



**CHANGHONG MEILING CO., LTD.**

**THE THIRD QUARTERLY REPORT FOR 2020**

**October 2020**

## Section I. Important Notes

Board of Directors and the Supervisory Committee of Changhong Meiling Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Principal of the Company Mr. Wu Dinggang, Person in Charge of Accounting Works Mr. Pang Haitao and Person in Charge of Accounting Organ (Accounting Officer) Mr. Yang Jun hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Prompt of non-standard audit opinion

Applicable     Not applicable

Third quarterly report of 2020 has not been audited.

All directors of the Company are attended the Meeting for quarterly report deliberation.

## Section II. Basic information of Company

### I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	End of this period	End of last period	Changes of this period-end over same period-end of last year	
Total assets (RMB)	15,452,014,816.87	14,202,233,615.47	8.80%	
Net assets attributable to shareholders of listed company (RMB)	4,825,837,316.31	5,004,947,673.36	-3.58%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	4,560,882,229.12	16.71%	11,356,742,966.11	-12.92%
Net profit attributable to shareholders of the listed company (RMB)	86,575,054.56	227.71%	-123,555,526.37	-253.01%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	16,310,383.26	82.12%	-240,824,280.10	-1,893.02%
Net cash flow arising from operating activities (RMB)	109,494,010.35	163.56%	-278,610,948.06	-238.46%
Basic earnings per share (RMB/Share)	0.0829	227.67%	-0.1183	-253.04%
Diluted earnings per share (RMB/Share)	0.0829	227.67%	-0.1183	-253.04%
Weighted average ROE	1.81%	1.28 percentage points up	-2.51%	4.11 percentage points down

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-542,955.36	Found more in "Income from assets disposal"

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	69,462,400.24	Found more in "Other income"
Except for the effective hedging business relevant with normal operations of the Company, gains/losses from change of the fair value for holding the trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liability, as well as the investment income from disposing the trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liability and other creditors' investment	62,504,367.95	Found more in "investment income", "Changes in fair value",
Switch-back of the receivables for separate impairment tests and provision for impairment of contract assets	1,809,494.78	Found more in "Accounts receivable"
Other non-operation income and expenditure except for the aforementioned items	3,865,646.51	Found more in "Non-operation income", "Non-operation expenditure"
Less: impact on income tax	19,492,847.45	--
Impact on minority shareholders' equity (post-tax)	337,352.94	--
Total	117,268,753.73	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

The Company has no items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, in the period

## II. Total number of shareholders at the end of this report period and top ten shareholders

### 1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In shares

Total number of common shareholders at the end of report period	60,751	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0
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Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sichuan Changhong Electric Co., Ltd.	State-owned legal person	23.79%	248,457,724	0	--	--
Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	0	--	--
CHANGHONG (HK) TRADING LIMITED	Foreign legal person	2.59%	27,077,797	0	--	--
Ma Guobin	Domestic natural person	1.82%	19,030,000	0	--	--
CAO SHENGCHUN	Foreign natural person	1.41%	14,766,086	0	--	--
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.03%	10,733,452	0	--	--
Shanghai Fangda Investment Management Co., Ltd.	Domestic non-state-owned legal person	0.91%	9,510,800	0	--	--
Phillip Securities (Hong Kong) Limited	Foreign legal person	0.60%	6,296,913	0	--	--
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	0.42%	4,362,500	0	--	--
Long Qinfang	Foreign natural person	0.34%	3,558,116	0	--	--
Particular about top ten shareholders with un-restrict shares held						
Shareholders' name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sichuan Changhong Electric Co., Ltd.	248,457,724	RMB ordinary shares	248,457,724			
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401			
CHANGHONG (HK) TRADING LIMITED	27,077,797	Domestically listed foreign shares	27,077,797			
Ma Guobin	19,030,000	RMB ordinary shares	19,030,000			
CAO SHENGCHUN	14,766,086	Domestically listed foreign shares	14,766,086			
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	10,733,452	RMB ordinary shares	10,733,452			
Shanghai Fangda Investment Management Co., Ltd.	9,510,800	RMB ordinary shares	9,510,800			
Phillip Securities (Hong Kong) Limited	6,296,913	Domestically listed foreign	6,296,913			

		shares	
China Securities Finance Corporation Limited	4,362,500	RMB ordinary shares	4,362,500
Long Qinfang	3,558,116	Domestically listed foreign shares	3,558,116
Explanation on associated relationship or consistent actors among the aforesaid shareholders	Among the above shareholders, CHANGHONG (HK) TRADING LIMITED (hereinafter referred to as Hong Kong Changhong) is the wholly-owned subsidiary of Sichuan Changhong Electric Co., Ltd.; except the shares of the Company directly held by Hong Kong Changhong, 6,296,913 shares of B-stock are also held through Phillip Securities (Hong Kong) Limited, the foregoing shareholders constitute persons of uniform action. There existed no associated relationship or belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies among Sichuan Changhong, Hong Kong Changhong and other top 7 shareholders (Excluding Phillip Securities (Hong Kong) Limited); "Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)" refers to the products of Caitong Fund Management Company subscribe for privately placement of 2016; The company neither knows whether there is any association among other shareholders, nor knows whether other shareholders belong to the persons acting in concert that is stipulated in the "Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies".		
Explanation on top ten common shareholders involving margin business (if applicable)	As of 30 <sup>th</sup> September 2020, among the top 10 common shareholders, Ma Guobin holds 18,330,000 shares of the Company through customer credit trading secured account of Founder Securities Co., Ltd., and 700,000 shares hold through common securities account, thus 19,030,000 shares of the Company are held in total. The shareholder-Shanghai Fangda Investment Management Co., Ltd., customer credit transaction guaranteed securities account of Guoyuan Securities Co., Ltd holds 9,510,800 shares of the Company.		

Note 1: At end of the reporting period, the person acting in concert with controlling shareholder Sichuan Changhong-- CHANGHONG (HK) TRADING LIMITED, holds B-stock of the Company as 33,374,710 shares, among which, Changhong (Hong Kong) Trading Co., Ltd. 6,296,913 shares are held through Philip Securities (H.K.) Co., Ltd.

Note 2: In the above table, "Particulars about shares held above 5% by common shareholders or top 10 common shares holding" is subject to the data on stock transfer books provided by China Securities Depository and Clearing Corporation Limited Shenzhen Branch

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

## 2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable  Not applicable

## Section III. Important events

### I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√ Applicable   □ Not applicable

#### (i) Changes of items of balance sheet and cause analysis

In RMB

Item	Closing balance	Opening balance	Changes	Reasons
Tradable financial assets	28,451,689.69	7,730,268.92	268.06%	This was mainly due to changes in the fair value of forward foreign exchange contracts carried out by the company during the current period.
Account receivable	2,474,469,751.84	1,387,961,981.66	78.28%	This was mainly due to the increase in accounts receivable from the parent company and its subsidiaries Meiling Group, Changhong Air Conditioning, and Zhongshan Changhong in the current period.
Account paid in advance	102,147,656.59	25,270,406.37	304.22%	This was mainly due to the increase in the company's prepayments for purchasing raw materials during the current period.
Other current assets	247,545,304.92	63,604,031.96	289.20%	This was mainly due to the increase in the company's financial products during the current period.
Other non-current financial assets	542,540,000.00	45,000,000.00	1105.64%	This was mainly due to the company's investment in Sichuan Changhong Group Finance Co., Ltd. in the current period.
Investment real estate	54,357,952.53	96,343,760.13	-43.58%	This was mainly due to the transfer of the company's investment real estate into fixed assets in the current period.
Construction in progress	110,309,222.32	252,494,792.31	-56.31%	This was mainly due to the transfer of the company's construction in progress into fixed assets in the current period.
Tradable financial liability	3,846,486.01	1,081,534.93	255.65%	This was mainly due to changes in the fair value of forward foreign exchange contracts carried out by the company during the current period.
Taxes Payable	106,761,494.22	68,558,391.66	55.72%	This was mainly due to the increase in the value-added tax payable by Changhong Air Conditioning, a subsidiary of the company, in the current period.
Non-current liability	405,676,176.26	1,708,193.90	23648.84%	This was mainly due to the reclassification of the parent

due within one year				company's long-term loans due within one year.
Long-term loans	192,640,000.00	401,280,000.00	-51.99%	This was same as "non-current liabilities due within one year".
Long-term payables	1,878,823.17	3,016,921.44	-37.72%	This was mainly due to the payment of the company's financial lease payments in the current period.
Deferred income tax liability	8,611,131.03	6,256,759.14	37.63%	This was mainly due to the recognition of deferred income tax liabilities for changes in the fair value of the company's forward foreign exchange contracts during the current period.

**(ii) Changes of items of profit statement and cause analysis**

In RMB

Item	Current Period	Same period of last year	Changes	Reasons
R&D expenses	264,619,301.52	194,093,406.99	36.34%	This was mainly due to the year-on-year increase in amortization of R&D assets and R&D trial production during the current period.
Financial expenses	-1,509,899.93	-9,844,161.99	84.66%	This was mainly due to the year-on-year decrease in interest income from the subsidiary Changhong Air Conditioning in the current period.
Assets impairment loss	-34,714,276.42	-24,702,231.08	-40.53%	This was mainly due to the year-on-year increase in impairment losses of the company's inventory assets during the current period.
Credit impairment loss	-33,008,077.62	1,082,468.11	-3149.33%	This was mainly due to the year-on-year increase in impairment losses of the company's notes receivable and accounts receivable during the current period.
Income from fair value changes	17,956,801.15	43,185,470.53	-58.42%	This was mainly due to changes in the fair value of forward foreign exchange contracts carried out by the company during the current period.
Investment income	47,154,706.68	-38,327,115.65	223.03%	This was mainly due to the decrease in the foreign exchange losses of Zhongshan Changhong, a subsidiary of the company, and the parent company's receipt of profit distribution from the shareholding companies during the current period.
Income from assets disposal	-542,955.36	-4,436,536.97	87.76%	This was mainly due to the year-on-year decrease in the company's disposal of some asset losses in the current period.
Non-operation expenditure	1,206,761.93	3,776,106.23	-68.04%	This was mainly due to the removal expenses of the subsidiary Changhong Air Conditioning in the same period last year, and there was no such matter in the current period.



Income tax expenses	1,746,437.69	36,397,055.33	-95.20%	This was mainly due to the decrease in the company's taxable income during the current period.
Gains/losses of minority shareholders	-2,151,849.18	-11,984,976.39	82.05%	This was mainly due to the year-on-year decrease in losses of some non-wholly-owned subsidiaries of the company during the current period.

**(iii) Changes of items of cash flow statement and cause analysis**

In RMB

Item	Current Period	Same period of last year	Changes	Reasons
Refunds of taxes	412,733,445.22	280,384,080.90	47.20%	This was mainly due to the year-on-year increase in export tax rebates received by the company during the current period.
Taxes paid	237,937,839.39	448,423,347.16	-46.94%	This was mainly due to the year-on-year decrease in the company's VAT payment in the current period.
Cash received from investment recovery	737,460,000.00	2,174,000,000.00	-66.08%	This was mainly due to the year-on-year decrease in the company's withdrawal of entrusted wealth management after its expiration.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	381,041.58	19,483,459.24	-98.04%	This was mainly due to the decrease in the disposal of fixed assets and intangible assets by the company during the current period, resulting in the year-on-year decrease in cash received .
Other cash paid concerning investment activities	-	76,709,995.61	-100.00%	This was mainly due to the delivery loss of the company's forward foreign exchange contracts in the previous period, but none in the current period.
Cash received by borrowing	1,703,478,583.33	1,308,256,908.10	30.21%	This was mainly due to the year-on-year increase in loans obtained by the company during the current period.
Other cash paid concerning financing activities	2,432,566.62	32,764,857.16	-92.58%	This was mainly because the use of the company's financing margin was restricted in the previous period, but none in the current period.
Influence on cash and cash equivalents due to fluctuation in exchange rate	-18,563,610.41	12,976,331.25	-243.06%	This was mainly due to changes in foreign currency exchange rates during the current period.

**II. Analysis and explanation of significant events and their influence and solutions**

√ Applicable □ Not applicable

**(i) Implementation for annual performance incentive fund**

On August 9, 2012 and August 28, 2012, the Company considers the adoption of "Hefei Meiling annual performance incentive fund implementation plan" (hereinafter referred to as "" stimulus "" ) on the 16<sup>th</sup> meeting of

the 7<sup>th</sup> board of directors and the 2012-second provisional shareholders meeting. Details were disclosed on information disclosure media appointed by the Company as "Securities Times", "Chinese Securities Daily", "Hong Kong Commercial Daily" and the Juchao network (www.cninfo.com.cn) on August 10, 2012 and August 29 in the form of announcement (No.: 2012-028, No.:2012-035).

### **1. Implementation about 2012, 2013, 2014 and 2016 performance incentive fund provision and distribution plan**

See details in "Implementation of the company's annual incentive fund" in "XV Implementation of the company's stock incentive plan, employee stock ownership plan, or other employee incentive measures" in "Section V Important Events" of the company's "2019 Annual Report" disclosed on 28 March 2020.

All the stocks purchased by the incentive object are locked according to their promises. Up to the end of this reporting period, the company's stock purchased by 2012 annual performance incentive objects (non-directors, supervisors and senior management), 2013 annual performance incentive objects (non-directors, supervisors and senior management), the 2014 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2012 annual performance incentive funds and own funds and 2013 & 2014 annual performance incentive funds and own funds have been fully released for trading; the stock purchased by 2016 annual performance incentive objects (non-directors, supervisors and senior management), with their granted 2016 annual performance incentive funds and own funds are expired for two years or three years, some of the stock shall be released for trading, details of the share reduction for the above mentioned objects see below. In the Period, the Company's shares purchased by the current directors, supervisors and senior executives among the performance incentive targets due to the implementation of the 2012, 2013, 2014 and 2016 annual performance incentive plans have not reduced the shareholdings.

### **2. Shareholding and reducing of performance incentive objects of the Company**

Ended as 30 September 2020, shares hold by all incentive objects amounting to 10,542,267 shares, a 1.0092 % in total share capital of the Company, including 8,852,374 A-share, a 0.8474% in total share capital and 1,689,893 B-share, a 0.1618% in total share capital of the Company. Other grantees of the 2012, 2013, 2014 and 2016 incentive plan have reduced holding of 5,971,548 in aggregate, accounting for about 0.5717% of the total share capital and 657,950 shares are reduced in the reporting period.

#### **(ii) Transaction with Sichuan Changhong Group Finance Co., Ltd**

According to The Proposal on Continuing Related Transactions with Sichuan Changhong Group Finance Co., Ltd. in 2020 approved by the deliberation of the 31<sup>st</sup> meeting of the ninth board of directors and the 16<sup>th</sup> meeting of the ninth board of supervisors and the fourth extraordinary general meeting of shareholders in 2019 held on November 29 and December 17, 2019, and approved by resolution of the 41<sup>st</sup> meeting of the ninth board of directors and the fourth extraordinary general meeting of shareholders held on August 14 and October 12, 2020, approved and agreed the company to continue carry out the financial service cooperation with Sichuan Changhong Group Finance Co., Ltd. (hereinafter referred to as "Changhong Finance Company") and sign a triennial Financial Service Agreement, Changhong Finance Company shall provide a series of financial services such as deposit and loan in its business scope according to the requirements of the Company and its subsidiaries. The related transactions between the company and its subsidiaries and Changhong Finance Company from the

beginning of the year to the end of the reporting period are as follows:

In RMB					
Item	Opening balance	Increased during the period	Decreased during the period	Ending balance	Interest, handling charge paid or received
<b>I. Savings in Changhong Group Finance Company</b>	3,702,382,630.38	30,232,646,408.28	30,929,151,163.32	3,005,877,875.34	90,205,609.83
<b>II. Borrowings from Changhong Group Finance Company</b>					
<b>1.Short-term loans</b>	-	125,000,000.00	125,000,000.00	-	60,638.89
<b>2.Long-term loans</b>	-	-	-	-	-
<b>III. Other financial business</b>					
<b>1.Notes drawing</b>	999,585,345.49	1,878,178,189.69	1,447,378,038.27	1,430,385,496.91	941,235.22
<b>2.Notes discounted</b>	638,333,179.10	1,421,196,636.62	1,174,415,376.15	885,114,439.57	9,724,660.64

**(iii) Other significant events**

Overview	Date for disclosure	Information index for temporary report disclosure
According to the operation needs and capital management, the Company will recover all the remaining investment in advance, which are under the No. 135 directional assets management plan issued by Soochow Securities Co., Ltd. (hereinafter, Soochow Securities) subscribed in the earlier period.	January 2, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2019-094)
After deliberated and approved by BOD, BOS and extraordinary shareholders' general meeting, it is agreed that the Company will provide a credit guarantee to its wholly-owned and controlling subsidiaries with 3670 million yuan in total for year of 2020. The guarantee period for the newly added guarantee lines and the renewed guaranteed lines in the current year shall be one year.	December 26, 2019, January 11, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2019-088, No. 2019-089, No. 2019-090 and No. 2020-002)
After deliberated and approved by BOD, BOS and extraordinary shareholders' general meeting, it is agreed that the Company will complete the "Intelligent R&D project", and balance of the fund raised of 125,084,220.44 yuan (including interest income of financing and deposit 47,970,805.20 yuan) and the interest settled in the future are used to permanently supplement the working capital as of 30 November 2019. The specific amount shall be the actual amount after deducting the reservation contract balance payment and quality retention money from the special	December 26, 2019, January 11, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2019-088, No. 2019-089, No. 2019-091 and No. 2020-002)

<p>account on the day the fund is transferred out. Meanwhile, total of 114,368,326.60 yuan of the outstanding contract balance payment and quality retention money shall continue to be kept in the fund raising account and shall be paid as agreed in the contract.</p>		
<p>After deliberated and approved by BOD, BOS and shareholders' general meeting, it is agreed that the Company and its subsidiaries shall use their own idle funds (1.3 billion yuan at most, and the line can be used in a rolling way) to invest in the bank financial products with high security, good liquidity, low risk and stability within one year, and the authorization period shall be valid for one year from the date of approval by the shareholders' general meeting.</p>	<p>January 21, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                      (No. 2020-003, No. 2020-004 and No. 2020-009)</p>
<p>After deliberated and approved by BOD, BOS and shareholders' general meeting, it is agreed that the Company can use up to 199 million yuan of idle raised funds (the amount can be used on a rolling basis) to invest in a capital-guaranteed financial products with high security, good liquidity and a single product period of no more than one year, the authorization period shall be valid within one year from the date of approval by the shareholders' general meeting.</p>	<p>January 21, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                      (No. 2020-003, No. 2020-004, No. 2020-006 and No. 2020-009)</p>
<p>After deliberated and approved by BOD and shareholders' general meeting, it is agreed that the Company and its subsidiary shall carry out forward foreign exchange capital trading business from 1 July 2020 to 30 June 2021, with a business transaction balance not exceeding US\$650 million (mainly including US dollars, Australian dollars and Euros, and all other foreign exchange converted into US dollars), the longest period of a single business delivery is not more than one year.</p>	<p>March 28, 2020,                      May 30, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                      (No. 2020-012, No. 2020-017 and No. 2020-036)</p>
<p>After deliberated and approved by BOD and shareholders' general meeting, it is agreed that the Company and its wholly-owned subsidiary Sichuan Changhong Air Conditioning Co., Ltd. (hereinafter the Changhong AC) will jointly increase the capital of 150 million yuan to the subsidiary Zhongshan Changhong Electric Appliance Co., Ltd. (hereinafter referred to as "Zhongshan Changhong") with their own funds according to the current shareholding ratio, of which the capital increase of the Company is 135 million yuan and the capital increase of Changhong AC is 15 million yuan.</p>	<p>March 28, 2020,                      May 30, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                      (No. 2020-012, No. 2020-018 and No. 2020-036)</p>
<p>After deliberated and approved by BOD, BOS and shareholders' general meeting, it is agreed that the Company will increase the credit guarantee line of no more than 30 million yuan to the subsidiary company Zhongke Meiling Cryogenic Technology Co., Ltd. (hereinafter referred to as "Zhongke Meiling") with period of one year for day-to-day production and operation.</p>	<p>March 28, 2020,                      May 30, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                      (No. 2020-012, No. 2020-013, No. 2020-019 and No. 2020-036)</p>
<p>After deliberated and approved by BOD and shareholders' general meeting, it is agreed to continue appointing the Shine Wing Certified</p>	<p>March 28, 2020,                      May 30, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a></p>

Public Accountants (LLP) as the auditing institution of the financial report and internal control of the Company for 2020 for a period of one year. Meanwhile, request the shareholders' general meeting to authorize the management of the Company to determine its annual audit charges according to the industry standards and actual works of the audit.		(No. 2020-012, No. 2020-015 and No. 2020-036)
After deliberated and approved by BOD, it is agreed that the company would transfer the 0.18% equity of Ridian Technology held by Subsidiary Changhong Meiling Ridian Technology Co., Ltd. (hereinafter referred to as "Changmei Ridian") natural person shareholder Wu Changyuan with its own funds (initial investment amount of 150,000 yuan), and the equity transfer price was based on Ridian Technology's audited net assets of 155,582,873.62 yuan as of December 31, 2019, the equity transfer price was determined to be 280,049.17 yuan. After the equity transfer, the company holds 99.036% of Ridian Technology's equity, and natural person shareholder Hu Zhiheng holds 0.964% of Ridian Technology's equity.	April 18, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-022)
After deliberated and approved by BOD, it is agreed that the company would transfer 100% equity of 7 subsidiaries held by the company's wholly-owned subsidiary Hefei Meiling Electric Appliances Marketing Co., Ltd., including Chengdu Meiling Electric Appliances Marketing Co., Ltd., Fuzhou Meiling Electric Appliances Marketing Co., Ltd., and etc. and total of seven subsidiaries, to Hefei Meiling Group Holdings Limited, which is a wholly-owned subsidiary of the company,	April 18, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-022)
After deliberated and approved by BOD and shareholders' general meeting, it is agreed the company to use the total share capital of 1,044,597,881 shares on December 31, 2019 as the base, and distribute a cash dividend of 0.5 yuan (including tax) per every 10 shares to all shareholders, who distributed cash dividends of 52,229,894.05 yuan (including tax) in total. The company has implemented and completed the aforementioned profit distribution plan.	March 28, 2020, May 8, 2020, May 30, 2020, June 11, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-012, No. 2020-013, No. 2020-028, No. 2020-036 and No. 2020-038)
After deliberated and approved by BOD, the Company agreed to invest approximately 20.21 million yuan on the expansion technology improvement for production line of the export refrigerators, with purpose of improving the production capacity, technical standards and product competitiveness.	June 30, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-041)
After deliberated and approved by BOD, it is agreed that wholly-owned subsidiary Changhong Air-conditioner would apply to the Agricultural Bank of China Co., Ltd. Mianyang Fucheng Sub-branch for bank acceptance drafts not exceeding 100 million yuan with the pledge of time deposit certificates, the time limit was one year; and agreed that Changhong Air-conditioner could apply to Bohai Bank Co., Ltd. Chengdu Branch for bank acceptance drafts not exceeding 100 million yuan with the pledge of time deposit certificates, the time limit was one year; and agreed	June 30, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-041 and No. 2020-042)

that Changhong Air-conditioner could apply to Liangli Sub-branch of Chengdu Rural Commercial Bank Co., Ltd. for bank acceptance drafts not exceeding 100 million yuan with the pledge of time deposit certificates, and the time limit was one year.		
The company and its subsidiaries have received various government subsidies totaling RMB 50,907,539.53 from January 1, 2020 to June 30, 2020.	July 2, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-043)
On July 23, 2020, the company issued the Reminder Announcement on Operating Conditions.	July 23, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-046)
After deliberation and approval by the company's board of directors, board of supervisors, and general meeting of shareholders, it was agreed that the company would use its own funds to repurchase part of the company's domestically listed foreign shares (B shares) through a centralized bidding transaction. Currently, the share repurchase plan is in the process of being implemented. For details, please refer to the content of "(IV) Implementation Progress of Share Repurchase" below.	July 28, 2020, August 19, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-047, No. 2020-048, No. 2020-049 and No. 2020-063)
After deliberated and approved by BOD, BOS and shareholders' general meeting, it is agreed that the company would use its own funds to cooperate with the related party Changhong Huayi Compressor Co., Ltd. (hereinafter referred to as "Changhong Huayi") to respectively increase capital of RMB 500 million to Sichuan Changhong Group Finance Co., Ltd. (hereinafter referred to as "Changhong Finance Company"), for a total capital increase of RMB one billion. After the capital increase, the company and Changhong Huayi respectively hold 14.96% of the equity of Changhong Finance Company.	September 10, 2019, September 27, 2019, July 28, 2020, August 8, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-060, No. 2020-061, No. 2020-063, No. 2020-067, No. 2020-51 and No. 2020-054)
After deliberation and approval by the company's board of directors and board of supervisors, it was agreed that the company would implement the new revenue standards and change related accounting policies in accordance with the relevant regulations and requirements of the Ministry of Finance.	August 15, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-056, No. 2020-057 and No. 2020-059)
After deliberated and approved by BOD, BOS and shareholders' general meeting, it is agreed the company to continue sign a triennial Financial Service Agreement with Changhong Finance Company, it is agreed that the maximum deposit balance (including accrued interest and handling fees) and the highest principal and interest of outstanding loan the Company in any finance company within the three-year validity period from the effective date of the new agreement shall be adjusted to not exceed RMB 4.5 billion per day. Changhong Finance Company shall provide a series of financial services to the Company and its subsidiaries.	August 15, 2020, October 13, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-056, No. 2020-057, No. 2020-061 and No. 2020-083)
After deliberation and approval by the company's board of directors and board of supervisors, it was agreed that the company would expect the	August 15, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

<p>company and its holding subsidiaries to increase the daily related transactions provided by Yuanxin Financial Leasing Co., Ltd., such as financial leasing, commercial factoring, order financing ,etc., not exceeding 45 million yuan in 2020 (excluding tax).</p>		<p>(No. 2020-056, No. 2019-057 and No. 2020-062)</p>
<p>On September 18 and October 12, 2020, the 42<sup>nd</sup> meeting of the ninth board of directors of the company, the 23<sup>rd</sup> meeting of the ninth board of supervisors, and the fourth extraordinary general meeting of shareholders in 2020 reviewed and approved the proposal for the election of the tenth board of directors and the tenth board of supervisors of the company, including electing Mr. Wu Dinggang, Mr. Kou Huameng, Mr. Yong Fengshan, Mr. Zhong Ming, Mr. Hu Zhaogui, and Mr. Chen Ye as non-independent directors of the company's tenth board of directors; electing Mr. Hong Yuanjia, Ms. Mou Wen and Mr. Zhao Gang as independent directors of the company's tenth board of directors; electing Mr. Shao Min, Mr. He Xintan, and Ms. Huang Hong as shareholders' representative supervisors of the company's tenth board of supervisors, and they have composed the company's tenth board of supervisors together with Ms. Ji Ge and Mr. Zhu Wenjie who were elected as employee supervisors of tenth board of supervisors by the 4<sup>th</sup> meeting of the company's eighth session of employee representative meeting. The term of office of the aforementioned directors and supervisors is three years, from December 12, 2020 to December 12, 2023.</p> <p>On October 12, 2020, the first meeting of the company's tenth board of directors agreed to elect Mr. Wu Dinggang as the president of the company's tenth board of directors; the meeting also reviewed and approved the Proposal on the Establishment of Special Committees Under the Company's Tenth Board of Directors and the Proposal on Appointment of the Company's Senior Managers.</p> <p>On the same day, the first meeting of the tenth board of supervisors of the company passed a resolution and agreed to elect Mr. Shao Min as the chairman of the board of supervisors of the tenth board of supervisors.</p>	<p>September 19, 2020, October 13, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                  (No. 2020-069, No. 2020-070, No. 2020-071, No. 2020-083, No. 2020-084 and No. 2020-085)</p>
<p>After deliberation and approval by the company's board of directors, it was agreed that the company would transfer 100% equity of Hefei Meiling Electrical Appliance Marketing Co., Ltd., a wholly-owned subsidiary of the company, in Taiyuan Meiling Electrical Appliance Marketing Co., Ltd., Tianjin Meiling Electrical Appliance Marketing Co., Ltd., and Zhengzhou Meiling Electrical Appliance Marketing Co., Ltd., to Hefei Meiling Group Holdings Co., Ltd., a wholly-owned subsidiary of the company.</p>	<p>September 19, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                  (No. 2020-069)</p>
<p>After deliberation and approval by the company's board of directors, it was agreed that the company's wholly-owned subsidiary Meiling Group would merge its wholly-owned subsidiaries Chengdu Meiling Electrical Appliance Marketing Co., Ltd., Fuzhou Meiling Electrical Appliance Marketing Co., Ltd., Hangzhou Meiling Electrical Appliance Marketing</p>	<p>September 19, 2020</p>	<p>Juchao Website:  <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>                  (No. 2020-069)</p>

Co., Ltd. and other 7 subsidiaries.		
On September 29, 2020, the company received a total of 27,824,000 yuan of capital allocation from Sichuan Hongyun New Generation Information Technology Venture Capital Fund Partnership (Limited Partnership) (hereinafter referred to as "Hongyun Fund"), a shareholding company of the company.	October 10, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-082)
After deliberated and approved by BOD and shareholders' general meeting, it is agreed that the company should apply to China Construction Bank Co., Ltd. Hefei Luyang Sub-branch for a special credit line of up to 700 million yuan in bill pools; agreed that the company could apply to Ping An Bank Co., Ltd. Hefei Branch for a special credit line of up to 300 million yuan in bill pools; agreed that the company could apply to Hefei Economic Development Zone Branch of Huishang Bank Co., Ltd. for a special credit line of up to 300 million yuan in bill pools; agreed that the company could apply to the Hefei Branch of China Merchants Bank Co., Ltd. for a special credit line of up to 300 million yuan in the bill pools; agreed that the company could apply to the Hefei Branch of Hua Xia Bank Co., Ltd. for a special credit line of up to 500 million yuan in the bill pools; agreed that the company could apply to the Hefei Branch of Bank of Hangzhou Co., Ltd. for a special credit line of up to 600 million yuan in the bill pools; agreed that the company could apply to the Hefei Branch of Zheshang Bank Co., Ltd. for a special credit line of up to 500 million yuan in the bill pools; agreed that the company could apply to Anhui Branch of Bank of Communications Co., Ltd. for a special credit line of up to 1000 million yuan in the bill pools;	March 28, 2020, April 18, 2020, May 8, 2020, May 30, 2020, September 19, 2020	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No. 2020-012, No. 2020-020, No. 2020-022, No. 2020-025, No. 2020-029, No. 2020-030, No. 2020-036, No. 2020-036, No. 2020-069, No. 2020-078 and No. 2020-083)

**(iv) Implementation progress of shares buy-back**

Applicable  Not applicable

The company's 40<sup>th</sup> meeting of the ninth board of directors, the 21<sup>st</sup> meeting of the ninth board of supervisors, and the 3<sup>rd</sup> extraordinary general meeting of shareholders in 2020 held on July 27, 2020 and August 18, 2020 deliberated and approved the Proposal on the Repurchase of Part of Domestically Listed Foreign Shares (B Shares) of the Company, and agreed that the company would use its own funds to repurchase the company's B shares in a centralized bidding transaction within 12 months from the date of review and approval of the plan for the repurchase of part of domestically listed foreign shares (B shares). The price of the repurchased B shares shall not exceed HK\$2.21 per share (inclusive), and shall not exceed 150% of the average transaction price of the company's B shares on the 30 trading days before the resolution of the repurchase of shares by the board of directors. The total amount of funds for the repurchase of B shares shall be no less than 50 million yuan (inclusive) and no more than 100 million yuan (inclusive), based on the central parity rate of HKD to RMB on July 24, 2020, i.e. 1 HKD = 0.9023 RMB, the equivalent Hong Kong dollar shall be no less than 55,413,942.15 Hong Kong dollars (inclusive) and no more than 110,827,884.30 Hong Kong dollars (inclusive) (the actual amount of Hong Kong dollars used shall be converted based on the exchange rate on the day when the company purchases foreign exchange, including foreign exchange purchase, transaction fees and other related fees).

As of the disclosure date of this report, the company has opened a special securities account for repurchase at China Securities Depository and Clearing Co., Ltd. Shenzhen Branch. At present, the company is promoting the



purchase and payment of foreign exchange work involved in this share repurchase. As of September 30, 2020, the company's special securities account for repurchase has not yet purchased the company's B shares.

Found more on announcement (Notice No.:2020-047, 2020-048, 2020-048, 2020-049, 2020-052, 2020-055, 2020-063, 2020-064, 2020-065, 2020-066 and 2020-081) released on appointed media China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website dated July 28, July 31, August 14, August 19, September 4, October 10, 2020 respectively.

**(v) Implementation progress of the reduction of repurchases shares by centralized bidding**

Applicable     Not applicable

**III. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies**

Applicable     Not applicable

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies.

**IV. Financial asset investment**

**1. Securities Investment**

Applicable     Not applicable

No security investment in Period.

**2. Derivative investment**

Applicable     Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased in the reporting period	Amount sales in the reporting period	Amount of reserve for devaluation of withdrawing (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end	Actual gains/losses in period
Financial institution	N/A	No	Forward foreign exchange contract	118,035.04	June 28, 2019	August 25, 2021	73,225.52	219,119.46	137,797.85	-	153,271.02	31.76%	1,276.11
Total				118,035.04	--	--	73,225.52	219,119.46	137,797.85	-	153,271.02	31.76%	1,276.11
Capital resource				Self-owned capital									
Lawsuit involved (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				March 26, 2020									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				May 29, 2020									

<p>Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)</p>	<p>Risk analysis:</p> <ol style="list-style-type: none"> <li>1. Market risk: domestic and international economic situation changes may lead to exchange rate fluctuations, forward foreign exchange transactions are under certain market risk. Forward foreign exchange business is aiming to reducing impact on corporate profits by foreign exchange settlement and sale prices, exchange rate fluctuations. The Company will follow up the exchange fluctuation, on the basis of target rate determined from the business, relying on the research of the foreign currency exchange rates, combined with prediction of consignments, and burdening ability to price variations due to exchange rate fluctuations, then determine the plan of forward foreign exchange contracts, and make dynamic management to the business, to ensure reasonable profit level.</li> <li>2. Liquidity risk: all foreign exchange transactions are based on a reasonable estimate of the future import and export business, to meet the requirements of the trade authenticity. In addition, forward foreign exchange transactions are processed with bank credit, will not affect liquidity of company funds.</li> <li>3. Bank default risk: if cooperative banks collapse within the contract time, the Company will not be able to transact the original foreign exchange contracts with contract price, which leads the risk of income uncertainty. So the Company chose five state-owned banks, the Chinese-funded banks in shareholding enterprise as Everbright Bank, Industrial Bank and the foreign-funded banks as UOB, OCBC, BEA etc. to conduct the trading of foreign exchange capital. These banks share a solid strength and management whose failure and the risk of loss may bring to the Company is very low.</li> <li>4. Operational risk: improper operation of the person in charge of forward foreign exchange transactions may cause related risk also. The Company has formulated related management system which defines the operation process and responsibility to prevent and control risks.</li> <li>5. The legal risks: unclear terms based in contract signed with banks for related transactions may lead legal risks when forward foreign exchange transactions are processing. The Company will strengthen legal review, and choose good bank to carry out this kind of business as to risk control.</li> </ol>
<p>Invested derivative products have changes in market price or fair value in the Period, as for analysis of the fair value of derivatives, disclosed specific applied methods and correlation assumption and parameter setting</p>	<p>The Company determines fair value in accordance with the Chapter VII “Determination of Fair Value” carried in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments. Fair-value is basically obtained according to prices offered by bank and other pricing services. While fair-value of derivatives is mainly obtained according to the balance between prices given by outstanding contracts and forward prices given by contracts signed during the reporting period with bank. The differences are identified as trading financial assets and liabilities. During the reporting period, forward foreign exchange contracts and losses of the Company is 12,761,100 yuan</p>
<p>Specific principle of the accounting policy and calculation for derivatives in the Period compared with last period in aspect of major changes</p>	<p>Not applicable</p>

<p>Special opinion on derivative investment and risk control by independent directors</p>	<p>Upon inspection, the independent directors of the Company believes that: during the reporting period, the Company carried out its foreign exchange forward deals in strict compliance with the <i>Standardized Operation Guidelines for Listed Company</i> issued by Shenzhen Stock Exchange, the <i>Changhong Meiling Articles of Association</i>, <i>Authorization Management of the Company</i>, <i>Management System in relating to Foreign Exchange Forward Deals of Hefei Meiling Co., Ltd.</i>, and these deals were conducted within the authorization scope under general meeting and board meeting. The Company conducts no foreign exchange transactions on the purpose of getting profit only, all of the forward foreign exchange transactions are operates based on normal operating and production, which is relying on specific business operations with purpose of avoiding the preventing the risks in exchange rate. The forward foreign exchange transactions of the Company are beneficial to prevent the exchange risks exposed by import and export business and thus met its requirement for operation development. There was no speculative operation, no break of relevant rules and regulations and relevant business was conducted under corresponding decision-making procedures. Interests of the Company and entire shareholders, especially minority shareholders, were not prejudiced.</p>
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## V. Progress of investment projects with raised funds

√ Applicable □ Not applicable

### Particular about process of the fund raised and investment of fund raised in the report period

The Company implemented a private placement of A-share in year of 2016, totally 1,569,999,998.84 Yuan raised, net money raised amounting to 1,540,732,722.76 Yuan after deducted vary issuance costs (tax included) 29,267,276.08 Yuan.

The resolutions of the 35<sup>th</sup> session of the 9<sup>th</sup> Board of Directors of the Company, the 18<sup>th</sup> session of the 9<sup>th</sup> Board of Supervisors of the Company, and the 2<sup>nd</sup> Extraordinary General Meeting of 2020 passed, and the independent directors consented, and the sponsor institution made unanimous verification opinions to agree the company to use the idle raised funds of not exceeding RMB 199 million to invest in the principal-protected financial products with high security, good liquidity and allotted time of single item not more than one year, the authorization period is valid for one year from the date of approval by the company's general meeting of shareholders. Up to now, the company is normatively using the raised funds to purchase bank financial product in accordance with the decision-making and relevant regulations and requirements.

As of 30 September 2020, the fund raising project of non-public stock issuance of 2016 has 1,034,380,219.64 yuan actually used in total, at the same time, the amount permanent supplementary working capital of the Company cumulatively as 432,609,413.91 yuan. Of which, during the reporting period, the fund raising used by the Company amounted to 53,264,108.15 yuan (including bank handling fee and cost of labor 835 yuan), the amount permanently supplements the working capital was 126,766,362.64 yuan. In addition, the specific account for fund raising gains a deposit interest of 616,040.46 yuan, the income from bank financial products on due with idle fund raising was 2,703,835.86 yuan. As of 30 September 2020, balance of the storage specific account for fund raising was 196,491,846.32 yuan (including interest income 3,669,061.19 yuan, income from bank financial products on due 38,434,756.24 yuan and the bank financial products of 1,500,000,000,000 yuan purchased by idle fund raising). More details are:

In RMB

Serial	Name	Total project investment	Proposed investment amount of raised funds	Accumulated investment amount (as of 30 September 2020)	Permanent replenishment the working capital	Balance of raised funds (including financing income and deposit interest income)
1	Construction of intelligent manufacturing project	398,706,500	391,000,000	308,135,715.87	-	124,157,743.44
1.1	Including: Intelligent Manufacturing (Hefei) project	278,706,500	271,000,000	253,833,241.83	-	54,939,356.32

1.2	Production line for the annual capacity of 2 million washing machines (Phase II)	120,000,000	120,000,000	54,302,474.04	-	69,218,387.12
2	Construction of intelligent R&D capability and new products development of the intelligent appliance technology	559,000,000	559,000,000	537,129,202.64	126,766,362.64	72,334,102.88
3	Intelligent life project	320,760,000	320,000,000	350,844,651.27	305,843,051.27	0
4	Supplementary the floating capital	300,000,000	270,732,700	270,880,063.77	-	0
<b>Total</b>		1,578,466,500	1,540,732,700	1,466,989,633.55	432,609,413.91	196,491,846.32

Note 1: According to the plan for the use of raised funds approved by the shareholders' general meeting, the company has withdrawn the remaining funds raised and interest income from this "Intelligent life project" account, a total of 305,843,051.27 yuan, to permanently supplement the company's working capital on 26 July 2019, 19 August, and 11 October respectively. After the withdrawal, the remaining funds of the special account for the raised funds were 0 yuan, and the account was cancelled. At the same time, the company implemented the liquidation and cancellation of Changmei Technology Co., Ltd., the main body of the project.

Note 2: According to the plan for the use of raised funds approved by the shareholders' general meeting, on January 15, 2020, the company withdrew the remaining raised funds, wealth management and interest income totaling 126,766,362.64 yuan after deducting the balance of the contract to be paid and the guarantee deposit from the "intelligent research and development project" account for permanent supplements of the company's working capital. After the withdrawal, the remaining funds of the special account of the raised funds would continue to be used to pay the contract balance and guarantee deposit.

## VI. Prediction of 2020 business performance

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

Applicable  Not applicable

## VII. Major contracts for daily operations

Applicable  Not applicable

**VIII. Trust financing**√Applicable  Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Undue balance	Overdue amount
Bank financing products	Own funds	48,500	5,000	0
Bank financing products	Idle raised funds	45,000	15,000	0
Total		93,500	20,000	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed:

√Applicable  Not applicable

In 10 thousand Yuan

Trustee institution (or name of trustee)	Trustee type	Product type	Amount	Source of funds	Start date	Expiry date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for evaluation of drawing (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust finance plan in the future	Summary of the items and related query index (if applicable)
Chengdu Branch of Bohai Bank Co., Ltd	Bank	Principal-guaranteed with floating income	10,000.00	Idle raised funds	February 21, 2020	May 25, 2020	The structured deposit product, the structural derivatives tied with the 3-month interbank lending rate in London (Libor)	Annualized returns: 3.80%	3.80%	99.22	97.86	97.86	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-010)
Mianyang Economic Development	Bank	Guaranteed capital and minimum return	5,000.00	Idle raised funds	March 10, 2020	June 10, 2020	This product is a structured deposit product. The spot exchange rate of US dollar to Swiss franc is taken from the quotes U.S. dollar drawn by EBS (Interbank Electronic Trading System) between 5 a.m. Sydney time every Monday and	Annualized returns: 3.60%	3.60%	46.00	45.37	45.37	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-011)



Zone branch of Bank of China Limited							5 p.m. New York time every Friday against Swiss francs.									
Hefei Branch of China Guangfa Bank	Bank	Principal -guarante ed with floating income	5,000.00	Idle own funds	Apri 1 20, 202 0	July 20, 2020	Investment of the central bank bill in bank market, treasury bond, corporate bonds, short-term financing, medium-term bills, inter-bank borrowing, inter-bank deposits, bills or bill repurchase etc., and interest rate-linked option products	Annualize d returns: 3.85%	3.85%	48.66	48.12	48.12	N/A	Y	Not applicable	Juchao Website(www.c ninfo.com.cn) (Notice No.: 2020-026)
Hefei Branch of Bank of East Asia (China) Co., Ltd.	Bank	Principal -guarante ed with floating income	5,000.00	Idle own funds	Apri 1 21, 202 0	July 21, 2020	Deposits embedded in financial derivatives absorbed by the Bank are linked to exchange rate fluctuations so that depositors can obtain corresponding returns on the basis of certain risks.	Annualize d returns: 3.80%	3.80%	48.03	48.03	48.03	N/A	Y	Not applicable	Juchao Website(www.c ninfo.com.cn) (Notice No.: 2020-026)
Miyanan g Economi c Develop ment Zone branch of Bank of	Bank	Guarante ed capital and minimu m return	10,000.00	Idle own funds	Apri 1 23, 202 0	July 24, 2020	Funds raised by this product are operated uniformly by the Bank of China, and business management is carried out in accordance with the principle of separating basic deposits from derivative transactions. The principal part raised is included in the unified operation and	Annualize d returns: 3.75%	3.75%	95.83	94.52	94.52	N/A	Y	Not applicable	Juchao Website(www.c ninfo.com.cn) (Notice No.: 2020-027)

China Limited							management of the internal funds of the Bank of China, and included in the payment scope of deposit reserves and deposit insurance premiums. Products embedded derivatives are partly invested in derivatives markets such as exchange rates, interest rates, commodities, and indices, and the final product performance is linked to derivatives. During the investment period, Bank of China uses the income method to value the embedded option price of this structured deposit.									
Hefei Branch of China Everbright Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	May 21, 2020	August 21, 2020	This product is a RMB structured deposit product with embedded financial derivative instruments. The bank will invest the raised structured deposit funds in bank time deposits, and at the same time invest in financial derivative transactions (including but not limited to options and swaps and other derivative transactions) in domestic or international financial markets by limiting the income of the time deposits to the upper limit, the sum of the investment gains and losses of financial derivative transactions	Annualized returns: 3.30%	3.30%	42.17	42.50	42.50	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-033)

							and the bank deposit interest together constitute the income of structured deposit products.									
Mianyang Branch of Bank of Communications Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	May 27, 2020	August 27, 2020	The funds collected by the structured deposit products are included in the deposit management category as the principal	Annualized returns: 3.30%	3.30%	42.63	41.59	41.59	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-034)
Chengdu Branch of Bohai Bank Co., Ltd	Bank	Principal-guaranteed with floating income	10,000.00	Idle raised funds	May 27, 2020	August 26, 2020	The structured deposit product, the derivatives tied with the 3-month interbank lending rate in London (Libor)	Annualized returns: 3.45%	3.45%	87.21	86.01	86.01	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-035)
Mianyang Branch of Bank of Communications Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	June 5, 2020	September 7, 2020	The funds collected by the structured deposit products are included in the deposit management category as the principal	Annualized returns: 3.27%	3.27%	42.69	42.11	42.11	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-037)
Chengdu Branch of China CITIC Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000.00	Idle raised funds	June 15, 2020	September 14, 2020	This product is a structured deposit product, which refers to deposits embedded in financial derivative products linking to the fluctuation of interest rates, exchange rates, indexes and other financial market objects or to the credit status of an entity,	Annualized returns: 3.30%	3.30%	41.71	41.14	41.14	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-040)

							so that depositors can obtain corresponding benefits on the basis of bearing certain risks.									
Hefei Branch of Bank of East Asia (China) Limited	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	June 12, 2020	September 11, 2020	Deposits embedded in financial derivative products absorbed by banks are linked to exchange rate fluctuations so that depositors can obtain corresponding returns on the basis of certain risks.	Annualized returns: 3.50%	3.50%	44.24	44.24	44.24	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-039)
Mianyang Economic Development Zone branch of Bank of China Limited	Bank	Guaranteed capital and minimum return	3,500.00	Idle own funds	April 22, 2020	May 25, 2020	Funds raised by this product are operated uniformly by the Bank of China, and business management is carried out in accordance with the principle of separating basic deposits from derivative transactions. The principal part raised is included in the unified operation and management of the internal funds of the Bank of China, and included in the payment scope of deposit reserves and deposit insurance premiums. Products embedded derivatives are partly invested in derivatives markets such as exchange rates, interest rates, commodities, and indices, and the final product performance is linked to	Annualized returns: 3.40%	3.40%	10.91	10.76	10.76	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-026)

							derivatives. During the investment period, Bank of China uses the income method to value the embedded option price of this structured deposit.									
Hefei Branch of Bank of East Asia (China) Limited	Bank	Principal-guaranteed with floating income	5,000.00	Idle own funds	July 15, 2020	October 16, 2020	Deposits embedded in financial derivative products absorbed by banks are linked to exchange rate fluctuations so that depositors can obtain corresponding returns on the basis of certain risks.	Annualized returns: 3.40%	3.40%	43.91	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-045)
Chengdu Branch of Industrial Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	15,000.00	Idle raised funds	September 15, 2020	December 14, 2020	Structured deposits refer to business products that are linked to fluctuations in interest rates, exchange rates, indexes, etc., or to the credit status of an entity, so that depositors can obtain higher returns on the basis of certain risks.	Annualized returns: 2.95%	2.95%	110.62	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2020-068)
Total			<b>93,500.00</b>	--	--	--	--	--	--	803.83	642.25	642.25	--	--	--	--

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable  Not applicable

**IX. Guarantee outside against the regulation**

Applicable Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

**X. Non-operational fund occupation from controlling shareholders and its related party**

Applicable  Not applicable

The Company had no non-operational fund occupation from controlling shareholders or its related party in the reporting period.

**VIII. Registration form for receiving research, communication and interview in the report period**

Applicable Not applicable

Reception time	Reception location	Reception way	Reception object type	Reception object	The main content of the discussion and the information provided	Index of the basic situation of the survey
September 24, 2020	Company Administration Center No. 2 Meeting Room	Field research	Institution	Guolian Securities	Company management	<a href="http://irm.cninfo.com.cn/ircs/company/companyDetail?stockcode=000521&amp;orgId=gssz0000521">http://irm.cninfo.com.cn/ircs/company/companyDetail?stockcode=000521&amp;orgId=gssz0000521</a>

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Changhong Meiling Co., Ltd.

In RMB

Items	2020-9-30	2019-12-31
Current assets:		
Monetary fund	4,655,937,296.93	5,499,601,030.64
Settlement provisions		
Capital lent		
Trading financial assets	28,451,689.69	7,730,268.92
Derivative financial assets		
Note receivable	1,789,627,662.91	1,865,165,499.50
Account receivable	2,474,469,751.84	1,387,961,981.66
Receivable financing		
Accounts paid in advance	102,147,656.59	25,270,406.37
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	121,045,105.24	97,241,894.80
Including: Interest receivable	6,588,544.33	9,510,208.63
Dividend receivable		661,434.48
Buying back the sale of financial assets		
Inventories	1,767,604,113.33	1,460,910,189.06
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	247,545,304.92	63,604,031.96
Total current assets	11,186,828,581.45	10,407,485,302.91

Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	81,092,355.70	88,556,511.70
Investment in other equity instrument		
Other non-current financial assets	542,540,000.00	45,000,000.00
Investment real estate	54,357,952.53	96,343,760.13
Fixed assets	2,326,714,921.44	2,180,572,946.87
Construction in progress	110,309,222.32	252,494,792.31
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	952,907,683.39	933,248,463.84
Expense on Research and Development	83,897,499.02	101,078,659.57
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	113,366,601.02	97,453,178.14
Other non-current asset		
Total non-current asset	4,265,186,235.42	3,794,748,312.56
Total assets	15,452,014,816.87	14,202,233,615.47
Current liabilities:		
Short-term loans	1,215,801,769.00	1,103,991,045.96
Loan from central bank		
Capital borrowed		
Trading financial liability	3,846,486.01	1,081,534.93
Derivative financial liability		
Note payable	3,974,823,906.29	3,490,271,482.40
Account payable	2,930,393,650.19	2,343,116,374.58
Accounts received in advance		425,149,194.97
Contractual liability	297,497,485.45	



Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	214,068,066.26	196,507,174.68
Taxes payable	106,761,494.22	68,558,391.66
Other account payable	846,024,664.04	689,477,603.21
Including: Interest payable	8,506,689.76	12,340,385.61
Dividend payable	4,466,628.25	3,579,491.94
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	405,676,176.26	1,708,193.90
Other current liabilities		
Total current liabilities	9,994,893,697.72	8,319,860,996.29
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	192,640,000.00	401,280,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	1,878,823.17	3,016,921.44
Long-term wages payable	11,490,660.94	13,774,110.61
Accrual liability	144,403,117.40	166,099,143.97
Deferred income	173,033,976.00	179,970,971.92
Deferred income tax liabilities	8,611,131.03	6,256,759.14
Other non-current liabilities		
Total non-current liabilities	532,057,708.54	770,397,907.08
Total liabilities	10,526,951,406.26	9,090,258,903.37

Owner's equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	2,683,933,116.75	2,684,366,619.10
Less: Inventory shares		
Other comprehensive income	-21,822,864.64	-18,931,430.36
Reasonable reserve		
Surplus public reserve	410,786,860.20	410,786,860.20
Provision of general risk		
Retained profit	708,342,323.00	884,127,743.42
Total owner's equity attributable to parent company	4,825,837,316.31	5,004,947,673.36
Minority interests	99,226,094.30	107,027,038.74
Total owner's equity	4,925,063,410.61	5,111,974,712.10
Total liabilities and owner's equity	15,452,014,816.87	14,202,233,615.47

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 2. Balance Sheet of Parent Company

In RMB

Item	2020-9-30	2019-12-31
Current assets:		
Monetary funds	3,007,818,915.23	4,040,632,437.18
Trading financial assets	28,334,702.77	5,967,556.00
Derivative financial assets		
Note receivable	1,545,386,896.07	1,722,707,248.74
Account receivable	2,008,084,819.40	1,158,563,389.33
Receivable financing		
Accounts paid in advance	73,969,626.76	34,374,932.07

Other account receivable	47,619,907.02	41,964,639.42
Including: Interest receivable	3,546,029.02	7,880,186.85
Dividend receivable		661,434.48
Inventories	438,233,940.76	339,728,296.66
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	204,470,915.67	11,930,690.86
Total current assets	7,353,919,723.68	7,355,869,190.26
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	1,835,450,730.64	1,698,744,114.99
Investment in other equity instrument		
Other non-current financial assets	542,540,000.00	45,000,000.00
Investment real estate	4,013,803.54	7,314,721.80
Fixed assets	1,171,227,230.67	1,138,092,635.67
Construction in progress	86,413,924.94	106,575,581.28
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	497,441,481.74	483,887,751.05
Research and development costs	39,617,231.82	56,295,271.74
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	91,978,459.46	77,849,317.77
Other non-current assets		
Total non-current assets	4,268,682,862.81	3,613,759,394.30
Total assets	11,622,602,586.49	10,969,628,584.56
Current liabilities		
Short-term borrowings	1,133,943,950.00	1,009,757,944.82
Trading financial liability	1,802,881.00	1,016,052.00

Derivative financial liability		
Notes payable	1,831,961,664.08	1,936,867,907.42
Account payable	1,923,039,755.30	1,497,704,307.48
Accounts received in advance		147,365,864.56
Contractual liability	125,130,910.62	
Wage payable	70,323,072.58	39,633,867.87
Taxes payable	19,508,078.18	20,427,731.13
Other accounts payable	536,196,158.47	520,559,494.30
Including: Interest payable	8,441,938.06	13,175,235.76
Dividend payable	3,866,628.25	3,579,491.94
Liability held for sale		
Non-current liabilities due within one year	405,000,000.00	
Other current liabilities		
Total current liabilities	6,046,906,470.23	5,173,333,169.58
Non-current liabilities:		
Long-term loans	192,640,000.00	401,280,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	11,490,660.94	13,774,110.61
Accrued liabilities	137,046,292.64	158,742,319.21
Deferred income	65,792,773.67	67,664,815.53
Deferred income tax liabilities	3,979,773.27	742,725.60
Other non-current liabilities		
Total non-current liabilities	410,949,500.52	642,203,970.95
Total liabilities	6,457,855,970.75	5,815,537,140.53
Owners' equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		

Perpetual capital securities		
Capital public reserve	2,753,143,393.37	2,753,017,007.10
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	410,568,694.52	410,568,694.52
Retained profit	956,436,646.85	945,907,861.41
Total owner's equity	5,164,746,615.74	5,154,091,444.03
Total liabilities and owner's equity	11,622,602,586.49	10,969,628,584.56

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

### 3. Consolidated Profit Statement (the period)

In RMB

Item	Current period	Last period
I. Total operating income	4,560,882,229.12	3,907,875,881.65
Including: Operating income	4,560,882,229.12	3,907,875,881.65
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	4,531,206,090.78	3,877,092,843.63
Including: Operating cost	3,715,311,494.72	3,120,899,900.24
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		

Reinsurance expense		
Tax and extras	44,493,738.61	37,337,949.44
Sales expense	595,445,892.13	596,324,632.05
Administrative expense	67,866,598.57	75,991,835.54
R&D expense	96,730,152.63	74,045,366.13
Financial expense	11,358,214.12	-27,506,839.77
Including: Interest expenses	23,175,464.46	15,687,265.39
Interest income	30,618,323.24	38,289,853.37
Add: other income	18,566,975.24	44,877,387.39
Investment income (Loss is listed with “-”)	40,002,820.42	-49,991,079.10
Including: Investment income on affiliated company and joint venture	542,880.53	10,073,856.02
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	27,681,553.27	39,820,680.29
Loss of credit impairment (Loss is listed with “-”)	-10,737,856.43	-8,463,027.84
Losses of devaluation of asset (Loss is listed with “-”)	-8,131,027.84	-14,086,299.07
Income from assets disposal (Loss is listed with “-”)	-364,250.38	-3,498,765.23
III. Operating profit (Loss is listed with “-”)	96,694,352.62	39,441,934.46
Add: Non-operating income	1,626,799.23	3,218,452.87
Less: Non-operating expense	247,207.80	1,413,579.86
IV. Total profit (Loss is listed with “-”)	98,073,944.05	41,246,807.47
Less: Income tax expense	4,609,449.11	18,695,794.99
V. Net profit (Net loss is listed with “-”)	93,464,494.94	22,551,012.48
(i) Classify by business continuity		

1.continuous operating net profit (net loss listed with ‘-’)	93,464,494.94	22,551,012.48
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	86,575,054.56	26,417,996.84
2.Minority shareholders’ gains and losses	6,889,440.38	-3,866,984.36
VI. Net after-tax of other comprehensive income	-2,413,984.74	3,855,002.26
Net after-tax of other comprehensive income attributable to owners of parent company	-2,261,431.44	2,611,878.24
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-2,261,431.44	2,611,878.24
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment		

provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-2,261,431.44	2,611,878.24
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-152,553.30	1,243,124.02
VII. Total comprehensive income	91,050,510.20	26,406,014.74
Total comprehensive income attributable to owners of parent Company	84,313,623.12	29,029,875.08
Total comprehensive income attributable to minority shareholders	6,736,887.08	-2,623,860.34
VIII. Earnings per share:		
(i) Basic earnings per share	0.0829	0.0253
(ii) Diluted earnings per share	0.0829	0.0253

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

#### 4. Profit Statement of Parent Company (the period)

In RMB

Item	Current period	Last period
I. Operating income	2,541,140,607.13	2,664,004,704.29
Less: Operating cost	2,352,710,388.97	2,406,427,108.32
Taxes and surcharge	20,674,818.60	21,743,329.48
Sales expenses	128,368,618.23	138,981,640.75
Administration expenses	27,785,528.69	32,418,153.86
R&D expenses	38,895,620.99	29,405,298.29
Financial expenses	19,541,457.12	-6,393,797.98
Including: interest	21,825,893.32	11,934,462.19



expenses		
Interest income	22,685,288.94	28,622,977.37
Add: other income	7,418,544.65	38,236,515.77
Investment income (Loss is listed with “-”)	40,313,906.64	-3,964,727.76
Including: Investment income on affiliated Company and joint venture	1,041,269.76	5,794,277.12
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	29,361,123.67	6,592,242.68
Loss of credit impairment (Loss is listed with “-”)	-14,051,654.02	-2,371,132.58
Losses of devaluation of asset (Loss is listed with “-”)	-4,144,576.87	-3,585,011.06
Income on disposal of assets (Loss is listed with “-”)	-195,720.27	132,203.39
II. Operating profit (Loss is listed with “-”)	11,865,798.33	76,463,062.01
Add: Non-operating income	891,190.57	23,930.00
Less: Non-operating expense		248,133.83
III. Total Profit (Loss is listed with “-”)	12,756,988.90	76,238,858.18
Less: Income tax	-2,431,050.23	7,419,865.03
IV. Net profit (Net loss is listed with “-”)	15,188,039.13	68,818,993.15
(i)continuous operating net profit (net loss listed with ‘-’)	15,188,039.13	68,818,993.15
(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		

1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	15,188,039.13	68,818,993.15
VII. Earnings per share:		
(i) Basic earnings per share	0.0145	0.0659
(ii) Diluted earnings per share	0.0145	0.0659

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current period	Last period
I. Total operating income	11,356,742,966.11	13,041,038,562.59
Including: Operating income	11,356,742,966.11	13,041,038,562.59
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	11,554,834,849.35	12,994,783,658.83
Including: Operating cost	9,469,161,384.07	10,611,455,437.49
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	99,798,451.84	117,977,709.18
Sales expense	1,519,429,320.36	1,840,716,388.92
Administrative expense	203,336,291.49	240,384,878.24
R&D expense	264,619,301.52	194,093,406.99
Financial expense	-1,509,899.93	-9,844,161.99
Including: Interest expenses	68,673,511.11	73,580,264.70
Interest income	105,402,339.93	97,691,279.74
Add: other income	73,419,100.44	80,188,595.99
Investment income (Loss is listed with “-”)	47,154,706.68	-38,327,115.65
Including: Investment income on affiliated company and joint venture	752,761.07	1,251,855.70
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		

Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	17,956,801.15	43,185,470.53
Loss of credit impairment (Loss is listed with “-”)	-33,008,077.62	1,082,468.11
Losses of devaluation of asset (Loss is listed with “-”)	-34,714,276.42	-24,702,231.08
Income from assets disposal (Loss is listed with “-”)	-542,955.36	-4,436,536.97
III. Operating profit (Loss is listed with “-”)	-127,826,584.37	103,245,554.69
Add: Non-operating income	5,072,408.44	5,694,649.89
Less: Non-operating expense	1,206,761.93	3,776,106.23
IV. Total profit (Loss is listed with “-”)	-123,960,937.86	105,164,098.35
Less: Income tax expense	1,746,437.69	36,397,055.33
V. Net profit (Net loss is listed with “-”)	-125,707,375.55	68,767,043.02
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	-125,707,375.55	68,767,043.02
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-123,555,526.37	80,752,019.41
2.Minority shareholders’ gains and losses	-2,151,849.18	-11,984,976.39
VI. Net after-tax of other comprehensive income	-3,423,690.97	-3,102,378.92
Net after-tax of other comprehensive income attributable to owners of parent company	-2,891,434.28	-1,799,468.82
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined		

benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-2,891,434.28	-1,799,468.82
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-2,891,434.28	-1,799,468.82
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-532,256.69	-1,302,910.10
VII. Total comprehensive income	-129,131,066.52	65,664,664.10
Total comprehensive income attributable to owners of parent Company	-126,446,960.65	78,952,550.59
Total comprehensive income attributable to minority shareholders	-2,684,105.87	-13,287,886.49
VIII. Earnings per share:		
(i) Basic earnings per share	-0.1183	0.0773
(ii) Diluted earnings per share	-0.1183	0.0773

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and

realized 0 Yuan at last period for combined party

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current period	Last period
I. Operating income	5,755,104,440.31	7,198,760,931.63
Less: Operating cost	5,374,829,779.12	6,438,821,213.52
Taxes and surcharge	51,017,607.45	59,372,381.91
Sales expenses	238,543,953.01	477,587,775.78
Administration expenses	83,951,545.31	100,853,326.37
R&D expenses	109,077,840.28	80,879,626.58
Financial expenses	3,773,786.93	2,111,585.97
Including: interest expenses	59,550,849.69	54,418,469.14
Interest income	85,175,878.06	68,936,401.63
Add: other income	45,072,043.52	56,735,800.59
Investment income (Loss is listed with "-")	118,151,575.24	20,154,143.04
Including: Investment income on affiliated Company and joint venture	3,779,570.20	2,961,957.42
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")	21,580,317.77	10,027,189.27
Loss of credit impairment (Loss is listed with "-")	-19,248,489.48	10,417,545.43
Losses of devaluation of asset (Loss is listed with "-")	-9,357,570.78	-6,377,866.03

Income on disposal of assets (Loss is listed with “-”)	-515,309.69	-659,108.67
II. Operating profit (Loss is listed with “-”)	49,592,494.79	129,432,725.13
Add: Non-operating income	2,274,090.68	244,520.00
Less: Non-operating expense		248,133.83
III. Total Profit (Loss is listed with “-”)	51,866,585.47	129,429,111.30
Less: Income tax	-10,892,094.02	8,477,826.62
IV. Net profit (Net loss is listed with “-”)	62,758,679.49	120,951,284.68
(i)continuous operating net profit (net loss listed with “-”)	62,758,679.49	120,951,284.68
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other		

comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	62,758,679.49	120,951,284.68
VII. Earnings per share:		
(i) Basic earnings per share	0.0601	0.1158
(ii) Diluted earnings per share	0.0601	0.1158

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	10,004,693,970.59	12,688,809,148.13
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		



Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	412,733,445.22	280,384,080.90
Other cash received concerning operating activities	106,402,002.16	125,280,221.18
Subtotal of cash inflow arising from operating activities	10,523,829,417.97	13,094,473,450.21
Cash paid for purchasing commodities and receiving labor service	8,837,934,853.44	10,506,147,051.44
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	1,057,706,226.87	1,153,887,410.73
Taxes paid	237,937,839.39	448,423,347.16
Other cash paid concerning operating activities	668,861,446.33	784,789,548.98
Subtotal of cash outflow arising from operating activities	10,802,440,366.03	12,893,247,358.31
Net cash flows arising from operating activities	-278,610,948.06	201,226,091.90
II. Cash flows arising from investing activities:		

Cash received from recovering investment	737,460,000.00	2,174,000,000.00
Cash received from investment income	42,570,007.43	37,989,139.50
Net cash received from disposal of fixed, intangible and other long-term assets	381,041.58	19,483,459.24
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	122,087,124.32	94,129,473.53
Subtotal of cash inflow from investing activities	902,498,173.33	2,325,602,072.27
Cash paid for purchasing fixed, intangible and other long-term assets	296,007,313.74	266,302,834.52
Cash paid for investment	1,435,280,051.17	1,981,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		76,709,995.61
Subtotal of cash outflow from investing activities	1,731,287,364.91	2,324,012,830.13
Net cash flows arising from investing activities	-828,789,191.58	1,589,242.14
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,703,478,583.33	1,308,256,908.10
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,703,478,583.33	1,308,256,908.10
Cash paid for settling debts	1,374,663,591.82	1,925,202,449.42

Cash paid for dividend and profit distributing or interest paying	107,526,031.28	127,772,072.70
Including: Dividend and profit of minority shareholder paid by subsidiaries	4,796,676.00	2,274,030.00
Other cash paid concerning financing activities	2,432,566.62	32,764,857.16
Subtotal of cash outflow from financing activities	1,484,622,189.72	2,085,739,379.28
Net cash flows arising from financing activities	218,856,393.61	-777,482,471.18
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-18,563,610.41	12,976,331.25
V. Net increase of cash and cash equivalents	-907,107,356.44	-561,690,805.89
Add: Balance of cash and cash equivalents at the period -begin	5,385,807,475.51	4,484,643,187.93
VI. Balance of cash and cash equivalents at the period -end	4,478,700,119.07	3,922,952,382.04

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## 8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	4,354,136,982.12	6,358,153,483.13
Write-back of tax received	202,094,517.08	135,160,922.67
Other cash received concerning operating activities	49,386,127.12	66,198,821.85
Subtotal of cash inflow arising from	4,605,617,626.32	6,559,513,227.65

operating activities		
Cash paid for purchasing commodities and receiving labor service	4,590,744,074.29	5,874,686,994.43
Cash paid to/for staff and workers	272,738,427.46	327,130,629.38
Taxes paid	53,367,393.47	156,564,790.86
Other cash paid concerning operating activities	193,120,699.08	330,317,153.84
Subtotal of cash outflow arising from operating activities	5,109,970,594.30	6,688,699,568.51
Net cash flows arising from operating activities	-504,352,967.98	-129,186,340.86
II. Cash flows arising from investing activities:		
Cash received from recovering investment	702,460,000.00	2,174,000,000.00
Cash received from investment income	110,756,490.39	42,579,139.50
Net cash received from disposal of fixed, intangible and other long-term assets	293,300.00	6,708,283.94
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	101,821,310.58	309,067,175.10
Subtotal of cash inflow from investing activities	915,331,100.97	2,532,354,598.54
Cash paid for purchasing fixed, intangible and other long-term assets	119,262,604.64	139,125,420.63
Cash paid for investment	1,542,169,149.17	1,987,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	22,000.00	75,426,953.88
Subtotal of cash outflow from investing activities	1,661,453,753.81	2,201,552,374.51
Net cash flows arising from investing activities	-746,122,652.84	330,802,224.03

III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	1,302,447,383.33	1,064,409,999.44
Other cash received concerning financing activities	146,722,354.11	28,609,663.72
Subtotal of cash inflow from financing activities	1,449,169,737.44	1,093,019,663.16
Cash paid for settling debts	961,397,944.82	1,451,985,025.00
Cash paid for dividend and profit distributing or interest paying	94,605,755.57	114,912,675.86
Other cash paid concerning financing activities	163,963,741.66	121,717,485.21
Subtotal of cash outflow from financing activities	1,219,967,442.05	1,688,615,186.07
Net cash flows arising from financing activities	229,202,295.39	-595,595,522.91
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-11,540,196.52	8,391,306.55
V. Net increase of cash and cash equivalents	-1,032,813,521.95	-385,588,333.19
Add: Balance of cash and cash equivalents at the period -begin	4,017,400,437.18	2,894,384,811.05
VI. Balance of cash and cash equivalents at the period -end	2,984,586,915.23	2,508,796,477.86

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules from 2020

Applicable  Not applicable

Whether to adjust the balance sheet account at the beginning of the year

Yes  No

**(1) Consolidate balance sheet**

In RMB

Item	December 31, 2019	January 1, 2020	Adjustment amount
Current assets:			
Monetary fund	5,499,601,030.64	5,499,601,030.64	
Settlement provisions			
Capital lent			
Trading financial assets	7,730,268.92	7,730,268.92	
Derivative financial assets			
Note receivable	1,865,165,499.50	1,865,165,499.50	
Account receivable	1,387,961,981.66	1,387,961,981.66	
Receivable financing			
Accounts paid in advance	25,270,406.37	25,270,406.37	
Insurance receivable			
Reinsurance receivables			
Contract reserve of reinsurance receivable			
Other account receivable	97,241,894.80	97,241,894.80	
Including: Interest receivable	9,510,208.63	9,510,208.63	
Dividend receivable	661,434.48	661,434.48	
Buying back the sale of financial assets			
Inventories	1,460,910,189.06	1,460,910,189.06	
Contractual assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	63,604,031.96	63,604,031.96	
Total current assets	10,407,485,302.91	10,407,485,302.91	

Non-current assets:			
Loans and payments on behalf			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	88,556,511.70	88,556,511.70	
Investment in other equity instrument			
Other non-current financial assets	45,000,000.00	45,000,000.00	
Investment real estate	96,343,760.13	96,343,760.13	
Fixed assets	2,180,572,946.87	2,180,572,946.87	
Construction in progress	252,494,792.31	252,494,792.31	
Productive biological asset			
Oil and gas asset			
Right-of-use assets			
Intangible assets	933,248,463.84	933,248,463.84	
Expense on Research and Development	101,078,659.57	101,078,659.57	
Goodwill			
Long-term expenses to be apportioned			
Deferred income tax asset	97,453,178.14	97,453,178.14	
Other non-current asset			
Total non-current asset	3,794,748,312.56	3,794,748,312.56	
Total assets	14,202,233,615.47	14,202,233,615.47	
Current liabilities:			
Short-term loans	1,103,991,045.96	1,103,991,045.96	
Loan from central bank			
Capital borrowed			
Trading financial	1,081,534.93	1,081,534.93	

liability			
Derivative financial liability			
Note payable	3,490,271,482.40	3,490,271,482.40	
Account payable	2,343,116,374.58	2,343,116,374.58	
Accounts received in advance	425,149,194.97		-425,149,194.97
Contractual liability		425,149,194.97	425,149,194.97
Selling financial asset of repurchase			
Absorbing deposit and interbank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	196,507,174.68	196,507,174.68	
Taxes payable	68,558,391.66	68,558,391.66	
Other account payable	689,477,603.21	689,477,603.21	
Including: Interest payable	12,340,385.61	12,340,385.61	
Dividend payable	3,579,491.94	3,579,491.94	
Commission charge and commission payable			
Reinsurance payable			
Liability held for sale			
Non-current liabilities due within one year	1,708,193.90	1,708,193.90	
Other current liabilities			
Total current liabilities	8,319,860,996.29	8,319,860,996.29	
Non-current liabilities:			
Insurance contract reserve			
Long-term loans	401,280,000.00	401,280,000.00	
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			



Lease liability			
Long-term account payable	3,016,921.44	3,016,921.44	
Long-term wages payable	13,774,110.61	13,774,110.61	
Accrual liability	166,099,143.97	166,099,143.97	
Deferred income	179,970,971.92	179,970,971.92	
Deferred income tax liabilities	6,256,759.14	6,256,759.14	
Other non-current liabilities			
Total non-current liabilities	770,397,907.08	770,397,907.08	
Total liabilities	9,090,258,903.37	9,090,258,903.37	
Owner's equity:			
Share capital	1,044,597,881.00	1,044,597,881.00	
Other equity instrument			
Including: Preferred stock			
Perpetual capital securities			
Capital public reserve	2,684,366,619.10	2,684,366,619.10	
Less: Inventory shares			
Other comprehensive income	-18,931,430.36	-18,931,430.36	
Reasonable reserve			
Surplus public reserve	410,786,860.20	410,786,860.20	
Provision of general risk			
Retained profit	884,127,743.42	884,127,743.42	
Total owner's equity attributable to parent company	5,004,947,673.36	5,004,947,673.36	
Minority interests	107,027,038.74	107,027,038.74	
Total owner's equity	5,111,974,712.10	5,111,974,712.10	
Total liabilities and owner's equity	14,202,233,615.47	14,202,233,615.47	

Statement of adjustment:

The Company implemented the Accounting Standards for Business Enterprise No.14- Revenue (Cai Kuai [2017])

No.22) since 1 January 2020, the “Accounts received in advance” will list as “Contractual liability”.

**(2) Balance Sheet of Parent Company**

In RMB

Item	December 31, 2019	January 1, 2020	Adjustment amount
Current assets:			
Monetary funds	4,040,632,437.18	4,040,632,437.18	
Trading financial assets	5,967,556.00	5,967,556.00	
Derivative financial assets			
Note receivable	1,722,707,248.74	1,722,707,248.74	
Account receivable	1,158,563,389.33	1,158,563,389.33	
Receivable financing			
Accounts paid in advance	34,374,932.07	34,374,932.07	
Other account receivable	41,964,639.42	41,964,639.42	
Including: Interest receivable	7,880,186.85	7,880,186.85	
Dividend receivable	661,434.48	661,434.48	
Inventories	339,728,296.66	339,728,296.66	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	11,930,690.86	11,930,690.86	
Total current assets	7,355,869,190.26	7,355,869,190.26	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	1,698,744,114.99	1,698,744,114.99	
Investment in other equity instrument			
Other non-current financial assets	45,000,000.00	45,000,000.00	

Investment real estate	7,314,721.80	7,314,721.80	
Fixed assets	1,138,092,635.67	1,138,092,635.67	
Construction in progress	106,575,581.28	106,575,581.28	
Productive biological assets			
Oil and natural gas assets			
Right-of-use assets			
Intangible assets	483,887,751.05	483,887,751.05	
Research and development costs	56,295,271.74	56,295,271.74	
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	77,849,317.77	77,849,317.77	
Other non-current assets			
Total non-current assets	3,613,759,394.30	3,613,759,394.30	
Total assets	10,969,628,584.56	10,969,628,584.56	
Current liabilities			
Short-term borrowings	1,009,757,944.82	1,009,757,944.82	
Trading financial liability	1,016,052.00	1,016,052.00	
Derivative financial liability			
Notes payable	1,936,867,907.42	1,936,867,907.42	
Account payable	1,497,704,307.48	1,497,704,307.48	
Accounts received in advance	147,365,864.56		-147,365,864.56
Contractual liability		147,365,864.56	147,365,864.56
Wage payable	39,633,867.87	39,633,867.87	
Taxes payable	20,427,731.13	20,427,731.13	
Other accounts payable	520,559,494.30	520,559,494.30	
Including: Interest payable	13,175,235.76	13,175,235.76	
Dividend	3,579,491.94	3,579,491.94	

payable			
Liability held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	5,173,333,169.58	5,173,333,169.58	
Non-current liabilities:			
Long-term loans	401,280,000.00	401,280,000.00	
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long term employee compensation payable	13,774,110.61	13,774,110.61	
Accrued liabilities	158,742,319.21	158,742,319.21	
Deferred income	67,664,815.53	67,664,815.53	
Deferred income tax liabilities	742,725.60	742,725.60	
Other non-current liabilities			
Total non-current liabilities	642,203,970.95	642,203,970.95	
Total liabilities	5,815,537,140.53	5,815,537,140.53	
Owners' equity:			
Share capital	1,044,597,881.00	1,044,597,881.00	
Other equity instrument			
Including: preferred stock			
Perpetual capital securities			
Capital public reserve	2,753,017,007.10	2,753,017,007.10	
Less: Inventory shares			
Other comprehensive income			

Special reserve			
Surplus reserve	410,568,694.52	410,568,694.52	
Retained profit	945,907,861.41	945,907,861.41	
Total owner's equity	5,154,091,444.03	5,154,091,444.03	
Total liabilities and owner's equity	10,969,628,584.56	10,969,628,584.56	

#### Statement of adjustment

The Company implemented the Accounting Standards for Business Enterprise No.14- Revenue (Cai Kuai [2017] No.22) since 1 January 2020, the “Accounts received in advance” will list as “Contractual liability”.

## 2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

### III. Audit report

Whether the 3<sup>rd</sup> quarterly report has been audited or not

Yes No

The 3<sup>rd</sup> quarterly report of the Company has not been audited.

Changhong Meiling Co., Ltd.

Chairman: Wu Dinggang

20 October 2020