

Tunghsu Optoelectronic Technology Co., Ltd.

Main Performance Report 2019

April 2020

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I. Important Notice

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

II. Basic information about the company

I. Main financial data and financial index

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

☐ Yes ☒ No

	Reporting Period	Same period of last year	Changed (%) over end of prev. year
Operating revenue (Yuan)	16,693,053,104.79	28,211,700,021.12	-40.83%
Net profit attributable to the shareholders of the listed company (Yuan)	-1,141,678,409.22	2,163,607,505.39	-152.77%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-1,462,689,608.29	2,045,875,472.28	-171.49%
Net cash generated from /used in operating activities (Yuan)	-4,103,315,519.05	388,252,004.52	-1,156.87%
Basic earning per share(Yuan/Share)	-0.20	0.38	-152.63%
Diluted gains per share(Yuan/Share)	-0.20	0.38	-152.63%
Weighted average return on equity	-3.60%	6.83%	-10.43%
	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year
Gross assets (Yuan)	69,628,320,928.19	72,576,122,859.60	-4.06%
Net assets attributable to the shareholders of the listed company (Yuan)	31,020,123,473.81	32,521,130,925.14	-4.62%

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

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

In shares

Total number of common shareholders at the period-end	409,902 (including 393,031 shareholders holding A shares and 16,871 shareholders holding B shares)	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Tunghsu Group Co., Ltd.	Domestic Non -	15.97%	915,064,091	352,006,791	Pledge	799,643,042

	State-owned legal person				Freezing	915,064,091
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non - State-owned legal person	5.80%	332,382,171		Pledge	153,520,000
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non - State-owned legal person	4.58%	262,626,262	262,626,262	Pledge	80,000,000
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non - State-owned legal person	1.07%	61,165,682		Pledge	61,165,682
Hong Kong Securities Clearing Co., Ltd.	Overseas Legal person	0.95%	54,659,412			
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	State-owned legal person	0.73%	41,838,269			
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	Other	0.62%	35,614,131			
Beixin Ruifeng Fund — China Merchants Bank — Daye Trust — Daye Trust Profit increase 3 single fund plan	Other	0.54%	31,095,032			
China Securities Finance Co., Ltd.	Domestic Non - State-owned legal person	0.54%	30,906,112			
Mianyang Science and Technology Development Investment(Group)Co.,Ltd	State-owned legal person	0.20%	11,380,165		Pledge	11,380,000
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held	Share type				
		Share type	Quantity			
Tunghsu Group Co., Ltd.	563,057,300	RMB Common shares	563,057,300			
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares	332,382,171			
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682			
Hong Kong Securities Clearing Co., Ltd.	54,659,412	RMB Common	54,659,412			

		shares	
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	41,838,269	RMB Common shares	41,838,269
Tunghsu Optoelectronic Technology Co., Ltd. — The first ESOP	35,614,131	RMB Common shares	35,614,131
Beixin Ruifeng Fund—China Merchants Bank — Daye Trust—Daye Trust·Profit increase 3 single fund plan	31,095,032	RMB Common shares	31,095,032
China Securities Finance Co., Ltd.	30,906,112	RMB Common shares	30,906,112
Mianyang Science and Technology Development Investment(Group)Co.,Ltd	11,380,165	RMB Common shares	11,380,165
Industrial and Commercial Bank of China Co., Ltd.- Huatai Borui Husheng 300 Exchange Traded Fund	10,882,353	RMB Common shares	10,882,353
Explanation on shareholders participating in the margin trading business	Among the top ten shareholders , Tunghsu Group and, Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 8 shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies		
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	In the top ten shareholders ,Baoshi Group is participating in the margin trading business through Southwest Securities on the credit account, including 178,856,500 shares.		

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

☐ Yes ☒ No

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

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

☐ Applicable ☒ Not applicable

III Significant Events

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

√ Applicable □ Not applicable

No	Items	Ending balance	Opening balance	Changes	Remarks on the change
1	Cash and bank balances	11,580,819,578.44	19,807,094,397.16	-41.53%	Mainly due to the purchase of raw materials and equipment
2	Non-current liability due within 1 year	7,841,514,464.78	3,697,392,864.91	112.08%	Mainly due to the reclassification of debt
3	Bond payable	301,145,832.60	5,630,818,825.32	-94.65%	Mainly due to the reclassification of debt
4	Impairment loss of assets	-1,223,841,304.69	-93,480,733.09	1209.19%	Mainly due to the amortization of good will and assets
5	Prepayments	8,993,206,274.68	5,215,414,219.51	72.44%	Mainly due to the purchase of raw materials and equipment
6	Other accounts receivable	4,831,348,641.69	1,125,991,020.55	32.9.08%	Mainly due to the accounts receivable from external business activity
No	Items	Year-beginning to the end of the report period	Same period of last year	Changes	Remarks on the change
1	Revenue	16,693,053,104.79	28,211,700,021.12	-40.83%	The main reason are 1、Company optimized the product structure and concentrated the resources to strengthen the quality product development. 2、Revenue decreased by a great amount due to the debt default.
2	Operating costs	13,986,404,125.31	23,204,078,792.38	-39.72%	Mainly due to corresponding changes in business income
3	Other income	470,114,188	251,303,953	87.07%	Mainly due to the increase in government grant

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

√ Applicable □ Not applicable

On 18 Nov. 2019 and 2 Dec. 2019, due to the situation of short-term illiquidity, company failed to fully repay the interest and repurchased principal of the medium term note on 2016 including the first period(note abbreviation:16 Tunghsu Optoelectronic MTN001B, note code:101659065)and the second period((note abbreviation:16 Tunghsu Optoelectronic MTN002, note code:101659066) in time.

The Committee of debt is designated to manage、coordinate and resolve the repayment of the medium term notes.

Meanwhile, management is thriving to lower costs and improve efficiency. The board is also carrying forward various measures:1、Speeding up the collection of accounts receivables 2、Improving liquidity through multi-channels of financing 3、Negotiating with the bondholders for more support of liquidity 4、Negotiating with banks for un-restrict of restricted funds. 5、Raising funds by liquidating non-operating business lines.

Significant Events	Disclosure Date	Basic Index
Announcement of failure to repay the interests and repurchased principal of medium term note of the first period on 2016 in time	19 Nov. 2019	China money website: www.chinamoney.com.cn
Suggestive Announcement of failure to repay the interests of medium term note of the first period on 2016 in time	19 Nov. 2019	Juchao website: www.cninfo.com.cn
Special Suggestive Announcement of uncertainty to repay the interests and repurchased principal of medium term note of the second period on 2016	25 Nov. 2019	China money website: www.chinamoney.com.cn
Announcement of bondholders' meeting of Tunghsu Optoelectronic Technology Co. medium term note on 2016 including the first period and the second period	25 Nov. 2019	China money website: www.chinamoney.com.cn
Announcement of failure to repay the interests of medium term note of the second period on 2016 in time	2 Dec. 2019	China money website: www.chinamoney.com.cn
Suggestive Announcement of failure to repay the interests of medium term note of the second period on 2016	3 Dec. 2019	Juchao website: www.cninfo.com.cn
Announcement of bondholders' meeting of Tunghsu Optoelectronic Technology Co. medium term note on 2016 including the first period and the second period	17 Dec. 2019	China money website: www.chinamoney.com.cn
Announcement of reply for resolution by medium term note including first period bondholders' meeting	17 Dec. 2019	China money website: www.chinamoney.com.cn

Progress in the implementation of share repurchase

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

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

☐ Applicable ☒ Not applicable

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

IV. External guarantee get out of line

☐ Applicable ☒ Not applicable

The Company has no external guarantee get out of the line during the report period

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

☐ Applicable ☒ Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company during the report period.

IV. Financial Statement

I. Financial statement

1、 Consolidated balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

December 31,2019

In RMB

Items	December 31,2019	December 31,2018
Current asset:		
Cash and bank balances	11,580,819,578.44	19,807,094,397.16
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	34,510,584.50	499,781,503.17
Account receivable	11,496,500,929.28	14,352,781,895.39
Financing of receivables	1,712,996,551.15	
Prepayments	8,993,206,274.68	5,215,414,219.51
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	4,831,348,641.69	1,125,991,020.55
Including: Interest receivable	2,325,948.16	56,811,961.67
Dividend receivable	11,585,960.88	
Repurchasing of financial assets		
Inventories	4,326,590,183.49	3,510,786,666.85
Contract assets		
Assets held for sales	119,355,435.58	119,355,435.58
Non-current asset due within 1 year		
Other current asset	837,951,546.82	809,360,778.49
Total of current assets	43,933,279,725.63	45,440,565,916.70

Non-current assets:		
Loans and payment on other's behalf disbursed		
Debt investment		
Available for sale of financial assets		243,158,605.30
Other investment on bonds		
Expired investment in possess		
Long-term receivable	306,158,872.38	344,430,815.68
Long term share equity investment	2,207,456,475.75	2,174,347,969.22
Other equity instruments investment		
Other non-current financial assets	248,158,605.30	
Property investment	695,653,870.87	686,993,881.02
Fixed assets	9,075,392,171.23	9,634,463,323.77
Construction in progress	4,856,161,438.68	5,013,941,980.61
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	1,061,801,667.12	1,146,949,745.14
Development expenses	44,748,355.95	37,122,235.94
Goodwill	1,995,588,453.44	2,835,672,586.90
Long-germ expenses to be amortized	21,707,770.53	21,884,204.82
Deferred income tax asset	430,229,031.02	533,094,627.68
Other non-current asset	4,751,984,490.29	4,463,496,966.82
Total of non-current assets	25,695,041,202.56	27,135,556,942.90
Total of assets	69,628,320,928.19	72,576,122,859.60
Current liabilities		
Short-term loans	9,807,921,003.28	8,361,106,651.33
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable	850,447,788.10	1,643,167,026.68

Account payable	7,007,558,192.78	8,632,927,106.20
Advance receipts	1,652,587,387.44	1,402,283,662.37
Contract Liabilities		
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	206,227,756.49	238,146,977.17
Tax payable	339,813,007.03	817,173,127.12
Other account payable	3,693,138,656.67	2,089,603,676.60
Including: Interest payable	452,834,591.96	117,554,951.58
Dividend payable	66,278,190.37	
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	7,841,514,464.78	3,697,392,864.91
Other current liability	454,404,004.66	315,193,128.73
Total of current liability	31,853,612,261.23	27,196,994,221.11
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	3,003,722,151.74	2,741,589,600.00
Bond payable	301,145,832.60	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	1,077,918,138.44	2,644,309,592.95
Long-term remuneration payable to staff		
Expected liabilities	124,239,165.21	99,765,750.04
Deferred income	713,023,519.35	676,146,399.31
Deferred income tax liability	54,472,480.31	55,192,983.97
Other non-current liabilities	508,000,000.00	108,000,000.00
Total non-current liabilities	5,782,521,287.65	11,955,823,151.59
Total of liability	37,636,133,548.88	39,152,817,372.70

Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,812,136,465.66	21,786,233,393.78
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-29,175.80	-29,175.80
Special reserve	28,499,725.62	12,614,331.35
Surplus reserves	245,507,019.95	245,507,019.95
Common risk provision		
Retained profit	3,208,181,640.38	4,750,977,557.86
Total of owner's equity belong to the parent company	31,020,123,473.81	32,521,130,925.14
Minority shareholders' equity	972,063,905.50	902,174,561.76
Total of owners' equity	31,992,187,379.31	33,423,305,486.90
Total of liabilities and owners' equity	69,628,320,928.19	72,576,122,859.60

Legal representative: Guo Xuan

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

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

2. Balance sheet of Parent Company

In RMB

Items	December 31,2019	December 31, 2018
Current asset:		
Cash and bank balances	4,700,601,207.82	9,732,302,654.23
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		50,000.00
Account receivable	236,947,979.44	176,563,926.23

Financing of receivables		
Prepayments	1,033,942.61	2,008,364.11
Other account receivable	11,551,051,968.51	6,281,675,319.27
Including: Interest receivable		7,521,489.86
Dividend receivable	500,000,000.00	500,000,000.00
Inventories	193,714,314.48	269,759,580.95
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	148,973.38	148,973.38
Total of current assets	16,683,498,386.24	16,462,508,818.17
Non-current assets:		
Debt investment		
Available for sale of financial assets		129,500,056.00
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	28,378,702,448.80	26,504,735,200.89
Other equity instruments investment		
Other non-current financial assets	129,500,056.00	
Property investment		
Fixed assets	145,493,375.51	160,867,244.63
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	8,991,679.94	9,339,387.26
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset		119,964,967.85
Other non-current asset	300,000,000.00	
Total of non-current assets	28,962,687,560.25	26,924,406,856.63
Total of assets	45,646,185,946.49	43,386,915,674.80

Current liabilities		
Short-term loans	6,507,370,461.11	4,278,000,000.00
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	8,663,754.33	11,500,796.58
Advance receipts	842,498.78	1,991,498.78
Contract Liabilities		
Employees' wage payable	5,226,344.53	4,484,401.86
Tax payable	16,766,064.54	17,959,833.09
Other account payable	4,861,267,706.46	3,656,725,253.66
Including: Interest payable	426,748,970.50	97,197,464.99
Dividend payable	66,278,190.37	
Liabilities held for sales		
Non-current liability due within 1 year	6,097,417,230.96	1,533,383,333.28
Other current liability		
Total of current liability	17,497,554,060.71	9,504,045,117.25
Non-current liabilities:		
Long-term loan	495,175,833.33	
Bond payable		5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities	54,389,500.40	
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	549,565,333.73	5,630,818,825.32
Total of liability	18,047,119,394.44	15,134,863,942.57
Owners' equity		

Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,832,453,907.50	21,832,453,907.50
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserve		
Surplus reserves	226,517,795.62	226,517,795.62
Retained profit	-185,732,949.07	467,252,231.11
Total of owners' equity	27,599,066,552.05	28,252,051,732.23
Total of liabilities and owners' equity	45,646,185,946.49	43,386,915,674.80

3. Consolidated Income statement of the Report period

In RMB

Items	2019	2018
I. Turnover	16,693,053,104.79	28,211,700,021.12
Including : Operating income	16,693,053,104.79	28,211,700,021.12
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total operating costs	16,657,715,765.25	25,724,302,978.59
Including : Operating costs	13,986,404,125.31	23,204,078,792.38
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty, net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	79,193,265.82	237,483,799.16
Sales expense	366,155,679.99	334,476,301.51
Administrative expense	651,448,841.65	653,479,277.58
R & D expense	509,485,446.56	572,089,634.30

Financial expenses	1,065,028,405.92	722,695,173.66
Including: Interest expense	1,376,228,902.96	1,204,287,050.60
Interest income	320,733,545.74	506,083,846.24
Add: Other income	470,114,187.92	251,303,953.08
Investment gain (“-” for loss)	146,500,470.00	80,925,191.79
Including: investment gains from affiliates	3,708,506.53	64,366,051.65
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-196,906,173.18	
Impairment loss of assets	-1,223,841,304.69	-93,480,733.09
Assets disposal income	3,985,207.82	1,515,607.51
III. Operating profit (“-”for loss)	-764,810,272.59	2,727,661,061.82
Add : Non-operating income	11,182,008.02	19,063,270.76
Less: Non-operating expenses	8,106,397.87	8,892,705.00
IV. Total profit (“-”for loss)	-761,734,662.44	2,737,831,627.58
Less: Income tax expenses	351,461,632.35	469,003,541.40
V. Net profit	-1,113,196,294.79	2,268,828,086.18
(I) Classification by business continuity		
1. Net continuing operating profit	-1,113,196,294.79	2,268,828,086.18
2. Termination of operating net profit		
(II) Classification by ownership		
1. Net profit attributable to the owners of parent company	-1,141,678,409.22	2,163,607,505.39
2. Minority shareholders' equity	28,482,114.43	105,220,580.79
VI. Net after-tax of other comprehensive income		-42,240.07
Net of profit of other comprehensive income attributable to owners of the parent company.		-24,657.35
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		

1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3.Changes in the fair value of investments in other equity instruments		
4.Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		-24,657.3
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Changes in the fair value of investments in other debt obligations		
3.Gains and losses from changes in fair value available for sale financial assets		
4.Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8.Translation differences in currency financial statements		-24,657.35
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		-17,582.72
VII. Total comprehensive income	-1,113,196,294.79	2,268,785,846.11
Total comprehensive income attributable to the owner of the parent company	-1,141,678,409.22	2,163,582,848.04
Total comprehensive income attributable minority shareholders	28,482,114.43	105,202,998.07

VIII. Earnings per share		
(I) Basic earnings per share	-0.20	0.38
(II) Diluted earnings per share	-0.20	0.38

The current business combination under common control, the net profits of the combined party before achieved net profit of 0 RMB , last period the combined party realized 0 RMB

Legal representative: Guo Xuan

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

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

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

In RMB

Items	2019	2018
I. Revenue	119,742,689.07	192,196,941.80
Including : Operating costs	103,952,061.63	152,993,440.70
Business tax and surcharge	5,954,281.34	6,644,502.15
Sales expense		
Administrative expense	28,543,415.08	39,463,721.23
R & D expense	4,789,707.54	8,322,311.54
Financial expenses	497,605,105.19	379,774,437.36
Including: Interest expenses	859,969,734.91	645,866,773.53
Interest income	364,363,229.58	275,451,910.63
Add: Other income	515,094.34	
Investment gain (“-” for loss)	388,214,447.92	556,448,607.09
Including: investment gains from affiliates	5,559,747.91	64,362,875.25
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	3,579.22	
Impairment loss of assets	241.00	-10,403,118.18
Assets disposal income		-83,936.54
II. Operating profit (“-”for loss)	-132,368,519.23	150,960,081.19

Add : Non-operating income	488,221.31	1,125,858.13
Less: Non -operating expenses	22,406.15	212,985.83
III. Total profit("-"for loss)	-131,902,704.07	151,872,953.49
Less: Income tax expenses	119,964,967.85	-61,858,997.38
IV. Net profit	-251,867,671.92	213,731,950.87
1.Net continuing operating profit	-251,867,671.92	213,731,950.87
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive Income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of		

available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9. Other		
VI. Total comprehensive income	-251,867,671.92	213,731,950.87
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	2019	2018
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	20,623,886,056.37	24,460,106,952.41
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	202,890,257.89	342,117,355.30

Other cash received from business operation	783,106,250.58	1,112,750,115.02
Sub-total of cash inflow	21,609,882,564.84	25,914,974,422.73
Cash paid for purchasing of merchandise and services	22,226,028,969.44	22,506,440,909.95
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	995,272,200.41	1,148,904,118.69
Taxes paid	931,331,308.85	874,045,127.91
Other cash paid for business activities	1,560,565,605.19	997,332,261.66
Sub-total of cash outflow from business activities	25,713,198,083.89	25,526,722,418.21
Net cash generated from /used in operating activities	-4,103,315,519.05	388,252,004.52
II. Cash flow generated by investing		
Cash received from investment retrieving	132,409.88	2,287,107,423.40
Cash received as investment gains	58,433,679.33	14,623,990.55
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	29,408,165.39	1,342,541.78
Net cash received from disposal of subsidiaries or other operational units	154,925,006.59	392,179,613.50
Other investment-related cash received	1,190,191,465.50	2,065,561,030.00
Sub-total of cash inflow due to investment activities	1,433,090,726.69	4,760,814,599.23
Cash paid for construction of fixed assets, intangible assets and other long-term assets	902,482,704.93	5,397,726,636.77
Cash paid as investment	455,992,730.30	1,100,017,546.00
Net increase of loan against pledge		

Net cash received from subsidiaries and other operational units		392,683,239.84
Other cash paid for investment activities	1,167,844,251.94	4,514,811,164.19
Sub-total of cash outflow due to investment activities	2,526,319,687.17	11,405,238,586.80
Net cash flow generated by investment	-1,093,228,960.48	-6,644,423,987.57
III. Cash flow generated by financing		
Cash received as investment	542,500,000.00	29,782,250.00
Including: Cash received as investment from minor shareholders		29,000,000.00
Cash received as loans	8,417,532,338.36	9,271,938,586.70
Other financing –related cash received	1,052,794,962.73	1,625,337,955.88
Sub-total of cash inflow from financing activities	10,012,827,301.09	10,927,058,792.58
Cash to repay debts	9,918,818,860.18	10,790,796,153.46
Cash paid as dividend, profit, or interests	1,338,062,578.26	1,634,663,688.12
Including: Dividend and profit paid by subsidiaries to minor shareholders		35,000,000.00
Other cash paid for financing activities	474,836,881.05	2,448,920,714.02
Sub-total of cash outflow due to financing activities	11,731,718,319.49	14,874,380,555.60
Net cash flow generated by financing	-1,718,891,018.40	-3,947,321,763.02
IV. Influence of exchange rate alternation on cash and cash equivalents	409,376.97	5,470,280.86
V. Net increase of cash and cash equivalents	-6,915,026,120.96	-10,198,023,465.21
Add: balance of cash and cash equivalents at the beginning of term	14,916,637,291.04	25,114,660,756.25
VI. Balance of cash and cash equivalents at the end of term	8,001,611,170.08	14,916,637,291.04

6. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	2019	2018
I. Cash flows from operating activities		
Cash received from sales of goods or	102,274,090.42	72,531,777.31

rendering of services		
Tax returned		
Other cash received from business operation	2,144,645.64	
Sub-total of cash inflow	104,418,736.06	72,531,777.31
Cash paid for purchasing of merchandise and services	748,978.76	39,022,885.88
Cash paid to staffs or paid for staffs	20,233,829.24	23,420,776.83
Taxes paid	33,445,022.70	17,690,820.97
Other cash paid for business activities	18,250,003.54	12,832,370.74
Sub-total of cash outflow from business activities	72,677,834.24	92,966,854.42
Net cash generated from /used in operating activities	31,740,901.82	-20,435,077.11
II.Cash flow generated by investing		
Cash received from investment retrieving		2,788,307,423.40
Cash received as investment gains		678,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units	400,000,000.00	
Other investment-related cash received	16,227,894,820.10	18,756,644,994.40
Sub-total of cash inflow due to investment activities	16,627,894,820.10	22,223,875,869.87
Cash paid for construction of fixed assets, intangible assets and other long-term assets		56,199.61
Cash paid as investment	2,469,000,000.00	4,234,000,000.00
Net cash received from subsidiaries and other operational units		817,834,645.97
Other cash paid for investment activities	19,647,140,159.42	20,503,969,862.86
Sub-total of cash outflow due to investment activities	22,116,140,159.42	25,555,860,708.44
Net cash flow generated by investment	-5,488,245,339.32	-3,331,984,838.57
III. Cash flow generated by financing		

Cash received as investment		
Cash received as loans	5,101,000,000.00	4,858,000,000.00
Other financing –related ash received	6,144,034,239.67	10,928,715,830.12
Sub-total of cash inflow from financing activities	11,245,034,239.67	15,786,715,830.12
Cash to repay debts	3,614,383,333.28	6,132,307,300.02
Cash paid as dividend, profit, or interests	773,780,284.26	1,020,777,853.83
Other cash paid for financing activities	6,472,610,288.16	6,773,267,342.75
Sub-total of cash outflow due to financing activities	10,860,773,905.70	13,926,352,496.60
Net cash flow generated by financing	384,260,333.97	1,860,363,333.52
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	-5,072,244,103.53	-1,492,056,582.16
Add: balance of cash and cash equivalents at the beginning of term	9,732,302,654.23	11,224,359,236.39
VI.. Balance of cash and cash equivalents at the end of term	4,660,058,550.70	9,732,302,654.23

II Adjustments to the Financial Statements

1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2019

√ Applicable □ Not applicable\

Consolidated balance sheet

In RMB

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Current asset:			
Cash and bank balances	19,807,094,397.16	19,807,094,397.16	
Settlement provision			
Outgoing call loan			
Transactional financial assets			

Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Notes receivable	499,781,503.17	499,781,503.17	
Account receivable	14,352,781,895.39	14,352,781,895.39	
Financing of receivables			
Prepayments	5,215,414,219.51	5,215,414,219.51	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other account receivable	1,125,991,020.55	1,125,991,020.55	
Including: Interest receivable	56,811,961.67	56,811,961.67	
Dividend receivable			
Repurchasing of financial assets			
Inventories	3,510,786,666.85	3,510,786,666.85	
Contract assets			
Assets held for sales	119,355,435.58	119,355,435.58	
Non-current asset due within 1 year			
Other current asset	809,360,778.49	809,360,778.49	
Total of current assets	45,440,565,916.70	45,440,565,916.70	
Non-current assets:			
Loans and payment on other's behalf disbursed			
Debt investment			
Available for sale of financial assets	243,158,605.30		-243,158,605.30
Other investment on bonds			
Expired investment in possess			
Long-term receivable	344,430,815.68	344,430,815.68	
Long term share equity investment	2,174,347,969.22	2,174,347,969.22	
Other equity instruments			

investment			
Other non-current financial assets		243,158,605.30	243,158,605.30
Property investment	686,993,881.02	686,993,881.02	
Fixed assets	9,634,463,323.77	9,634,463,323.77	
Construction in progress	5,013,941,980.61	5,013,941,980.61	
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	1,146,949,745.14	1,146,949,745.14	
Development expenses	37,122,235.94	37,122,235.94	
Goodwill	2,835,672,586.90	2,835,672,586.90	
Long-germ expenses to be amortized	21,884,204.82	21,884,204.82	
Deferred income tax asset	533,094,627.68	533,094,627.68	
Other non-current asset	4,463,496,966.82	4,463,496,966.82	
Total of non-current assets	27,135,556,942.90	27,135,556,942.90	
Total of assets	72,576,122,859.60	72,576,122,859.60	
Current liabilities			
Short-term loans	8,361,106,651.33	8,361,106,651.33	
Loan from Central Bank			
Borrowing funds			
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable	1,643,167,026.68	1,643,167,026.68	
Account payable	8,632,927,106.20	8,632,927,106.20	
Advance receipts	1,402,283,662.37	1,402,283,662.37	
Contract liabilities			
Selling of repurchased financial assets			
Deposit taking and interbank deposit			

Entrusted trading of securities			
Entrusted selling of securities			
Employees' wage payable	238,146,977.17	238,146,977.17	
Tax payable	817,173,127.12	817,173,127.12	
Other account payable	2,089,603,676.60	2,089,603,676.60	
Including: Interest payable	117,554,951.58	117,554,951.58	
Dividend payable			
Fees and commissions payable			
Reinsurance fee payable			
Liabilities held for sales			
Non-current liability due within 1 year	3,697,392,864.91	3,697,392,864.91	
Other current liability	315,193,128.73	315,193,128.73	
Total of current liability	27,196,994,221.11	27,196,994,221.11	
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term loan	2,741,589,600.00	2,741,589,600.00	
Bond payable	5,630,818,825.32	5,630,818,825.32	
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable	2,644,309,592.95	2,644,309,592.95	
Long-term remuneration payable to staff			
Expected liabilities	99,765,750.04	99,765,750.04	
Deferred income	676,146,399.31	676,146,399.31	
Deferred income tax liability	55,192,983.97	55,192,983.97	
Other non-current liabilities	108,000,000.00	108,000,000.00	
Total non-current liabilities	11,955,823,151.59	11,955,823,151.59	
Total of liability	39,152,817,372.70	39,152,817,372.70	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	

Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	21,786,233,393.78	21,786,233,393.78	
Less: Shares in stock	4,422,320.00	4,422,320.00	
Other comprehensive income	-29,175.80	-29,175.80	
Special reserve	12,614,331.35	12,614,331.35	
Surplus reserves	245,507,019.95	245,507,019.95	
Common risk provision			
Retained profit	4,750,977,557.86	4,750,977,557.86	
Total of owner's equity belong to the parent company	32,521,130,925.14	32,521,130,925.14	
Minority shareholders' equity	902,174,561.76	902,174,561.76	
Total of owners' equity	33,423,305,486.90	33,423,305,486.90	
Total of liabilities and owners' equity	72,576,122,859.60	72,576,122,859.60	

Adjustment statement

According to the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (CK [2017] No.8), the Accounting Standards for Business Enterprises No.24-Hedge Accounting (CK [2017] No.9), Accounting Standard for Business Enterprises No.37-Presentation of Financial Instruments (CK [2017] No.14) (hereinafter referred to as the new financial instruments standards) issued by the Ministry of Finance in 2017, in combination with the company's business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the original available-for-sale financial assets are adjusted to be accounted for as financial assets measured at fair value with changes included in current profits and losses. Since the period is more than one year, it is listed as "other non-current financial assets" in the report.

Parent Company Balance Sheet

In RMB

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Current asset:			
Cash and bank balances	9,732,302,654.23	9,732,302,654.23	
Transactional financial assets			
Financial assets measured at fair value with variations accounted into current			

income account			
Derivative financial assets			
Notes receivable	50,000.00	50,000.00	
Account receivable	176,563,926.23	176,563,926.23	
Financing of receivables			
Prepayments	2,008,364.11	2,008,364.11	
Other account receivable	6,281,675,319.27	6,281,675,319.27	
Including: Interest receivable	7,521,489.86	7,521,489.86	
Dividend receivable	500,000,000.00	500,000,000.00	
Inventories	269,759,580.95	269,759,580.95	
Contract assets			
Assets held for sales			
Non-current asset due within 1 year			
Other current asset	148,973.38	148,973.38	
Total of current assets	16,462,508,818.17	16,462,508,818.17	
Non-current assets:			
Debt investment			
Available for sale of financial assets	129,500,056.00		-129,500,056.00
Other investment on bonds			
Expired investment in possess			
Long-term receivable			
Long term share equity investment	26,504,735,200.89	26,504,735,200.89	
Other equity instruments investment			
Other non-current financial assets		129,500,056.00	129,500,056.00
Property investment			
Fixed assets	160,867,244.63	160,867,244.63	
Construction in progress			
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	9,339,387.26	9,339,387.26	

Development expenses			
Goodwill			
Long-term expenses to be amortized			
Deferred income tax asset	119,964,967.85	119,964,967.85	
Other non-current asset			
Total of non-current assets	26,924,406,856.63	26,924,406,856.63	
Total of assets	43,386,915,674.80	43,386,915,674.80	
Current liabilities			
Short-term loans	4,278,000,000.00	4,278,000,000.00	
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable			
Account payable	11,500,796.58	11,500,796.58	
Advance receipts	1,991,498.78	1,991,498.78	
Contract Liabilities			
Employees' wage payable	4,484,401.86	4,484,401.86	
Tax payable	17,959,833.09	17,959,833.09	
Other account payable	3,656,725,253.66	3,656,725,253.66	
Including: Interest payable	97,197,464.99	97,197,464.99	
Dividend payable			
Liabilities held for sales			
Non-current liability due within 1 year	1,533,383,333.28	1,533,383,333.28	
Other current liability			
Total of current liability	9,504,045,117.25	9,504,045,117.25	
Non-current liabilities:			
Long-term loan			
Bond payable	5,630,818,825.32	5,630,818,825.32	
Including: preferred stock			
Sustainable debt			

Lease liability			
Long-term payable			
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability			
Other non-current liabilities			
Total non-current liabilities	5,630,818,825.32	5,630,818,825.32	
Total of liability	15,134,863,942.57	15,134,863,942.57	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	21,832,453,907.50	21,832,453,907.50	
Less: Shares in stock	4,422,320.00	4,422,320.00	
Other comprehensive income			
Special reserve			
Surplus reserves	226,517,795.62	226,517,795.62	
Retained profit	467,252,231.11	467,252,231.11	
Total of owners' equity	28,252,051,732.23	28,252,051,732.23	
Total of liabilities and owners' equity	43,386,915,674.80	43,386,915,674.80	

2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2019

√Applicable □Not applicable

Beginning January 1, 2019, the company began to implement the new financial instrument guidelines, This accounting policy change does not involve retrospective adjustments in previous years, and does not affect the Company's 2018 annual financial indicators.