



**C&S PAPER CO.,LTD**  
(SZSE stock code:002511)

# 2021 First Quarter Report



**April 2021**

## **Section I Important Notice**

**The Board of Directors and the Board of Supervisors of the Company and its directors, supervisors and senior management warrant that the information contained in the quarterly report is truthful, accurate and complete and there are no false presentations or misleading statements contained in, or material omissions from, this report, and that they assume severally and jointly legal liability.**

**All directors attended the meeting of the Board of Directors where this quarterly report was reviewed.**

**Declaration by Deng Yingzhong, legal representative, Dong Ye, the person in charge of accounting, and Xu Xianjing, the person in charge of Accounting Department of the Company, warrant that the financial statements contained in this report are truthful, accurate, and complete.**

## Section II Basic Information

### I. Main Accounting Data and Financial Indicators

Whether the Company needs to perform retrospective adjustment or restatement of accounting data for previous years

Yes  No

	Current reporting period	The same period of the previous year	YoY change
Operating income (RMB)	2,102,126,213.63	1,670,909,073.75	25.81%
Net profit attributable to shareholders of the listed company (RMB)	271,122,802.99	183,429,517.35	47.81%
Net profit attributable to shareholders of the listed company less non-recurring profit and loss (RMB)	267,298,568.37	186,893,864.62	43.02%
Net cash flow from operating activities (RMB)	334,905,166.23	330,547,734.57	1.32%
Basic earnings per share (RMB/share)	0.2091	0.1426	46.63%
Diluted earnings per share (RMB/share)	0.2058	0.1395	47.53%
Weighted average return on net assets	5.34%	4.41%	0.93%
	End of the current reporting period	End of the previous year	Changes at the end of the current reporting period compared with the end of the previous year
Total assets (RMB)	7,327,573,419.58	7,478,439,747.77	-2.02%
Net asset attributable to shareholders of the listed company (RMB)	5,108,051,020.43	5,042,146,076.42	1.31%

Items and amounts of non-recurring profit and loss

Applicable  Inapplicable

Unit: RMB

Item	Amount from the beginning of the year to the end of the reporting period	Remarks
Profit and loss from disposal of non-current assets (including the offset portion with provisions for asset impairment already set aside)	-20,876.50	
Government grants measured at fair value through profit and loss of the current period (except for the government grants that are closely related to the Company's business and distributed in a fixed quota or amount in accordance with unified national standards)	3,998,966.50	
Profit and loss from assets entrusted to others for investment or management	307,027.09	
Other non-operating income and expenses excluding the above items	355,425.97	
Less: Influence of income tax	816,308.44	
Total	3,824,234.62	--

The reasons why the Company defined certain items as non-recurring profit and loss in line with the *No. 1*

*Explanatory Announcement on Information Disclosure of Companies Offering Securities to the*

*Public—Non-recurring Profit and Loss* and some items listed in the above announcement as recurring profit and loss shall be specified.

Applicable  Inapplicable

The Company did not define any non-recurring profit and loss defined or listed in the *No. 1 Explanatory*

*Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profit and Loss* as recurring profit and loss.

## **II. Table of the Total Number of Shareholders and Holdings of the Top Ten Shareholders at the End of the Reporting Period**

### **1. Table of the total number of common shareholders, the number of preferred shareholders with voting right resumption, and holding of the top ten shareholders**

Unit: Share

Total number of common shareholders at the end of the reporting period		63,824	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)		0	
Particulars of shareholding of the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares held subject to restrictions on sales	Pledged or locked-up shares	
					Share status	Number of shares
Guangdong Zhongshun Paper Group Co., Ltd.	Domestic non-state-owned legal person	28.63%	375,655,958			
Chung Shun Co.	Foreign legal person	20.31%	266,504,789			
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	6.72%	88,174,456			
National Social Security Fund Portfolio 406	Others	1.00%	13,112,327			
Yue Yong	Domestic natural person	0.74%	9,665,241	7,939,243		
China Construction Bank Co., Ltd. – Fullgoal Value Creation Hybrid Securities Investment Fund	Others	0.69%	9,096,907			
Industrial and Commercial Bank of China Limited – Caitong Asset Management Equilibrium Value One-Year Hybrid Securities Investment Fund	Others	0.69%	9,085,652			
National Social Security Fund Portfolio 101	Others	0.63%	8,226,778			
Deng Yingzhong	Domestic natural person	0.51%	6,752,811	5,064,608		
Industrial and Commercial	Others	0.51%	6,729,000			

Bank of China Limited – Fullgoal Consumption Selection 30-share Equity Securities Investment Fund					
Particulars of shareholding of the top ten shareholders not subject to restrictions on sales					
Name of shareholder	Number of shares held not subject to restrictions on sales	Type of shares			
		Type of shares	Number of shares		
Guangdong Zhongshun Paper Group Co., Ltd.	375,655,958	RMB-denominated ordinary shares	375,655,958		
Chung Shun Co.	266,504,789	RMB-denominated ordinary shares	266,504,789		
Hong Kong Securities Clearing Co., Ltd.	88,174,456	RMB-denominated ordinary shares	88,174,456		
National Social Security Fund Portfolio 406	13,112,327	RMB-denominated ordinary shares	13,112,327		
China Construction Bank Co., Ltd. – Fullgoal Value Creation Hybrid Securities Investment Fund	9,096,907	RMB-denominated ordinary shares	9,096,907		
Industrial and Commercial Bank of China Limited – Caitong Asset Management Equilibrium Value One-Year Hybrid Securities Investment Fund	9,085,652	RMB-denominated ordinary shares	9,085,652		
National Social Security Fund Portfolio 101	8,226,778	RMB-denominated ordinary shares	8,226,778		
Industrial and Commercial Bank of China Limited – Fullgoal Consumption Selection 30-share Equity Securities Investment Fund	6,729,000	RMB-denominated ordinary shares	6,729,000		
Investec Asset Management Co., Ltd. – Investec Global Fund Strategy – China Stock Fund (Exchange)	6,196,738	RMB-denominated ordinary shares	6,196,738		
Zhongshan Xinda Investment Management Co., Ltd.	6,083,636	RMB-denominated ordinary shares	6,083,636		
Whether the above-mentioned shareholders have a related party relationship or are persons acting in concert	1. Among the top ten shareholders mentioned above, Guangdong Zhongshun Paper Group Co., Ltd. and Chung Shun Co. are the enterprises controlled by Deng Yingzhong, Deng Guanbiao and Deng Guanjie, de facto controllers of the Company. That is, Guangdong Zhongshun Paper Group Co., Ltd. and Chung Shun Co. are related parties. Yue Yong is now an officer of the Company. Deng Yingzhong is one of the current directors and de facto				

	<p>controllers of the Company.</p> <p>2. The Company does not figure out whether there is a related party relationship between other shareholders, and whether there is a person acting in concert as stipulated in the <i>Administrative Measures for the Disclosure of Information on Changes in Shareholders' Shareholding of Listed Companies</i>.</p>
Description of top ten shareholders engaging in margin trading and short-selling (if any)	None

Whether the top ten common shareholders and the top ten shareholders not subject to restrictions on sales conducted the agreed repurchase transaction during the reporting period

Yes  No

The Company's top ten common shareholders and top ten common shareholders not subject to restrictions on sales did not conduct any agreed repurchase transaction during the reporting period.

**2. Table of the total number of preferred shareholders and holdings of the top ten preferred shareholders**

Applicable  Inapplicable

## Section III Important Events

### I. Changes in the Main Financial Data and Financial Indicators during the Reporting Period and Reasons for Such Changes

√ Applicable □ Inapplicable

#### i. Balance sheet

Other current assets: Other current assets decreased by RMB46,285,103.42 or 45.56% at the end of the current reporting period from the end of 2020, mainly due to the decrease in the principal of wealth management products in the current reporting period.

Construction work in progress: Construction work in progress decreased by RMB131,714,825.65 or 47.74% at the end of the current reporting period from the end of 2020, mainly due to the carry-forward of ready-for-use construction work in progress to fixed assets in the current reporting period.

Right-of-use assets: Right-of-use assets increased by RMB9,531,693.59 or 100.00% at the end of the current reporting period from the end of 2020, mainly due to the recognition of lease assets as right-for-use assets after the implementation of new leasing standards during the current reporting period.

Short-term loans: Short-term loans decreased by RMB52,896,691.34 or 37.01% at the end of the current reporting period from the end of 2020, mainly due to the reduction of short-term loans from banks in the current reporting period.

Lease liabilities: Lease liabilities increased by RMB 9,905,754.18 or 100.00% at the end of the current reporting period from the end of 2020, mainly due to the recognition of lease liabilities after the implementation of new leasing standards during the current reporting period.

Treasury shares: Treasury shares increased RMB216,125,181.28 or 224.01% at the end of the current reporting period from the end of 2020, mainly due to the increase of repurchased shares of the Company in the current reporting period.

#### ii. Income statement

Operating costs: Operating costs increased by 334,673,338.95 or 36.50% on a year-on-year basis, mainly due to (1) the increase in the operating income and (2) the transfer of transportation cost from selling expenses to operating costs in line with new income standards in the current reporting period.

Finance expenses: Finance expenses decreased by RMB5,478,761.02 or 265.17% on a year-on-year basis, mainly



due to the increase in bank interest income and the decrease in exchange gain or loss in the current reporting period.

Other income: Other income increased by RMB1,594,937.84 or 45.32% on a year-on-year basis, mainly due to the increase in government grants in the current reporting period.

Return on investment: Return on investment decreased by RMB415,773.01 or 57.52% on a year-on-year basis, mainly due to the increase in the wealth management income in the current reporting period.

Credit impairment losses: Credit impairment losses decreased by RMB3,316,135.69 or 237.45% on a year-on-year basis, mainly due to the decrease in allowance for credit impairment losses on receivables in the current reporting period.

Asset impairment losses: Asset impairment losses increased by RMB1,198,081.41 or 129.89% on a year-on-year basis, mainly due to the increase in the allowance for impairment losses on fixed assets in the current reporting period.

Return on disposal of assets: Return on disposal of assets increased by RMB332,618.33 or 117.37% on a year-on-year basis, mainly due to the increase in the gains from disposal of fixed assets in the current reporting period.

Non-operating income: Non-operating income decreased by RMB1,588,555.61 or 68.33% on a year-on-year basis, mainly due to the decrease in government grants in the current reporting period.

Non-operating expenditure: Non-operating expenditure decreased by RMB9,824,829.50 or 86.25% on a year-on-year basis, mainly due to the reduction of donations in the current reporting period.

Income tax expense: Income tax expense increased by RMB19,081,102.77 or 49.10% on a year-on-year basis, mainly due to the increase in total profit in the current reporting period.

### iii. Items in the cash flow statement

Net cash flow from financing activities: Net cash flow from financing activities decreased by RMB193,879,421.36 or 262.15% on a year-on-year basis, mainly due to the decreased cash payment of loan proceeds received and increased payment for repurchased shares of the Company in the current reporting period.

## **II. An Analysis of the Progress and Impact of Important Issues and Solutions**

Applicable  Inapplicable

1. The election for the 5<sup>th</sup> Board of Directors and the Board of Supervisors: In January 2021, the Company completed the election for a new Board of Directors and Board of Supervisors, elected Chairman and Vice

Chairman of the 5<sup>th</sup> Board of Directors, members of special committees, and Chairman of the Board of Supervisors, and appointed President, Vice President, Secretary of the Board of Directors, Financial Director, Head of Audit Department, and Representative of Securities Affairs.

2. Second Employee Stock Ownership Plan: As of January 5, 2021, the 11,709,583 shares held under the second Employee Stock Ownership Plan had been sold completely, with the termination of this Employee Stock Ownership Plan.

3. The Company's share repurchase matters: In January 2021, the Company launched a Share Repurchase Plan. As of March 24, 2021, a total of 8,983,877 shares (0.6848% of total share capital) of the Company had been repurchased with the maximum transaction price of RMB25.8/share, the minimum transaction price of RMB23.27/share, and a total transaction amount of RMB216,125,181.33 (excluding transaction costs).

4. New 400,000-ton high-end tissue paper production project: In order to further expand its production capacity, meet the requirement for further sales growth in the East China market, and increase its profit growth points, the Company launched a new 400,000-ton high-end tissue paper production project with a total investment of around RMB 2.55 billion. With a total planned production capacity of 400,000 tons, the project will be implemented in phases. For phase I of the project, around RMB 600 million will be invested and an annual production capacity of high-end tissue paper will reach around 100,000 tons.

5. Other matters of the Company and its subsidiary: C&S (Sichuan) Co., Ltd., a wholly-owned subsidiary of the Company, may enjoy a preferential policy of reduced corporate income tax rate of 15% after re-identification, recertification and filing upon expiration of the valid period of its *High-Tech Enterprise Certificate*. The business scopes of 6 subsidiaries of the Company have been expanded. The registered capital of the Company decreased due to the repurchase and deregistration of restricted stocks under the Stock Incentive Plan. C&S (Yunfu) Trading Co., Ltd., a wholly-owned subsidiary of the Company, was renamed "Yunfu Hengtai Commerce and Trade Co., Ltd."

6. Personnel change matters: In March 2021, the President of the Company was changed from Deng Guanbiao to Liu Peng. In March 2021, Yue Yong, a director of the Company, resigned. In April 2021, Liu Peng was elected as a director of the Company. In April 2021, the Chairman of the Company was changed from Deng Yingzhong to Liu Peng, and Li Zhaojin was appointed as Vice President of the Company.

Description of important matters	Date of disclosure	Inquiry and index of temporary report disclosure websites
Election of the 5 <sup>th</sup> Board of Directors and Board of	January 6, 2021	<i>Announcement on the Election of a New Board of Directors, the Announcement on Election of a New Board</i>

Supervisors		<i>of Supervisors, the Announcement on Resolutions of the 30<sup>th</sup> Meeting of the Fourth Board of Directors, and the Announcement on Resolutions of the 24<sup>th</sup> Meeting of the Fourth Board of Directors</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
	January 14, 2021	<i>Announcement on Election of New Employees' Representatives and Supervisors</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
	January 22, 2021	<i>Announcement on Resolutions of the First Extraordinary General Meeting in 2021, the Announcement on Resolutions of the 1<sup>st</sup> Meeting of the Fifth Board of Directors, the Announcement on Resolutions of the 1<sup>st</sup> Meeting of the Fifth Board of Supervisors, the Announcement of Appointment of Officers, and the Announcement on Appointment of the Head of Audit Department and the Representative of Securities Affairs</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
Second Employee Stock Ownership Plan	January 6, 2021	<i>Announcement on Completion of Sale of Shares under and Termination of the Second Employee Stock Ownership Plan</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
The Company's share repurchase matters	January 6, 2021	<i>Plan for Repurchase of Partial Social Public Shares and the Announcement on Resolutions of the 30<sup>th</sup> Meeting of the Fourth Board of Directors</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
	January 28, 2021	<i>Announcement on the First Repurchase of Shares</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
	January 29, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal, Securities Times, Securities Daily</i> as well as Cninf.
	January 30, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal, Securities Times,</i>

		<i>Securities Daily</i> as well as Cninf.
	February 3, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	February 5, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 3, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 24, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 25, 2021	<i>Announcement on Progress Made in Repurchase of Shares</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
New 400,000-tone high-end tissue paper production project	January 14, 2021	<i>Announcement on Launch of a New 400,000-ton High-End Tissue Paper Production Project</i> and the <i>Announcement on the 31<sup>st</sup> Meeting of the Fourth Board of Directors</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	February 27, 2021	<i>Announcement on Investment in Establishment of a Wholly-owned Subsidiary and Completion of Its Industrial and Commercial Registration</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 16, 2021	<i>Announcement on Progress Made in the New 400,000-ton High-End Tissue Paper Production Project</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
Other matters of the Company and its subsidiary	January 15, 2021	<i>Announcement on the Acquisition of High-Tech Enterprise Certificate (Renewal) by a Wholly-owned Subsidiary</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	January 22, 2021	<i>Announcement on Completion of Industrial and Commercial Registration Amendment for Subsidiaries</i>

		disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 4, 2021	<i>Announcement on Completion of Industrial and Commercial Registration Amendment for the Company</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 10, 2021	<i>Announcement on Change of Company Name and Business Scope and Completion of Industrial and Commercial Registration for a Wholly-owned Subsidiary</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
Personnel change matters	March 19, 2021	<i>Announcement on Resignation of a Director</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	March 23, 2021	<i>Announcement on Change of President</i> , the <i>Announcement on By-election of Non-independent Director for the Fifth Board of Directors</i> , and the <i>Announcement on Resolutions of the 2nd Meeting of the Fifth Board of Directors</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	April 8, 2021	<i>Announcement on Resolutions of the Third Extraordinary General Meeting in 2021</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.
	April 13, 2021	<i>Announcement on Change of Chairman</i> , the <i>Announcement on Appointment of Vice President</i> and the <i>Announcement on Resolutions of the 3<sup>rd</sup> Meeting of the Fifth Board of Directors</i> disclosed in the <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i> as well as Cninf.

Implementation of share repurchase

√ Applicable □ Inapplicable

On January 6, 2021, the Company disclosed the *Plan for Repurchase of Partial Social Public Shares*. The Company planned to repurchase a part of social public shares with its own funds of RMB180 million – RMB360 million by means of centralized bidding, and use all of them for the Stock Incentive Plan or the Employee Stock Ownership Plan.

As of March 24, 2021, a total of 8,983,877 shares (0.6848% of total share capital) of the Company had been repurchased with the maximum transaction price of RMB25.8/share, the minimum transaction price of RMB23.27/share, and a total transaction amount of RMB216,125,181.33 (excluding transaction costs).

Implementation of share repurchase by centralized bidding

Applicable  Inapplicable

### **III. Commitments not Fulfilled by the De Facto Controllers, Shareholders, Related Parties, and Acquirers of the Company as at the End of the Reporting Period**

Applicable  Inapplicable

During the reporting period of the Company, there were no commitments not fulfilled by the de facto controllers, shareholders, related parties, and acquirers of the Company as at the end of the reporting period.

### **IV. Financial Asset Investment**

#### **1. Security investment**

Applicable  Inapplicable

The Company did not invest in securities during the reporting period.

#### **2. Derivative investment**

Applicable  Inapplicable

The Company did not invest in derivatives during the reporting period.

### **V. Progress of Investment Projects of the Raised Funds**

Applicable  Inapplicable

**VI. Prediction of Operating Results in January to June 2021**

Warning and explanation of the predication that the accumulated net profit from the beginning of the year to the end of the next reporting period may be negative or there will be significant changes compared to the corresponding period of the previous year

Applicable  Inapplicable

**VII. Major Routine Operation Contracts**

Applicable  Inapplicable

**VIII. Entrusted WM**

Applicable  Inapplicable

Unit: RMB10,000

Specific types	Sources of entrusted WM funds	Incurred amount of entrusted WM	Undue balance	The amount overdue but not recovered
Broker's WM product	Self-owned fund	9,500	1,002.9	0
Total		9,500	1,002.9	0

Specific situations of high-risk entrusted WM with individually significant amounts or low safety, poor liquidity and no principal guarantee

Applicable  Inapplicable

Entrusted WM is expected to fail to recover the principal or there are other circumstances that may lead to impairment

Applicable  Inapplicable

**IX. Illegal External Guarantee**

Applicable  Inapplicable

The Company had no illegal external guarantee during the reporting period.

**X. Misappropriation of Funds of the Listed Company for Non-operating Purposes by the Controlling Shareholder and its Related Parties**

Applicable  Inapplicable

During the reporting period, there was no misappropriation of funds of the listed company for non-operating purposes by the controlling shareholder and its related parties.

**XI. Registration Table for Survey, Communication, Interview and Other Activities during the Reporting Period**

Applicable  Inapplicable

No survey, communication, interview or other activities took place during the Company's reporting period.



## Section IV Financial Statements

### I. Financial Statements

#### 1. Consolidated balance sheet

Prepared by: C&amp;S Paper Co., Ltd.

March 31, 2021

Unit: RMB

Item	March 31, 2021	December 31, 2020
Current assets:		
Monetary funds	1,074,302,670.76	1,125,196,199.56
Settlement reserve		
Loans to banks and other financial institutions		
Tradable financial assets		
Derivative financial assets		
Notes receivable	852,371.48	724,419.74
Accounts receivable	861,090,570.25	1,051,423,939.59
Accounts receivable financing		
Prepayments	30,556,867.88	26,819,108.57
Premium receivable		
Reinsurance receivable		
Reinsurance contract reserves receivable		
Other receivables	12,126,867.60	15,824,945.56
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventory	1,618,161,465.94	1,661,274,495.32
Contract assets		
Assets held for sale	57,073,059.69	57,073,059.69
Non-current assets due within one year		

Other current assets	55,299,465.88	101,584,569.30
Total current assets	3,709,463,339.48	4,039,920,737.33
Non-current assets:		
Loans and advances to customers		
Creditor's right investment		
Investment in other creditor's rights		
Long-term receivable		
Long-term equity investment		
Investment in other equity instruments		
Other non-current financial assets		
Investment property	34,216,144.89	34,575,365.94
Fixed assets	3,098,206,634.67	2,792,587,302.21
Construction work in progress	144,189,792.30	275,904,617.95
Productive biological assets		
Oil & gas assets		
Right-of-use assets	9,531,693.59	
Intangible assets	168,456,445.28	169,355,772.24
Development expenses		
Goodwill	64,654.15	64,654.15
Long-term deferred expenses	23,795,488.94	26,635,983.14
Deferred income tax assets	109,418,740.72	111,367,362.66
Other non-current assets	30,230,485.56	28,027,952.15
Total non-current assets	3,618,110,080.10	3,438,519,010.44
Total assets	7,327,573,419.58	7,478,439,747.77
Current liabilities:		
Short-term loans	90,046,250.00	142,942,941.34
Borrowings from the central bank		
Placements from banks and other financial institutions		
Tradable financial liabilities		
Derivate financial liabilities		
Notes payable	288,365,856.81	234,887,563.22
Accounts payable	658,657,497.15	761,519,389.26

Payments received in advance		
Contract liabilities	100,530,640.58	137,333,617.40
Proceeds from financial assets sold under repo		
Deposits from customers, banks and non-bank financial institutions		
Funds from securities trading agency		
Funds from securities underwriting agency		
Employee remuneration payable	88,290,203.42	123,524,627.11
Tax and fees payable	105,276,092.24	112,608,054.87
Other payables	709,845,336.29	754,844,580.09
Including: Interests payable		
Dividends payable	1,437,466.77	1,437,466.77
Service charge and commission payable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other non-current liabilities	13,009,427.34	17,628,086.63
Total current liabilities	2,054,021,303.83	2,285,288,859.92
Non-current liabilities:		
Insurance contract reserves		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	9,905,754.18	
Long-term payable		
Long-term employee remuneration payable		
Estimated liabilities		
Deferred income	111,659,391.63	115,101,158.13

Deferred income tax liabilities	43,935,949.51	35,903,653.30
Other non-current liabilities		
Total non-current liabilities	165,501,095.32	151,004,811.43
Total liabilities	2,219,522,399.15	2,436,293,671.35
Owner's equity:		
Share capital	1,311,948,555.00	1,311,487,077.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	917,452,349.35	907,006,505.05
Less: Treasury shares	312,606,092.57	96,480,911.29
Other comprehensive income		
Special reserves		
Surplus reserves	61,469,258.27	61,469,258.27
Generic risk reserves		
Undistributed profits	3,129,786,950.38	2,858,664,147.39
Total owner's equity attributable to the parent company	5,108,051,020.43	5,042,146,076.42
Equity of minority shareholders		
Total of owner's equity	5,108,051,020.43	5,042,146,076.42
Total liabilities and owner's equity	7,327,573,419.58	7,478,439,747.77

Legal representative: Deng Yingzhong

Person in charge of accounting: Dong Ye

Person in charge of Accounting Department: Xu Xianjing

## 2. The parent company's balance sheet

Unit: RMB

Item	March 31, 2021	December 31, 2020
Current assets:		
Monetary funds	58,660,362.44	170,229,178.13
Tradable financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	114,890,880.36	92,647,372.33
Accounts receivable financing		

Prepayments	6,613,323.00	7,940,396.34
Other receivables	112,236,377.44	136,987,584.64
Including: Interest receivable		
Dividends receivable		
Inventory	174,988,033.51	156,605,546.36
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	11,603,291.93	52,517,725.87
Total current assets	478,992,268.68	616,927,803.67
Non-current assets:		
Creditor's right investment		
Investment in other creditor's rights		
Long-term receivable		
Long-term equity investment	1,932,117,712.39	1,928,113,219.50
Investment in other equity instruments		
Other non-current financial assets		
Investment property	17,744,646.64	17,939,329.51
Fixed assets	253,093,649.92	257,354,688.59
Construction work in progress	558,114.82	
Productive biological assets		
Oil & gas assets		
Right-of-use assets	2,259,589.13	
Intangible assets	25,067,112.23	25,205,232.21
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	47,647,963.99	46,811,106.77
Other non-current assets	6,293,364.06	2,619,959.27
Total non-current assets	2,284,782,153.18	2,278,043,535.85
Total assets	2,763,774,421.86	2,894,971,339.52
Current liabilities:		

Short-term loans		
Tradable financial liabilities		
Derivate financial liabilities		
Notes payable		
Accounts payable	492,306,632.72	420,061,168.44
Payments received in advance		
Contract liabilities	43,022,494.24	17,388,431.01
Employee remuneration payable	26,229,673.50	44,678,713.21
Tax and fees payable	3,234,718.11	5,995,417.05
Other payables	120,618,793.28	126,072,040.24
Including: Interests payable		
Dividends payable	1,437,466.77	1,437,466.77
Liabilities held for sale		
Non-current liabilities due within one year		
Other non-current liabilities	5,592,924.25	2,260,496.03
Total current liabilities	691,005,236.10	616,456,265.98
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,346,314.95	
Long-term payable		
Long-term employee remuneration payable		
Estimated liabilities		
Deferred income	5,553,629.39	5,855,467.25
Deferred income tax liabilities	7,333,819.50	7,202,336.33
Other non-current liabilities		
Total non-current liabilities	15,233,763.84	13,057,803.58
Total liabilities	706,238,999.94	629,514,069.56
Owner's equity:		
Share capital	1,311,948,555.00	1,311,487,077.00
Other equity instruments		

Including: Preferred shares		
Perpetual bonds		
Capital reserve	842,139,050.52	831,693,206.19
Less: Treasury shares	312,606,092.57	96,480,911.29
Other comprehensive income		
Special reserves		
Surplus reserves	61,347,923.99	61,347,923.99
Undistributed profits	154,705,984.98	157,409,974.07
Total of owner's equity	2,057,535,421.92	2,265,457,269.96
Total liabilities and owner's equity	2,763,774,421.86	2,894,971,339.52

### 3. Consolidated income statement

Unit: RMB

Item	Incurred in the current period	Incurred in the previous period
I. Total Operating Income	2,102,126,213.63	1,670,909,073.75
Including: Operating income	2,102,126,213.63	1,670,909,073.75
Interest income		
Earned premium		
Service charge and commission income		
II. Total Operating Costs	1,780,296,793.30	1,443,987,930.50
Including: Operating costs	1,251,617,377.48	916,944,038.53
Interest expenses		
Service charge and commission expenses		
Surrender value		
Net compensation expenses		
Net appropriation of reserves for insurance liability contracts		
Policy dividend payment		
Reinsurance costs		
Tax and surcharges	14,137,632.18	12,952,751.31
Selling expenses	390,859,318.46	377,690,524.15
Administrative expenses	80,160,355.50	93,755,794.93
R&D expenses	46,934,742.68	40,578,693.56

Finance expenses	-3,412,633.00	2,066,128.02
Including: Interest expenses	560,643.01	886,702.91
Interest income	3,557,538.70	2,142,682.61
Plus: Other income	5,114,016.80	3,519,078.96
Return on investment ("-" indicates loss)	307,027.09	722,800.10
Including: Return on investment in associates and joint ventures		
Profit from derecognition of financial assets measured at amortized cost		
Exchange gains ("-" indicates loss)		
Gains from net exposure hedging ("-" indicates loss)		
Gains from changes in fair value ("-" indicates loss)		
Credit impairment losses ("-" indicates loss)	4,712,725.04	1,396,589.35
Asset impairment losses ("-" indicates loss)	-2,120,452.13	-922,370.72
Return on disposal of assets ("-" indicates loss)	49,228.12	-283,390.21
III. Operating Profit ("-" indicates loss)	329,891,965.25	231,353,850.73
Plus: Non-operating income	736,192.94	2,324,748.55
Less: Non-operating expenditure	1,565,921.89	11,390,751.39
IV. Total Profit ("-" indicates total loss)	329,062,236.30	222,287,847.89
Less: Income tax expense	57,939,433.31	38,858,330.54
V. Net Profit ("-" indicates net loss)	271,122,802.99	183,429,517.35
i. Classified by business continuity		
1. Net profit from continued operation ("-" indicates net loss)	271,122,802.99	183,429,517.35
2. Net profit from discontinued operation ("-" indicates net loss)		
ii. Classified by attribution of ownership		



1. Net profit attributable to shareholders of the parent company	271,122,802.99	183,429,517.35
2. Minority shareholders' profits and losses		
VI. Net Amount of Other Comprehensive Income after Tax		
Total other comprehensive after-tax net income attributable to the owner of parent company		
i. Other comprehensive income not to be reclassified into the profit or loss		
1. Changes of re-measurement of the defined benefit plan		
2. Other comprehensive income not to be transferred into the profit or loss under equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the credit risk of the Company		
5. Others		
ii. Other comprehensive income to be reclassified to profit or loss		
1. Other comprehensive income to be transferred into the profit or loss under equity method		
2. Changes in fair value of investment in other creditor's rights		
3. Amount of financial assets reclassified into other comprehensive income		
4. Impairment provision for credit of investment in other creditor's rights		
5. Reserve of cash flow hedge		
6. Converted difference in foreign currency financial statements		

7. Others		
Total other comprehensive after-tax net income attributable to minority shareholders		
VII. Total Comprehensive Income	271,122,802.99	183,429,517.35
Total comprehensive income attributable to the owner of parent company	271,122,802.99	183,429,517.35
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per Share:		
i. Basic earnings per share	0.2091	0.1426
ii. Diluted earnings per share	0.2058	0.1395

As for business combination under the same control in the current period, the net profit realized by the combined party before the combination was RMB0.00, while the net profit realized by the combined party in the previous period was RMB0.00.

Legal representative: Deng Yingzhong Person in charge of accounting: Dong Ye Person in charge of Accounting Department: Xu Xianjing

#### 4. Income statement of the parent company

Unit: RMB

Item	Incurred in the current period	Incurred in the previous period
I. Operating Income	447,300,982.24	406,109,605.13
Less: Operating costs	378,378,693.16	342,563,310.35
Tax and surcharges	949,663.71	1,091,678.03
Selling expenses	39,983,979.55	30,589,489.96
Administrative expenses	32,359,337.10	44,514,047.60
R&D expenses		
Finance expenses	-154,557.38	1,151,308.04
Including: Interest expenses	28,512.79	
Interest income	509,578.08	1,342,703.24
Plus: Other income	1,192,120.03	323,587.86
Return on investment ("-" indicates loss)	307,027.09	80,722,800.10

Including: Return on investment in associates and joint ventures		
Profit from derecognition of financial assets measured at amortized cost ("-" indicates loss)		
Gains from net exposure hedging ("-" indicates loss)		
Gains from changes in fair value ("-" indicates loss)		
Credit impairment losses ("-" indicates loss)	502,372.51	-75,947.35
Asset impairment losses ("-" indicates loss)	91,838.17	-460,974.81
Return on disposal of assets ("-" indicates loss)		
II. Operating Profit ("-" indicates loss)	-2,122,776.10	66,709,236.95
Plus: Non-operating income	84,455.65	297,750.25
Less: Non-operating expenditure	1,371,042.69	11,021,394.65
III. Total Profit ("-" indicates total loss)	-3,409,363.14	55,985,592.55
Less: Income tax expense	-705,374.05	-3,797,825.55
IV. Net Profit ("-" indicates net loss)	-2,703,989.09	59,783,418.10
i. Net profit from continued operation ("-" indicates net loss)	-2,703,989.09	59,783,418.10
ii. Net profit from discontinued operation ("-" indicates net loss)		
V. Net Amount of Other Comprehensive Income after Tax		
i. Other comprehensive income not to be reclassified into the profit or loss		
1. Changes of re-measurement of the defined benefit plan		
2. Other comprehensive income not to be transferred into the profit or loss under equity method		

3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of the credit risk of the Company		
5. Others		
ii. Other comprehensive income to be reclassified to profit or loss		
1. Other comprehensive income to be transferred into the profit or loss under equity method		
2. Changes in fair value of investment in other creditor's rights		
3. Amount of financial assets reclassified into other comprehensive income		
4. Impairment provision for credit of investment in other creditor's rights		
5. Reserve of cash flow hedge		
6. Converted difference in foreign currency financial statements		
7. Others		
VI. Total Comprehensive Income	-2,703,989.09	59,783,418.10
VII. Earnings per Share:		
i. Basic earnings per share		
ii. Diluted earnings per share		

## 5. Consolidated cash flow statement

Unit: RMB

Item	Incurred in the current period	Incurred in the previous period
I. Cash Flow from Operating Activities:		
Cash received from sale of goods or rendering of services	2,255,658,189.93	1,672,054,264.73
Net increase in deposits from customers, banks and non-bank		

financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received from the premium of direct insurance contracts		
Net cash from reinsurance business		
Net increase in deposits and investment of the insured		
Cash received from interest, service charge and commission		
Net increase in placements from banks and other financial institutions		
Net increase in repo service fund		
Net cash received from securities trading agency		
Tax rebates		120,214.00
Cash received from other operating activities	36,911,315.21	21,403,763.99
Sub-total of cash inflow from operating activities	2,292,569,505.14	1,693,578,242.72
Cash paid for goods purchased and services rendered	1,359,556,274.91	888,779,545.70
Net increase in loans and advances to customers		
Net increase in deposits with the central bank, banks and non-bank financial institutions		
Cash paid for claims of direct insurance contracts		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, service charge, and commission		
Cash paid for policy dividends		

Cash paid to and on behalf of employees	246,734,126.07	184,701,622.03
Tax payments	142,572,370.03	108,544,799.85
Cash paid for other operating activities	208,801,567.90	181,004,540.57
Sub-total of cash outflow from operating activities	1,957,664,338.91	1,363,030,508.15
Net cash flow from operating activities	334,905,166.23	330,547,734.57
II. Cash Flow from Investing Activities:		
Cash from realization of investment		
Cash received from the return on investment	307,027.09	722,800.10
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	9,758,000.00	10,050,008.00
Net cash received from the disposal of subsidiaries and other business units		
Cash received from other investing activities	50,000,000.00	127,105,000.00
Sub-total of cash inflow from investing activities	60,065,027.09	137,877,808.10
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	177,953,975.15	117,260,806.49
Cash paid for investments		
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities	10,029,000.00	170,000,000.00
Sub-total of cash outflow from investing activities	187,982,975.15	287,260,806.49
Net cash flow from investing	-127,917,948.06	-149,382,998.39

activities		
III. Cash Flow from Financing Activities:		
Cash received from capital contribution	10,255,276.29	
Including: Cash received by subsidiaries from minority shareholders' investments		
Cash received from borrowings		95,151,546.69
Cash received from other financing activities		
Sub-total of cash inflow from financing activities	10,255,276.29	95,151,546.69
Cash paid for repayment of debts	52,896,691.35	134,717,045.18
Cash paid for distribution of dividends or profits or payment of interests	440,172.97	965,643.55
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Cash paid for other financing activities	224,755,027.30	33,426,051.93
Sub-total of cash outflow from financing activities	278,091,891.62	169,108,740.66
Net cash flow from financing activities	-267,836,615.33	-73,957,193.97
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,326,022.34	2,286,932.39
V. Net Increase in Cash and Cash Equivalents	-59,523,374.82	109,494,474.60
Plus: Opening balance of cash and cash equivalents	1,050,034,135.72	675,996,852.97
VI. Closing Balance of Cash and Cash Equivalents	990,510,760.90	785,491,327.57

## 6. Parent company's cash flow statement

Unit: RMB

Item	Incurred in the current period	Incurred in the previous period
<b>I. Cash Flow from Operating Activities:</b>		
Cash received from sale of goods or rendering of services	459,279,877.09	274,221,947.20
Tax rebates		120,214.00
Cash received from other operating activities	206,478,306.23	720,300,142.13
Sub-total of cash inflow from operating activities	665,758,183.32	994,642,303.33
Cash paid for goods purchased and services rendered	321,637,813.09	231,873,371.92
Cash paid to and on behalf of employees	68,751,954.65	40,229,895.53
Tax payments	8,870,082.75	8,477,664.12
Cash paid for other operating activities	204,169,046.71	95,603,845.89
Sub-total of cash outflow from operating activities	603,428,897.20	376,184,777.46
Net cash flow from operating activities	62,329,286.12	618,457,525.87
<b>II. Cash Flow from Investing Activities:</b>		
Cash from realization of investment		
Cash received from the return on investment	307,027.09	80,722,800.10
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from the disposal of subsidiaries and other business units		
Cash received from other investing activities	50,000,000.00	127,105,000.00
Sub-total of cash inflow from investing activities	50,307,027.09	207,827,800.10



Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	7,306,397.30	9,180,427.34
Cash paid for investments	1,000,000.00	665,600,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities	10,029,000.00	150,000,000.00
Sub-total of cash outflow from investing activities	18,335,397.30	824,780,427.34
Net cash flow from investing activities	31,971,629.79	-616,952,627.24
III. Cash Flow from Financing Activities:		
Cash received from capital contribution	10,255,276.29	
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflow from financing activities	10,255,276.29	
Cash paid for repayment of debts		
Cash paid for distribution of dividends or profits or payment of interests		
Cash paid for other financing activities	220,920,044.17	28,006,035.43
Sub-total of cash outflow from financing activities	220,920,044.17	28,006,035.43
Net cash flow from financing activities	-210,664,767.88	-28,006,035.43
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	173.39	-2,758.13
V. Net Increase in Cash and Cash Equivalents	-116,363,678.58	-26,503,894.93
Plus: Opening balance of cash and	169,851,203.76	156,151,560.82

cash equivalents		
VI. Closing Balance of Cash and Cash Equivalents	53,487,525.18	129,647,665.89

## II. Explanation of the Adjustment in Financial Statements

### 1. Adjustment of relevant items of financial statements at the beginning of the year for the first time according to the implementation of new leasing standards for the first time since 2021

Applicable  Inapplicable

### 2. Explanation of retrospective adjustment of previous comparative data according to the implementation of new leasing standards for the first time since 2021

Applicable  Inapplicable

## III. Audit Report

Whether the Q1 report has been audited

Yes  No

The Q1 report of the Company has not been audited.