



OFFCN EDUCATION TECHNOLOGY CO., LTD.

First Quarter 2020 Report

Stock Code: 002607

Stock Abbr.: OFFCN EDU

April, 2020

Chapter I. Important Notes

The board of directors, the supervisor committee, the directors, supervisors, and senior management of the company shall hereby guarantee the authenticity, accuracy and completeness of this Q1 Report also without misrepresentations, misleading statements, or material omissions, and bear individual and joint legal liabilities.

This report is prepared and published in Chinese version, and the English version is for reference only. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

All directors attended the board meeting approving the First Quarter 2020 Report.

Wang Zhendong, the Company's legal representative, Shi Lei, the person in charge of accounting work, and Luo Xue, head of the accounting department, hereby declare that the financial report in this report is authentic, accurate and complete.

Non-standard audit report

Applicable Not applicable

Chapter II. Corporate Profile

Section I. Key accounting information and financial indicators

Does the Company need to adjust its financial information retrospectively or restate its previous year accounting information?

Yes No

	During the Reporting Period	Same Period of the Previous Year	Increase/Decrease Over Same Period of the Previous Year
Operating Revenue (RMB)	1,230,102,270.48	1,311,632,662.04	-6.22%
Net profit attributable to shareholders of the listed Company (RMB)	116,303,799.91	106,193,482.28	9.52%
Net profit after deducting non-recurring profit or loss attributable to shareholders of the listed Company (RMB)	77,685,654.82	107,644,815.54	-27.83%
Net cash flow from operating activities (RMB)	2,564,218,312.85	2,422,743,973.91	5.84%
Basic earnings per share (RMB/share)	0.02	0.02	0.00%
Diluted earnings per share (RMB/share)	0.02	0.02	0.00%
Weighted average return on net assets	3.33%	3.52%	-0.19%
	At the end of this reporting period	At the end of the previous year	Increase/Decrease over the end of the previous year
Total assets (RMB)	13,358,747,832.48	9,960,705,427.94	34.11%
Net assets attributable to the shareholders of the listed Company	2,081,123,850.37	3,431,545,903.82	-39.35%

The total share capital of the Company as of the previous trading day before disclosure:

The total share capital of the Company as of the previous trading day before disclosure (share)	6,167,399,389
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Fully diluted earnings per share using the latest share capital:

Dividends paid for preferred shares	0.00
Fully diluted earnings per share calculated using the latest share capital (RMB/share):	0.0189

Items and amounts of non-recurring profit or loss:

√ Applicable □ Not applicable

Unit: RMB

Item	Amount from beginning of the year 2020 to end of the reporting period	Notes
Profit or loss on disposal of non-current assets (including the offsetting amount for the provision of impairment of assets)	12,208.74	
Tax refunds, reductions or exemptions without approval or formal approval documents		
Government subsidies included in the current profit and loss (not including subsidies enjoyed in quota or ration according to national standards, which are closely relevant to the Company's business.)	57,122.37	
Capital occupation fees charged to non-financial enterprises included in the current profit and loss		
The Company can obtain the differences when the investment cost of an enterprise's acquisition of subsidiaries, associates and joint ventures is less than the income derived from the fair value of the identifiable net assets of the investee		
Profit or loss from non-monetary asset exchange		
Profit or loss from entrusting others to invest or manage assets	30,110,485.43	
Provision for impairment of assets due to force majeure factors, such as natural disasters		
Profit or loss from debt restructuring		
Enterprise restructuring costs, such as expenses for relocating employees, integration costs, etc.		
Profit or loss in excess of fair value resulting from transactions where the transaction price was significantly unfair		
Net profit or loss for the period from the beginning of the subsidiary to the business combination date resulting from a business combination under the same control		
Profit or loss from contingencies unrelated to the Company's normal business operations		

In addition to the effective hedging business related to the Company's normal business operations, profit or loss from changes in fair value of the holding of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and profit on investments from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities and other debt investments.		
Reversals of the provision for receivables and contract asset that are individually tested for impairment		
Profit or loss from external entrusted loans		
Profit or loss from changes in the fair value of investment in real estate that are subsequently measured at the fair value model		
The impact on the current profit and loss resulted from a one-off adjustment in accordance with the requirements of tax and accounting laws and regulations		
Trustee fee income from entrusted operations		
Non-operating income and expenses other than the above	-74,901.22	
Other profit or loss items that meet the definition of non-recurring profit and loss	17,714,961.47	
Less: Influenced amount of income tax	9,201,731.70	
Impact on minority shareholders' equity (after tax)		
Total	38,618,145.09	--

Provide explanations for classifying non-recurring profit and loss items defined in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Profits and Losses*, and for classifying non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Profits and Losses* as recurring profit and loss items.

Applicable Not applicable

The Company has not classified non-recurring profit and loss items defined or listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Gains and Losses* as recurring profit and loss items in the reporting period.

Section II. Tables on the total number of shareholders and shares held by the top 10 shareholders at the end of the reporting period

1. Table on the total number of common shareholders, number of preferred shareholders with restored voting rights and shares held by the top 10 shareholders

Unit: share(s)

Total number of common shareholders at the end of reporting period		24,555	Total number of preferred shareholders with restored voting rights at end of the reporting period (if any)		0	
Particulars about shares held by the top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Shares held	Number of shares held with sales restrictions	Pledged or frozen	
					Status of shares	Amount
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260	2,550,549,260	Pledged	400,000,000
Li Yongxin	Domestic natural person	18.35%	1,131,415,121	1,058,718,560	Pledged	738,150,000
Wang Zhendong	Domestic natural person	15.61%	962,471,418	962,471,418	Pledged	107,100,000
Beijing Aerospace Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	4.33%	267,353,171	267,353,171		
Beijing Guangyin Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	2.89%	178,235,447	178,235,447	Pledged	30,000,000
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	Domestic non-state-owned legal person	1.44%	89,117,723	89,117,723		
Beijing Offcn Future Information Consulting Center (Limited Partnership)	Domestic non-state-owned legal person	1.30%	80,000,000	0		

Zhou Xiayun	Domestic natural person	1.28%	78,848,640	0	Pledged	37,148,845
Zhou Hui	Domestic natural person	1.17%	72,277,920	0	Pledged	17,792,000
Zhou Li	Domestic natural person	0.78%	48,185,280	0		
Particulars about shares held by the top 10 shareholders without sales restrictions						
Name of shareholder	Number of shares without sales restrictions held	Type of shares				
		Type of shares	Quantity			
Beijing Offen Future Information Consulting Center (Limited Partnership)	80,000,000	RMB common shares	80,000,000			
Zhou Xiayun	78,848,640	RMB common shares	78,848,640			
Li Yongxin	72,696,561	RMB common shares	72,696,561			
Zhou Hui	72,277,920	RMB common shares	72,277,920			
Zhou Li	48,185,280	RMB common shares	48,185,280			
Hong Kong Securities Clearing Company Ltd.	43,495,739	RMB common shares	43,495,739			
China Citic Bank Co. Ltd.- Bank of Communications Schroeder New Vitality Flexible Allocation of Hybrid Securities Investment Fund	25,345,974	RMB common shares	25,345,974			
National Social Security Fund Combination 102	16,500,276	RMB common shares	16,500,276			
China Construction Bank Co. Ltd.-Bank of Communications Schroeder Kernel-Driven Hybrid Securities Investment Fund	12,532,021	RMB common shares	12,532,021			
National Social Security Fund Combination 414	11,492,724	RMB common shares	11,492,724			

Explanation on the related relationship and concerted actions among the above-mentioned shareholders	The controlling shareholders and the actual controllers of the Company Lu Zhongfang and Li Yongxin are mother and son. Lu Zhongfang, Li Yongxin and Beijing Offcn Future Information Consulting Center (Limited Partnership) are acting in concert. Zhou Xiayun and Zhou Hui are father and son. Zhou Xiayun and Zhouli are father and daughter. The Company does not know whether the other shareholders are related parties or whether they are acting-in-concert parties.
Explanation on the top 10 shareholders' participation in margin financing (if any)	N/A

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repurchase during the reporting period?

Yes No

The Company's top 10 common shareholders and/or top 10 non-restricted common shareholders did not conduct any promissory repurchase during the reporting period.

2. Table on the total number of preferred shareholders and shares held by the top 10 preferred shareholders

Applicable Not applicable

Chapter III. Significant Events

Section I. Cases and reasons of main financial data and indicators fluctuation during the reporting period.

√ Applicable □ Not applicable

Unit: RMB

Balance Sheet	Closing Balance	Opening Balance	Growth	Statements
Cash and cash equivalents	1,149,021,038.61	2,724,335,001.58	-57.82%	The decrease is mainly due to the optimizing of fund management and timely purchasing of financial products.
Financial assets held for trading	5,931,135,332.29	1,754,396,227.54	238.07%	The growth is mainly due to increase in payment collection from training business in this period, increase in purchasing of financial products, and the cumulative impact of the part of financial products that have not been redeemed at the beginning of the period.
Account receivable	8,414,291.79	2,721,638.09	209.16%	The growth is mainly due to the increase in rent receivable of retained assets in the major asset restructuring plan for external lease.
Prepayments	3,259,770.00	2,461,009.00	32.46%	The growth is mainly due to increase in prepayment to travel agency for air tickets for employees' business trips.
Other receivables	464,762,227.06	255,013,296.96	82.25%	The growth is mainly due to the prepayment of the cooperation construction funds of Liaoning Offcn Shenfu Learning Center during this period.
Other current assets	186,411,240.41	97,336,600.16	91.51%	The growth is mainly due to the increase in prepayments for rented properties during this period.
Deferred tax assets	10,982,832.13	21,482,832.13	-48.88%	The decrease is mainly due to the payment of employee compensation accrued in previous years during this period.
Other non-current assets	440,810,338.01	325,967,628.34	35.23%	The growth is mainly due to the prepayment for decoration of the learning centers at branch schools during this period.
Short-term borrowings	3,717,000,000.00	2,867,000,000.00	29.65%	The main reasons of the growth are the following ones. 1. Acquisition of Shanxi Guancheng Learning Center and prepayment for cooperation

				construction fund of Liaoning Offen Shenfu Learning Center 2.Policy support from financial institutions during pandemic period 3.Reserved funds to cope with uncertainty of offline courses start time.
Accounts payable	31,879,174.21	236,481,990.86	-86.52%	The decrease is mainly due to settlement and payment of accounts payable at the beginning of this period.
Receipts in advance		2,634,276,203.88	-100.00%	The decrease is due to adjustment of "advance receipts" carried forward within one year to the "contract liabilities" and "other current liabilities" based on the new revenue standard.
Contract liabilities	5,471,543,237.02			It is due to adjustment of the part of "advance receipts" carried forward within one year without tax to "contract liabilities" based on the new revenue standard. By comparable caliber, it grows by RMB 2.914 billion from the beginning of the year with a growth rate of 113.94%, and it grows by RMB 1.238 billion from the same period of last year with a growth rate of 29.25%. The reason is that during this reporting period, the Company made great efforts to efficiently conduct Online-Merge-Offline(OMO) courses with effective whole-staff marketing strategy, and eventually achieve substantial increase in receipts from training.
Employee benefits payable	213,784,491.96	411,475,636.03	-48.04%	The decrease is mainly due to calculation and payment of last year's salary during this period, and deduction of social insurance carried by the Company during the pandemic period.
Taxes payable	58,604,750.12	184,306,027.84	-68.20%	The decrease is mainly due to actual payment of corporate income tax of fourth quarter last year and VAT in December during this period. At the same time, the Company enjoys corresponding national tax relief during the pandemic. It results in decrease of tax payable.
Other payables	1,514,376,992.94	88,693,411.98	1,607.43%	The growth is mainly due to accrued profits payable to shareholders in 2019 but not actually paid during this period.
Other current liabilities	164,146,297.11			It is due to the adjustment of tax on "advance

				receipts” carried forward within one year to be transferred to “other current liabilities” based on the new revenue standard.
The Income Statement	January-March, 2020	January-March, 2019	Growth	Statements
Total operating revenue	1,230,102,270.48	1,311,632,662.04	-6.22%	The decrease is mainly due to the pandemic, offline courses cannot be carried out on a large scale in February and March. Meanwhile, due to impact from delay of some recruitment and qualification exams, some training payment collections do not meet income recognition criteria by the end of first quarter. It results in lower income than the same period last year.
Total operating cost	1,167,262,125.00	1,212,555,458.51	-3.74%	The decrease is mainly due to the pandemic, cost on courses opening, business travel, marketing and social insurance during this period decreases from the same period last year.
Taxes and surcharges	3,265,783.95	7,017,678.96	-53.46%	The decrease is mainly due to tax relief during pandemic period.
Financial expenses	55,032,787.52	37,721,220.70	45.89%	The growth is mainly due to increase of short term loan from financial institution during this period.
Other income	36,688,536.72	33,195.73	110,421.86%	The growth is mainly due to VAT relief during the pandemic period.
Investment income	49,118,685.21	32,216,225.92	52.47%	The growth is mainly due to increasing scale of short term financial products.
Non-operating income	100.00	337,999.26	-99.97%	The decrease is mainly due to VAT relief being listed into “other income”.
Net profit	116,301,251.23	106,193,482.28	9.52%	The growth is mainly due to large growth in other income.
Cash Flow Statement	January-March, 2020	January-March, 2019	Growth	Statements
Cash receipts from the sale of goods and the rendering of services	4,268,644,542.62	3,787,712,684.29	12.70%	The growth is mainly due to increase in training fees collected in advance from students during this period.
Other cash receipts relating to other operating activities	3,552,880.40	226,068.58	1,471.59%	The growth is mainly due to government subsidies and increase in interest from bank deposits.
Cash paid to and for employees	1,090,339,239.09	801,689,160.29	36.01%	The growth is mainly due to increase in salary paid to employees.

Cash received from return of investment	9,555,548,985.25	2,817,530,000.00	239.15%	The growth is mainly due to redemption of financial products. It is the cumulative redemption amount of short-term financial products.
Cash received from investments	31,375,210.42	16,682,775.57	88.07%	The growth is mainly due to increase in income from financial products during this period.
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	812,081,033.98	8,436,483.33	9,525.82%	The growth is mainly due to the acquisition of Shanxi Guancheng Learning Center during this period, the prepayment of the construction fund of Liaoning Offcn Shenfu Learning Center, and the payment of construction and decoration.
Cash paid to acquire investments	13,732,288,090.00	5,708,470,000.00	140.56%	The growth is mainly due to optimizing of capital management and increase in financial products purchasing during this period. It is cumulative purchase amount of short term financial products.
Cash received from loans	1,660,000,000.00	360,000,000.00	361.11%	The growth is mainly due to increase in borrowings from banks.
Cash repayments of loans	810,000,000.00			It is mainly due to repayment of bank loan due during this period.
Cash payments for distribution of dividends, profits or interest	32,099,556.25	16,945,425.00	89.43%	The growth is mainly due to increase in interest of bank loans during this period.

Section II. Progress of significant events, their impact and analysis on the solutions

Applicable Not applicable

Progress in the implementation of share repurchase

Applicable Not applicable

Progress in the implementation of centralized bidding to reduce holdings of repurchased shares

Applicable Not applicable

Section III. Commitments in implementation by the Company's actual controller, shareholders, related parties, acquirer and the Company itself, etc. during the reporting period

Applicable Not applicable

The important commitments made by the major asset restructuring parties are as follows:

Commitment	Type of commitment	Content of commitment	Time of commitment	Period of commitment	Performance
Lu Zhongfang, Li Yongxin, Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhian	Performance commitment and compensation arrangement	<p>1. The profit forecast and compensation periods are the years of 2018, 2019 and 2020.</p> <p>2. Performance commitment: The compensation obligors confirm and promise that the net profits attributable to the shareholders of the parent company after deducting non-recurring profits and losses under the consolidated statements of Offcn Ltd. shall not be less than 930 million RMB, 1.3 billion RMB and 1.65 billion RMB in years of 2018, 2019 and 2020 respectively.</p> <p>3. The parties agree that the certified public accountants employed by Yaxia Automobile shall review the actual net profits of Offcn Ltd. after the end of each of the three fiscal years. The difference between the actual net profits of Offcn Ltd. and the net profits committed by the compensation obligors shall be reviewed and a special audit report shall be issued. At the end of the third fiscal year, an auditing agency with qualifications for executing securities and futures engaged by Yaxia Automobile will conduct an impairment test on Offcn Ltd. and issue an impairment test report, within 90 days after the certified public accountant issues a special audit report.</p> <p>4. Compensation measures:</p> <p>(1) If the certified public accountant confirms that the actual net profits accumulated by Offcn Ltd. fails to meet the aggregate committed net profits as of the end of each of three fiscal years, each compensation obligor shall assume the compensation obligation according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction. All compensation obligors are given priority to conduct compensation with shares. When the total amount of share compensation reaches 90% of the total number of shares issued for purchasing assets, all compensation obligors shall conduct compensation in cash. The formula for calculating the amount of compensation payable by the obligors in the current period is as follows: compensation amount for the current period = (aggregate committed net profits as of the end of the current period - accumulated net profits as of the end of the current period) ÷ the sum of committed net profits of years within the compensation period × the price of Offcn Ltd. in this transaction - aggregate compensated amount.</p> <p>In the application of the above formulas, it should be as follows: □ “As of the end of the current period”</p>	May 4, 2018	Years of 2018, 2019, 2020	Performance commitments of the year 2018 and 2019 have been fulfilled.

		<p>refers to the period starting from 2018 and ending at the end of the current period; □ “the sum of committed net profits” refers to the sum of committed net profits in 2018, 2019 and 2020, that is 3.88 billion RMB. Number of shares to be compensated by the obligor in the current period = Obligor's compensation amount ÷ the issue price per share of the stocks issued for purchasing assets. When the number of shares for compensation is not a whole number, it shall be handled in accordance with the rounding principle.</p> <p>(2) The upper limit of the compensation obligor in the compensation commitments and end-of-period impairment compensation of Offcn Ltd. shall not exceed the total transaction consideration obtained by all shareholders in this transaction. When the calculated compensable amount is less than or equal to 0, the value is taken as 0, that is, the amount or the shares that have been compensated are not redeemed.</p> <p>(3) If Yaxia Automobile implements ex-rights and ex-dividends, such as bonus shares, the capitalization of the capital reserve to share capital, or allotment within the period of profit compensation, the number of shares to be compensated shall be adjusted accordingly as follows: the number of shares to be compensated by the obligor (after adjustment) = the number of shares to be compensated by the obligor × (1 + the proportion of bonus shares or transfer of capital stock).</p> <p>(4) If Yaxia Automobile implements cash dividends during the period of profit compensation, the cash dividends shall be returned accordingly. The calculation formula is that: repayment amount of the compensation obligor = total cash distribution received by the compensation obligor (before tax) ÷ the number of shares obtained by the compensation obligor in this transaction (including shares acquired in this transaction and shares newly added by bonus shares and transfer of capital stock) × the number of obligor's compensation shares.</p> <p>5. Impairment test and compensation after the performance commitment period expires:</p> <p>(1) At the end of the performance commitment period, the audit institution with qualifications for executing securities and futures engaged by Yaxia Automobile will perform an impairment test on exchange-in assets in this transaction (i.e. 100% of the shares of Offcn Ltd.) and issue an <i>Impairment Test Report</i>.</p> <p>(2) If the amount of exchange-in assets impairment at the end of the period > the total number of compensated shares × the issue price + the amount of</p>			
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		<p>compensated cash, each compensation obligor shall compensate Yaxia Automobile separately according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction. The calculation formula is: the amount to be compensated for the impairment of the exchange-in assets= the amount of impairment of exchange-in assets at the end of the period—the total amount of compensation in the commitment year. In any situations, the total amount of the compensation for exchange-in assets impairment and the compensation for performance commitment shall not exceed the total amount of this transaction's consideration received by all the shareholders of Offcn Ltd.</p> <p>(3) The aforementioned amount of impairment is the consideration of exchange-in assets minus the estimated value of exchange-in assets at the end of the period, deducting the effects of capital injection, capital reduction, gift acceptance and profit distribution of the shareholders during compensation period.</p> <p>6. Implementation of compensation:</p> <p>(1) If the compensation obligor is required to compensate Yaxia Automobile because the net profits generated by exchange-in assets are lower than its commitment, Yaxia Automobile shall convene a board meeting within 30 working days after the special audit report or impairment test report is issued by the accounting firm, and shall determine the number of shares or cash amounts to be compensated by each compensation obligor in accordance with the "<i>Profit Forecast Compensation Agreement</i>". The board of directors shall convene a general meeting of shareholders to consider the issue of cancellation of compensation share repurchase for the current period.</p> <p>(2) Based on the terms and conditions of the agreement, each compensation obligor will compensate Yaxia Automobile in the following order: each compensation obligor shall perform the compensation obligation according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction.</p> <p>①Firstly, all compensation obligors shall compensate the listed Company with Yaxia Automobile shares obtained in this transaction according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction. If the aforementioned shares are insufficient for compensation, each compensation obligor shall make compensation by purchasing Yaxia Automobiles shares from the secondary market or</p>			
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		<p>by other legal means. In order to avoid ambiguity, the compensation obligors shall not bear joint liability for the above compensation obligations.</p> <p>②Yaxia Automobile shall notify all compensation obligors in writing within 5 working days after the date of announcement of resolution by the shareholders' meeting. All compensation obligors shall transfer their compensation shares of the current year to the designated account set up by the board of directors of Yaxia Automobile at a total price of 1.00 RMB within 5 working days after receiving the aforementioned notice, and cancel the repurchase of aforementioned shares in accordance with relevant laws and regulations. (If there are changes in relevant laws and regulations and/or in regulations of relevant authorities at that time, the cancellation shall be completed in accordance with the relevant regulations at that time)</p> <p>③ From the date on which the number of compensation shares of each compensation obligor is determined until the cancellation of these shares, these shares are with no voting rights or rights for dividend distribution.</p> <p>④ If the compensation obligor needs to compensate Yaxia Automobile in cash in accordance with the stipulations of the Profit Forecast Compensation Agreement, each compensation obligor shall pay the compensation amount to Yaxia Automobile within the period specified in the notice. In case of overdue payment, the compensation obligor shall pay the late payment interest to Yaxia Automobile on the overdue portion at daily interest rate of 5‰, with the continuity of obligation of compensation.</p>			
<p>Yaxia Industry, Zhou Xiayun, Zhou Hui, Zhou Li, Phase I employee stock ownership plan</p>	<p>Letter of commitment on lock-up period</p>	<p>After the completion of the transaction (starting from the date of the listing of shares issued in this transaction), the company/I/the plan shall not transfer the company's shares in Yaxia Automobile within 36 months .</p> <p>After the completion of the transaction, the shares held by the Company/I/the plan, derived from Yaxia Automobile shares due to the distribution of stock dividends and the transfer of the capital reserve to share capital shall also comply with the above-mentioned arrangement of restricted sale of shares.</p> <p>If the China Securities Regulatory Commission and/or Shenzhen Stock Exchange have/has other provisions for the above-mentioned lock-up period arrangement , the company/I/the plan will adjust and implement the above-mentioned lock-up period according to the latest regulations of the China</p>	<p>May 4, 2018</p>	<p>Jan. 31, 2022</p>	<p>Normalcy</p>

		<p>Securities Regulatory Commission and/or Shenzhen Stock Exchange.</p> <p>If violating the above commitments, the company/I/the plan will bear all losses caused to Yaxia Automobile.</p>			
Li Yongxin	Letter of Commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares.</p> <p>Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself is automatically extended for 6 months. (If dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the above period, the aforementioned issue price is calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. As the transferee of 72,696,561 Yaxia Automobile shares held by Anhui Yaxia Industry Co., Ltd., I shall not transfer them within 36 months from the date of registration in my securities account.</p> <p>3. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed Company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>4. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>5. After the completion of this transaction, my increased shares due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>6. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the latest laws and regulations and the</p>	Apr. 27, 2018	Jan. 31, 2022	Normalcy

		<p>requirements of the regulatory agency.</p> <p>7. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Lu Zhongfang	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired in this transaction by myself is automatically extended for 6 months. (If dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the above period, the aforementioned issuance price is calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The aforesaid share lock-up arrangement does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed Company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion of this transaction, my increased shares due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>	Apr. 27, 2018	Jan.31, 2022	Normalcy

<p>Kerui Technology Innovation</p>	<p>Letter of commitment on lock-up period for subscription of shares</p>	<p>1. The shares of the listed Company subscribed by the enterprise in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the stock is lower than the issue price, the lock-up period of consideration shares acquired in this transaction is automatically extended for 6 months. (If dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the above period, the aforementioned issue price is calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion of this transaction, the shares that the enterprise owns increased due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>	<p>Jul. 27, 2018</p>	<p>Jan.31, 2022</p>	<p>Normalcy</p>
<p>Aerospace Industry, Guangyin Venture</p>	<p>Letter of commitment on lock-up period for subscription of shares</p>	<p>1. The shares of the listed Company subscribed by the enterprise in this transaction shall not be transferred or dealt with in any other forms within 24 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for 20 consecutive trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired in this transaction is automatically extended for 6 months.</p>	<p>Jul. 27, 2018</p>	<p>Jan. 31, 2021</p>	<p>Normalcy</p>

		<p>(If dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the above period, the aforementioned issue price is calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion of this transaction, the shares that the enterprise owns increased due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
<p>Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhian</p>	<p>Letter of commitment on lock-up period for subscription of shares</p>	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 24 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days , or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired in this transaction by myself is automatically extended for 6 months. (If dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the above period, the aforementioned issuance price is calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>If Offcn Ltd. fails to meet the committed net profits as stipulated in the <i>Profit Forecast Compensation Agreement</i> in either 2018 or 2019, the lock-up period of the shares of the listed Company I obtained in this transaction will be extended to 36 months. At the</p>	<p>Jul. 27, 2018</p>	<p>Jan.31,2021</p>	<p>Normalcy</p>

		<p>expiration of 36 months from the date when the aforementioned shares are registered to my securities account, if the performance compensation obligations under the <i>Profit Forecast Compensation Agreement</i> have not been fulfilled, the above lock-up period will be extended to the date when the compensation obligations are fulfilled.</p> <p>2. The aforesaid share lock-up arrangement does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed Company has the right to relieve the shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion of this transaction, my increased shares due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Offcn Partnership	Letter of commitment on the lock-up of shares	<p>Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Automobile held by Anhui Yaxia Industry Co., Ltd. to the enterprise, the shares shall not be transferred. The lock-up period of the shares increased during the above period due to bonus shares, transfer of capital stock or allotment of shares by Yaxia Automobile, shall also comply with the foregoing requirements.</p> <p>If the company violates commitments listed above, it will bear all losses caused to Yaxia Automobile.</p>	Apr. 27, 2018	Jan.31,2022	Normalcy
Li Yongxin and other 10 counterparties	Letter of commitment on the lock-up of Offcn	<p>Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Automobile held by Anhui Yaxia Industry Co.,Ltd. to Beijing Offcn Future Information Consulting Center (Limited</p>	Jul. 27, 2018	Jan.31, 2022	Normalcy

	Partnership's contribution shares	Partnership), I or the company shall not in any way transfer the shares of Beijing Offcn Future Information Consulting Center (Limited Partnership) or withdraw from the partnership with Beijing Offcn Future Information Consulting Center (Limited Partnership), nor do we transfer, assign or authorize other entities in any way to fully or partially have the rights and interests indirectly related to the shares of Yaxia Industry Co., Ltd. held by Beijing Offcn Future Information Consulting Center (Limited Partnership).			
Li Yongxin, Lu Zhongfang, Wang Zhendong, Offcn Partnership	Letter of commitment on maintaining independence of the listed Company	<p>1. Guarantee the independence of the listed Company's personnel</p> <p>(1) It is guaranteed that after the completion of transaction, the labor, personnel and salary management of the listed Company shall completely independent from myself/Offcn Partnership, and from other related parties, such as companies, enterprises or economic organizations, controlled by myself/Offcn Partnership.</p> <p>(2) It is guaranteed that after the completion of transaction, senior executives shall work as full-time employees and receive remuneration in the listed Company. They shall not hold any positions other than directors or supervisors in other companies, enterprises, or economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of transaction, the official powers of the shareholders' meeting and board of director on personnel appointments and dismissals shall not be interfered.</p> <p>2. Guarantee the independence of institutes of the listed Company</p> <p>(1) It is guaranteed that after the completion of transaction, the listed Company shall build a sound structure of corporate governance and develop an independent and complete organizational structure.</p> <p>(2) It is guaranteed that after the completion of transaction, the shareholders' meeting, the board of directors, and the board of supervisors shall independently exercise their powers in accordance with laws, regulations and company's articles.</p> <p>3. Guarantee the independence and completeness of the assets of the listed Company.</p> <p>(1) It is guaranteed that after the transaction, the listed Company shall have independent and complete assets related to production and operation.</p> <p>(2) It is guaranteed that after the completion of transaction, the business premises of the listed Company shall be independent from myself/Offcn Partnership, and other related parties, such as</p>	Apr. 27, 2018	Long-term	Normalcy

		<p>companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of transaction, except for normal business dealings, there shall be no capital and assets of the listed Company occupied by myself/Offcn Partnership, and other related parties, such as companies, enterprises or economic organizations, controlled by myself or Offcn Partnership.</p> <p>4. Guarantee the independence of the listed Company's business.</p> <p>(1) It is guaranteed that after the completion of transaction, the listed Company shall have the qualifications of independently conducting business activities and the capabilities of running market-oriented, independent, autonomous, sustainable business.</p> <p>(2) It is guaranteed that after the completion of transaction, I/Offcn Partnership, or other related parties, such as companies, enterprises, or other economic organization controlled by myself/Offcn Partnership shall avoid businesses which have a competitive relationship with the listed Company and its subsidiaries.</p> <p>(3) It is guaranteed that after the completion of transaction, I/Offcn Partnership, or related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership shall reduce related-party transaction with the listed Company and its subsidiaries. Related-party transactions that are really necessary and unavoidable shall be conducted in a market-oriented and fairly way and perform relevant approval processes and information disclosure obligations in accordance with relevant laws, regulations and regulatory documents.</p> <p>5. Guarantee the financial independence of the listed Company.</p> <p>(1) It is guaranteed that after the completion of transaction, the listed Company shall establish an independent financial department with independent financial accounting systems and standardized and independent financial accounting rules.</p> <p>(2) It is guaranteed that after the completion of transaction, the listed Company shall open bank accounts independently and shall not share bank accounts with myself/Offcn Partnership/other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of transaction, financial personnel hired by the listed</p>			
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		<p>Company shall not hold part-time positions in other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership</p> <p>(4) It is guaranteed that after the completion of transaction, the listed Company can make financial decisions independently. I/Offcn Partnership shall not interfere with the use of funds by the listed Company.</p> <p>(5) It is guaranteed that after the completion of transaction, the listed Company will pay taxes independently according to laws.</p> <p>I/Offcn Partnership shall be liable for all losses caused to the listed Company and its subsidiaries due to my/Offcn Partnership's failure in fulfilling the above commitments.</p>			
Li Yongxin, Lu Zhongfang	Letter of Commitment on avoiding horizontal competition	<p>1. As of the date of signing this commitment letter, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself, and my close relatives. Except for Beijing Offcn Online Education Technology Co., Ltd. (hereinafter referred to as Offcn Online), controlled by my relatives Xuhua and Lu Yan, and its affiliated schools which are involved in the same or similar businesses conducted by Offcn Ltd., other related parties are not involved in any same, similar or related businesses conducted by the listed Company, Offcn Ltd. and its affiliated companies and schools.. Except for serving as a director in Kunming Wuhua Offcn training school, which is affiliated to Offcn Online, Li Yongxin neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises, which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I also hold directly or indirectly no any stock rights(shares) of companies or enterprises conducting the same, similar or related businesses as the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. As of the date of signing this commitment letter, Offcn Online and its two subordinate training schools' disposals are as follow: Offcn Online conducts no education businesses(to be canceled after subordinate schools transferred). Kairuier Training School in Haidian District of Beijing is to be transferred to an unrelated third party and the transfer agreement has been signed. If the transfer is not completed within 24 months since the date of signing this commitment letter, I will urge Offcn Online to cancel the Kairuier Training School in Haidian District of Beijing. Kunming Wuhua Offcn Training School, associated with Offcn Online, has been closed and it will be transferred to an unrelated third party or will be canceled within 12 months after the revised</p>	Sept. 20, 2018	<p>1. The transfer of Kairuier Training School in Haidian District of Beijing: within 24 months from the date of the signing of this letter of commitment</p> <p>2. The transfer of Kunming Wuhua Offcn Training School : within 12 months after the revised Regulations of Implementation officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation comes into effect.</p>	As of the end of the reporting period, Kairuier Training School Haidian District of Beijing had been transferred to an unrelated third party. Other commitments are under implementation normally.

		<p><i>Regulations for the Implementation of the Law on the Promotion of Private Education of the People's Republic of China</i> (hereinafter referred to as Regulations of Implementation) is officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation comes into effect.</p> <p>3. As of the date of signing this commitment letter, Offcn Ltd. as the organizer intends to transfer its 100% of the rights of 33 private schools for non-academic qualifications to Li Yongxin and signed the <i>Agreement on Transfer of Rights of Private Schools for Non-Academic Qualifications Affiliated to Beijing Offcn Education Technology Co., Ltd.</i> Li Yongxin is willing to entrust the transferred 33 private schools for non-academic qualifications to Offcn Ltd. and signed the <i>Trusteeship Agreement of Private Schools for Non-academic Qualifications</i>.</p> <p>4. After the completion of transaction, except for the above-mentioned cases, I promise that during the time of being the actual controller of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and aboard) engage in the same, similar, related and competitive businesses with the listed Company, which includes the follows:</p> <p>(1) I will not directly or indirectly operate, participate in or assist others to conduct a same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies. (2) I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates. (3) I will not be hired by any competitors that directly or indirectly compete with the listed Company and its affiliates, or provide any advice, assistance or business opportunities directly or indirectly to such competitors. (4) I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates. (5) I will not urge others to hire employees or management personnel from the listed</p>			
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		<p>Company and its affiliates.</p> <p>5. I promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives obtain any business opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I will notify the listed Company and its affiliates in writing within 5 working days. After obtaining the third party's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>6. I guarantee that I would never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assistant third parties to engage, participate, or invest in businesses or projects that compete with the listed companies and its affiliates.</p> <p>7. If I violate the above commitments, the benefits obtained by the violation of commitments shall belong to the listed Company and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the writing notice from the listed Company, compensation will be made in cash.</p> <p>8. I will disclose relevant information in a timely manner if commitments fail to be fulfilled or to be fulfilled on schedule because of objective reasons, such as changes in relevant laws, regulations and policies, or natural disasters. Except for the above-mentioned objective reasons, if the commitment is anyhow unable to be fulfilled or fulfilling the commitment is not conducive to safeguarding the rights and interests of the listed Company, I should fully disclose the reasons and either provide a new commitment to the listed Company and related investors to replace the original one, or propose an exemption from fulfilling the commitment.</p> <p>9. The commitment is valid from the date when the commit letter is signed to the time when I cease to be the actual controller of the listed Company.</p>			
Wang Zhendong, Offcn Partnership	Letter of Commitment on avoiding horizontal competition	<p>1. As of the date of signing this letter of commitments, I, my close relatives, related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, participate in no businesses which are the same, similar o or related to businesses competing with the listed Company, Offcn</p>	Apr. 27, 2018	Long-term	Normalcy

		<p>Ltd. and their affiliated companies and schools. Except for serving as a director at Beijing Haidian District Kairuier Training School, affiliated to Offcn Online (Offcn Online tends to transfer the rights of Kairuier Training School to an unrelated third party and after this transfer, Wang Zhendong will not hold the post as a director.), I neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I do not directly or indirectly hold the equity of an company or entity that runs the same, similar or relevant business engaged by the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. After the completion of transaction, I/Offcn Partnership promise that during the time of being shareholders of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and aboard) engage in the same, similar, related and competitive businesses with the listed Company, which includes the follows:</p> <p>(1) I will not directly or indirectly operate, participate in or assist others to conduct a same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies. (2) I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates. (3) I will not be hired by any competitors that directly or indirectly compete with the listed Company and its affiliates, or provide any advice, assistance or business opportunities directly or indirectly to such competitors. (4) I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates. (5) I will not urge others to hire employees or management personnel from the listed</p>			
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		<p>Company and its affiliates.</p> <p>3. I/Offcn Partnership promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives, Offcn Partnership and related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, obtain any business opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I/Offcn Partnership will immediately notify the listed Company. After obtaining the third party's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>4. I guarantee that I would never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assistant third parties to engage, participate, or invest in businesses or projects that compete with the listed companies and its affiliates.</p> <p>If I/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Offcn Partnership's failure in fulfilling commitments.</p>			
<p>Li Yongxin, Lu Zhongfang</p>	<p>Letter of Commitment on regulation and reduction of related-party transactions</p>	<p>1. After the transaction is completed, during the time of being the actual controller of the listed Company, I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives will try to avoid and reduce the related-party transactions with the listed Company and its affiliates; unless it is necessary for the business development of the listed Company, any related-party transactions with the listed Company and its affiliates will not be conducted.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, I, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, will sign related transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the</p>	<p>Jul. 27, 2018</p>	<p>Long-term</p>	<p>Normalcy</p>

		<p>listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or its directors, supervisors and senior executives to make the listed Company provide or accept funds, commodities, services or other assets under unequal conditions or engage in any behaviors that would damage the interests of the listed companies.</p> <p>4. I will urge my close relatives and other companies, enterprises and other economic organizations controlled by myself and my close relatives to abide by the aforementioned commitments.</p> <p>5. If I, my close relatives and other companies, enterprises and other economic organizations controlled by myself and my close relatives violate the above commitments, the profits obtained by the violation of commitments belong to the listed Company, and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the written notice from the listed Company, compensation will be made in cash.</p> <p>6. The commitment is valid from the date when it is signed to the time when I cease to be the actual controller of Yaxia Automobile and there is no other related relationship with Yaxia Automobile.</p>			
<p>Wang Zhendong, Aerospace Industry, Offcn Partnership</p>	<p>Letter of Commitment on reduction and standardization of related-party transactions</p>	<p>1. After the completion of transaction, during the period of being the actual controller/shareholder, I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives, Aerospace Industry or Offcn Partnership, will try to avoid and reduce the related-party transactions with the listed Company.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, Aerospace Industry or Offcn Partnership, will sign related transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of</p>	<p>Apr. 27, 2018</p>	<p>Long-term</p>	<p>Normalcy</p>

		<p>shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I/Aerospace Industry/Offcn Partnership will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or the directors, supervisors and senior executives of the listed Company to make the listed Company provide or accept funds, commodities, services or other assets in different forms under unequal conditions or engage in any behaviors that would damage the interests of listed companies.</p> <p>I/Aerospace Industry/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Aerospace Industry's/Offcn Partnership's failures in fulfilling commitments.</p>			
<p>Are the commitments fulfilled on time?</p>	<p>Yes</p>				
<p>If the commitment is overdue, the specific reasons for the unfulfilled performance and the next phase of work plan should be specified</p>	<p>Not applicable</p>				

Section IV. Operating performance forecast for January-June 2020

Applicable Not applicable

Section V. Securities investment

Applicable Not applicable

There was no securities investment during the reporting period of the Company.

Section VI. Wealth managed under trust

Applicable Not applicable

Unit: RMB 10 thousands

Type	Funding Source for Entrusted Funds	Entrusted Finance Amount	Unexpired Balance	Overdue Outstanding Amount
Bank wealth management products	Self-owned fund	236,931.00	101,205.00	0.00
Brokerage wealth management products	Self-owned fund	8,000.00	0.00	0.00
Trust wealth management products	Self-owned fund	501,903.91	501,903.91	0.00
Total		746,834.91	603,108.91	0.00

Details on high-risk entrusted wealth management products characterized by significant individual amount, low security, poor liquidity, or non-guaranteed principal.

Applicable Not applicable

The entrusted financing is expected to fail to recover the principal, or there may be other circumstances that may result in impairment.

Applicable Not applicable

Section VII. Investments in financial derivatives

Applicable Not applicable

There was no investment in derivatives during the reporting period of the Company.

Section VIII. External guarantee violating regulations

Applicable Not applicable

There was no external guarantee violating regulations during the reporting period of the Company.

Section IX. Status of capital of the listed Company used for non-operational purposes by the controlling shareholder or its related parties:

Applicable Not applicable

During the reporting period of the Company, there was no occupation of the Company's capital by the controlling shareholders or their related parties for non-operating purposes.

Section X. Registration form of activities including reception of research, communication and interviews during the reporting period

Applicable Not applicable

There were no reception of research, communication and interviews during the reporting period of the Company.

Chapter IV. Financial Statements

Section I. Financial statements

1. Consolidated balance sheet

Company: Offcn Education Technology Co., Ltd.

March 31, 2020

Unit: RMB

ITEM	March 31, 2020	December 31, 2019
Current Assets:		
Cash and cash equivalents	1,149,021,038.61	2,724,335,001.58
Deposit reservation for balance		
Lendings to banks and other		
Financial assets held for trading	5,931,135,332.29	1,754,396,227.54
Derivative financial assets		
Notes receivable		
Accounts receivable	8,414,291.79	2,721,638.09
Financing receivable		
Prepayments	3,259,770.00	2,461,009.00
Insurance premiums receivable		
Accounts receivable reinsurance		
Receivable reserves for reinsurance contracts		
Other receivables	464,762,227.06	255,013,296.96
Inc: Interest receivable	30,188.89	567,341.68
Dividends receivable		
Financial assets purchased under resale		
Inventories		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		

Other current assets	186,411,240.41	97,336,600.16
Total current assets	7,743,003,900.16	4,836,263,773.33
Non-current Assets:		
Loans and Advances		
Debt investments	1,941,879,536.67	1,923,598,909.09
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investment in other equity instruments	162,800,000.00	162,800,000.00
Other non-current financial assets	138,166,559.96	138,166,559.96
Investment properties	683,360,110.14	688,475,053.53
Fixed assets	842,050,939.91	672,429,601.44
Construction in progress	809,073,833.30	653,580,160.32
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	195,814,581.94	197,507,227.40
Development expenditure		
Goodwill	99,867,720.38	99,867,720.38
Long-term prepaid expenses	290,937,479.88	240,565,962.02
Deferred tax assets	10,982,832.13	21,482,832.13
Other non-current assets	440,810,338.01	325,967,628.34
Total Non-current Assets	5,615,743,932.32	5,124,441,654.61
Total Assets	13,358,747,832.48	9,960,705,427.94
Current Liabilities:		
Short-term borrowings	3,717,000,000.00	2,867,000,000.00
Borrowings from central bank		
Borrowings from banks and other		
Financial liabilities held for trading		

Derivative financial liabilities		
Notes payable		
Accounts payable	31,879,174.21	236,481,990.86
Receipts in advance		2,634,276,203.88
Contract liabilities	5,471,543,237.02	
Financial assets sold for		
Deposits from customers and interbank		
Customer brokerage deposits		
Securities underwriting brokerage		
Employee benefits payable	213,784,491.96	411,475,636.03
Taxes payable	58,604,750.12	184,306,027.84
Other payables	1,514,376,992.94	88,693,411.98
Inc: Interest payable	10,879,429.21	4,521,557.54
Dividends payable	1,480,175,853.36	
Handling charges and commission		
Cession insurance premiums		
Held-for-sale liabilities		
Non-current liabilities due within		
Other current liabilities	164,146,297.11	
Total Current Liabilities	11,171,334,943.36	6,422,233,270.59
Non-current Liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable		
Inc: preference share		
Perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee benefits		

Estimated liabilities		
Deferred income		
Deferred tax liabilities	106,297,606.93	106,932,273.03
Other non-current liabilities		
Total Non-current Liabilities	106,297,606.93	106,932,273.03
Total Liabilities	11,277,632,550.29	6,529,165,543.62
Owners' equity:		
Share capital	103,807,623.00	103,807,623.00
Other equity instrument		
Inc: preference share		
Perpetual bond		
Capital reserve	1,212,031,049.50	1,198,581,049.50
Less: Treasury stock		
Other comprehensive income	37,500,000.00	37,500,000.00
Special reserve		
Surplus reserve	45,000,000.00	45,000,000.00
General risk reserves		
Retained earnings	682,785,177.87	2,046,657,231.32
Total owners' equity attributable to the Company	2,081,123,850.37	3,431,545,903.82
Minority interests	-8,568.18	-6,019.50
Total Owners' Equity	2,081,115,282.19	3,431,539,884.32
Total Liabilities and Owners' Equity	13,358,747,832.48	9,960,705,427.94

Legal representative: Wang Zhendong Person in charge of accounting work: Shi Lei Head of the accounting department: Luo Xue

2. Balance sheet of the Company

Unit: RMB

ITEM	March 31, 2020	December 31, 2019
Current Assets:		
Cash and cash equivalents	138,009,066.67	6,931,803.33
Financial assets held for trading	101,681.64	101,681.64

Derivative financial assets		
Notes receivable		
Accounts receivable	3,973,147.73	
Financing receivable		
Prepayments		
Other receivables	1,816,279,715.10	1,717,949,520.99
Inc: Interest receivable		
Dividends receivable	1,700,000,000.00	1,700,000,000.00
Inventories		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	882,459.86	
Total current assets	1,959,246,071.00	1,724,983,005.96
Non-current Assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	18,582,307,907.14	18,582,307,907.14
Investment in other equity instruments	162,800,000.00	162,800,000.00
Other non-current financial assets		
Investment properties	393,144,190.07	395,978,156.15
Fixed assets		
Construction in progress	372,569,103.57	72,569,103.57
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		

Long-term prepaid expenses		
Deferred tax assets	10,804,928.62	10,804,928.62
Other non-current assets		
Total Non-current Assets	19,521,626,129.40	19,224,460,095.48
Total Assets	21,480,872,200.40	20,949,443,101.44
Current Liabilities:		
Short-term borrowings	570,000,000.00	
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	561,752.26	561,752.26
Receipts in advance		
Contract liabilities		
Employee benefits payable		
Taxes payable	1,216,134.96	791,191.77
Other payables	1,486,923,390.35	40,275,566.88
Inc: Interest payable	757,625.01	
Dividends payable	1,480,175,853.36	
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total Current Liabilities	2,058,701,277.57	41,628,510.91
Non-current Liabilities:		
Long-term borrowings		
Bonds payable		
Inc: preference share		
Perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee benefits		

Estimated liabilities		
Deferred income		
Deferred tax liabilities	12,500,420.41	12,500,420.41
Other non-current liabilities		
Total Non-current Liabilities	12,500,420.41	12,500,420.41
Total Liabilities	2,071,201,697.98	54,128,931.32
Owners' equity:		
Share capital	6,167,399,389.00	6,167,399,389.00
Other equity instrument		
Inc: preference share		
Perpetual bond		
Capital reserve	12,775,326,370.33	12,775,326,370.33
Less: Treasury stock		
Other comprehensive income	37,500,000.00	37,500,000.00
Special reserve		
Surplus reserve	387,458,806.65	387,458,806.65
Retained earnings	41,985,936.44	1,527,629,604.14
Total Owners' Equity	19,409,670,502.42	20,895,314,170.12
Total Liabilities and Owners' Equity	21,480,872,200.40	20,949,443,101.44

3. Consolidated income statement

Unit: RMB

ITEM	Amount for the current period	Amount for the prior period
I. Total operating Revenue	1,230,102,270.48	1,311,632,662.04
Inc: Operating income	1,230,102,270.48	1,311,632,662.04
Interest income		
Earned premium		
Handling charges and commission income		
II. Total operating costs	1,167,262,125.00	1,212,555,458.51
Inc: Operating costs	520,863,204.58	547,540,054.15

Interest expenses		
Handling charges and commissions expenses		
Surrenders		
Net payments for insurance claims		
Net change appropriation of deposit for duty		
Policyholder dividend expense		
Expenses for reinsurance accepted		
Taxes and surcharges	3,265,783.95	7,017,678.96
Marketing expenses	273,147,797.16	289,279,257.52
Administrative expenses	209,704,141.65	221,635,553.09
Research and development expenses	105,248,410.14	109,361,694.09
Financial expenses	55,032,787.52	37,721,220.70
Inc: Interest expenses	38,457,427.92	23,076,937.51
Interest income	968,101.22	192,872.85
Add: Other income	36,688,536.72	33,195.73
Investment income (Losses are indicated by "-")	49,118,685.21	32,216,225.92
Inc: Share of profits in associates and joint ventures		
Derecognized gains of financial assets measured at amortized cost		
Foreign exchange gains (Losses are indicated by "-")		
Net exposure hedge income (Losses are indicated by "-")		
Income from changes in fair value (Losses are indicated by "-")		
Credit impairment losses (Losses are indicated by "-")		
Assets depreciation losses (Losses are indicated by "-")		
Income from the disposal of assets (Losses are indicated by "-")	12,208.74	
III. Operating profit (Losses are indicated by "-")	148,659,576.15	131,326,625.18

Add: Non-operating income	100.00	337,999.26
Less: Non-operating expenses	75,001.22	17,195.86
IV. Total profit (Total Loss is indicated by "-")	148,584,674.93	131,647,428.58
Less: Income tax expenses	32,283,423.70	25,453,946.30
V. Net profit (Net loss is indicated by "-")	116,301,251.23	106,193,482.28
(I) Classified by continuing/discontinuing operation		
1. Net profit from continuing operations (Net loss is indicated by "-")	116,301,251.23	106,193,482.28
2. Net profit from discontinued operations (Net loss is indicated by "-")		
(II) Classified by ownership		
1. Net profit attributable to owners of the Company	116,303,799.91	106,193,482.28
2. Minority Interest Income	-2,548.68	
VI. Other comprehensive income after tax		
Net other comprehensive income after tax attributable to owners of the Company		
(I) Other comprehensive income which will not be reclassified into gains or losses		
1. Changes arising from remeasured or redefined benefit plan		
2. Other comprehensive income which will not be transferred into gains or losses under the equity method		
3. Changes in the investment fair value of other equity instruments		
4. Changes in fair value of the enterprise's own credit risk		
5. Others		
(II) Other comprehensive income which will be reclassified into gains or losses		
1. Other comprehensive income which will be transferred into gains or losses under the equity method		

2. Changes in fair value of other debt investments		
3. The amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Conversion difference of foreign currency financial statements		
7. Others		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	116,301,251.23	106,193,482.28
Total comprehensive income attributable to owners of the Company	116,303,799.91	106,193,482.28
Total comprehensive income attributable to minority interests	-2,548.68	
VIII. Earnings per share:		
(I) Basic earnings per share	0.02	0.02
(II) Diluted earnings per share	0.02	0.02

If a business combination under the same control occurs in this period, the net profit realized by the combined party before the combination is RMB 0.00 and in the previous period is RMB 0.00.

Legal representative: Wang Zhendong Person in charge of accounting: Shi Lei Head of the accounting department: Luo Xue

4. Income statement of the parent company

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Operating Revenue	3,783,950.22	3,638,285.43
Decrease: Operating costs	2,833,966.08	2,831,353.47
Taxes and surcharges	1,064,546.25	1,162,081.73
Selling expenses		
Administrative expenses	2,207,928.42	8,603,635.27

Research and development expenses		
Financial expenses	3,145,323.81	
Including: Interest expenses	3,167,404.17	
Interest income	29,503.78	
Increase: Other income		
Investment income ("-" for loss)		
Including: Investment income of associates and joint ventures		
Profit and loss from derecognition of financial assets at a mortized cost ("-" for loss)		
Profit and losses from net exposure hedging ("-" for loss)		
Profit and loss on the changes in fair value ("-" for loss)		
Credit impairment loss ("-" for loss)		
Asset impairment loss ("-" for loss)		
Asset disposal income ("-" for loss)		
II. Operating profit ("-" for loss)	-5,467,814.34	-8,958,785.04
Add: Non-operating income		
Less: Non-operating expenses		
III. Total profit ("-" for total loss)	-5,467,814.34	-8,958,785.04
Less: Income tax expenses		
IV. Net profit ("-" for net loss)	-5,467,814.34	-8,958,785.04
1. Net profit from continuing operations ("-" for net loss)	-5,467,814.34	-8,958,785.04
2. Net profit from discontinued operations ("-" for net loss)		
V. Other comprehensive income after tax		
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Changes with a defined benefit plan upon re-measurement		

(2) Other comprehensive incomes that will be not reclassified into gains and losses under the equity method		
(3) Changes in the fair value of other equity instruments		
(4) Change in fair value of the enterprise's own credit risk		
(5) Others		
2. Other comprehensive income that may be reclassified to profit or losses		
(1) Other comprehensive incomes that will be reclassified into gains and losses 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) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Foreign-currency financial statement translation difference		
(7) Others		
VI. Total comprehensive income	-5,467,814.34	-8,958,785.04
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash Flows from Operating Activities:		

Cash receipts from the sale of goods and the rendering of services	4,268,644,542.62	3,787,712,684.29
Net increase in customer bank deposits and deposits		
Net increase in borrowings from the Central Bank		
Net increase of borrowings from other financial institutions		
Cash received from original insurance contracts		
Net cash received from reinsurance		
Net increase in deposits from policy holders		
Cash received from interest, fees and commission		
Net increase in bank borrowings		
Net increase in repurchase operating capital		
Net cash received from agent trading		
Refund of tax		
Other cash receipts relating to other operating activities	3,552,880.40	226,068.58
Subtotal of cash inflows from operating activities	4,272,197,423.02	3,787,938,752.87
Cash paid for goods and services	304,236,568.73	244,466,417.21
Net increase in loans and advances to customers		
Net increase in deposits with the Central Bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in placements from banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for dividend policy		
Cash paid to and for employees	1,090,339,239.09	801,689,160.29
Tax paid	112,063,354.25	143,983,256.22
Other cash payment relating to operating activities	201,339,948.10	175,055,945.24
Subtotal of cash outflows from operating activities	1,707,979,110.17	1,365,194,778.96
Net cash flows from operating activities	2,564,218,312.85	2,422,743,973.91
II. Cash Flows from Investing Activities		
Cash received from return of investment	9,555,548,985.25	2,817,530,000.00
Cash received from investments	31,375,210.42	16,682,775.57
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	12,208.74	

Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Subtotal of cash inflows from financing activities	9,586,936,404.41	2,834,212,775.57
Cash paid to acquire fixed assets, intangible assets and other long-term assets	812,081,033.98	8,436,483.33
Cash paid to acquire investments	13,732,288,090.00	5,708,470,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payment relating to investing activities		
Subtotal of cash outflows from investing activities	14,544,369,123.98	5,716,906,483.33
Net cash flows from investing activities	-4,957,432,719.57	-2,882,693,707.76
III. Cash Flows from Financing Activities		
Cash received from investments		
Including: Cash received from minority shareholders to subsidiaries		
Cash received from loans	1,660,000,000.00	360,000,000.00
Other cash received from financing activities		
Subtotal of cash inflows from financing activities	1,660,000,000.00	360,000,000.00
Cash repayments of loans	810,000,000.00	
Cash payments for distribution of dividends, profits or interest	32,099,556.25	16,945,425.00
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Other cash payments relating to financing activities		
Subtotal cash outflow from financing activities	842,099,556.25	16,945,425.00
Net cash flows from financing activities	817,900,443.75	343,054,575.00
IV. Effect of foreign currency exchange rate changes on cash and cash equivalents		
V. Net Increase of Cash and Cash Equivalents	-1,575,313,962.97	-116,895,158.85
Add: Balance of cash and cash equivalents at the beginning of period	2,724,335,001.58	651,069,029.10
VI. Balance of cash and cash equivalents at the end of period	1,149,021,038.61	534,173,870.25

6. Cash Flow Statements of the Parent Company

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash Flow From Operating Activities		
Cash received from sales of goods or rendering of services		
Refund of tax levy		
Other cash receipts relating to other operating activities	416,689.56	440,714,643.28
Subtotal of cash inflows from operating activities	416,689.56	440,714,643.28
Cash paid for goods and services		
Cash paid to and for employees		895,723.48
Tax paid	1,580,784.85	4,034,858.95
Other cash payment relating to operating activities	135,348,862.21	1,043,539.47
Subtotal of cash outflows from operating activities	136,929,647.06	5,974,121.90
Net cash flows from operating activities	-136,512,957.50	434,740,521.38
II. Cash Flows from Investing Activities		
Cash received from the return of investment		
Cash received from investments		
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Subtotal of cash inflows from investing activities		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	300,000,000.00	1,929,500.00
Cash paid to acquire investments		
Net cash paid to acquire subsidiaries and other business units		
Other cash payment relating to investing activities		
Subtotal of cash outflows from investing activities	300,000,000.00	1,929,500.00
Net cash flows from investing activities	-300,000,000.00	-1,929,500.00
III. Cash Flows from Financing Activities		
Cash received from investments		
Cash received from loans	570,000,000.00	

Other cash received from financing activities		
Subtotal of cash inflows from financing activities	570,000,000.00	
Cash repayments of loans		85,000,000.00
Cash payments for distribution of dividends, profits or interest	2,409,779.16	319,931,024.40
Other cash payments relating to financing activities		1,182,647.75
Subtotal cash outflow from financing activities	2,409,779.16	406,113,672.15
Net cash flows from financing activities	567,590,220.84	-406,113,672.15
IV. Effect of foreign currency exchange rate changes on cash and cash equivalents		
V. Net Increase of Cash and Cash Equivalents	131,077,263.34	26,697,349.23
Increase: Cash and cash equivalents at the beginning of period	6,931,803.33	5,304,519.61
VI. Cash and cash equivalents at the end of period	138,009,066.67	32,001,868.84

Section II. Adjustments to the financial statements

1. Adjustments to the financial statements at the beginning of the first execution year of the new standards governing income and lease since 2020

√ Applicable Not applicable

Consolidated Balance Sheet

Unit: RMB

ITEM	December 31, 2019	January 1, 2020	Adjustments
Current Assets:			
Cash and cash equivalents	2,724,335,001.58	2,724,335,001.58	
Deposit reservation for balance			
Lendings to banks and other financial institutions			
Financial assets held for trading	1,754,396,227.54	1,754,396,227.54	
Derivative financial assets			
Notes receivable			
Accounts receivable	2,721,638.09	2,721,638.09	
Financing receivable			
Prepayments	2,461,009.00	2,461,009.00	

Insurance premiums receivable			
Accounts receivable reinsurance			
Receivable reserves for reinsurance contracts			
Other receivables	255,013,296.96	255,013,296.96	
Inc: Interest receivable	567,341.68	567,341.68	
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories			
Contract assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	97,336,600.16	97,336,600.16	
Total current assets	4,836,263,773.33	4,836,263,773.33	
Non-current Assets:			
Loans and advances			
Debt investments	1,923,598,909.09	1,923,598,909.09	
Other debt investments			
Long-term receivables			
Long-term equity investments			
Investment in other equity instruments	162,800,000.00	162,800,000.00	
Other non-current financial assets	138,166,559.96	138,166,559.96	
Investment properties	688,475,053.53	688,475,053.53	
Fixed assets	672,429,601.44	672,429,601.44	
Construction in progress	653,580,160.32	653,580,160.32	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	197,507,227.40	197,507,227.40	

Development expenditure			
Goodwill	99,867,720.38	99,867,720.38	
Long-term prepaid expenses	240,565,962.02	240,565,962.02	
Deferred tax assets	21,482,832.13	21,482,832.13	
Other non-current assets	325,967,628.34	325,967,628.34	
Total non-current assets	5,124,441,654.61	5,124,441,654.61	
Total assets	9,960,705,427.94	9,960,705,427.94	
Current Liabilities:			
Short-term borrowings	2,867,000,000.00	2,867,000,000.00	
Borrowings from central bank			
Borrowings from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	236,481,990.86	236,481,990.86	
Receipts in advance	2,634,276,203.88		-2,634,276,203.88
Contract liabilities		2,557,549,712.50	2,557,549,712.50
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	411,475,636.03	411,475,636.03	
Taxes payable	184,306,027.84	184,306,027.84	
Other payables	88,693,411.98	88,693,411.98	
Inc: Interest payable	4,521,557.54	4,521,557.54	
Dividends payable			
Handling charges and commissions payable			

Accounts payable reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities		76,726,491.38	76,726,491.38
Total current liabilities	6,422,233,270.59	6,422,233,270.59	
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings			
Bonds payable			
Inc: preference share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities	106,932,273.03	106,932,273.03	
Other non-current liabilities			
Total non-current liabilities	106,932,273.03	106,932,273.03	
Total liabilities	6,529,165,543.62	6,529,165,543.62	
Owners' Equity:			
Share capital	103,807,623.00	103,807,623.00	
Other equity instrument			
Inc: preference share			
Perpetual bond			
Capital reserve	1,198,581,049.50	1,198,581,049.50	
Less: Treasury stock			
Other comprehensive income	37,500,000.00	37,500,000.00	
Special reserve			
Surplus reserve	45,000,000.00	45,000,000.00	
General risk reserve			
Retained earnings	2,046,657,231.32	2,046,657,231.32	

Total owners' equity attributable to the Company	3,431,545,903.82	3,431,545,903.82	
Minority interest	-6,019.50	-6,019.50	
Total owners' equity	3,431,539,884.32	3,431,539,884.32	
Total liabilities and owners' equity	9,960,705,427.94	9,960,705,427.94	

Statement of adjustments

On July 5, 2017, the Ministry of Finance revised and issued the "Accounting Standards for Enterprises No. 14 - Revenue" (hereinafter referred to as "new revenue standard"), and the new revenue standard for domestic listed companies took effect from January 1, 2020. According to the new standard and corresponding connection regulations, the Company reclassified the advance receipts originally included in "advance receipts" to "contract liabilities" and "other current liabilities" on January 1, 2020.

Balance Sheet of the Parent Company

Unit: RMB

Item	December 31, 2019	January 1, 2020	Adjustments
Current Assets:			
Cash and cash equivalents	6,931,803.33	6,931,803.33	
Financial assets held for trading	101,681.64	101,681.64	
Derivative financial assets			
Notes receivable			
Accounts receivable			
Financing receivable			
Prepayments			
Other receivables	1,717,949,520.99	1,717,949,520.99	
Inc: Interest receivable			
Dividends receivable	1,700,000,000.00	1,700,000,000.00	
Inventories			
Contract assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets			
Total current assets	1,724,983,005.96	1,724,983,005.96	
Non-current Assets:			
Debt investments			

Other debt investments			
Long-term receivables			
Long-term equity investments	18,582,307,907.14	18,582,307,907.14	
Investment in other equity instruments	162,800,000.00	162,800,000.00	
Other non-current financial assets			
Investment properties	395,978,156.15	395,978,156.15	
Fixed assets			
Construction in progress	72,569,103.57	72,569,103.57	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets	10,804,928.62	10,804,928.62	
Other non-current assets			
Total non-current assets	19,224,460,095.48	19,224,460,095.48	
Total assets	20,949,443,101.44	20,949,443,101.44	
Current Liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	561,752.26	561,752.26	
Receipts in advance			
Contract liabilities			
Employee benefits payable			
Taxes payable	791,191.77	791,191.77	
Other payables	40,275,566.88	40,275,566.88	

Inc: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	41,628,510.91	41,628,510.91	
Non-current Liabilities:			
Long-term borrowings			
Bonds payable			
Inc: preference share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities	12,500,420.41	12,500,420.41	
Other non-current liabilities			
Total non-current liabilities	12,500,420.41	12,500,420.41	
Total liabilities	54,128,931.32	54,128,931.32	
Owners' Equity:			
Share capital	6,167,399,389.00	6,167,399,389.00	
Other equity instrument			
Inc: preference share			
Perpetual bond			
Capital reserve	12,775,326,370.33	12,775,326,370.33	
Less: Treasury stock			
Other comprehensive income	37,500,000.00	37,500,000.00	
Special reserve			
Surplus reserve	387,458,806.65	387,458,806.65	
Retained earnings	1,527,629,604.14	1,527,629,604.14	
Total owners' equity	20,895,314,170.12	20,895,314,170.12	
Total liabilities and owners' equity	20,949,443,101.44	20,949,443,101.44	

Statement of adjustments

None

2. Retrospective adjustments of previous comparative data due to the first implementation of the new standards governing income and lease since 2020

Applicable Not applicable

Section III. Auditor's Report

Has the Q1 Report been audited?

Yes No

Q1 Report of the Company has not been audited.