

Lomon Billions Group Co., Ltd

2020 Q1 Report



April 2020

This document is a free translation of the quarterly report and consolidated financial statements of Lomon Billions Group Co., Limited for the first quarter ended March 31, 2020 produced for the convenience of English speaking readers.

In the event of any ambiguity or conflict between statements or other items contained herein and the original version which was prepared in Mandarin, the relevant statement or item of the original Mandarin version shall prevail. While all possible care has been taken to ensure that this translation is an accurate representation of the original document, this English language version has not been audited by the company's statutory auditors and in all matters of interpretation of information, views or opinions expressed therein, only the original language version of the document in Mandarin is legally binding.

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Section I - Important Notes

The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company warrant that the contents of the 2020 Q1 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, Chairman, SHEN Qingfei, Chief Financial Officer, and Guo Liangpo, Head of Accounts (accounting supervisor) declare that the financial statements in the 2020 Q1 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

	Q1 2020	Q1 2019	Increase/Decrease in the current year when compared with last year
Operating revenue (RMB)	3,689,756,846.06	2,777,577,471.59	32.84%
Net profit attributable to shareholders of the Listed Company (RMB)	901,257,471.39	622,936,264.04	44.68%
Net profit attributable to shareholders of the Listed Company net of non-recurring gains and losses (RMB)	862,642,824.87	611,073,504.44	41.17%
Net cash flows from operating activities (RMB)	647,750,631.91	575,570,682.23	12.54%
Basic earnings per share (RMB/share)	0.44	0.32	37.50%
Diluted earnings per share (RMB/share)	0.44	0.32	37.50%
Weighted average return on equity	6.28%	4.91%	1.37%
	March 31 2020	December 31 2019	Increase/Decrease in the current quarter when compared with last quarter
Total assets (RMB)	28,671,468,619.22	25,942,781,551.31	10.52%
Net profit attributable to shareholders of the Listed Company (RMB)	14,817,579,115.15	13,870,935,212.22	6.82%

Items and Amount of Non-recurring Profit and Loss

Applicable Not applicable

Monetary Unit: RMB

Item	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)	-5,057,517.16	
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)	38,739,126.11	
Fund occupation fees charged to non-financial enterprises and	1,096,198.33	

included in current profit and loss		
Profit and loss of debt restructuring	19,843,105.46	
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	52,316.99	
Other profits and losses within the meaning of non-recurring profit and loss	-5,113,502.38	
Less: Amount income tax affected	10,349,744.91	
Amount of minority equity affected (After-tax)	595,335.92	
Total	38,614,646.52	--

II. Total Number of Common Shareholders and Top Ten Shareholders at the End of the 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:Share

Total number of common shareholders at the end of the reporting period	41,612	The number of preferred shareholders whose voting rights have been restored	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	Status of shares
XU Gang	Chinese Citizen	20.50%	416,642,402	312,481,801	Pledge	249,849,800
TAN Ruiqing	Chinese Citizen	12.22%	248,265,996	186,199,497	Pledge	221,265,900
LI Ling	Chinese Citizen	10.61%	215,646,766	0		
WANG Zelong	Chinese Citizen	5.24%	106,554,863	0		
FAN Xianguo	Chinese Citizen	4.36%	88,582,677	66,437,008		
WEI Zhaoqi	Chinese Citizen	3.04%	61,859,910	0		
Henan Yintai Investment Co., Ltd.	Non-state-owned domestic legal entity	3.00%	61,000,072	0		
Lomon Billions Group-Phase II ESOP	Other	2.80%	56,936,308	0		

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Hong Kong Securities Clearing Co. Ltd	Overseas legal entity	2.13%	43,358,468	0		
China Great Wall Asset Management Co., Ltd.	State-owned legal entity	1.62%	32,829,414	0		
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	Class of share			
LI Ling		215,646,766	Common shares in RMB	215,646,766		
Wang Zelong		106,554,863	Common shares in RMB	106,554,863		
Xu Gang		104,160,601	Common shares in RMB	104,160,601		
Tan Ruiqing		62,066,499	Common shares in RMB	62,066,499		
Wei Zhaoqi		61,859,910	Common shares in RMB	61,859,910		
Henan Yintai Investment Co., Ltd.		61,000,072	Common shares in RMB	61,000,072		
Lomon Billions Group Co., Ltd. - Phase-II Employee Stock Ownership Plan		56,936,308	Common shares in RMB	56,936,308		
Hong Kong Securities Clearing Company Limited		43,358,468	Common shares in RMB	43,358,468		
China Great Wall asset management co. LTD		32,829,414	Common shares in RMB	32,829,414		
Tangyin County Yuxin Xylose Development Co., Ltd.		28,688,613	Common shares in RMB	28,688,613		
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)	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

Item	Ending of the reporting period	Beginning of the reporting period	Increase or decrease	Reasons for changes
Cash in hand and at bank	3,883,273,259.10	2,640,651,165.38	47.06%	Mainly caused by the increase of fixed time deposit which is used for pledge at the end of the period.
Notes receivable	50,617,594.56	37,358,180.56	35.49%	Mainly caused by the increase of trade acceptance bill at the end of the period.
Inventory	3,111,932,677.16	2,223,433,795.02	39.96%	Mainly caused by the increase of reserve raw materials and the increase of production capacity.
Loans and advances issued	365,835,320.15	278,114,569.45	31.54%	The main reason is that the loans and advances at the end of the period are not due.
Long-term receivable	205,895,817.81	299,519,834.57	-31.26%	Mainly caused by the decrease of financial leasing funds of financial subsidiaries at the end of the period.
Short-term borrowing	4,000,257,662.37	2,867,356,101.03	39.51%	Caused by the short-term borrowing which is not due.
Payroll payable	136,335,265.44	202,303,040.00	-32.61%	The decrease was caused by payment of payroll payable.
Other comprehensive income	8,920,558.61	5,385,060.90	65.65%	The increase was caused by the increase of difference of foreign exchange rate.
Special reverses	47,977,310.29	34,002,890.35	41.10%	Caused by provisions of safety production fees.

2. Income Statement

Item	Ending of the reporting period	Beginning of the reporting period	Increase or decrease	Reasons for changes
Operating revenue	3,689,756,846.06	2,777,577,471.59	32.84%	Caused by increased sales of TiO ₂ and Ti-slag.
Interest income	12,248,639.58	9,349,446.97	31.01%	Caused by the business revenue from financial subsidiaries.
Operating cost	2,115,534,953.70	1,618,531,557.65	30.71%	Caused by sales of Ti-slag in reporting period.
Interest expenses	388,888.88	11,000.00	3435.35%	Caused by increased interest expenses of financial subsidiaries.
Handling charges and commission expenses	3,321.48	2,353.99	41.10%	Caused by increased handling charges and commission expenses of financial subsidiaries.
Sales expenses	171,224,155.56	102,688,114.34	66.74%	Caused by increased freight expenses.
General and administrative expenses	136,906,263.81	89,984,850.98	52.14%	This is mainly due to the increase in current wages, the increase in the amortization of the employee stock ownership plan and the increase in the scope of consolidated statement of the subsidiary's new titanium industry.
Financial expense-interest income	20,414,698.99	3,018,549.96	576.31%	Caused by increased interest income of fixed time deposit,
Other income	58,582,231.57	13,457,920.87	335.30%	Caused by increased Government grants and restructuring of Xinli Titanium industry.
Investment income - investment income to joint enterprise and association enterprise	-6,950,895.46	151,240.30	-4695.93%	Caused by decreased of long-term equity investment under the equity method.
Credit impairment loss	-14,816,453.73	-5,157,439.87	187.28%	Caused by the increased receivables and provisions of bad-debt.
Non-operating income	4,831,861.08	960,268.22	403.18%	The main reason is that the products produced during the trial operation of the production line were sold in this year and the actual sales unit price is higher than the expected sales unit price at the end of last year.
Non-operating expense	7,372,898.75	3,494,404.20	110.99%	Caused by increased expenditure on public welfare donations.

3. Cash Flow Statement

Item	Ending of the reporting period	Beginning of the reporting period	Increase or decrease	Reasons in changes
Subtotal of cash inflow from investment activity	150,464,856.99	1,373,927,177.58	-89.05%	The decrease was caused by decrease in accumulative maturity amount of fixed time deposit in the reporting period.
Subtotal of cash outflow from investment activity	1,071,498,211.20	2,350,657,628.24	-54.42%	Mainly caused by the decrease of fixed time deposit in the current period.
Influence on cash by foreign exchange rate	5,945,639.32	-7,577,243.20	-178.47%	Mainly caused by the influence on cash by the foreign exchange rate in the reporting period.

II. Progress in important issues and analysis of its influence and solution

Implementation progress of share repurchase

applicable not applicable

Progress of reducing the share of repurchase by centralized bidding

applicable not applicable

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

Applicable Not applicable

IV. Security investment

applicable not applicable

V. Trust investment

applicable not applicable

VI. Derivatives investments

applicable not applicable

VII. External guarantees provided in violation of rules

Applicable Not applicable

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

Applicable Not applicable

IX. Registration form concerning reception of survey, communication, interview and other activities during the reporting period

Applicable Not applicable

Section IV - Financial Report**1. Consolidated Balance Sheet**

Unit:RMB

Items	31 st March 2020	31 st December 2019
Current asset:		
Cash and cash equivalent	3,883,273,259.10	2,640,651,165.38
Deposit reservation for balance		
Lendings		
Tradable financial assets		
Derivative financial asset		
Notes receivable	50,045,432.41	37,358,180.56
Accounts receivable	1,958,865,788.45	1,604,917,925.44
Receivable Financing	366,260,865.80	334,530,263.20
Advances to suppliers	460,440,115.91	486,893,907.83
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	50,045,432.41	45,216,280.73
Thereinto: Interests receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventory	3,111,932,677.16	2,223,433,795.02
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	527,675,123.48	469,787,900.07
TOTAL CURRENT ASSETS	10,409,110,856.87	7,842,789,418.23
Non-current assets:		

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Loans and advances	365,835,320.15	278,114,569.45
Creditors' investment		
Other creditors' investment		
Long-term receivables	205,895,817.81	299,519,834.57
Long-term equity investment	933,643,873.80	940,594,769.26
Other equity instruments investment	466,093.40	466,093.40
Other noncurrent financial assets		
Investment properties	58,140,320.91	58,837,297.83
Fixed assets	7,343,513,479.21	6,810,838,758.77
Construction in progress	1,282,901,745.27	1,654,194,308.22
Bearer biological assets		
Oil and gas assets		
Intangible assets	1,518,848,922.71	1,552,024,834.44
Development costs		
Goodwill	5,636,985,265.15	5,636,985,265.15
Long-term unamortized expenses	56,055,751.50	59,219,259.45
Deferred tax assets	210,995,300.96	230,053,129.74
Other non-current assets	649,075,871.48	579,144,012.80
TOTAL NON-CURRENT ASSETS	18,262,357,762.35	18,099,992,133.08
TOTAL ASSETS	28,674,468,619.22	25,942,781,551.31
Current liabilities:		
Short-term borrowings	4,000,257,662.37	2,867,356,101.03
Borrowings from central bank		
Loans from other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	2,941,437,906.50	2,406,738,099.45
Accounts payable	2,052,954,995.98	2,012,151,921.33
Advances from customers		129,906,556.59
Contract liability	108,912,325.23	
Repurchase of financial assets sold		
Deposits from customers and interbank		
Payment for trading securities by agency		
Payment for underwriting securities by agency		

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Payroll payable	136,335,265.44	202,303,040.00
Tax payable	242,214,013.58	202,223,224.02
Other payables	424,563,937.94	427,070,838.33
Thereinto: Interests payable	264,896.50	264,896.50
Dividends payable	17,600,000.00	17,600,000.00
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	157,023,123.00	141,832,464.00
Other current liability		
TOTAL CURRENT LIABILITIES	10,063,699,230.04	8,389,582,244.75
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	2,836,182,545.68	2,752,332,976.56
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Lease liability		
long-term payable	164,609,892.00	164,609,892.00
Long-term employee payroll payable		
Estimated liabilities	48,683,623.22	47,780,891.68
Deferred income	300,924,820.11	281,987,533.35
Deferred tax liabilities	229,016,429.65	234,547,657.57
Other non-current liabilities		
TOTAL NON-CURRENT LIABILITIES	3,579,417,310.66	3,481,258,951.16
Total liabilities	13,643,116,540.70	11,870,841,195.91
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	9,512,701,312.81	9,484,824,798.92
Less: treasury stock		
Other comprehensive income	8,920,558.61	5,385,060.90

Special reserve	47,977,310.29	34,002,890.35
Surplus reserve	650,571,671.61	650,571,671.61
General risk provisions	6,113,341.37	6,113,341.37
Undistributed profits	2,559,274,031.46	1,658,016,560.07
Total equity attributable to equity owners of the Parent Company	14,817,579,115.15	13,870,935,212.22
Minority interests	210,772,963.37	201,005,143.18
Total owner's equity	15,028,352,078.52	14,071,940,355.40
Total liabilities and owners' equity	28,674,271,519.22	25,942,781,551.31

Legal representative: XU Gang Principal in charge of accounting: SHEN Qingfei Head of accounting department: Guo Liangpo

2. Balance Sheet of Parent Company

Unit:RMB

Items	31 st March 2020	31 st December 2019
Current assets:		
Cash at bank and on hand	2,320,147,599.55	1,848,090,465.38
Financial assets for trade		
Derivative financial assets		
Notes receivable	187,000,000.00	
Accounts receivable	796,066,500.26	781,730,892.85
Accounts receivable financing	228,092,786.09	111,275,591.39
Advances to suppliers	173,220,449.34	42,101,067.27
Other receivables	3,114,216,076.62	954,386,496.37
Thereinto: Interests receivable		
Dividends receivable	1,950,000,000.00	
Inventories	451,657,138.54	463,431,570.54
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	3,837,958.46	14,048,858.34
TOTAL CURRENT ASSETS	7,274,238,508.86	4,215,064,942.14
Non-current assets:		
Creditors' investment		
Other creditors' investment		
Long-term receivables		

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Long-term equity investments	14,133,277,871.87	14,078,474,714.36
Other equity instruments investment		
Other non-current financial assets		
Investment property	50,156,889.53	50,653,797.05
Fixed assets	1,452,524,871.55	1,423,204,645.28
Construction in progress	439,033,527.08	346,773,426.31
Productive biological asset		
Oil and gas assets		
Right-of-use asset		
Intangible assets	193,429,319.13	197,408,879.25
Development expenditure		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	26,229,026.11	25,888,288.06
Other non-current assets	362,028,445.46	348,661,593.41
Total non-current assets	16,656,679,950.73	16,471,065,343.72
Total assets	23,930,918,459.59	20,686,130,285.86
Current liabilities:		
Short-term borrowings	2,047,295,130.00	1,281,831,460.00
Tradable financial liabilities		
Derivative financial liabilities		
Notes payable	1,935,796,931.29	1,919,595,931.29
Accounts payable	523,987,031.75	580,290,101.88
Advances received from customers		14,572,825.82
Contract liability	11,979,074.25	
Employee payroll payable	32,947,440.27	50,802,521.67
Taxes payable	20,978,632.31	22,084,365.01
Other payables	3,240,311,082.19	2,744,008,054.50
Thereinto: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	50,611,872.00	45,136,248.00
Other current liabilities		
TOTAL CURRENT LIABILITIES	7,863,907,194.06	6,658,321,508.17

Non-current liabilities		
Long-term borrowings	1,777,501,659.74	1,788,396,599.11
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Leasing liability		
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	3,481,639.28	4,183,493.24
Deferred tax liabilities		
Other non-current liabilities		
TOTAL NON-CURRENT LIABILITIES	1,780,983,299.02	1,792,580,092.35
Total liabilities	9,644,890,493.08	8,450,901,600.52
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	9,505,042,229.15	9,477,165,715.26
Less: treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	650,571,671.61	650,571,671.61
Undistributed profits	2,098,393,176.75	75,470,409.47
Total owner's equity	14,286,027,966.51	12,235,228,685.34
Total liabilities and owners' equity	23,930,918,459.59	20,686,130,285.86

3. Consolidated Income Statement

Unit:RMB

Item	Current accrual	Amount incurred in last period
I. Revenue	3,702,860,659.67	2,787,800,550.33
Including: Operating revenue	3,689,756,846.06	2,777,577,471.59
Interest income	12,248,639.58	9,349,446.97

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Earned premium		
Handling charges and commission income	855,174.03	873,631.77
II. Total costs	2,637,138,834.89	2,020,439,783.78
Including: Operating cost	2,115,609,239.40	1,618,531,557.65
Interest expense	388,888.88	11,000.00
Handling charges and commission expenditure	3,321.48	2,353.99
Sales tax and additions	32,127,908.59	33,076,394.97
Sales expenses	171,224,155.56	102,688,114.34
General and administrative expenses	136,906,263.81	89,984,850.98
R&D costs	133,354,729.72	124,273,783.83
Financial expenses	47,598,613.15	51,871,728.02
Thereinto: Interest expense	58,341,558.97	47,909,834.74
Interest income	20,414,698.99	3,018,549.96
Add: Other income	58,582,231.57	13,457,920.87
Income from investments	-24,409,587.43	-20,075,910.87
Including: Share of profit of associates and joint ventures	-6,950,895.46	151,240.30
Impairment of credit	-14,816,453.73	-5,157,439.87
Income from asset disposal	-5,088,870.62	-5,530,352.65
III. Operating profit	1,079,989,144.57	750,054,984.03
Add: Non-operating income	4,831,861.08	960,268.22
Less: Non-operating expenses	7,372,898.75	3,494,404.20
IV. Total profit	1,077,448,106.90	747,520,848.05
Less: Income tax expenses	167,360,221.33	117,894,507.10
V. Net profit	910,087,885.57	629,626,340.95
(I) Classification by business continuity		
1. Net profit from continuing operations	910,087,885.57	629,626,340.95
2. Net profit from terminating operations		
(II) Classification by ownership		
1. Attributable to equity owners of the Parent Company	901,257,471.39	622,936,264.04
2. Minority shareholder gains and losses	8,830,414.18	6,690,076.91
VI. Other comprehensive income, net of tax	3,535,497.71	-3,938,680.95
Net of tax from other comprehensive income attributable to owners of the parent company	3,535,497.71	-3,938,680.95
(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	3,535,497.71	-3,938,680.95
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. The amount of financial assets reclassified into other comprehensive income		
4. Provisions for credit impairment of other credit investments		
5. Cash flow hedge reserve		
6. Translation difference in foreign currency financial statements	3,535,497.71	-3,938,680.95
7. other		
Net of tax from other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	913,623,383.28	625,687,660.00
Attributable to equity owners of the Parent Company	904,792,969.10	618,997,583.09
Total comprehensive income attributable to minority shareholders	8,830,414.18	6,690,076.91
VIII. Earnings per share:		
(I) Basic income per share	0.44	0.32
(II) Diluted income per share	0.44	0.32

Legal representative: XU Gang Principal in charge of accounting: SHEN Qingfei Head of accounting department: Guo Liangpo

4. Income Statement of Parent Company

Unit:RMB

Item	Current accrual	Amount incurred in last period
I. Operating income	895,604,933.24	718,254,661.95
Less: Operating cost	660,371,627.60	514,183,586.29
Sales tax and additions	4,868,281.88	4,889,793.67
Sales expenses	28,162,241.52	23,044,590.91
General and administrative expenses	43,657,064.46	29,133,398.76
R&D costs	35,464,733.95	32,777,886.33
Financial expenses	24,563,858.88	20,333,036.21
Thereinto: Interest expense	35,197,017.52	27,208,017.26
Interest income	24,862,593.09	4,391,081.23
Add: Other income	4,284,653.18	701,853.96
Income from investments	1,935,502,459.26	1,294,025,563.51

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Including: Share of profit of associates and joint ventures	-6,950,895.46	151,240.30
Credit impairment loss	4,830,158.82	-3,146,529.25
Income from asset disposal	-4,097,850.19	-698,545.89
II. Operating profit	2,039,036,546.02	1,384,774,712.11
Add: Non-operating income	33,600.00	612.89
Less: Non-operating expenses	2,000,000.00	116,928.00
III. Total profits	2,037,070,146.02	1,384,658,397.00
Less: Income tax expenses	14,147,378.74	13,504,586.27
IV. Net profit	2,022,922,767.28	1,371,153,810.73
(I) Net profit from continuing operations	2,022,922,767.28	1,371,153,810.73
(II) Net profit from terminating operations		
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		
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		
6. Others		
VI. Total comprehensive income	2,022,922,767.28	1,371,153,810.73
VI. Earnings per share:		
(I) Basic income per share		

5. Consolidated Cash Flow Statement

Unit:RMB

Item	Current accrual	Amount incurred in last period
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	2,858,410,014.85	2,718,174,626.84
Net increase in deposits from clients and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Received net reinsurance cash		
Net increase in household savings and investment funds		
The net increase of financial assets that are measured at fair value and whose changes are included in current profits and losses		
Cash for interest, fees and commissions	12,316,303.09	10,658,854.88
Net increase in borrowing funds		
Net increase in repurchase funds		
Net cash received for buying and selling securities		
refund of tax		
other cash received relating to operating activities	120,146,828.12	191,379,348.83
Subtotal of cash inflow from operating activities	2,990,873,146.06	2,920,212,830.55
Cash payment for goods and services	1,495,066,619.82	1,306,647,389.72
Net increase in customer loans and advances	17,024,600.42	213,041,549.34
Net increase in central bank and interbank deposits		
Cash payment for the original insurance contract		
Net increase in financial assets held for trading purposes		
Net increase in lending funds		
Cash to pay interest, fees and commissions	15,695.07	93,402.87
Cash to pay insurance dividends		
Cash paid to and for employees	275,893,847.81	255,410,517.42
Various tax payments	305,199,116.44	332,887,261.85
Payment of other cash related to business activities	249,922,634.59	236,562,027.12
Subtotal of cash outflow from operating activities	2,343,122,514.15	2,344,642,148.32
Net cash flow from operating activities	647,750,631.91	575,570,682.23
II. Cash flow from investment activities:		

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Cash received form return of investment	150,000,000.00	1,360,484,412.00
Cash received on investment income	52,316.99	3,403,267.22
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	12,540.00	23,060.00
Net cash received by dispose of subsidiaries and other business units		
Cash received related to other investment activities	400,000.00	10,016,438.36
Subtotal of cash inflow from investment activities	150,464,856.99	1,373,927,177.58
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	221,498,211.20	104,226,216.24
Cash paid related to investments	150,000,000.00	2,246,431,412.00
Other cash payment related to investment	700,000,000.00	
Subtotal of cash outflow from investment activities	1,071,498,211.20	2,350,657,628.24
Net cash flow from investment activities	-921,033,354.21	-976,730,450.66
III. Cash flow from fundraising activities :		
Cash received by investors		
Including: Subsidiaries receive cash from minority investors		
Cash received from the loan	2,035,343,700.00	2,441,803,633.59
Receipt of other cash related to fund-raising activities	303,493,263.77	498,222,291.67
Subtotal of cash inflow from financing activities	2,338,836,963.77	2,940,025,925.26
Cash Payment for debt	932,325,886.47	2,281,042,048.36
Cash to distribute dividends, profits, or interest payments	62,889,233.04	57,567,722.02
Including: dividends and profits paid by subsidiaries to minority shareholders		
Payment of other cash related to fund-raising activities	890,117,958.07	118,673,320.84
subtotal of Cash outflow from financing activities	1,885,333,077.58	2,457,283,091.22
Net cash flow from financing activities	453,503,886.19	482,742,834.04
IV. The effect of exchange rate changes on cash and cash equivalents	5,945,639.32	-7,577,243.20
V. Net increase in cash and cash equivalents	186,166,803.21	74,005,822.41
plus: Beginning balance of cash and cash equivalents	1,055,135,459.37	1,495,540,791.23
VI. Ending balance of cash and cash equivalents	1,244,302,262.58	1,569,546,613.64

6. Cash Flow Statement of Parent Company

Unit:RMB

Item	Current accrual	Amount incurred in last period
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	422,154,946.56	690,676,377.93
Refund of taxes and surcharges		
Cash received relating to other operating activities	46,423,973.38	144,790,629.97
Sub-total of cash inflows	468,578,919.94	835,467,007.90
Cash paid for sales of goods and rendering of services	629,710,014.78	488,830,127.81
Cash paid to and on behalf of employees	65,939,648.73	87,212,957.38
Payments of taxes and surcharges	25,568,617.74	38,030,519.69
Cash paid relating to other operating activities	53,660,998.74	83,084,768.99
Sub-total of cash outflows	774,879,279.99	697,158,373.87
Net cash flows from operating activities	-306,300,360.05	138,308,634.03
II. Cash flows from investing activities:		
Cash received from returns on investments	150,000,000.00	1,216,110,000.00
Cash received from investments	52,316.99	1,243,115,270.00
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 relating to other investing activities	28,000,000.00	
Sub-total of cash inflows	178,052,316.99	2,459,225,270.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	75,109,231.27	33,254,730.87
Cash paid to acquire investments	196,000,000.00	1,938,857,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	724,630,000.00	1,200,000.00
Sub-total of cash outflows	995,739,231.27	1,973,311,730.87
Net cash flows from investing activities	-817,686,914.28	485,913,539.13
III. Cash flows from financing activities		
Cash received from investment		
Cash received from borrowing	860,557,500.00	1,145,233,500.00
Cash received relating to other financing activities	2,343,220,816.36	2,397,567,765.79
Sub-total of cash inflows	3,203,778,316.36	3,542,801,265.79

Cash paid for debt	117,657,800.00	1,644,471,483.00
Cash paid for interest and distribution of dividends or profit	35,089,713.28	28,796,798.90
Cash payments relating to other financing activities	2,167,734,744.17	2,616,829,274.70
Sub-total of cash outflows	2,320,482,257.45	4,290,097,556.60
Net cash flows from financing activities	883,296,058.91	-747,296,290.81
IV. Effect of foreign exchange rate changes on cash and cash equivalents	542,532.88	-2,702,460.30
V. Net increase in cash and cash equivalents	-240,148,682.54	-125,776,577.95
Add: Cash and cash equivalents at beginning of year	539,607,648.92	892,957,316.39
VI. Cash and cash equivalents at end of year	299,458,966.38	767,180,738.44

II. Statement of adjustment of financial statements

1. The new income rule and new lease rule has been implemented since 2020, so adjusting the financial report from the beginning of the financial year.

✓ Applicable Not applicable

Consolidated Balance Sheet

Items	31 st Dec 2019	1 st Jan 2020	Adjustment
Current asset:			
Cash and cash equivalent	2,640,651,165.38	2,640,651,165.38	
Notes receivable	37,358,180.56	37,358,180.56	
Accounts receivable	1,604,917,925.44	1,604,917,925.44	
Receivable Financing	334,530,263.20	334,530,263.20	
Advances to suppliers	486,893,907.83	486,893,907.83	
Other receivables	45,216,280.73	45,216,280.73	
Inventory	2,223,433,795.02	2,223,433,795.02	
Other current assets	469,787,900.07	469,787,900.07	
TOTAL CURRENT ASSETS	7,842,789,418.23	7,842,789,418.23	
Non-current assets:			
Loans and advances	278,114,569.45	278,114,569.45	
Long-term receivables	299,519,834.57	299,519,834.57	
Long-term equity investment	940,594,769.26	940,594,769.26	
Other equity instruments investment	466,093.40	466,093.40	
Investment properties	58,837,297.83	58,837,297.83	
Fixed assets	6,810,838,758.77	6,810,838,758.77	

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Construction in progress	1,654,194,308.22	1,654,194,308.22	
Intangible assets	1,552,024,834.44	1,552,024,834.44	
Goodwill	5,636,985,265.15	5,636,985,265.15	
Long-term unamortized expenses	59,219,259.45	59,219,259.45	
Deferred tax assets	230,053,129.74	230,053,129.74	
Other non-current assets	579,144,012.80	579,144,012.80	
TOTAL NON-CURRENT ASSETS	18,099,992,133.08	18,099,992,133.08	
TOTAL ASSETS	25,942,781,551.31	25,942,781,551.31	
Current liabilities:			
Short-term borrowings	2,867,356,101.03	2,867,356,101.03	
Notes payable	2,406,738,099.45	2,406,738,099.45	
Accounts payable	2,012,151,921.33	2,012,151,921.33	
Advances from customers	129,906,556.59		-129,906,556.59
Contract liability		129,906,556.59	129,906,556.59
Payroll payable	202,303,040.00	202,303,040.00	
Tax payable	202,223,224.02	202,223,224.02	
Other payables	427,070,838.33	427,070,838.33	
Thereinto: Interests payable	264,896.50	264,896.50	
Dividends payable	17,600,000.00	17,600,000.00	
Non-current liabilities maturing within one year	141,832,464.00	141,832,464.00	
TOTAL CURRENT LIABILITIES	8,389,582,244.75	8,389,582,244.75	
Non-current liabilities:			
Long-term borrowings	2,752,332,976.56	2,752,332,976.56	
long-term payable	164,609,892.00	164,609,892.00	
Long-term employee payroll payable	47,780,891.68	47,780,891.68	
Estimated liabilities	281,987,533.35	281,987,533.35	
Deferred income	234,547,657.57	234,547,657.57	
Deferred tax liabilities	3,481,258,951.16	3,481,258,951.16	
TOTAL NON-CURRENT LIABILITIES	11,870,841,195.91	11,870,841,195.91	
Total liabilities			
Owner's equity:			
Capital stock	2,032,020,889.00	2,032,020,889.00	
Capital surplus	9,484,824,798.92	9,484,824,798.92	
Other comprehensive income	5,385,060.90	5,385,060.90	

Special reserve	34,002,890.35	34,002,890.35	
Surplus reserve	650,571,671.61	650,571,671.61	
General risk provisions	6,113,341.37	6,113,341.37	
Undistributed profits	1,658,016,560.07	1,658,016,560.07	
Total equity attributable to equity owners of the Parent Company	13,870,935,212.22	13,870,935,212.22	
Minority interests	201,005,143.18	201,005,143.18	
Total owner's equity	14,071,940,355.40	14,071,940,355.40	
Total liabilities and owners' equity	25,942,781,551.31	25,942,781,551.31	

Balance Sheet of Parent Company

Items	31 st Dec 2019	1 st Jan 2020	Adjustment
Current asset:			
Cash and cash equivalent	1,848,090,465.38	1,848,090,465.38	
Accounts receivable	781,730,892.85	781,730,892.85	
Receivable Financing	111,275,591.39	111,275,591.39	
Advances to suppliers	42,101,067.27	42,101,067.27	
Other receivables	954,386,496.37	954,386,496.37	
Inventory	463,431,570.54	463,431,570.54	
Other current assets	14,048,858.34	14,048,858.34	
TOTAL CURRENT ASSETS	4,215,064,942.14	4,215,064,942.14	
Non-current assets:			
Long-term equity investment	14,078,474,714.36	14,078,474,714.36	
Investment properties	50,653,797.05	50,653,797.05	
Fixed assets	1,423,204,645.28	1,423,204,645.28	
Construction in progress	346,773,426.31	346,773,426.31	
Intangible assets	197,408,879.25	197,408,879.25	
Deferred tax assets	25,888,288.06	25,888,288.06	
Other non-current assets	348,661,593.41	348,661,593.41	
TOTAL NON-CURRENT ASSETS	16,471,065,343.72	16,471,065,343.72	
TOTAL ASSETS	20,686,130,285.86	20,686,130,285.86	
Current liabilities:			
Short-term borrowings	1,281,831,460.00	1,281,831,460.00	
Notes payable	1,919,595,931.29	1,919,595,931.29	

Accounts payable	580,290,101.88	580,290,101.88	
Advances from customers	14,572,825.82		-14,572,825.82
Contract liability		14,572,825.82	14,572,825.82
Payroll payable	50,802,521.67	50,802,521.67	
Tax payable	22,084,365.01	22,084,365.01	
Other payables	2,744,008,054.50	2,744,008,054.50	
Non-current liabilities maturing within one year	45,136,248.00	45,136,248.00	
TOTAL CURRENT LIABILITIES	6,658,321,508.17	6,658,321,508.17	
Non-current liabilities:			
Long-term borrowings	1,788,396,599.11	1,788,396,599.11	
Deferred income	4,183,493.24	4,183,493.24	
TOTAL NON-CURRENT LIABILITIES	1,792,580,092.35	1,792,580,092.35	
Total liabilities	8,450,901,600.52	8,450,901,600.52	
Owner's equity:			
Capital stock	2,032,020,889.00	2,032,020,889.00	
Capital surplus	9,477,165,715.26	9,477,165,715.26	
Surplus reserve	650,571,671.61	650,571,671.61	
Undistributed profits	75,470,409.47	75,470,409.47	
Total owner's equity	12,235,228,685.34	12,235,228,685.34	
Total liabilities and owners' equity	20,686,130,285.86	20,686,130,285.86	

2. The subscription of the data comparison before the implementation of new income rule and new lease rule since 2020.

Applicable Not applicable

III. Audit report

Is the Q1 report audited?

yes no

Lomon Billions Group Co., Ltd

Chairman: Xu Gang

23rd April 2020