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南京熊猫电子股份有限公司
NANJING PANDA ELECTRONICS COMPANY LIMITED
(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00553)

2020 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee, and the directors, supervisors, and senior management of Nanjing Panda Electronics Company Limited (the “**Company**”) confirm that the information in this quarterly report is truthful, accurate and complete, does not contain any misrepresentation, misleading statement, or material omission, and severally and jointly accept responsibility.
- 1.2 All directors of the Company attended the Board meeting to consider the quarterly report.
- 1.3 Mr. Xia Dechuan, the responsible person of the Company, Mr. Hu Dali, the Chief Accountant, and Ms. Liu Xianfang, the Manager of Finance Department of the Company have declared the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The Company’s financial statements for the first quarter were unaudited.

II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

2.1 Major financial data (prepared in accordance with the PRC Accounting Standards for Business Enterprises, unaudited)

Unit: RMB (Yuan)

	As at the end of the reporting period (31 March 2020)	As at the end of the previous year (31 December 2019)	Changes from the end of the previous year (%)
Total assets	5,984,733,789.47	6,020,147,479.47	-0.59
Net assets attributable to shareholders of the Company	3,407,370,276.20	3,448,072,752.25	-1.18
	From the beginning of the year to the end of the reporting period (January–March 2020)	From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2019)	Changes as compared to the corresponding period of the previous year (%)
Net cash flows from operating activities	58,601,652.23	-238,571,084.53	N/A
	From the beginning of the year to the end of the reporting period (January–March 2020)	From the beginning of the previous year to the end of the reporting period of the previous year (January–March 2019)	Changes as compared to the corresponding period of the previous year (%)
Operating income	710,912,672.84	1,076,443,782.90	-33.96
Net profit attributable to shareholders of the Company	-40,709,426.01	13,461,353.47	-402.42
Net profit attributable to shareholders of the Company after extraordinary items	-48,805,178.21	7,809,832.41	-724.92
Return on net assets (weighted average) (%)	-1.19	0.39	Decreased by 1.58 percentage point
Basic earnings per share (<i>yuan/share</i>)	-0.0445	0.0147	-402.72
Diluted earnings per share (<i>yuan/share</i>)	-0.0445	0.0147	-402.72

Note: The increase in net cash flows from operating activities was mainly due to the recovery of the payment during the period; the decrease in operating income, net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after extraordinary items was mainly due to the decrease of the revenue and the decline of efficiency of the business of the Company's intelligent factories and systems, resulting from the increased competition in the industry market during the period; and the project of intelligent transportation business in the early stage coming to the completion stage during the period, while the new project having not been recognised as revenue in light of the schedule. In addition, it was also due to a certain impact on the production and operation of the Company caused by the outbreak of the COVID-19 in January 2020 and the prevention and control measures against it.

Extraordinary items and amounts

Unit: RMB (Yuan)

Item	Amount for the period	Explanation
Government grants accounted for as current profit and loss (except for government grants which are closely related to normal business of the Company, conformed to requirements of State policy, and are granted continuously according to certain standardised amounts or quotas)	8,508,660.44	
Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debenture investments	2,460,733.28	
Reversal of provisions for impairment of accounts receivable and contract assets individually tested for impairment	1,526.95	
Non-operating income and expenses other than the aforesaid items	50,925.66	
Impact on minority interest (after-tax)	-431,971.16	
Impact on income tax	-2,494,122.97	
Total	8,095,752.20	

2.2 Total number of shareholders, shareholdings of the top 10 shareholders and top 10 shareholders of circulating shares (shareholders of tradable shares not subject to trading moratorium) as at the end of the reporting period (31 March 2020)

Unit: Share

Total number of shareholders 77,034

Shareholdings of the top 10 shareholders

Full name of shareholders	Number of shares held as at the end of the reporting period	Percentage (%)	Total number of tradable shares held subject to trading moratorium	Pledged or frozen Status of share	Number	Nature of shareholder
HKSCC (Nominees) Limited	244,221,861	26.72	0	Unknown		Overseas legal person
Panda Electronics Group Limited	210,661,444	23.05	0	Unknown		State-owned legal person
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)	64,471,891	7.06	0	Unknown		State-owned legal person
Nanjing Electronics Information Industrial Corporation	35,888,611	3.93	0	Unknown		State-owned legal person
Guoxin Investment Co., Ltd. (國新投資有限公司)	21,720,941	2.38	0	Unknown		State-owned legal person
Bank of China Limited - Harvest CSI Central SOE Innovation-driven ETF Securities Investment Fund (嘉實中證央企創新驅動交易型開放式指數證券投資基金)	6,092,975	0.67	0	Unknown		Others
Industrial and Commercial Bank of China-Guotai CSI Composite Index Communication Equipment ETF Securities Investment Fund(國泰中證全指通信設備交易型開放式指數證券投資基金)	3,204,000	0.35	0	Unknown		Others
Yang Tao	2,910,000	0.32	0	Unknown		Domestic natural person
Zhao Dongling	2,450,600	0.27	0	Unknown		Domestic natural person
Zhang Xiaofeng	1,845,163	0.20	0	Unknown		Domestic natural person

Shareholdings of the top 10 holders of shares not subject to trading moratorium

Name of shareholders	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
HKSCC (Nominees) Limited	244,221,861	Overseas listed foreign shares	241,549,470
		RMB denominated ordinary shares	2,672,391
Panda Electronics Group Limited (“PEGL”)	210,661,444	RMB denominated ordinary shares	210,661,444
China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) (“China Huarong”)	64,471,891	RMB denominated ordinary shares	64,471,891
Nanjing Electronics Information Industrial Corporation (“NEIIC”)	35,888,611	RMB denominated ordinary shares	22,120,611
		Overseas listed foreign shares	13,768,000
Guoxin Investment Co., Ltd. (國新投資有限公司)	21,720,941	RMB denominated ordinary shares	21,720,941
Bank of China Limited - Harvest CSI Central SOE Innovation-driven ETF Securities Investment Fund (嘉實中證央企創新驅動交易型開放式指數證券投資基金)	6,092,975	RMB denominated ordinary shares	6,092,975
Industrial and Commercial Bank of China-Guotai CSI Composite Index Communication Equipment ETF Securities Investment Fund(國泰中證全指通信設備交易型開放式指數證券投資基金)	3,204,000	RMB denominated ordinary shares	3,204,000
Yang Tao	2,910,000	RMB denominated ordinary shares	2,910,000
Zhao Dongling	2,450,600	RMB denominated ordinary shares	2,450,600
Zhang Xiaofeng	1,845,163	RMB denominated ordinary shares	1,845,163

Description of the connected relationship or parties acting in concert among the aforesaid shareholders	NEIIC holds 100% equity interests of PEGL, the controlling shareholder of the Company. NEIIC holds, directly and through asset management plans, 22,120,611 A shares and 13,768,000 H shares of the Company, representing 3.93% of the total number of shares. NEIIC indirectly holds 210,661,444 A shares of the Company through PEGL, representing 23.05% of the total number of shares. In total, NEIIC holds 26.98% equity interests of the Company. Save as the above, the Company is not aware of any connected relationship or parties acting in concert among the other shareholders.
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Notes:

- (1) HKSCC (Nominees) Limited held 244,221,861 shares of the Company (including 241,549,470 H shares and 2,672,391 A shares), representing 26.72% of the issued share capital of the Company, on behalf of several clients, including 13,768,000 H shares held by NEIIC in the Company. Save for the disclosed above, the Company is not aware of any individual client holding more than 5% of the issued share capital of the Company.
- (2) On 10 January 2020, the Company received from China Huarong a written plan in relation to reduction of its shareholding in the Company. For details of the plan, please refer to the relevant announcements of the Company published in China Securities Journal, Shanghai Securities News and on the website of the Shanghai Stock Exchange on 11 January 2020 and on the website of the Hong Kong Stock Exchange on 10 January 2020. From 11 March to 16 March 2020, China Huarong reduced its shareholding in the Company by 674,800 A shares in aggregate, representing 0.07% of the total share capital of the Company. As at the date of the report, China Huarong holds 64,471,891 A shares of the Company, accounting for 7.06% of total share capital of the Company.

2.3 Total number of holders of preference shares, top 10 holders of preference shares and top 10 holders of preference shares (not subject to trading moratorium) as at the end of the reporting period

☐ Applicable ☒ Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in items in the principal financial statements and financial indicators of the Company and the reasons

(1) Changes in items of balance sheet

Unit: RMB (Yuan)

Items	Closing balance	Opening balance	Changes (%)	Explanation
Notes receivable	42,943,587.55	21,780,418.49	97.17	Mainly due to the increase in sales of goods settled by notes in the period
Receivable financing	225,688,833.66	347,259,336.87	-35.01	Mainly due to the decrease in notes receivable measured at fair value and whose changes are included in other comprehensive income
Advance payments	229,278,541.87	113,341,943.82	102.29	Mainly the advance payment for purchasing materials in the period
Other receivables	65,261,614.36	48,020,435.60	35.90	Mainly due to the increase in the deposit paid in the period
Contract assets	348,864,701.82	541,978,173.94	-35.63	Mainly due to that the contract assets recognised at the beginning of the period were included in receivables in the period
Other current assets	37,944,318.95	55,089,857.84	-31.12	Mainly due to the receipt of the incremental retention tax credit refunded in the period and others under 2019 No. 39 of Ministry of Finance
Contract liabilities	230,307,691.19	160,540,186.87	43.46	Mainly due to the advance payment for contract received in the period
Salaries payable	23,179,688.00	39,274,102.16	-40.98	Mainly due to salaries, bonuses and related cost in the period
Non-current liabilities due within one year	2,284,779.51	3,451,972.08	-33.81	Mainly due to that the lease liabilities due within one year were paid on schedule

(2) Changes in items of income statement

Unit: RMB (Yuan)

Items	January- March 2020	January- March 2019	Changes (%)	Reasons
Financial expenses	4,043,391.99	211,277.85	1,813.78	Mainly due to the increase in exchange loss resulting from changes in RMB exchange rate in the period
Other gain	11,544,301.94	4,517,178.74	155.56	Mainly due to the increase in government subsidy relating to daily business activities
Income from change in fair value	475,659.62	–	N/A	Mainly due to gains from the change in fair value of the financial assets held for trading in the period
Loss in credit impairment	1,526.95	9,134.42	-83.28	Mainly due to the year-on-year decrease in the reversal of the bad debts of accounts receivable in the period
Loss in assets impairment	-2,108,721.98	–	N/A	Mainly the inventory depreciation provision recognized in the period according to the standards
Gains on disposal of assets	–	-63,558.97	-100.00	Mainly due to the absence of disposal of non-current assets during the period
Non-operating expenses	51,161.80	96,725.62	-47.11	Mainly due to the payment for overdue payment fee during the previous period

3.2 Progress of significant events and analysis of their impact and solutions

☐ Applicable ☒ Not applicable

3.3 Undertakings not being fully performed during the reporting period

☐ Applicable ☒ Not applicable

3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of next reporting period or any material changes as compared to the corresponding period of last year and the explanations thereof

☒ Applicable ☐ Not applicable

The decrease of the revenue and the decline of efficiency of the business of the Company's intelligent factories and systems resulted from the increased competition in the industry market; in addition, it was due to a certain impact on the production and operation of the Company caused by the outbreak of the COVID-19 and the prevention and control measures against it. The Company forecasts that the accumulated net profit for the period from the beginning of the year to the end of next reporting period will decrease approximately 90% as compared to the corresponding period of last year.

By order of the Board
Nanjing Panda Electronics Company Limited
Zhou Guixiang
Chairman

Nanjing, the People's Republic of China
9 April 2020

As at the date of this announcement, the Board comprises Executive Directors: Mr. Zhou Guixiang, Mr. Lu Qing and Mr. Xia Dechuan; Non-executive Directors: Mr. Shen Jianlong, Mr. Deng Weiming and Mr. Li Changjiang; and Independent Non-executive Directors: Ms. Du Jie, Mr. Zhang Chun and Mr. Gao Yajun.

IV. APPENDIX

4.1 Financial statement

Consolidated Balance Sheet

31 March 2020

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	1,195,530,185.35	1,053,869,767.19
Settlement provisions		
Placements with banks and other financial institutions		
Financial assets measured at fair value and the changes are recorded into the profits and losses of the current period		
Financial assets held for trading	220,945,486.11	300,469,826.49
Derivative financial assets		
Notes receivable	42,943,587.55	21,780,418.49
Accounts receivable	995,779,571.27	996,359,257.15
Receivables financing	225,688,833.66	347,259,336.87
Advance to suppliers	229,278,541.87	113,341,943.82
Premiums receivable		
Reinsurance receivable		
Reinsurance contract reserve receivable		
Other receivables	65,261,614.36	48,020,435.60
Financial assets held under resale agreements		
Inventories	903,839,946.74	816,955,476.60
Contract assets	348,864,701.82	541,978,173.94
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	37,944,318.95	55,089,857.84
Total current assets	4,266,076,787.68	4,295,124,493.99

ASSETS**31 March 2020****31 December 2019****Non-current assets:**

Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	286,348,802.15	276,388,843.98
Other equity instruments investments	4,044,805.90	4,035,539.29
Other non-current financial assets		
Investment properties	18,194,391.74	21,096,325.77
Fixed assets	1,172,423,981.16	1,188,174,150.27
Construction in progress	35,908,263.65	31,407,899.18
Biological assets for production		
Fuel assets		
Right-of-use assets	10,824,625.40	12,456,669.33
Intangible assets	109,562,312.42	109,121,914.00
Development expenses		
Goodwill		
Long-term expenses to be amortised	10,800,056.20	11,720,569.43
Deferred income tax assets	15,274,138.23	15,345,449.29
Other non-current assets	55,275,624.94	55,275,624.94
Total non-current assets	<u>1,718,657,001.79</u>	<u>1,725,022,985.48</u>
Total assets	<u><u>5,984,733,789.47</u></u>	<u><u>6,020,147,479.47</u></u>

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Liabilities and owners' equity	31 March 2020	31 December 2019
Current liabilities:		
Short-term loans	50,000,000.00	50,000,000.00
Borrowing from PBOC		
Customer and interbank deposits		
Borrowing from interbank		
Financial liabilities measured at fair value and the changes are recorded into the profits and losses of the current period		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	202,031,762.58	234,736,827.23
Accounts payable	1,575,162,703.66	1,628,435,817.44
Receipts in advance	3,200,581.90	2,581,558.74
Contract liabilities	230,307,691.19	160,540,186.87
Financial assets sold under repurchase agreements		
Bank charges and commissions due		
Salaries payable	23,179,688.00	39,274,102.16
Taxes payable	23,698,011.07	21,404,214.61
Other payables	96,164,763.42	78,425,560.86
Reinsurers due		
Insurance contract reserves		
Customers' deposits held for securities brokerage		
Securities underwriting		
Liabilities held for sale		
Non-current liabilities due within one year	2,284,779.51	3,451,972.08
Other current liabilities	80,278,801.55	66,677,266.21
Total current liabilities	<u>2,286,308,782.88</u>	<u>2,285,527,506.20</u>

Liabilities and owners' equity	31 March 2020	31 December 2019
Non-current liabilities:		
Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	9,006,755.07	8,926,407.51
Long-term payables		
Long-term staff salaries payable	19,770,068.02	19,767,429.75
Estimated liabilities		
Deferred income	16,611,012.98	17,261,888.00
Deferred income tax liabilities	109,758.07	107,441.42
Other non-current liabilities		
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Total non-current liabilities	45,497,594.14	46,063,166.68
	<hr/>	<hr/>
Total liabilities	<u>2,331,806,377.02</u>	<u>2,331,590,672.88</u>

Liabilities and owners' equity	31 March 2020	31 December 2019
Owners' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,470,691,800.13	1,470,691,800.13
Less: treasury share		
Other comprehensive income	296,104.42	289,154.46
Special reserve		
Surplus reserve	258,647,274.54	258,647,274.54
General risk reserve		
Undistributed profits	763,896,568.11	804,605,994.12
	<hr/>	<hr/>
Total shareholders' equity attributable to the parent company	3,407,370,276.20	3,448,072,752.25
Minority interests	245,557,136.25	240,484,054.34
	<hr/>	<hr/>
Total owners' equity	3,652,927,412.45	3,688,556,806.59
	<hr/>	<hr/>
Total liabilities and owners' equity	5,984,733,789.47	6,020,147,479.47
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Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Balance Sheet

31 March 2020

(Expressed in RMB, unless otherwise stated)

ASSETS	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	77,214,762.05	59,376,665.62
Financial assets measured at fair value and the changes are recorded into the profits and losses of the current period		
Financial assets held for trading	100,433,333.33	120,011,835.62
Derivative financial assets		
Notes receivables		
Accounts receivable	84,073,646.43	77,883,947.57
Financing receivables	6,000,000.00	6,000,000.00
Prepayments	1,569,256.41	1,623,591.01
Other receivables	435,092,955.68	395,937,554.47
Inventories	23,933,529.05	22,621,153.30
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	6,500,537.79	27,552,360.61
Total current assets	734,818,020.74	711,007,108.20

ASSETS**31 March 2020****31 December 2019****Non-current assets:**

Available-for-sale financial assets		
Held-to-maturity investments		
Debenture investments		
Other debenture investments		
Long-term receivables		
Long-term equity investments	1,720,168,840.58	1,710,218,840.58
Other equity instruments investments	4,044,805.90	4,035,539.29
Other non-current financial assets		
Investment properties	160,372,703.75	159,384,219.01
Fixed assets	296,599,440.10	302,786,588.45
Construction in progress	2,319,713.81	2,319,713.81
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	11,840,194.37	12,090,267.24
Development expenses		
Goodwill		
Long-term deferred expense	3,722,697.76	3,922,128.00
Deferred tax assets		
Other non-current assets		
Total non-current assets	<u>2,199,068,396.27</u>	<u>2,194,757,296.38</u>
Total assets	<u><u>2,933,886,417.01</u></u>	<u><u>2,905,764,404.58</u></u>

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Liabilities and owners' equity**31 March 2020****31 December 2019****Current liabilities:**

Short-term borrowings		
Financial assets measured at fair value and the changes are recorded into the profits and		
Financial liabilities held for trading		
Derivative financial liabilities		
Note payables	4,407,039.73	2,525,779.62
Accounts payable	61,269,461.53	63,661,767.44
Advance receipts from customers	1,079,100.66	160,842.29
Contract liabilities		157,964.60
Staff salaries payable	2,047,739.21	2,134,066.65
Taxes payable	3,183,780.83	1,685,195.08
Other payables	148,640,314.04	119,765,500.53
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		20,535.40
Total current liabilities	220,627,436.00	190,111,651.61

Non-current liabilities:

Long-term loans		
Bonds payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long term Staff salaries payable	3,011,210.86	1,961,534.25
Accrued liabilities		
Deferred income		
Deferred income tax liabilities	98,701.48	96,384.83
Other non-current liabilities		
Total non-current liabilities	3,109,912.34	2,057,919.08
Total liabilities	223,737,348.34	192,169,570.69

Liabilities and owners' equity	31 March 2020	31 December 2019
Owners' equity:		
Share capital	913,838,529.00	913,838,529.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,434,870,834.28	1,434,870,834.28
Less: Treasury shares		
Other comprehensive income	296,104.42	289,154.46
Special reserve		
Surplus reserve	258,647,274.54	258,647,274.54
Undistributed profits	102,496,326.43	105,949,041.61
Total owners' equity	2,710,149,068.67	2,713,594,833.89
Total liabilities and owners' equity	2,933,886,417.01	2,905,764,404.58

Legal representative:
Xia Dechuan

Chief Accountant:
Hu Dali

*Head of the Accounting
Department:*
Liu Xianfang

Consolidated Income Statement
January-March 2020
(Expressed in RMB, unless otherwise stated)

Item	Amount for the current period	Amount for the corresponding period in prior year
1. Total operating income	710,912,672.84	1,076,443,782.90
Including: Operating income	710,912,672.84	1,076,443,782.90
Interests income		
Premiums earned		
Income from bank charges and commissions		
2. Total operating cost	761,052,771.25	1,063,071,734.75
Including: Operating cost	626,133,843.68	930,364,290.18
Interests expenses		
Bank charges and commissions expenses		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Business taxes and surcharge	5,703,908.54	6,468,601.78
Selling expenses	11,340,350.55	10,203,676.83
Administrative expenses	60,104,890.19	59,529,099.71
R&D costs	53,726,386.30	56,294,788.40
Financial expenses	4,043,391.99	211,277.85
Including: Interest expense	609,380.71	1,163,669.69
Interest incomes	2,403,788.50	2,760,313.97

Item	Amount for the current period	Amount for the corresponding period in prior year
Add: Other gain	11,544,301.94	4,517,178.74
Investment income (losses are represented by “-”)	11,455,595.49	16,140,311.93
Including: Investment income of associates and joint ventures	9,959,958.17	12,670,682.08
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	475,659.62	
Loss in credit impairment	1,526.95	9,134.42
Loss in assets impairment	-2,108,721.98	
Gains on disposal of assets (losses are represented by “-”)		-63,558.97
Exchange gain (losses are represented by “-”)		
3. Operating profit (losses are represented by “-”)	-28,771,736.39	33,975,114.27
Add: Non-operating income	184,587.46	222,476.53
Less: Non-operating expenses	51,161.80	96,725.62
4. Total Profit (total losses are represented by “-”)	-28,638,310.73	34,100,865.18
Less: Income tax expense	6,998,033.37	9,236,499.84
5. Net Profit (net losses are represented by “-”)	-35,636,344.10	24,864,365.34
(1) Classified by the business continuity		
1. Net profit for going concern (net losses are represented by “-”)	-35,636,344.10	24,864,365.34
2. Net profit for discontinued operation (net losses are represented by “-”)		
(2) Classified by the attribution of the ownership		
1. Minority interests	5,073,081.91	11,403,011.87
2. Net Profit attributable to the equity shareholders of the parent company	-40,709,426.01	13,461,353.47

Item	Amount for the current period	Amount for the corresponding period in prior year
6. Net other comprehensive income after tax	6,949.96	9,246.53
Net other comprehensive income after tax attributable to shareholders of the parent company	6,949.96	9,246.53
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	6,949.96	9,246.53
1. Changes as a result of remeasurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
3. Changes in fair value of other equity instruments investment	6,949.96	9,246.53
4. Changes in fair value of the enterprise's own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

Item	Amount for the current period	Amount for the corresponding period in prior year
3. Gains or losses arising from reclassification of held- to-maturity investments as available- for-sale financial assets		
4. Changes in fair value of other debt investment		
5. Amount of financial assets reclassified to other comprehensive income		
6. Provision for credit impairment of other debenture investment		
7. Cash flow hedging reserve		
8. Translation difference of financial statements in foreign currencies		
9. Others		
Net other comprehensive income after tax attributable to minority interests		
7. Total comprehensive income	-35,629,394.14	24,873,611.87
Total comprehensive income attributable to the equity holders of the parent company	-40,702,476.05	13,470,600.00
Total comprehensive income attributable to minority shareholders	5,073,081.91	11,403,011.87
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.0445	0.0147
(2) Diluted earnings per share (RMB/share)	-0.0445	0.0147
<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang

Income Statement

January-March 2020

(Expressed in RMB, unless otherwise stated)

Item	Amount for the current period	Amount for the corresponding period in prior year
1. Total operating income	23,984,266.16	24,696,354.15
Less: Operating cost	8,489,933.42	9,818,972.07
Business taxes and surcharge	2,258,953.33	1,163,892.28
Selling expenses	774,024.13	523,481.36
Administrative expenses	30,731,172.19	25,630,893.45
R&D costs	4,441,759.53	2,723,622.18
Financial expenses	-2,408,858.32	-576,343.04
Including: Interest expense		
Interest incomes	-235,166.19	-515,484.73
Add: Other gain	6,082,278.81	25,993.99
Investment income (losses are represented by “-”)	10,346,226.42	15,606,290.39
Including: Investment income of associates and joint ventures	9,950,000.00	12,487,500.00
Income on hedging the net exposure (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	421,497.71	
Loss in credit impairment		
Loss in assets impairment		
Gains on disposal of assets (losses are represented by “-”)		
2. Operating profit (losses are represented by “-”)	-3,452,715.18	1,044,120.23
Add: Non-operating income		
Less: Non-operating expenses		
3. Total Profit (total losses are represented by “-”)	-3,452,715.18	1,044,120.23
Less: Income tax expense		

Item	Amount for the current period	Amount for the corresponding period in prior year
4. Net Profit (net losses are represented by “-”)	-3,452,715.18	1,044,120.23
(1) Net profit for going concern (net losses are represented by “-”)	-3,452,715.18	1,044,120.23
(2) Net profit for discontinued operation (net losses are represented by “-”)		
5. Net other comprehensive income after tax	6,949.96	9,246.53
(1) Other comprehensive income which will not be reclassified subsequently to profit and loss	6,949.96	9,246.53
i. Changes as a result of remeasurement of defined benefit plan		
ii. Other comprehensive income accounted for using equity method which will not be reclassified to profit and loss		
iii. Changes in fair value of other equity instruments investment	6,949.96	9,246.53
iv. Changes in fair value of the enterprise’s own credit risk		
(2) Other comprehensive income which will be reclassified to profit and loss		
i. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
ii. Gains or losses arising from changes in fair value of available-for-sale financial assets		

Item	Amount for the current period	Amount for the corresponding period in prior year
iii. Gains or losses arising from reclassification of held- to-maturity investments as available- for-sale financial assets		
iv. Changes in fair value of other debt investment		
v. Amount of financial assets reclassified to other comprehensive income		
vi. Provision for credit impairment of other debenture investment		
vii. Cash flow hedging reserve		
viii. Translation difference of financial statements in foreign currencies		
ix. Others		
Net other comprehensive income after tax attributable to minority interests		
6. Total comprehensive income	-3,445,765.22	1,053,366.76
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		
<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang

Consolidated Cash Flow Statement

January- March 2020

(Expressed in RMB, unless otherwise stated)

Item	Amount for the current period	Amount for the corresponding period in prior year
I. Cash flows from operating activities	1,031,890,264.02	985,491,184.14
Cash received from the sale of goods and rendering of services		
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from other financial institutions		
Cash received from premiums of original insurance contract		
Net cash amount of reinsurance business		
Net increase in deposits of the insured and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes	7,924,255.83	12,333,083.44
Cash received relating to other operating activities	40,058,534.67	78,367,774.43
Sub-total of cash inflows from operating activities	1,079,873,054.52	1,076,192,042.01

Item	Amount for the current period	Amount for the corresponding period in prior year
Cash paid for purchase of goods and services received	812,165,656.38	1,082,247,350.61
Net increase in loans and advances		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	120,532,055.99	154,319,141.24
Cash paid for all types of taxes	40,809,638.25	46,646,181.15
Cash paid relating to other operating activities	<u>47,764,051.67</u>	<u>31,550,453.54</u>
Sub-total of cash outflows from operating activities	<u>1,021,271,402.29</u>	<u>1,314,763,126.54</u>
Net cash flows from operating activities	<u>58,601,652.23</u>	<u>-238,571,084.53</u>

Item	Amount for the current period	Amount for the corresponding period in prior year
II. Cash flows from investing activities		
Cash received from disposal of investments		
Cash received from return on investments	1,985,073.66	22,382,868.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>300,000,000.00</u>	<u>360,000,000.00</u>
Sub-total of cash inflows from investing activities	<u>301,985,073.66</u>	<u>382,387,868.76</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	20,140,064.36	16,471,028.03
Cash paid for investments		
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>220,000,000.00</u>	<u>500,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>240,140,064.36</u>	<u>516,471,028.03</u>
Net cash flows from investing activities	<u><u>61,845,009.30</u></u>	<u><u>-134,083,159.27</u></u>

Item	Amount for the current period	Amount for the corresponding period in prior year
III. Cash flows from financing activities		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		45,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities	34,216,741.07	7,628,479.99
Sub-total of cash inflows from financing activities	34,216,741.07	52,628,479.99
Cash paid on repayment of borrowings		45,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	549,791.67	1,163,669.69
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities	489,436.34	53,399.36
Sub-total of cash outflows from financing activities	1,039,228.01	46,217,069.05
Net cash flows from financing activities	33,177,513.06	6,411,410.94
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-1,106,788.44	-3,276,218.03
V. Net increase in cash and cash equivalents	152,517,386.15	-369,519,050.89
Add: Balance of cash and cash equivalents at the beginning of the period	863,141,377.23	1,292,114,192.80
VI. Balance of cash and cash equivalents at the end of the period	1,015,658,763.38	922,595,141.91

<i>Legal representative:</i>	<i>Chief Accountant:</i>	<i>Head of the Accounting Department:</i>
Xia Dechuan	Hu Dali	Liu Xianfang

Cash Flow Statement

January-March 2020

(Expressed in RMB, unless otherwise stated)

Item	Amount for the current period	Amount for the corresponding period in prior year
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	18,221,328.71	9,791,997.63
Net increase in deposits and placements from financial institutions		
Net increase in borrowings due to central bank		
Net increase in loans from other financial institutions		
Cash received from premiums of original insurance contract		
Net cash amount of reinsurance business		
Net increase in deposits of the insured and investment		
Net increase in disposal of financial assets held for trading		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Refunds of taxes		
Cash received relating to other operating activities	93,566,229.55	14,164,292.64
Sub-total of cash inflows from operating activities	111,787,558.26	23,956,290.27

Item	Amount for the current period	Amount for the corresponding period in prior year
Cash paid on purchase of goods and services received	14,215,088.40	11,378,773.03
Net increase in loans and advances		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	35,643,261.38	34,827,909.02
Cash paid for all types of taxes	2,203,940.54	2,044,040.27
Cash paid relating to other operating activities	61,452,367.71	21,435,171.86
Sub-total of cash outflows from operating activities	113,514,658.03	69,685,894.18
Net cash flows from operating activities	-1,727,099.77	-45,729,603.91

Item	Amount for the current period	Amount for the corresponding period in prior year
II. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	396,226.42	21,978,629.94
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Cash received relating to other investment activities	<u>120,000,000.00</u>	<u>310,000,000.00</u>
Sub-total of cash inflows from investing activities	<u>120,396,226.42</u>	<u>331,978,629.94</u>
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	1,473,100.00	
Cash paid for investments		
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid on other investment activities	<u>100,000,000.00</u>	<u>360,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>101,473,100.00</u>	<u>360,000,000.00</u>
Net cash flows from investing activities	<u>18,923,126.42</u>	<u>-28,021,370.06</u>

Item	Amount for the current period	Amount for the corresponding period in prior year
III. Cash flows from financing activities		
Cash received from investments		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid on repayment of borrowings		
Cash paid on distribution of dividends, profits, or interest expenses		
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities		
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-71.79	
V. Net increase in cash and cash equivalents	17,195,954.86	-73,750,973.97
Add: Balance of cash and cash equivalents at the beginning of the period	56,919,306.88	236,485,704.31
VI. Balance of cash and cash equivalents at the end of the period	74,115,261.74	162,734,730.34

<i>Legal representative:</i> Xia Dechuan	<i>Chief Accountant:</i> Hu Dali	<i>Head of the Accounting Department:</i> Liu Xianfang
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