

Stock Code: 603605

Stock Abbreviation: Proya

Bond Code: 113634

Bond Abbreviation: Proya Convertible Bond

## Proya Cosmetics Co., Ltd.

### The First Quarter Report in 2024

The Board of Directors and all directors of the Company warrant that this announcement does not contain any false records, misleading statements or material omissions, and shall be legally liable for the truthfulness, accuracy and completeness of the contents herein contained.

#### Important Notes

The Board of Directors, Board of Supervisors, directors, supervisors, and senior management of the Company warrant that this Quarterly Report is authentic, accurate and complete, and does not contain any false records, misleading statements or material omissions, and that they will be jointly and severally liable therefor.

The CEO, CFO and the head of accounting department (accounting chief) of the Company warrant that all financial statement information in the Quarterly Report is authentic, accurate and complete.

Have the financial statements for Q1 been audited?

Yes  No

#### I. Key Financial Data

(I) Key accounting data and financial indicators

Unit: Yuan Currency: RMB

Item	The Reporting Period	YOY change in the Reporting Period (%)
Operating revenue	2,181,919,106.72	34.56
Net profit attributable to shareholders of the listed company	302,845,157.17	45.58
Net profit attributable to shareholders of the listed company, net of non-recurring profit and loss	292,020,669.63	47.50
Net cash flow from operating activities	430,862,423.81	5.15
Basic earnings per share (RMB per	0.76	46.15

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share)			
Diluted earnings per share (RMB per share)		0.75	47.06
Weighted average ROE (%)		6.89	Up by 1.20 percentage points
	End of the Reporting Period	End of prior year	Change at the end of the Reporting Period over the end of prior year (%)
Total assets	7,748,165,980.55	7,323,078,222.45	5.80
Owner's equity attributable to shareholders of the listed company	4,495,394,478.16	4,349,545,381.60	3.35

(II) Items and amounts of non-recurring profit and loss

"√ Applicable" "□ Not applicable"

Unit: Yuan Currency: RMB

Items of non-recurring profit and loss	Amount for the current period	Remarks
Gains and losses on disposal of non-current assets, including the offsetting portion with the provision accrued for impairment of assets	-234,262.41	
Government subsidies included in the current profit or loss, except for those closely related to the Company's normal operation, in compliance with the requirements of national policies, granted according to established standards, and with a sustained impact on the Company's profits and losses	19,517,508.97	
Profit and loss from changes in fair value arising from the holding of financial assets and liabilities by non-financial enterprises, and profit and loss arising from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal operations		
Fund occupation expense collected from the non-financial enterprises included in the current profit and loss		
Gains or losses on authorizing others to invest or manage assets		
Profit and loss from entrusted loans		

Asset losses caused by force majeure factors such as natural disasters		
Reversal of provision for impairment of receivables individually tested for impairment		
Income generated in case the investment cost of acquiring any subsidiary, associates and joint venture is less than the net fair value of the investee's identifiable assets when an investment is acquired		
Net current profit and loss of subsidiaries generated from the merger of companies under common control from the beginning of the period to the date of merger		
Gains or losses on exchange of non-monetary assets		
Profit and loss on restructuring of debts		
One-time expenses incurred by the Company due to the discontinuation of related operating activities, such as expenses for resettling employees		
One-time impact of the adjustment of tax, accounting and other laws and regulations on the current profit and loss		
One-time confirmation of share-based payment fees due to cancellation or modification of equity incentive plans		
Profit and loss arising from changes in fair value of employee compensation payable after the exercise date for cash-settled share-based payments		
Profit and loss arising from changes in the fair value of investment property subsequently measured with the fair value model		
Income generated from obviously unfairly priced transactions		
Profit and loss arising from contingent events unrelated to the Company's normal operations		
Custody fee income from entrusted operations		
Other non-operating revenue and expenses other than the items mentioned above	715,806.60	
Other profit and loss items under the definition of non-recurring profit and loss	-970.33	Gains on disposal of long-term equity investments

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Less: Income tax impact	4,953,318.45	
Impact of minority interests (after tax)	4,220,276.84	
Total	10,824,487.54	

The reasons should be explained for the non-recurring gains and losses items with large amounts defined by the Company but not set out in the *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gains and Losses*, and the non-recurring profit and loss items listed in *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gains and Losses* as recurring gains and losses items.

Applicable"  Not applicable"

(III) Changes in key accounting data and financial indicators and reasons

Applicable"  Not applicable"

Item	Change ratio (%)	Primary reasons
Operating revenue	34.56	Mainly due to increased online sales.
Net profit attributable to shareholders of the listed company	45.58	Mainly due to: (1) YOY increase in net profit; (2) YOY decrease in gains or losses attributable to minority interests.
Net profit attributable to shareholders of the listed company, net of non-recurring profit and loss	47.50	Mainly due to: (1) YOY increase in net profit attributable to shareholders of the listed company; (2) non-recurring gains and losses attributable to shareholders of the listed company remaining basically unchanged YOY.
Basic earnings per share (RMB per share)	46.15	Mainly due to YOY increase in net profit attributable to shareholders of the listed company.
Diluted earnings per share (RMB per share)	47.06	Mainly due to YOY increase in net profit attributable to shareholders of the listed company, net of non-recurring profit and loss.

## II.Shareholder Information

(I) Statement of the total number of ordinary shareholders, the number of preferred shareholders with restored voting rights, and the shareholding of top 10 shareholders

Unit: Share

Total number of ordinary shareholders by the end of the Reporting Period	23,713	Total number of preferred shareholders with restored voting rights as of the end of the Reporting Period (if any)	0
Shareholdings of top 10 shareholders (excluding shares lent through refinancing)			

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Name of shareholder	Nature of shareholder	Number of shares held	Shareholding ratio (%)	Number of shares held with restrictions on sales	Pledged, marked or frozen	
					Share status	Number
HOU Juncheng	Domestic natural person	136,739,037	34.46	0	None	
HKSCC	Other	74,441,307	18.76	0	None	
FANG Yuyou	Domestic natural person	59,625,258	15.03	0	Frozen	17,041,269
GIC PRIVATE LIMITED	Other	6,917,775	1.74	0	None	
National Social Security Fund Portfolio 109	Other	5,079,356	1.28	0	None	
Aberdeen Standard Investments (Asia) Limited - Aberdeen Fund - China A-Share Sustainable Equity Fund	Other	4,857,413	1.22	0	None	
CCB - CUAM Consumer Industry Hybrid Securities Investment Fund	Other	4,300,058	1.08	0	None	
ICBC - Invesco Great Wall Emerging Growth Hybrid Securities Investment Fund	Other	3,332,000	0.84	0	None	
TEMASEK FULLERTON ALPHA PTE LTD	Other	2,997,394	0.76	0	None	

China Life Insurance Company Limited - Traditional General insurance products - 005L - CT001 Hu	Other	2,654,254	0.67	0	None	
Shareholdings of top 10 shareholders without restrictions on sales						
Name of shareholder	Number of unrestricted tradable shares held	Type and number of shares				
		Type of shares	Number			
HOU Juncheng	136,739,037	RMB ordinary shares	136,739,037			
HKSCC	74,441,307	RMB ordinary shares	74,441,307			
FANG Yuyou	59,625,258	RMB ordinary shares	59,625,258			
GIC PRIVATE LIMITED	6,917,775	RMB ordinary shares	6,917,775			
National Social Security Fund Portfolio 109	5,079,356	RMB ordinary shares	5,079,356			
Aberdeen Standard Investments (Asia) Limited - Aberdeen Fund - China A-Share Sustainable Equity Fund	4,857,413	RMB ordinary shares	4,857,413			
CCB - CUAM Consumer Industry Hybrid Securities Investment Fund	4,300,058	RMB ordinary shares	4,300,058			

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ICBC - Invesco Great Wall Emerging Growth Hybrid Securities Investment Fund	3,332,000	RMB ordinary shares	3,332,000
TEMASEK FULLERTON ALPHA PTE LTD	2,997,394	RMB ordinary shares	2,997,394
China Life Insurance Company Limited - Traditional - General insurance products - 005L - CT001 Hu	2,654,254	RMB ordinary shares	2,654,254
Association or concerted action between the shareholders mentioned above	FANG Yuyou is the younger brother of HOU Juncheng's spouse FANG Aiqin, so HOU Juncheng and FANG Yuyou are associated.		
Top 10 shareholders and top 10 unrestricted shareholders participating in margin financing and securities lending and refinancing (if any)	The National Social Security Fund Portfolio 109 participated in the lending through refinancing. For details, refer to "Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 unrestricted tradable shareholders participating in lending of shares through refinancing".		

Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 unrestricted tradable shareholders participating in lending of shares through refinancing  
 Applicable  Not applicable

Unit: Share

Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 unrestricted tradable shareholders participating in lending of shares through refinancing				
Name of shareholder	Shareholdings in regular and credit	Shares lent but not returned at the	Shareholdings in the regular and credit	Shares lent but not returned at the end

(full name)	accounts at the beginning of the period		beginning of the period		accounts at the end of the period		of the period	
	Total number	Ratio (%)	Total number	Ratio (%)	Total number	Ratio (%)	Total number	Ratio (%)
National Social Security Fund Portfolio 109	3,010,974	0.759	88,800	0.022	5,079,356	1.280	7,300	0.002

Changes in top 10 shareholders and top 10 unrestricted tradable shareholders over the previous period due to lending or return through refinancing

Applicable"  Not applicable"

### III. Other Notes

Other important information on the Company's operation during the Reporting Period to be made known to investors

Applicable"  Not applicable"

### IV. Quarterly Financial Statements

(I) Type of audit opinion

Applicable"  Not applicable"

(II) Financial statements

#### Consolidated Balance Sheet

March 31, 2024

Prepared by: Proya Cosmetics Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	March 31, 2024	December 31, 2023
<b>Current assets:</b>		
Cash and cash equivalents	4,206,013,215.03	4,011,085,558.07
Provision for settlement		
Lendings to banks and other financial institutions		
Held-for trading financial assets		
Derivative financial assets		
Bill receivable		
Accounts receivable	270,836,706.36	344,570,196.54

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Receivables financing	9,029,552.72	7,378,700.06
Prepayments	207,289,265.25	202,870,195.58
Premiums receivable		
Reinsurance accounts receivable		
Provision for reinsurance contract receivable		
Other receivables	80,768,706.84	81,966,213.90
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventory	1,066,051,380.78	797,215,155.68
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	84,175,406.15	99,765,073.07
Total current assets	5,924,164,233.13	5,544,851,092.90
<b>Non-current assets:</b>		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	113,574,158.49	113,574,158.49
Other equity instrument investments	107,660,400.00	107,660,400.00
Other non-current financial assets		
Investment property	66,091,147.77	66,156,471.91
Fixed assets	830,280,853.70	827,350,985.29
Construction in progress	87,015,604.75	52,038,642.94
Productive biological assets		
Oil and gas assets		
Right-of-use assets	13,136,326.57	14,104,821.34
Intangible assets	400,252,770.65	404,688,009.16
Including: Data resources		
Development cost		
Including: Data resources		
Goodwill		
Long-term deferred expenses	68,991,592.66	67,184,328.83
Deferred tax assets	128,799,468.68	108,494,364.60
Other non-current assets	8,199,424.15	16,974,946.99

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Total non-current assets	1,824,001,747.42	1,778,227,129.55
Total assets	7,748,165,980.55	7,323,078,222.45
<b>Current liabilities:</b>		
Short-term bank loans	200,155,555.56	200,155,555.56
Borrowings from the central bank		
Loans from banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable		36,959,074.14
Accounts payable	1,323,031,734.72	1,018,522,358.60
Advances from customers	59,484.40	30,514.45
Contract liabilities	324,316,973.57	301,014,873.58
Financial assets sold under repurchase agreements		
Deposits from customers and interbank		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee benefits payable	100,818,457.70	166,444,494.43
Tax payable	262,583,420.43	222,765,869.94
Other payables	152,684,566.57	155,345,148.68
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	3,514,438.32	3,970,060.11
Other current liabilities	18,271,268.15	15,022,173.42
Total current liabilities	2,385,435,899.42	2,120,230,122.91
<b>Non-current liabilities:</b>		
Reserves for insurance contracts		
Long-term bank loans		
Bonds payable	761,659,403.76	753,119,902.88
Including: Preferred stock		
Perpetual bonds		
Lease liabilities	9,451,502.15	9,970,306.87
Long-term payables		
Long-term employee benefits		

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payable		
Estimated liabilities	27,654,713.12	33,063,299.45
Deferred income	5,863,586.83	6,383,359.33
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	804,629,205.86	802,536,868.53
Total liabilities	3,190,065,105.28	2,922,766,991.44
<b>Owner's equity (or Shareholders' equity):</b>		
Paid-in capital (or share capital)	396,757,305.00	396,757,184.00
Other equity instruments	50,893,173.15	50,893,986.60
Including: Preferred stock		
Perpetual bonds		
Capital reserve	860,266,216.82	864,150,974.43
Less: Treasury stock	300,028,955.79	146,966,735.61
Other comprehensive income	-53,895,491.28	-53,847,100.91
Special reserve		
Surplus reserve	198,411,582.50	198,411,582.50
General risk reserve		
Undistributed profit	3,342,990,647.76	3,040,145,490.59
Total owner's equity (or shareholders' equity) attributable to the parent company	4,495,394,478.16	4,349,545,381.60
Minority interests	62,706,397.11	50,765,849.41
Total owner's equity (or shareholders' equity)	4,558,100,875.27	4,400,311,231.01
Total liabilities and owners' equity (or shareholders' equity)	7,748,165,980.55	7,323,078,222.45

Legal representative: HOU Juncheng  
accounting organization: WANG Li

Person in charge of accounting: WANG Li    Head of the

**Consolidated Income Statement**

January to March 2024

Prepared by: Proya Cosmetics Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	The First Quarter Report in 2024	The First Quarter Report in 2023
I. Gross revenue	2,181,919,106.72	1,621,514,039.25
Including: Operating revenue	2,181,919,106.72	1,621,514,039.25
Interest income		
Earned premium		
Fee and commission income		

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II. Total operating expenses	1,828,607,491.90	1,337,795,468.79
Including: Operating expenses	652,280,654.88	485,918,295.64
Interest expenses		
Fee and commissions expenses		
Surrender value		
Net claims paid		
Net provision for insurance liability reserves		
Bond insurance expenses		
Reinsurance expenses		
Taxes and surcharges	19,606,650.45	17,803,764.91
Sales expenses	1,022,081,255.89	700,922,277.91
Administrative expenses	97,301,227.25	95,175,298.34
R&D expenses	46,976,210.23	51,874,237.80
Financial expenses	-9,638,506.80	-13,898,405.81
Including: Interest expenses	5,225,372.13	2,779,348.01
Interest income	16,968,192.58	16,622,896.43
Add: Other income	39,285,802.18	20,608,636.91
Investment income ("-" for losses)	-970.33	-1,024,160.51
Including: Income from investment in associates and joint ventures		-1,000,000.00
Gains from derecognition of financial assets measured at amortized cost		
Exchange gains ("-" for losses)		
Net exposure hedging gains ("-" for losses)		
Income from changes in fair value ("-" for losses)		
Credit impairment losses ("-" for losses)	5,160,314.35	4,839,153.07
Asset impairment losses ("-" for losses)	-1,662,002.41	-25,945,268.31
Gains on disposal of assets ("-" for losses)	-380,803.60	
III. Operating profit ("-" for losses)	395,713,955.01	282,196,931.62
Add: Non-Operating revenue	814,221.09	603,802.94
Less: Non-operating expenses	98,414.49	2,431,554.13
IV. Total profit ("-" for total losses)	396,429,761.61	280,369,180.43
Less: Income tax expenses	81,455,304.66	58,204,674.92
V. Net profit ("-" for net losses)	314,974,456.95	222,164,505.51
(I) Classification by continuity of operation		
1. Net profit from continuous operation ("-" for net losses)	314,974,456.95	222,164,505.51

2. Net profit from discontinued operation ("-" for net losses)		
(II) Classification by ownership		
1. Net profit attributable to shareholders of the parent company ("-" for net losses)	302,845,157.17	208,032,832.00
2. Minority interest income ("-" for net losses)	12,129,299.78	14,131,673.51
VI. Other comprehensive income, net of tax	-48,390.37	304,058.24
(I) Other comprehensive income (net of tax) attributable to owners of the parent company	-48,390.37	304,058.24
1. Other comprehensive income that cannot be reclassified to profit or loss		
(1) Changes in re-measurement of defined benefit plans		
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
(3) Changes in the fair value of other equity instrument investments		
(4) Changes in the fair value of the Company's own credit risks		
2. Other comprehensive income that will be reclassified into profit or loss	-48,390.37	304,058.24
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method		
(2) Changes in the fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserve		
(6) Differences in translation of foreign currency financial statements	-48,390.37	304,058.24
(7) Others		
(II) Other comprehensive income (net of tax) attributable to minority shareholders		
VII. Total comprehensive income	314,926,066.58	222,468,563.75
(I) Total comprehensive income attributable to owners of the parent company	302,796,766.80	208,336,890.24
(II) Total comprehensive income	12,129,299.78	14,131,673.51

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attributable to minority shareholders		
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share (RMB per share)	0.76	0.52
(II) Diluted earnings per share (RMB per share)	0.75	0.51

Legal representative: HOU Juncheng      Person in charge of accounting: WANG Li      Head of the accounting organization: WANG Li

**Consolidated Cash Flow Statement**

January to March 2024

Prepared by: Proya Cosmetics Co., Ltd.

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	The First Quarter Report in 2024	The First Quarter Report in 2023
<b>I. Cash flows from operating activities:</b>		
Cash receipts from sales of goods and rendering of services	2,641,344,251.62	1,837,791,496.56
Net increase in deposits from customers and due to banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance operations		
Net increase in deposits and investments from policyholders		
Cash received from interest, fees and commissions		
Net increase in loans from banks and other financial institutions		
Net increase in repurchase operations		
Net cash received from vicariously traded securities		
Tax refund received	2,642,750.32	
Other cash received relating to operating activities	45,161,252.39	62,019,541.04
Subtotal of cash inflows from operating activities	2,689,148,254.33	1,899,811,037.60

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Cash received from purchasing goods and accepting labor services	533,268,741.97	313,127,083.34
Net increase in loans and advances		
Net increase in deposits with the central bank and other banks		
Cash paid for original insurance contract claims		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	248,355,543.70	208,007,778.64
Payment of all types of taxes	198,810,206.71	199,179,137.21
Other cash paid relating to operating activities	1,277,851,338.14	769,723,077.97
Subtotal of cash outflows from operating activities	2,258,285,830.52	1,490,037,077.16
Net cash flow from operating activities	430,862,423.81	409,773,960.44
<b>II. Cash flows from investing activities:</b>		
Cash back on investments		
Cash received from investment income		
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	1,831,479.00	338,439.51
Net cash received from the disposal of subsidiaries and other units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	1,831,479.00	338,439.51
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	81,492,603.91	42,428,654.52
Cash paid for investments		6,818,181.82
Net increase in pledge loans		
Net cash paid for the acquisition of subsidiaries and other units		
Other cash paid relating to investing activities		
Subtotal of cash outflows from	81,492,603.91	49,246,836.34

investing activities		
Net cash flows from investing activities	-79,661,124.91	-48,908,396.83
<b>III. Cash flows from financing activities:</b>		
Cash received from attraction of investments	50,000.00	
Including: Cash received from attraction of investments from minority shareholders	50,000.00	
Cash received from borrowings		100,000,000.00
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	50,000.00	100,000,000.00
Cash paid for debt repayments		100,000,000.00
Cash paid for distribution of dividends and profits or payment of interests	1,413,123.04	1,302,222.22
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	153,708,476.41	
Subtotal of cash outflows from financing activities	155,121,599.45	101,302,222.22
Net cash flows from financing activities	-155,071,599.45	-1,302,222.22
<b>IV. Effect of changes in exchange rates on cash and cash equivalents</b>	-48,390.37	304,058.24
<b>V. Net increase in cash and cash equivalents</b>	196,081,309.08	359,867,399.63
Add: Beginning balance of cash and cash equivalents	3,659,267,712.03	3,125,333,085.05
<b>VI. Ending balance of cash and cash equivalents</b>	3,855,349,021.11	3,485,200,484.68

Legal representative: HOU Juncheng  
accounting organization: WANG Li

Person in charge of accounting: WANG Li Head of the

(III) Adjustments to financial statements at the beginning of the year upon initial adoption of new accounting standards or interpretation of standards since 2024

Applicable  Not applicable

End of the announcement.

Board of Directors of Proya Cosmetics Co., Ltd

April 17, 2024