

Shenzhen Tellus Holding Co., Ltd.

First Quarterly Report 2020

April 2020

Section I. Important Notes

Board of Directors and the Supervisory Committee of Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.

All Directors are attended the Board Meeting for Quarterly Report deliberation. Fu Chunlong, Person in charge of the Company, Lou Hong, person in charge of accounting works, and Liu Yuhong, person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

Section II. Company Profile

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

| | Current Period | Same period of last year | Changes of this period over same period of last year |
|--|------------------------------------|--------------------------|--|
| Operating income (RMB) | 85,520,408.64 | 119,469,426.49 | -28.42% |
| Net profit attributable to shareholders of the listed company (RMB) | 5,209,071.29 | 18,017,619.19 | -71.09% |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB) | 2,618,160.47 | 15,885,705.01 | -83.52% |
| Net cash flow arising from operating activities (RMB) | 6,507,973.24 | 2,986,868.23 | 117.89% |
| Basic earnings per share (RMB/Share) | 0.0121 | 0.0606 | -80.03% |
| Diluted earnings per share (RMB/Share) | 0.0121 | 0.0606 | -80.03% |
| Weighted average ROE | 0.41% | 1.70% | -1.29% |
| | At the end of the reporting period | At the end of last year | Changes of this period-end over same period-end of last year |
| Total assets (RMB) | 1,635,904,162.86 | 1,645,782,144.03 | -0.60% |
| Net assets attributable to shareholder of listed company (RMB) | 1,276,174,367.31 | 1,270,965,296.02 | 0.41% |

Items of non-recurring gains and losses

Applicable Not applicable

In RMB

| Item | Amount from year-begin to period-end | Note |
|--|--------------------------------------|------------------|
| Gains/losses from entrust investment or assets management | 2,892,500.95 | Financial income |
| Other non-operating income and expenditure except for the aforementioned items | 217,501.91 | |
| Less: Impact on income tax | 186,237.18 | |
| Impact on minority shareholders' equity (post-tax) | 332,854.86 | |
| Total | 2,590,910.82 | -- |

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to

the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*

II. Total number of shareholders at the end of this report period and top ten shareholders

1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In shares

| Total number of common shareholders at the end of report period | | 48,315 | | Total preference shareholders with voting rights recovered at end of reporting period (if applicable) | | 0 | |
|---|------------------------------------|---------------------------|-----------------------|---|--------------------------------|--------|---|
| Top ten shareholders | | | | | | | |
| Shareholder's name | Nature of shareholder | Proportion of shares held | Amount of shares held | Amount of restricted shares held | Number of share pledged/frozen | | |
| | | | | | State of share | Amount | |
| Shenzhen Special Development Group Co., Ltd. (SDG) | State-owned corporation | 49.09% | 211,591,621 | 0 | | | 0 |
| Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (LP) | Domestic non state-owned corporate | 16.89% | 72,786,341 | 0 | | | 0 |
| China CITIC Bank Corporation Limited -Jianxin Securities 500 Index Enhanced Investment Fund | Other | 0.65% | 2,812,775 | 0 | | | 0 |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | Foreign corporation | 0.40% | 1,736,091 | 0 | | | 0 |
| ChuangJin Hexin | Other | 0.37% | 1,601,647 | 0 | | | 0 |

| Fund - Industrial and Commercial Bank of China - Foreign Trade Trust - Foreign Trade Trust · stable wealth FOF single fund trust | | | | | | |
|--|------------------------------------|------------------------------------|-------------|---|--|---|
| Hong Kong Securities Clearing Company Ltd. | Foreign corporation | 0.28% | 1,208,830 | 0 | | 0 |
| Agricultural Bank of China Ltd. – CSI 500 ETF | Other | 0.23% | 986,424 | 0 | | 0 |
| Basic endowment insurance fund 1301 portfolio | Other | 0.13% | 558,070 | 0 | | 0 |
| Chen Yun | Domestic nature person | 0.12% | 530,000 | 0 | | 0 |
| Huitianfu Fund Management Co., Ltd. - Social Security Fund 1052 portfolio | Other | 0.11% | 494,600 | 0 | | 0 |
| Top ten shareholders with unrestricted shares held | | | | | | |
| Shareholder's name | Amount of unrestricted shares held | Type of shares | | | | |
| | | Type | Amount | | | |
| Shenzhen Special Development Group Co., Ltd. (SDG) | 211,591,621 | RMB ordinary shares | 211,591,621 | | | |
| Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (LP) | 72,786,341 | RMB ordinary shares | 72,786,341 | | | |
| China CITIC Bank Corporation Limited -Jianxin Securities 500 Index Enhanced Investment Fund | 2,812,775 | RMB ordinary shares | 2,812,775 | | | |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | 1,736,091 | Domestically listed foreign shares | 1,736,091 | | | |
| ChuangJin Hexin Fund - Industrial | 1,601,647 | RMB ordinary | 1,601,647 | | | |

| | | | |
|--|---|---------------------|-----------|
| and Commercial Bank of China - Foreign Trade Trust - Foreign Trade Trust · stable wealth FOF single fund trust | | shares | |
| Hong Kong Securities Clearing Company Ltd. | 1,208,830 | RMB ordinary shares | 1,208,830 |
| Agricultural Bank of China Ltd. – CSI 500 ETF | 986,424 | RMB ordinary shares | 986,424 |
| Basic endowment insurance fund 1301 portfolio | 558,070 | RMB ordinary shares | 558,070 |
| Chen Yun | 530,000 | RMB ordinary shares | 530,000 |
| Huitianfu Fund Management Co., Ltd. - Social Security Fund 1052 portfolio | 494,600 | RMB ordinary shares | 494,600 |
| Explanation on associated relationship among the aforesaid shareholders | Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders Shenzhen SDG Co., Ltd and other shareholders, and they do not belong to the person acting in concert regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the person acting in concert. | | |
| Explanation on top ten common shareholders involving margin business (if applicable) | Shareholder Chen Yun, holds 530,000 shares of the company through the credit transaction guarantee securities account and 0 shares of the company through the general securities account, with a total of 530,000 shares. | | |

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

Yes No

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

2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√ Applicable □ Not applicable

| Balance sheet | | | | | |
|-----------------------------|---------------------|-----------------------------|----------------|---------------|---|
| Asset | Closing balance | Opening balance | Changes amount | Changes ratio | Reasons of changes |
| Monetary fund | 478,785,601.18 | 428,851,606.04 | 49,933,995.14 | 11.64% | Redemption of financial products increased over the same period of last year |
| Accounts receivable | 107,271,730.72 | 112,613,224.27 | -5,341,493.55 | -4.74% | |
| Assets held for sale | | | | | |
| Long-term equity investment | 163,501,195.48 | 162,178,544.05 | 1,322,651.43 | 0.82% | |
| Investment real estate | 550,048,907.05 | 554,599,503.55 | -4,550,596.50 | -0.82% | |
| Fix assets | 105,127,289.77 | 107,119,796.59 | -1,992,506.82 | -1.86% | |
| Construction in process | 60,444,542.50 | 47,654,393.55 | 12,790,148.95 | 26.84% | Investment of initial phase for Tellus Jinzhuan Trading Building (Phase II of Tellus Shuibei Jewelry Building) increased. |
| Short-term loans | - | - | - | | |
| Long-term loans | | | | | |
| Advance receivable | 16,726,304.72 | 27,299,822.71 | -10,573,517.99 | -38.73% | Advance receivable of Huari Company from vehicles sales are carried forward to revenue |
| Other accounts payable | 106,252,872.23 | 101,266,802.49 | 4,986,069.74 | 4.92% | |
| Stock | 12,521,824.74 | 21,389,602.83 | -8,867,778.09 | -41.46% | Decrease of stock vehicles of Huari company |
| Profit statement | | | | | |
| Item | Amount at this year | At same period of last year | Change amount | Changes ratio | Reasons of changes |
| Operating income | 85,520,408.64 | 119,469,426.49 | -33,949,017.85 | -28.42% | In response to the government's call for rent reduction for tenants, income |

| | | | | | decreased due to the reduction of jewelry sales affected by the epidemic |
|--|---------------------|-----------------------------|----------------|---------------|--|
| Financial expenses | -715,490.30 | 2,411,716.67 | -3,127,206.97 | | Decrease in interest expense due to decrease in bank loans year on year |
| Investment income | 4,215,152.38 | 6,903,486.76 | -2,688,334.38 | -38.94% | Due to the impact of the epidemic on the profits of participating companies, our investment income decreased. |
| Income tax | 421,125.67 | 676,399.30 | -255,273.63 | -37.74% | The operating profit of the affiliated company decreased. |
| Taxes and surcharges | 681,715.08 | 1,484,949.21 | -803,234.13 | -54.09% | Taxes reduced for the declined of business due to epidemic |
| Cash flow statement | | | | | |
| Item | Amount at this year | At same period of last year | Change amount | Changes ratio | Reasons of changes |
| Net cash flow arising from investment activity | 43,426,021.90 | -55,828,779.95 | 99,254,801.85 | | Increase in cash inflow due to increase in redemption of financial products in the current period |
| Net cash flow arising from financing activity | - | -12,837,638.82 | 12,837,638.82 | 100% | Loan repayment in the same period of last year, net amount increased year on year due to no such item in the current period |
| Net increased amount of cash and cash equivalent | 49,933,995.14 | -65,679,550.54 | 115,613,545.68 | | |
| Net cash flow arising from operating activities | 6,507,973.24 | 2,986,868.23 | 3,521,105.01 | 117.89% | Due to the impact of the epidemic, some businesses were not carried out normally, resulting in a year-on-year decrease in expenses |

II. Analysis and explanation of significant events and their influence and solutions

√Applicable □Not applicable

Matters concerning the exemption of some property rents in response to the COVID-19 epidemic

The Proposal on Exemption of Some Property Rents in Response to the COVID-19 Epidemic was deliberated and approved by 13th extraordinary meeting of 9th BOD held on 19 Feb. 2020, and agreed to reduce and remit the rent of the properties held by the Company and its affiliated enterprises. The exemption period is two months. Exemption targets: the non-government institutions, non-state-owned enterprises, individual tenants of industrial and commercial households and other tenants who meet the conditions of reduction or exemption recognized by the management of the Company according to actual operation and management. Meanwhile, the scientific research

institutions and medical institutions are not restricted by the nature of the organization. Total rent reduction will not exceed 25 million yuan (tax excluded). found more in the Notice on Exemption of Some Property Rents in Response to the COVID-19 Epidemic(Notice No.: 2020-011) released on Securities Times, Hong Kong Commercial Daily and Juchao Website on the same day.

| Summary of important issues | Date of disclosure | Website query index of interim report disclosure |
|--|--------------------|--|
| Matters concerning the exemption of some property rents in response to the COVID-19 epidemic | 2020-02-21 | Found more in the Notice on Exemption of Some Property Rents in Response to the COVID-19 Epidemic(Notice No.: 2020-011) released on Securities Times, Hong Kong Commercial Daily and Juchao Website on the same day. |

Implementation progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

III. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

Applicable Not applicable

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies.

IV. Securities Investment

Applicable Not applicable

No security investment in Period.

V. Trust financing

Applicable Not applicable

In 10 thousand Yuan

| Type | Capital sources | Amount occurred | Outstanding balance | Overdue amount |
|-------------------------|-----------------|-----------------|---------------------|----------------|
| Bank financial products | Own funds | 14,200 | 0 | 0 |
| Total | | 14,200 | 0 | 0 |

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed

Applicable Not applicable

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

VI. Derivative investment

Applicable Not applicable

No derivative investment in the Period.

VII. Registration form for receiving research, communication and interview in the report period

Applicable Not applicable

No registration form for receiving research, communication or interview in the Period.

VIII. External security against the rules

Applicable Not applicable

The Company has no external security against the rules in the Period.

IX. Controlling shareholders' and its related party's non-business capital occupying of the listed company

Applicable Not applicable

There are no controlling shareholders' and its related party's non-business capital occupying of the listed company.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen Tellus Holding Co., Ltd.

In RMB

| Items | 2020-3-31 | 2019-12-31 |
|--|----------------|----------------|
| Current assets: | | |
| Monetary fund | 478,785,601.18 | 428,851,606.04 |
| Settlement provisions | | |
| Capital lent | | |
| Tradable financial assets | | 60,486,575.34 |
| Derivative financial assets | | |
| Note receivable | | |
| Account receivable | 107,271,730.72 | 112,613,224.27 |
| Receivable financing | | |
| Accounts paid in advance | 17,685,595.85 | 12,683,603.89 |
| Insurance receivable | | |
| Reinsurance receivables | | |
| Contract reserve of reinsurance receivable | | |
| Other account receivable | 46,609,597.41 | 44,908,546.40 |
| Including: Interest receivable | | |
| Dividend receivable | 39,647,732.42 | 39,647,732.42 |
| Buying back the sale of financial assets | | |
| Inventories | 12,521,824.74 | 21,389,602.83 |
| Contractual assets | | |
| Assets held for sale | | |
| Non-current asset due within one year | | |
| Other current assets | 2,826,770.92 | 3,403,969.23 |
| Total current assets | 665,701,120.82 | 684,337,128.00 |

| | | |
|---------------------------------------|------------------|------------------|
| Non-current assets: | | |
| Loans and payments on behalf | | |
| Debt investment | | |
| Other debt investment | | |
| Long-term account receivable | | |
| Long-term equity investment | 163,501,195.48 | 162,178,544.05 |
| Investment in other equity instrument | 10,176,617.20 | 10,176,617.20 |
| Other non-current financial assets | | |
| Investment real estate | 550,048,907.05 | 554,599,503.55 |
| Fixed assets | 105,127,289.77 | 107,119,796.59 |
| Construction in progress | 60,444,542.50 | 47,654,393.55 |
| Productive biological asset | | |
| Oil and gas asset | | |
| Right-of-use assets | | |
| Intangible assets | 50,506,505.70 | 50,561,225.67 |
| Expense on Research and Development | | |
| Goodwill | | |
| Long-term expenses to be apportioned | 13,418,244.09 | 13,606,805.49 |
| Deferred income tax asset | 8,658,962.39 | 8,658,962.39 |
| Other non-current asset | 8,320,777.86 | 6,889,167.54 |
| Total non-current asset | 970,203,042.04 | 961,445,016.03 |
| Total assets | 1,635,904,162.86 | 1,645,782,144.03 |
| Current liabilities: | | |
| Short-term loans | | |
| Loan from central bank | | |
| Capital borrowed | | |
| Trading financial liability | | |
| Derivative financial liability | | |
| Note payable | | |
| Account payable | 67,544,912.74 | 69,087,430.42 |
| Accounts received in advance | 16,726,304.72 | 27,299,822.71 |
| Contractual liability | | |

| | | |
|---|----------------|----------------|
| Selling financial asset of repurchase | | |
| Absorbing deposit and interbank deposit | | |
| Security trading of agency | | |
| Security sales of agency | | |
| Wage payable | 29,671,481.61 | 31,204,794.89 |
| Taxes payable | 65,244,098.86 | 71,425,267.61 |
| Other account payable | 106,252,872.23 | 101,266,802.49 |
| Including: Interest payable | | |
| Dividend payable | | |
| Commission charge and commission payable | | |
| Reinsurance payable | | |
| Liability held for sale | | |
| Non-current liabilities due within one year | | |
| Other current liabilities | | |
| Total current liabilities | 285,439,670.16 | 300,284,118.12 |
| Non-current liabilities: | | |
| Insurance contract reserve | | |
| Long-term loans | | |
| Bonds payable | | |
| Including: Preferred stock | | |
| Perpetual capital securities | | |
| Lease liability | | |
| Long-term account payable | 3,920,160.36 | 3,920,160.36 |
| Long-term wages payable | | |
| Accrual liability | 2,225,468.76 | 2,225,468.76 |
| Deferred income | 139,400.00 | 139,400.00 |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 6,285,029.12 | 6,285,029.12 |
| Total liabilities | 291,724,699.28 | 306,569,147.24 |

| | | |
|---|------------------|------------------|
| Owner's equity: | | |
| Share capital | 431,058,320.00 | 431,058,320.00 |
| Other equity instrument | | |
| Including: Preferred stock | | |
| Perpetual capital securities | | |
| Capital public reserve | 431,449,554.51 | 431,449,554.51 |
| Less: Inventory shares | | |
| Other comprehensive income | 26,422.00 | 26,422.00 |
| Reasonable reserve | | |
| Surplus public reserve | 21,007,488.73 | 21,007,488.73 |
| Provision of general risk | | |
| Retained profit | 392,632,582.07 | 387,423,510.78 |
| Total owner's equity attributable to parent company | 1,276,174,367.31 | 1,270,965,296.02 |
| Minority interests | 68,005,096.27 | 68,247,700.77 |
| Total owner's equity | 1,344,179,463.58 | 1,339,212,996.79 |
| Total liabilities and owner's equity | 1,635,904,162.86 | 1,645,782,144.03 |

Legal representative: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting organ: Liu Yuhong

2. Balance Sheet of Parent Company

In RMB

| Item | 2020-3-31 | 2019-12-31 |
|-----------------------------|----------------|----------------|
| Current assets: | | |
| Monetary funds | 237,245,671.35 | 201,885,691.27 |
| Trading financial assets | | 40,324,383.56 |
| Derivative financial assets | | |
| Note receivable | | |
| Account receivable | 732,509.91 | 206,710.76 |
| Receivable financing | | |
| Accounts paid in advance | 100,000.00 | 100,000.00 |

| | | |
|---|------------------|------------------|
| Other account receivable | 109,878,958.60 | 116,037,773.09 |
| Including: Interest receivable | | |
| Dividend receivable | 547,184.35 | 547,184.35 |
| Inventories | | |
| Contractual assets | | |
| Assets held for sale | | |
| Non-current assets maturing within one year | | |
| Other current assets | 2,434,149.83 | 1,419,760.18 |
| Total current assets | 350,391,289.69 | 359,974,318.86 |
| Non-current assets: | | |
| Debt investment | | |
| Other debt investment | | |
| Long-term receivables | | |
| Long-term equity investments | 862,429,467.53 | 859,355,040.60 |
| Investment in other equity instrument | 10,176,617.20 | 10,176,617.20 |
| Other non-current financial assets | | |
| Investment real estate | 38,890,368.83 | 39,616,602.02 |
| Fixed assets | 13,886,785.46 | 14,012,830.64 |
| Construction in progress | 46,797,315.61 | 35,321,704.26 |
| Productive biological assets | | |
| Oil and natural gas assets | | |
| Right-of-use assets | | |
| Intangible assets | 48,927,606.06 | 48,953,266.56 |
| Research and development costs | | |
| Goodwill | | |
| Long-term deferred expenses | 2,549,778.04 | 2,639,122.63 |
| Deferred income tax assets | 3,557,849.04 | 3,557,849.04 |
| Other non-current assets | 8,220,777.86 | 6,789,167.54 |
| Total non-current assets | 1,035,436,565.63 | 1,020,422,200.49 |
| Total assets | 1,385,827,855.32 | 1,380,396,519.35 |
| Current liabilities | | |
| Short-term borrowings | | |
| Trading financial liability | | |

| | | |
|---|----------------|----------------|
| Derivative financial liability | | |
| Notes payable | | |
| Account payable | 14,000.00 | 14,000.00 |
| Accounts received in advance | 550,150.53 | |
| Contractual liability | | |
| Wage payable | 8,211,883.77 | 8,199,278.01 |
| Taxes payable | 54,286,791.25 | 54,684,929.01 |
| Other accounts payable | 261,745,286.13 | 257,260,350.77 |
| Including: Interest payable | | |
| Dividend payable | | |
| Liability held for sale | | |
| Non-current liabilities due within one year | | |
| Other current liabilities | | |
| Total current liabilities | 324,808,111.68 | 320,158,557.79 |
| Non-current liabilities: | | |
| Long-term loans | | |
| Bonds payable | | |
| Including: preferred stock | | |
| Perpetual capital securities | | |
| Lease liability | | |
| Long-term account payable | | |
| Long term employee compensation payable | | |
| Accrued liabilities | | |
| Deferred income | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | | |
| Total liabilities | 324,808,111.68 | 320,158,557.79 |
| Owners' equity: | | |
| Share capital | 431,058,320.00 | 431,058,320.00 |
| Other equity instrument | | |
| Including: preferred stock | | |

| | | |
|--------------------------------------|------------------|------------------|
| Perpetual capital securities | | |
| Capital public reserve | 428,256,131.23 | 428,256,131.23 |
| Less: Inventory shares | | |
| Other comprehensive income | | |
| Special reserve | | |
| Surplus reserve | 21,007,488.73 | 21,007,488.73 |
| Retained profit | 180,697,803.68 | 179,916,021.60 |
| Total owner's equity | 1,061,019,743.64 | 1,060,237,961.56 |
| Total liabilities and owner's equity | 1,385,827,855.32 | 1,380,396,519.35 |

3. Consolidated Profit Statement

In RMB

| Item | Current period | Last period |
|--|----------------|----------------|
| I. Total operating income | 85,520,408.64 | 119,469,426.49 |
| Including: Operating income | 85,520,408.64 | 119,469,426.49 |
| Interest income | | |
| Insurance gained | | |
| Commission charge and commission income | | |
| II. Total operating cost | 84,581,694.95 | 107,944,394.60 |
| Including: Operating cost | 73,945,723.56 | 91,086,090.40 |
| Interest expense | | |
| Commission charge and commission expense | | |
| Cash surrender value | | |
| Net amount of expense of compensation | | |
| Net amount of withdrawal of insurance contract reserve | | |
| Bonus expense of guarantee slip | | |
| Reinsurance expense | | |
| Tax and extras | 681,715.08 | 1,484,949.21 |
| Sales expense | 3,158,037.63 | 4,727,001.63 |
| Administrative expense | 7,511,708.98 | 8,234,636.69 |
| R&D expense | | |

| | | |
|--|--------------|---------------|
| Financial expense | -715,490.30 | 2,411,716.67 |
| Including: Interest expenses | 35,299.72 | 2,757,204.73 |
| Interest income | 797,873.41 | 420,047.30 |
| Add: other income | 16,224.48 | |
| Investment income (Loss is listed with “-”) | 4,215,152.38 | 6,903,486.76 |
| Including: Investment income on affiliated company and joint venture | 1,322,651.43 | 4,376,871.70 |
| The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”) | | |
| Exchange income (Loss is listed with “-”) | | |
| Net exposure hedging income (Loss is listed with “-”) | | |
| Income from change of fair value (Loss is listed with “-”) | | |
| Loss of credit impairment (Loss is listed with “-”) | | |
| Losses of devaluation of asset (Loss is listed with “-”) | | |
| Income from assets disposal (Loss is listed with “-”) | | |
| III. Operating profit (Loss is listed with “-”) | 5,170,090.55 | 18,428,518.65 |
| Add: Non-operating income | 219,502.64 | 9,117.56 |
| Less: Non-operating expense | 2,000.73 | 833,300.00 |
| IV. Total profit (Loss is listed with “-”) | 5,387,592.46 | 17,604,336.21 |
| Less: Income tax expense | 421,125.67 | 676,399.30 |
| V. Net profit (Net loss is listed with “-”) | 4,966,466.79 | 16,927,936.91 |
| (i) Classify by business continuity | | |
| 1.continuous operating net profit (net loss listed with “-”) | 4,966,466.79 | 16,927,936.91 |
| 2.termination of net profit (net loss listed with “-”) | | |
| (ii) Classify by ownership | | |

| | | |
|--|--------------|---------------|
| 1.Net profit attributable to owner's of parent company | 5,209,071.29 | 18,017,619.19 |
| 2.Minority shareholders' gains and losses | -242,604.50 | -1,089,682.28 |
| VI. Net after-tax of other comprehensive income | | |
| Net after-tax of other comprehensive income attributable to owners of parent company | | |
| (I) Other comprehensive income items which will not be reclassified subsequently to profit of loss | | |
| 1.Changes of the defined benefit plans that re-measured | | |
| 2.Other comprehensive income under equity method that cannot be transfer to gain/loss | | |
| 3.Change of fair value of investment in other equity instrument | | |
| 4.Fair value change of enterprise's credit risk | | |
| 5. Other | | |
| (ii) Other comprehensive income items which will be reclassified subsequently to profit or loss | | |
| 1.Other comprehensive income under equity method that can transfer to gain/loss | | |
| 2.Change of fair value of other debt investment | | |
| 3.Amount of financial assets re-classify to other comprehensive income | | |
| 4.Credit impairment provision for other debt investment | | |
| 5.Cash flow hedging reserve | | |
| 6.Translation differences arising on translation of foreign currency financial statements | | |

| | | |
|---|--------------|---------------|
| 7.Other | | |
| Net after-tax of other comprehensive income attributable to minority shareholders | | |
| VII. Total comprehensive income | 4,966,466.79 | 16,927,936.91 |
| Total comprehensive income attributable to owners of parent Company | 5,209,071.29 | 18,017,619.19 |
| Total comprehensive income attributable to minority shareholders | -242,604.50 | -1,089,682.28 |
| VIII. Earnings per share: | | |
| (i) Basic earnings per share | 0.0121 | 0.0606 |
| (ii) Diluted earnings per share | 0.0121 | 0.0606 |

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal representative: Fu Chunlong

Person in charge of accounting works: Lou Hong

Person in charge of accounting organ: Liu Yuhong

4. Profit Statement of Parent Company

In RMB

| Item | Current period | Last period |
|---|----------------|--------------|
| I. Operating income | 3,257,928.46 | 8,555,059.13 |
| Less: Operating cost | 1,535,130.66 | 904,977.87 |
| Taxes and surcharge | 301,556.50 | 353,268.76 |
| Sales expenses | 401,762.69 | |
| Administration expenses | 4,957,051.60 | 4,340,757.76 |
| R&D expenses | | |
| Financial expenses | -348,390.50 | 1,472,367.49 |
| Including: interest expenses | | 1,703,642.32 |
| Interest income | -351,551.46 | -233,845.22 |
| Add: other income | | |
| Investment income (Loss is listed with "-") | 4,389,774.57 | 4,342,056.64 |

| | | |
|---|--------------|--------------|
| Including: Investment income on affiliated Company and joint venture | 3,074,426.93 | 3,009,212.79 |
| The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”) | | |
| Net exposure hedging income (Loss is listed with “-”) | | |
| Changing income of fair value (Loss is listed with “-”) | | |
| Loss of credit impairment (Loss is listed with “-”) | | |
| Losses of devaluation of asset (Loss is listed with “-”) | | |
| Income on disposal of assets (Loss is listed with “-”) | | |
| II. Operating profit (Loss is listed with “-”) | 800,592.08 | 5,825,743.89 |
| Add: Non-operating income | -18,810.00 | 441.90 |
| Less: Non-operating expense | | |
| III. Total Profit (Loss is listed with “-”) | 781,782.08 | 5,826,185.79 |
| Less: Income tax | | 9,735.55 |
| IV. Net profit (Net loss is listed with “-”) | 781,782.08 | 5,816,450.24 |
| (i)continuous operating net profit (net loss listed with “-”) | 781,782.08 | 5,816,450.24 |
| (ii) termination of net profit (net loss listed with “-”) | | |
| V. Net after-tax of other comprehensive income | | |
| (I) Other comprehensive income items which will not be reclassified subsequently to profit of loss | | |
| 1.Changes of the defined benefit plans that re-measured | | |
| 2.Other comprehensive income under equity method that cannot be transfer to gain/loss | | |

| | | |
|---|------------|--------------|
| 3.Change of fair value of investment in other equity instrument | | |
| 4.Fair value change of enterprise's credit risk | | |
| 5. Other | | |
| (II) Other comprehensive income items which will be reclassified subsequently to profit or loss | | |
| 1.Other comprehensive income under equity method that can transfer to gain/loss | | |
| 2.Change of fair value of other debt investment | | |
| 3.Amount of financial assets re-classify to other comprehensive income | | |
| 4.Credit impairment provision for other debt investment | | |
| 5.Cash flow hedging reserve | | |
| 6.Translation differences arising on translation of foreign currency financial statements | | |
| 7.Other | | |
| VI. Total comprehensive income | 781,782.08 | 5,816,450.24 |
| VII. Earnings per share: | | |
| (i) Basic earnings per share | 0.0018 | 0.0196 |
| (ii) Diluted earnings per share | 0.0018 | 0.0196 |

5. Consolidated Cash Flow Statement

In RMB

| Item | Current period | Last period |
|---|----------------|----------------|
| I. Cash flows arising from operating activities: | | |
| Cash received from selling commodities and providing labor services | 93,983,432.07 | 108,587,946.31 |
| Net increase of customer deposit | | |

| | | |
|---|---------------|----------------|
| and interbank deposit | | |
| Net increase of loan from central bank | | |
| Net increase of capital borrowed from other financial institution | | |
| Cash received from original insurance contract fee | | |
| Net cash received from reinsurance business | | |
| Net increase of insured savings and investment | | |
| Cash received from interest, commission charge and commission | | |
| Net increase of capital borrowed | | |
| Net increase of returned business capital | | |
| Net cash received by agents in sale and purchase of securities | | |
| Write-back of tax received | | |
| Other cash received concerning operating activities | 5,414,499.19 | 25,600,115.48 |
| Subtotal of cash inflow arising from operating activities | 99,397,931.26 | 134,188,061.79 |
| Cash paid for purchasing commodities and receiving labor service | 60,805,302.03 | 84,612,348.69 |
| Net increase of customer loans and advances | | |
| Net increase of deposits in central bank and interbank | | |
| Cash paid for original insurance contract compensation | | |
| Net increase of capital lent | | |
| Cash paid for interest, commission charge and commission | | |
| Cash paid for bonus of guarantee slip | | |
| Cash paid to/for staff and workers | 11,628,268.09 | 13,976,594.06 |

| | | |
|---|----------------|----------------|
| Taxes paid | 8,147,976.74 | 4,455,784.64 |
| Other cash paid concerning operating activities | 12,308,411.16 | 28,156,466.17 |
| Subtotal of cash outflow arising from operating activities | 92,889,958.02 | 131,201,193.56 |
| Net cash flows arising from operating activities | 6,507,973.24 | 2,986,868.23 |
| II. Cash flows arising from investing activities: | | |
| Cash received from recovering investment | 616,750,000.00 | 385,750,000.00 |
| Cash received from investment income | 3,522,897.50 | 2,709,631.66 |
| Net cash received from disposal of fixed, intangible and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other units | | |
| Other cash received concerning investing activities | | |
| Subtotal of cash inflow from investing activities | 620,272,897.50 | 388,459,631.66 |
| Cash paid for purchasing fixed, intangible and other long-term assets | 20,096,875.60 | 16,588,411.61 |
| Cash paid for investment | 556,750,000.00 | 427,700,000.00 |
| Net increase of mortgaged loans | | |
| Net cash received from subsidiaries and other units obtained | | |
| Other cash paid concerning investing activities | | |
| Subtotal of cash outflow from investing activities | 576,846,875.60 | 444,288,411.61 |
| Net cash flows arising from investing activities | 43,426,021.90 | -55,828,779.95 |
| III. Cash flows arising from financing activities | | |
| Cash received from absorbing investment | | 20,000,000.00 |

| | | |
|---|----------------|----------------|
| Including: Cash received from absorbing minority shareholders' investment by subsidiaries | | |
| Cash received from loans | | 58,000,000.00 |
| Other cash received concerning financing activities | | |
| Subtotal of cash inflow from financing activities | | 78,000,000.00 |
| Cash paid for settling debts | | 87,934,887.55 |
| Cash paid for dividend and profit distributing or interest paying | | 2,902,751.27 |
| Including: Dividend and profit of minority shareholder paid by subsidiaries | | |
| Other cash paid concerning financing activities | | |
| Subtotal of cash outflow from financing activities | | 90,837,638.82 |
| Net cash flows arising from financing activities | | -12,837,638.82 |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate | | |
| V. Net increase of cash and cash equivalents | 49,933,995.14 | -65,679,550.54 |
| Add: Balance of cash and cash equivalents at the period -begin | 400,668,257.81 | 142,848,120.69 |
| VI. Balance of cash and cash equivalents at the period -end | 450,602,252.95 | 77,168,570.15 |

6. Cash Flow Statement of Parent Company

In RMB

| Item | Current period | Last period |
|---|----------------|--------------|
| I. Cash flows arising from operating activities: | | |
| Cash received from selling commodities and providing labor services | 575,269.00 | 3,079,519.00 |

| | | |
|---|----------------|----------------|
| Write-back of tax received | | |
| Other cash received concerning operating activities | 14,348,329.71 | 292,450.85 |
| Subtotal of cash inflow arising from operating activities | 14,923,598.71 | 3,371,969.85 |
| Cash paid for purchasing commodities and receiving labor service | | |
| Cash paid to/for staff and workers | 4,574,896.73 | 3,994,426.10 |
| Taxes paid | 1,168,324.25 | 597,098.64 |
| Other cash paid concerning operating activities | 2,064,143.81 | 7,855,272.11 |
| Subtotal of cash outflow arising from operating activities | 7,807,364.79 | 12,446,796.85 |
| Net cash flows arising from operating activities | 7,116,233.92 | -9,074,827.00 |
| II. Cash flows arising from investing activities: | | |
| Cash received from recovering investment | 247,000,000.00 | 211,000,000.00 |
| Cash received from investment income | 1,738,115.07 | 1,512,350.70 |
| Net cash received from disposal of fixed, intangible and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other units | | |
| Other cash received concerning investing activities | | |
| Subtotal of cash inflow from investing activities | 248,738,115.07 | 212,512,350.70 |
| Cash paid for purchasing fixed, intangible and other long-term assets | 13,494,368.91 | 3,396,472.63 |
| Cash paid for investment | 207,000,000.00 | 223,000,000.00 |
| Net cash received from subsidiaries and other units obtained | | |
| Other cash paid concerning investing activities | | |

| | | |
|--|----------------|----------------|
| Subtotal of cash outflow from investing activities | 220,494,368.91 | 226,396,472.63 |
| Net cash flows arising from investing activities | 28,243,746.16 | -13,884,121.93 |
| III. Cash flows arising from financing activities | | |
| Cash received from absorbing investment | | |
| Cash received from loans | | 43,000,000.00 |
| Other cash received concerning financing activities | | |
| Subtotal of cash inflow from financing activities | | 43,000,000.00 |
| Cash paid for settling debts | | 42,000,000.00 |
| Cash paid for dividend and profit distributing or interest paying | | 1,936,452.73 |
| Other cash paid concerning financing activities | | |
| Subtotal of cash outflow from financing activities | | 43,936,452.73 |
| Net cash flows arising from financing activities | | -936,452.73 |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate | | |
| V. Net increase of cash and cash equivalents | 35,359,980.08 | -23,895,401.66 |
| Add: Balance of cash and cash equivalents at the period -begin | 173,702,343.04 | 88,836,626.14 |
| VI. Balance of cash and cash equivalents at the period -end | 209,062,323.12 | 64,941,224.48 |

II. Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules since 2020

Applicable Not applicable

Consolidate balance sheet

In RMB

| Item | 2019-12-31 | 2020-01-01 | Adjustment amount |
|--------------------------------------|------------------|------------------|-------------------|
| Current assets: | | | |
| Monetary fund | 428,851,606.04 | 428,851,606.04 | |
| Trading financial assets | 60,486,575.34 | 60,486,575.34 | |
| Account receivable | 112,613,224.27 | 112,613,224.27 | |
| Account paid in advance | 12,683,603.89 | 12,683,603.89 | |
| Other account receivable | 44,908,546.40 | 44,908,546.40 | |
| Dividend Receivable | 39,647,732.42 | 39,647,732.42 | |
| Inventories | 21,389,602.83 | 21,389,602.83 | |
| Other current assets | 3,403,969.23 | 3,403,969.23 | |
| Total current assets | 684,337,128.00 | 684,337,128.00 | |
| Non-current assets: | | | |
| Long-term equity investments | 162,178,544.05 | 162,178,544.05 | |
| Other equity instruments investments | 10,176,617.20 | 10,176,617.20 | |
| Investment real estate | 554,599,503.55 | 554,599,503.55 | |
| Fixed assets | 107,119,796.59 | 107,119,796.59 | |
| Construction in progress | 47,654,393.55 | 47,654,393.55 | |
| Intangible assets | 50,561,225.67 | 50,561,225.67 | |
| Long-term deferred expenses | 13,606,805.49 | 13,606,805.49 | |
| Deferred income tax assets | 8,658,962.39 | 8,658,962.39 | |
| Other non-current assets | 6,889,167.54 | 6,889,167.54 | |
| Total non-current assets | 961,445,016.03 | 961,445,016.03 | |
| Total assets | 1,645,782,144.03 | 1,645,782,144.03 | |
| Current liabilities | | | |
| Account payable | 69,087,430.42 | 69,087,430.42 | |
| Accounts received in advance | 27,299,822.71 | 27,299,822.71 | |
| Wage payable | 31,204,794.89 | 31,204,794.89 | |
| Taxes payable | 71,425,267.61 | 71,425,267.61 | |
| Other accounts payable | 101,266,802.49 | 101,266,802.49 | |

| | | | |
|---|------------------|------------------|--|
| Total current liabilities | 300,284,118.12 | 300,284,118.12 | |
| Non-current liabilities: | | | |
| Long-term account payable | 3,920,160.36 | 3,920,160.36 | |
| Expected liabilities | 2,225,468.76 | 2,225,468.76 | |
| Deferred income | 139,400.00 | 139,400.00 | |
| Total non-current liabilities | 6,285,029.12 | 6,285,029.12 | |
| Total liabilities | 306,569,147.24 | 306,569,147.24 | |
| Owners' equity: | | | |
| Share capital | 431,058,320.00 | 431,058,320.00 | |
| Capital public reserve | 431,449,554.51 | 431,449,554.51 | |
| Other comprehensive income | 26,422.00 | 26,422.00 | |
| Surplus public reserve | 21,007,488.73 | 21,007,488.73 | |
| Retained profit | 387,423,510.78 | 387,423,510.78 | |
| Total owner's equity attributable to parent company | 1,270,965,296.02 | 1,270,965,296.02 | |
| Minority interests | 68,247,700.77 | 68,247,700.77 | |
| Total owner's equity | 1,339,212,996.79 | 1,339,212,996.79 | |
| Total liabilities and owner's equity | 1,645,782,144.03 | 1,645,782,144.03 | |

Statement of adjustment

On 5 July 2017, the Ministry of Finance issued the Notice on Revision and Issuance (Cai Kuai [2017]No.22) (hereinafter referred to as New Revenue Standard), and required the listed companies in China shall be implemented since 1 Jan. 2020.

The Company has made disclosure of the accounting statements in accordance with the requirement of the New Revenue Standards since 1 Jan. 2020, and there is no need to retroactively adjusted the numbers at the beginning of 2019 comparability. The change of accounting policy will not affect the financial indicators of the Company for year of 2019.

Balance Sheet of Parent Company

In RMB

| Item | 2018-12-31 | 2019-1-1 | Adjustment |
|--------------------------|----------------|----------------|------------|
| Current assets: | | | |
| Monetary fund | 201,885,691.27 | 201,885,691.27 | |
| Trading financial assets | 40,324,383.56 | 40,324,383.56 | |
| Account receivable | 206,710.76 | 206,710.76 | |
| Account paid in advance | 100,000.00 | 100,000.00 | |

| | | | |
|--------------------------------------|------------------|------------------|--|
| Other account receivable | 116,037,773.09 | 116,037,773.09 | |
| Dividend Receivable | 547,184.35 | 547,184.35 | |
| Other current assets | 1,419,760.18 | 1,419,760.18 | |
| Total current assets | 359,974,318.86 | 359,974,318.86 | |
| Non-current assets: | | | |
| Long-term equity investments | 859,355,040.60 | 859,355,040.60 | |
| Other equity instruments investments | 10,176,617.20 | 10,176,617.20 | |
| Investment real estate | 39,616,602.02 | 39,616,602.02 | |
| Fixed assets | 14,012,830.64 | 14,012,830.64 | |
| Construction in progress | 35,321,704.26 | 35,321,704.26 | |
| Intangible assets | 48,953,266.56 | 48,953,266.56 | |
| Long-term deferred expenses | 2,639,122.63 | 2,639,122.63 | |
| Deferred income tax assets | 3,557,849.04 | 3,557,849.04 | |
| Other non-current assets | 6,789,167.54 | 6,789,167.54 | |
| Total non-current assets | 1,020,422,200.49 | 1,020,422,200.49 | |
| Total assets | 1,380,396,519.35 | 1,380,396,519.35 | |
| Current liabilities | | | |
| Account payable | 14,000.00 | 14,000.00 | |
| Wage payable | 8,199,278.01 | 8,199,278.01 | |
| Taxes payable | 54,684,929.01 | 54,684,929.01 | |
| Other accounts payable | 257,260,350.77 | 257,260,350.77 | |
| Total current liabilities | 320,158,557.79 | 320,158,557.79 | |
| Non-current liabilities: | | | |
| Total liabilities | 320,158,557.79 | 320,158,557.79 | |
| Owners' equity: | | | |
| Share capital | 431,058,320.00 | 431,058,320.00 | |
| Capital public reserve | 428,256,131.23 | 428,256,131.23 | |
| Surplus public reserve | 21,007,488.73 | 21,007,488.73 | |
| Retained profit | 179,916,021.60 | 179,916,021.60 | |
| Total owner's equity | 1,060,237,961.56 | 1,060,237,961.56 | |

| | | | |
|--------------------------------------|------------------|------------------|--|
| Total liabilities and owner's equity | 1,380,396,519.35 | 1,380,396,519.35 | |
|--------------------------------------|------------------|------------------|--|

Statement of adjustment

On 5 July 2017, the Ministry of Finance issued the Notice on Revision and Issuance (Cai Kuai [2017]No.22) (hereinafter referred to as New Revenue Standard), and required the listed companies in China shall be implemented since 1 Jan. 2020.

The Company has made disclosure of the accounting statements in accordance with the requirement of the New Revenue Standards since 1 Jan. 2020, and there is no need to retroactively adjusted the numbers at the beginning of 2019 comparability. The change of accounting policy will not affect the financial indicators of the Company for year of 2019.

2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

On 5 July 2017, the Ministry of Finance issued the Notice on Revision and Issuance (Cai Kuai [2017]No.22) (hereinafter referred to as New Revenue Standard), and required the listed companies in China shall be implemented since 1 Jan. 2020.

The Company has made disclosure of the accounting statements in accordance with the requirement of the New Revenue Standards since 1 Jan. 2020, and there is no need to retroactively adjusted the numbers in 2019 comparability. The change of accounting policy will not affect the financial indicators of the Company for year of 2019.

III. Audit report

Whether the 1st quarterly report has been audited or not

Yes No

1Q report of the Company is unaudited.