



OFFCN EDUCATION TECHNOLOGY CO., LTD.

First Quarter 2021 Report

Stock Code: 002607

Stock Abbr.: OFFCN EDU

April, 2021

Chapter I. Important Information

The Company's Board of Directors, Supervisory Committee, directors, supervisors, and senior management hereby guarantee that the contents of the annual report are true, accurate, and complete, and that there are no misrepresentations, misleading statements, or material omissions, and shall assume individual and joint legal liabilities.

This report is prepared and published in Chinese version, and the English version is for reference only. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

All directors attended the board meeting for reviewing this quarterly report.

Wang Zhendong, the Company's legal representative, Shi Lei, the responsible person in charge of accounting work, and Luo Xue, the person in charge of the accounting department, hereby declare that the financial report in this quarterly report is authentic, accurate and complete.

Chapter II. General Information of the Company

Section I. Key accounting information and financial indicators

Whether the Company needs to adjust its financial information retrospectively or restate its previous year accounting information

Yes No

	Current reporting period	Same period of the previous year	Increase/Decrease in the current reporting period over the same period of the previous year
Operating income (RMB)	2,051,691,383.47	1,230,102,270.48	66.79%
Net profit attributable to shareholders of the listed Company (RMB)	140,729,639.84	116,303,799.91	21.00%
Net profit after deducting non-recurring profits and losses attributable to shareholders of the listed Company (RMB)	92,213,329.43	77,685,654.82	18.70%
Net cash flow from operating activities (RMB)	-246,724,873.67	2,564,218,312.85	-109.62%
Basic earnings per share (RMB/share)	0.02	0.02	0.00%
Diluted earnings per share (RMB/share)	0.02	0.02	0.00%
Weighted average return on net assets	3.24%	3.33%	-0.09%
	End of the current reporting period	End of the previous year	Increase/Decrease at the end of this reporting period over the end of the previous year
Total assets (RMB)	15,995,461,567.61	14,418,850,027.27	10.93%
Total net assets attributable to shareholders of the listed Company (RMB)	4,415,857,433.04	4,275,127,793.20	3.29%

Items with non-recurring gains or losses and the amounts

Applicable Not applicable

Unit: RMB

Items	Amount from the beginning of the year to the	Description
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	end of the reporting period	
Profits or losses on disposal of non-current assets (including offsetting amount for the provision of impairment of assets)	56,256.12	
Government subsidies included in the current profits and losses (except for government subsidies closely related to the business of the enterprise that are fixed or quantified in accordance with national unified standards)	1,006,121.68	
Profits or losses from entrusting others to invest or manage assets	10,983,589.09	
Other non-operating income and expenses except for the items above	-69,002.90	
Other profits or losses items that meet the definition of non-recurring profits and losses	45,101,048.40	
Less: Impact on income tax	8,561,701.98	
Total	48,516,310.41	--

Provide explanations for classifying items of non-recurring profits or losses defined or listed in the *Explanatory Announcement No. 1 for Information Disclosures of the Company Issuing Securities Publicly — Non-recurring Profits and Losses* as items of recurring profits or losses.

Applicable Not applicable

The Company has not classified non-recurring profits or losses items defined or listed in the *Explanatory Announcement No. 1 for Information Disclosures of the Company Issuing Securities Publicly — Non-recurring profits and losses* as recurring profit or loss items in the reporting period.

Section II. Tables on the total number of shareholders and shares held by the top 10 shareholders at the end of the reporting period

1. Table on the total number of common shareholders, preferred shareholders with restored voting rights and shares held by the top 10 shareholders

Unit: share(s)

Total number of common shareholders at the end of the reporting period	57,045	Total number of preferred shareholders with restored voting rights at the end of the reporting period (if any)	0			
Particulars about shares held by the top 10 shareholders						
Name of shareholders	Nature of shareholders	Shareholding ratio (%)	Number of shares held	Number of shares held with sales restrictions	Pledged or frozen	
					Status of shares	Number of shares
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260	2,550,549,260	Pledged	450,000,000

Li Yongxin	Domestic natural person	18.35%	1,131,415,121	1,095,063,560	Pledged	459,846,561
Wang Zhendong	Domestic natural person	15.61%	962,471,418	721,853,563	Pledged	245,589,966
Beijing Aerospace Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	4.25%	261,960,371	0		
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	2.27%	140,112,381	0		
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	Domestic non-state-owned legal person	1.44%	89,117,723	89,117,723		
Beijing Offcn Future Information Consulting Center (Limited Partnership)	Domestic non-state-owned legal person	1.30%	80,000,000	0		
Zhou Xiayun	Domestic natural person	1.28%	78,848,640	0	Pledged	48,500,000
Zhun Hui	Domestic natural person	1.17%	72,277,920	0	Pledged	11,050,000
Beijing Guangyin Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	1.12%	68,848,230	0		

Particulars about shares held by the top 10 shareholders without sales restrictions			
Name of shareholders	Number of shares without sales restrictions held	Type of shares	
		Type of shares	Number of shares
Beijing Aerospace Industry Investment Fund (Limited Partnership)	261,960,371	RMB common shares	261,960,371
Wang Zhendong	240,617,855	RMB common shares	240,617,855
Hong Kong Securities Clearing Co., Ltd.	140,112,381	RMB common shares	140,112,381
Beijing Offcn Future Information Consulting Center (Limited Partnership)	80,000,000	RMB common shares	80,000,000
Zhou Xiayun	78,848,640	RMB common shares	78,848,640
Zhou Hui	72,277,920	RMB common shares	72,277,920
Beijing Guangyin Venture Capital Center (Limited Partnership)	68,848,230	RMB common shares	68,848,230
Zhou Li	48,185,280	RMB common shares	48,185,280
Li Yongxin	36,351,561	RMB common shares	36,351,561
China Merchants Bank Co., Ltd. — BOCOM Schroders Growth Hybrid Securities Investment Fund	30,507,767	RMB common shares	30,507,767
Description of the relationship or concerted action among the above mentioned shareholders	The Company's controlling shareholder and actual controller Lu Zhongfang and Li Yongxin are in a parent-child relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. Zhou Xiayun and Zhou Li have a father-daughter relationship. It is unknown whether there is an associated relationship among the above-mentioned other shareholders, and whether the above-mentioned shareholders belong to the parties acting in concert.		
Description of the top 10 shareholders participating in the margin trading (if any)	None		

Whether the top 10 common shareholders and the top 10 common shareholders without sales conditions of the Company carry out the agreed repurchase transaction during the reporting period

Yes No

The Company's top 10 common shareholders and top 10 common shareholders without sales conditions didn't conduct agreed repurchase transactions during the reporting period

2. Table on the total number of preferred shareholders and shares held by the top 10 preferred shareholders

Applicable Not Applicable

Chapter III. Significant Events

Section I. Cases and reasons of main financial data and indicators fluctuation during the reporting period

√ Applicable □ Not Applicable

Unit:RMB

Balance Sheet	Amount at the end of the reporting period	Amount at the beginning of the reporting period	Growth	Statements
Monetary funds	3,127,976,812.41	5,950,395,089.12	-47.43%	Mainly due to the increase in the purchase and construction of fixed assets and land use rights
Transactional financial assets	340,458,014.46	983,205,858.25	-65.37%	Mainly due to the structural adjustment of asset allocation in the current period
Prepayments	2,984,481.00	2,204,120.00	35.40%	Mainly due to the increased prepayments for the employees' business travel air tickets to the travel agency.
Other receivables	562,009,727.82	304,318,966.20	84.68%	Mainly due to the increase in current accounts and employee borrowings
Other current assets	837,225,325.51	175,179,650.61	377.92%	Mainly due to the increase in time deposits purchased by the company within one year
Right-of-use assets	1,449,126,148.68			Mainly due to the implementation of the new lease standard from January 1, 2021, and the increase in right-of-use assets
Other non-current assets	3,827,994,523.92	1,151,091,703.31	232.55%	Mainly due to the purchase and construction of fixed assets and intangible assets
Employee benefits payable	360,434,166.16	637,448,433.99	-43.46%	Mainly due to the effect of employee salaried and bonuses of the previous year
Taxes payable	76,878,568.77	131,111,770.78	-41.36%	Mainly due to the payment of corporate income tax in Q4 of 2020
Non-current liabilities due within one year	479,787,466.27			Mainly due to the implementation of the new lease standard from January 1, 2021, and the increase in non-current liabilities due within one year
Lease liability	592,382,877.48			Mainly due to the implementation of the new lease standard from January 1, 2021, and the increase in lease liabilities

Income Statement	Current period	Previous period	Growth	Statements
Total operating income	2,051,691,383.47	1,230,102,270.48	66.79%	Mainly due to the gradual end of the pandemic in the second half of 2020, the continuous recovery of the market and the gradual increase in business income
Operating cost	824,615,510.04	520,863,204.58	58.32%	Mainly due to the end of the pandemic and the gradual recovery of offline training
Sales expense	435,647,726.75	273,147,797.16	59.49%	Mainly due to the resumption of marketing activities
Management expense	340,240,393.35	209,704,141.65	62.25%	Mainly due to the resumption of daily business activities
R&D expense	267,150,553.55	105,248,410.14	153.83%	Mainly due to the Company's expansion of R&D and increased investment
Financial expense	108,656,990.19	55,032,787.52	97.44%	Mainly due to the increase in short-term borrowing interest and collection fees and the amortization of unrecognized financing expenses to financial expenses according to the new lease standard
Other income	60,454,036.43	36,688,536.72	64.78%	Mainly due to the increase of reduction in value-added tax enjoyed by the company
Investment income	32,350,483.88	49,118,685.21	-34.14%	Mainly due to the structural adjustment of asset allocation in the current period and the decline in the rate of return on property management
Cash Flow Statement	Current period	Previous period	Growth	Statements
Cash receipts from the sale of goods and the rendering of services	2,257,705,337.11	4,268,644,542.62	-47.11%	Mainly due to the impact of one month in advance of the multi-provincial joint examination, the peak fee period was reduced by nearly one month
Other cash received related to operating activities	8,365,632.60	3,552,880.40	135.46%	Mainly due to the increase in interest on bank demand deposits and the increase in other income
Cash paid to and for employees	1,788,537,241.10	1,090,339,239.09	64.03%	Mainly due to the increase in employee salaries paid in the current period
Cash receipts from disposals and recovery of investments	4,234,310,000.00	9,555,548,985.25	-55.69%	Mainly due to the structural adjustment of asset allocation in the current period
Cash received from investment income	11,192,589.09	31,375,210.42	-64.33%	Mainly due to the structural adjustment of asset allocation in the current period
Cash paid for the purchase and construction of fixed assets, intangible	2,774,248,578.57	812,081,033.98	241.62%	Mainly due to the purchase and construction of fixed assets and intangible assets

assets and other long-term assets				
Cash paid for investment	4,226,550,000.00	13,732,288,090.00	-69.22%	Mainly due to the structural adjustment of asset allocation in the current period
Cash received from the loan	2,670,000,000.00	1,660,000,000.00	60.84%	Mainly due to the increase in borrowings
Cash paid for debt repayment	2,090,000,000.00	810,000,000.00	158.02%	Mainly due to the repayment of short-term loans
Cash paid for dividends, profits, or interest payments	46,324,162.51	32,099,556.25	44.31%	Mainly due to the increase in interest payments on short-term loans
Other cash paid related to financing activities	354,129,507.17			Mainly due to the implementation of the new lease standard from January 1, 2021, the rent paid during the reporting period was adjusted from “payment of other cash related to operating activities” to “payment of other cash related to financing activities”

Section II. Progress of significant events, their impact and analysis on the solutions

√ Applicable □ Not applicable

Significant events and their progress during the reporting period have been disclosed in the interim announcement. For details, please refer to the disclosure index below

Overview of significant events	Disclosure date	Website index for query of interim report disclosure
<p>The Company held the fourteenth meeting of the fifth board of directors on November 10, and 26, 2020, and the second extraordinary general meeting of shareholders in 2020. <i>Proposal on wholly-owned subsidiary to participate in the bidding for land use right</i>, was reviewed and passed, approving Beijing Offcn Future Education Technology Co., Ltd. ,a wholly-owned subsidiary to participate in the bidding for land use right of state-owned land, first-level development project CP00-1804-0002 land, R2 second-class residential land, CP00-1804-0012 land and F3 for other types of multi-functional land at Qiliqu Nanbei Village, Shahe Town, Changping District, Beijing</p> <p>On December 2, 2020, the wholly-owned subsidiary Beijing Offcn Future Education Technology Co., Ltd. obtained <i>Transfer Confirmation Letter for Use Right of Beijing State-owned Construction Land</i> , confirming that the wholly-owned subsidiary successfully bid for the land for RMB 3,005 million. The Company plans to build the Company's online technology R&D center, online and offline integrated education demonstration center, integrated training center for R&D and teaching personnel, vertical integration response command center for national market, and innovative education headquarters on this land.</p>	November 11, 2020	http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=9900021221&stockCode=002607&announcementId=1208723592&announcementTime=2020-11-11

<p>The Company held its board of directors, board of supervisors, and the third extraordinary general meeting of shareholders in 2020 on November 23 and December 9, 2020, and reviewed and approved the <i>Proposal on the Company's Compliance with the Conditions for Non-public Issuance of A Shares</i>, <i>Proposal on the Company's Non-Public Issuance of A Shares</i> and <i>Proposal on the Company's Plan for Non-Public Issuance of A Shares</i> and other proposals related to this non-public issuance.</p> <p>On December 30, 2020, the Company announced the <i>Announcement on the Acceptance of Applications for Non-public Issuance of Shares by the China Securities Regulatory Commission</i> (Announcement No.: 2020-052).</p> <p>On January 8, 2021, the Company announced the "<i>Notice on Receiving One Feedback from the Administrative License Project Review of China Securities Regulatory Commission</i> (Announcement No: 2021-002).</p> <p>On Jan 27, 2021, the Company announced the <i>Report on the Response to Notice on Receiving One Feedback from the Administrative License Project Review of China Securities Regulatory Commission</i> and other documents. On the same day, it also announced the adjustments to the non-public issuance plan including the <i>Plan for Non-public Issuance of A Shares (Revised Draft)</i> and related announcements reviewed and approved at the 17th meeting of the Fifth Board of Directors and the 14th Meeting of the Fifth Board of Supervisors.</p>	<p>Jan. 27, 2021</p>	<p>http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=9900021221&stockCode=002607&announcementId=1209194794&announcementTime=2021-01-27</p>
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Implementation progress of share repurchase

Applicable Not applicable

Progress in the implementation of shareholdings reduction through centralized bidding

Applicable Not applicable

Section III. Commitments in implementation by the Company's actual controller, shareholders, related parties, acquirer and the Company itself, etc. during the reporting period

Applicable Not applicable

The important commitments made by the major asset restructuring parties are as follows:

Commitment Party	Commitment Type	Main contents of commitment	Commitment time	Commitment period	Performance
<p>Yaxia Industrial, Zhou Xiayun, Zhou Hui, Zhou Li, Phase-I employee stock ownership plan</p>	<p>Letter of commitment on lock-up period</p>	<p>After the completion of the transaction (starting from the date of the listing of shares issued in this transaction), the company/I/the plan shall not transfer the shares with rights and interests of Yaxia Auto within 36 months .</p> <p>After the completion of the transaction, the shares held by the Company/I/the plan, derived from Yaxia Auto shares due to the distribution of stock dividends and the conversion of capital reserve to share capital shall also comply with the above-mentioned arrangement of</p>	<p>May 4, 2018</p>	<p>Jan. 31, 2022</p>	<p>Under normal implementation</p>

		<p>restricted sale of shares.</p> <p>If the China Securities Regulatory Commission and/or Shenzhen Stock Exchange have/has other provisions for the above-mentioned lock-up period arrangement , the company/I/the plan will adjust and implement the above-mentioned lock-up period arrangement according to the latest regulations of the China Securities Regulatory Commission and/or Shenzhen Stock Exchange.</p> <p>If violating the above commitments, the company/I/the plan will bear all losses caused to Yaxia Auto.</p>			
Li Yongxin	Letter of Commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. As the transferee of 72,696,561 Yaxia Auto shares held by Anhui Yaxia Industrial Co., Ltd., I shall not transfer such shares within 36 months from the registration date of such shares in my securities account.</p> <p>3. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>4. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>5. After the completion date of this transaction, my</p>	Apr. 27, 2018	Jan. 31, 2022	Under normal implementation

		<p>increased shares due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>6. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>7. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Lu Zhong Fang	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion date of this transaction, my increased shares due to bonus shares distribution or</p>	Apr. 27, 2018	Jan. 31, 2022	Under normal implementation

		<p>conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Kerui Technology Innovation	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by Kerui Technology Innovation in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by Kerui Technology Innovation shall be automatically extended for 6 months. (If dividend or bonus shares distribution, conversion of capital reserve or allotment by the listed company occurred during the above-mentioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion date of this transaction, the increased shares that the enterprise owns due to bonus shares distribution or conversion of capital reserve of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not comply with the latest laws and regulations and the</p>	Jul. 27, 2018	Jan. 31, 2022	Under normal implementation

		latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the arrangement in accordance with the latest laws and regulations and the requirements of the regulatory agency. 5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.			
Offcn Partnership	Letter of commitment on the lock-up of shares	Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Auto held by Anhui Yaxia Industrial Co., Ltd. to the enterprise, the shares shall not be transferred. The lock-up period of the shares increased during the above period due to bonus shares distribution, conversion of capital reserve or allotment of shares by Yaxia Auto, shall also comply with the foregoing requirements. If the enterprise violates commitments listed above, it will bear all losses caused to Yaxia Auto.	Apr. 27, 2018	Jan. 31, 2022	Under normal implementation
Li Yongxin and other 10 counterparties	Letter of commitment on the lock-up of Offcn Partnership's contribution shares	Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Auto held by Anhui Yaxia Industrial Co.,Ltd. to Beijing Offcn Future Information Consulting Center (Limited Partnership), I or the enterprise shall not in any way transfer the shares of Beijing Offcn Future Information Consulting Center (Limited Partnership) or withdraw from the partnership with Beijing Offcn Future Information Consulting Center (Limited Partnership), nor do we transfer, assign or authorize other entities in any way to fully or partially have the rights and interests indirectly related to the shares of Yaxia Industrial Co., Ltd. held by Beijing Offcn Future Information Consulting Center (Limited Partnership).	Jul. 27, 2018	Jan. 31, 2022	Under normal implementation
Li Yongxin Lu Zhongfang Wang Zhendong Offcn Partnership	Letter of commitment on maintaining independence of the listed Company	I. Guarantee the independence of the listed Company's personnel (1) It is guaranteed that after the completion of this transaction, the personnel, human resources and remuneration management of the listed Company shall be completely independent from myself/Offcn Partnership, and from other related parties, such as companies, enterprises or economic organizations, controlled by myself/Offcn Partnership. (2) It is guaranteed that after the completion of this transaction, senior executives shall work as full-time employees and receive remuneration in the listed Company. They shall not hold any positions other than directors or supervisors in other companies, enterprises, or economic organizations controlled by myself/Offcn Partnership. (3) It is guaranteed that after the completion of this	April 27, 2018	Long-term	Under implementation normally

		<p>transaction, the official powers of the shareholders' meeting and board of directors on personnel appointments and dismissals shall not be interfered.</p> <p>II. Guarantee the independence of institutes of the listed Company</p> <p>(1) It is guaranteed that after the completion of this transaction, the listed Company shall build a sound structure of corporate governance and develop an independent and complete organizational structure.</p> <p>(2) It is guaranteed that after the completion of this transaction, the general meeting of shareholders, the board of directors, and the board of supervisors shall independently exercise their powers in accordance with laws, regulations and the Company's <i>Articles of Corporation</i>.</p> <p>III. Guarantee the independence and completeness of the assets of the listed Company.</p> <p>(1) It is guaranteed that after the transaction, the listed Company shall have independent and complete assets related to production and operation.</p> <p>(2) It is guaranteed that after the completion of this transaction, the business premises of the listed Company shall be independent from myself/Offcn Partnership, and other related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of this transaction, except for normal business dealings, there shall be no capital and assets of the listed Company occupied by myself/Offcn Partnership, and other related parties, such as companies, enterprises or economic organizations, controlled by myself or Offcn Partnership.</p> <p>IV. Guarantee the independence of the listed Company's business.</p> <p>(1) It is guaranteed that after the completion of this transaction, the listed Company shall have the qualifications of independently conducting business activities and the capabilities of running market-oriented, independent, autonomous, sustainable business.</p> <p>(2) It is guaranteed that after the completion of this transaction, I/Offcn Partnership, or other related parties, such as companies, enterprises, or other economic organization controlled by myself/Offcn Partnership shall avoid businesses which have a competitive relationship</p>			
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		<p>with the listed Company and its subsidiaries.</p> <p>(3) It is guaranteed that after the completion of this transaction, I/Offcn Partnership, or related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership shall reduce related-party transactions with the listed Company and its subsidiaries. Related-party transactions that are really necessary and unavoidable shall be conducted in a market-oriented and fairly way and perform relevant approval processes and information disclosure obligations in accordance with relevant laws, regulations and regulatory documents.</p> <p>V. Guarantee the financial independence of the listed Company.</p> <p>(1) It is guaranteed that after the completion of this transaction, the listed Company shall establish an independent financial department with independent financial accounting systems and standardized and independent financial accounting rules.</p> <p>(2)It is guaranteed that after the completion of this transaction, the listed Company shall open bank accounts independently and shall not share bank accounts with myself/Offcn Partnership/other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of this transaction, financial personnel hired by the listed Company shall not hold any part-time positions in other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership</p> <p>(4) It is guaranteed that after the completion of this transaction, the listed Company can make financial decisions independently. I/Offcn Partnership shall not interfere with the use of funds by the listed Company.</p> <p>(5) It is guaranteed that after the completion of this transaction, the listed Company will pay taxes independently according to laws.</p> <p>I/Offcn Partnership shall be liable for all losses caused to the listed Company and its subsidiaries due to my/Offcn Partnership's failure in fulfilling the above commitments.</p>			
Li Yongxin, Lu Zhongfang	Letter of Commitment on avoiding horizontal competition	1. As of the date of signing this commitment letter, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, except for Beijing Offcn	Sept. 20, 2018	1. The transfer of Kairuier	As of the end of the reporti

	<p>Online Education Technology Co., Ltd. (hereinafter referred to as Offcn Online), controlled by my relatives Xuhua and Lu Yan, and its affiliated schools which are involved in the same or similar businesses conducted by Offcn Ltd., other related parties are not involved in any same, similar or related businesses conducted by the listed Company, Offcn Ltd. and its affiliated companies and schools. Except for serving as a director in Kunming Wuhua Offcn training school, which is affiliated to Offcn Online, Li Yongxin neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises, which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I also do not directly or indirectly hold any equity or shares of companies or enterprises conducting the same, similar or related businesses as the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. As of the date of signing this commitment letter, Offcn Online and its two subordinate training schools' disposals are as follow: Offcn Online conducts no education businesses (to be canceled after subordinate schools transferred). Kairuier Training School in Haidian District of Beijing is to be transferred to an unrelated third party and the transfer agreement has been signed. If the transfer is not completed within 24 months since the date of signing this commitment letter, I will urge Offcn Online to cancel the Kairuier Training School in Haidian District of Beijing. Kunming Wuhua Offcn Training School, associated with Offcn Online, has been closed and it will be transferred to an unrelated third party or will be canceled within 12 months after the revised <i>Regulations for the Implementation of the Law on the Promotion of Private Education of the People's Republic of China</i> (hereinafter referred to as <i>Regulations of Implementation</i>) is officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation comes into effect.</p> <p>3. As of the date of signing this commitment letter, Offcn Ltd. as the organizer intends to transfer its 100% of the organizer's rights of 33 private schools for non-academic qualifications to Li Yongxin and signed the <i>Agreement on Transfer of Organizer's Rights of Private Schools for Non-Academic Qualifications Affiliated to Beijing Offcn</i></p>		<p>Training School in Haidian District of Beijing: within 24 months from the date of the signing of this letter of commitment</p> <p>2. The transfer of Kunming Wuhua Offcn Training School : within 12 months after the revised Regulations of Implementation officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation comes into effect.</p>	<p>ng period , Kairuier Training School in Haidian District of Beijing had been transferred to an unrelated third party. Other commitments are under normal implementation</p>
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		<p><i>Education Technology Co., Ltd.</i> Li Yongxin is willing to entrust the transferred 33 private schools for non-academic qualifications to Offcn Ltd. and signed the <i>Trusteeship Agreement of Private Schools for Non-academic Qualifications</i>.</p> <p>4. After the completion of transaction, except for the above-mentioned cases, I promise that during the time of being the actual controller of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and aboard) engage in the same, similar, related and competitive businesses with the listed Company, which includes the follows:</p> <p>(1) I will not directly or indirectly operate, participate in or assist others to conduct same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies.</p> <p>(2) I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates.</p> <p>(3) I will not be hired by any competitors that directly or indirectly compete with the listed Company and its affiliates, or provide any advice, assistance or business opportunities directly or indirectly to such competitors;.</p> <p>(4) I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates.</p> <p>(5) I will not urge others to hire employees or management personnel from the listed Company and its affiliates.</p> <p>5. I promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives obtain any business opportunities from any third party, which can or may compete with the listed Company and</p>			
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		<p>its affiliates in the future, I will notify the listed Company and its affiliates in writing within 5 working days. After obtaining the third party's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>6. I guarantee that I would never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assist third parties to engage, participate, or invest in businesses or projects that compete with the listed companies and its affiliates.</p> <p>7. If I violate the above commitments, the benefits obtained by the violation of commitments shall belong to the listed Company and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the writing notice from the listed Company, compensation will be made in cash.</p> <p>8. I will disclose relevant information in a timely manner if commitments fail to be fulfilled or to be fulfilled on schedule because of objective reasons, such as changes in relevant laws, regulations and policies, or natural disasters. Except for the above-mentioned objective reasons, if the commitment is anyhow unable to be fulfilled or fulfilling the commitment is not conducive to safeguarding the rights and interests of the listed Company, I should fully disclose the reasons and either provide a new commitment to the listed Company and related investors to replace the original one, or propose an exemption from fulfilling the commitment.</p> <p>9. The commitment is valid from the date when the commit letter is signed to the time when I cease to be the actual controller of the listed Company.</p>			
Wang Zhendong, Offcn Partnership	Letter of Commitment on avoiding horizontal competition	<p>1. As of the date of signing this letter of commitments, I, my close relatives, related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, participate in no businesses which are the same, similar or related to businesses competing with the listed Company, Offcn Ltd. and their affiliated companies and schools. Except for serving as a director at Beijing Haidian District Kairuier Training School, affiliated to Offcn Online (Offcn Online tends to transfer the rights of Kairuier Training School to an unrelated third party and after this transfer, Wang Zhendong will not hold the post as a director.), I neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. serve as a consultant or a part-time employee in other companies or enterprises that</p>	April 27, 2018	Long-term	Under normal implementation

		<p>pose competitions against the listed Company, Offcn Ltd. and its affiliates. I do not directly or indirectly hold the equity of an company or entity that runs the same, similar or relevant business engaged by the listed Company, Offcn Ltd. and its affiliates.</p> <p>2.After the completion of transaction, I/Offcn Partnership promise that during the time of being shareholders of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives , Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and aboard) engage in the same, similar, related and competitive businesses with the listed Company, which includes the follows:</p> <p>I will not directly or indirectly operate, participate in or assist others to conduct same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies. 2. I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates. 3. I will not be hired by any competitors that directly or indirectly compete with the listed Company and its affiliates, or provide any advice, assistance or business opportunities directly or indirectly to such competitors;. 4. I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates. 5. I will not urge others to hire employees or management personnel from the listed Company and its affiliates.</p> <p>3. I/Offcn Partnership promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, obtain any business</p>			
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		<p>opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I/Offcn Partnership will immediately notify the listed Company. After obtaining the third party's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>4. I guarantee that I would never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assist third parties to engage, participate, or invest in businesses or projects that compete with the listed companies and its affiliates.</p> <p>If I/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Offcn Partnership's failure in fulfilling commitments.</p>			
Li Yongxin, Lu Zhongfang	Letter of Commitment on reducing and regulating related-party transactions	<p>1. After the transaction is completed, during the time of being the actual controller of the listed Company, I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives will try to avoid and reduce the related-party transactions with the listed Company and its affiliates; unless it is necessary for the business development of the listed Company, any related-party transactions with the listed Company and its affiliates will not be conducted.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, I, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, will sign related-party transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or its directors, supervisors and senior executives to make the listed Company provide or accept funds, commodities, services or other assets under unequal conditions or engage in any behaviors that would damage the interests of the listed</p>	Jul. 27, 2018	Long-term	Under normal implementation

		<p>companies.</p> <p>4. I will urge my close relatives and other companies, enterprises and other economic organizations controlled by myself and my close relatives to abide by the aforementioned commitments.</p> <p>5. If I, my close relatives and other companies, enterprises and other economic organizations controlled by myself and my close relatives violate the above commitments, the profits obtained by the violation of commitments belong to the listed Company, and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the written notice from the listed Company, compensation will be made in cash.</p> <p>6. The commitment is valid from the date when it is signed to the time when I cease to be the actual controller of Yaxia Auto and there is no other related relationship with Yaxia Auto.</p>			
<p>Wang Zhendong, Aerospace Industry, Offcn Partnership</p>	<p>Letter of Commitment on reducing and regulating related-party transactions</p>	<p>1. After the completion of transaction, during the period of being the actual controller/shareholder , I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives , Aerospace Industry or Offcn Partnership, will try to avoid and reduce the related-party transactions with the listed Company.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, Aerospace Industry or Offcn Partnership, will sign related-party transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I/Aerospace Industry/Offcn Partnership will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or the directors, supervisors and senior executives of the listed Company to make the listed</p>	<p>April 27, 2018</p>	<p>Long-term</p>	<p>Under normal implementation</p>

		Company provide or accept funds, commodities, services or other assets in different forms under unequal conditions or engage in any behaviors that would damage the interests of listed companies. I/Aerospace Industry/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Aerospace Industry's/Offcn Partnership's failures in fulfilling commitments.			
Whether the commitments are fulfilled on time	Yes				

Section IV. Financial assets investment

1. Securities investment

Applicable Not applicable

Unit: RMB

Securities	Securities code	Securities abbreviation	Original investment cost	Accounting measurement model	Original book value	Gains and losses from changes in fair value for the current period	Cumulative changes in fair value included in equity	Purchase amount for this period	Selling Amount for this period	Gains and loss during the reporting period	Book value at the end of the period	Accounting subjects	Source of fund
Funds	010439	Huitianfu Stable-profit Hybrid Securities Fund with one-year holding period	9,999,000.00	fair value measurement	10,467,953.10	-108,989.10	0.00	0.00	0.00	-108,989.10	10,358,964.00	Transactional financial assets	Self-owned funds
Other securities investments held at the end of the period				--								--	--
Total			9,999,000.00	--	10,467,953.10	-108,989.10	0.00	0.00	0.00	-108,989.10	10,358,964.00	--	--
Disclosure Date of the announcement of securities investment approval board of directors			N/A										
Disclosure date of the			N/A										

announcement of the securities investment approval board of shareholders (if any)	
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2. Derivatives investment

Applicable Not applicable

There was no derivatives investment during the reporting period.

Section V. Progress of the funded investment project(s)

Applicable Not applicable

Section VI. Section VI. Prediction on the business performance of the first half in 2021

Alarm and explanations on that the accumulated net profit from the beginning of the year to the end of the next reporting period may be a loss or have a significant change compared with the same period of last year.

Applicable Not applicable

Section VII. Significant contracts of daily operations

Applicable Not applicable

Section VIII. Entrusted financial management

Applicable Not applicable

Unit: RMB 10,000

Type	Source of entrusted financing	Amount of entrusted financing	Unexpired balance	Amount not recovered after the due date
Bank financial products	Self-owned fund	126,155.00	20,970.00	0.00
Trust financial products	Self-owned fund	27,000.00	27,000.00	0.00
Others	Self-owned fund	999.90	999.90	0.00
Total		154,154.90	48,969.90	0.00

Particulars of high-risk entrusted financial management with a large single amount, low security, poor liquidity or no capital protection

Applicable Not applicable

Entrusted financing is overdue and the principal cannot be recovered or there are other cases that may cause impairments.

Applicable Not applicable

Section IX. External guarantee violating regulations

Applicable Not applicable

There was no external guarantee violating regulations during the reporting period of the Company.

Section X. Capital of the listed Company used for non-operational purposes by the controlling shareholders or their related parties

Applicable Not applicable

There was no occupation of the Company's capital by the controlling shareholders or their related parties for non-operating purposes during the reporting period of the Company.

Section XI. Registration form(s) of activities including reception of research, communication or interviews during the reporting period

Applicable Not applicable

There was no reception of research, communication or interviews during the reporting period of the Company.

Chapter IV Financial Statements

Section I. Financial statements

1. Consolidated balance sheet

Company: Offcn Education Technology Co., Ltd.

March 31, 2021

Unit:RMB

Item	March 31, 2021	December 31, 2020
Current assets:		
Monetary funds	3,127,976,812.41	5,950,395,089.12
Settlement reserve		
Lendings		
Transactional financial assets	340,458,014.46	983,205,858.25
Derivative financial assets		
Notes receivable		
Accounts receivable	26,029,435.13	21,493,637.66
Receivables financing		
Prepayments	2,984,481.00	2,204,120.00
Premium receivable		
Accounts receivable reinsurance		
Reserve for reinsurance receivable contracts		
Other receivables	562,009,727.82	304,318,966.20
Inc: Interest receivables		
Dividends receivables		
Buying back the sale of financial assets		
Inventories		
Contract assets		
Assets held-for-sale		
Non-current assets due within one year	2,004,339,413.11	1,985,873,462.75
Other current assets	837,225,325.51	175,179,650.61

Total current assets	6,901,023,209.44	9,422,670,784.59
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other equity investment	152,800,000.00	152,800,000.00
Other non-current financial assets	208,450,315.01	208,450,315.01
Investment properties	664,213,321.52	668,014,515.82
Fixed assets	1,614,085,375.35	1,612,792,592.67
Construction in progress	217,725,379.72	214,248,125.04
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	1,449,126,148.68	
Intangible assets	416,934,093.04	426,352,455.75
Development expenditure		
Goodwill	99,867,720.38	99,867,720.38
Long-term prepaid expenses	421,579,394.69	440,955,377.93
Deferred tax assets	21,662,085.86	21,606,436.77
Other non-current assets	3,827,994,523.92	1,151,091,703.31
Total Non-current Assets	9,094,438,358.17	4,996,179,242.68
Total Assets	15,995,461,567.61	14,418,850,027.27
Current liabilities:		
Short-term borrowings	4,561,785,731.98	3,976,019,329.22
Borrowings from central bank		
Borrowings from banks and other financial institutions		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	169,175,218.20	211,824,402.86
Deposit received		
Contract liabilities	5,071,125,095.49	4,925,428,309.33

Financial assets sold for repurchase		
Absorbing deposits and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Payroll payable	360,434,166.16	637,448,433.99
Taxes payable	76,878,568.77	131,111,770.78
Other payables	11,883,165.93	9,479,383.03
Inc: Interest payables		
Dividends payables		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	479,787,466.27	
Other current liabilities	152,133,752.86	147,765,156.66
Total Current Liabilities	10,883,203,165.66	10,039,076,785.87
Non-current Liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Inc: preferred share		
Perpetual bond		
Lease liabilities	592,382,877.48	
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	104,050,004.19	104,677,444.59
Other non-current liabilities		
Total non-current liabilities	696,432,881.67	104,677,444.59
Total liabilities	11,579,636,047.33	10,143,754,230.46
Owners' equity:		

Share capital	103,807,623.00	103,807,623.00
Other equity instrument		
Perpetual bond		
Inc: preferred share		
Perpetual bond		
Capital reserve	1,225,481,049.50	1,225,481,049.50
Less: Treasury stock		
Other comprehensive income	30,000,000.00	30,000,000.00
Special reserve		
Surplus reserves	45,000,000.00	45,000,000.00
General risk preparation		
Undistributed profits	3,011,568,760.54	2,870,839,120.70
Total owners' equity attributable to parent company	4,415,857,433.04	4,275,127,793.20
Minority shareholders' equity	-31,912.76	-31,996.39
Total owners' equity	4,415,825,520.28	4,275,095,796.81
Total liabilities and owners' equity	15,995,461,567.61	14,418,850,027.27

Legal representative: Wang Zhendong Person in charge of accounting work: Shi Lei Head of the accounting department: Luo Xue

2. Parent company balance sheet

Unit: RMB

Item	March 31, 2021	December31, 2020
Current Assets:		
Monetary funds	107,525,773.93	56,138,356.37
Transactional financial assets	1,630,453.37	1,630,453.37
Derivative financial assets		
Notes receivable		
Accounts receivable	18,421,510.11	14,792,320.38
Receivables financing		
Prepayments		
Other receivables	3,118,793,467.42	621,900,443.29
Inc: interest receivables		
Dividends receivables		
Inventories		

Contract assets		
Assets held-for-sale		
Non-current assets due within one year		
Other current assets		
Total current assets	3,246,371,204.83	694,461,573.41
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	18,582,307,907.14	18,582,307,907.14
Other equity instrument	152,800,000.00	152,800,000.00
Other non-current financial assets		
Investment property	500,091,324.79	502,925,481.92
Fixed assets	381,240,464.99	383,060,000.00
Construction in progress	72,569,103.57	72,569,103.57
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	20,576,903.94	20,529,151.44
Other non-current assets	501,095,111.10	501,095,111.10
Total non-current assets	20,210,680,815.53	20,215,286,755.17
Total assets	23,457,052,020.36	20,909,748,328.58
Current liabilities:		
Short-term loan	1,301,418,819.44	871,083,875.00
Transactional financial liabilities		
Derivative Financial liabilities		
Notes payable		
Accounts payable	83,621,752.26	83,621,752.26

Deposit received		
Contract liabilities		
Payroll payable		
Taxes payable	1,283,585.56	1,437,291.71
Other payable	2,580,853,599.38	446,606,530.72
Including: interest payable		
Dividend payable		
Liabilities held-for-sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	3,967,177,756.64	1,402,749,449.69
Non-current liabilities:		
Long-term loan		
Bonds payable		
Bonds payable_preferred stock		
Bonds payable_perpetual bond		
Lease liability		
Long-term payables		
Long-term salary payable		
Estimated liabilities		
Deferred income		
Deferred tax liability	10,007,613.34	10,007,613.34
Other non-current liabilities		
Total non-current liabilities	10,007,613.34	10,007,613.34
Total liabilities	3,977,185,369.98	1,412,757,063.03
Owners' equity:		
Share capital	6,167,399,389.00	6,167,399,389.00
Other equity instrument		
Other equity instruments_preferred stock		
Other equity instruments_perpetual bond		
Capital reserve	12,897,744,700.46	12,897,744,700.46
Less: Treasury stock		

Other comprehensive income	30,000,000.00	30,000,000.00
Special reserve		
Surplus reserves	387,458,806.65	387,458,806.65
Undistributed profits	-2,736,245.73	14,388,369.44
Owners' equity	19,479,866,650.38	19,496,991,265.55
Liabilities and owner's equity	23,457,052,020.36	20,909,748,328.58

3. Consolidated income statement

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total operating income	2,051,691,383.47	1,230,102,270.48
Including: operating income	2,051,691,383.47	1,230,102,270.48
Interest income		
Premium earned		
Fee and commission income		
II. Total operating costs	1,979,436,277.98	1,167,262,125.00
Including: operating cost	824,615,510.04	520,863,204.58
Interest expense		
Fee and commission expenses		
Surrender money		
Net reimbursement expenditure		
Withdrawal of net insurance liability contract reserves		
Policyholder dividend expenses		
Reinsurance expenses		
Taxes and surcharges	3,125,104.09	3,265,783.95
Sales expenses	435,647,726.75	273,147,797.16
Management expenses	340,240,393.35	209,704,141.65
R&D expenses	267,150,553.55	105,248,410.14
Financial expenses	108,656,990.19	55,032,787.52
Including: interest expenses	52,090,565.27	38,457,427.92
Interest income	6,768,970.11	968,101.22
Add: other income	60,454,036.43	36,688,536.72

Investment income (Loss is listed with “-”)	32,350,483.88	49,118,685.21
Including: investment income from associates and joint ventures		
Derecognition income of financial assets measured at amortized cost		
Exchange earnings (Loss is listed with “-”)		
Net exposure hedge income (Loss is listed with “-”)		
Fair value change income (Loss is listed with “-”)	12,156.21	
Expected credit loss (Loss is listed with “-”)	-239,123.84	
Asset impairment loss (Loss is listed with “-”)		
Asset disposal income (Loss is listed with “-”)	56,256.12	12,208.74
III. Operating profit (Loss is listed with “-”)	164,888,914.29	148,659,576.15
Add: non-operating income		100.00
Less: non-operating expenses	69,002.90	75,001.22
IV. Total profit (The total loss is listed with “-”)	164,819,911.39	148,584,674.93
Less: income tax expenses	24,090,187.92	32,283,423.70
V. Net profit (Net loss is listed with “-”)	140,729,723.47	116,301,251.23
i. Classified by business continuity		
1. Net profit from continuing operations (Net loss is listed with “-”)	140,729,723.47	116,301,251.23
2. Net profit from discontinued operations (Net loss is listed with “-”)		
ii. Classification by ownership		
1. Net profit attributable to the owner of the parent company	140,729,639.84	116,303,799.91
2. Minority shareholders' gains and losses	83.63	-2,548.68
VI. Net other comprehensive income		
Net other comprehensive income attributable to the parent company owner		
i. Other comprehensive income that cannot be reclassified into profit or loss		
1, Changes from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments		
4. Changes in fair value of the company's own credit risk		

5.Other		
ii. Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income of convertible profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provisions of other debt investment		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation difference		
7.Other		
Net other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	140,729,723.47	116,301,251.23
Total comprehensive income attributable to owners of the parent	140,729,639.84	116,303,799.91
Total comprehensive income attributable to minority shareholders	83.63	-2,548.68
VIII. Earnings per share:		
i. Basic earnings per share	0.02	0.02
ii. Diluted earnings per share	0.02	0.02

If a business combination under the same control occurs in this period, the net profit realized by the combined party before the combination is RMB 0.00 and in the previous period is RMB 0.00.

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of the accounting department: Luo Xue

4. Parent company income statement

Unit: RMB

Item	Amount for current period	Amount for the previous period
I. Operating income	3,638,285.44	3,783,950.22
Less: operating cost	2,834,157.13	2,833,966.08
Taxes and surcharges	1,163,820.00	1,064,546.25
Sales expenses		

Management expenses	6,789,652.53	2,207,928.42
R&D expenses		
Financial expenses	9,920,248.02	3,145,323.81
Including: interest expenses	9,965,044.45	3,167,404.17
Interest income	52,636.93	29,503.78
Add: other income	88,234.55	
Investment income (Loss is listed with "-")		
Including: investment income from associates and joint ventures		
Derecognition income of financial assets measured at amortized cost		
Net exposure hedge income (Loss is listed with "-")		
Fair value change income (Loss is listed with "-")		
Expected credit loss (Loss is listed with "-")	-191,009.98	
Asset impairment loss (Loss is listed with "-")		
Asset disposal income (Loss is listed with "-")		
II. Operating profit (Loss is listed with "-")	-17,172,367.67	-5,467,814.34
Add: non-operating income		
Less: non-operating expenses		
III. Total profit (The total loss is listed with "-")	-17,172,367.67	-5,467,814.34
Less: income tax expenses	-47,752.50	
IV. Net profit (Net loss is listed with "-")	-17,124,615.17	-5,467,814.34
i. Net profit from continuing operations (Net loss is listed with "-")	-17,124,615.17	-5,467,814.34
ii. Net profit from discontinued operations (Net loss is listed with "-")		
V. Net other comprehensive income		
i. Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instruments		
4. Changes in fair value of the company's own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified into profit or loss		

1. Other comprehensive income of convertible profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provisions of other debt investment		
5. Cash flow hedge reserve		
6. Foreign currency financial statement translation difference		
7. Other		
VI. Total comprehensive income	-17,124,615.17	-5,467,814.34
VII. Earnings per share:		
i Basic earnings per share		
ii Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities:		
Cash received from the sale of goods and services	2,257,705,337.11	4,268,644,542.62
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance business		
Net increase in policyholders' deposits and investment funds		
Cash charged with interest, handling fees and commissions		
Net increase in funds borrowed in		
Net increase in repurchase funds		
Net cash received from agent buying and selling of securities		
Tax refund		
Other cash received related to other business activities	8,365,632.60	3,552,880.40
Subtotal of cash inflow from operating activities	2,266,070,969.71	4,272,197,423.02
Cash paid for the purchase of goods and services	389,263,578.68	304,236,568.73

Net increase in customer loans and advances		
Net increase in deposit of central bank and interbank		
Cash paid for the original insurance contract		
Net increase in borrowed funds		
Cash paid for interest, handling fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	1,788,537,241.10	1,090,339,239.09
Various taxes paid	81,728,859.56	112,063,354.25
Other cash paid for business activities	253,266,164.04	201,339,948.10
Subtotal of cash outflows from business activities	2,512,795,843.38	1,707,979,110.17
Net cash flow from operating activities	-246,724,873.67	2,564,218,312.85
II. Cash flows from investing activities:		
Cash received from investment recovery	4,234,310,000.00	9,555,548,985.25
Cash received from investment income	11,192,589.09	31,375,210.42
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	56,256.12	12,208.74
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities		
Subtotal of cash inflows from investment activities	4,245,558,845.21	9,586,936,404.41
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	2,774,248,578.57	812,081,033.98
Cash paid for investment	4,226,550,000.00	13,732,288,090.00
Net increase in pledge loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid related to investing activities		
Subtotal of cash outflows from investment activities	7,000,798,578.57	14,544,369,123.98
Net cash flows from investing activities	-2,755,239,733.36	-4,957,432,719.57
III. Cash flow from financing activities:		
Cash received from investment absorption		
Including: cash received from subsidiaries in absorbing minority shareholders' investment		
Cash received from the loan	2,670,000,000.00	1,660,000,000.00
Other cash received related to fundraising activities		

Subtotal of cash inflows from financing activities	2,670,000,000.00	1,660,000,000.00
Cash paid for debt repayment	2,090,000,000.00	810,000,000.00
Cash paid for dividends, profits or interest payments	46,324,162.51	32,099,556.25
Including:dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	354,129,507.17	
Subtotal of cash outflows from financing activities	2,490,453,669.68	842,099,556.25
Net cash flow from financing activities	179,546,330.32	817,900,443.75
IV. Effect of the changes of the exchange rate on cash and the equivalents		
V. Net increase in cash and cash equivalents	-2,822,418,276.71	-1,575,313,962.97
Add:balance of cash and cash equivalents at the beginning of the period	5,950,395,089.12	2,724,335,001.58
VI. Balance of cash and cash equivalents at the end of the period	3,127,976,812.41	1,149,021,038.61

6. Parent company cash flow statement

Unit: RMB

Items	Amount in current period	Amount in previous period
I. Cash flow from operating activities:		
Cash received from the sale of goods and services		
Tax refund		
Other cash received related to other business activities	3,165,431,634.24	416,689.56
Subtotal of cash inflow from operating activities	3,165,431,634.24	416,689.56
Cash paid for the purchase of goods and services		
Cash paid to and for employees		
Various taxes paid	1,319,515.53	1,580,784.85
Other cash paid for business activities	3,538,782,392.82	135,348,862.21
Subtotal of cash outflows from business activities	3,540,101,908.35	136,929,647.06
Net cash flow from operating activities	-374,670,274.11	-136,512,957.50
II. Cash flows from investing activities:		
Cash received from investment recovery		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other		

business units		
Other cash received related to investing activities		
Subtotal of cash inflows from investment activities		
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		300,000,000.00
Cash paid for investment		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid related to investing activities		
Subtotal of cash outflows from investment activities		300,000,000.00
Net cash flows from investing activities		-300,000,000.00
III. Cash flow from financing activities:		
Cash received from investment absorption		
Cash received from the loan	1,000,000,000.00	570,000,000.00
Other cash received related to fundraising activities		
Subtotal of cash inflows from financing activities	1,000,000,000.00	570,000,000.00
Cash paid for debt repayment	570,000,000.00	
Cash paid for dividends, profits or interest payments	3,942,308.33	2,409,779.16
Other cash paid related to financing activities		
Subtotal of cash outflows from financing activities	573,942,308.33	2,409,779.16
Net cash flow from financing activities	426,057,691.67	567,590,220.84
IV. Effect of the changes of the exchange rate on cash and the equivalents		
V. Net increase in cash and cash equivalents	51,387,417.56	131,077,263.34
Add: balance of cash and cash equivalents at the beginning of the period	56,138,356.37	6,931,803.33
VI. Balance of cash and cash equivalents at the end of the period	107,525,773.93	138,009,066.67

Section II. Explanation on the adjustments to the financial statements

1. The adjustment to the financial statements at the beginning of the year for the implementation of the new lease standard in 2021 for the first time

Applicable Not applicable

Whether items listed in the consolidated balance sheet at beginning of the year need to be adjusted

√ Yes □ No

Consolidated Balance Sheet

Unit: RMB

Items	December 31, 2020	January 1, 2021	Adjustment
Current Assets:			
Monetary funds	5,950,395,089.12	5,950,395,089.12	
Transactional financial assets	983,205,858.25	983,205,858.25	
Accounts Receivable	21,493,637.66	21,493,637.66	
Prepayments	2,204,120.00	2,204,120.00	
Other receivables	304,318,966.20	304,318,966.20	
Non-current assets due within one year	1,985,873,462.75	1,985,873,462.75	
Other current assets	175,179,650.61	146,732,938.88	-28,446,711.73
Total current assets	9,422,670,784.59	9,394,224,072.86	-28,446,711.73
Non-current assets:			
Other equity instruments	152,800,000.00	152,800,000.00	
Other non-current financial assets	208,450,315.01	208,450,315.01	
Investment property	668,014,515.82	668,014,515.82	
Fixed assets	1,612,792,592.67	1,612,792,592.67	
Construction in progress	214,248,125.04	214,248,125.04	
Right-of-use assets		1,491,006,998.14	1,491,006,998.14
Intangible assets	426,352,455.75	426,352,455.75	
Goodwill	99,867,720.38	99,867,720.38	
Long-term prepaid expenses	440,955,377.93	310,633,750.12	-130,321,627.81
Deferred tax assets	21,606,436.77	21,606,436.77	
Other non-current assets	1,151,091,703.31	1,151,091,703.31	
Total non-current assets	4,996,179,242.68	6,356,864,613.01	1,360,685,370.33
Total assets	14,418,850,027.27	15,751,088,685.87	1,332,238,658.60
Current liabilities:			
Short-term loan	3,976,019,329.22	3,976,019,329.22	
Accounts payable	211,824,402.86	211,824,402.86	
Contract liabilities	4,925,428,309.33	4,925,428,309.33	

Payroll payable	637,448,433.99	637,448,433.99	
Taxes payable	131,111,770.78	131,111,770.78	
Other payables	9,479,383.03	9,479,383.03	
Non-current liabilities due within one year		699,372,590.26	699,372,590.26
Other current liabilities	147,765,156.66	147,765,156.66	
Total current liabilities	10,039,076,785.87	10,738,449,376.13	699,372,590.26
Non-current liabilities:			
Lease liabilities		632,866,068.34	632,866,068.34
Deferred tax liabilities	104,677,444.59	104,677,444.59	
Total non-current liabilities	104,677,444.59	737,543,512.93	632,866,068.34
Total liabilities	10,143,754,230.46	11,475,992,889.06	1,332,238,658.60
Owners' equity:			
Share capital	103,807,623.00	103,807,623.00	
Capital reserve	1,225,481,049.50	1,225,481,049.50	
Other comprehensive income	30,000,000.00	30,000,000.00	
Surplus reserves	45,000,000.00	45,000,000.00	
Undistributed profits	2,870,839,120.70	2,870,839,120.70	
Total owners' equity attributable to parent company	4,275,127,793.20	4,275,127,793.20	
Minority shareholder interests	-31,996.39	-31,996.39	
Total owners' equity	4,275,095,796.81	4,275,095,796.81	
Total liabilities and owners' equity	14,418,850,027.27	15,751,088,685.87	1,332,238,658.60

Explanation on the adjustments

According to the "Notice on Revising and Issuing the "Accounting Standards for Business Enterprises No. 21-Leases" issued by the Ministry of Finance in December 2018 (F&A [2018] No. 35), the Company will disclose accounting statements according to the requirements of the new lease standards from January 1, 2021

Balance sheet of the parent company

Unit: RMB

Items	December.31, 2020	January 1, 2021	Adjustment
Current Assets:			
Monetary funds	56,138,356.37	56,138,356.37	

Transactional financial assets	1,630,453.37	1,630,453.37	
Accounts receivable	14,792,320.38	14,792,320.38	
Other receivables	621,900,443.29	621,900,443.29	
Total current assets	694,461,573.41	694,461,573.41	
Non-current assets:			
Long-term equity investments	18,582,307,907.14	18,582,307,907.14	
Other equity investment	152,800,000.00	152,800,000.00	
Investment property	502,925,481.92	502,925,481.92	
Fixed assets	383,060,000.00	383,060,000.00	
Construction in progress	72,569,103.57	72,569,103.57	
Deferred tax assets	20,529,151.44	20,529,151.44	
Other non-current assets	501,095,111.10	501,095,111.10	
Total non-current assets	20,215,286,755.17	20,215,286,755.17	
Total assets	20,909,748,328.58	20,909,748,328.58	
Current liabilities:			
Short-term loan	871,083,875.00	871,083,875.00	
Accounts payable	83,621,752.26	83,621,752.26	
Taxes payable	1,437,291.71	1,437,291.71	
Other payables	446,606,530.72	446,606,530.72	
Total current liabilities	1,402,749,449.69	1,402,749,449.69	
Non-current liabilities:			
Deferred tax liabilities	10,007,613.34	10,007,613.34	
Total non-current liabilities	10,007,613.34	10,007,613.34	
Total liabilities	1,412,757,063.03	1,412,757,063.03	
Owners' equity:			
Share capital	6,167,399,389.00	6,167,399,389.00	
Capital reserve	12,897,744,700.46	12,897,744,700.46	
Other comprehensive income	30,000,000.00	30,000,000.00	
Surplus reserves	387,458,806.65	387,458,806.65	
Undistributed profits	14,388,369.44	14,388,369.44	
Total owners' equity	19,496,991,265.55	19,496,991,265.55	
Total liabilities and owners' equity	20,909,748,328.58	20,909,748,328.58	

Descriptions of adjustments

None

2. Description of retroactive adjustment of comparative data in the early stage by the new lease standard initially implemented since 2021

Applicable Not Applicable

Section III. Auditor's report

Whether this First Quarter 2021 Report has been audited

Yes No

The Company's First Quarter 2021 Report has not been audited.