



Luzhou Laojiao Co., Ltd.

Q1 2020 Report

April 2020

Section I Important Statements

The Board of Directors, Board of Supervisors, directors, supervisors and senior management guarantee that the information presented in this report is free of any false records, misleading statements or material omissions, and shall individually and together be legally liable for truthfulness, accuracy and completeness of its contents.

Other directors attended the board meeting to deliberate this report by themselves except the following directors.

Name of directors who did not attend the meeting in person	Position of directors who did not attend the meeting in person	Reason for not attending the meeting in person	Name of deputies
Lin Feng	Director	Work	Liu Miao

Mr. Liu Miao, responsible person for the Company, Ms. Xie Hong, responsible person for accounting work and Ms. Yan Li, responsible person for the Company's financial affairs (Accounting Supervisor) have warranted that the financial statements in this report are true, 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.

Section II Key Corporate Information

1. Key accounting data and financial indicators

Whether the Company performed a retroactive adjustment to or restatement of accounting data.

Yes No

	Q1 2020	Q1 2019	Change
Operating revenues (CNY)	3,552,467,494.03	4,169,227,565.29	-14.79%
Net profits attributable to shareholders of the Company (CNY)	1,707,145,859.72	1,514,560,516.51	12.72%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	1,713,748,254.45	1,509,954,666.54	13.50%
Net cash flows from operating activities (CNY)	-316,284,597.30	561,024,531.75	-156.38%
Basic earnings per share (CNY/share)	1.17	1.03	13.59%
Diluted earnings per share (CNY/share)	1.17	1.03	13.59%
Weighted average ROE	8.43%	8.53%	-0.10%
	31 March 2020	31 December 2019	Change
Total assets (CNY)	29,755,363,958.77	28,919,969,078.32	2.89%
Net assets attributable to shareholders of the Company (CNY)	21,079,845,567.04	19,406,845,725.61	8.62%

Non-recurring profits and losses

Applicable N/A

Unit: CNY

Item	Q1 2020	Note
Government grants accounted for, in the profit or loss for the current period (except for the government grants closely related to the business of the Company and given at a fixed amount or quantity in accordance with the national uniform standards)	8,578,919.67	
Other non-operating income and expenditure except above-mentioned items	-17,365,664.29	
Less: Corporate income tax	-2,244,971.82	
Minority interests (after tax)	60,621.93	

Total	-6,602,394.73	--
-------	---------------	----

Explain the reasons if the Company classifies an item as a non-recurring profit/loss according to the definition in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public-Non-Recurring Profits and Losses*, or classifies any non-recurring profit/loss item mentioned in the said explanatory announcement as a recurring profit/loss item.

Applicable N/A

No such cases for the reporting period.

2. Total number of shareholders and shareholdings of top 10 shareholders at the end of the reporting period

2.1 Total numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top 10 shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period	99,589	Total number of preference shareholders with resumed voting rights at the end of the reporting period (if any)	0			
Shareholdings of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Number of holding restricted shares	Pledged or frozen shares	
					Status of shares	Number of shares
Luzhou Laojiao Group Co., Ltd.	State-owned corporation	26.02%	381,088,389	0		
Luzhou XingLu Investment Group Co., Ltd.	State-owned corporation	24.99%	365,971,142	0	Pledged	165,980,000
China Securities Finance Corporation limited	State-owned corporation	2.31%	33,842,059	0		
Hong Kong Securities Clearing Company Limited	Outbound corporation	2.27%	33,305,386	0		
Bank of China Co., Ltd. – Liquor index securities investment fund by China Merchants Fund	Other	1.56%	22,785,036	0		

Central Huijin Asset Management Co., Ltd.	State-owned	1.43%	20,937,500	0		
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E Fund	Other	1.33%	19,521,463	0		
Bank of China Co., Ltd. - Middle and small capital stocks hybrid securities investment fund by E Fund	Other	1.30%	19,060,000	0		
Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities investment fund by Invesco Great Wall	Other	0.89%	13,000,000	0		
Bank of China Co., Ltd. -Blue chip selected hybrid securities investment fund by E Fund	Other	0.83%	12,103,302	0		
Shareholdings of the top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held	Type of shares				
		Type	Number			
Luzhou Laojiao Group Co., Ltd.	381,088,389	CNY common shares	381,088,389			
Luzhou XingLu Investment Group Co., Ltd.	365,971,142	CNY common shares	365,971,142			
China Securities Finance Corporation limited	33,842,059	CNY common shares	33,842,059			
Hong Kong Securities Clearing Company Limited	33,305,386	CNY common shares	33,305,386			

Bank of China Co., Ltd. – Liquor index classification securities investment fund by China Merchants Fund	22,785,036	CNY common shares	22,785,036
Central Huijin Asset Management Co., Ltd.	20,937,500	CNY common shares	20,937,500
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E Fund	19,521,463	CNY common shares	19,521,463
Bank of China Co., Ltd. – Middle and small capital stocks hybrid securities investment fund by E Fund	19,060,000	CNY common shares	19,060,000
Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities investment fund by Invesco Great Wall	13,000,000	CNY common shares	13,000,000
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	12,103,302	CNY common shares	12,103,302
Related parties or acting-in-concert	<p>1. Luzhou Laojiao Group Co., Ltd. and Luzhou XingLu Investment Group Co., Ltd. are both wholly state-owned companies under the jurisdiction of SASAC of Luzhou. The two companies signed the agreement of persons acting in concert on 31 December 2015. For details, please refer to the announcement of the Company on 5 January 2016 - <i>Announcement on the agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2016-1 (http://www.cninfo.com.cn/).</p> <p>2. In addition, whether there is an association between the remaining shareholders or they belong to persons acting in concert is unknown.</p>		
Explanation on the top 10 shareholders participating in the securities margin trading (if any)	During the reporting period, Luzhou XingLu Investment Group Co., Ltd. took its 57,000,000 shares of our company as collateral to participate in financing business through CITIC Securities Company Limited.		

Did any of the top 10 common shareholders or the top non-restricted common shareholders of the Company conduct any promissory repurchase during the reporting period.

Yes No

The top 10 non-restricted common shareholders, the top 10 common shareholders did not conduct any promissory repurchase during the reporting period.

2.2 Total number of preference shareholders and shareholdings of the top 10 preference shareholders

Applicable N/A

Section III Significant Events

1. Changes in key financial data and indicators in the reporting period and reasons for the changes

√ Applicable □ N/A

A. The closing balance of prepayment increased by CNY 70,438,937.29 compared to the opening balance, indicating an increase of 46.40%. It was mainly due to the increased prepayment to suppliers.

B. The closing book value of fixed assets increased by CNY 679,624,656.02 compared to the opening book value, indicating an increase of 44.75%. It was mainly due to the increase in construction in progress that met the expected conditions for use and was transferred to fixed assets in the current period.

C. The closing balance of other non-current assets decreased by CNY 174,381,516.18 compared to the opening balance, indicating a decrease of 73.41%. It was mainly due to that the prepayments made in the previous period by subsidiary Brewing Company for engineering and land were settled in the current period.

D. The closing balance of contractual liabilities decreased by CNY 1,359,873,381.19 compared to the opening balance, indicating a decrease of 68.46%; and the closing balance of other current liabilities decreased by CNY 174,612,397.53 compared to the opening balance, indicating a decrease of 67.62%. It was mainly due to that upon the adoption of the new accounting standard governing revenue on 1 January 2020, the Company presented the advance from customer (net of tax) in contractual liabilities and the tax in other current liabilities; and that affected by the COVID-19 outbreak, contractual liabilities and other current liabilities both decreased in the current period.

E. The closing balance of employee benefits payable decreased by CNY 58,378,539.68 compared to the opening balance, indicating a decrease of 33.39%. It was mainly due to that the accrued bonuses in last year were paid in the current period.

F. The closing balance of bonds payable increased by CNY 1,494,679,999.69 compared to the opening balance, indicating an increase of 60.01%. It was mainly due to the issuance of the 2020 Phase I corporate bonds in the current period.

G. Cost of sales in the current period decreased by CNY 402,170,356.16 compared to the same period of last year, indicating a decrease of 46.27%. It was mainly due to that affected by the COVID-19 outbreak, sales revenue decreased in the current period.

H. Taxes and surcharges in the current period decreased by CNY 270,757,842.15 compared to the same period of last year, indicating a decrease of 56.33%. It was mainly due to the decreased consumption tax in the current period.

I. Selling and distribution expenses in the current period decreased by CNY 220,068,118.18 compared to the same period of last year, indicating a decrease of 31.19%. It was mainly due to that affected by the COVID-19 outbreak, advertising expenses and market expansion expenses decreased in the current period.

J. Non-operating expenses in the current period increased by CNY 19,839,188.79 compared to the same period of last year, indicating an increase of 2537.51%. It was mainly due to the increased donations in the current period.

K. Net profit attributable to non-controlling interests in the current period decreased by CNY 20,703,577.32 compared to the same period of last year, indicating a decrease of 51.97%. It was mainly due to the decreased operating profits of non-wholly-owned subsidiary in the current period.

L. Net cash flows from operating activities in the current period decreased by CNY 877,309,129.05 compared to the same period of last year, indicating a decrease of 156.38%. It was mainly due to the decreased cash received from sale of goods in the current period.

M. Net cash flows from financing activities in the current period increased by CNY 1,495,941,368.05 compared to the same period of last year, indicating an increase of 42741.18%. It was mainly due to the issuance of corporate bonds.

2. Progress, influence and solutions with regard to significant events

√ Applicable □ N/A

A. The Company's three savings deposits of CNY 500 million, including ABC Changsha Yingxin Branch and ICBC Nanyang Zhongzhou Branch are involved in contract disputes. The Company has reported to the public security authorities for intervention with the assets preservation measure and filed civil claims for two contract disputes among the three cases. Combined with the assets preservation situation of the public security authorities and professional legal advice issued by lawyers, the Company has made a provision of CNY 200 million for bad debts for the deposit of CNY 500 million. During the reporting period, the Supreme People's Court made a final judgment on the dispute arising out of the deposit contract between the Company and ABC Changsha Yingxin Branch. In respect of the losses that couldn't be recovered through criminal procedures, ABC Changsha Yingxin Branch should bear 40% of the compensation liability, ABC Changsha Hongxing Branch 20%, and the remaining losses should be borne by the Company. As of 31 March 2020, the Company had recovered CNY 214,859,700 for three of the disputes. The case between the Company and ICBC Nanyang Zhongzhou Branch is still under trial. Adjustment may be made to the amount of bad debt provisions as the case proceeds.

See details in the Company's announcements:

Date of announcement	No.	Catalogue	Official website
15 October 2014	2014-35	Announcement of significant litigation	http://www.cninfo.com.cn/
12 November 2014	2014-41	Announcement of significant litigation progress	
6 December 2014	2014-43	Announcement of significant litigation progress part II	
10 January 2015	2015-1	Announcement of significant events	
4 February 2015	2015-4	Announcement of significant events progress	
25 March 2015	2015-11	Announcement of significant litigation progress part III	
18 April 2015	2015-20	Announcement of significant	

		litigation progress part IV	
22 April 2015	2015-21	Announcement of significant events progress part II	
24 April 2015	2015-25	Announcement of significant litigation progress part V	
15 July 2015	2015-44	Announcement of significant litigation progress part VI	
22 July 2015	2015-45	Announcement of significant litigation progress part VII	
6 June 2018	2018-17	Announcement of significant litigation progress part VIII	
7 May 2019	2019-11	Announcement of significant litigation progress part IX	
17 May 2019	2019-13	Announcement of significant litigation progress part X	
24 March 2020	2020-7	Announcement of significant litigation progress part XI	

B. The Company disclosed the technical renovation project of brewing invested by Luzhou Laojiao Brewing Co., Ltd., a subsidiary of the Company. The total investment amount is CNY 7,414,280,000. See details in the announcement *About subsidiary technical renovation project of brewing*, No: 2016-12 (<http://www.cninfo.com.cn/>) dated 28 April 2016. At present, this project is under construction.

C. The Company held the 7th meeting of the ninth board of directors on 25 April 2019 and the first special meeting of shareholders in 2019 on 14 May 2019, reviewed and approved the Proposal on the Company's Eligibility for Public Offering of Corporate Bond for Qualified Investors and Proposal on Plan of Public Offering of Corporate Bond and agreed the Company's application of public offering of corporate bond for qualified investors. On 26 July 2019, the Company received the Reply on Approval of Luzhou Laojiao Co., Ltd. Public Offering of Corporate Bond for Qualified Investors (ZJXK(2019)No. 1312 issued by China Securities Regulatory Commission. On 28 August 2019, the 2019 public offering of corporate bond for qualified investors (Phase I) finished with the issue price of CNY 100 per piece. The final issue scale is CNY 2.5 billion and the final coupon rate is 3.58%. The bonds were traded in Shenzhen Stock Exchange on 4 September 2019. On 17 March 2020, the 2020 public offering of corporate bond for qualified investors (Phase I) finished with the issue price of CNY 100 per piece. The final issue scale is CNY 1.5 billion and the final coupon rate is 3.50%. The bonds were traded in Shenzhen Stock Exchange on 25 March 2020.

D. The Company held the 16th meeting of the ninth board of directors on 10 January 2020, where the Proposal on Change to Accounting Policy was reviewed and approved. As such, the Company decided to prepare its financial statements according to the Accounting Standard No. 14 for Business Enterprises—Revenue (CK [2017] No. 22) revised and issued by the Ministry of Finance, starting from 1

January 2020. The said change did not involve any retrospective restatement of the comparable data of 2019, and had no impact on the relevant financial indicators of 2019.

Implementation progress of shares repurchases

Applicable N/A

Implementation progress of share buyback reduction through centralized bidding

Applicable N/A

3. Undertakings of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers ongoing in the reporting period

Applicable N/A

Undertaking reasons	Undertaking giver	Type of undertakings	Details of undertakings	Undertaking date	Term	Particulars on the performance
Stock reform undertaking						
Undertaking made in the report of acquisition or change of interest						
Undertaking made in the reorganization of assets						
Undertakings given in time of IPO or refinancing	Luzhou Liquor Industry Investment Co., Ltd.	Restricted shares	For the shares of Luzhou Laojiao by non-public offering purchased, I/The unit undertakes that the shares will be not transferred within 36 months from new shares offering, including but not limited to	2017.09.14	36months	In progress

			public transfer and negotiating transfer. If laws and regulations have other rules on restricted period, it follows the rules.			
Equity incentive commitment						
Other undertakings to non-controlling shareholders						
Whether the undertaking is fulfilled on time	Yes					

4. Securities investment

√ Applicable □ N/A

Unit: CNY

Category of securities	Stock code	Abbreviation of securities	Initial investment cost	Accounting measurement model	Beginning book balance	Changes in fair value recognized in profit or loss	Changes in the cumulative fair value recorded into equity	Amount of purchase	Amount of sale	Profit and loss during the reporting period	Closing book balance	Accounting item	Capital source
Domestic and foreign stock	601211	GTJA	12,719,156.76	Fair value measurement	217,756,674.52	-26,027,163.37	179,010,354.39				191,729,511.15	Investments in other equity instruments	Owned fund
Domestic and foreign stock	002246	SNC	1,030,000.00	Fair value measurement	11,757,933.60	-171,991.05	10,555,942.55				11,585,942.55	Investments in other equity	Owned fund

												instrum ents	
Domestic and foreign stock	01983	LZBAN K	51,120,000.00	Fair value measurement	89,076,363.20	-15,728,912.96	22,227,450.24					Investments in other equity instruments	Owned fund
			64,869,156.76	--	318,590,971.32	-41,928,067.38	211,793,747.18	0.00	0.00	0.00	276,662,903.94	--	--

5. Entrust assets management

Applicable N/A

No such cases in the reporting period.

6. Derivative investment

Applicable N/A

No such cases in the reporting period.

7. Visits paid to the Company for purposes of research, communication, interview, etc.

Applicable N/A

No such cases in the reporting period.

8. Irregularities in the provision of guarantees

Applicable N/A

No such cases in the reporting period.

9. Occupation of the Company's fund by the controlling shareholder or its related parties for non-operating purposes

Applicable N/A

No such cases in the reporting period.

Section IV Financial Statements

1. Financial statements

1.1 Consolidated balance sheet

Prepared by: Luzhou Laojiao Co., Ltd.

31 March 2020

Unit: CNY

Item	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	10,503,991,625.35	9,753,666,526.78
Settlement reserves		
Lending funds		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivables		
Accounts receivables	15,369,344.25	18,293,914.23
Accounts receivables financing	2,065,914,390.59	2,393,797,259.80
Prepayment	222,257,385.77	151,818,448.48
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	198,959,567.49	159,753,421.64
Including: Interests receivable	52,364,255.63	45,636,744.44
Dividends receivable		
Buying back the sale of financial assets		
Inventories	3,774,928,731.43	3,641,235,092.33
Contractual assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	215,837,981.35	195,174,048.57
Total current assets	16,997,259,026.23	16,313,738,711.83

Non-current assets:		
Disbursement of loans and advances		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,272,515,292.21	2,230,721,725.72
Investments in other equity instruments	310,467,188.40	352,395,255.78
Other non-current financial assets		
Investment property		
Fixed assets	2,198,490,053.93	1,518,865,397.91
Construction in progress	7,091,702,099.41	7,257,393,087.56
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	328,582,924.22	332,234,032.47
Development expenses		
Goodwill		
Long-term deferred expenses	888,999.29	928,805.23
Deferred tax assets	492,300,443.51	676,152,614.07
Other non-current assets	63,157,931.57	237,539,447.75
Total non-current assets	12,758,104,932.54	12,606,230,366.49
Total assets	29,755,363,958.77	28,919,969,078.32
Current liabilities:		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,716,815,910.21	1,868,623,958.02
Advance from customer		2,244,442,643.64
Contractual liabilities	626,359,046.81	
Financial assets sold for repurchase		

Deposits from customers and inter-bank		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	283,647,147.81	342,025,687.49
Taxes payable	1,087,731,237.55	1,633,044,231.67
Other payable	652,918,428.89	698,942,399.37
Including: Interests payable	54,732,876.71	30,650,684.93
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	83,597,818.11	
Total current liabilities	4,451,069,589.38	6,787,078,920.19
Non-current liabilities:		
Insurance contract reserves		
Long-term loans		
Bonds payable	3,985,563,676.08	2,490,883,676.39
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	23,845,000.00	23,845,000.00
Deferred tax liabilities	52,948,436.80	63,430,453.64
Other non-current liabilities		
Total non-current liabilities	4,062,357,112.88	2,578,159,130.03
Total liabilities	8,513,426,702.26	9,365,238,050.22
Shareholders' equity:		
Share capital	1,464,752,476.00	1,464,752,476.00

Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	3,722,777,063.13	3,722,777,063.13
Less: treasury stock		
Other comprehensive income	160,671,112.28	194,817,130.57
Special reserves		
Surplus reserves	1,464,752,476.00	1,464,752,476.00
General risk reserve		
Undistributed profits	14,266,892,439.63	12,559,746,579.91
Total equity attributable to owners of the parent company	21,079,845,567.04	19,406,845,725.61
Non-controlling interests	162,091,689.47	147,885,302.49
Total owners' equity	21,241,937,256.51	19,554,731,028.10
Total liabilities and owners' equity	29,755,363,958.77	28,919,969,078.32

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

1.2 Balance sheet of parent company

Unit: CNY

Item	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	9,385,691,801.39	8,872,692,385.79
Held-for-trading financial assets		
Derivative financial assets		
Notes receivables		
Accounts receivables		21,562.85
Accounts receivables financing		
Prepayment	26,500,248.20	11,682,593.27
Other receivables	7,086,021,140.80	5,850,481,480.50
Including: Interests receivable	81,866,788.02	40,570,144.44
Dividends receivable		
Inventories	6,506,978.73	1,049,384.24

Contractual assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	7,474,806.70	5,562,360.72
Total current assets	16,512,194,975.82	14,741,489,767.37
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	5,678,475,420.32	5,636,681,853.83
Investments in other equity instruments	310,138,266.77	352,066,334.15
Other non-current financial assets		
Investment property		
Fixed assets	579,756,211.54	601,481,983.81
Construction in progress	941,166,378.70	967,953,263.55
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	294,815,453.97	297,830,285.02
Development expenses		
Goodwill		
Long-term deferred expenses	744,498.40	777,834.15
Deferred tax assets	77,831,935.75	75,249,717.72
Other non-current assets		
Total non-current assets	7,882,928,165.45	7,932,041,272.23
Total assets	24,395,123,141.27	22,673,531,039.60
Current liabilities:		
Short-term loans		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	50,666,761.37	87,652,671.29
Advance from customer		9,712,630.35

Contractual liabilities	11,533,629.51	
Employee benefits payable	100,587,719.17	116,124,722.19
Taxes payable	13,585,789.03	82,399,599.18
Other payables	1,428,273,972.03	1,099,598,588.83
Including: Interests payable	54,732,876.71	30,650,684.93
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,499,371.84	
Total current liabilities	1,606,147,242.95	1,395,488,211.84
Non-current liabilities:		
Long-term loans		
Bonds payable	3,985,563,676.08	2,490,883,676.39
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	2,380,000.00	2,380,000.00
Deferred tax liabilities	52,948,436.80	63,430,453.64
Other non-current liabilities		
Total non-current liabilities	4,040,892,112.88	2,556,694,130.03
Total liabilities	5,647,039,355.83	3,952,182,341.87
Shareholders' equity		
Share capital	1,464,752,476.00	1,464,752,476.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	3,706,816,950.12	3,706,816,950.12
Less: treasury stock		
Other comprehensive income	164,210,448.51	192,332,738.05
Special reserves		

Surplus reserves	1,464,752,476.00	1,464,752,476.00
Undistributed profits	11,947,551,434.81	11,892,694,057.56
Total owners' equity	18,748,083,785.44	18,721,348,697.73
Total liabilities and owners' equity	24,395,123,141.27	22,673,531,039.60

1.3 Consolidated income statement

Unit: CNY

Item	Q1 2020	Q1 2019
1. Total operating revenue	3,552,467,494.03	4,169,227,565.29
Including: Operating revenue	3,552,467,494.03	4,169,227,565.29
Interest income		
Earned premium		
Fee and commission income		
2. Total operating costs	1,285,561,805.00	2,167,484,534.81
Including: Cost of sales	466,988,102.04	869,158,458.20
Interest expense		
Handling charges and commission expenses		
Refunded premiums		
Net payments for insurance claims		
Net provision for insurance contracts		
Bond insurance expense		
Reinsurance Expenses		
Taxes and surcharges	209,877,647.60	480,635,489.75
Selling and distribution expenses	485,613,538.80	705,681,656.98
General and administrative expenses	162,202,429.84	152,353,125.64
Research and Development expenses	10,759,004.98	10,274,378.88
Financial expenses	-49,878,918.26	-50,618,574.64
Including: Interest expenses	25,735,318.66	30,884,105.67
Interest income	74,031,795.61	81,926,620.06
Plus: Other income	8,578,919.67	1,826,127.92
Investment income ("- " for losses)	38,469,805.49	49,120,358.03
Including: income from investment in associates and joint ventures	38,469,805.49	49,120,358.03
Income from the derecognition of financial		

assets measured at amortized cost		
Foreign exchange gains ("-" for losses)		
Net gain on exposure hedges ("-" for losses)		
Gains from the changes in fair values ("-" for losses)		
Credit impairment losses ("-" for losses)	-5,177,762.20	-4,834,599.28
Asset impairment losses ("-" for losses)		
Gains from disposal of assets ("-" for losses)		11,750.04
3. Operating profits ("-" for losses)	2,308,776,651.99	2,047,866,667.19
Plus: non-operating income	3,255,361.87	5,084,313.47
Less: non-operating expenses	20,621,026.16	781,837.37
4. Total profits before tax ("-" for total losses)	2,291,410,987.70	2,052,169,143.29
Less: income tax expenses	565,129,663.84	497,769,585.32
5. Net profit ("-" for net loss)	1,726,281,323.86	1,554,399,557.97
5.1 By operating continuity		
1) Net profit from continuing operation ("-" for losses)	1,726,281,323.86	1,554,399,557.97
2) Net profit from discontinued operation ("-" for losses)		
5.2 By ownership		
1) Attributable to owners of the parent company	1,707,145,859.72	1,514,560,516.51
2) Attributable to non-controlling interests	19,135,464.14	39,839,041.46
6. Net of tax from other comprehensive income	-39,075,095.45	77,530,718.89
Net of tax from other comprehensive income to the owner of the parent company	-34,146,018.29	78,121,338.95
6.1 Other comprehensive income that cannot be reclassified into the profit and loss:	-31,446,050.54	75,547,997.62
1) Remeasure the variation of net indebtedness or net asset of defined benefit plans		
2) Share in other comprehensive income that cannot be classified into profit and loss under equity method		
3) Changes in fair value of investments in other equity instruments	-31,446,050.54	75,547,997.62
4) Changes in fair value of the company's credit risks		
5) Other		
6.2 Other comprehensive income that will be reclassified into the profit and loss	-2,699,967.75	2,573,341.33
1) Share in other comprehensive income that will be classified into profit and loss under equity method	3,323,761.00	3,312,965.78

2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements	-6,023,728.75	-739,624.45
7) Others		
Net of tax from other comprehensive income to non-controlling interests	-4,929,077.16	-590,620.06
7. Total comprehensive income	1,687,206,228.41	1,631,930,276.86
Total comprehensive income attributable to owners of the parent company	1,672,999,841.43	1,592,681,855.46
Total comprehensive income attributable to non-controlling interests	14,206,386.98	39,248,421.40
8. Earnings per share		
(1) Basic earnings per share	1.17	1.03
(2) Diluted earnings per share	1.17	1.03

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

1.4 Income statement of parent company

Unit: CNY

Item	Q1 2020	Q1 2019
1. Operating revenue	315,730,603.07	1,097,027,255.13
Less: Cost of sales	215,663,482.49	739,133,227.85
Taxes and surcharges	1,476,450.02	6,398,516.40
Selling and distribution expenses		
General and administrative expenses	127,521,163.51	129,220,062.46
Research and Development expenses	3,445,121.56	2,975,601.25
Financial expenses	-63,259,190.75	-52,424,632.29
Including: Interest expenses	4,694,458.33	
Interest income	69,209,056.74	57,241,574.57

Plus: Other income	6,199,400.00	478,533.72
Investment income ("-" for losses)	38,469,805.49	49,120,358.03
Including: income from investment in associates and joint ventures	38,469,805.49	49,120,358.03
Income from the derecognition of financial assets at amortized cost ("-" for losses)		
Net gain on exposure hedges ("-" for losses)		
Gains from the changes in fair values ("-" for losses)		
Credit impairment losses ("-" for losses)	-752,426.69	-1,851,385.70
Asset impairment losses ("-" for losses)		
Gains from disposal of assets ("-" for losses)		
2. Operating profits ("-" for losses)	74,800,355.04	319,471,985.51
Plus: non-operating income	2,568,253.42	3,459,757.95
Less: non-operating expenses	20,491,664.66	540,821.95
3. Total profits before tax ("-" for total losses)	56,876,943.80	322,390,921.51
Less: income tax expenses	2,019,566.55	70,911,112.20
4. Net profit ("-" for net loss)	54,857,377.25	251,479,809.31
4.1 Net profit from continuing operation ("-" for losses)	54,857,377.25	251,479,809.31
4.2 Net profit from discontinued operation ("-" for losses)		
5. Net of tax from other comprehensive income	-28,122,289.54	78,860,963.40
5.1 Other comprehensive income that cannot be reclassified into the profit and loss:	-31,446,050.54	75,547,997.62
1) Remeasure the variation of net indebtedness or net asset of defined benefit plans		
2) Share in other comprehensive income that cannot be classified into profit and loss under equity method		
3) Changes in fair value of investments in other equity instruments	-31,446,050.54	75,547,997.62
4) Changes in fair value of the company's credit risks		
5) Other		
5.2 Other comprehensive income that will be reclassified into the profit and loss	3,323,761.00	3,312,965.78
1) Share in other comprehensive income that will be classified into profit and loss under equity method	3,323,761.00	3,312,965.78
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification		

of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements		
7) Others		
6. Total comprehensive income	26,735,087.71	330,340,772.71
7. Earnings per share		
(1) Basic earnings per share	0.04	0.17
(2) Diluted earnings per share	0.04	0.17

1.5 Consolidated statement of cash flows

Unit: CNY

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	2,709,764,363.56	4,158,279,598.61
Net increase in customer bank deposits and placement from banks and other financial institutions		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Premiums received from original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges and commissions		
Net increase in placements from other financial institutions		
Net capital increase in repurchase business		
Net cash received from customer brokerage deposits		
Refunds of taxes and surcharges	2,984,693.31	202,489.92
Cash received from other operating activities	145,217,970.22	64,604,699.81
Subtotal of cash inflows from operating activities	2,857,967,027.09	4,223,086,788.34
Cash paid for goods purchased and services received	794,862,329.49	977,212,309.86
Net increase in loans and advances to customers		
Net increase in deposits in central bank and other banks and		

financial institutions		
Cash paid for original insurance contract claims		
Net increase in lending funds		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	290,931,958.65	258,061,943.37
Cash paid for taxes and surcharges	1,490,541,545.95	1,533,638,411.64
Cash paid for other operating activities	597,915,790.30	893,149,591.72
Subtotal of cash outflows from operating activities	3,174,251,624.39	3,662,062,256.59
Net cash flows from operating activities	-316,284,597.30	561,024,531.75
2. Cash flows from investing activities		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	363,665.57	
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	363,665.57	
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	435,218,874.05	550,713,079.44
Cash paid for investments		
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	435,218,874.05	550,713,079.44
Net cash flows from investing activities	-434,855,208.48	-550,713,079.44
3. Cash flows from financing activities		
Cash received from investors	5,621,368.05	3,500,000.00
Including: cash received by subsidiaries from investments by minority shareholders	5,621,368.05	3,500,000.00
Cash received from borrowings	1,494,000,000.00	
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	1,499,621,368.05	3,500,000.00
Cash paid for debt repayments		

Cash paid for distribution of dividends and profits or payment of interest		
Including: dividends and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing activities	180,000.00	
Subtotal of cash outflows from financing activities	180,000.00	
Net cash flows from financing activities	1,499,441,368.05	3,500,000.00
4. Effect of fluctuation in exchange rate on cash and cash equivalents	2,023,536.30	-644,706.07
5. Net increase in cash and cash equivalents	750,325,098.57	13,166,746.24
Plus: balance of cash and cash equivalents at the beginning of the period	9,752,266,526.78	9,365,986,627.68
6. Balance of cash and cash equivalents at the end of the period	10,502,591,625.35	9,379,153,373.92

1.6 Cash flow statement of parent company

Unit: CNY

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	653,025,597.30	1,516,599,931.00
Refunds of taxes and surcharges		
Cash received from other operating activities	84,003,498.08	42,548,569.19
Subtotal of cash inflows from operating activities	737,029,095.38	1,559,148,500.19
Cash paid for goods purchased and services received	300,960,894.55	769,366,335.38
Cash paid to and on behalf of employees	285,439,755.10	248,495,225.22
Cash paid for taxes and surcharges	88,834,694.01	114,204,593.90
Cash paid for other operating activities	977,736,127.34	29,850,390.08
Subtotal of cash outflows from operating activities	1,652,971,471.00	1,161,916,544.58
Net cash flows from operating activities	-915,942,375.62	397,231,955.61
2. Cash flows from investing activities		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		

Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities		
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	64,878,208.78	43,343,509.89
Cash paid for investments		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	64,878,208.78	43,343,509.89
Net cash flows from investing activities	-64,878,208.78	-43,343,509.89
3. Cash flows from financing activities		
Cash received from investors		
Cash received from loans	1,494,000,000.00	
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	1,494,000,000.00	
Cash paid for debt repayments		
Cash paid for distribution of dividends and profits or payment of interest		
Cash paid for other financing activities	180,000.00	
Subtotal of cash outflows from financing activities	180,000.00	
Net cash flows from financing activities	1,493,820,000.00	
4. Effect of fluctuation in exchange rate on cash and cash equivalents		
5. Net increase in cash and cash equivalents	512,999,415.60	353,888,445.72
Plus: balance of cash and cash equivalents at the beginning of the period	8,872,692,385.79	6,189,473,157.83
6. Balance of cash and cash equivalents at the end of the period	9,385,691,801.39	6,543,361,603.55

2. Adjustments to the financial statements

2.1 Adjustments to the financial statements at the beginning of 2020 when the new accounting standards governing revenue and leases were first adopted

√ Applicable □ N/A

Consolidated balance sheet

Unit: CNY

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Cash and cash equivalents	9,753,666,526.78	9,753,666,526.78	
Accounts receivables	18,293,914.23	18,293,914.23	
Accounts receivables financing	2,393,797,259.80	2,393,797,259.80	
Prepayment	151,818,448.48	151,818,448.48	
Other receivables	159,753,421.64	159,753,421.64	
Including: Interests receivable	45,636,744.44	45,636,744.44	
Inventories	3,641,235,092.33	3,641,235,092.33	
Other current assets	195,174,048.57	195,174,048.57	
Total current assets	16,313,738,711.83	16,313,738,711.83	
Non-current assets:			
Long-term equity investments	2,230,721,725.72	2,230,721,725.72	
Investments in other equity instruments	352,395,255.78	352,395,255.78	
Fixed assets	1,518,865,397.91	1,518,865,397.91	
Construction in progress	7,257,393,087.56	7,257,393,087.56	
Intangible assets	332,234,032.47	332,234,032.47	
Long-term deferred expenses	928,805.23	928,805.23	
Deferred tax assets	676,152,614.07	676,152,614.07	
Other non-current assets	237,539,447.75	237,539,447.75	
Total non-current assets	12,606,230,366.49	12,606,230,366.49	
Total assets	28,919,969,078.32	28,919,969,078.32	
Current liabilities:			
Accounts payable	1,868,623,958.02	1,868,623,958.02	
Advance from customer	2,244,442,643.64		-2,244,442,643.64
Contractual liabilities		1,986,232,428.00	1,986,232,428.00
Employee benefits payable	342,025,687.49	342,025,687.49	
Taxes payable	1,633,044,231.67	1,633,044,231.67	
Other payable	698,942,399.37	698,942,399.37	
Including: Interests payable	30,650,684.93	30,650,684.93	

Other current liabilities		258,210,215.64	258,210,215.64
Total current liabilities	6,787,078,920.19	6,787,078,920.19	
Non-current liabilities:			
Bonds payable	2,490,883,676.39	2,490,883,676.39	
Deferred income	23,845,000.00	23,845,000.00	
Deferred tax liabilities	63,430,453.64	63,430,453.64	
Total non-current liabilities	2,578,159,130.03	2,578,159,130.03	
Total liabilities	9,365,238,050.22	9,365,238,050.22	
Shareholders' equity:			
Share capital	1,464,752,476.00	1,464,752,476.00	
Capital reserves	3,722,777,063.13	3,722,777,063.13	
Other comprehensive income	194,817,130.57	194,817,130.57	
Surplus reserves	1,464,752,476.00	1,464,752,476.00	
Undistributed profits	12,559,746,579.91	12,559,746,579.91	
Total equity attributable to owners of the parent company	19,406,845,725.61	19,406,845,725.61	
Non-controlling interests	147,885,302.49	147,885,302.49	
Total owners' equity	19,554,731,028.10	19,554,731,028.10	
Total liabilities and owners' equity	28,919,969,078.32	28,919,969,078.32	

Note to the adjustments:

Upon the adoption of the new accounting standard governing revenue on 1 January 2020, the Company presented the advance from customer (net of tax) in contractual liabilities and the tax in other current liabilities.

Balance sheet of parent company

Unit: CNY

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Cash and cash equivalents	8,872,692,385.79	8,872,692,385.79	
Accounts receivables	21,562.85	21,562.85	
Prepayment	11,682,593.27	11,682,593.27	
Other receivables	5,850,481,480.50	5,850,481,480.50	

Including: Interests receivable	40,570,144.44	40,570,144.44	
Inventories	1,049,384.24	1,049,384.24	
Other current assets	5,562,360.72	5,562,360.72	
Total current assets	14,741,489,767.37	14,741,489,767.37	
Non-current assets:			
Long-term equity investments	5,636,681,853.83	5,636,681,853.83	
Investments in other equity instruments	352,066,334.15	352,066,334.15	
Fixed assets	601,481,983.81	601,481,983.81	
Construction in progress	967,953,263.55	967,953,263.55	
Intangible assets	297,830,285.02	297,830,285.02	
Long-term deferred expenses	777,834.15	777,834.15	
Deferred tax assets	75,249,717.72	75,249,717.72	
Total non-current assets	7,932,041,272.23	7,932,041,272.23	
Total assets	22,673,531,039.60	22,673,531,039.60	
Current liabilities:			
Accounts payable	87,652,671.29	87,652,671.29	
Advance from customer	9,712,630.35		-9,712,630.35
Contractual liabilities		8,595,248.10	8,595,248.10
Employee benefits payable	116,124,722.19	116,124,722.19	
Taxes payable	82,399,599.18	82,399,599.18	
Other payables	1,099,598,588.83	1,099,598,588.83	
Including: Interests payable	30,650,684.93	30,650,684.93	
Other current liabilities		1,117,382.25	1,117,382.25
Total current liabilities	1,395,488,211.84	1,395,488,211.84	
Non-current liabilities:			
Bonds payable	2,490,883,676.39	2,490,883,676.39	
Deferred income	2,380,000.00	2,380,000.00	
Deferred tax liabilities	63,430,453.64	63,430,453.64	
Total non-current liabilities	2,556,694,130.03	2,556,694,130.03	
Total liabilities	3,952,182,341.87	3,952,182,341.87	

Shareholders' equity			
Share capital	1,464,752,476.00	1,464,752,476.00	
Capital reserves	3,706,816,950.12	3,706,816,950.12	
Other comprehensive income	192,332,738.05	192,332,738.05	
Surplus reserves	1,464,752,476.00	1,464,752,476.00	
Undistributed profits	11,892,694,057.56	11,892,694,057.56	
Total owners' equity	18,721,348,697.73	18,721,348,697.73	
Total liabilities and owners' equity	22,673,531,039.60	22,673,531,039.60	

Note to the adjustments:

Upon the adoption of the new accounting standard governing revenue on 1 January 2020, the Company presented the advance from customer (net of tax) in contractual liabilities and the tax in other current liabilities.

2.2 Retrospective restatement of comparative data due to the first adoption of the new accounting standards governing revenue and leases in 2020

Applicable N/A

3. Auditor's report

Whether the financial statements of this report have been audited by an auditor

Yes No

The said financial statements are unaudited by an auditor.