

Stock Code: 000570, 200570

Stock Name: Changchai, Changchai-B

Announcement No. 2020-032

# **CHANGCHAI COMPANY, LIMITED**

## **FIRST QUARTER REPORT 2020 (SUMMARY)**

### **Part I Important Notes**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Changchai Company, Limited (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.**

**All the Company’s directors have attended the Board meeting for the review of this Report and its summary.**

**Shi Xinkun, the Company’s legal representative, Zhang Xin, the Company’s General Manager, and Jiang He, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.**

## Part II Key Corporate Information

### I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	Q1 2020	Q1 2019	Change (%)
Operating revenue (RMB)	537,033,349.19	557,670,611.48	-3.70%
Net profit attributable to the listed company's shareholders (RMB)	1,510,305.60	2,518,025.10	-40.02%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	1,271,708.92	1,083,678.62	17.35%
Net cash generated from/used in operating activities (RMB)	19,241,295.96	-63,832,631.41	---
Basic earnings per share (RMB/share)	0.0027	0.0045	-40.00%
Diluted earnings per share (RMB/share)	0.0027	0.0045	-40.00%
Weighted average return on equity (%)	0.07%	0.13%	-0.06%
	31 March 2020	31 December 2019	Change (%)
Total assets (RMB)	3,474,796,945.66	3,484,975,990.48	-0.29%
Equity attributable to the listed company's shareholders (RMB)	2,069,762,903.54	2,109,239,597.94	-1.87%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-29,514.41	
Government subsidies charged to current profit and loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards )	805,876.00	
Non-operating income and expense other than the above	-237,574.70	
Less: Income tax effects	128,493.99	
Non-controlling interests effects (net of tax)	171,696.22	
Total	238,596.68	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the

Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases for the Reporting Period.

## II Total Number of Shareholders and Holdings of Top 10 Shareholders at 31 March 2020

### 1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	48,072	Number of preferred shareholders with resumed voting rights at the period-end (if any)		0		
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
Changzhou Investment Group Co., Ltd	State-owned legal person	30.43%	170,845,236	0		
China Construction Bank Corporation- First State Cinda New Energy Industry Stock Securities Investment Fund	Other	0.59%	3,308,833	0		
KGI ASIA LIMITED	Foreign legal person	0.57%	3,189,845	0		
Zhou Yong	Domestic natural person	0.38%	2,150,000	0		
Lei Yanqin	Domestic natural person	0.36%	2,038,025	0		
Gao Fenhuai	Domestic natural person	0.35%	1,988,200	0		
Hu Wenyong	Domestic natural person	0.28%	1,561,866	0		
Huang Guoliang	Domestic natural person	0.27%	1,528,891	0		
Li Suinan	Domestic natural person	0.27%	1,523,700	0		
Zhao Nanyang	Domestic natural person	0.24%	1,332,600	0		

Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held	Shares by type	
		Type	Shares
Changzhou Investment Group Co., Ltd	170,845,236	RMB-denominated ordinary stock	170,845,236
China Construction Bank Corporation- First State Cinda New Energy Industry Stock Securities Investment Fund	3,308,833	RMB-denominated ordinary stock	3,308,833
KGI ASIA LIMITED	3,189,845	Domestically listed foreign stock	3,189,845
Zhou Yong	2,150,000	RMB-denominated ordinary stock	2,150,000
Lei Yanqin	2,038,025	RMB-denominated ordinary stock	2,038,025
Gao Fenhuai	1,988,200	RMB-denominated ordinary stock	1,988,200
Hu Wenyong	1,561,866	Domestically listed foreign stock	1,561,866
Huang Guoliang	1,528,891	Domestically listed foreign stock	1,528,891
Li Suinan	1,523,700	Domestically listed foreign stock	1,523,700
Zhao Nanyang	1,332,600	RMB-denominated ordinary stock	1,332,600
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is among the top 10 public shareholders and the top 10 unrestricted public shareholders any related parties or acting-in-concert parties as defined in the Administrative Measures for Information Regarding Shareholding Alteration.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	The shareholders Lei Yanqin and Gao Fenhuai respectively hold 1,711,402 shares and 1,988,200 shares of the Company through their credit account.		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

## 2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Key Financial Statement Line Items and Explanation of why

Applicable  Not applicable

1. Accounts receivable increased by RMB220,822,035.75, or 52.66%, as of 31 March 2020 compared to 31 December 2019, primarily because the Company properly allowed customers' buying on credit for more markets in Q1 2020 and multi-cylinder diesel engine customers are mainly supporting companies of main engine, which are usually given longer payment days.
2. Other current assets decreased by RMB2,126,634.01, or 33.47%, as of 31 March 2020 compared to 31 December 2019, mainly because excess VAT paid of the Company decreased.
3. taxes payable increased by RMB6,550,657.24, or 72.03%, as of 31 March 2020 compared to 31 December 2019, mainly because of the increase in VAT payable and other taxes.
4. Payroll payable decreased by RMB18,064,824.80, or 40.54%, as of 31 March 2020 compared to 31 December 2019, mainly because accrued salary and bonus in last period was partially paid in this period.
5. Finance costs went down by RMB3,161,220.82, during Q1 2020 compared to Q1 2019, primarily because the obvious gains on exchange, and the interest expense was saved due to the reduction in loan scale.
6. Net profit attributable to owners of the Company as the parent went down by RMB1,007,719.50, or 40.02%, during Q1 2020 compared to Q1 2019, primarily driven by the impact of epidemic situation, which resulted in the decrease of operating revenue and influenced the current profit.

### II Progress, Influence and Solutions with regard to Significant Events

Applicable  Not applicable

Progress of any share repurchase:

Applicable  Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable  Not applicable

### III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Securities Investments

Applicable  Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Capital resources
Stock	600166	FOTON	41,784,000.00	Fair value measurement	302,005,000.00	-26,010,000.00	-22,108,500.00	0.00	0.00	0.00	275,995,000.00	Other equity instrument investment	Self-owned funds
Stock	600919	Bank of Jiangsu	18,000.00	Fair value measurement	130,320,000.00	-22,140,000.00	-18,819,000.00	0.00	0.00	0.00	108,180,000.00	Other equity instrument investment	Self-owned funds
Stock	600377	Jiangsu Expressway	90,500.00	Fair value measurement	561,000.00	-70,000.00	-59,500.00	0.00	0.00	0.00	491,000.00	Other equity instrument investment	Self-owned funds
Total			59,874,5	--	432,886,	-48,220,0	-40,987,0	0.00	0.00	0.00	384,666,	--	--

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Disclosure date of announcement on Board's consent for securities investment											
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)											

## V Wealth Management Entrustment

Applicable  Not applicable

RMB:'0,000

Specific type	Capital resources	Amount incurred	Undue balance	Overdue amount
Broker financial products	Self-owned funds	302.2	1,152.3	0
Total		302.2	1,152.3	0

Particulars of entrusted cash management with single significant amount or low security, bad liquidity, and no capital preservation

Applicable  Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted asset management

Applicable  Not applicable

## VI Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

## VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Applicable  Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
19 March 2020	Other	Individual	Development proposals of the Company

19 March 2020	Other	Individual	Transformation and upgrading of the Company
12 March 2020	Other	Individual	2019 Annual Report of the Company
9 March 2020	Other	Individual	Products of lithium battery diaphragm project
9 March 2020	Other	Individual	Products of lithium battery diaphragm project
9 March 2020	Other	Individual	Products of the Company
3 March 2020	Other	Individual	Business of the Company
2 March 2020	Other	Individual	Brand value of the Company
28 February 2020	Other	Individual	Reform and development of the Company
22 February 2020	Other	Individual	Operation of lithium battery diaphragm project
22 February 2020	Other	Individual	Operation of lithium battery diaphragm project
22 February 2020	Other	Individual	Production plan of lithium battery diaphragm project
17 February 2020	Other	Individual	Progress of lithium battery diaphragm project
17 February 2020	Other	Individual	Progress of lithium battery diaphragm project
14 February 2020	Other	Individual	Work resumption of the Company
14 February 2020	Other	Individual	Change the term of directors
6 February 2020	Other	Individual	Epidemic prevention of the Company
5 February 2020	Other	Individual	Completion of major task in 2019 and major target in 2020 of the Company
4 February 2020	Other	Individual	Development proposals of the Company
4 February 2020	Other	Individual	Market concept of the Company
3 February 2020	Other	Individual	Progress of lithium battery diaphragm project
3 February 2020	Other	Individual	Change the term of directors and supervisors
22 January 2020	Other	Individual	Development proposals of the Company
22 January 2020	Other	Individual	Development of the Company
15 January 2020	Other	Individual	Lithium battery diaphragm project
14 January 2020	Other	Individual	Progress of lithium battery diaphragm project
13 January 2020	Other	Individual	Customers of the Company
9 January 2020	Other	Individual	Progress of lithium battery diaphragm project
7 January 2020	Other	Individual	Progress of lithium battery diaphragm project and remuneration of senior managers of the Company
1 January 2020	Other	Individual	Development of the Company

### VIII Irregularities in the Provision of Guarantees

Applicable  Not applicable



No such cases in the Reporting Period.

**IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes**

Applicable  Not applicable

No such cases in the Reporting Period.