

Lomon Billions Group Co., Ltd

2019 Q3 Report



OCTOBER 2019

This document is a free translation of the annual report and consolidated financial statements of Lomon Billions Group Co Limited for the third quarter ended Sep 30, 2019 produced for the convenience of English-speaking readers.

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Section I: Important Notes

The board of directors, board of supervisors, directors, supervisors and senior officers warrant that the contents of the Annual Report are true, accurate and complete and do not contain false records, misleading statements or major omissions, for which they will assume the several and joint legal liabilities.

XU Gang, person in charge of the Company, SHEN Qingfei, person in charge of accounting, and QIAO Zhuqing, head of the accounting organization (accounting supervisor) declare that the financial statements in the Annual Report are true, accurate and complete.

Section II: Basic Information

I、Major Accounting Data and Financial Indicators

Does the Company need to retroactively adjust or restate previous year's accounting data?

Yes No

	Sep 30 2019	Dec 31 2018	Increase/Decrease in the current year when compared with last year	
Total assets (RMB)	25,242,750,014.51	20,923,673,048.52	20.64%	
Net profit attributable to shareholders of the Listed Company (RMB)	13,612,860,873.93	12,422,895,246.32	9.58%	
	Reporting period	Increase/Decrease compared to Q32018	Jan -Sep 2019	Increase/Decrease from Jan-Sep 2019 compared to last year
Operating revenue (RMB)	2,909,646,085.78	5.25%	8,271,327,708.58	3.08%
Net profit attributable to shareholders of the Listed Company (RMB)	796,331,265.60	26.41%	2,065,905,535.63	4.84%
Net profit attributable to shareholders of the Listed Company net of non-recurring gains and losses (RMB)	772,389,514.42	29.27%	1,994,877,285.53	5.44%
Net cash flows from operating activities (RMB)	126,756,448.50	-81.79%	993,307,081.17	-9.81%
Basic earnings per share (RMB/share)	0.4	29.03%	1.04	6.12%
Diluted earnings per share (RMB/share)	0.4	29.03%	1.04	6.12%
Weighted average return on equity	5.27%	0.71%	15.70%	1.31%

Items and Amount of Non-recurring Profit and Loss

Applicable Not applicable

Unit: RMB

Item	the beginning of the year to the end of the reporting period	Comments
Gains and losses on disposal of non-current assets (including the written off portion of the provision for impairment of assets)	-14,691,155.52	
Government grants included in current profit and loss (closely related to business activities, except for government grants enjoyed by quota or fixed amount in accordance with national uniform standard)	66,405,197.42	
Profit and loss of debt restructuring	19,098,905.08	
Except for effective hedging business related to normal operation of the Company, profits and losses on the changes in fair value of financial assets and financial liabilities held for trading, and investment income earned from disposal of financial assets, financial liabilities held for trading and financial assets available for sale	15,711,231.83	
Other non-operating incomes and expenses other than those mentioned above	-2,595,397.63	
Less: Amount income tax affected	10,602,763.51	
Amount of minority equity affected (After-tax)	2,297,767.57	
Total	71,028,250.10	--

II、Total number of common shareholders and top ten shareholders at the end of reporting period

1、Total number of common shares and the number of preferred shareholders whose voting rights have been restored and the shareholding status of the top 10 shareholders

unit: per share

total number of common shareholders at the end of the reporting period	50,531	the number of preferred shareholders whose voting rights have been restored (if any)	0			
Top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Number of restricted shares held	Pledge or freezing	
					Status of shares	Amounts of shares

XU Gang	Domestic natural person	20.50%	416,642,402	312,481,801	质押	334,849,800
LI Ling	Domestic natural person	13.95%	283,464,566			
TAN Ruiqing	Domestic natural person	12.22%	248,265,996	186,199,497	质押	248,265,900
WANG Zelong	Domestic natural person	9.24%	187,795,275			
FAN Xianguo	Domestic natural person	4.36%	88,582,677	66,437,008		
WANG Tao	Domestic natural person	3.49%	70,866,141		质押	70,859,600
Henan Yintai Investment Co., Ltd.	Non-state-owned legal person at home	3.00%	61,000,072			
The second phase of ESOP of Lomon Billions Group	Other	2.80%	56,936,308			
China Great Wall Asset Management Co., Ltd.	State-owned legal person	2.62%	53,149,606			
WEI Zhaoqi	Domestic natural person	2.06%	41,868,555		质押	21,250,000

Shareholding of top 10 unrestricted shareholders

Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Class of share	
		Class of share	Shares
Li Ling	283,464,566	Common shares in RMB	283,464,566
Wang Zelong	187,795,275	Common shares in RMB	187,795,275
Xu Gang	104,160,601	Common shares in RMB	104,160,601
Wang Tao	70,866,141	Common shares in RMB	70,866,141
Tan Ruiqing	62,066,499	Common shares in RMB	62,066,499
Henan Yintai Investment Co., Ltd.	61,000,072	Common shares in RMB	61,000,072
The second phase of ESOP of Lomon Billions Group	56,936,308	Common shares in RMB	56,936,308
China Great Wall Asset Management Co., Ltd.	53,149,606	Common shares in RMB	53,149,606

Wei Zhaoqi	41,868,555	Common shares in RMB	41,868,555
Tangyin County Yuxin Xylose Development Co., Ltd.	38,668,613	Common shares in RMB	38,668,613
Description of the relationship or concerted action between the top 10 shareholders of unrestricted tradable shares and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	Among the top ten shareholders of the Company, TAN Ruiqing, Actual Controller of Henan Yintai Investment Co., Ltd. and Tangyin County Yuxin Xylose Development Co., Ltd., and DU Xinchang and XU Gang, Actual Controllers of Qingdao Bonded Area Qianye Trading Co., Ltd., signed the Concerted Action Agreement on Mar. 3, 2010 which expired and was terminated on Jul. 15, 2014, and the Company currently has no actual controller; except for the above, the Company is not aware of whether there is any relationship between other shareholders or whether it is a person acting in concert as stipulated in <i>Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies</i> .		
Description of participation by the top 10 common shareholders in margin financing and securities lending business (if any) (see Note 4)	None		

Whether the top 10 common shareholders and the top 10 unrestricted common shareholders of the Company agreed to carry out repurchase transactions during the reporting period

Yes No

2、The total number of preferred shareholders and the shareholding status of the top 10 preferred shareholders

Yes No

Section III: Important Matters

I、Changes of main financial data and indicators in reporting period and the reasons

Yes No

1. Balance Sheet

Items	End of reporting period	Beginning of reporting period	+/- (%)	Reasons
Cash and cash equivalent	3,026,627,684.62	1,684,382,500.87	79.69%	Caused by increased bank deposits.
Advance payment	291,344,933.68	218,033,111.50	33.62%	It is mainly caused by increasing of advance payments in reporting period.
Other receivables	97,782,408.53	34,840,956.03	180.65%	It is mainly caused by the data of new subsidiary of Xinli was incorporated to the group and interest receivable on time deposits is created.
Other current assets	475,412,140.29	111,397,079.43	326.77%	It is mainly caused by the data of new subsidiary of Xinli was incorporated to the group and tax to be deducted is created.
Long term equity investment	69,557,891.95	11,625,909.94	498.30%	It is mainly caused by the data of new subsidiary of Xinli was incorporated to the group .
Other equity investment	466,093.40	0	100.00%	It is mainly caused by the data of new subsidiary of Xinli was incorporated to the group .
Construction in progress	2,202,790,261.79	1,413,238,779.28	55.87%	It is mainly caused by the increasing projects of subsidiaries.
Other non-current assets	252,011,749.59	169,777,137.18	48.44%	This is mainly due to the increase of pre-payment for project and equipment at the end of the reporting period.
Accounts collected in advance	184,426,049.76	85,667,651.39	115.28%	It is mainly due to the increase of prepayment at the end of reporting period.
Other payables	964,771,566.30	159,237,824.53	505.87%	It is mainly caused by the purchasing payment to Xinli not paid.
Non-current liabilities due within one year	64,534,230.00	578,127,672.50	-88.84%	It is mainly caused by adjusting long term loan due within one year to this item.
Long term loan	2,086,971,806.53	407,807,282.10	411.75%	It is mainly caused by adjusting the structures of long-term loan.

Estimated liability	43,390,223.53	4,169,943.33	940.55%	It is mainly caused by the data of new subsidiary of Xinli was incorporated to the group .
Deferred income	310,684,988.34	184,070,128.41	68.79%	It is mainly caused by the data of new subsidiary of Xinli was incorporated to the group .
Treasury stock	0	663,155,409.81	-100.00%	It is caused that the treasury stock transferred to ESOP.
Other comprehensive income	8,078,448.90	1,924,206.40	319.83%	It is mainly caused by translation difference of foreign currency statements during the reporting period.

2.Income statement

Items	End of reporting period	Beginning of reporting period	+/- (%)	Reasons
Interest income	43,500,537.44	77,679,786.16	-44.00%	It is mainly due to the company's control of the financial subsidiary business scale.
Interest expense	23,500.00	3,553,173.07	-99.34%	It is mainly due to the company's control of the financial subsidiary business scale.
Service charge and commission fee	6,171.83	14,530.28	-57.52%	It is mainly due to the company's control of the financial subsidiary business scale.
Financial fee -interest income	45,949,735.66	6,402,776.79	617.65%	Interest on time deposit has increased in reporting period.
Investment income	5,155,964.98	28,196,720.38	-81.71%	It is mainly due to reducing investment in financial products.
Non business income	3,050,204.80	9,323,041.07	-67.28%	IT is mainly due to the reduction of insurance claims.
Non business expenditure	14,077,150.59	5,903,646.59	138.45%	IT is mainly due to the abandonment of fixed assets.
Minority gain and loss	18,981,100.66	37,876,326.89	-49.89%	It is mainly due to shares of minority shareholder are lower than the last same period.

3.Cash flow statement

Items	End of reporting period	Beginning of reporting period	+/- (%)	Reasons
Net cash flow from investment activities	-811,807,003.11	-1,794,474,373.05	-54.76%	It is mainly caused by decreasing of financial products.
Net cash flow from financing activities	-145,969,155.97	-13,686,965.41	966.48%	It is mainly due to the increase of the transfer, loan and discount of the employee stock ownership plan.
The impact of	15,571,694.74	259,056.19	5910.93%	It is mainly caused by exchange rate on cash.

exchange rate movements on cash				
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II、 Progress in important issues and analysis of its influence and solution

Implementation progress of share repurchase

yes no

Progress of the implementation of the centralized bidding method to reduce the share repurchase

yes no

III、 Commitments that are fulfilled during the reporting period and not fulfilled at the end of the reporting period by actual controllers, shareholders, affiliates or acquirers of the Company, the Company and other relevant parties

yes no

IV、 Financial assets measured at fair value

yes no

unit: million RMB

categories	initial outlay cost	Changes in fair value for the current period	Changes in the accumulated fair value of an equity	Purchase amount during reporting period	Amount sold during reporting period	Accumulated investment income	Amount at end of reporting period	Capital source
Other	650	16.9		698	646	1.3	711.6	Self-owned fund
Total	650	16.9		698	646	1.3	711.6	--

V、 External guarantees provided in violation of rules

yes no

VI、 The non-operating occupation of funds by the controlling shareholders and their affiliates of the listed company

yes no

VII、 Entrust finance

yes no

unit: 0000RMB

Types	Capital source	Entrusted financial amount	Outstanding balance	Overdue amount not recovered
Bank financial products	Self-owned fund	42,500	0	0
Total		42,500	0	0

VIII、Registration form concerning reception of survey, communication, interview and other activities during the reporting yes no

Section IV: Financial report

I、Financial report

1、Consolidated Balance Sheet

unit: RMB

Items	30 th Sep 2019	31 th Dec 2018
Current asset:		
Cash and cash equivalent	3,026,627,684.62	1,684,382,500.87
Deposit reservation for balance		
Lendings		
Tradable financial assets	711,637,578.07	
Financial assets measured at fair value and recorded in the current profit and loss		658,835,379.00
Derivative financial asset		
Notes receivables	757,550,460.98	712,636,370.67
Accounts receivable	1,377,408,329.64	1,099,681,911.52
Receivables financing		
Advances to suppliers	291,344,933.68	218,033,111.50
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	97,782,408.53	34,840,956.03
Thereinto: Interests receivable	27,932,017.03	1,122,515.76
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,237,793,105.39	1,947,721,511.24
Contract assets		
Assets held for sale		
Non-current assets due within one year		

Other current assets	475,412,140.29	111,397,079.43
TOTAL CURRENT ASSETS	8,975,556,641.20	6,467,528,820.26
Non-current assets:		
Loans and advances	270,212,425.00	282,814,500.00
creditors' investment		
Available-for-sale financial assets		
Other creditors' investment		
Held-to-maturity investment		
long-term receivables	192,361,425.92	215,964,897.35
Long-term equity investment	69,557,891.95	11,625,909.94
Other equity instruments investment	466,093.40	
Other noncurrent financial assets		
Investment properties	59,584,690.85	52,195,136.57
Fixed assets	5,844,716,241.65	5,843,524,617.18
Construction in progress	2,202,790,261.79	1,413,238,779.28
Bearer biological assets		
Oil and gas assets		
Intangible assets		
Development costs	1,579,874,622.52	1,246,645,639.67
Goodwill		
Long-term prepaid expenses	5,549,817,671.00	4,985,888,761.43
Deferred tax assets	62,271,454.48	52,251,712.94
Other non-current assets	183,528,845.16	182,217,136.72
Fixed assets	252,011,749.59	169,777,137.18
TOTAL NON-CURRENT ASSETS	16,267,193,373.31	14,456,144,228.26
TOTAL ASSETS	25,242,750,014.51	20,923,673,048.52
Current liabilities:		
Short-term borrowings	2,918,264,960.00	3,633,223,440.00
Borrowings from central bank		
Loans from other financial institutions		
Tradable financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		

Notes payable	2,497,779,880.79	1,178,503,367.08
Accounts payable	1,587,902,963.96	1,259,382,923.61
Account collected in advance	184,426,049.76	85,667,651.39
Contract liability		
Financial assets sold for repurchase		
Deposits from customers and interbank	22,000,000.00	
Payment for trading securities by agency		
Payment for underwriting securities by agency		
Payroll payable	162,847,467.98	209,555,057.41
Tax payable	200,261,228.07	243,421,541.33
Other payables	964,771,566.30	159,237,824.53
Thereinto: Interests payable	4,064,121.87	2,778,399.62
Dividends payable		1,420,000.00
Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	64,534,230.00	578,127,672.50
Other current liability		
TOTAL CURRENT LIABILITIES	8,602,788,346.86	7,347,119,477.85
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	2,086,971,806.53	407,807,282.10
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Lease liability		
Long-term payable	204,609,892.00	200,000,000.00
Long-term employee payroll payable		
Estimated liabilities	43,390,223.53	4,169,943.33
Deferred income	310,684,988.34	184,070,128.41

Deferred tax liabilities	153,634,808.12	146,504,289.96
Other non-current liabilities		
TOTAL NON-CURRENT LIABILITIES	2,799,291,718.52	942,551,643.80
Total liabilities	11,402,080,065.38	8,289,671,121.65
Owner's equity:		
Capital stock	2,032,020,889.00	2,032,020,889.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital surplus	9,454,721,581.42	9,581,876,882.10
Less: treasury stock		663,155,409.81
Other comprehensive income	8,078,448.90	1,924,206.40
Special reserve	26,604,992.88	22,284,630.23
Surplus reserve	478,506,573.31	478,506,573.31
General risk provisions	6,113,341.37	6,113,341.37
Undistributed profits	1,606,815,047.05	963,324,133.72
Total equity attributable to equity owners of the Parent Company	13,612,860,873.93	12,422,895,246.32
Minority interests	227,809,075.20	211,106,680.55
Total owner's equity	13,840,669,949.13	12,634,001,926.87
Total liabilities and owners' equity	25,242,750,014.51	20,923,673,048.52

Legal representative: XU Gang

Principal in charge of accounting: SHEN Qingfei

Head of accounting department: QIAO Zhuqing

2、Balance Sheet of Parent Company

unit: RMB

Items	30 th Sep 2019	31 th Dec 2018
Current assets:		
Cash at bank and on hand	1,980,624,016.29	1,020,479,716.39
Financial assets at fair value through profit or loss	309,137,578.07	557,078,712.33
Derivative financial assets		
Current assets:		

Notes receivable	50,793,385.27	220,905,272.29
Accounts receivable	265,299,712.41	619,612,072.19
Accounts receivable financing		
Prepayments	57,031,100.08	59,005,279.37
Other receivables	1,093,105,715.91	311,080,609.16
Thereinto: Interests receivable	23,285,798.64	
Dividends receivable	70,000,000.00	
Inventories	857,616,845.79	580,274,655.82
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	35,530,174.18	53,370,967.21
TOTAL CURRENT ASSETS	4,649,138,528.00	3,421,807,284.76
Non-current assets:		
Creditors' investment		
Available-for-sale financial assets		
Other creditors' investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	13,127,710,567.40	12,086,678,848.70
Other equity instruments investment		
Other non-current financial assets		
Investment property	51,174,391.15	50,352,066.06
Fixed assets	1,346,212,722.20	1,245,193,004.81
Construction in progress	402,144,947.31	342,900,941.52
Productive biological asset		
Oil and gas assets		
Right-of-use asset		
Intangible assets	193,945,835.07	200,302,562.43
Development expenditure		
Goodwill		
Long-term unamortized expenses		139,589.24
Deferred income tax assets	20,305,604.75	16,982,898.30

Other non-current assets	56,683,386.57	49,354,846.55
total non-current assets	15,198,177,454.45	13,991,904,757.61
Total assets	19,847,315,982.45	17,413,712,042.37
Current liabilities:		
Short-term borrowings	1,408,458,000.00	2,346,327,440.00
Tradable financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	1,922,660,240.79	1,047,206,000.00
Accounts payable	413,007,169.12	437,938,725.42
Account collected in advance	33,294,955.50	26,334,853.82
Contract liability		
Employee payroll payable	50,634,198.62	75,975,094.77
Taxes payable	26,772,736.78	31,282,743.70
Other payables	2,254,727,475.75	1,121,227,659.73
Thereinto: Interests payable	320,121.98	
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	45,578,858.00	510,000,000.00
Other current liabilities		
TOTAL CURRENT LIABILITIES	6,155,133,634.56	5,596,292,517.44
Non-current liabilities		
Long-term borrowings	1,254,641,393.00	135,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Leasing liability		
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	4,885,347.20	6,990,909.08
Deferred tax liabilities	1,370,636.71	1,061,806.85

Other non-current liabilities		
TOTAL NON-CURRENT LIABILITIES	1,260,897,376.91	143,052,715.93
Total liabilities	7,416,031,011.47	5,739,345,233.37
Owner's equity:		
Capital stock	2,032,020,889.00	2,032,020,889.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital surplus	9,447,213,003.58	9,572,892,476.05
Less: treasury stock		663,155,409.81
Other comprehensive income		
Special reserve		
Surplus reserve	478,506,573.31	478,506,573.31
Undistributed profits	473,544,505.09	254,102,280.45
Total owner's equity	12,431,284,970.98	11,674,366,809.00
Total liabilities and owners' equity	19,847,315,982.45	17,413,712,042.37

3、Consolidated Income Statement of reporting period

unit: RMB

Item	Current accrual	Amount incurred in last period
I. Revenue	2,933,584,876.72	2,776,065,501.43
Including: Operating revenue	2,909,646,085.78	2,764,624,943.37
Interest income	22,999,914.19	10,385,961.87
Earned premium		
Handling charges and commission income	938,876.75	1,054,596.19
II. Total costs	2,012,596,070.25	2,076,125,908.42
Including: Cost of sales	1,606,021,505.65	1,558,243,086.77
Interest expense	12,500.00	787,515.06
Service charges and commission expenditure	1,803.84	2,307.37
Sales tax and additions	35,422,420.68	39,391,097.02
Selling and distribution expenses	102,162,595.59	167,571,244.57
General and administrative expenses	120,564,804.53	109,844,876.49

R&D costs	112,748,268.24	116,335,914.16
Financial expenses	35,662,171.72	83,949,866.98
Thereinto: Interest expense	48,929,782.54	61,399,166.92
Interest income	19,899,206.40	2,202,263.58
Add: Other income	37,367,855.61	19,359,500.84
Add: Income from investments(Fill in with "-" for loss)	2,293,780.10	17,136,411.34
Including: Share of profit of associates and joint ventures	185,691.47	-180,892.59
Income from changes in fair value (indicate loss with "-")	4,037,893.15	
Credit impairment loss(indicate loss with "-")	-15,441,710.48	
Assets impairment loss(indicate loss with "-")		11,243,304.54
Income from asset disposal (indicate loss with "-")	-1,035,838.24	-2,802,931.88
III. Operating profit (minus: loss)	948,210,786.61	744,875,877.85
Add: Non-operating income	1,352,448.95	7,671,485.75
Less: Non-operating expenses	9,441,469.05	3,116,841.32
IV. Total profit (minus: total loss)	940,121,766.51	749,430,522.28
Less: Income tax expenses	135,857,851.37	111,536,102.44
V. Net profit (minus: net loss)	804,263,915.14	637,894,419.84
(1) Classified by continuous operation		
1. Net profit from continuing operations (Fill in with "-" for net loss)	804,263,915.14	637,894,419.84
2. Net profit from terminating operations (Fill in with "-" for net loss)		
(2) Classified by ownership		
1. Net profit attributable to the owner of the parent company	796,331,265.60	629,978,696.46
2. Minority shareholder gains and losses	7,932,649.54	7,915,723.38
VI. Other comprehensive income, net of tax	5,940,499.75	9,578,911.42
other comprehensive income attributable to owners of the parent	5,940,499.75	9,578,911.42

company, net of tax		
(1) Other comprehensive income that cannot be reclassified to profit or loss		
(II) Other comprehensive income that will be reclassified to profit or loss	5,940,499.75	9,578,911.42
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provisions for credit impairment of other credit investments		
7. Cash flow hedge reserve		
8. Translation difference in foreign currency financial statements	5,940,499.75	9,578,911.42
9. Other		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	810,204,414.89	647,473,331.26
Attributable to equity owners of the Parent Company	802,271,765.35	639,557,607.88
Total comprehensive income attributable to minority shareholders	7,932,649.54	7,915,723.38
VIII. Earnings per share:		
(I) Basic income per share	0.4	0.31
(II) Diluted income per share	0.4	0.31

Legal representative: XU Gang

Principal in charge of accounting: SHEN Qingfei

Head of accounting department: QIAO Zhuqing

4、Income Statement of Parent company in reporting period

Unit: RMB

Items	Current accrual	Amount incurred in last period
I. Operating income	609,487,015.25	861,866,937.26
Less: Operating cost	430,536,341.63	538,630,701.98
Sales tax and additions	6,495,818.39	10,226,034.35
Selling and distribution expenses	20,922,188.70	31,474,593.30
General and administrative expenses	50,914,892.76	41,449,253.20
R&D costs	20,051,957.57	37,908,129.14
Financial expenses	16,509,824.63	71,014,237.82
Thereinto: Interest expense	28,357,589.73	41,164,172.78
Interest income	18,875,931.54	6,859,173.35
Add: Other income	701,853.96	6,147,453.96
Income from investments(Fill in with "-" for loss)	116,840,224.66	16,581,697.19
Including: Share of profit of associates and joint ventures	185,691.47	247,375.96
Income from changes in fair value (indicate loss with "-")	4,037,893.15	
Credit impairment loss(indicate loss with "-")	11,477,408.03	
Assets impairment loss(indicate loss with "-")		318,947.50
Income from asset disposal (indicate loss with "-")	601,694.08	68,155.00
II. Operating profit (Fill in with "-" for loss)	197,715,065.45	154,280,241.12
Add: Non-operating income	28,155.74	829,919.56
Less: Non-operating expenses	425,000.00	50,000.00
III. Total profits (Fill in with "-" for total loss)	197,318,221.19	155,060,160.68
Less: Income tax expenses	12,427,765.33	23,297,744.48
IV. Net profit (Fill in with "-" for net	184,890,455.86	131,762,416.20

loss)		
(1) Net profit from continuing operations (Fill in with "-" for net loss)	184,890,455.86	131,762,416.20
(2) Net profit from operation termination(Fill in with "-" for net loss)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes in re-measurement and setting of benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
Other comprehensive income		
2. Changes in fair value of available-for-sale financial assets		
3. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of gains or losses on hedging instruments in a cash flow hedge		
5. Translation differences on translation of foreign currency financial statements		
VI、 Total comprehensive income	184,890,455.86	131,762,416.20
VII、 Earnings per share:		
(1) Basic earnings per share:		
(2) Diluted earnings per share:		

5、 Consolidated income statement from beginning of 2019 to end of reporting period

unit: RMB

Items	Current accrual	Amount incurred in last period
I. Revenue	8,317,609,714.78	8,104,840,000.35
Including: Operating revenue	8,271,327,708.58	8,024,513,636.89
Interest income	43,500,537.44	77,679,786.16
Earned premium		
Service charges and commission income	2,781,468.76	2,646,577.30
II、 Total operating cost	5,951,473,956.95	5,797,465,126.65
including operating cost	4,686,055,599.01	4,553,273,884.64
Interest expense	23,500.00	3,553,173.07
Handling charges and commission expenditure	6,171.83	14,530.28
Sales tax and additions	94,781,440.22	114,441,232.19
Selling and distribution expenses	326,673,278.73	372,501,203.62
General and administrative expenses	328,901,758.47	295,500,855.44
R&D costs	361,740,864.06	296,574,069.18
Financial expenses	153,291,344.63	161,606,178.23
Thereinto: Interest expense	142,191,306.91	149,053,536.50
Sales tax and additions	45,949,735.66	6,402,776.79
Add: Other income	85,504,102.50	69,327,905.54
Add: Income from investments(Fill in with "-" for loss)	5,155,964.98	28,196,720.38
Including: Share of profit of associates and joint ventures	395,969.08	876,821.78
Income from changes in fair value (indicate loss with "-")	16,877,797.24	
Credit impairment loss(indicate loss with "-")	-38,565,949.25	
Assets impairment loss(indicate loss with "-")		-26,196,307.44
Income from asset disposal (indicate loss with "-")	-6,653,506.49	-6,242,158.53
III. Operating profit (minus: loss)	2,428,454,166.81	2,372,461,033.65
Add: Non-operating income	3,050,204.80	9,323,041.07

Less: Non-operating expenses	14,077,150.59	5,903,646.59
IV. Total profit (minus: total loss)	2,417,427,221.02	2,375,880,428.13
Less: Income tax expenses	332,540,584.73	367,520,083.52
V. Net profit (minus: net loss)	2,084,886,636.29	2,008,360,344.61
(1) Classified by continuous operation		
1. Net profit from continuing operations (Fill in with "-" for net loss)	2,084,886,636.29	2,008,360,344.61
2. Net profit from terminating operations (Fill in with "-" for net loss)		
(2) Classified by ownership		
1. Net profit attributable to the owner of the parent company	2,065,905,535.63	1,970,484,017.72
2. Minority shareholder gains and losses	18,981,100.66	37,876,326.89
VI. Other comprehensive income, net of tax	6,154,242.50	11,590,639.34
Net of tax from other comprehensive income attributable to owners of the parent company	6,154,242.50	11,590,639.34
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. changes in re-measurement and setting of benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified to profit or loss	6,154,242.50	11,590,639.34
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		

5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provisions for credit impairment of other credit investments		
7. Cash flow hedge reserve		
8. Translation difference in foreign currency financial statements	6,154,242.50	11,590,639.34
9. other		
Net of tax from other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	2,091,040,878.79	2,019,950,983.95
Attributable to equity owners of the Parent Company	2,072,059,778.13	1,982,074,657.06
Total comprehensive income attributable to minority shareholders	18,981,100.66	37,876,326.89
VIII. Earnings per share:		
(I) Basic income per share	1.04	0.98
(II) Diluted income per share	1.04	0.98

Legal representative: XU Gang

Principal in charge of accounting: SHEN Qingfei

Head of accounting department: QIAO Zhuqing

6、Income statement of Parent company from beginning of 2019 to end of reporting period

Item	Current accrual	Amount incurred in last period
I. Operating income	1,911,949,162.32	2,316,253,142.63
Less: Operating cost	1,352,350,823.67	1,580,630,334.36
Sales tax and additions	15,936,463.12	27,329,902.79
Selling and distribution expenses	64,166,391.54	79,320,596.45
General and administrative expenses	117,049,872.00	112,203,927.51
R&D costs	77,017,361.50	87,030,500.89
Financial expenses	40,338,116.08	125,469,967.25
Thereinto: Interest expense	80,024,432.25	113,922,353.62
Interest income	44,006,571.57	25,861,166.99

Add: Other income	2,105,561.88	13,338,061.88
Income from investments(Fill in with "-" for loss)	1,407,013,820.12	1,221,636,920.69
Including: Share of profit of associates and joint ventures	395,969.08	1,230,243.15
Income from changes in fair value (indicate loss with "-")	16,877,797.24	
Credit impairment loss(indicate loss with "-")	9,163,332.76	
Assets impairment loss(indicate loss with "-")		-311,943.82
Income from asset disposal (indicate loss with "-")	-130,379.72	148,314.90
II. Operating profit (Fill in with "-" for loss)	1,680,120,266.69	1,539,079,267.03
Add: Non-operating income	41,236.12	1,187,340.30
Less: Non-operating expenses	541,928.00	127,366.00
III. Total profits (Fill in with "-" for total loss)	1,679,619,574.81	1,540,139,241.33
Less: Income tax expenses	37,762,727.87	53,757,242.97
IV. Net profit (Fill in with "-" for net loss)	1,641,856,846.94	1,486,381,998.36
(I) Net profit from continuing operations (Fill in with "-" for net loss)	1,641,856,846.94	1,486,381,998.36
(II) Net profit from terminating operations (Fill in with "-" for net loss)		
V. Net of tax from other comprehensive income		
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes in re-measurement and setting of benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that		

will be reclassified to profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provisions for credit impairment of other credit investments		
7. Cash flow hedge reserve		
8. Translation difference in foreign currency financial statements		
9. other		
VI、 Total comprehensive income	1,641,856,846.94	1,486,381,998.36
VI. Earnings per share:		
(I) Basic income per share		
(II) Diluted income per share		

7、 Consolidated cash flow statement from beginning of 2019 to end of reporting period

unit: RMB

Items	Current accrual	Amount incurred in last period
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	7,648,684,094.06	6,308,146,035.45
Net increase in deposits from clients and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from	22,000,000.00	

other financial institutions		
Cash for interest, fees and commissions	47,421,615.82	95,827,707.58
Net increase in borrowing funds		
Net increase in repurchase funds		
Net cash received for buying and selling securities		
Refund of tax		46,666.87
Other cash received relating to operating activities	378,303,062.34	179,499,199.78
Subtotal of cash inflow from operating activities	8,096,408,772.22	6,583,519,609.68
Cash payment for goods and services	3,549,476,957.15	2,900,983,275.72
Net increase in customer loans and advances	19,108,255.43	536,742,595.42
Net increase in central bank and interbank deposits		
Cash payment for the original insurance contract		
Net increase in lending funds		
Cash to pay interest, fees and commissions	36,989.95	2,790,205.24
Cash to pay insurance dividends		
Cash paid to and for employees	597,125,315.02	566,757,148.47
Tax payments	950,132,729.67	1,138,432,647.01
Cash Payment related to other business activities	1,987,221,443.83	336,451,087.50
Subtotal of cash outflow from operating activities	7,103,101,691.05	5,482,156,959.36
Net cash flow from operating activities	993,307,081.17	1,101,362,650.32
II、Cash flow from investment activities:		
Cash received form return of investment	3,375,780,741.00	6,121,310,311.00
Cash received on investment income	21,331,137.92	27,681,996.91
Net cash recovered from the disposal of fixed assets, intangible assets and	11,180,150.00	5,500.00

other long-term assets		
Net cash received by dispose of subsidiaries and other business units		
Cash received related to other investment activities		
Subtotal of cash inflow from investment activities	3,408,292,028.92	6,148,997,807.91
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	544,780,685.49	216,641,710.24
Cash paid for investments	3,265,705,823.00	7,619,156,500.00
Net increase in pledged loans		
Obtain net cash paid by subsidiaries and other business units	248,110,929.54	
Cash paid related to other investment activities	161,501,594.00	107,673,970.72
Subtotal of cash outflow from investment activities	4,220,099,032.03	7,943,472,180.96
Net cash flow from investment activities	-811,807,003.11	-1,794,474,373.05
三、Cash flow from fundraising activities:		
Cash received by investors		4,500,000.00
Including: Subsidiaries receive cash from minority investors		4,500,000.00
Cash received from the loan	5,606,681,516.12	4,359,182,988.95
Cash received related to other financial activities	1,273,731,200.41	660,337,104.14
Subtotal of cash inflow from financing activities	6,880,412,716.53	5,024,020,093.09
Cash Payment for debt	5,163,573,955.47	3,592,932,484.62
Cash to distribute dividends, profits, or interest payments	1,539,518,721.92	1,431,567,806.22
Including: dividends and profits paid by subsidiaries to minority shareholders		
Cash paid related to other financial activities	323,289,195.11	13,206,767.66

Subtotal of Cash outflow from financing activities	7,026,381,872.50	5,037,707,058.50
Net cash flow from financing activities	-145,969,155.97	-13,686,965.41
IV、The effect of exchange rate changes on cash and cash equivalents	15,571,694.74	259,056.19
V、Net increase in cash and cash equivalents	51,102,616.83	-706,539,631.95
plus: Beginning balance of cash and cash equivalents	1,495,540,791.23	2,218,242,151.05
VI、Ending balance of cash and cash equivalents	1,546,643,408.06	1,511,702,519.10

8、Cash flow statement of Parent company from beginning of 2019 to end of reporting period

unit: RMB

Items	Current accrual	Amount incurred in last period
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	1,819,630,212.23	1,887,160,025.13
Refund received of taxes and surcharges		
Cash received relating to other operating activities	153,437,898.66	77,695,845.25
Sub-total of cash inflows	1,973,068,110.89	1,964,855,870.38
Cash paid to purchase goods and accepting services	1,745,739,644.84	1,056,232,578.74
Cash paid to and on behalf of employees	164,131,665.56	128,412,346.51
Payments of taxes and surcharges	73,856,145.61	184,857,792.86
Cash paid related to other operating activities	1,353,392,505.18	92,145,672.63
Sub-total of cash outflows	3,337,119,961.19	1,461,648,390.74
Net cash flows from operating activities	-1,364,051,850.30	503,207,479.64
II. Cash flows from investing activities:		
Recover cash received from	3,196,580,741.00	4,309,333,000.00

investments		
Cash received for obtaining investment income	1,406,881,195.12	2,220,426,677.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business entities		
Cash received related to other investing activities		
Sub-total of cash inflows	4,603,461,936.12	6,529,759,677.54
Cash paid to acquire fixed assets, intangible assets and other long-term assets	63,569,374.90	10,660,074.69
Cash paid to acquire investments	3,068,705,823.00	6,670,156,500.00
Net cash paid to acquire subsidiaries and other business units	248,706,000.30	
Cash paid relating to other investing activities		107,673,970.72
Sub-total of cash outflows	3,380,981,198.20	6,788,490,545.41
Net cash flows from investing activities	1,222,480,737.92	-258,730,867.87
III. Cash flows from financing activities		
Cash received from capital contributions		
Cash received from borrowing	2,964,911,300.00	2,761,231,962.95
Cash received relating to other financing activities	8,167,414,833.79	2,510,291,443.70
Sub-total of cash inflows	11,132,326,133.79	5,271,523,406.65
Cash repayments for debt	3,257,636,948.00	2,570,822,690.62
Cash paid for interest and distribution of dividends or profit	1,456,245,894.71	1,245,006,970.97
Cash payments relating to other financing activities	6,347,810,620.06	2,328,003,884.51
Sub-total of cash outflows	11,061,693,462.77	6,143,833,546.10
Net cash flows from financing activities	70,632,671.02	-872,310,139.45

IV. Effect of foreign exchange rate changes on cash and cash equivalents	6,915,467.91	-2,166,121.28
V. Net increase in cash and cash equivalents	-64,022,973.45	-629,999,648.96
Add: Cash and cash equivalents at beginning of year	892,957,316.39	977,235,890.88
VI. Cash and cash equivalents at end of period	828,934,342.94	347,236,241.92

II、 Statement of adjustment of financial statements

1、 Financial report are adjusted according to New accounting standards of financial instruments、 new revenue standards and new lease standards which are implemented since 2019.

yes no

Consolidated balance sheet

Unit: RMB

Items	31th Dec 2018	1th Jan 2019	Amount adjusted
Current assets :			
Cash and cash equivalents	1,684,382,500.87	1,684,382,500.87	
Deposit Reservation for Balance			
Lendings			
Tradable financial assets		658,835,379.00	658,835,379.00
Financial assets measured at fair value and recorded in the current profit and loss	658,835,379.00		-658,835,379.00
Derivative financial assets			
Notes receivable	712,636,370.67	712,636,370.67	
Accounts receivable	1,099,681,911.52	1,099,681,911.52	
Advance payment	218,033,111.50	218,033,111.50	
Other receivable	34,840,956.03	34,840,956.03	
Including interests receivable	1,122,515.76	1,122,515.76	
Inventory	1,947,721,511.24	1,947,721,511.24	
Other current assets	111,397,079.43	111,397,079.43	

Total Current assets	6,467,528,820.26	6,467,528,820.26	
Non-current assets :			
Loans and advances issued	282,814,500.00	282,814,500.00	
Long term receivable	215,964,897.35	215,964,897.35	
Long term equity investment	11,625,909.94	11,625,909.94	
Investment property	52,195,136.57	52,195,136.57	
Fixed assets	5,843,524,617.18	5,843,524,617.18	
Construction in progress	1,413,238,779.28	1,413,238,779.28	
Intangible assets	1,246,645,639.67	1,246,645,639.67	
Goodwill	4,985,888,761.43	4,985,888,761.43	
Long-term unamortized expenses	52,251,712.94	52,251,712.94	
Deferred income tax assets	182,217,136.72	182,217,136.72	
Other non-current assets	169,777,137.18	169,777,137.18	
Total non-current assets	14,456,144,228.26	14,456,144,228.26	
Total assets	20,923,673,048.52	20,923,673,048.52	
Current liability :			
Short term borrowings	3,633,223,440.00	3,633,223,440.00	
Notes payable	1,178,503,367.08	1,178,503,367.08	
Accounts payable	1,259,382,923.61	1,259,382,923.61	
Account collected in advance	85,667,651.39	85,667,651.39	
Payroll payable	209,555,057.41	209,555,057.41	
Tax payable	243,421,541.33	243,421,541.33	
Other payables	159,237,824.53	159,237,824.53	
Including: Interest payable	2,778,399.62	2,778,399.62	
Dividend payable	1,420,000.00	1,420,000.00	
Current liability due within one year	578,127,672.50	578,127,672.50	
Total Current liability	7,347,119,477.85	7,347,119,477.85	
Non-Current liability :			
Long term borrowings	407,807,282.10	407,807,282.10	
Long term payables	200,000,000.00	200,000,000.00	
Estimated liabilities	4,169,943.33	4,169,943.33	

Deferred income	184,070,128.41	184,070,128.41	
Deferred income tax liabilities	146,504,289.96	146,504,289.96	
Total non-Current liability	942,551,643.80	942,551,643.80	
Total liabilities	8,289,671,121.65	8,289,671,121.65	
Owner's equity:			
Capital stock	2,032,020,889.00	2,032,020,889.00	
Capital surplus	9,581,876,882.10	9,581,876,882.10	
Less: treasury stock	663,155,409.81	663,155,409.81	
Other comprehensive income	1,924,206.40	1,924,206.40	
Special reserve	22,284,630.23	22,284,630.23	
Surplus reserve	478,506,573.31	478,506,573.31	
General risk provision	6,113,341.37	6,113,341.37	
Undistributed profit	963,324,133.72	963,324,133.72	
Total Owner's equity contributed to Parent company	12,422,895,246.32	12,422,895,246.32	
Minority equity	211,106,680.55	211,106,680.55	
Total Owner's equity	12,634,001,926.87	12,634,001,926.87	
Total liability and Owner's equity	20,923,673,048.52	20,923,673,048.52	

Description on adjustments

According to new financial instrument standards, the classification of financial assets that were originally recorded in the fair value measurement and whose changes were recorded in the current profit and loss remains unchanged, in the financial statements are presented as Tradable financial assets.

Balance sheet of parent company

Unit: RMB

Items	31th Dec 2018	1 st Jan 2019	Adjustment
Current assets :			
Cash and cash equivalents	1,020,479,716.39	1,020,479,716.39	

Tradable financial assets	557,078,712.33		557,078,712.33
Derivative financial assets		557,078,712.33	-557,078,712.33
Notes receivable	220,905,272.29	220,905,272.29	
Accounts receivable	619,612,072.19	619,612,072.19	
Advance payment	59,005,279.37	59,005,279.37	
Other receivable	311,080,609.16	311,080,609.16	
Inventory	580,274,655.82	580,274,655.82	
Other current assets	53,370,967.21	53,370,967.21	
Total of current assets	3,421,807,284.76	3,421,807,284.76	
Non-current assets :			
Long term equity investment	12,086,678,848.70	12,086,678,848.70	
Investment property	50,352,066.06	50,352,066.06	
Fixed assets	1,245,193,004.81	1,245,193,004.81	
Construction in progress	342,900,941.52	342,900,941.52	
Intangible assets	200,302,562.43	200,302,562.43	
Long-term unamortized expenses	139,589.24	139,589.24	
Deferred income tax assets	16,982,898.30	16,982,898.30	
Other non-current assets	49,354,846.55	49,354,846.55	
Total of non-current assets	13,991,904,757.61	13,991,904,757.61	
Total assets	17,413,712,042.37	17,413,712,042.37	
Current liability :			
Short term borrowings	2,346,327,440.00	2,346,327,440.00	
Notes payable	1,047,206,000.00	1,047,206,000.00	
Accounts payable	437,938,725.42	437,938,725.42	
Account collected in advance	26,334,853.82	26,334,853.82	
Contract liability			
Payroll payable	75,975,094.77	75,975,094.77	
Tax payable	31,282,743.70	31,282,743.70	
Other payables	1,121,227,659.73	1,121,227,659.73	
Current liability due within one year	510,000,000.00	510,000,000.00	
Total Current liability	5,596,292,517.44	5,596,292,517.44	

Non-Current liability :			
Long term borrowings	135,000,000.00	135,000,000.00	
Deferred income	6,990,909.08	6,990,909.08	
Deferred income tax liabilities	1,061,806.85	1,061,806.85	
Total Non-Current liability	143,052,715.93	143,052,715.93	
Total liabilities	5,739,345,233.37	5,739,345,233.37	
Owner's equity:			
Capital stock	2,032,020,889.00	2,032,020,889.00	
Capital surplus	9,572,892,476.05	9,572,892,476.05	
Less: treasury stock	663,155,409.81	663,155,409.81	
Surplus reserves	478,506,573.31	478,506,573.31	
Undistributed profit	254,102,280.45	254,102,280.45	
Total Owner's equity	11,674,366,809.00	11,674,366,809.00	
负债和 Owner's equity 总计	17,413,712,042.37	17,413,712,042.37	

Description on adjustments

According to new financial instrument standards, the classification of financial assets that were originally recorded in the fair value measurement and whose changes were recorded in the current profit and loss remains unchanged, in the financial statements are presented as Tradable financial assets.

2、Implementation of the new financial instruments standards or the new lease standards retroactively adjusted prior comparative data statement since 2019

yes no

III、Audit report

Is the Q3 report audited?

yes no

Lomon Billions Group Co., Ltd

Chairman: Xu Gang

25th Oct 2019