

FIYTA HOLDINGS LTD.
2019 First Quarterly Report

April, 2019

Section 1 Important Notice

The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives hereby individually and collectively accept responsibility for the correctness, accuracy, and completeness of the contents of this report and confirm that there are neither material omissions nor errors which would render any statement misleading.

All the directors attended the board meeting for reviewing the Quarterly Report.

Huang Yongfeng, the Company leader, Chen Zhuo, the chief financial officer, and Tian Hui, the manager of the accounting department (treasurer) hereby confirm the authenticity and completeness of the financial report enclosed in this quarterly report.

Section 2 Company Profile

I. Summary of Accounting/Financial Data

Does the Company need to make retroactive adjustment or restatement of the accounting data of the previous years

No

	Reporting period	The same period of the previous year	Year-on-year increase/decrease in the reporting period
Revenue in CNY	893,389,751.73	851,815,980.69	4.88%
Net profit attributable to the Company's shareholders, in CNY	64,359,084.46	59,518,000.75	8.13%
Net profit attributable to the Company's shareholders less the non-recurring items, in CNY	61,517,359.28	54,825,312.90	12.21%
Net cash flows arising from operating activities, in CNY	10,730,388.47	67,632,201.86	-84.13%
Basic earning per share (CNY/share)	0.1467	0.1357	8.11%
Diluted earning per share (CNY/share)	0.1453	0.1357	7.07%
Return on equity, weighted average	2.47%	2.38%	0.09%
	End of the reporting period	End of the previous year	Increase/decrease at the end of the year over the end of the previous year
Total assets (in CNY)	3,579,986,668.73	3,599,691,650.26	-0.55%
Net profit attributable to the Company's shareholders, in CNY	2,632,044,015.17	2,570,134,782.90	2.41%

Non-recurring gain/loss items and the amount involved

In CNY

Items	Amount from the year beginning to the end of the reporting period	Note
Gain/loss from disposal of non-current assets, including the part offset from the provision for impairment of assets	-50,642.04	
The government subsidies included in the profits and losses of the current period (excluding government grants which are closely related to the Company's business and conform with the national standard amount or quantity)	3,807,765.25	
Other non-operating income and expenses other than the aforesaid items	-192,401.94	
Less: Amount affected by the income tax	722,996.09	
Total	2,841,725.18	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Inapplicable

II. Statement of total shareholders and shares held by the top 10 shareholders by the end of the reporting period

1. Quantity of the shares held by the common shareholders and preferred shareholders whose voting rights are restored and statement of shareholding by the top 10 shareholders

In shares

Total common shareholders at the end of the reporting period		31,835	Total preference shareholders with the voting power recovered at the end of the reporting period (if any)		0	
Shareholding by top 10 shareholders						
Names of the Shareholders	Nature of the shareholder	Shareholding proportion	Shareholding quantity	Number of the restricted shares held	Pledging or freezing	
					Status of the shares	Quantity
AVIC International Holding Limited	State corporate	36.79%	162,977,327	0		
Wan Zhongbo	Domestic natural persons	3.07%	13,599,327	0		
#Yang Zugui	Domestic natural persons	2.96%	13,108,917	0		
Mo Jiadong	Domestic natural persons	2.28%	10,084,635	0		
National Social Security Fund 114 Portfolio	State corporate	2.18%	9,657,744	0		
Xizang Investment Co., Ltd.	State corporate	1.12%	4,976,551	0		
MANULIFE TEDA Fund — Minsheng Bank — MANULIFE TEDA Value Growth Oriented Additional Issue No. 351 Assets Management Program	Domestic non-state-owned corporate	1.10%	4,893,559	0		
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	Domestic non-state-owned corporate	0.61%	2,704,000	0		
BANK OF COMMUNICATIONS CO.,LTD - CHANGXIN QUANTIFIED PIONEER EQUITY FUND	Domestic non-state-owned corporate	0.57%	2,532,201	0		
BANK OF COMMUNICATIONS CO.,LTD -	Domestic non-state-owned corporate	0.27%	1,201,200	0		

CHANG XIN QUANTITATIVE TYPE SMALL DISH STOCK SECURITIES INVESTMENT FUND						
Shares held by top 10 shareholders of unrestricted shares						
Name of the Shareholder	Quantity of unrestricted shares held a	Share type		Share type	Quantity	
AVIC International Holding Limited	162,977,327	CNY ordinary shares			162,977,327	
Wan Zhongbo	13,599,327	CNY ordinary shares			13,599,327	
#Yang Zugui	13,108,917	CNY ordinary shares			13,108,917	
Mo Jiadong	10,084,635	CNY ordinary shares			10,084,635	
National Social Security Fund 114 Portfolio	9,657,744	CNY ordinary shares			9,657,744	
Xizang Investment Co., Ltd.	4,976,551	CNY ordinary shares			4,976,551	
MANULIFE TEDA Fund — Minsheng Bank — MANULIFE TEDA Value Growth Oriented Additional Issue No. 351 Assets Management Program	4,893,559	CNY ordinary shares			4,893,559	
Shenzhen Heli Fengyuan Commerce & Trade Co., Ltd.	2,704,000	CNY ordinary shares			2,704,000	
BANK OF COMMUNICATIONS CO., LTD - CHANGXIN QUANTIFIED PIONEER EQUITY FUND	2,532,201	CNY ordinary shares			2,532,201	
BANK OF COMMUNICATIONS CO., LTD - CHANG XIN QUANTITATIVE TYPE SMALL DISH STOCK SECURITIES INVESTMENT FUND	1,201,200	CNY ordinary shares			1,201,200	
Explanation on the associated relationship or consistent action of the above shareholders	Inapplicable					
Note to the top 10 shareholders of ordinary shares involved in margin financing & securities lending (if any)	Inapplicable					

Did the top ten common shareholders or top ten shareholders of unrestricted common shares conduct contractual repurchase during the reporting period?

No

2. Total preferred shareholders and the shareholding by the top 10 preferred shareholders

Inapplicable

Section 3 Significant Events

Change in the major financial data and financial indicators during the reporting period and the causes

Items	The amount at the end of the reporting period	The amount at the year beginning	Variation proportion (%)	Cause of the movement
Advance payments	20,318,636.22	13,666,816.33	48.67%	It was mainly due to the increase of the advance payment during the reporting period over the year beginning
Other non-current assets	5,458,879.75	8,949,160.42	-39.00%	It was mainly due to the decrease of the payments for the refurbishment and equipment to be settled at the end of the reporting period over the year beginning
Accounts payable	191,577,235.91	259,913,612.34	-26.29%	It was mainly due to the partial payment for goods and the balance payment for the works of the Watch Industrial Base of Guangming New Zone during the reporting period
Advance Receipts	27,695,233.88	16,459,445.00	68.26%	It was mainly due to the increase of the advances on sales during the reporting period over the year beginning
Payroll payable to the employees	34,559,516.76	69,779,037.83	-50.47%	It was mainly due to that the year-end bonus of the year 2018 payable to the employees was paid during the reporting period.
Taxes payable	36,099,094.50	55,923,171.92	-35.45%	It was mainly due to the decrease of the VAT payable during the reporting period over the year beginning
Other comprehensive income	-9,009,290.73	-5,442,139.78	65.55%	It was mainly due to the influence of the converted

				difference in foreign currency statements during the reporting period
Net cash flows arising from operating activities	10,730,388.47	67,632,201.86	-84.13%	It was mainly due to the price of goods was paid during the reporting period and the amount of the accounts payable at the end of the reporting period decreased.
Net cash flows arising from investment activities	-50,729,730.85	-20,897,671.30	142.75%	It was mainly due to the balance payment for the works of the Watch Industrial Base of Guangming New Zone partially paid during the reporting period
Net cash flows arising from financing activities	22,731,443.97	63,445,267.85	-64.17%	It was mainly due to the decrease of the bank loans over the same period of the previous year during the reporting period
Net increase of cash and cash equivalents	-17,400,331.36	109,826,844.65	-115.84%	It was mainly due to the payment for goods and the balance payment for the works of the Watch Industrial Base of Guangming New Zone partially paid during the reporting period

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

1. Grant of the restricted A-shares was completed

The 3rd session of the Ninth Board of Directors and 2019 1st Extraordinary General Meeting held respectively on November 12, 2018 and January 11, 2019 decided to start 2018 A-Share Restricted Stock Incentive Program (Phase I), which was later on reviewed and approved at the 5th session of the Ninth Board of Directors held on January 11, 2019, and the Company eventually granted 4.224 million restricted A-shares to 128 persons eligible for the incentive. The date of granting this part of restricted shares was January 11, 2019 (The lock-up period of these restricted shares was two years commencing from the date of granting) . By January 30, 2019, the work of granting the shares and registration for listing was completed. After the share granting, the Company's total capital stock increased to 442,968,881 shares. For the detail, refer to the Announcement on the Completion of Granting the Restricted A-Shares according to the Incentive Plan (Phase I) (2019-009) disclosed in Securities Times, Hong Kong Commercial Daily and www.cninfo.com.

2. Matters concerning Repurchase of the Company's Partial Domestically Listed Foreign Shares (B Shares)

The 7th session of the Ninth Board of Directors held on April 4, 2019, reviewed and approved the Proposal for Repurchase of the Company's Partial Domestically Listed Foreign Shares (B Shares). For the detail, refer to the Announcement on the Resolutions of the 7th Session of the Ninth Board of Directors 2019-015 and the Proposal for Repurchase of the Company's Partial Domestically Listed Foreign Shares (B Shares) 2019-017. The said repurchase proposal is still necessary to be submitted to the General Meeting for discussion.

In accordance with the relevant provisions of the Administration of Repurchase of Public Shares by Listed Companies Procedures (Trial Implementation), the Supplementary Provisions for Share Repurchase via Centralized Bidding Transactions by Listed Companies, the Rules of Shenzhen Stock Exchange for Implementation of Repurchase of Public Shares by Listed Companies, etc., the Company has disclosed the names of, the quantity of shares held by and the shareholding information of the top 10 shareholders and top 10 shareholders of non-restricted shares one trading day before the publication of the resolution on share repurchase (namely April 4, 2019) and registered as at the date of registration of the equity of the general meeting (namely April 12, 2019). For the detail, refer to the Announcement on the Information of Shareholding by the Top Ten Shareholders before Share Repurchase 2019-020 and the Announcement on the Information of Shareholding by the Top Ten Shareholders before Share Repurchase 2019-022.

General on Significant Events	Date of disclosure	Inquiry index of the provisional reports disclosed in the website.
The Announcement on the Completion of Granting the Restricted A-Shares according to the Incentive Plan (Phase I) (2019-009)	January 29, 2019	http://www.cninfo.com.cn/
Announcement on the Resolution of the 7th Session of the Ninth Board of Directors, 2019-015	April 08, 2019	http://www.cninfo.com.cn/
Proposal for the Repurchase of the Company's Partial Domestically Listed Foreign Shares (B Shares) 2019-017	April 08, 2019	http://www.cninfo.com.cn/
Announcement on the Information of the Shareholding by the Top Ten Shareholders before the Repurchase of the Shares 2019-020	April 12, 2019	http://www.cninfo.com.cn/
Announcement on the Information of the Shareholding by the Top Ten Shareholders before the Repurchase of the Shares 2019-022	April 20, 2019	http://www.cninfo.com.cn/

Progress of implementation of the stock repurchase

Inapplicable

Progress of implementation of the reduction of the holding size of the shares repurchased by centralized bidding

Inapplicable

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

Inapplicable

IV. Prediction of the Operation Performances from January to June, 2019

Inapplicable

V. Portfolio investment

Inapplicable

VI. Investment in derivatives

Inapplicable

VII. Registration Form of Activities of Reception for Investigation and Survey, Communications, Interviews, etc. in the Reporting Period

Inapplicable

VIII. Outward guarantee against regulations

Inapplicable

IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties

Inapplicable

Section 4. Financial Statements**I. Financial Statements****1. Consolidated Balance Sheet**

Prepared by FIYTA HOLDINGS LTD.

March 31, 2019

In CNY

Items	March 31, 2019	December 31, 2018
Current assets:		
Monetary capital	147,427,728.61	164,828,059.97
Settlement reserve		
Inter-bank lending		
Transactional financial assets		
Financial assets which is measured based on the fair value and whose movement is counted to the current gain/loss		

Derivative financial assets		
Notes receivable and accounts receivable	430,694,540.15	377,597,503.46
Where: Notes receivable	8,932,241.48	7,051,846.85
Accounts receivable	421,762,298.67	370,545,656.61
Advance payments	20,318,636.22	13,666,816.33
Receivable premium		
Reinsurance accounts receivable		
Reserve for reinsurance contract receivable		
Other receivables	43,108,492.98	45,870,582.26
Including: Interest receivable		
Dividends receivable		
Redemptory monetary capital for sale		
Inventories	1,760,074,886.64	1,782,306,301.70
Contract assets		
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	55,816,477.63	73,703,312.24
Total current assets	2,457,440,762.23	2,457,972,575.96
Non-current assets:		
Loan issuing and advance in cash		
Equity investment		
Available-for-sale financial assets		85,000.00
Other equity investment		
Held-to-due investments		
Long term accounts receivable		
Long-term equity investment	44,881,063.15	44,881,063.15
Investment in other equity instruments	85,000.00	
Other non-current financial assets		
Investment real estate	373,893,327.35	377,319,433.03
Fixed assets	418,286,761.85	425,649,562.85
Construction-in-process	12,318,038.44	12,041,126.00
Productive biological asset		
Oil and gas assets		

Use right assets		
Intangible assets	42,974,917.02	43,545,477.61
Development expenses		
Goodwill		
Long-term expenses to be apportioned	135,527,467.48	128,572,545.15
Deferred income tax asset	89,120,451.46	100,675,706.09
Other non-current assets	5,458,879.75	8,949,160.42
Total non-current assets	1,122,545,906.50	1,141,719,074.30
Total assets	3,579,986,668.73	3,599,691,650.26
Current liabilities:		
Short term borrowings	556,436,738.65	547,118,452.97
Borrowings from central bank		
Loans from other banks		
Transactional financial liabilities		
Financial liabilities measured based on the fair value and whose change was charged to the current gain and loss.		
Derivative financial liabilities		
Notes payable and accounts payable	191,577,235.91	259,913,612.34
Advance Receipts	27,695,233.88	16,459,445.00
Funds from selling out and repurchasing financial assets		
Deposits taking and interbank placement		
Acting trading securities		
Income from securities underwriting on commission		
Payroll payable to the employees	34,559,516.76	69,779,037.83
Taxes payable	36,099,094.50	55,923,171.92
Other payables	93,250,973.34	71,819,930.30
Including: interest payable	722,318.78	772,351.26
Dividends payable		
Service charge and commission payable		
Payable reinsurance		
Contract liabilities		

Held-for-sale liabilities		
Non-current liabilities due within a year	337,845.00	347,470.00
Other current liabilities		
Total current liabilities	939,956,638.04	1,021,361,120.36
Non-current liabilities:		
Reserve for insurance contract		
Long-term borrowings	4,307,523.75	4,517,110.00
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payable		
Long term payroll payable to the employees		
Predicted liabilities		
Deferred income	3,672,855.36	3,672,855.36
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	7,980,379.11	8,189,965.36
Total liabilities	947,937,017.15	1,029,551,085.72
Owner's equity:		
Capital Stock	442,968,881.00	438,744,881.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital Reserve	1,077,934,543.00	1,062,455,644.22
Less: shares in stock	18,585,600.00	
Other comprehensive income	-9,009,290.73	-5,442,139.78
Special reserve		
Surplus Reserve	223,015,793.80	223,015,793.80
Reserve against general risks		
Retained earnings	915,719,688.10	851,360,603.66
Total owners' equity attributable to the parent company	2,632,044,015.17	2,570,134,782.90
Minority shareholders' equity	5,636.41	5,781.64

Total owner's equity	2,632,049,651.58	2,570,140,564.54
Total liabilities and owners' equity	3,579,986,668.73	3,599,691,650.26

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the Accounting Department: Tian Hui

2. Balance Sheet (Parent Company)

In CNY

Items	March 31, 2019	December 31, 2018
Current assets:		
Monetary capital	119,031,551.42	137,175,466.27
Transactional financial assets		
Financial assets which is measured based on the fair value and whose movement is counted to the current gain/loss		
Derivative financial assets		
Notes receivable and accounts receivable	2,157,099.65	737,636.38
Where: Notes receivable		
Accounts receivable	2,157,099.65	737,636.38
Advance payments		
Other receivables	869,982,776.57	870,739,378.37
Including: Interest receivable		
Dividends receivable		
Inventories		
Contract assets		
Held-for-sale assets		
Non-current assets due within a year		
Other current assets	11,509,779.64	10,081,272.94
Total current assets	1,002,681,207.28	1,018,733,753.96
Non-current assets:		
Equity investment		
Available-for-sale financial assets		85,000.00
Other equity investment		
Held-to-due investments		
Long term accounts receivable		
Long-term equity investment	1,376,129,654.08	1,376,129,654.08
Investment in other equity instruments	85,000.00	

Other non-current financial assets		
Investment real estate	294,302,649.97	297,042,937.87
Fixed assets	293,892,269.63	297,517,472.81
Construction-in-process	12,318,038.44	12,041,126.00
Productive biological asset		
Oil and gas assets		
Use right assets		
Intangible assets	34,192,362.94	35,337,052.82
Development expenses		
Goodwill		
Long-term expenses to be apportioned	9,004,556.36	4,500,638.97
Deferred income tax asset	952,857.33	952,857.33
Other non-current assets	2,507,857.08	4,493,971.35
Total non-current assets	2,023,385,245.83	2,028,100,711.23
Total assets	3,026,066,453.11	3,046,834,465.19
Current liabilities:		
Short term borrowings	520,000,000.00	505,000,000.00
Transactional financial liabilities		
Financial liabilities measured based on the fair value and whose change was charged to the current gain and loss.		
Derivative financial liabilities		
Notes payable and accounts payable	27,278,565.87	52,324,191.98
Advance Receipts	4,416,026.56	1,636,520.02
Contract liabilities		
Payroll payable to the employees	6,871,767.07	11,589,634.34
Taxes payable	1,584,951.77	943,919.26
Other payables	44,199,285.94	57,997,397.28
Including: interest payable	671,244.45	685,419.80
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within a year		
Other current liabilities		
Total current liabilities	604,350,597.21	629,491,662.88
Non-current liabilities:		

Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payable		
Long term payroll payable to the employees		
Predicted liabilities		
Deferred income	3,672,855.36	3,672,855.36
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	3,672,855.36	3,672,855.36
Total liabilities	608,023,452.57	633,164,518.24
Owner's equity:		
Capital Stock	442,968,881.00	438,744,881.00
Other equity instruments		
Including: preferred shares		
Perpetual bond		
Capital Reserve	1,083,590,084.10	1,068,111,185.32
Less: shares in stock	18,585,600.00	
Other comprehensive income		
Special reserve		
Surplus Reserve	223,015,793.80	223,015,793.80
Retained earnings	687,053,841.64	683,798,086.83
Total owner's equity	2,418,043,000.54	2,413,669,946.95
Total liabilities and owners' equity	3,026,066,453.11	3,046,834,465.19

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the Accounting Department: Tian Hui

3. Consolidated Profit Statement

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Turnover	893,389,751.73	851,815,980.69
Including: operating income	893,389,751.73	851,815,980.69

Interest income		
Earned insurance premium		
Service charge and commission income		
II. Total operating costs	814,959,559.48	776,711,015.00
Including: Operating costs	532,797,117.99	498,998,726.86
Interest payment		
Service charge and commission payment		
Surrender Value		
Compensation expenses, net		
Provision of reserve for insurance contract, net		
Payment of policy dividend		
Reinsurance expenses		
Taxes and surcharges	7,967,226.11	8,182,646.44
Sales costs	199,499,630.53	203,295,481.43
Administrative expenses	55,752,416.90	48,438,558.44
R & D expenditures	9,953,936.60	10,545,751.63
Financial expenses	9,085,058.60	9,646,423.37
Where: Interest cost	6,209,488.02	7,036,409.01
Interest income	429,095.38	424,583.81
Loss from impairment of assets		-2,396,573.17
Loss from impairment of credit	-95,827.25	
Plus: Other income	3,807,765.25	3,196,013.80
Investment income (loss is stated with "-")		
Including: return on investment in associate and joint venture		
Exchange income (loss stated with "-")		
Net exposure hedge income (loss stated with "-")		
Income from change of fair value (loss is stated with "-")		
Income from disposal of assets (loss is stated with "-")	-50,642.04	-20,793.32
III. Operating Profit (loss is stated with "-")	82,187,315.46	78,280,186.17
Plus: Non-operating income	32,398.46	175,332.08

Less: Non-operating expenses	224,800.40	13,679.05
IV. Total profit (total loss is stated with "-")	81,994,913.52	78,441,839.20
Less: Income tax expense	17,635,829.06	18,923,838.45
V. Net Profit (net loss is stated with "-")	64,359,084.46	59,518,000.75
(I) Classification based on operation sustainability		
1. Net Profit from sustainable operation (net loss is stated with "-")	64,359,084.46	59,518,000.75
2. Net Profit from termination of operation (net loss is stated with "-")		
(II) Classification according to the ownership		
1. Net profit attributable to the parent company's owner	64,359,084.46	59,518,000.75
2. Minority shareholders' gain/loss		
VI. Net of other comprehensive income after tax	-3,567,296.18	-1,945,653.74
Net of other comprehensive income after tax attributable to the parent company's owner	-3,567,150.95	-1,945,418.04
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
3. Movement of the fair value of the investment in other equity instruments		
4. Movement of the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income which shall be re-classified into gain and loss	-3,567,150.95	-1,945,418.04
1. Other comprehensive income which can be converted into gain and loss based on the equity method		
2. Movement of the fair value of the investment in other debt instruments		
3. Gain/loss from change in the fair value of the financial assets available for sale		
4. Amount of the reclassified financial		

assets counted to the other comprehensive income		
5. Gain/loss from which the held-to-maturity investment is re-classified as available-for-sale financial assets		
6. Provision for impairment of the credit of the other debt investment		
7. Reserve for cash flow hedge		
8. Conversion difference in foreign currency statements	-3,567,150.95	-1,945,418.04
9. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	-145.23	-235.70
VII. Total comprehensive income	60,791,788.28	57,572,347.01
Total comprehensive income attributable to the parent company's owner	60,791,933.51	57,572,582.71
Total comprehensive income attributable to minority shareholders	-145.23	-235.70
VIII. Earnings per share:		
(I) Basic earnings per share	0.1467	0.1357
(II) Diluted earnings per share	0.1453	0.1357

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the Accounting Department: Tian Hui

4. Statement of Profit, Parent Company

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Revenue	32,237,822.48	28,011,891.43
Less: Operating cost	5,353,494.43	4,688,447.89
Taxes and surcharges	1,101,258.73	1,065,040.94
Sales cost		
Administrative expenses	17,701,057.40	13,861,024.27
R & D expenditures	4,976,563.54	4,785,087.95
Financial expenses	1,785,619.37	1,569,784.34
Where: Interest cost	2,092,544.95	1,685,973.46
Interest income	358,260.51	189,051.76
Loss from impairment of assets		

Loss from impairment of credit		
Plus: Other income	2,126,000.00	598,000.00
Investment income (loss is stated with "-")		
Including: return on investment in associate and joint venture		
Net exposure hedge income (loss stated with "-")		
Income from change of fair value (loss is stated with "-")		
Income from disposal of assets (loss is stated with "-")	-2,074.20	-12,400.00
II. Operating Profit (loss is stated with "-")	3,443,754.81	2,628,106.04
Plus: Non-operating income	12,000.00	2,880.00
Less: Non-operating expenses	200,000.00	
III. Total profit (total loss is stated with "-")	3,255,754.81	2,630,986.04
Less: Income tax expense		153,818.42
IV. Net Profit (net loss is stated with "-")	3,255,754.81	2,477,167.62
(I) Net Profit from sustainable operation (net loss is stated with "-")	3,255,754.81	2,477,167.62
(II) Net Profit from termination of operation (net loss is stated with "-")		
V. Net of other comprehensive income after tax		
(I) Other comprehensive income which cannot be re-classified into gain and loss		
1. Movement of the net liabilities and net assets re-measured for setting the beneficial plan		
2. Other comprehensive income which cannot be converted into gain and loss based on the equity method		
3. Movement of the fair value of the investment in other equity instruments		
4. Movement of the fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income		

which shall be re-classified into gain and loss		
1. Other comprehensive income which can be converted into gain and loss based on the equity method		
2. Movement of the fair value of the investment in other debt instruments		
3. Gain/loss from change in the fair value of the financial assets available for sale		
4. Amount of the reclassified financial assets counted to the other comprehensive income		
5. Gain/loss from which the held-to-maturity investment is re-classified as available-for-sale financial assets		
6. Provision for impairment of the credit of the other debt investment		
7. Reserve for cash flow hedge		
8. Conversion difference in foreign currency statements		
9. Others		
VI. Total comprehensive income	3,255,754.81	2,477,167.62
VII. Earnings per share:		
(I) Basic earnings per share	0.0074	0.0056
(II) Diluted earnings per share	0.0073	0.0056

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the Accounting Department: Tian Hui

5. Consolidated Cash Flow Statement

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
I. Net cash flows arising from operating activities		
Cash received from sales of goods and supply of labor service	975,041,907.75	946,590,536.33
Net increase of customers' deposit		

and due from banks		
Net increase of borrowings from the central bank		
Net increase of borrowings from other financial institutions		
Cash received from the premium of the original insurance contract		
Net cash received from the reinsurance business		
Net increase of the reserve from policy holders and investment		
Net increase from disposal of financial assets which is measured based on the fair value and whose movement is counted to the current gain/loss		
Cash received from interest, service charge and commission		
Net increase of loan from other banks		
Net increase of fund from repurchase business		
Net cash received from securities trading on commission		
Rebated taxes received	1,702,739.93	115,911.67
Other operation activity related cash receipts	20,886,425.52	13,670,199.06
Subtotal of cash flow in from operating activity	997,631,073.20	960,376,647.06
Cash paid for purchase of goods and reception of labor services	641,518,556.89	537,101,324.50
Net increase of loans and advances to customers		
Net increase of due from central bank and due from banks		
Cash from payment for settlement of the original insurance contract		
Net increase of the financial assets held for trading purpose		
Net increase of the lending capital		

Cash paid for interest, service charge and commission		
Cash for payment of policy dividend		
Cash paid to and for staff	180,290,878.29	176,471,053.74
Taxes paid	62,198,665.36	76,129,709.10
Other business activity related cash payments	102,892,584.19	103,042,357.86
Subtotal of cash flow out from operating activity	986,900,684.73	892,744,445.20
Net cash flow arising from operating activities	10,730,388.47	67,632,201.86
II. Net cash flows arising from investment activities		
Cash received from recovery of investment		
Cash received from investment income		
Net cash from disposal of fixed assets, intangible assets and recovery of other long term assets	36,918.89	3,582.90
Net cash received from disposal of subsidiaries and other operating units		
Other investment-related cash receipts		
Subtotal of cash flow in from investment activity	36,918.89	3,582.90
Cash paid for purchase/construction of fixed assets, Intangible assets and other long term assets	50,766,649.74	20,901,254.20
Cash paid for investment		
Net increase of the pledged loan		
Net cash paid for acquisition of subsidiaries and other operation units		
Other investment-related cash payments		
Subtotal of cash flow out from investment activity	50,766,649.74	20,901,254.20
Net cash flow arising from investment	-50,729,730.85	-20,897,671.30

activities		
III. Net cash flow arising from financing activities		
Cash received from absorbing investment	18,585,600.00	
Incl.: Cash received from the subsidiaries' absorption of minority shareholders' investment		
Cash received from loans	210,000,000.00	160,000,000.00
Cash received from bond issuing		
Other fund-raising related cash receipts		
Subtotal of cash flow in from fund raising activity	228,585,600.00	160,000,000.00
Cash paid for debt repayment	199,632,048.06	88,998,550.00
Cash paid for dividend/profit distribution or repayment of interest	6,222,107.97	7,556,182.15
Including: Dividend and profit paid by the subsidiaries to minority shareholders		
Cash paid for other financing activities		
Sub-total cash flow paid for financing activities	205,854,156.03	96,554,732.15
Net cash flows arising from financing activities	22,731,443.97	63,445,267.85
IV. Change of exchange rate influencing the cash and cash equivalent	-132,432.95	-352,953.76
V. Net increase of cash and cash equivalents	-17,400,331.36	109,826,844.65
Plus: Opening balance of cash and cash equivalents	162,623,059.97	184,947,891.32
VI. Ending balance of cash and cash equivalents	145,222,728.61	294,774,735.97

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the Accounting Department: Tian Hui

6. Cash Flow Statement, Parent Company

In CNY

Items	Amount incurred in the reporting period	Amount incurred in the previous period
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I. Net cash flows arising from operating activities		
Cash received from sales of goods and supply of labor service	34,539,681.84	26,501,235.69
Rebated taxes received		
Other operation activity related cash receipts	875,652,514.96	378,902,629.82
Subtotal of cash flow in from operating activity	910,192,196.80	405,403,865.51
Cash paid for purchase of goods and reception of labor services		
Cash paid to and for staff	23,140,836.36	20,221,481.43
Taxes paid	2,725,897.25	2,903,990.84
Other business activity related cash payments	900,850,128.56	356,309,026.90
Subtotal of cash flow out from operating activity	926,716,862.17	379,434,499.17
Net cash flow arising from operating activities	-16,524,665.37	25,969,366.34
II. Net cash flow arising from investment activities		
Cash received from recovery of investment		
Cash received from investment income		
Net cash from disposal of fixed assets, intangible assets and recovery of other long term assets	23,000.00	
Net cash received from disposal of subsidiaries and other operating units		
Other investment-related cash receipts		
Subtotal of cash flow in from investment activity	23,000.00	
Cash paid for purchase/construction of fixed assets, Intangible assets and other long term assets	29,300,461.40	6,076,401.50
Cash paid for investment		

Net cash paid for acquisition of subsidiaries and other operation units		
Other investment- related cash payments		
Subtotal of cash flow out from investment activity	29,300,461.40	6,076,401.50
Net cash flow arising from investment activities	-29,277,461.40	-6,076,401.50
III. Net cash flow arising from financing activities		
Cash received from absorbing investment	18,585,600.00	
Cash received from loans	210,000,000.00	160,000,000.00
Cash received from bond issuing		
Other fund-raising related cash receipts		
Subtotal of cash flow in from fund raising activity	228,585,600.00	160,000,000.00
Cash paid for debt repayment	195,000,000.00	80,000,000.00
Cash paid for dividend/profit distribution or repayment of interest	5,887,220.50	7,093,992.11
Cash paid for other financing activities		
Sub-total cash flow paid for financing activities	200,887,220.50	87,093,992.11
Net cash flows arising from financing activities	27,698,379.50	72,906,007.89
IV. Change of exchange rate influencing the cash and cash equivalent	-40,167.58	-58,497.86
V. Net increase of cash and cash equivalents	-18,143,914.85	92,740,474.87
Plus: Opening balance of cash and cash equivalents	134,970,466.27	128,958,944.43
VI. Ending balance of cash and cash equivalents	116,826,551.42	221,699,419.30

Legal representative: Huang Yongfeng

Chief Financial Officer: Chen Zhuo

Person in charge of the Accounting Department: Tian Hui

II. Note to the Adjustment of the Financial Statements

1. Adjustment of the relevant 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 initially implemented

Consolidated Balance Sheet

In CNY

Items	December 31, 2018	January 01, 2019	The amount involved in the adjustment
Current assets:			
Monetary capital	164,828,059.97	164,828,059.97	
Notes receivable and accounts receivable	377,597,503.46	377,597,503.46	
Where: Notes receivable	7,051,846.85	7,051,846.85	
Accounts receivable	370,545,656.61	370,545,656.61	
Advance payments	13,666,816.33	13,666,816.33	
Other receivables	45,870,582.26	45,870,582.26	
Inventories	1,782,306,301.70	1,782,306,301.70	
Other current assets	73,703,312.24	73,703,312.24	
Total current assets	2,457,972,575.96	2,457,972,575.96	
Non-current assets:			
Available-for-sale financial assets	85,000.00	Inapplicable	-85,000.00
Long-term equity investment	44,881,063.15	44,881,063.15	
Investment in other equity instruments	Inapplicable	85,000.00	85,000.00
Investment real estate	377,319,433.03	377,319,433.03	
Fixed assets	425,649,562.85	425,649,562.85	
Construction-in-process	12,041,126.00	12,041,126.00	
Intangible assets	43,545,477.61	43,545,477.61	
Long-term expenses to be apportioned	128,572,545.15	128,572,545.15	
Deferred income tax asset	100,675,706.09	100,675,706.09	
Other non-current assets	8,949,160.42	8,949,160.42	
Total non-current assets	1,141,719,074.30	1,141,719,074.30	
Total assets	3,599,691,650.26	3,599,691,650.26	
Current liabilities:			

Short term borrowings	547,118,452.97	547,118,452.97	
Notes payable and accounts payable	259,913,612.34	259,913,612.34	
Advance Receipts	16,459,445.00	16,459,445.00	
Payroll payable to the employees	69,779,037.83	69,779,037.83	
Taxes payable	55,923,171.92	55,923,171.92	
Other payables	71,819,930.30	71,819,930.30	
Including: interest payable	772,351.26	772,351.26	
Non-current liabilities due within a year	347,470.00	347,470.00	
Total current liabilities	1,021,361,120.36	1,021,361,120.36	
Non-current liabilities:			
Long-term borrowings	4,517,110.00	4,517,110.00	
Deferred income	3,672,855.36	3,672,855.36	
Total non-current liabilities	8,189,965.36	8,189,965.36	
Total liabilities	1,029,551,085.72	1,029,551,085.72	
Owner's equity:			
Capital Stock	438,744,881.00	438,744,881.00	
Capital Reserve	1,062,455,644.22	1,062,455,644.22	
Other comprehensive income	-5,442,139.78	-5,442,139.78	
Surplus Reserve	223,015,793.80	223,015,793.80	
Retained earnings	851,360,603.66	851,360,603.66	
Total owners' equity attributable to the parent company	2,570,134,782.90	2,570,134,782.90	
Minority shareholders' equity	5,781.64	5,781.64	
Total owner's equity	2,570,140,564.54	2,570,140,564.54	
Total liabilities and owners' equity	3,599,691,650.26	3,599,691,650.26	

Balance Sheet, Parent Company

In CNY

Items	December 31, 2018	January 01, 2019	The amount involved in the adjustment
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Current assets:			
Monetary capital	137,175,466.27	137,175,466.27	
Notes receivable and accounts receivable	737,636.38	737,636.38	
Accounts receivable	737,636.38	737,636.38	
Other receivables	870,739,378.37	870,739,378.37	
Other current assets	10,081,272.94	10,081,272.94	
Total current assets	1,018,733,753.96	1,018,733,753.96	
Non-current assets:			
Available-for-sale financial assets	85,000.00	Inapplicable	
Long-term equity investment	1,376,129,654.08	1,376,129,654.08	
Investment in other equity instruments	Inapplicable	85,000.00	
Investment real estate	297,042,937.87	297,042,937.87	
Fixed assets	297,517,472.81	297,517,472.81	
Construction-in-process	12,041,126.00	12,041,126.00	
Intangible assets	35,337,052.82	35,337,052.82	
Long-term expenses to be apportioned	4,500,638.97	4,500,638.97	
Deferred income tax asset	952,857.33	952,857.33	
Other non-current assets	4,493,971.35	4,493,971.35	
Total non-current assets	2,028,100,711.23	2,028,100,711.23	
Total assets	3,046,834,465.19	3,046,834,465.19	
Current liabilities:			
Short term borrowings	505,000,000.00	505,000,000.00	
Notes payable and accounts payable	52,324,191.98	52,324,191.98	
Advance Receipts	1,636,520.02	1,636,520.02	
Payroll payable to the employees	11,589,634.34	11,589,634.34	
Taxes payable	943,919.26	943,919.26	
Other payables	57,997,397.28	57,997,397.28	
Including: interest	685,419.80	685,419.80	

payable			
Total current liabilities	629,491,662.88	629,491,662.88	
Non-current liabilities:			
Deferred income	3,672,855.36	3,672,855.36	
Total non-current liabilities	3,672,855.36	3,672,855.36	
Total liabilities	633,164,518.24	633,164,518.24	
Owner's equity:			
Capital Stock	438,744,881.00	438,744,881.00	
Capital Reserve	1,068,111,185.32	1,068,111,185.32	
Surplus Reserve	223,015,793.80	223,015,793.80	
Retained earnings	683,798,086.83	683,798,086.83	
Total owner's equity	2,413,669,946.95	2,413,669,946.95	
Total liabilities and owners' equity	3,046,834,465.19	3,046,834,465.19	

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 initially implemented

Inapplicable

III. Auditor's Report

Has the first quarterly report been audited

No