

WUHAN BOILER COMPANY LIMITED

2019 QUARTER ONE REPORT

2019—011

April 2019

Section I Important Notes

The Board of Directors, the Board of Supervisors as well as all Board Directors, Supervisors and Senior Management of Wuhan Boiler Company Limited (hereinafter referred to as “the Company”) hereby confirm that this Report is authentic, accurate and complete without any misstatement, misleading statement or material omission and will take individual and joint and several liabilities for that.

All Board Directors have attended the Board Meeting for reviewing this Report.

Stuart Adam Connor, Company Principal, FENG Zheng, Accounting Principal, and ZHANG Ke, Accounting Division’s Principal (Accounting Manager), hereby ensure that the Financial Statements enclosed in this Report are authentic, accurate and complete.

Section II Company Profile

I. Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years?

Yes No

| | Report period | Same period of last year | YoY change |
|--|-------------------|--------------------------|-----------------------|
| Gross operating revenues (RMB Yuan) | 227,530,574.29 | 199,112,498.59 | 14.27% |
| Net profit attributable to shareholders of the Company (RMB Yuan) | -18,041,223.09 | -30,227,014.74 | 40.30% |
| Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (RMB Yuan) | -18,110,667.09 | -30,472,784.84 | 40.57% |
| Net cash flow from operating activities (RMB Yuan) | -89,109,199.91 | 38,328,911.19 | -332.49% |
| Basic EPS (RMB Yuan/share) | -0.06 | -0.10 | 40.00% |
| Diluted EPS (RMB Yuan/share) | -0.06 | -0.10 | 40.00% |
| The weighted average ROE | -1.50% | -2.33% | 0.83% |
| | Mar. 31, 2019 | Dec. 31, 2018 | Increase/decrease (%) |
| Total assets (RMB Yuan) | 1,104,930,895.72 | 1,236,668,941.72 | -10.65% |
| Owners' equity attributable to shareholders of the Company (RMB Yuan) | -1,212,436,433.70 | -1,194,395,210.61 | -1.51% |

Items and amounts of non-recurring gains and losses

Applicable Not applicable

Unit: RMB Yuan

| Item | Jan.-Mar. 2019 | Explanation |
|---|----------------|---|
| Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards | 69,444.00 | Deferred incomes of the land use right in the new factory zone of the Company |
| Total | 69,444.00 | -- |

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Public Listed Companies – Non-recurring Gains and Losses, or classifies any non-recurring gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable Not applicable

In the report period, the Company didn't classify any non-recurring gain/loss item defined or mentioned in the Explanatory Announcement No. 1 on Information Disclosure for Public Listed Companies – Non-recurring Gains and Losses as a recurrent gain/loss item.

II. Total number of shareholders at the period-end and shareholdings of the top ten shareholders

1. Total number of shareholders with common shares and shareholders with preference shares with resumed voting rights as well as shareholdings of the top ten shareholders

Unit: share

| Total number of shareholders with common shares at the period-end | | 5299 | Total number of shareholders with preference shares who had resumed their voting right at the end of the report period (if any) | | -- | |
|---|--------------------------------------|-----------------------------|---|----------------------------------|--------------------------|------------------|
| Top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding percentage (%) | Total shares held | Number of restricted shares held | Pledged or frozen shares | |
| | | | | | Status of shares | Number of shares |
| ALSTOM (CHINA) INVESTMENT CO., LTD | Domestic non-state-owned corporation | 51.00% | 151,470,000 | 151,470,000 | | |
| WUHAN BOILER GROUP CO., LTD | State-owned corporation | 6.91% | 20,530,000 | 20,530,000 | | |
| WANG XIAO | Domestic natural person | 0.90% | 2,672,800 | 0 | | |
| CHEN PENG | Domestic natural person | 0.79% | 2,331,545 | 0 | | |
| HU ZHIHONG | Domestic natural person | 0.47% | 1,390,397 | 0 | | |
| CHEN CHUYUN | Domestic natural person | 0.46% | 1,367,450 | 0 | | |
| LI ZHIJIAN | Domestic natural person | 0.43% | 1,286,281 | 0 | | |
| HSBC BROKING SECURITIES (ASIA) | Foreign corporation | 0.40% | 1,185,114 | 0 | | |

| LIMITED-CLIENTS A/C | | | | | | |
|--|--------------------------------------|----------------------------|-----------|-----------|--|--|
| CHINA MERCHANTS SECURITIES (HK) CO., LTD. | State-owned corporation | 0.40% | 1,176,836 | 0 | | |
| ZHUANG CHANGXIONG | Domestic natural person | 0.35% | 1,045,000 | 0 | | |
| Shareholdings of the top ten shareholders with non-restricted shares | | | | | | |
| Name of shareholder | Number of non-restricted shares held | Type of shares | | Number | | |
| | | Type | Number | | | |
| WANG XIAO | 2,672,800 | Domestically listed shares | foreign | 2,672,800 | | |
| CHEN PENG | 2,331,545 | Domestically listed shares | foreign | 2,331,545 | | |
| HU ZHIHONG | 1,390,397 | Domestically listed shares | foreign | 1,390,397 | | |
| CHEN CHUYUN | 1,367,450 | Domestically listed shares | foreign | 1,367,450 | | |
| LI ZHIJIAN | 1,286,281 | Domestically listed shares | foreign | 1,286,281 | | |
| HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C | 1,185,114 | Domestically listed shares | foreign | 1,185,114 | | |
| CHINA MERCHANTS SECURITIES (HK) CO., LTD. | 1,176,836 | Domestically listed shares | foreign | 1,176,836 | | |
| ZHUANG CHANGXIONG | 1,045,000 | Domestically listed shares | foreign | 1,045,000 | | |
| SUN WEIWEI | 966,567 | Domestically listed shares | foreign | 966,567 | | |
| TANG JUAN | 887,236 | Domestically listed shares | foreign | 887,236 | | |

| | | | |
|--|--|--------|--|
| | | shares | |
| Explanation on affiliated relationship or persons acting in concert among the above-mentioned shareholders | The top ten shareholders of the Company are public shareholders with tradable shares. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders with tradable shares and whether there are persons acting in concert among them. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders and the top ten shareholders with tradable share. | | |
| Explanation on the top 10 shareholders with common shares participating in the margin trading business (if any) (see Note 4) | Not applicable | | |

Whether the top 10 shareholders with common shares and the top 10 shareholders with tradable common shares of the Company reach agreement of buy-back trading in the report period?

Yes No

No top 10 shareholders with common shares and top 10 shareholders with tradable common shares of the Company carried out any agreed buy-back trading in the report period.

2. Total number of shareholders with preference shares and shareholdings of the top ten shareholders with preference shares

Applicable Not applicable

Section III Significant Events

I. Major changes of main accounting statement items and financial indicators in the report period, as well as reasons for the changes

Applicable Not applicable

1. Cash and cash equivalent decreased by 70.92%, mainly due to bank acceptance notes mature this period;
2. Down payment increased by 38.04%, mainly due to increase on purchasing material for Hassyan, pingshan projects;
3. Tax payable decreased by 55.30%, mainly due to input VAT increase;
4. Tax and surcharges decreased by 31.22%, mainly due to additional tax for VAT decrease this period;
5. Assets impairment loss decreased by 110.53%, mainly due to reversed bad-debt provision more than the same period last year for the AR collection this period;
6. Changes in fair value gains decreased by 100.00%, mainly due to the decreased of hedging gains arising from exchange rate movement of hedging instrument;
7. Non-operating income decreased by 72.64%, mainly due to insurance compensation in the prior period but no same thing this period;
8. Net cash flows from operating activities decreased by 332.49%, mainly due to payment for projects material increase this period;
9. Net cash flow generated from investment activities decreased by 1558.23%, mainly due to the increase of cash out paid for fixed assets this period;
10. Net cash flow generated from financing activities increased by 77.22%, mainly due to the decrease of repayments of entrusted loans this period.

II. Progress and influence of significant events, as well as the analysis and explanation on solutions

Applicable Not applicable

III. Commitments of the Company's actual controller, shareholders, related parties, acquirer, the Company or other commitment makers ongoing in the report period

Applicable Not applicable

| Commitment | Commitment maker | Type of commitment | Contents | Time of making commitment | Period of commitment | Fulfillment |
|----------------------------|------------------------------------|----------------------|------------------------------|---------------------------|----------------------|---------------------------------|
| Commitment on share reform | Alstom (China) Investment Co., Ltd | Disclosed commitment | Avoid horizontal competition | April 14, 2006 | Long-term effective | Strictly fulfill the commitment |

| | | | | | | |
|--|--|----------------------|---|-------------------|---------------------|---|
| | | | | | | and no breaches |
| | General Electric Company, GE Albany Global Holdings B.V. | Disclosed commitment | Ensure the independence of the Company | December 28, 2015 | Long-term effective | Strictly fulfill the commitment and no breaches |
| | General Electric Company, GE Albany Global Holdings B.V. | Disclosed commitment | Avoid horizontal competition | December 28, 2015 | Long-term effective | Strictly fulfill the commitment and no breaches |
| | General Electric Company, GE Albany Global Holdings B.V. | Disclosed commitment | Ensure new related party transactions will obtain appropriate approvals | December 28, 2015 | Long-term effective | Strictly fulfill the commitment and no breaches |
| Commitment in the acquisition report or the report on equity changes | | | | | | |
| Commitments made in assets reorganization | | | | | | |
| Commitments made in IPO or refinancing | | | | | | |
| Equity incentive commitment | | | | | | |
| Other commitments made to minority shareholders | | | | | | |
| Executed on time | Yes | | | | | |

IV. Forecast for the operating results of Jan.-Jun. 2019

Warnings of possible loss or considerable year-on-year change of the accumulated net profit made during the period from the beginning of the year to the end of the next report period according to forecast, as well as explanations on the reasons

Applicable Not applicable

V. Securities investment

Applicable Not applicable

The Company did not invest in any securities in the report period.

VI. Derivatives investment

Applicable Not applicable

Unit: RMB Ten thousand

| Operator | Relation | Related party transaction or not | Type of derivatives investment | Initial investment amount | Beginning date | Ending date | Opening investment amount | Amount purchased in reporting period | Amount sold in reporting period | Impairment provision (if any) | Closing investment amount | Proportion of the closing investment amount in the Company's closing net assets (%) | Actual gain/loss in report period |
|--|--------------|----------------------------------|--------------------------------|---------------------------|----------------|-------------|---------------------------|--------------------------------------|---------------------------------|-------------------------------|---------------------------|---|-----------------------------------|
| HSBC | Non-Relation | No | Forward FX contract | 1,781.59 | 2014/10/28 | 2020/3/30 | 1,781.59 | 4,978.29 | 4,181.79 | | 2,578.09 | 11.33% | -0.99 |
| SCB | Non-Relation | No | Forward FX contract | 6,484.98 | 2015/2/17 | 2019/3/29 | 6,484.98 | 5,612.15 | 3,546.59 | | 8,550.54 | 37.58% | -10.04 |
| Total | | | | 8,266.57 | -- | -- | 8,266.57 | 10,590.44 | 7,728.38 | | 11,128.63 | 48.91% | -11.03 |
| Capital source for derivatives investment | | | | Self-funded | | | | | | | | | |
| Any litigation involved | | | | NA | | | | | | | | | |
| Disclosure date of the board announcement approving the derivative investment (if any) | | | | April 26, 2019 | | | | | | | | | |
| Disclosure date of the Shareholders' Meeting announcement approving the derivative investment (if any) | | | | NA | | | | | | | | | |

| | |
|--|--|
| <p>Analysis on risks and control measures of derivative products held in the report period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)</p> | <p>In order to satisfy needs arising from business development and avoid risk concerning exchange rates, the Company signed forward FX contracts with HSBC, SCB, etc. respectively.</p> <p>For exchange rate fluctuations risk, the Company and banks do collaborative exchange rate trend forecasts, closely track changes in exchange rates, changes in market conditions to implement dynamic management; For liquidity risk, foreign exchange hedging operations carried out by the Company are based on the Company's estimated foreign exchange payments and collection of trade, because the foreign exchange hedging operations match with the actual foreign exchange trade, so this can ensure sufficient fund for settlement at delivery time, there is less affected on the liquidation of the company's current assets; For operational risk, the Company developed a standardized operational processes and authorization management systems, equipped with full-time staff and strictly control their authority to conduct foreign exchange hedging operations; while strengthening business related personnel training and professional ethics , and improving quality of personnel, and the establishing anomalies timely reporting system to avoid the occurrence of operational risk at the maximum; For credit risk, the Company's counterparties of foreign exchange hedging are reputable business and the company has established long-term business relationship with large commercial banks and foreign banks, so, basically there is no performance risk; For legal risk, the Company conducted foreign exchange hedging operations legally in accordance with relevant laws and regulations and relevant transaction management practices, and signed a legal agreement with the counterparties for clear and accurate terms to avoid possible legal disputes at the maximum; and the Company has carried out sufficient assessment and effective control on possible risk concerning credit, operation and cash flows.</p> |
| <p>Changes of market prices or fair values in the report period of the invested derivatives. And the analysis on the fair value of the derivatives should include the specific use methods and the relevant assumptions and parameters</p> | <p>The company recognized the gain and loss of fair values of the invested derivatives, the fair values loss of the invested derivatives this period was 0RMB, the loss of investment was 0.11MRMB. The calculation of fair values was based on the contract values and forward rate quote of end of this accounting period provided by the related business partners which was accordance with the expiry date of each forward contracts.</p> |
| <p>Whether significant changes occurred to the Company's accounting policy and specific accounting principles of derivatives in the report period compared to the previous report period</p> | <p>No major change</p> |
| <p>Independent Directors' opinions on derivatives investment and risk control</p> | <p>The foreign exchange trading for hedging purpose made by WBC in order to prevent exchange rate risk is based on reasonable estimation and current need for foreign exchange payment and collection. The business process is compliant with laws and regulations. There is almost no market risk, no performance risk and no impact on liquidity of WBC. WBC has established organization, business procedures, approval process and Internal Control Rules on Derivatives Investment for foreign exchange trading, so as to improve foreign exchange</p> |

| | |
|--|---|
| | risk management and prevent exchange rate risk through derivatives investment business. |
|--|---|

VII. Researches, visits and interviews received in this report period

Applicable Not applicable

| Date | Way of reception | Visitor type | Main inquiry information |
|---------------|------------------|--------------|--|
| Jan. 16, 2019 | By phone | Individual | About the Company's re-listing progress |
| Feb. 28, 2019 | By phone | Individual | About the Company's operating results |
| Mar. 6, 2019 | By phone | Individual | Suggested that the Company should try to list on the Science and Technology Innovation Board and that senior management should increase their shareholdings in the Company, as well as asked about the latest tax-cut policy impact on WBC |

VIII. Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the report period.

IX. Occupation of the Company's funds by its controlling shareholders or its related parties for non-operating purposes

Applicable Not applicable

No such cases in the report period.

Section IV Financial Statements

I. Financial statements

1. Balance sheet

Prepared by Wuhan Boiler Company Limited

Unit: RMB Yuan

| Item | Closing balance | Opening balance |
|---|-----------------|-----------------|
| Current assets: | | |
| Monetary funds | 43,075,736.27 | 148,131,705.14 |
| Deposit reservation for balance | | |
| Outgoing call loans | | |
| Held for trading financial assets | | |
| Financial assets measured at fair value and of which the changes are recorded into the current gains and losses | | |
| Derivative financial assets | | |
| Notes receivable and Accounts receivable | 55,837,002.98 | 76,512,067.71 |
| Including: Notes receivable | | 8,960,000.00 |
| Accounts receivable | 55,837,002.98 | 67,552,067.71 |
| Prepayment | 39,104,425.27 | 28,329,127.86 |
| Insurance receivables | | |
| Reinsurance Receivable | | |
| Provision of reinsurance contracts | | |
| Other receivables | 16,949,812.19 | 13,302,779.14 |
| Including: Interests receivable | | |
| Dividends receivable | | |
| Financial assets purchased under agreements to resell | | |
| Inventories | 245,408,241.74 | 253,557,672.49 |
| Contract assets | | |
| Divided into hold for sale financial assets | | |

| | | |
|--|------------------|------------------|
| Non-current assets due within 1-year | | |
| Other current assets | 30,698,906.52 | 33,533,020.03 |
| Total current assets | 431,074,124.97 | 553,366,372.37 |
| Non-current assets: | | |
| Loan and payment on other's behalf disbursed | | |
| Debt investments | | |
| Available-for-sale investments (financial assets) | | |
| Other debt investments | | |
| Investment held to maturity | | |
| Long-term receivables | | |
| Long-term equity investment | | |
| Other equity investment | | |
| Other non-current financial assets | | |
| Investment property | | |
| Fixed assets/Property, plant and equipment | 605,264,341.00 | 613,279,238.82 |
| Construction in progress | 2,249,349.85 | 2,066,522.55 |
| Bearer biological assets | | |
| Oil and gas properties | | |
| Right to use assets | | |
| Intangible assets | 51,737,727.86 | 52,699,541.07 |
| R&D expense | | |
| Goodwill | | |
| Long-term deferred expenses | | |
| Deferred tax assets | 13,867,967.03 | 14,519,881.90 |
| Other non-current assets | 737,385.01 | 737,385.01 |
| Total non-current assets | 673,856,770.75 | 683,302,569.35 |
| Total assets | 1,104,930,895.72 | 1,236,668,941.72 |
| Current liabilities: | | |
| Short-term loans | 1,558,000,000.00 | 1,558,000,000.00 |
| Loans from central bank | | |
| Deposits received and hold for others | | |
| Transactional financial liabilities | | |

| | | |
|--|------------------|------------------|
| Financial liabilities at fair value through profit or loss | | |
| Derivative financial liabilities | | |
| Notes payable and Accounts payable | 441,133,598.30 | 543,025,192.27 |
| Advance from customers | 208,603,596.97 | 210,994,851.58 |
| Financial assets sold under agreements to repurchase | | |
| Deposits from customers and interbank | | |
| Funds received as agent of stock exchange | | |
| Funds received as stock underwrite | | |
| Payroll payable | 38,122,461.75 | 34,707,752.60 |
| Taxes payable | 8,811,189.65 | 19,712,170.88 |
| Other payables | 48,300,196.56 | 50,158,454.81 |
| Including: Interests payable | 1,656,673.33 | 1,656,673.33 |
| Dividends payable | | |
| Fees and commissions payable | | |
| Amount due to reinsurance | | |
| Contract liabilities | | |
| Holding liabilities for sale | | |
| Non-current liabilities due within 1-year | | |
| Other Current liabilities | 2,802,489.18 | 2,802,489.18 |
| Total Current liabilities | 2,305,773,532.41 | 2,419,400,911.32 |
| Non-current liabilities: | | |
| Insurance contract provision | | |
| Long-term loans | | |
| Bonds payable | | |
| Including: Preferred shares | | |
| Perpetual Capital Securities | | |
| Lease liability | | |
| Long-term payables | | |
| Accrued liabilities | | |
| Deferred income | 10,856,412.00 | 10,925,856.00 |
| Deferred taxes liabilities | | |

| | | |
|--|-------------------|-------------------|
| Other non-current liabilities | 737,385.01 | 737,385.01 |
| Total non-current liabilities: | 11,593,797.01 | 11,663,241.01 |
| Total liabilities | 2,317,367,329.42 | 2,431,064,152.33 |
| Shareholders' Equity: | | |
| Share capital | 297,000,000.00 | 297,000,000.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual Capital Securities | | |
| Capital reserve | 235,273,493.07 | 235,273,493.07 |
| Less: treasury stock | | |
| Other comprehensive income | 3,111,845.45 | 3,111,845.45 |
| Surplus reserve | 39,418,356.83 | 39,418,356.83 |
| General risk reserve | | |
| Retained earnings | -1,787,240,129.05 | -1,769,198,905.96 |
| Total equity attributable to owners of the Company | -1,212,436,433.70 | -1,194,395,210.61 |
| Minority interests | | |
| Total shareholders' equity | -1,212,436,433.70 | -1,194,395,210.61 |
| Total liabilities & shareholders' equity | 1,104,930,895.72 | 1,236,668,941.72 |

Legal representative: Stuart Adam Connor
Chief of the accounting division: Zhang Ke

Person-in-charge of the accounting work: Feng Zheng

2、Income statement

Unit: RMB Yuan

| Item | Jan.-Mar. 2019 | Jan.-Mar. 2018 |
|---------------------------|----------------|----------------|
| I. Total revenue | 227,530,574.29 | 199,112,498.59 |
| Including: Sales revenue | 227,530,574.29 | 199,112,498.59 |
| Interest income | | |
| Insurance fee income | | |
| Fee and commission income | | |
| II. Total Operating Cost | 244,989,326.51 | 227,149,650.29 |
| Including: Cost of sales | 215,297,713.02 | 192,523,849.14 |
| Interest expenses | | |

| | | |
|--|----------------|----------------|
| Service charge and commission income | | |
| Insurance discharge payment | | |
| Claim expenses-net | | |
| Provision for insurance contract reserve-net | | |
| Insurance policy dividend paid | | |
| Reinsurance expense | | |
| Business taxes and surcharges | 3,132,167.20 | 4,554,066.24 |
| Selling expenses | 3,122,117.47 | 2,898,042.45 |
| Administrative expenses | 8,522,096.89 | 8,433,269.79 |
| R&D expenses | | |
| Financial costs | 15,291,473.46 | 15,167,885.32 |
| Including: Interest expenses | 14,910,060.00 | 15,464,269.33 |
| Interest revenue | 81,104.79 | 76,655.36 |
| Impairment loss on assets | -376,241.53 | 3,572,537.35 |
| Credit impairment loss | | |
| Add: Other income | | |
| Gain/(loss) from investment ("-" means loss) | | |
| Including: income from investment on associates and jointly ventures | | |
| Foreign exchange gains ("-" means loss) | | |
| Net open hedging gains ("-" means loss) | | |
| Gains/(losses) from changes in fair value ("-" means loss) | | -1,670,668.54 |
| Gains/(losses) from changes in fair value ("-" means loss) | | |
| III. Operating profit/- loss | -17,458,752.22 | -29,707,820.24 |
| Add: non-operating income | 69,444.00 | 253,833.21 |
| Less: non-operating expenses | | |
| IV. Total profit("-" means losses) | -17,389,308.22 | -29,453,987.03 |
| Less: income tax expenses | 651,914.87 | 773,027.71 |
| V. Net profit("-" means losses) | -18,041,223.09 | -30,227,014.74 |
| (一) Classification of operating continuity | | |
| Net continuing operating profit("-" means losses) | | |
| 2. Termination of operating net profit ("-" means | | |

| | | |
|---|----------------|----------------|
| losses) | | |
| (二) Classification by ownership | | |
| 1. Attributable to equity holders of the parent company | -18,041,223.09 | -30,227,014.74 |
| 2. Minority interest | | |
| VI. Other comprehensive income | | |
| Attributable to owners of the Company | | |
| A. Not reclassified subsequently to profit or loss | | |
| 1. Changes in net liabilities or assets by remeasurement of defined benefit plans | | |
| 2. The proportion of other comprehensive income in investee entities cannot be classified as profit/loss under the equity method | | |
| 3. Changes in fair value of other equity instruments | | |
| 4. Fair value change of enterprise credit risk | | |
| 5. Others | | |
| B. Reclassified subsequently to profit or loss | | |
| 1. The proportion of other comprehensive income in investee entities shall be reclassified as profit/loss under the equity method | | |
| 2. Changes in fair value of other debt investments | | |
| 3. Profit/(loss) from changes in fair value of available for sale financial assets | | |
| 4. The amount of financial assets reclassified into other comprehensive income | | |
| 5. Held-to-maturity investments are reclassified as gains and losses on available-for-sale financial assets | | |
| 6. Other debt investment credit impairment provisions | | |
| 7. Valid proportion of profit/(loss) from hedging in cash flows | | |
| 8. Differences from translation of foreign currency financial statements | | |
| 9. Others | | |

| | | |
|---|----------------|----------------|
| Minority's total other comprehensive income after tax | | |
| VII. Total comprehensive income attributable to: | -18,041,223.09 | -30,227,014.74 |
| Equity holders for the company | -18,041,223.09 | -30,227,014.74 |
| Minority interests | | |
| VIII. Earnings per share | | |
| (I) Basic earnings per share (RMB/share) | -0.06 | -0.10 |
| (II) Diluted earnings per share (RMB/share) | -0.06 | -0.10 |

Enterprise combine under the same control in the period, the combined party realized net profit of RMB 0.00 before combination, and realized RMB 0.00 at last period for combined party

Legal representative: Stuart Adam Connor

Person-in-charge of the accounting work: Feng zheng

Chief of the accounting division: Zhang ke

3、Cash flows statement

单位：元

| Item | Jan.-Mar. 2019 | Jan.-Mar. 2018 |
|--|----------------|----------------|
| I. Cash flows from operating activities | | |
| Cash received from sales of goods or rendering of services | 300,956,390.70 | 193,206,975.82 |
| Net increase of deposits received and held for others | | |
| Net increase of loans from central bank | | |
| Net increase of funds borrowed from other financial institutions | | |
| Cash received against original insurance contract | | |
| Net Cash received from reinsurance | | |
| Net increase of client deposit and investment | | |
| Cash received from disposal of held-for-trading financial assets | | |
| Cash received as Interests, fees and commissions received | | |

| | | |
|---|----------------|----------------|
| Net increase of inter-bank fund received | | |
| Net cash received under repurchasing, | | |
| Net cash received by proxy trading securities | | |
| Tax refunds | 5,718,219.26 | 9,577,260.60 |
| Other cash received relating to operating activities | 321,043.35 | |
| Subtotal of cash inflows from operating activities | 306,995,653.31 | 202,784,236.42 |
| Cash paid for goods and services | 318,036,311.18 | 86,008,859.54 |
| Net increase of loans and advances | | |
| Net increase of deposit in central bank, banks and other financial institutions | | |
| Cash paid for original contract claim | | |
| Net increase in financial assets held for trading | | |
| Net increase in funds dismantled | | |
| Cash paid for interests, fees and commission | | |
| Cash paid for policy dividend | | |
| Cash paid to and for employees | 44,954,707.16 | 51,051,774.40 |
| Cash paid for all types of taxes | 13,988,874.75 | 11,879,024.56 |
| Other cash paid relating to operating activities | 19,124,960.13 | 15,515,666.73 |
| Subtotal of cash outflows from operating activities | 396,104,853.22 | 164,455,325.23 |
| Net cash flow from operating activities | -89,109,199.91 | 38,328,911.19 |
| II. Cash Flows from Investing Activities | | |
| Cash received from return on investments | | |

| | | |
|---|---------------|---------------|
| Cash received from investment income | | |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other operating units | | |
| Other cash received relating to investing activities | | 76,655.36 |
| Subtotal of cash inflows from investing activities | | 76,655.36 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | 1,117,814.10 | |
| Cash paid for investment | | |
| Net increase of pledged loans | | |
| Net cash paid for acquisition of subsidiaries and other operating units | | |
| Other cash paid relating to investing activities | | |
| Subtotal of cash outflows from investing activities | 1,117,814.10 | |
| Net cash flow from investing activities | -1,117,814.10 | 76,655.36 |
| III. Cash Flows from Financing Activities: | | |
| Cash received from investment | | |
| Including: Cash received from minority shareholders of subsidiaries | | |
| Cash received from borrowings | | |
| Cash received from bonds issuing | | |
| Other Cash received relating to financing activities | | |
| Subtotal of cash inflows from financing activities | | |
| Cash paid for repayments of | | 50,000,000.00 |

| | | |
|---|-----------------|----------------|
| borrowings | | |
| Cash paid for dividends, profit distribution or interest | 14,910,060.00 | 15,464,269.33 |
| Including: dividends or profits paid to minority shareholders by subsidiaries | | |
| Other cash paid relating to financing activities | | |
| Sub-total of cash outflows from financing activities | 14,910,060.00 | 65,464,269.33 |
| Net cash flow from financing activities | -14,910,060.00 | -65,464,269.33 |
| IV. Effect of foreign exchange rate changes on cash | 81,105.14 | -8,876.70 |
| V. Net increase in cash and cash equivalents | -105,055,968.87 | -27,067,579.48 |
| Add: Opening balance of cash and cash equivalents | 148,131,705.14 | 93,245,025.92 |
| VI. Closing balance of cash and cash equivalents | 43,075,736.27 | 66,177,446.44 |

II、 Changes in Financial statement regulation

1、 First implementation of new financial instrument standards, new income standards, new lease standards, adjustments to the first implementation of the financial statements at the beginning of the year

Applicable Inapplicable

2、 In the event of first implementation of the new financial instrument guidelines and the new lease criteria, retroactively adjust the description of the previous comparison data will be needed

Applicable Inapplicable

III. Auditor's report

Is this report audited?

Yes No

This report is not audited.