

TCL CORPORATION

TCL 集团股份有限公司



创意感动生活
The Creative Life

FIRST QUARTER REPORT 2019

23 April 2019

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Part I Important Notes and Definitions

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of TCL Corporation (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Mr. Li Dongsheng, the Chairman of the Board, Ms. Du Juan, the person-in-charge of financial affairs (Chief Financial Officer), and Mr. Xi Wenbo, the person-in-charge of the financial department, hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Definitions

Term	Definition
The “Company”, the “Group”, “TCL”, “TCL Corp.” or “we”	TCL Corporation and its consolidated subsidiaries, except where the context otherwise requires
The “Reporting Period”	The period from 1 January 2019 to 31 March 2019
The “Restructuring”	The major asset restructuring approved at the 13 th meeting of the 6 th Board of Directors on 7 December and the First Extraordinary General Meeting of 2019 on 7 January 2019
TCL Electronics	TCL Electronics Holdings Limited, a majority-owned subsidiary of the Company listed on the Stock Exchange of Hong Kong (stock code: 01070.HK)
TCL Communication	TCL Communication Technology Holdings Limited
CSOT	Shenzhen China Star Optoelectronics Technology Co., Ltd.
TCL Household Electric Appliance Group	Huizhou TCL Household Electric Appliance Group Co., Ltd.
CDOT	China Display Optoelectronics Technology Holdings Limited, a majority-owned subsidiary of the Company listed on the Stock Exchange of Hong Kong (stock code: 00334.HK)
Highly	Highly Information Industry Co., Ltd., a majority-owned subsidiary of the Company listed on the National Equities Exchange and Quotations (stock code: 835281)
Guangdong Juhua	Guangdong Juhua Printed Display Technology Co., Ltd.
China Ray	Guangzhou China Ray Optoelectronic Materials Co., Ltd.
Bank of Shanghai	Bank of Shanghai Co., Ltd. (stock code: 601229.SH), with the Company holding a 4.99% interest
712 Corp.	Tianjin 712 Communication & Broadcasting Co., Ltd. (stock code: 603712.SH), with the Company holding a 19.07% interest as its second largest shareholder
Fantasia	Fantasia Holdings Group Co., Limited, a listed company on the Stock Exchange of Hong Kong (stock code: 01777.HK), with the Company holding a 20.08% interest as its second largest shareholder
Admiralty Harbour Capital	Admiralty Harbour Capital Limited
Environmental Resource	Huizhou TCL Environmental Resource Co., Ltd.
Educational Web	TCL Educational Web Ltd.
t1 project	The generation 8.5 (or G8.5) TFT-LCD production line of CSOT
t2 project	The generation 8.5 (or G8.5) TFT-LCD (including oxide semiconductor and AMOLED) production line of CSOT
t3 project	The generation 6 (or G6) LTPS• LCD/AMOLED panel production line of

	CSOT
t4 project	The generation 6 (or G6) flexible LTPS-AMOLED panel production line of CSOT
t6 project	The generation 11 (or G11) new TFT-LCD and AMOLED production line of CSOT
t7 project	The generation 11 (or G11) new ultra-high-definition (UHD) TFT-LCD and AMOLED production line of CSOT

Part II Key Corporate Information

I Key Financial Information

Indicate whether there is any retrospectively restated datum in the table below.

Yes No

Seri es No.	Item	Q1 2019	Q1 2018	Change (%)
1	Operating revenue (RMB)	29,600,956,875	25,629,844,055	15.49
2	Gross profit (RMB)	5,045,955,708	4,977,411,074	1.38
3	EBITDA	4,155,509,053	3,465,538,469	19.91
4	Profit before tax (RMB)	1,219,417,833	1,057,422,453	15.32
5	Net profit (RMB)	1,006,077,530	788,045,509	27.67
	Net profit attributable to the listed company's shareholders (RMB)	779,088,389	730,837,280	6.60
	Net profit attributable to the listed company's shareholders before non-recurring gains and losses (RMB)	560,950,806	521,159,061	7.64
6	Basic earnings per share (RMB/share) (note)	0.0578	0.0540	7.04
	Diluted earnings per share (RMB/share)	0.0576	0.0540	6.67
	Basic earnings per share before non-recurring gains and losses (RMB/share)	0.0416	0.0385	8.05
7	Weighted average return on equity (%)	2.54	2.38	Up by 0.16 percentage point
	Weighted average return on equity before non-recurring gains and losses (%)	1.83	1.70	Up by 0.13 percentage point
8	Net cash generated from/used in operating activities (RMB)	2,243,903,241	3,034,386,560	-26.05
	Net cash per share generated from/used in operating activities (RMB/share)	0.1656	0.2245	-26.24
		31 March 2019	31 December 2018	Change (%)
9	Total assets (RMB)	198,662,703,285	192,763,941,739	3.06
10	Total liabilities (RMB)	135,200,417,778	131,892,269,092	2.51
11	Debt/asset ratio (%)	68.06	68.42	Down by 0.36 percentage point

	Debt/asset ratio before borrowings obtained using bank deposit as a pledge and deferred income (%)	66.85	67.05	Down by 0.20 percentage point
12	Total owners' equity (RMB)	63,462,285,507	60,871,672,647	4.26
	Owners' equity attributable to the listed company's shareholders (RMB)	31,086,614,033	30,494,364,951	1.94
13	Share capital (share)	13,549,648,507	13,549,648,507	0.00
14	Equity per share attributable to the listed company's shareholders (RMB/share)	2.2943	2.2506	1.94

The total share capital at the end of the last trading session before the disclosure of this Report:

Total share capital at the end of the last trading session before the disclosure of this Report (share)	13,549,648,507
Fully diluted earnings per share based on the latest total share capital above (RMB/share)	0.0576

Non-recurring gains and losses:

Unit: RMB

Item	Q1 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	33,746,384	Not applicable
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	278,312,518	Not applicable
Gain or loss on fair-value changes in trading financial assets and liabilities, as well as derivative financial assets and liabilities & income from disposal of trading financial assets and liabilities, derivative financial assets and liabilities, as well as investments in other debt obligations (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	10,320,281	Not applicable
Non-operating income and expense other than the above	21,508,198	Not applicable
Less: Corporate income tax	-44,521,095	Not applicable
Non-controlling interests (net of tax)	-81,228,703	Not applicable
Total	218,137,583	--

Explanation of why the Company reclassifies as recurrent a non-recurring gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gain/Loss

Items:

Applicable Not applicable

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 31 March 2019

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end		561,950	Number of preferred shareholders with resumed voting rights at the period-end (if any)			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
Hubei Changjiang Hezhi Hanyi Equity Investment Fund Partnership (Limited Partnership)	Domestic non-state-owned legal person	6.57	890,576,845		In pledge	761,920,000
Huizhou Investment Holding Co., Ltd.	State-owned legal person	6.48	878,419,747			
Li Dongsheng	Domestic natural person	4.91	665,148,488	498,861,366	In pledge	618,980,000
Beijing Ziguang Investment Co., Ltd.	State-owned legal person	3.49	472,768,900			
Xinjiang Dongxing Huarui Equity Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.34	452,660,287		In pledge	452,660,287
Xinjiang Jiutian Liancheng Equity Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.02	408,899,521		In pledge	408,899,521
China Securities	Domestic	2.75	373,231,553			

Finance Corporation Limited	non-state-owned legal person					
CDB Innovation Capital Co., Ltd.	State-owned legal person	1.84	249,985,219			
Central Huijin Asset Management Co., Ltd.	State-owned legal person	1.52	206,456,500			
Guangdong Guangxin Holdings Group Ltd.	State-owned legal person	1.09	147,760,683			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Hubei Changjiang Hezhi Hanyi Equity Investment Fund Partnership (Limited Partnership)	890,576,845	RMB-denominated ordinary stock	890,576,845			
Huizhou Investment Holding Co., Ltd.	878,419,747	RMB-denominated ordinary stock	878,419,747			
Beijing Ziguang Investment Co., Ltd.	472,768,900	RMB-denominated ordinary stock	472,768,900			
Xinjiang Dongxing Huarui Equity Investment Partnership (Limited Partnership)	452,660,287	RMB-denominated ordinary stock	452,660,287			
Xinjiang Jiutian Liancheng Equity Investment Partnership (Limited Partnership)	408,899,521	RMB-denominated ordinary stock	408,899,521			
China Securities Finance Corporation Limited	373,231,553	RMB-denominated ordinary stock	373,231,553			
CDB Innovation Capital Co., Ltd.	249,985,219	RMB-denominated ordinary stock	249,985,219			
Central Huijin Asset Management Co., Ltd.	206,456,500	RMB-denominated ordinary stock	206,456,500			
Li Dongsheng	166,287,122	RMB-denominated ordinary stock	166,287,122			
Guangdong Guangxin Holdings Group Ltd.	147,760,683	RMB-denominated ordinary stock	147,760,683			

Related or acting-in-concert parties among the shareholders above	Being acting-in-concert parties upon the signing of the Agreement on Acting in Concert, Mr. Li Dongsheng and Xinjiang Jiutian Liancheng Equity Investment Partnership (Limited Partnership) are the biggest shareholder of the Company with a total of 1,074,048,009 shares. Meanwhile, CDB Innovation Capital Co., Ltd., CDB Equipment Manufacturing Industrial Investment Fund Co., Ltd. and CDB Jingcheng (Beijing) Investment Fund Co., Ltd. are acting-in-concert parties as CDB Innovation and CDB Equipment are both controlled by a majority-owned subsidiary of China Development Bank Capital Co., Ltd., and CDB Jingcheng is an investment company managed by a subsidiary of China Development Bank Capital Co., Ltd.
Top 10 ordinary shareholders involved in securities margin trading (if any)	None

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Directors' Report

I Overview

For Q1 2019, the Group recorded operating revenue of RMB29.60 billion, representing a year-on-year increase of 15.5%; core business revenue of RMB29.33 billion, rising by 15.2% compared to a year ago; a net profit of RMB1.01 billion, representing a 27.7% year-on-year increase; and a net profit attributable to TCL shareholders of RMB0.779 billion, representing an increase of 6.6% compared to a year ago.

During the Reporting Period, the Group kept building its core competitiveness for faster business growth by way of strengthening its product and technology capabilities. It continued to enhance its product competitiveness through cultivation and innovation of core cutting-edge technologies, in addition to refining its product and customer structures. In this period, the Group spent a total of RMB1.58 billion on R&D, a 60.5% year-on-year increase; and it applied for 505 international patents through PCT, representing a cumulative number of 10,495. Meanwhile, up to the end of the Reporting Period, CSOT has applied for 15,529 Chinese patents and 7,888 U.S. patents.

In the period, focusing on improving the operating quality of assets and the profitability, the Group deepened its reform and transformation, refined the business structure, streamlined the organizational and management flows, as well as continued to promote cost efficiency. As a result, the net profit margin increased to 3.40%, the expense ratio decreased by 1.88 percentage points year-on-year, the return on equity (ROE) increased by 0.16 percentage point year-on-year, the cash cycle is shortened by six days and the debt/asset ratio decreased to 68.1%.

The Group has divested its intelligent terminal and supporting businesses in the Restructuring, so as to refine its business and capital structures, concentrate on the core business and transform towards a high-tech conglomerate. The Restructuring plan has been approved at the First Extraordinary General Meeting of 2019 on 7 January 2019 and the Group has received the transaction amount in full on 15 April 2019. As such, the target assets in the Restructuring will be excluded from the Group's consolidated financial statements from Q2 2019. For Q1 2019, with the said target assets excluded, the Group achieved a pro forma net profit of RMB925 million, up by 21.6% year-on-year; a net profit attributable to TCL shareholders of RMB769 million, up by 5.18% year-on-year; a net

profit margin of 7.76%; and a decreased debt/asset ratio to 59.1%. In addition, the Group's capital structure and profitability have been considerably improved.

II Core Business Analysis

Upon the completion of the Restructuring, the Group's core businesses will be modified to comprise the semi-conductor display and material business, the industrial finance & investment and venture capital business and the emerging business group:

1. The Semi-Conductor Display and Material Business

It consists of CSOT, Guangdong Juhua and China Ray.

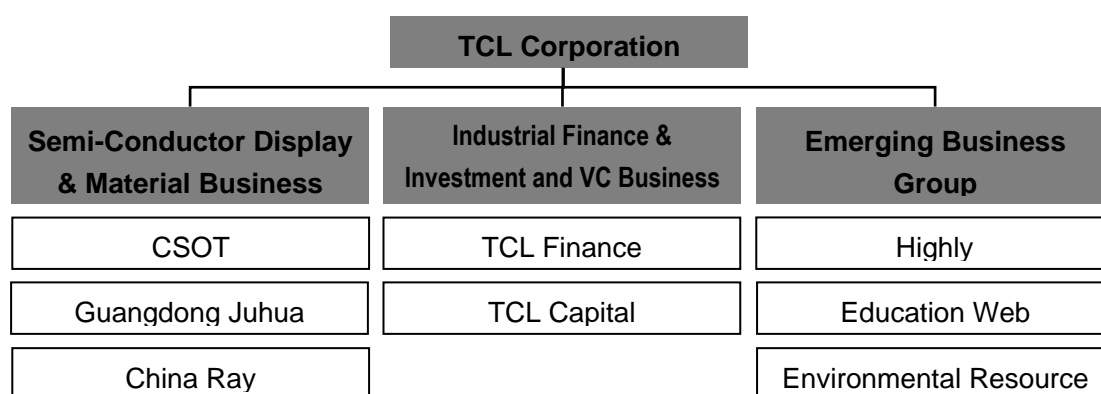
2. The Industrial Finance & Investment and Venture Capital Business

It includes TCL Finance and TCL Capital.

3. The Emerging Business Group

It comprises Highly, Educational Web and Environmental Resource.

According to its long-term development strategy, the Group will further concentrate on its core businesses by continuing to divest non-core businesses according to the principle of maximum value for shareholders. In pursuit of the whole-new positioning of a high-tech conglomerate, the Group will also enter into other key basic high-tech industries when the timing is ripe by means of M&A, etc., so as to foster new driving force.



(I) The Semi-Conductor Display and Material Business

1. CSOT

During Q1 2019, CSOT achieved a shipment of 5.56 million square meters, up by 17.1% year-on-year; operating revenue of RMB7,250 million, up by 12.1% year-on-year; an EBITDA ratio of 28.2%; and a net profit of RMB683 million, up by 35.2% as compared to Q4 2018.

Affected by the global economic downturn and the industrial cycle, CSOT's major products saw a significant price drop as compared to Q1 2018. To deal with that, CSOT actively promoted reform and transformation, and managed to maintain leading operating efficiency and performance across the global industry. Firstly, it further optimized its organization and flows for better cost efficiency. Secondly, it increased its revenue through improving its product and technology capabilities and refining its product structure. Thirdly, the two production bases of small- and large-sized panels gave play to their advantage of intensive production as a way to reduce the structural costs. Finally, the t3 plant operated at full capacity for strong sales and achieved a higher operating profit with 5.29 times of growth in shipment area and 3.95 times of growth in sales revenue as compared to Q1 2018.

CSOT's core competitiveness lies in product and technology innovation. In the field of large-sized panels, CSOT boasts the unique HVA technology, the industry-leading Cu-Cu+COA+PFA manufacturing process, the application of the quantum-dot technology and the early development of the MINI-LED back-light technology. In the field of small- and medium-sized panels, in addition to the completed LTPS plant (t3), CSOT's flexible AM-OLED plant (t4) is expected to achieve mass production in Q4 2019, which targets high-end markets across the world with the HD full-screen, flexible and foldable technologies. Meanwhile, CSOT will continue to work on the next-generation flexible printed OLED technology so as to further strengthen its advantage of advanced technologies.

International competitiveness is an important driver of CSOT's business growth. In December 2018, construction started for CSOT's module and whole-widjet integrated intelligent manufacturing park in India, with a planned annual capacity of 8 million pieces of large-sized TV panels and 30 million pieces of small- and medium-sized handset panels. Additionally, the rapid growth in the unit sales of TCL TV and smart phones across the world, especially their enlarging market shares in major countries and regions, provided a strong support for CSOT's operating at full capacity.

Based on its world-leading advantages in the large-sized TV panel industry, CSOT will proactively break into new application markets with high added value, including interactive whiteboards, tiled

video walls, advertisement players, gaming monitor, vehicles, etc. In this way, it is marching faster towards a multi-application-scenario display interface provider.

Currently, the global semi-conductor display industry is still experiencing a slight oversupply ,the competition is being fiercely. But opportunities are followed with challenges. This year, in order to support the real economy, China has unveiled a series of effective measures, including tax cuts and encouraging technological innovations, to promote faster development of the manufacturing sector in a high-quality manner. In view of that, CSOT, as a high-end manufacturer, is confident to continue to grow in a healthy way with better operating results. Meanwhile, driven by technological innovation, CSOT's production is ramping up fast. It also maintains leading operating efficiency and performance by way of promoting cost efficiency, further strengthens its advantages with regard to products and new display technology through continual investment, as well as beefs up its efforts on new application markets and major regional markets. Therefore, CSOT's core competitiveness is expected to strengthen further. We are confident that CSOT will achieve a double-digit growth in sales revenue and profit for 2019.

1.1 Large-Sized Panel Business Group

During the Reporting Period, CSOT's two G8.5 TFT-LCD production lines—t1 and t2 continued to strengthen the position and competitive edges in the large-sized panel industry by means of improving product development and process design, increasing product quality and enriching the product mix. The shipment of the 32-inch product is the second highest in the world, that of the 55-inch UD product ranks first globally, and CSOT maintains the highest shipment to domestic top-brand customers.

The G11 TFT-LCD production line—t6, mainly producing 65-inch, 75-inch and other ultra-large-sized new display panels, is seeing an industry-leading production ramp-up and yield rate and is expected to reach full capacity in late 2019. Meanwhile, the construction of the G11 UHD new display production line—t7 is progressing as scheduled, which is mainly responsible for the production and sales of 65-inch, 70-inch (21:9) and 75-inch 8K UHD display panels and AMOLED display panels, among other products.

Supporting the G8.5 and G11 production lines, the first phase of CSOT's module and whole-widgit integrated intelligent manufacturing base—the high generation module project has realized bulk

shipment to the customers. It is strengthening CSOT's industrial manufacturing competence in the field of large-sized panels.

1.2 Small- and Medium-Sized Panel Business Group

During the Reporting Period, the G6 LTPS-LCD production line—t3 reached a total shipment of 27.28 million pieces (the world's third highest such shipment), up by 5.9 times year-on-year. The t3 project has also launched a production line upgrade project to satisfy the growing demand of high-end customers. The G6 LTPS-AMOLED flexible production line—t4 is progressing smoothly in the development and introduction of the key technologies and manufacturing process. The capacity is ramping up and its yield rate is improving, the sample presentation and verification work by strategic customers are well underway.

2. Guangdong Juhua

As the Group's R&D platform of the printed display technology, Guangdong Juhua is the builder of the "National Printed and Flexible Display Innovation Center", which is the first national innovation center in China's display sector. During the Reporting Period, Guangdong Juhua launched the 31-inch UHD (4K) top-emitting printed H-QLED prototype at the CES. The prototype is combined by printed blue-light emitting OLED materials, as well as printed red- and green-light emitting QLED materials, which is the world's first such product adopt both advantages of electroluminescent QLED materials and OLED materials. With a resolution as high as 3840x2160, this product is drawing attention across the display industry.

3. China Ray

Up to the end of the Reporting Period, China Ray has developed over 700 new materials with independent IP, including the phosphorescent host and guest materials, the fluorescent host and guest materials, the soluble material, the soluble hole-transport material, the TADF material, the electron transport material, the p-type doping material, the CPL material, etc. The evaporated red-light and green-light emitting materials, as well as the solution-processed red-light emitting materials, are all of an industry-wide advanced performance; the red-light and green-light emitting materials and devices of printed OLED have reached domestically advanced performance. And breakthroughs have also been made concerning the blue-light emitting materials. During the Reporting Period, China Ray's multiple materials passed the verification of the domestic major

panel manufacturers; the assembly plant went into mass production; and mass production of certain products has started.

(II) The Industrial Finance & Investment and Venture Capital Business

1. TCL Finance

TCL Finance mainly comprises the Group's finance and the supply chain finance. During the Reporting Period, the Group's finance business enhanced its financial support to the Group's business development according to the Group's strategic goals, and further improved its active management ability for capital and risks. The operation of the Group's finance business is progressing smoothly. Its asset scale, gross profit, ROE and capital concentration are all of a leading level in the industry. Upholding the service philosophy of "partner finance", the supply chain finance business worked on TCL's internal businesses in a deeper manner and improved the business output competence externally. As a result, the number of key corporate customers and the business volume continued to increase in a rapid manner, and the consumer finance business enjoyed healthy development, with its asset quality far better than the industry average. The number of B2B finance clients has reached more than 12,700, while the registered retail finance clients are over 360,000.

2. TCL Capital

TCL Capital includes the venture capital and financial investment business, as well as Admiralty Harbour Capital Limited. Up to the end of the Reporting Period, the venture capital business manages funds of RMB9.365 billion in total, and has accumulatively invested in 108 projects. Currently, it owns shareholdings in listed companies such as S.C., CertusNet, Chipone, CATL, Petro-King, Sky Solar, etc., in addition to interests in Cambricon, DK Electronic Materials, Transwarp and so on. Harbour Capital has started operation. During the Reporting Period, it completed one bond issue, built positions in a specialized investment account for margin trading, obtained a funding quota and signed a prime broker agreement with Goldman Sachs. Meanwhile, the Group holds a 19.07% interest in 712 Corp. (603712.SH), a 20.08% interest in Fantasia Holdings (01777.HK), and a 4.99% interest in Bank of Shanghai (601229.SH).

(III) The Emerging Business Group

In pursuit of the strategic goal of "sales + service", Highly Information (835281) continued to strengthen its core competitiveness in these two aspects, improve the quality of assets, especially that of inventories and accounts receivable, as well as increase the asset turnover ratio. As a result, Highly Information recorded a steady growth in both sales revenue and profit.

During the Reporting Period, the enrollment for the degree courses of Educational Web was progressing smoothly, and teacher training was steadily processing. It is also intensified the integration of educational resources and B2C business development. The registered users of the Internet IT vocational education platform (IMOOC) have reached 15.40 million.

Huizhou TCL Environmental Resource Co., Ltd. specializes in the collection, transportation and overall treatment of industrial hazardous wastes, resource recycling, household appliance dismantling and deep processing for recycling, etc. During the Reporting Period, the household appliance dismantling and hazardous waste treatment businesses both maintained a fast growth in profit.

The Group will withdraw from the non-core businesses as soon as possible. Meanwhile, according to the development vision of a high-tech conglomerate, it will restructure the emerging business group towards key, high-end and basic technologies so as to cultivate new growth drivers.

(IV) Major Target Businesses of the Restructuring

Since Q2 2019, the intelligent terminal and supporting business will be divested and excluded from the Group's consolidated financial statements. During the Reporting Period, by way of integrating products technology and marketing, and with management platform integration as the theme of work, the intelligent terminal business gradually expanded its business scale and increased its management efficiency, as well as improved its profitability.

During the Reporting Period, the sales revenue of TCL Electronics increased by 22.8% year-on-year to RMB10.75 billion (HK\$12.57 billion). Supported by its global operations, increasing strength in products and brand, as well as refined product and channel structures, the TV unit sales of TCL Electronics increased by 32.5% year-on-year to 8.443 million sets.

With "focus on making breakthroughs, drive growth through efficiency increase and prepare for transformation" as its operating strategies, TCL Communication concentrated on regional markets, increased the operating efficiency of assets, as well as proactively invested in the R&D of new

technology and products. TCL Communication sold 6.90 million units of products during the Reporting Period, representing a year-on-year growth of 11%.

In face of the complicated operating environment in domestic and abroad, TCL Household Electric Appliance Group drove product and technological transitions and upgrades, as well as promoted cost efficiency and lean management throughout the industrial chain. During the Reporting Period, it sold 2.742 million units of air-conditioners (a 2.8% year-on-year increase), 0.643 million units of washing machines (a 19.5% year-on-year increase), and 0.457 million units of refrigerators (an 18.4% year-on-year increase).

Part IV Significant Events

I Changes in Key Financial Statement Line Items and Explanation of why

■ Applicable □ Not applicable

Unit: RMB'000

Item	31 March 2019	31 December 2018	Change (%)	Explanation of why
Current portion of non-current liabilities	3,534,940	6,009,920	-41.2%	Repayment of corporate bonds of RMB2.5 billion
Other current liabilities	1,111,570	3,344,450	-66.8%	Repayment of short-term financing bonds of RMB2 billion
Treasury stock	673,200	63,460	960.9%	Repurchase of 179 million shares

II Progress, Influence and Solutions with regard to Significant Events

Summary of the significant event	Disclosure date	Index to the related announcement
Voluntary Announcement on Xiaomi Group's Purchase of TCL Shares	7 January 2019	http://www.cninfo.com.cn
The Report on the Repurchase of Certain Public Shares	14 February 2019	
Announcement on the Ending of the Acting-in-Concert Relationship between the Biggest Shareholder and Dongxing	27 February 2019	

Huarui	
Announcement on Adjusting the Upper Limit of the Share Repurchase Price	20 March 2019
Announcement on the Investment in an Overseas Equity Investment Fund	25 March 2019
Announcement on the Quota Allocation and Equity Vesting of the First Top 400 and Key Personnel Stock Ownership Plan and the Global Partner Plan of TCL Corporation	29 March 2019

Progress of any share repurchase:

Applicable Not applicable

Up to 31 March 2019, the Company has repurchased a cumulative number of 178,870,000 shares by way of centralized bidding in its special securities account for repurchases, accounting for 1.32% of the Company's total share capital. With the highest trading price being RMB4.17/share and the lowest being RMB3.15/share, the total repurchase price is RMB609,466,232.25 (exclusive of trading charges).

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

No such cases in the Reporting Period.

IV Operating Performance Forecast for H1 2019

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit of H1 2019, as well as explanation of why:

Applicable Not applicable

V Securities Investments

Unit: RMB'000

Security type	Security code	Security name	Measurement method	Beginning carrying amount	Purchased in Reporting Period	Sold in Reporting Period	Ending carrying amount	Gain/loss in Reporting Period	Accounting title	Funding source
Trust product	Not applicable	ZRT	At amortized cost	1,017,170	-	-	1,040,550	23,380	Investment in debt obligation	Equity capital

									s	
Entrusted wealth management	Not applicable	CDB Win-Win 2017666	At amortized cost	-	1,000,000	-	1,000,000	-	Other current assets	Equity capital
Entrusted wealth management	Not applicable	CDB Win-Win 2017666	At amortized cost	-	1,000,000	-	1,000,000	-	Other current assets	Equity capital
Entrusted wealth management	Not applicable	“Qianyuan-Shunxin” 2018-169	At amortized cost	200,000	-	-	202,300	2,300	Other current assets	Equity capital
Entrusted wealth management	Not applicable	CDB-GK CB2019045	At amortized cost	200,000	-	-	201,650	1,650	Other current assets	Equity capital
Entrusted wealth management	Not applicable	Ping An Bank-Corporate Structured Deposits	At amortized cost	100,000	-	-	100,980	980	Other current assets	Equity capital
Entrusted wealth management	Not applicable	CDB-GK CB2019044	At amortized cost	100,000	-	-	100,830	830	Other current assets	Equity capital
Bond	Not applicable	ICBC “Suixin E” (targeted)	At amortized cost	-	75,430	-	71,680	-3,750	Other current assets	Equity capital
Stock	300241.SZ	Refond	At fair value	40,740	-	-	60,750	20,020	Trading financial assets	Equity capital
Stock	BABA	ALIBABA	At fair value	-	49,860	-	51,230	1,380	Trading financial assets	Equity capital

Other securities investments held at period-end		2,633,270	1,842,300	622,330	4,111,110	257,870	Not applicable	Equity capital
Total		4,291,170	3,967,590	622,330	7,941,070	304,640		

VI Investments in Derivative Financial Instruments

Funding source	Mostly foreign-currency revenue
Legal matters involved (if applicable)	Not applicable
Disclosure date of board announcement approving derivative investment (if any)	28 April 2018
Disclosure date of general meeting announcement approving derivative investment (if any)	Not applicable
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>In order to effectively manage the exchange and interest rate risks of foreign currency assets, liabilities and cash flows, the Company, after fully analyzing the market trend and predicting the operation (including orders and capital plans), adopts forward foreign exchange contracts, options and interest rate swaps to avoid future exchange rate and interest rate risks. As its business scale changes subsequently, the Company will adjust the exchange rate risk management strategy according to the actual market conditions and business plans.</p> <p>Risk analysis:</p> <ol style="list-style-type: none"> 1. Market risk: the financial derivatives business carried out by the Group belongs to hedging and trading business related to main business operations, and there is a market risk of loss due to the fluctuation of underlying interest and exchange rates, which lead to the fluctuation of prices of financial derivatives; 2. Liquidity risk: the derivatives business carried out by the Group is an over-the-counter transaction operated by a financial institution, and there is a risk of loss due to paying fees to the bank for the operations of evening up or selling the derivatives below the buying prices; 3. Performance risk: the Group conducts the derivative business based on rolling budgets for risk management, and there is a risk of performance failure due to deviation between the actual operating results and budgets; 4. Other risks: in the case of specific business operations, if the operator fails to finish the prescribed procedures for report or approval, or fails to record the financial derivative business information accurately, timely and completely, it may result in loss of derivative business or trading opportunities. Moreover, if the trading operator fails to fully understand the terms of transaction contracts or product information, the Group will face the legal risks and transaction losses therefrom. <p>Measures taken for risk control:</p>

	<p>1. Basic management principles: the Group strictly follows the hedging principle and the main purpose of locking costs and avoiding risks. It is required that the financial derivatives business to be carried out matches the variety, size, direction and duration of spot goods, and no speculative trading should be involved. In the selection of hedging instruments, only simple financial derivatives that are closely related to the main business operation and meet the requirements of hedge accounting treatment should be selected, and avoid complex business that exceeds the prescribed business scope or is difficult to recognize in terms of risk and pricing;</p> <p>2. The Group has formulated a special risk management system tailored to the risk characteristics of the financial derivatives business, covering all key aspects such as pre-emptive prevention, in-process monitoring and post-processing. Professional personnel are rationally arranged for investment decision-making, business operations and risk control. Investment participants are required to fully understand the risks of financial derivatives investment and strictly implement the business operations and risk management systems of derivatives. Before starting the derivatives business, the holding company must submit to the management department of the Group detailed business reports including its internal approval, main product terms, operational necessity, preparations, risk analysis, risk management strategy, fair value analysis and accounting methods, and special summary reports on business operated. Operations can be implemented only after getting opinions from the professional department of the Group;</p> <p>3. Relevant departments should track the changes in the open market price or fair value of financial derivatives, timely assess the risk exposure changes of invested financial derivatives, and make reports to the board of directors on business development;</p> <p>4. When the combined impairment of the fair value of derivatives and changes in the value of the assets (if any) used for risk hedging by the Group results in a total loss or floating loss amounting to 10% of the recently audited net assets of the Company, and the absolute amount exceeds RMB10 million, the Group will disclose it in a timely manner.</p>
Changes in market prices or fair value of derivative investments in Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	With the rapid expansion of overseas sales, the Company keeps following the above rules in the operation of forward foreign exchange contracts, interest rate swap contracts and futures contracts to avoid and hedge foreign exchange risks arising from operation and financing. It saw a loss of RMB35.99 million for the Reporting Period. The fair value of derivatives is determined by real-time quoted price of the foreign exchange market, based on the difference between the contractual price and the forward exchange rate quoted immediately in the foreign exchange market on the balance sheet date.
Major changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period	No major changes
Opinion of independent directors on derivative investments and risk control	In view of the fact that nearly half of the main business of the Company is overseas, a wide range of settlement currencies is involved. The Company reduces exchange losses and locks transaction costs by reasonable financial derivatives, which helps to reduce risk control costs and improve company competitiveness. Risks are effectively controlled as the Company has

	<p>taken series of measures such as conducting a rigorous internal evaluation for the operation of financial derivatives business, establishing a corresponding regulatory mechanism, formulating reasonable accounting policies and specific accounting principles, setting limits for risk exposure management, and operating simple financial derivatives. The contracting agent for financial derivatives business of the Company is a sound financial agent with good credit standing.</p> <p>The independent directors believe that the financial derivatives transactions carried out by the Company in Q1 2019 are closely related to the daily operation needs of the Company with controllable risks. The business is in line with the interests of minority shareholders of the company and the relevant laws and regulations.</p>
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Positions of derivative investments at the period-end:

Unit: RMB'000

Type of contract	Beginning amount		Ending amount		Gain/loss in Reporting Period	Ending contractual amount as % of the Company's ending net asset value	
	Contractual amount	Actual amount	Contractual amount	Actual amount		Contractual amount	Actual amount
1. Forward forex contracts	25,316,330	860,700	23,208,770	777,660	-35,990	36.57%	1.23%
2. Interest rate swaps	4,653,250	139,600	4,565,310	136,960		7.19%	0.22%
3. Currency swaps	3,115,890	155,790	3,366,750	168,340		5.31%	0.27%
Total	33,085,470	1,156,090	31,140,830	1,082,960	-35,990	49.07%	1.72%

VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Date	Way of communication	Type of communication party	Index to main information communicated
18 January 2019	By visit	Institutional investor	www.cninfo.com.cn
12 February 2019	By visit	Institutional investor	www.cninfo.com.cn
18 February 2019	By visit	Institutional investor	www.cninfo.com.cn
19 February 2019	By visit	Institutional investor	www.cninfo.com.cn
20 February 2019	By visit	Institutional investor	www.cninfo.com.cn
20 February 2019	By visit	Institutional investor	www.cninfo.com.cn
25 February 2019	By visit	Institutional investor	www.cninfo.com.cn
27 February 2019	By visit	Institutional investor	www.cninfo.com.cn
1 March 2019	By visit	Institutional investor	www.cninfo.com.cn

4 March 2019	By visit	Institutional investor	www.cninfo.com.cn
7 March 2019	By visit	Institutional investor	www.cninfo.com.cn
20 March 2019	By visit	Institutional investor	www.cninfo.com.cn
28 March 2019	By visit	Institutional investor	www.cninfo.com.cn
29 March 2019	By visit	Institutional investor	www.cninfo.com.cn

VIII Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

Part V Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by TCL Corporation

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Monetary capital	24,088,968,884.00	26,801,342,532.00
Settlement reserve		
Interbank loans granted		
Trading financial assets	4,264,916,057.00	
Financial assets at fair value through profit or loss		1,137,579,704.00
Derivative financial assets	54,973,850.00	
Notes and accounts receivable	20,146,193,381.00	17,923,666,528.00
Including: Notes receivable	5,256,215,084.00	4,272,221,611.00
Accounts receivable	14,889,978,297.00	13,651,444,917.00
Prepayments	2,163,070,379.00	1,194,972,138.00
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	5,950,284,413.00	5,719,378,954.00
Including: Interest receivable	85,040,831.00	70,777,805.00
Dividends receivable	90,505.00	47,748,475.00
Financial assets purchased under resale agreements		
Inventories	16,426,745,707.00	19,887,971,677.00
Contractual assets		
Assets classified as held for sale		18,792,459.00
Current portion of non-current assets		
Other current assets	8,685,289,827.00	7,624,097,005.00
Total current assets	81,780,442,498.00	80,307,800,997.00
Non-current assets:		

Loans and advances to customers	1,224,881,193.00	1,123,799,564.00
Investments in debt obligations	1,289,850,846.00	
Available-for-sale financial assets		4,270,844,592.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	18,397,314,513.00	16,957,109,519.00
Investments in other equity instruments	1,839,955,711.00	
Other non-current financial assets	361,562,403.00	
Investment property	1,717,838,413.00	1,676,210,635.00
Fixed assets	41,913,424,936.00	35,983,131,306.00
Construction in progress	36,057,971,637.00	38,924,586,355.00
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	6,298,044,984.00	5,954,872,994.00
R&D expense	1,055,423,705.00	1,011,503,608.00
Goodwill	357,111,511.00	357,111,511.00
Long-term prepaid expense	1,838,972,075.00	1,861,333,252.00
Deferred income tax assets	723,763,800.00	797,881,851.00
Other non-current assets	3,806,145,060.00	3,537,755,555.00
Total non-current assets	116,882,260,787.00	112,456,140,742.00
Total assets	198,662,703,285.00	192,763,941,739.00
Current liabilities:		
Short-term borrowings	15,961,294,403.00	13,287,723,834.00
Borrowings from the central bank	128,829,897.00	231,404,499.00
Interbank loans obtained	100,000,000.00	
Trading financial liabilities	112,605,100.00	
Financial liabilities at fair value through profit or loss		212,097,067.00
Derivative financial liabilities	125,141,628.00	
Notes and accounts payable	27,710,400,977.00	27,015,285,496.00
Advances from customers	1,911,839,686.00	1,460,773,236.00
Financial assets sold under repurchase agreements	182,566,672.00	

Customer deposits and interbank deposits	284,563,605.00	545,052,800.00
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	2,140,025,325.00	2,891,392,699.00
Taxes payable	675,382,925.00	716,534,266.00
Other payables	27,739,834,774.00	23,120,774,383.00
Including: Interest payable	847,491,714.00	586,819,775.00
Dividends payable	6,609,838.00	22,552,834.00
Handling charges and commissions payable		
Reinsurance payables		
Contractual liabilities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	3,534,939,770.00	6,009,915,080.00
Other current liabilities	1,111,570,164.00	3,344,450,936.00
Total current liabilities	81,718,994,926.00	78,835,404,296.00
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	37,432,475,830.00	36,864,922,669.00
Bonds payable	12,986,708,018.00	12,985,628,025.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	73,897,294.00	73,901,549.00
Long-term payroll payable	23,999,609.00	24,245,725.00
Provisions		
Deferred income	2,392,116,873.00	2,637,228,528.00
Deferred income tax liabilities	445,335,289.00	440,352,161.00
Other non-current liabilities	126,889,939.00	30,586,139.00
Total non-current liabilities	53,481,422,852.00	53,056,864,796.00
Total liabilities	135,200,417,778.00	131,892,269,092.00
Owners' equity:		
Share capital	13,549,648,507.00	13,549,648,507.00

Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	6,026,250,805.00	5,996,741,456.00
Less: Treasury stock	673,197,021.00	63,457,893.00
Other comprehensive income	-656,354,091.00	-1,174,161,842.00
Specific reserve		
Surplus reserves	2,184,261,029.00	2,184,261,029.00
General reserve	360,766.00	360,766.00
Retained earnings	10,655,644,038.00	10,000,972,928.00
Total equity attributable to owners of the Company as the parent	31,086,614,033.00	30,494,364,951.00
Non-controlling interests	32,375,671,474.00	30,377,307,696.00
Total owners' equity	63,462,285,507.00	60,871,672,647.00
Total liabilities and owners' equity	198,662,703,285.00	192,763,941,739.00

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Monetary capital	4,403,537,268.00	1,328,706,659.00
Trading financial assets	60,751,014.00	
Financial assets at fair value through profit or loss		711,741,161.00
Derivative financial assets		
Notes and accounts receivable	262,533,285.00	215,455,944.00
Including: Notes receivable	13,751,045.00	20,496,958.00
Accounts receivable	248,782,240.00	194,958,986.00
Prepayments	5,794,585.00	187,895,276.00
Other receivables	17,681,430,433.00	18,773,352,761.00
Including: Interest receivable	98,741,623.00	212,199,974.00
Dividends receivable	4,211,824,115.00	4,211,824,115.00
Inventories	105,714,578.00	825,999.00

Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	26,138,285.00	1,873,961,604.00
Total current assets	22,545,899,448.00	23,091,939,404.00
Non-current assets:		
Investments in debt obligations	1,289,850,846.00	
Available-for-sale financial assets		1,185,429,885.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	42,889,513,265.00	41,803,449,993.00
Investments in other equity instruments	1,144,618,009.00	
Other non-current financial assets	41,868,710.00	
Investment property	4,343,712.00	5,158,426.00
Fixed assets	35,351,392.00	40,058,266.00
Construction in progress	1,241,308.00	551,693.00
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	19,547,525.00	18,776,430.00
R&D expense		
Goodwill		
Long-term prepaid expense	457,851,024.00	461,055,759.00
Deferred income tax assets		
Other non-current assets		
Total non-current assets	45,884,185,791.00	43,514,480,452.00
Total assets	68,430,085,239.00	66,606,419,856.00
Current liabilities:		
Short-term borrowings	4,230,260,000.00	3,300,260,000.00
Trading financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	3,768,280.00	
Notes and accounts payable	416,730,669.00	376,509,623.00

Advances from customers	23,602,191.00	38,614,679.00
Contractual liabilities		
Payroll payable	66,765,124.00	98,753,095.00
Taxes payable	4,153,418.00	3,437,498.00
Other payables	12,041,385,946.00	6,407,741,790.00
Including: Interest payable	453,342,112.00	471,294,072.00
Dividends payable	4,549,747.00	4,549,747.00
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	3,840,956,000.00	3,000,000,000.00
Other current liabilities		2,000,000,000.00
Total current liabilities	20,627,621,628.00	15,225,316,685.00
Non-current liabilities:		
Long-term borrowings	2,300,000,000.00	5,340,956,000.00
Bonds payable	12,986,708,018.00	12,985,628,025.00
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	700,000.00	700,000.00
Long-term payroll payable	23,999,609.00	24,245,725.00
Provisions		
Deferred income	54,826,723.00	51,506,173.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	15,366,234,350.00	18,403,035,923.00
Total liabilities	35,993,855,978.00	33,628,352,608.00
Owners' equity:		
Share capital	13,549,648,507.00	13,549,648,507.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	8,551,666,338.00	8,565,337,838.00
Less: Treasury stock	673,197,021.00	63,457,893.00
Other comprehensive income	-25,418,345.00	-24,869,176.00
Specific reserve		

Surplus reserves	1,982,196,590.00	1,982,196,590.00
Retained earnings	9,051,333,192.00	8,969,211,382.00
Total owners' equity	32,436,229,261.00	32,978,067,248.00
Total liabilities and owners' equity	68,430,085,239.00	66,606,419,856.00

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2019	Q1 2018
1. Revenue	29,650,896,518.00	25,663,947,589.00
Including: Operating revenue	29,600,956,875.00	25,629,844,055.00
Interest income	49,939,643.00	34,103,534.00
Premium income		
Handling charge and commission income		
2. Costs and expenses	29,397,234,192.00	25,520,120,772.00
Including: Cost of sales	24,435,034,582.00	20,641,198,558.00
Interest expense	18,216,588.00	17,002,816.00
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	194,829,143.00	158,904,425.00
Selling expense	2,182,421,040.00	2,087,965,694.00
Administrative expense	900,923,674.00	982,319,715.00
R&D expense	1,162,045,199.00	891,141,786.00
Finance costs	309,514,284.00	451,802,288.00
Including: Interest expense	659,007,115.00	418,425,531.00
Interest income	199,963,103.00	151,314,577.00
Asset impairment loss	171,248,740.00	289,785,490.00

Credit impairment loss	23,000,942.00	
Add: Other income	465,016,958.00	359,075,871.00
Return on investment (“-” for loss)	536,480,452.00	480,997,437.00
Including: Share of profit or loss of joint ventures and associates	233,511,429.00	193,147,151.00
Foreign exchange gain (“-” for loss)	-2,170,320.00	-11,582,672.00
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-55,490,496.00	89,554,383.00
Asset disposal income (“-” for loss)	-410,714.00	-4,236,068.00
3. Operating profit (“-” for loss)	1,197,088,206.00	1,057,635,768.00
Add: Non-operating income	30,958,150.00	22,298,944.00
Less: Non-operating expense	8,628,523.00	22,512,259.00
4. Profit before tax (“-” for loss)	1,219,417,833.00	1,057,422,453.00
Less: Income tax expense	213,340,303.00	269,376,944.00
5. Net profit (“-” for net loss)	1,006,077,530.00	788,045,509.00
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	1,006,077,530.00	788,045,509.00
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	779,088,389.00	730,837,280.00
5.2.1 Net profit attributable to non-controlling interests	226,989,141.00	57,208,229.00
6. Other comprehensive income, net of tax	360,421,531.00	787,217,077.00
Attributable to owners of the Company as the parent	182,670,669.00	616,298,668.00
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value of the company’s credit risks		

6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	182,670,669.00	616,298,668.00
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method	-219,502,741.00	14,098,292.00
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		31,028,892.00
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		
6.2.7 Reserve for cash flow hedges	-1,824,916.00	119,029,402.00
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	373,035,904.00	454,721,405.00
6.2.9 Other	30,962,422.00	-2,579,323.00
Attributable to non-controlling interests	177,750,862.00	170,918,409.00
7. Total comprehensive income	1,366,499,061.00	1,575,262,586.00
Attributable to owners of the Company as the parent	961,759,058.00	1,347,135,948.00
Attributable to non-controlling interests	404,740,003.00	228,126,638.00
8. Earnings per share		
8.1 Basic earnings per share	0.0578	0.0540
8.2 Diluted earnings per share	0.0576	0.0540

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

4. Income Statement of the Company as the Parent

Unit: RMB

Item	Q1 2019	Q1 2018
1. Operating revenue	391,405,520.00	388,286,981.00
Less: Cost of sales	336,142,776.00	345,516,148.00

Taxes and surcharges	5,415,554.00	3,405,914.00
Selling expense	7,861,046.00	5,521,622.00
Administrative expense	59,858,577.00	55,299,895.00
R&D expense	13,988,515.00	24,432,765.00
Finance costs	174,605,997.00	189,083,274.00
Including: Interest expense	343,515,714.00	280,527,876.00
Interest income	202,474,056.00	314,004,140.00
Asset impairment loss		
Credit impairment loss		
Add: Other income	3,481,500.00	
Return on investment (“-” for loss)	351,140,692.00	246,182,662.00
Including: Share of profit or loss of joint ventures and associates	225,928,594.00	190,095,753.00
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-75,625,521.00	-60,335,621.00
Asset disposal income (“-” for loss)	12,900.00	2,093.00
2. Operating profit (“-” for loss)	72,542,626.00	-49,123,503.00
Add: Non-operating income	8,843,380.00	3,946,079.00
Less: Non-operating expense		656,497.00
3. Profit before tax (“-” for loss)	81,386,006.00	-45,833,921.00
Less: Income tax expense		515,489.00
4. Net profit (“-” for net loss)	81,386,006.00	-46,349,410.00
4.1 Net profit from continuing operations (“-” for net loss)	81,386,006.00	-46,349,410.00
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		-7,092,510.00
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit pension schemes		

5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value of the company's credit risks		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		-7,092,510.00
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		1,674,009.00
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		-8,766,519.00
6. Total comprehensive income	81,386,006.00	-53,441,920.00
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2019	Q1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	29,948,578,250.00	29,764,501,809.00
Net increase in customer deposits and interbank deposits	-260,489,195.00	136,586,069.00
Net increase in borrowings from the central bank	-102,574,602.00	-29,593,992.00
Net increase in loans from other financial institutions	100,000,000.00	
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received	50,234,049.00	34,372,209.00
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	1,527,267,914.00	953,871,586.00
Cash generated from other operating activities	611,209,398.00	1,108,465,105.00
Subtotal of cash generated from operating activities	31,874,225,814.00	31,968,202,786.00
Payments for commodities and services	22,624,066,728.00	21,970,872,817.00
Net increase in loans and advances to customers	101,081,629.00	282,643,965.00
Net increase in deposits in the central bank and in interbank loans granted	-73,444,006.00	-3,012,530,248.00
Payments for claims on original insurance contracts		

Net increase in financial assets held for trading purposes		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	2,262,538,883.00	1,944,827,399.00
Taxes paid	1,528,965,251.00	1,179,065,695.00
Cash used in other operating activities	3,187,114,088.00	6,568,936,598.00
Subtotal of cash used in operating activities	29,630,322,573.00	28,933,816,226.00
Net cash generated from/used in operating activities	2,243,903,241.00	3,034,386,560.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	6,994,293,557.00	560,035,833.00
Return on investment	107,806,341.00	129,226,315.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	12,094,929.00	3,393,822.00
Net proceeds from the disposal of subsidiaries and other business units	857,657,948.00	61,928,394.00
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	7,971,852,775.00	754,584,364.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	6,728,764,686.00	5,368,257,854.00
Payments for investments	7,860,153,161.00	6,579,130,823.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	170,197,901.00	
Cash used in other investing activities		
Subtotal of cash used in investing activities	14,759,115,748.00	11,947,388,677.00
Net cash generated from/used in investing activities	-6,787,262,973.00	-11,192,804,313.00

3. Cash flows from financing activities:		
Capital contributions received	1,717,989,160.00	1,557,219,649.00
Including: Capital contributions by non-controlling interests to subsidiaries	1,717,989,160.00	1,557,219,649.00
Borrowings obtained	11,450,834,740.00	12,661,658,722.00
Net proceeds from the issuance of bonds		
Cash generated from other financing activities		3,508,750.00
Subtotal of cash generated from financing activities	13,168,823,900.00	14,222,387,121.00
Repayments of borrowings	10,215,385,719.00	8,721,285,702.00
Payments for interest and dividends	633,721,052.00	705,027,234.00
Including: Dividends paid by subsidiaries to non-controlling interests	29,586,633.00	32,655,333.00
Cash used in other financing activities	650,919,985.00	28,400,000.00
Subtotal of cash used in financing activities	11,500,026,756.00	9,454,712,936.00
Net cash generated from/used in financing activities	1,668,797,144.00	4,767,674,185.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	141,176,713.00	-636,628,114.00
5. Net increase in cash and cash equivalents	-2,733,385,875.00	-4,027,371,682.00
Add: Cash and cash equivalents, beginning of the period	25,702,383,482.00	23,281,170,084.00
6. Cash and cash equivalents, end of the period	22,968,997,607.00	19,253,798,402.00

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	Q1 2019	Q1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	323,551,914.00	403,410,287.00
Tax rebates	332,021.00	

Cash generated from other operating activities	6,660,157,054.00	5,832,730,512.00
Subtotal of cash generated from operating activities	6,984,040,989.00	6,236,140,799.00
Payments for commodities and services	362,320,629.00	466,906,357.00
Cash paid to and for employees	44,495,298.00	55,085,763.00
Taxes paid	18,593,335.00	20,124,908.00
Cash used in other operating activities	2,809,080,047.00	337,042,985.00
Subtotal of cash used in operating activities	3,234,489,309.00	879,160,013.00
Net cash generated from/used in operating activities	3,749,551,680.00	5,356,980,786.00
2. Cash flows from investing activities:		
Proceeds from disinvestment	5,542,600,000.00	199,017,050.00
Return on investment	54,718,062.00	69,966,648.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	88,286.00	2,449.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	5,597,406,348.00	268,986,147.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	4,812,806.00	1,979,464.00
Payments for investments	1,992,870,615.00	5,584,993,272.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	1,997,683,421.00	5,586,972,736.00
Net cash generated from/used in investing activities	3,599,722,927.00	-5,317,986,589.00
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings obtained	3,810,956,000.00	3,561,712,000.00

Net proceeds from the issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	3,810,956,000.00	3,561,712,000.00
Repayments of borrowings	7,080,956,000.00	3,066,712,000.00
Payments for interest and dividends	323,287,951.00	3,238,037.00
Cash used in other financing activities	650,919,985.00	
Subtotal of cash used in financing activities	8,055,163,936.00	3,069,950,037.00
Net cash generated from/used in financing activities	-4,244,207,936.00	491,761,963.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	-30,210,032.00	-42,912,814.00
5. Net increase in cash and cash equivalents	3,074,856,639.00	487,843,346.00
Add: Cash and cash equivalents, beginning of the period	1,328,680,629.00	1,106,498,974.00
6. Cash and cash equivalents, end of the period	4,403,537,268.00	1,594,342,320.00

Legal representative: Li Dongsheng

Person-in-charge of financial affairs: Du Juan

Person-in-charge of the financial department: Xi Wenbo

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Applicable Not applicable

The consolidated balance sheet:

Unit: RMB

Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Monetary capital	26,801,342,532.00	26,801,342,532.00	-
Settlement reserve			
Interbank loans granted			
Trading financial assets	Not applicable	2,572,150,493.00	2,572,150,493.00

Financial assets at fair value through profit or loss	1,137,579,704.00	Not applicable	-1,137,579,704.00
Derivative financial assets		197,798,188.00	197,798,188.00
Notes and accounts receivable	17,923,666,528.00	17,919,785,805.00	-3,880,723.00
Including: Notes receivable	4,272,221,611.00	4,272,221,611.00	
Accounts receivable	13,651,444,917.00	13,647,564,194.00	-3,880,723.00
Prepayments	1,194,972,138.00	1,194,972,138.00	-
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	5,719,378,954.00	5,716,183,466.00	-3,195,488.00
Including: Interest receivable	70,777,805.00	70,777,109.00	-696.00
Dividends receivable	47,748,475.00	47,748,475.00	-
Financial assets purchased under resale agreements			
Inventories	19,887,971,677.00	19,887,971,677.00	-
Contractual assets	Not applicable		
Assets classified as held for sale	18,792,459.00	18,792,459.00	-
Current portion of non-current assets			
Other current assets	7,624,097,005.00	7,624,097,005.00	-
Total current assets	80,307,800,997.00	81,933,093,763.00	1,625,292,766.00
Non-current assets:			
Loans and advances to customers	1,123,799,564.00	1,123,799,564.00	-
Investments in debt obligations	Not applicable		
Available-for-sale financial assets	4,270,844,592.00	Not applicable	-4,270,844,592.00
Investments in other debt obligations	Not applicable		
Held-to-maturity	-	Not applicable	-

investments			
Long-term receivables			
Long-term equity investments	16,957,109,519.00	17,178,411,552.00	221,302,033.00
Investments in other equity instruments	Not applicable	1,618,075,184.00	1,618,075,184.00
Other non-current financial assets	Not applicable	1,034,117,327.00	1,034,117,327.00
Investment property	1,676,210,635.00	1,676,210,635.00	-
Fixed assets	35,983,131,306.00	35,983,131,306.00	-
Construction in progress	38,924,586,355.00	38,924,586,355.00	-
Productive living assets			
Oil and gas assets			
Right-of-use assets	Not applicable		
Intangible assets	5,954,872,994.00	5,954,872,994.00	-
R&D expense	1,011,503,608.00	1,011,503,608.00	-
Goodwill	357,111,511.00	357,111,511.00	-
Long-term prepaid expense	1,861,333,252.00	1,861,333,252.00	-
Deferred income tax assets	797,881,851.00	797,881,851.00	-
Other non-current assets	3,537,755,555.00	3,537,755,555.00	-
Total non-current assets	112,456,140,742.00	111,058,790,694.00	-1,397,350,048.00
Total assets	192,763,941,739.00	192,991,884,457.00	227,942,718.00
Current liabilities:			
Short-term borrowings	13,287,723,834.00	13,287,723,834.00	-
Borrowings from the central bank	231,404,499.00	231,404,499.00	-
Interbank loans obtained			
Trading financial liabilities	Not applicable	143,456,979.00	143,456,979.00
Financial liabilities at fair value through profit or loss	212,097,067.00	Not applicable	-212,097,067.00
Derivative financial liabilities		68,640,088.00	68,640,088.00
Notes and accounts payable	27,015,285,496.00	27,015,285,496.00	-
Advances from customers	1,460,773,236.00	1,460,773,236.00	-
Financial assets sold under repurchase agreements			

Customer deposits and interbank deposits	545,052,800.00	545,052,800.00	-
Payables for acting trading of securities			
Payables for underwriting of securities			
Payroll payable	2,891,392,699.00	2,891,392,699.00	-
Taxes payable	716,534,266.00	716,534,266.00	-
Other payables	23,120,774,383.00	23,120,774,383.00	-
Including: Interest payable	586,819,775.00	586,819,775.00	-
Dividends payable	22,552,834.00	22,552,834.00	-
Handling charges and commissions payable			
Reinsurance payables			
Contractual liabilities	Not applicable		
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities	6,009,915,080.00	6,009,915,080.00	-
Other current liabilities	3,344,450,936.00	3,344,450,936.00	-
Total current liabilities	78,835,404,296.00	78,835,404,296.00	-
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	36,864,922,669.00	36,864,922,669.00	-
Bonds payable	12,985,628,025.00	12,985,628,025.00	-
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	Not applicable		
Long-term payables	73,901,549.00	73,901,549.00	-
Long-term payroll payable	24,245,725.00	24,245,725.00	-
Provisions			
Deferred income	2,637,228,528.00	2,637,228,528.00	-
Deferred income tax liabilities	440,352,161.00	441,171,726.00	819,565.00

Other non-current liabilities	30,586,139.00	30,586,139.00	-
Total non-current liabilities	53,056,864,796.00	53,057,684,361.00	819,565.00
Total liabilities	131,892,269,092.00	131,893,088,657.00	819,565.00
Owners' equity:			
Share capital	13,549,648,507.00	13,549,648,507.00	-
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	5,996,741,456.00	5,996,741,456.00	-
Less: Treasury stock	63,457,893.00	63,457,893.00	-
Other comprehensive income	-1,174,161,842.00	-839,211,395.00	334,950,447.00
Specific reserve			
Surplus reserves	2,184,261,029.00	2,184,261,029.00	-
General reserve	360,766.00	360,766.00	-
Retained earnings	10,000,972,928.00	9,894,139,954.00	-106,832,974.00
Total equity attributable to owners of the Company as the parent	30,494,364,951.00	30,722,482,424.00	228,117,473.00
Non-controlling interests	30,377,307,696.00	30,376,313,376.00	-994,320.00
Total owners' equity	60,871,672,647.00	61,098,795,800.00	227,123,153.00
Total liabilities and owners' equity	192,763,941,739.00	192,991,884,457.00	227,942,718.00

Notes to the adjustments:

The balance sheet of the Company as the parent:

Unit: RMB

Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Monetary capital	1,328,706,659.00	1,328,706,659.00	-
Trading financial assets	Not applicable	40,735,804.00	40,735,804.00
Financial assets at fair value through profit or loss	711,741,161.00	Not applicable	-711,741,161.00
Derivative financial assets		2,802,750.00	2,802,750.00
Notes and accounts	215,455,944.00	215,455,944.00	-

receivable			
Including: Notes receivable	20,496,958.00	20,496,958.00	-
Accounts receivable	194,958,986.00	194,958,986.00	-
Prepayments	187,895,276.00	187,895,276.00	-
Other receivables	18,773,352,761.00	18,773,352,761.00	-
Including: Interest receivable	212,199,974.00	212,199,974.00	-
Dividends receivable	4,211,824,115.00	4,211,824,115.00	-
Inventories	825,999.00	825,999.00	-
Contractual assets	Not applicable		
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	1,873,961,604.00	1,873,961,604.00	-
Total current assets	23,091,939,404.00	22,423,736,797.00	-668,202,607.00
Non-current assets:			
Investments in debt obligations	Not applicable		
Available-for-sale financial assets	1,185,429,885.00	Not applicable	-1,185,429,885.00
Investments in other debt obligations	Not applicable		
Held-to-maturity investments		Not applicable	
Long-term receivables			
Long-term equity investments	41,803,449,993.00	41,803,449,993.00	-
Investments in other equity instruments	Not applicable	1,144,694,080.00	1,144,694,080.00
Other non-current financial assets	Not applicable	708,938,412.00	708,938,412.00
Investment property	5,158,426.00	5,158,426.00	-
Fixed assets	40,058,266.00	40,058,266.00	-
Construction in progress	551,693.00	551,693.00	-

Productive living assets			
Oil and gas assets			
Right-of-use assets	Not applicable		
Intangible assets	18,776,430.00	18,776,430.00	-
R&D expense			
Goodwill			
Long-term prepaid expense	461,055,759.00	461,055,759.00	-
Deferred income tax assets			
Other non-current assets			
Total non-current assets	43,514,480,452.00	44,182,683,059.00	668,202,607.00
Total assets	66,606,419,856.00	66,606,419,856.00	-
Current liabilities:			
Short-term borrowings	3,300,260,000.00	3,300,260,000.00	-
Trading financial liabilities	Not applicable		
Financial liabilities at fair value through profit or loss		Not applicable	
Derivative financial liabilities			
Notes and accounts payable	376,509,623.00	376,509,623.00	-
Advances from customers	38,614,679.00	38,614,679.00	-
Contractual liabilities	Not applicable		
Payroll payable	98,753,095.00	98,753,095.00	-
Taxes payable	3,437,498.00	3,437,498.00	-
Other payables	6,407,741,790.00	6,407,741,790.00	-
Including: Interest payable	471,294,072.00	471,294,072.00	-
Dividends payable	4,549,747.00	4,549,747.00	-
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities	3,000,000,000.00	3,000,000,000.00	-
Other current liabilities	2,000,000,000.00	2,000,000,000.00	-
Total current liabilities	15,225,316,685.00	15,225,316,685.00	-

Non-current liabilities:			
Long-term borrowings	5,340,956,000.00	5,340,956,000.00	-
Bonds payable	12,985,628,025.00	12,985,628,025.00	-
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	Not applicable		
Long-term payables	700,000.00	700,000.00	-
Long-term payroll payable	24,245,725.00	24,245,725.00	-
Provisions			
Deferred income	51,506,173.00	51,506,173.00	-
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	18,403,035,923.00	18,403,035,923.00	-
Total liabilities	33,628,352,608.00	33,628,352,608.00	-
Owners' equity:			
Share capital	13,549,648,507.00	13,549,648,507.00	-
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	8,565,337,838.00	8,565,337,838.00	-
Less: Treasury stock	63,457,893.00	63,457,893.00	-
Other comprehensive income	-24,869,176.00	-25,604,980.00	-735,804.00
Specific reserve			
Surplus reserves	1,982,196,590.00	1,982,196,590.00	-
Retained earnings	8,969,211,382.00	8,969,947,186.00	735,804.00
Total owners' equity	32,978,067,248.00	32,978,067,248.00	-
Total liabilities and owners' equity	66,606,419,856.00	66,606,419,856.00	-

2. Retrospective Restatement of Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

Applicable Not applicable

The Company adopts the new accounting standard governing financial instruments starting from 1 January 2019 and adjusts the format of its financial statements according to the Notice of the Ministry of Finance on Revising and Issuing the Format of the 2018 Annual Financial Statements of General Enterprises. And the affected financial statement items and amounts are shown in the two financial statements above.

III Independent Auditor's Report

Indicate whether the financial statements above have been audited by an independent auditor.

Yes No

Indicate whether the independent auditor's report is modified.

Yes No