



**Dongfeng Sci-Tech Group CO., Ltd.**  
**First Quarterly Report 2020**

**April 2020**

## **Section I. Important Notes**

**Board of Directors and the Supervisory Committee of Dongfeng Sci-Tech Group 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. Zhao Yongsheng, Person in charge of the Company, Zhao Yongsheng, person in charger of accounting works and Liu Fengguo, person in charger of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.**

**Note: The Report is prepared in bilingual versions of Chinese and English respectively, in the event of any discrepancy in understanding the two aforementioned versions, the Chinese version shall prevail.**

## Section II. Company Information

### 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)	8,057,578.63	19,742,832.21	-59.19%
Net profit attributable to shareholders of the listed company (RMB)	-12,015,646.87	-14,173,060.95	-15.22%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-12,080,142.77	-14,310,855.79	-15.59%
Net cash flow arising from operating activities (RMB)	-20,138,791.84	16,376,542.28	-222.97%
Basic earnings per share (RMB/Share)	-0.017	-0.020	-15.00%
Diluted earnings per share (RMB/Share)	-0.017	-0.020	-15.00%
Weighted average ROE (%)	-4.59%	-4.22%	-0.37%
	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)	686,534,382.74	683,092,077.24	0.50%
Net assets attributable to shareholder of listed company (RMB)	252,302,020.63	269,584,817.70	-6.41%

Items of non-recurring gains and losses

☒ Applicable ☐ Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Other non-operating income and expenditure except for the aforementioned items	64,495.90	
Total	64,495.90	--

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		16,805	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 non-tradable shares held	Number of share pledged/frozen	
					State of share	Amount
Wang Dong	Domestic nature person	29.49%	208,324,800	208,324,800		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	6.53%	46,098,326	0		
Everbright Securities (H.K.) Co., Ltd.	Overseas legal person	5.11%	36,090,936	0		
Haitong International Securities Company Limited-Account Client	Overseas legal person	3.83%	27,024,270	0		
Chengde North Industrial Corporation	Domestic non-state-owned legal person	2.62%	18,517,651	18,517,651		
Shenwan HongYuan Securities (Hong Kong) Co., Ltd.	Overseas legal person	1.94%	13,722,264	0		
Wag Zhengsong	Domestic nature	1.89%	13,327,891	13,327,891		

	person					
Zhou Haihong	Domestic nature person	0.95%	6,711,600	0		
CORE PACIFIC-YAMA ICHI INTERNATIONAL (H.K.) LIMITED	Overseas legal person	0.86%	6,051,543	0		
Su Youhe	Domestic nature person	0.85%	5,983,402	0		
Top ten shareholders with tradable shares held						
Shareholder’s name	Amount of tradable shares held	Type of shares		Type	Amount	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	46,098,326	Domestically listed foreign shares	46,098,326			
Everbright Securities (H.K.) Co., Ltd.	36,090,936	Domestically listed foreign shares	36,090,936			
Haitong International Securities Company Limited-Account Client	27,024,270	Domestically listed foreign shares	27,024,270			
Shenwan HongYuan Securities (Hong Kong) Co., Ltd.	13,722,264	Domestically listed foreign shares	13,722,264			
Zhou Haihong	6,711,600	Domestically listed foreign shares	6,711,600			
CORE PACIFIC-YAMA ICHI INTERNATIONAL (H.K.) LIMITED	6,051,543	Domestically listed foreign shares	6,051,543			
Su Youhe	5,983,402	Domestically listed foreign shares	5,983,402			
Li Tianyun	4,323,400	Domestically listed foreign shares	4,323,400			
Li Yitian	3,314,500	Domestically listed foreign	3,314,500			

		shares	
Wang Wensheng	3,237,000	Domestically listed foreign shares	3,237,000
Explanation on associated relationship among the aforesaid shareholders	The Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “management method for acquisition of listed company” among the above said shareholders.		
Explanation on top ten shareholders involving margin business (if applicable)	N/A		

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

Serial	Item	Ending (the period) balance	Opening (last period) balance	Changes		Main reason
				Change amount	Change ratio	
1	Trading financial assets	5,100,000.00	8,300,000.00	-3,200,000.00	-38.55%	Redemption of financial products in the period
2	Long-term deferred expenses	947,874.63	246,496.00	701,378.63	284.54%	Decoration fee increased in the period
3	Staff payable	1,053,774.12	1,767,654.79	-713,880.67	-40.39%	Remuneration are paid in the period
4	Taxes payable	670,062.31	67,933.78	602,128.53	886.35%	The property tax accrual in the period increased
5	Operating income	8,057,578.63	19,742,832.21	-11,685,253.58	-59.19%	Revenue from sales of property declined from a year earlier
6	Operating cost	7,488,439.08	18,282,172.42	-10,793,733.34	-59.04%	Cost of property sales declined from a year earlier
7	Sales expense	144,786.73	5,339,242.26	-5,194,455.53	-97.29%	Sales agency fee declined in the eperiod
8	Financial expenses	3,133,453.88	12,884.75	3,120,569.13	24219.09%	Loan interest paid in the period increased
9	Net cash flow from operating activities	-20,138,791.84	16,376,542.28	-36,515,334.12	-222.97%	Expenses for real estate development increased from a year earlier
10	Net cash flows from investing activities	-3,409,613.78	-70,777,980.84	67,368,367.06	-95.18%	Expenses of construction in process declined from a year earlier
11	Net cash flow from financing activities	14,026,261.90	60,851,776.56	-46,825,514.66	-76.95%	Loans received in the period declined from a year earlier

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

□ Applicable √ Not applicable

Progress of implementation of shares repurchase

√Applicable □ Not applicable

(i) On October 22, 2018, the company held the 4<sup>th</sup> session of the seventh board of directors which reviewed and approved the *Proposal on the Repurchase of Company Shares by Centralized Bidding*, and the second extraordinary shareholders meeting of 2018 held on November 7, 2018 reviewed and approved the above proposal. On November 14, 2018, the company disclosed the *Repurchase Report on the Repurchase of Company Shares by Centralized Bidding* (Announcement No.: 2018-062). The company implemented the repurchase for the first time on December 6, 2018, and disclosed the *Announcement on the First Repurchase of the Company's Shares* (Announcement No.: 2018-070) on December 7, 2018. For details of the above, please refer to the relevant announcements disclosed by the company on *Securities Times*, *Hong Kong Commercial Daily* and <http://www.cninfo.com.cn>. From November 7, 2018 to November 6, 2019, the company completed the share repurchase. The company's share repurchase progress is as follows:

The company repurchased the company's shares of 28,307,783 shares through a stock repurchase special security account by centralized bidding transactions, accounting for 4.01% of the company's total share capital, of which the highest transaction price was HK\$1.18/share, the lowest transaction price was HK\$1.09/share, and the total amount paid was HK\$32,095,614.32 (excluding transaction fees). Found more as:

Repurchased date	Amount repurchased	Ceiling price (HK\$)	Bottom price (HK\$)	Price repurchased (HK\$)	Ratio in total share capital	Announcement index
2018.12.6	6,586,658	1.14	1.11	7,449,626.48	0.93%	<i>Notice on the First Repurchase of Company's Shares</i> (No.:2018-070)
2018.12.20	12,864,055	1.14	1.09	14,529,142.54	1.82%	<i>Notice on the Repurchase of 2% of the Company's Shares Capital</i> (No.:2018-075)
2018.12.27	4,994,970	1.18	1.12	5,697,753.10	0.71%	<i>Notice on the Repurchase of 3% of the Company's Shares Capital</i> (No.:2018-076)
2018.12.28	532,100	1.14	1.14	606,594.00	0.08%	<i>Notice on the Repurchase of 4% of the Company's Shares Capital</i> (No.:2019-006)
2019.1.29	3,330,000	1.16	1.14	3,812,498.20	0.47%	
Total	28,307,783			32,095,614.32	4.01%	

(ii) The company held the 17<sup>th</sup> session of the 7<sup>th</sup> BOD on February 5, 2020, and reviewed and approved the "Plan for Repurchasing the Company's Shares by Concentrated Auction Transactions", and the company disclosed the "Report on Repurchasing the Company's Shares by Centralized Auction Transactions" (Announcement Number: 2020-008) on February 12, 2020. The company implemented the repurchase for the first time on February 19, 2020, and disclosed the "Announcement on the First Repurchase of the Company's Shares" on February 20 (Announcement Number: 2020-009). For details of the above, please refer to the company's disclosure on *Securities Times*, *Hong Kong Commercial Daily* and [www.cninfo.com](http://www.cninfo.com.cn) (<http://www.cninfo.com.cn>). The company's share repurchase progress was as follows:

As of the disclosure date of this report, the company repurchased 22,679,456 shares in the company's shares by centralized auction transactions through a dedicated securities account for share repurchase, accounting for 3.21% of the company's total share capital, the highest transaction price was 1.13 HKD / share, the lowest transaction price was 0.9 HKD / share, and the total amount paid was HK \$ 23,870,710.50 (excluding transaction fees). See the table below for details:



Repurchased date	Amount repurchased	Ceiling price (HK\$)	Bottom price (HK\$)	Price repurchased (HK\$)	Ratio in total share capital	Announcement index
2020. 2.19	2,725,800	1.13	1.10	3,043,387.76	0.39%	Notice on the First Repurchase of Company's Shares (No.:2020-009)
2020. 3.17	2,575,700	1.11	1.08	2,823,288.00	0.36%	
2020. 3.31	3,693,287	1.10	1.06	3,988,422.27	0.52%	Notice on the Repurchase of 1% of the Company's Shares Capital (No.:2020-011)
2020.4.2	800,000	1.03	0.97	802,250.44	0.11%	Notice on the Repurchase of 2% of the Company's Shares Capital (No.:2020-018)
2020.4.3	5,390,069	1.02	0.90	5,285,918.85	0.76%	
2020.4.7	7,494,600	1.09	1.01	7,927,443.18	1.06%	Notice on the Repurchase of 3% of the Company's Shares Capital (No.:2020-020)
Total	22,679,456			23,870,710.50	3.21%	

(iii) The company held the 19<sup>th</sup> session of the 7<sup>th</sup> BOD on April 21, 2020, and reviewed and approved the “Plan for Repurchasing the Company’s Shares by Concentrated Auction Transactions”, and the company disclosed the “Report on Repurchasing the Company’s Shares by Centralized Auction Transactions” (Announcement Number: 2020-030) on April 21, 2020. The Company plans to buy-back shares of the Company with own funds or self-raised capital by means of concentrated auction trading. Price of the buy-back shares shall not exceed HK\$ 1.2/Share, total amount of buy-back funds shall not exceed HK\$ 40 million and not be less than HK\$ 20 million. The total specific for amount of buy-back shall be subject to the funds actually repurchased upon the expiration of the buy-back period. Buy-back period shall not exceed three months from the date when BOD approves the plan and authorizes the management of the Company to handle the buy-back of shares. The buy-back is intended to safeguard the value and shareholders’ equity of the listed company, as the closing price of the share has dropped by 30% in 20 consecutive trading days (from 20 March 2020 to 17 April 2020). In accordance with relevant regulations, the shares buy-back will be fully reduced in the form of concentrated auction trading 12 months after the disclosure of the buy-back results and the announcement of shares change, the reduction will be completed within three years after the announcement of the buy-back results and share change released. First buy-back of the share implemented on 24 April 2020, the “Notice on First Buy-Back of the Shares” (Notice No.: 2020-035) was released on 25 April. Found more on the Notice released on Securities Times, Hong Kong Commercial Daily and Juchao Website (<http://www.cninfo.com.cn>). progress of shares buy-back are as:

Ended as the reporting period, the company repurchased the company’s shares of 26,237,545 shares through a stock repurchase special security account by centralized bidding transactions, accounting for 3.71% of the company’s total share capital, of which the highest transaction price was HK\$ 1.08 /share, the lowest transaction price was HK\$ 1.03/share, and the total amount paid was HK\$27,177,310.16 (excluding transaction fees). Found more as:

Repurchased date	Amount repurchased	Ceiling price (HKD)	Bottom price (HKD)	Price repurchased (HKD)	Ratio in total share capital	Announcement index
------------------	--------------------	---------------------	--------------------	-------------------------	------------------------------	--------------------

2020. 4. 24	5,130,989	0.97	0.91	4,845,886.76	0.73%	<i>Notice on the First Repurchase of Company's Shares (No.:2020-035)</i>
2020. 4. 27	6, 279, 540	1. 04	0. 98	6, 415, 122. 32	0. 89%	<i>Notice on the First Repurchase of Company's Shares (No.:2020--040)</i>
2020. 4. 28	14, 827, 016	1. 08	1. 03	15, 916, 301. 08	2. 1%	<i>Notice on the First Repurchase of Company's Shares (No.:2020--042)</i>
Total	26, 237, 545			27, 177, 310. 16	3. 71%	

Implementation progress of the reduction of repurchases shares by centralized bidding

☐ Applicable ☒ Not applicable

### III. Commitments that the actual controller, shareholders, related party, acquirer and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

☐ 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, acquirer and company.

### 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	780	510	0
Total		780	510	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

Time	Way	Type	Basic situation index of investigation
2020-03-05	Telephone communication	Individual	Operation of the Company, no materials required
2020-03-19	Telephone communication	Individual	Daily operation of the Company, no materials required

## VIII. Guarantee outside against the regulation

☐Applicable ☒Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

## IX. Non-operational fund occupation from controlling shareholders and its related party

☐ Applicable ☒ Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.

## Section IV. Financial statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by Dongfeng Sci-Tech Group CO., Ltd.

2020-03-31

In RMB

Items	2020-3-31	2019-12-31
Current assets:		
Monetary fund	22,305,309.25	27,759,127.05
Settlement provisions		
Capital lent		
Transactional financial assets	5,100,000.00	8,300,000.00
Derivative financial assets		
Note receivable		
Account receivable	217,730.00	150,330.00
Receivable financing		
Accounts paid in advance	9,642,073.08	9,117,061.66
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	16,883,199.73	17,921,552.05
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	203,393,823.76	196,431,731.67
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	47,071,123.89	45,828,612.47

Total current assets	304,613,259.71	305,508,414.90
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment	15,963,446.39	15,963,446.39
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate		
Fixed assets	303,691,434.81	306,237,939.37
Construction in progress	572,815.04	
Productive biological asset	5,536.23	5,536.23
Oil and gas asset		
Right-of-use assets		
Intangible assets	54,119,965.29	54,633,364.35
Expense on Research and Development	2,560,409.84	
Goodwill		
Long-term expenses to be apportioned	947,874.63	246,496.00
Deferred income tax asset		
Other non-current asset	4,059,640.80	496,880.00
Total non-current asset	381,921,123.03	377,583,662.34
Total assets	686,534,382.74	683,092,077.24
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	7,780,652.75	8,461,096.51

Accounts received in advance	157,233,510.45	159,359,732.60
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	1,053,774.12	1,767,654.79
Taxes payable	670,062.31	67,933.78
Other account payable	62,245,194.08	53,454,293.48
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	373,696.88	373,696.88
Other current liabilities		
Total current liabilities	229,356,890.59	223,484,408.04
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	190,210,000.00	175,210,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		

Total non-current liabilities	190,210,000.00	175,210,000.00
Total liabilities	419,566,890.59	398,694,408.04
Owner's equity:		
Share capital	706,320,000.00	706,320,000.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	463,681,309.55	463,681,309.55
Less: Inventory shares	34,093,635.90	28,826,485.70
Other comprehensive income	-367,590.69	-367,590.69
Reasonable reserve		
Surplus public reserve	76,791,550.17	76,791,550.17
Provision of general risk		
Retained profit	-960,029,612.50	-948,013,965.63
Total owner's equity attributable to parent company	252,302,020.63	269,584,817.70
Minority interests	14,665,471.52	14,812,851.50
Total owner's equity	266,967,492.15	284,397,669.20
Total liabilities and owner's equity	686,534,382.74	683,092,077.24

Legal representative: Zhao Yongsheng

Person in charge of accounting works: Zhao Yongsheng

Person in charge of accounting organ: Liu Fengguo

## 2. Balance Sheet of Parent Company

In RMB

Item	2020-3-31	2019-12-31
Current assets:		
Monetary funds	11,414,151.07	22,660,812.82
Trading financial assets	600,000.00	4,000,000.00
Derivative financial assets		
Note receivable		
Account receivable		
Receivable financing		
Accounts paid in advance	7,661,976.78	8,078,076.16
Other account receivable	40,367,528.25	37,622,110.45

Including: Interest receivable		
Dividend receivable		
Inventories	203,354,131.85	196,392,942.76
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	19,210,014.17	18,070,610.34
Total current assets	282,607,802.12	286,824,552.53
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	372,803,036.40	372,803,036.40
Investment in other equity instrument	15,963,446.39	15,963,446.39
Other non-current financial assets		
Investment real estate		
Fixed assets	1,336,236.64	1,411,240.77
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets		
Research and development costs		
Goodwill		
Long-term deferred expenses	732,110.09	
Deferred income tax assets		
Other non-current assets		
Total non-current assets	390,834,829.52	390,177,723.56
Total assets	673,442,631.64	677,002,276.09
Current liabilities		
Short-term borrowings		



Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	1,853,783.35	2,481,983.35
Accounts received in advance	156,962,094.68	157,356,171.77
Contractual liability		
Wage payable	316,823.95	291,167.02
Taxes payable	34,128.25	9,510.94
Other accounts payable	386,830,698.58	380,623,541.78
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	545,997,528.81	540,762,374.86
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	545,997,528.81	540,762,374.86
Owners' equity:		
Share capital	706,320,000.00	706,320,000.00
Other equity instrument		

Including: preferred stock		
Perpetual capital securities		
Capital public reserve	456,569,124.55	456,569,124.55
Less: Inventory shares	34,093,635.90	28,826,485.70
Other comprehensive income	-367,590.69	-367,590.69
Special reserve		
Surplus reserve	76,791,550.17	76,791,550.17
Retained profit	-1,077,774,345.30	-1,074,246,697.10
Total owner's equity	127,445,102.83	136,239,901.23
Total liabilities and owner's equity	673,442,631.64	677,002,276.09

### 3. Consolidated Profit Statement

In RMB

Item	Current period	Last period
I. Total operating income	8,057,578.63	19,742,832.21
Including: Operating income	8,057,578.63	19,742,832.21
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	22,020,472.29	34,124,418.32
Including: Operating cost	7,488,439.08	18,282,172.42
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	780,648.95	620,914.59
Sales expense	144,786.73	5,339,242.26

Administrative expense	10,473,143.65	9,177,892.99
R&D expense		691,311.31
Financial expense	3,133,453.88	12,884.75
Including: Interest expenses	3,139,046.71	
Interest income	18,379.84	10,188.51
Add: other income		
Investment income (Loss is listed with “-”)	45,624.00	87,723.37
Including: Investment income on affiliated company and joint venture		
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 “-”)		-344,913.75
Losses of devaluation of asset (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		467,465.69
III. Operating profit (Loss is listed with “-”)	-13,917,269.66	-14,171,310.80
Add: Non-operating income	18,871.90	
Less: Non-operating expense		371,462.62
IV. Total profit (Loss is listed with “-”)	-13,898,397.76	-14,542,773.42
Less: Income tax expense		
V. Net profit (Net loss is listed with “-”)	-13,898,397.76	-14,542,773.42
(i) Classify by business continuity		

1.continuous operating net profit (net loss listed with ‘-’)	-13,898,397.76	-14,542,773.42
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-13,751,017.78	-14,173,060.95
2.Minority shareholders’ gains and losses	-147,379.98	-369,712.47
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	-13,898,397.76	-14,542,773.42
Total comprehensive income attributable to owners of parent Company	-13,751,017.78	-14,173,060.95
Total comprehensive income attributable to minority shareholders	-147,379.98	-369,712.47
VIII. Earnings per share:		
(i) Basic earnings per share	-0.020	-0.020
(ii) Diluted earnings per share	-0.020	-0.020

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: Zhao Yongsheng

Person in charge of accounting works: Zhao Yongsheng

Person in charge of accounting organ: Liu Fengguo

#### 4. Profit Statement of Parent Company

In RMB

Item	Current period	Last period
I. Operating income	5,987,161.91	17,826,946.69
Less: Operating cost	5,145,563.16	15,694,747.22
Taxes and surcharge	118,803.35	354,809.07
Sales expenses	144,786.73	5,332,957.71
Administration expenses	4,122,206.20	5,862,736.72
R&D expenses		
Financial expenses	-3,327.07	6,997.78
Including: interest expenses		
Interest income	14,792.17	3,575.46

Add: other income		
Investment income (Loss is listed with “-”)	11,374.26	54,665.83
Including: Investment income on affiliated Company and joint venture		
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 “-”)		-448,682.61
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 “-”)	-3,529,496.20	-9,819,318.59
Add: Non-operating income	1,848.00	
Less: Non-operating expense		231,705.00
III. Total Profit (Loss is listed with “-”)	-3,527,648.20	-10,051,023.59
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	-3,527,648.20	-10,051,023.59
(i)continuous operating net profit (net loss listed with “-”)	-3,527,648.20	-10,051,023.59
(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	-3,527,648.20	-10,051,023.59
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 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	7,647,741.30	4,746,841.46
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	56,630.85	
Other cash received concerning operating activities	1,530,809.25	28,287,517.29
Subtotal of cash inflow arising from operating activities	9,235,181.40	33,034,358.75
Cash paid for purchasing commodities and receiving labor service	16,291,920.51	5,792,763.59
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	6,116,344.20	4,361,376.36
Taxes paid	883,570.70	1,921,998.77
Other cash paid concerning operating activities	6,082,137.83	4,581,677.75
Subtotal of cash outflow arising from operating activities	29,373,973.24	16,657,816.47
Net cash flows arising from operating activities	-20,138,791.84	16,376,542.28
II. Cash flows arising from investing activities:		
Cash received from recovering investment	5,900,000.00	28,454,665.83
Cash received from investment income	45,586.22	87,723.37
Net cash received from disposal of fixed, intangible and other long-term assets		488,370.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	5,945,586.22	29,030,759.20
Cash paid for purchasing fixed, intangible and other long-term assets	4,655,200.00	73,208,740.04
Cash paid for investment	4,700,000.00	26,600,000.00
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	9,355,200.00	99,808,740.04

investing activities		
Net cash flows arising from investing activities	-3,409,613.78	-70,777,980.84
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	15,000,000.00	72,500,000.00
Other cash received concerning financing activities	11,600,000.00	12,250,000.00
Subtotal of cash inflow from financing activities	26,600,000.00	84,750,000.00
Cash paid for settling debts		2,000,000.00
Cash paid for dividend and profit distributing or interest paying	3,141,796.79	2,570,351.29
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	9,431,941.31	19,327,872.15
Subtotal of cash outflow from financing activities	12,573,738.10	23,898,223.44
Net cash flows arising from financing activities	14,026,261.90	60,851,776.56
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-9,522,143.72	6,450,338.00
Add: Balance of cash and cash equivalents at the period -begin	29,868,791.55	33,512,916.99
VI. Balance of cash and cash equivalents at the period -end	20,346,647.83	39,963,254.99

## 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	7,213,810.00	4,305,710.50
Write-back of tax received	56,630.85	
Other cash received concerning operating activities	765,430.22	111,161,187.41
Subtotal of cash inflow arising from operating activities	8,035,871.07	115,466,897.91
Cash paid for purchasing commodities and receiving labor service	12,398,000.00	2,398,326.44
Cash paid to/for staff and workers	2,167,247.36	2,763,158.28
Taxes paid	809,267.44	936,187.52
Other cash paid concerning operating activities	9,559,313.53	2,414,524.56
Subtotal of cash outflow arising from operating activities	24,933,828.33	8,512,196.80
Net cash flows arising from operating activities	-16,897,957.26	106,954,701.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment	5,600,000.00	26,654,665.83
Cash received from investment income	24,260.90	54,665.83
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	5,624,260.90	26,709,331.66
Cash paid for purchasing fixed, intangible and other long-term assets	9,350.00	4,232,310.65
Cash paid for investment	2,200,000.00	126,600,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	2,209,350.00	130,832,310.65
Net cash flows arising from investing activities	3,414,910.90	-104,122,978.99
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		
Other cash received concerning financing activities	11,600,000.00	12,250,000.00
Subtotal of cash inflow from financing activities	11,600,000.00	12,250,000.00
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities	9,431,941.31	19,327,872.15
Subtotal of cash outflow from financing activities	9,431,941.31	19,327,872.15
Net cash flows arising from financing activities	2,168,058.69	-7,077,872.15
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-11,314,987.67	-4,246,150.03
Add: Balance of cash and cash equivalents at the period -begin	20,770,477.32	26,139,226.98

VI. Balance of cash and cash equivalents at the period -end	9,455,489.65	21,893,076.95
---	--------------	---------------

## 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 from 2020

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

## III. Audit report

Whether the first quarterly report had been audited or not

☐ Yes ☒ No

The first quarterly report of the Company had not been audited.