,	There is no information about the overall operating status of the company, development in new technologies, Yunrui platform and five major research institutes introduction has not been provided.	For more information, please see the investor relations activity list in <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

				<p>Guosheng Securities, China Life Security, China Life Pension, China Life Assets, Guotai Fund, UBS SDIC, Guosen Securities, Guoyuan Securities, Haitong Securities, Hechuang Capital, HeXi Youfang Investing, Hony Horizon Fund, Sequoia Capital, HC Capital, Huan Securities, Huan Self-operated, Hua Chuang Securities, Harfor Fund, Huashang Fund, Huatai Insurance, Huatai Asset Management, Huaxia, China Everwin Asset, China Future Capital Group, High Flyer Quant Fund, HSBC Jintrust Fund, HuiJin Capital, China Universal Asset Management, Harvest Fund, CCB, Jiangxin Fund, Bank of Communications Schroders, Manulife TEDA Fund, Taikang, Tianhong, Tongben Investment, Sunsource, Wukong Investment, Western Leadbank FMC, Shiva Investment, New China Fund , New China Assets, Cinda Securities, CIB Fund, AEFON-Industrial Fund, Sun Fund, discovering Investment, China Galaxy Securities, Yinhua Fund, Argent Fund, Infore Capital, Yingke PE, Yongrui Fortune, Maxwealth Fund, Yuhe Assets, GTS Fund, .Longrising Fund, GORTUNE Investment, Ze Quan Investment, Changjiang Pension, Changsheng Fund, China Merchants Fund, Zheshang Fund, Zhong Geng Fund, CICC, CICC Asset Management</p>		
March 24, 2021	Company meeting room	Telephone communication	Institutions and individuals	<p>Arohi Fund, Broad Peak Investment, Citi Bank, Cedit Suisse, DTC Capital, MLP, Morgan Stanley, ABS Assets, CQ Capital, Purekind Fund, Dacheng Fund Management, Dahua Group, Springs Investment, Orient Securities, Hillview Capital, Fidelity International Investment, Hillhouse Capital, Everbright Securities, Guodu Securities, Guohua Life Insurance, Guotai Fund, Citibank, Huan Securities, Huarong Securities, Huijing Assets, Harvest Fund, Green wood Assets, JT Asset Management , Junhe Capital, Lead Capital, Lin Fu Investment, Marco Polo Asset Management, Macquarie Funds, Minsheng Securities, DIB Asset Management, Morgan Stanley Funds, Nanjing Securities, Lion Funds, Ruike Asset Management Co., Ltd., Switzerland Credit, Shangao Asset Management, Shanshi Fund, Shanghai Kandao Assets, Shanghai Yiheng Investment, Shanghai Chasecloud Asset Management Co., Ltd., CIFM Asset Management, Deepstone Fund, Shenzhen Echo capital., Shenzhen Xiangshu Assets , Taikang Asset Management Co., Ltd., Sunshine Capital, Southwest Securities, Starock Investment, Easy Fund, Mutual Benefits, Great Wall</p>	<p>There is no information about the operations summary, future strategic investment, and development strategies of each business sector of the company Year in 2020.</p>	<p>For more information, please see the investor relations activity list in <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a></p>

				<p>Securities, Changjiang Securities, China Merchants Fund, China Merchants Securities, CECport, China Life Insurance, China Securities, CITIC Securities, AVICA-COFCO Life Insurance, Zhongyu Investment, JPMorgan Chase Securities, CPS Media, HSBC, Jpm, Omdia, Omdia (IHS), Polar capital, UBS, Essence Fund, Essence Securities, Essence Securities Asset Management, Beijing Cheng Sheng Investment Management Co., Ltd., Beijing Renbridge Asset Management Co., Ltd., Beijing Changqing Foundation Technology Management Co., Ltd., Shanghai Goldensum Investment, Bingshen Investment, Cailian Press, Chengyang Investment, Northeast Securities, Oriental Fund, Oriental Securities Asset Management, Donghai Securities, Soochow Fund, Soochow Securities, Founder Securities, Fengpei Investment, Fudao Fund, Gangli Investment, Gaoyi Assets, JPMorgan Chase, Granford Assets, Everbright Securities Asset Management, GF Securities, Guangzhou Hui Chuang Fu Xiang Investment, Guohua Life Insurance, Gfund Management, Gfund Wealth, Guolian Life Insurance, Guosheng Securities Research Institute, Guosen Securities Economic Research Institute, Guoyuan Securities, Hainan Quadrant Fund, Haitong Securities, HEJV Capital, Hangzhou Jiulong Asset Management Co., Ltd., Hangzhou Rongzeshi Asset Management, Visione Asset, Hebei Zebang New Energy Co., Ltd., Hechuang Investment , Hechuang Capital, Hony Horizon Fund, Huaan Fund, Hua Chuang Securities, Harfor Fund, Beijing Huatai New Industry Investment Fund, Huatai Securities Self-operated, HSBC Jintrust Fund, Huijin Capital, China Universal Fund, BoCommlife Insurance, Bank of Communications Schroders, Capvision.</p> <p>China Unicom 5G Fund of Funds, Lingze Capital, Mingya Fund, ICBC Credit Suisse, Individual Investors</p>		
--	--	--	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

## Section IV Financial Statements

### I. Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: Zhejiang Dahua Technology Co., Ltd.

March 31, 2021

Unit: RMB

Item	March 31, 2021	December 31, 2020
Current Assets:		
Cash and Bank Balances	6,293,350,353.36	7,471,652,634.66
Deposit Reservation for Balance		
Loans to Banks and Other Financial Institutions		
Trading Financial Assets	506,878,374.09	2,475,680.45
Derivative Financial Assets		
Notes Receivable	222,586,828.58	232,857,354.55
Accounts Receivable	12,220,193,199.28	12,857,519,110.16
Receivables Financing	1,035,476,913.51	1,207,879,654.58
Prepayments	161,714,153.60	162,250,648.05
Premium Receivable		
Reinsurance Accounts Receivable		
Reinsurance Contract Reserves Receivable		
Other Receivables	885,793,311.37	970,427,893.48
Including: Interest Receivable		
Dividends Receivable		
Buying Back the Sale of Financial Assets		
Inventory	6,097,103,756.18	4,928,019,838.00
Contract Assets	102,260,297.93	84,825,834.82
Holding for-sale Assets		

Non-current Assets Due within 1 Year	612,063,373.30	635,956,549.07
Other Current Assets	661,270,153.24	558,434,219.93
Subtotal of Current Assets	28,798,690,714.44	29,112,299,417.75
Non-current Assets:		
Granting of Loans and Advances		
Investment in Creditor's Rights		
Investment in Other Creditor's Rights		
Long-term Receivables	2,122,293,873.57	2,250,315,769.50
Long-term Equity Investment	868,639,104.37	455,977,616.16
Investment in Other Equity Instruments		
Other Non-current Financial Assets	866,261,508.85	360,087,786.34
Investment Property	332,088,083.04	336,008,869.13
Fixed Assets	1,959,919,814.17	1,515,594,629.97
Projects under Construction	978,543,887.77	1,164,130,453.03
Productive Biological Assets		
Oil and gas assets		
Right-of-use Assets	215,056,482.42	
Intangible Assets	594,239,278.84	406,777,323.39
Development Expenditure		
Goodwill	42,685,490.30	42,685,490.30
Long-term Deferred Expenses	35,454,858.63	32,280,430.67
Deferred Income Tax Assets	894,399,405.48	832,453,676.69
Other Non-current Assets	85,016,081.94	86,422,617.82
Subtotal of Non-current Assets	8,994,597,869.38	7,482,734,663.00
Total Assets	37,793,288,583.82	36,595,034,080.75
Current Liabilities:		
Short-term Loan	1,231,454,666.13	250,177,083.34
Borrowings from the Central Bank		
Borrowings from Banks and Other Financial Institutions		

Transactional Financial Liabilities	1,042,761.84	
Derivative Financial Liabilities		
Notes Payable	3,447,526,796.12	3,258,552,758.17
Accounts Payable	5,999,522,945.00	6,444,787,705.28
Received Prepayments		
Contract Liabilities	819,678,608.61	671,120,385.08
Financial Assets Sold for Repurchase		
Deposit Taking and Interbank Deposit		
Receiving from Vicariously Traded Securities		
Receiving from Vicariously Sold Securities		
Payroll payable	648,335,502.61	1,805,464,535.31
Tax Payable	684,617,819.81	900,144,863.67
Other Payables	968,467,036.17	970,552,877.22
Including: Interest Payable		
Dividends Payable	12,982,399.27	12,982,399.27
Service Charge and Commission Payable		
Reinsurance Accounts Payable		
Holding for-sale liabilities		
Non-current Liabilities Due within 1 Year	229,097,062.00	151,891,709.34
Other Current Liabilities	284,440,354.28	209,401,914.77
Subtotal of Current Liabilities	14,314,183,552.57	14,662,093,832.18
Non-current Liabilities:		
Insurance Contract Reserves		
Long-term Loan	1,378,000,000.00	878,000,000.00
Bonds Payable		
Including: Preferred Stocks		
Perpetual Bonds		
Lease Liabilities	121,509,115.83	
Long-term Payables		

Long-term Payroll Payable		
Expected Liabilities	266,393,066.24	282,427,517.82
Deferred Income	108,914,414.33	110,469,806.29
Deferred Income Tax Liabilities	61,845,851.13	67,272,768.46
Other Non-current Liabilities	369,645,918.81	391,128,045.90
Subtotal of Non-current Liabilities	2,306,308,366.34	1,729,298,138.47
Total Liabilities	16,620,491,918.91	16,391,391,970.65
Shareholders' Equity:		
Share Capital	2,995,579,590.00	2,995,579,590.00
Other Equity Instruments		
Including: Preferred Stocks		
Perpetual Bonds		
Capital Reserves	2,587,135,107.94	1,989,655,334.05
Less: Treasury Share	581,968,930.89	581,968,930.89
Other Comprehensive Incomes	73,231,173.88	61,157,523.13
Special Reserves		
Surplus Reserves	1,553,691,005.92	1,553,691,005.92
General Risk Reserves		
Undistributed Profits	14,102,489,388.65	13,754,915,904.19
Total Shareholders' Equity Attributable to the Parent Company	20,730,157,335.50	19,773,030,426.40
Minority Shareholders' Equity	442,639,329.41	430,611,683.70
Total Shareholders' Equity	21,172,796,664.91	20,203,642,110.10
Total Liabilities and Shareholders' Equity	37,793,288,583.82	36,595,034,080.75

Legal representative: Fu Liquan      Person in charge of accounting: Xu Qiaofen      Person in charge of the accounting institution: Zhu Zhuling

## 2. Balance Sheet of the Parent Company

Unit: RMB

Item	March 31, 2021	December 31, 2020
Current Assets:		
Cash and Bank Balances	2,136,079,368.49	3,130,479,311.55
Trading Financial Assets	503,506,849.32	

Derivative Financial Assets		
Notes Receivable	76,325,143.14	74,284,006.99
Accounts Receivable	3,334,285,692.28	2,740,152,239.35
Receivables Financing	378,414,500.46	169,109,529.24
Prepayments	37,529,957.82	48,203,550.97
Other Receivables	13,084,595,903.61	13,796,603,550.30
Including: Interest Receivable		
Dividends Receivable		
Inventory	185,154,390.15	171,756,222.72
Contract Assets	8,316,811.52	8,338,657.15
Holding for-sale Assets		
Non-current Assets Due within 1 Year	60,059,864.07	61,828,724.54
Other Current Assets	13,936,871.25	12,592.38
Subtotal of Current Assets	19,818,205,352.11	20,200,768,385.19
Non-current Assets:		
Investment in Creditor's Rights		
Investment in Other Creditor's Rights		
Long-term Receivables	99,393,268.82	100,221,713.49
Long-term Equity Investment	4,121,147,862.35	3,660,410,557.29
Investment in Other Equity Instruments		
Other Non-current Financial Assets	849,976,508.85	355,853,684.59
Investment Property	171,060,808.18	173,003,549.71
Fixed Assets	570,329,253.75	550,991,444.04
Projects under Construction	499,398,442.52	438,014,907.22
Productive Biological Assets		
Oil and gas assets		
Right-of-use Assets	101,252,294.54	
Intangible Assets	152,990,574.20	156,335,152.97
Development Expenditure		
Goodwill		
Long-term Deferred Expenses	19,225,823.44	21,149,342.55

Deferred Income Tax Assets	173,899,292.77	135,371,242.86
Other Non-current Assets	8,417,003.55	35,774,247.16
Subtotal of Non-current Assets	6,767,091,132.97	5,627,125,841.88
Total Assets	26,585,296,485.08	25,827,894,227.07
Current Liabilities:		
Short-term Loan	529,121,332.80	250,177,083.34
Transactional financial Liabilities		
Derivative Financial Liabilities		
Notes Payable	272,010,077.43	303,660,579.62
Accounts Payable	405,284,890.67	752,373,890.95
Received Prepayments		
Contract Liabilities	78,560,588.43	85,275,423.36
Payroll Payable	409,905,572.96	1,127,500,408.14
Tax Payable	519,482,084.63	627,351,201.46
Other Payables	1,022,238,933.41	1,002,654,121.27
Including: Interest Payable		
Dividends Payable	12,982,399.27	12,982,399.27
Holding for-sale Liabilities		
Non-current Liabilities Due within 1 Year	186,467,610.58	150,643,750.02
Other Current Liabilities	42,231,074.31	26,870,130.42
Subtotal of Current Liabilities	3,465,302,165.22	4,326,506,588.58
Non-current Liabilities:		
Long-term Loan	1,250,000,000.00	750,000,000.00
Bonds Payable		
Including: Preferred Stocks		
Perpetual Bonds		
Lease Liabilities	54,377,957.51	
Long-term Payables		
Long-term Payroll Payable		
Expected Liabilities	8,058,379.20	8,333,634.18
Deferred Income		
Deferred Income Tax Liabilities	29,315,669.37	29,407,289.24
Other Non-current Liabilities	10,272,904.15	10,599,934.34

Subtotal of Non-current Liabilities	1,352,024,910.23	798,340,857.76
Total Liabilities	4,817,327,075.45	5,124,847,446.34
Shareholders' Equity:		
Share Capital	2,995,579,590.00	2,995,579,590.00
Other Equity Instruments		
Including: Preferred Stocks		
Perpetual Bonds		
Capital Reserves	2,563,802,932.55	1,976,156,775.91
Less: Treasury Share	581,968,930.89	581,968,930.89
Other Comprehensive Incomes	544,380.66	522,554.00
Special Reserves		
Surplus Reserves	1,553,691,005.92	1,553,691,005.92
Undistributed Profits	15,236,320,431.39	14,759,065,785.79
Total Shareholders' Equity	21,767,969,409.63	20,703,046,780.73
Total Liabilities and Shareholders' Equity	26,585,296,485.08	25,827,894,227.07

### 3. Consolidated Income Statement

Unit: RMB

Item	This Period's Amount of Occurrence	Previous Period's Amount of Occurrence
I. Total Operating Revenue	5,114,399,101.72	3,501,562,275.80
Including: Operating Revenue	5,114,399,101.72	3,501,562,275.80
Interest Income		
Earned Premiums		
Service Charge and Commission Income		
II. Total Operating Cost	4,770,751,992.98	3,369,359,569.59
Including: Operating Cost	3,022,354,395.09	1,777,655,306.56
Interest Expenditures		
Service Charge and Commission Expenses		
Surrender Value		
Net Claims Paid		
Net Amount of Withdrawn Reserve for Insurance Liability		

Contract		
Policyholder Dividend Expense		
Reinsurance Cost		
Taxes and Surcharges	45,259,450.42	18,696,287.45
Sales Expenses	884,332,162.54	794,773,576.60
Administration Expenses	186,886,265.44	150,490,749.11
Research and Development Expense	605,759,333.31	582,896,157.53
Financial Expenses	26,160,386.18	44,847,492.34
Including: Interest Expenses	16,480,279.65	21,544,585.52
Interest Income	57,860,554.10	45,305,751.27
Add: Other Income	159,998,097.67	231,668,573.00
Investment Income (Mark "-" for Loss)	-74,602,834.57	-15,622,723.50
Including: Investment Income from Affiliates and Joint Ventures	-89,233,951.37	-16,724,727.64
Profits from Recognition Termination of Financial Assets at Amortized Cost		
Exchange Gains (Mark "-" for Losses)		
Profit of Net Exposure Hedging (Mark "-" for Loss)		
Incomes from Changes in Fair Value (losses marked with "-")	9,990,151.49	
Credit Impairment Losses (Mark "-" for Loss)	-19,450,426.80	-6,803,561.85
Asset Impairment Losses (Mark "-" for Loss)	-4,764,740.17	-1,523,740.78
Asset Disposal Income (Mark "-" for Loss)	846,368.96	
III. Operating Profit (Mark "-" for Loss)	415,663,725.32	339,921,253.08
Add: Non-operating Revenues	3,038,549.12	1,936,274.21
Less: Non-operating Expenses	1,862,924.19	6,623,544.62

IV. Total Profit (Mark "-" for Total Loss)	416,839,350.25	335,233,982.67
Less: Income Tax Expense	57,238,292.05	26,101,996.30
V. Net Profit (Mark "-" for Net Loss)	359,601,058.20	309,131,986.37
(I) Classified by Operation Continuity		
1. Net Profit as a Going Concern (Mark "-" for Net Loss)	359,601,058.20	309,131,986.37
2. Net Profit of Discontinued Operation (Mark "-" for Net Loss)		
(II) Classified by the Attribution of Ownership		
1. Net Profit Attributable to Shareholders of Parent Company	347,573,484.46	317,916,471.89
2. Minority Shareholders' Profit and Loss	12,027,573.74	-8,784,485.52
VI. Net Amount of Other Comprehensive Incomes after Tax	12,073,722.72	9,999,857.49
Net Amount of Other Comprehensive Incomes after Tax Attributable to the Parent Company's Owner	12,073,650.75	9,999,864.59
(I) Other Comprehensive Income that cannot be Reclassified as P/L		
1. Re-measure the Variation of the Defined Benefit Plan		
2. Other Comprehensive Income that cannot be Transferred to P/L under the Equity Method		
3. Changes in the Fair Value of Investment in Other Equity Instruments		
4. Changes in the Fair Value of the Credit Risk of the Enterprise		
5. Others		
(II) Other Comprehensive Income that will be Reclassified as P/L	12,073,650.75	9,999,864.59
1. Other Comprehensive Income that can be Transferred to P/L		

under the Equity Method		
2. Changes in the Fair Value of Investment in other Creditor's Rights		
3. Financial Assets Reclassified into other Comprehensive Income		
4. Provisions for the Credit Impairment of Investment in other Creditor's Rights		
5. Cash Flow Hedge Reserves		
6. Currency Translation Difference	12,538,226.45	9,999,864.59
7. Others	-464,575.70	
Net Amount of Other Comprehensive Incomes after Tax Attributable to Minority Shareholders	71.97	-7.10
VII. Total Comprehensive Income	371,674,780.92	319,131,843.86
Total Comprehensive Income Attributable to the Parent Company's Owner	359,647,135.21	327,916,336.48
Total Comprehensive Income Attributable to Minority Shareholders	12,027,645.71	-8,784,492.62
VIII. Earnings per Share:		
(I) Basic Earnings per Share	0.12	0.11
(II) Diluted Earnings per Share	0.12	0.11

Legal representative: Fu Liquan      Person in charge of accounting: Xu Qiaofen      Person in charge of the accounting institution: Zhu Zhuling

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

Unit: RMB

Item	This Period's Amount of Occurrence	Previous Period's Amount of Occurrence
I. Operating Revenue	1,563,961,550.22	1,534,303,148.70
Less: Operating Cost	243,645,162.63	223,891,713.58
Taxes and Surcharges	19,757,987.18	10,768,457.54
Sales Expenses	279,505,529.10	250,468,420.26

Administration Expenses	91,753,307.57	75,613,815.40
Research and Development Expense	454,461,822.19	496,224,547.93
Financial Expenses	-12,966,763.14	-4,875,931.36
Including: Interest Expenses	13,058,070.76	14,345,671.26
Interest Income	27,404,419.95	19,875,466.93
Add: Other income	126,639,304.33	204,171,397.15
Investment Income (Mark "-" for Loss)	-94,254,915.67	-10,851,788.21
Including: Investment Income from Affiliates and Joint Ventures	-96,713,821.28	-11,978,886.10
Profits from Derecognition of Financial Assets at Amortized Cost (Mark "-" for Loss)		
Profit of Net Exposure Hedging (Mark "-" for Loss)		
Incomes from changes in fair value (losses marked with "-")	-1,913,829.24	
Credit Impairment Losses (Mark "-" for Loss)	4,028,611.39	6,922,219.15
Asset Impairment Losses (Mark "-" for Loss)	-123,203.33	
Asset Disposal Income (Mark "-" for Loss)	623,180.23	
II. Operating Profit (Mark "-" for Loss)	522,803,652.40	682,453,953.44
Add: Non-operating Revenues	2,458,012.55	1,387,746.17
Less: Non-operating Expenses	161,235.05	5,434,839.68
III. Total Profit (Mark "-" for Total Loss)	525,100,429.90	678,406,859.93
Less: Income Tax Expense	47,845,784.30	51,135,509.16
IV. Net Profit (Mark "-" for Net Loss)	477,254,645.60	627,271,350.77
(I) Net Profit as a Going Concern (Mark "-" for Net Loss)	477,254,645.60	627,271,350.77
(II) Net Profit of Discontinued Operation (Mark "-" for Net Loss)		

V. Net Amount of Other Comprehensive Incomes After Tax	21,826.66	
(1) Other Comprehensive Income that cannot be Reclassified as P/L		
1. Re-measure the Variation of the Defined Benefit Plan		
2. Other Comprehensive Income that cannot be Transferred to P/L under the Equity Method		
3. Changes in the Fair Value of Investment in other Equity Instruments		
4. Changes in the Fair Value of the Credit Risk of the Enterprise		
5. Others		
(II) Other Comprehensive Income that will be Reclassified as P/L	21,826.66	
1. Other Comprehensive Income that can be Transferred to P/L under the Equity Method		
2. Changes in the Fair Value of Investment in Other Creditor's Rights		
3. Financial Assets Reclassified into Other Comprehensive Income		
4. Provisions for the Credit Impairment of Investment in Other Creditor's Rights		
5. Cash Flow Hedge Reserves		
6. Currency Translation Difference		
7. Others	21,826.66	
VI. Total Comprehensive Income	477,276,472.26	627,271,350.77
VII. Earnings per Share:		

(I) Basic Earnings per Share	0.16	0.22
(II) Diluted Earnings per Share	0.16	0.22

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	This Period's Amount of Occurrence	Previous Period's Amount of Occurrence
I. Cash Flow Generated by Operational Activities:		
Cash from Sales of Merchandise and Provision of Services	6,696,184,907.84	6,120,271,238.59
Net Increase in Customer's Bank Deposits and Interbank Deposits		
Net Increase in Borrowings from the Central Bank		
Net Increase in Borrowings from Other Financial Institutions		
Cash Arising from Receiving Premiums for the Original Insurance Contract		
Net Amount Arising from Reinsurance Business		
Net Increase in Deposits and Investments from Policyholders		
Cash Arising from Interests, Service Charges and Commissions		
Net Increase in Borrowings from Banks and Other Financial Institutions		
Net Increase in Repurchase Business Funds		
Net Amount of Cash Received from the Vicariously Traded Securities		
Tax Refund	538,055,790.42	740,215,721.64
Other Received Cashes Related to Operational Activities	54,578,627.89	44,949,326.78

Subtotal of Cash Inflow from Operational Activities	7,288,819,326.15	6,905,436,287.01
Cash Paid for Merchandise and Services	5,193,565,946.56	5,017,346,044.66
Net Increase in Loans and Advances to Customers		
Net Increase in Deposits with Central Bank and Other Financial Institutions		
Cash Paid for Original Insurance Contract Claims		
Net Increase of Funds Lent		
Cash Paid for Interests, Service Charges and Commissions		
Cash Paid for Policy Dividends		
Cash Paid to and for Employees	2,392,888,197.29	1,981,075,262.40
Cash Paid for Taxes and Surcharges	562,650,190.08	636,310,647.26
Other Paid Cashes Related to Operational Activities	467,285,248.62	461,221,931.66
Subtotal of Cash Outflow from Operational Activities	8,616,389,582.55	8,095,953,885.98
Net Cash Flow Generated by Operating Activities	-1,327,570,256.40	-1,190,517,598.97
II. Cash Flow from Investment Activities:		
Cash Arising from Disposal of Investments	290,456,497.18	199,900,000.00
Cash Arising from Investment Incomes	11,560,064.44	640,733.53
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	565,031.37	219,552.16
Net Cash Arising from Disposal of Subsidiaries and Other Business Units		
Other Received Cashes Related to Investment Activities	18,821,667.60	1,619,946.28

Subtotal of Cash Inflow from Investment Activities	321,403,260.59	202,380,231.97
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets	297,175,969.38	127,443,261.33
Cash Paid for Investments	1,296,000,000.00	308,047,000.00
Net Increase in Pledge Loans		
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units		
Other Paid Cashes Related to Investment Activities	4,604,399.75	70,109,093.75
Subtotal of Cash Outflows from Investment Activities	1,597,780,369.13	505,599,355.08
Net amount of Cash Flow Generated by Investment Activities	-1,276,377,108.54	-303,219,123.11
III. Cash Flow from Financing Activities:		
Cash Arising from Absorbing Investments		2,600,000.00
Including: Cash Arising from Subsidiaries Absorbing Investments by Minority Shareholders		2,600,000.00
Cash Arising from Borrowings	1,729,079,926.55	2,503,241,328.07
Other Received Cashes Related to Financing Activities	0.00	241,066,000.00
Subtotal of Cash Inflow from Financing Activities	1,729,079,926.55	2,746,907,328.07
Cash Paid for Debts Repayment	250,000,000.00	1,134,342,813.55
Cash Paid for Distribution of Dividends and Profits or Payment of Interests	12,204,555.53	13,192,254.16
Including: Dividends and Profits Paid to Minority Shareholders by Subsidiaries		
Other Paid Cashes Related to Financing Activities	27,392,770.30	241,066,000.00

Subtotal of Cash Outflow from Financing Activities	289,597,325.83	1,388,601,067.71
Net Cash Flow Generated by Financing Activities	1,439,482,600.72	1,358,306,260.36
IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents	-22,308,563.47	-21,109,999.08
V. Net Increase in Cash and Cash Equivalents	-1,186,773,327.69	-156,540,460.80
Add: Cash and Cash Equivalents at the Commencement of the Period	7,358,452,769.53	2,734,185,976.41
VI. Cash and Cash Equivalents at the End of the Period	6,171,679,441.84	2,577,645,515.61

## 6. Cash Flow Statement of the Parent Company

Unit: RMB

Item	This Period's Amount of Occurrence	Previous Period's Amount of Occurrence
I. Cash Flow Generated by Operational Activities:		
Cash from Sales of Merchandise and Provision of Services	925,149,718.54	3,415,807,937.69
Tax Refund	117,475,226.11	241,436,506.43
Other Received Cashes Related to Operational Activities	33,095,838.82	16,282,249.26
Subtotal of Cash Inflow from Operational Activities	1,075,720,783.47	3,673,526,693.38
Cash Paid for Merchandise and Services	502,090,945.49	43,425,201.12
Cash Paid to and for Employees	1,387,469,606.70	1,276,096,836.81
Cash Paid for Taxes and Surcharges	328,920,020.28	398,845,113.34
Other Paid Cashes Related to Operational Activities	240,878,106.41	256,763,641.58
Subtotal of Cash Outflow from Operational Activities	2,459,358,678.88	1,975,130,792.85

Net Cash Flow Generated by Operating Activities	-1,383,637,895.41	1,698,395,900.53
II. Cash Flow from Investment Activities:		
Cash Arising from Disposal of Investments	290,456,497.18	199,900,000.00
Cash Arising from Investment Incomes	2,458,905.61	640,733.53
Net Cash Arising from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	7,129,335.51	7,434,630.94
Net Cash Arising from Disposal of Subsidiaries and Other Business Units		
Other Received Cashes Related to Investment Activities	2,045,056.66	1,601,946.28
Subtotal of cash inflow from investment activities	302,089,794.96	209,577,310.75
Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets	88,557,828.17	75,087,633.55
Cash Paid for Investments	1,331,940,000.00	325,407,000.00
Net Cash Paid for Acquisition of Subsidiaries and Other Business Units		
Other Paid Cashes Related to Investment Activities		
Subtotal of Cash Outflows from Investment Activities	1,420,497,828.17	400,494,633.55
Net amount of Cash Flow Generated by Investment Activities	-1,118,408,033.21	-190,917,322.80
III. Cash Flow from Financing Activities:		
Cash Arising from Absorbing Investments		
Cash Arising from Borrowings	1,029,079,926.55	1,739,800,000.00
Other Received Cashes Related to Financing Activities	1,113,601,928.85	811,534,932.34

Subtotal of Cash Inflow from Financing Activities	2,142,681,855.40	2,551,334,932.34
Cash Paid for Debts Repayment	250,000,000.00	599,800,000.00
Cash Paid for Distribution of Dividends and Profits or Payment of Interests	10,665,273.61	8,418,694.92
Other Paid Cashes Related to Financing Activities	380,050,687.97	3,537,474,262.85
Subtotal of Cash Outflow from Financing Activities	640,715,961.58	4,145,692,957.77
Net Cash Flow Generated by Financing Activities	1,501,965,893.82	-1,594,358,025.43
IV. Impact of Fluctuation in Exchange Rate on Cash and Cash Equivalents	6,203.88	1,932.87
V. Net Increase in Cash and Cash Equivalents	-1,000,073,830.92	-86,877,514.83
Add: Cash and Cash Equivalents at the Commencement of the Period	3,090,496,504.00	860,741,299.14
VI. Cash and Cash Equivalents at the End of the Period	2,090,422,673.08	773,863,784.31

## II. Adjustments to the Financial Statements

### 1. Details of adjustment for financial statements at the beginning of year due to first implementation of the new lease standards from 2021.

Applicable  Not applicable

Whether the accounts of the balance sheet at the beginning of the year shall be adjusted

Yes  No

Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjusted amount
Current Assets:			
Cash and Bank Balances	7,471,652,634.66	7,471,652,634.66	
Trading Financial Assets	2,475,680.45	2,475,680.45	

Notes Receivable	232,857,354.55	232,857,354.55	
Accounts Receivable	12,857,519,110.16	12,857,519,110.16	
Receivables Financing	1,207,879,654.58	1,207,879,654.58	
Prepayments	162,250,648.05	152,994,874.90	-9,255,773.15
Other Receivables	970,427,893.48	968,975,721.11	-1,452,172.37
Inventory	4,928,019,838.00	4,928,019,838.00	
Contract Assets	84,825,834.82	84,825,834.82	
Non-current Assets Due within 1 Year	635,956,549.07	635,956,549.07	
Other Current Assets	558,434,219.93	558,536,267.47	102,047.54
Subtotal of Current Assets	29,112,299,417.75	29,101,693,519.77	-10,605,897.98
Non-current Assets:			
Long-term Receivables	2,250,315,769.50	2,250,315,769.50	
Long-term Equity Investment	455,977,616.16	455,977,616.16	
Other Non-current Financial Assets	360,087,786.34	360,087,786.34	
Investment Property	336,008,869.13	336,008,869.13	
Fixed Assets	1,515,594,629.97	1,515,594,629.97	
Projects under Construction	1,164,130,453.03	1,164,130,453.03	
Right-of-use Assets		155,673,708.67	155,673,708.67
Intangible Assets	406,777,323.39	406,777,323.39	
Goodwill	42,685,490.30	42,685,490.30	
Long-term Deferred Expenses	32,280,430.67	32,280,430.67	
Deferred Income Tax Assets	832,453,676.69	832,453,676.69	
Other Non-current Assets	86,422,617.82	86,422,617.82	
Subtotal of Non-current Assets	7,482,734,663.00	7,638,408,371.67	155,673,708.67
Total Assets	36,595,034,080.75	36,740,101,891.44	145,067,810.69
Current Liabilities:			

Short-term Loan	250,177,083.34	250,177,083.34	
Notes Payable	3,258,552,758.17	3,258,552,758.17	
Accounts Payable	6,444,787,705.28	6,444,787,705.28	
Contract Liabilities	671,120,385.08	671,120,385.08	
Payroll Payable	1,805,464,535.31	1,805,464,535.31	
Tax Payable	900,144,863.67	900,144,863.67	
Other Payables	970,552,877.22	970,552,877.22	
Dividends Payable	12,982,399.27	12,982,399.27	
Non-current Liabilities Due within 1 Year	151,891,709.34	210,863,157.61	58,971,448.27
Other Current Liabilities	209,401,914.77	209,401,914.77	
Subtotal of Current Liabilities	14,662,093,832.18	14,721,065,280.45	58,971,448.27
Non-current Liabilities:			
Long-term Loan	878,000,000.00	878,000,000.00	
Lease Liabilities		86,096,362.42	86,096,362.42
Expected Liabilities	282,427,517.82	282,427,517.82	
Deferred Income	110,469,806.29	110,469,806.29	
Deferred Income Tax Liabilities	67,272,768.46	67,272,768.46	
Other Non-current Liabilities	391,128,045.90	391,128,045.90	
Subtotal of Non-current Liabilities	1,729,298,138.47	1,815,394,500.89	86,096,362.42
Total Liabilities	16,391,391,970.65	16,536,459,781.34	145,067,810.69
Shareholders' Equity:			
Share Capital	2,995,579,590.00	2,995,579,590.00	
Capital Reserves	1,989,655,334.05	1,989,655,334.05	
Less: Treasury Share	581,968,930.89	581,968,930.89	
Other Comprehensive Incomes	61,157,523.13	61,157,523.13	
Surplus Reserves	1,553,691,005.92	1,553,691,005.92	
Undistributed Profits	13,754,915,904.19	13,754,915,904.19	
Total Shareholders' Equity	19,773,030,426.40	19,773,030,426.40	

Attributable to the Parent Company			
Minority Shareholders' Equity	430,611,683.70	430,611,683.70	
Total Shareholders' Equity	20,203,642,110.10	20,203,642,110.10	
Total Liabilities and Shareholders' Equity	36,595,034,080.75	36,740,101,891.44	145,067,810.69

## Balance Sheet of the Parent Company

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjusted amount
<b>Current Assets:</b>			
Cash and Bank Balances	3,130,479,311.55	3,130,479,311.55	
Notes Receivable	74,284,006.99	74,284,006.99	
Accounts Receivable	2,740,152,239.35	2,740,152,239.35	
Receivables Financing	169,109,529.24	169,109,529.24	
Prepayments	48,203,550.97	40,722,857.29	-7,480,693.68
Other Receivables	13,796,603,550.30	13,796,461,689.02	-141,861.28
Inventory	171,756,222.72	171,756,222.72	
Contract Assets	8,338,657.15	8,338,657.15	
<b>Non-current Assets Due within 1 Year</b>	61,828,724.54	61,828,724.54	
Other Current Assets	12,592.38	12,592.38	
Subtotal of Current Assets	20,200,768,385.19	20,193,145,830.23	-7,622,554.96
<b>Non-current Assets:</b>			
Long-term Receivables	100,221,713.49	100,221,713.49	
Long-term Equity Investment	3,660,410,557.29	3,660,410,557.29	
Other Non-current Financial Assets	355,853,684.59	355,853,684.59	
Investment Property	173,003,549.71	173,003,549.71	
Fixed Assets	550,991,444.04	550,991,444.04	
Projects under Construction	438,014,907.22	438,014,907.22	
Right-of-use Assets		82,586,983.09	82,586,983.09

Intangible Assets	156,335,152.97	156,335,152.97	
Long-term Deferred Expenses	21,149,342.55	21,149,342.55	
Deferred Income Tax Assets	135,371,242.86	135,371,242.86	
Other Non-current Assets	35,774,247.16	35,774,247.16	
Subtotal of Non-current Assets	5,627,125,841.88	5,709,712,824.97	82,586,983.09
Total Assets	25,827,894,227.07	25,902,858,655.20	74,964,428.13
Current Liabilities:			
Short-term Loan	250,177,083.34	250,177,083.34	
Notes Payable	303,660,579.62	303,660,579.62	
Accounts Payable	752,373,890.95	752,373,890.95	
Contract Liabilities	85,275,423.36	85,275,423.36	
Payroll payable	1,127,500,408.14	1,127,500,408.14	
Tax Payable	627,351,201.46	627,351,201.46	
Other Payables	1,002,654,121.27	1,002,654,121.27	
Dividends Payable	12,982,399.27	12,982,399.27	
Non-current Liabilities Due within 1 Year	150,643,750.02	180,101,689.01	29,457,938.99
Other Current Liabilities	26,870,130.42	26,870,130.42	
Subtotal of Current Liabilities	4,326,506,588.58	4,355,964,527.57	29,457,938.99
Non-current Liabilities:			
Long-term Loan	750,000,000.00	750,000,000.00	
Lease Liabilities		45,506,489.14	45,506,489.14
Expected Liabilities	8,333,634.18	8,333,634.18	
Deferred Income Tax Liabilities	29,407,289.24	29,407,289.24	
Other Non-current Liabilities	10,599,934.34	10,599,934.34	
Subtotal of Non-current Liabilities	798,340,857.76	843,847,346.90	45,506,489.14
Total Liabilities	5,124,847,446.34	5,199,811,874.47	74,964,428.13

Shareholders' Equity:			
Share Capital	2,995,579,590.00	2,995,579,590.00	
Capital Reserves	1,976,156,775.91	1,976,156,775.91	
Less: Treasury Share	581,968,930.89	581,968,930.89	
Other Comprehensive Incomes	522,554.00	522,554.00	
Surplus Reserves	1,553,691,005.92	1,553,691,005.92	
Undistributed Profits	14,759,065,785.79	14,759,065,785.79	
Total Shareholders' Equity	20,703,046,780.73	20,703,046,780.73	
Total Liabilities and Shareholders' Equity	25,827,894,227.07	25,902,858,655.20	74,964,428.13

## 2. Explanation of data comparison before and after the adjustment due to first implementation of the new lease accounting standard from 2021

Applicable  Not applicable

### III. Audit Report

Has the Q1report been audited

Yes  No

The report for the Q1 has not been audited.