



# **2020 Third Quarter Report**

**Of**

**Chongqing Changan Automobile Company Limited**

**October, 2020**

## Chapter 1 Important Notes

The Board of Directors, the Supervisory Committee and directors, supervisors and senior management of Chongqing Changan Automobile Company Limited (hereinafter referred to as “the Company”) hereby guarantee that no false or misleading statement or major omission was made to the materials in this report and that they will assume all the responsibilities, individually and jointly, for the trueness, accuracy and completeness of the contents of this report.

Except the following directors, all the directors attended the board meeting for reviewing the third quarter report.

The name of the directors absent	Positions	Reasons for the absence	Name of the consignee
Tan Xiaogang	Director	Go out on business	Zhou Zhiping
Chen Quanshi	Independent director	Go out on business	Pang Yong
Wei Xinjiang	Independent director	Go out on business	Liu Jipeng
Lv Laisheng	Director	Go out on business	--

The Chairman of the Board Zhu Huarong, the Chief Financial Officer Zhang Deyong and the responsible person of the accounting institution (Accountant in charge) Chen Jianfeng hereby declare that the Financial Statements enclosed in this report are true, accurate and complete.

## Chapter 2 Basic Information

### I. Main accounting data and financial indicators

Does the company conduct the retrospective adjustment or restatement of previous years accounting data due to changes in accounting policies or accounting errors?

Yes No

In RMB Yuan

	The reporting period	The same period of last year		Variance (%)
Total assets	111,454,983,833.18	97,617,053,590.38		14.18%
Net assets attributable to shareholders of listed company	47,574,285,870.08	44,028,312,743.66		8.05%
	The reporting period	Variance (%)	Amount of the period from the beginning of year to the end of report term	Variance (%)
Operating income	23,059,924,854.44	51.32%	55,841,582,333.54	23.77%
Net profit attributable to shareholders of the Company	883,806,569.75	309.70%	3,485,972,972.43	230.98%
Net profit excluding non-recurring gains and losses attributable to shareholders of listed company	519,048,534.49	183.52%	-2,097,839,766.98	40.63%
cash flow from operating activities	-	-	7,019,439,880.31	86.80%
Basic earnings per share	0.18	325.00%	0.73	232.73%
Diluted earnings per share	-	-	-	-
Weighted average return on net assets	1.93%	Increase by 2.89 percentage points	7.61%	Increase by 13.54 percentage points

Accidental gain/loss item and amount

Applicable  Not applicable

In RMB Yuan

Item	Amount of the period from the beginning of year to the end of report term
Non-current asset disposal gains and losses	3,547,958,240.58
Government subsidies included in the profit and loss of the current period (Except closely related to business operations, in accordance with the national unified standard quota or quantitative enjoyment of government subsidies)	404,396,688.75

In addition to the effective hedging business related to the normal business of the company, the gains and losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and disposal of transactional financial assets, derivative finance Investment income from assets, trading financial liabilities, derivative financial liabilities and other debt investments	1,960,648,739.46
Gains and losses from entrusted loans	10,344,929.28
Other non-business income and expenditures other than the above items	-11,478,048.37
Interest on deferred payment of funds received by non-financial enterprises	33,690,992.81
Subtract: Influenced amount of income tax	341,014,560.27
Influenced amount of minority shareholders' equity (after tax)	20,734,242.83
Total	5,583,812,739.41

According to "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" defined non-recurring items ,and Public offering of securities information disclosure of the company's information disclosure announcement No. 1 - non-recurring gains and losses "The items listed in the non-recurring items defined as recurring items shall be explained .

Applicable  Not applicable

The company in the reporting period does not base on the definition and listing of "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" about non-recurring gains and losses to define a case of recurring profit or loss.

## II. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten tradable shareholders

### 1. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten shareholders

Unit: share

As of the reporting period, the total number of shareholders	137,049	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)	0			
Top 10 Shareholders						
Name of the shareholder	Properties of shareholder	Percentage of total shares (%)	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
China South Industries Group Co., Ltd.	State-owned legal person shares	20.84%	1,001,080,085		No pledge or frozen	-
China Changan Automobile Co.,	State-owned legal person	19.32%	928,044,946		No pledge or	-

Ltd.	shares				frozen	
China securities finance Co, Ltd	domestic general legal person shares	4.88%	234,265,333		No pledge or frozen	
Hong Kong Central Clearing Company Limited	foreign legal person shares	4.79%	229,847,911		No pledge or frozen	
United Prosperity (Hong Kong) Investment Co., Limited.	foreign legal person shares	3.21%	154,120,237		No pledge or frozen	
Central Huijin Investment Ltd.	domestic general legal person shares	1.15%	55,393,100		No pledge or frozen	
GIC PRIVATE LIMITED	foreign legal person shares	0.73%	35,283,393		No pledge or frozen	
DRAGON BILLION SELECT MASTER FUND	foreign legal person shares	0.57%	27,561,583		No pledge or frozen	
Qianhai Life Insurance Co., Ltd.-own funds	fund, finance products, etc.	0.57%	27,162,766		No pledge or frozen	
CAPE ANN GLOBAL DEVELOPING MARKETS FUND	foreign legal person shares	0.50%	24,130,860		No pledge or frozen	
Top 10 holders of unconditional shares						
Name of the shareholder	Amount of shares without sales restriction	Category of shares				
		Category of shares	Category of shares			
China South Industries Group Co., Ltd.	1,001,080,085	RMB ordinary shares	1,001,080,085			
China Changan Automobile Co., Ltd.	928,044,946	RMB ordinary shares	928,044,946			
China securities finance Co, Ltd	234,265,333	RMB ordinary shares	234,265,333			
Hong Kong Central Clearing Company Limited	229,847,911	RMB ordinary shares	229,847,911			
United Prosperity (Hong Kong) Investment Co., Limited.	154,120,237	Domestic listed foreign shares	154,120,237			
Central Huijin Investment Ltd.	55,393,100	RMB ordinary shares	55,393,100			
GIC PRIVATE LIMITED	35,283,393	Domestic listed foreign shares	35,283,393			
DRAGON BILLION SELECT MASTER FUND	27,561,583	Domestic listed foreign shares	27,561,583			
Qianhai Life Insurance Co., Ltd.-own funds	27,162,766	RMB ordinary shares	27,162,766			
CAPE ANN GLOBAL DEVELOPING MARKETS FUND	24,130,860	Domestic listed foreign shares	24,130,860			
Explanation on the relationship and the action alike of above shareholders	Among the top 10 shareholders, China South Industries Group Co., Ltd., the actual controller; China Changan Automobile Group Co., Ltd., the controlling shareholder, and its wholly owned subsidiary United Prosperity					

	(Hong Kong) Investment Co., Limited. belong to the concerted actor regulated by “Disclosure Administration of Shares Change Information of The Listed Company”.
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Whether the company top 10 shareholders of ordinary shares, and the top 10 circulated shareholders agreed on the repurchase transactions during the report period

Applicable Not Applicable

The top 10 shareholders of ordinary shares, and the top 10 circulated shareholders have not agreed on the repurchase transactions during the report period

**2. Total number of preferred shareholders at the end of the reporting period and statement on preferred shares held by the top ten tradable shareholders**

Applicable Not Applicable

## Chapter 3 Important Matters

### I. Significant changes & reasons in major accounting data, financial indicators

√Applicable □Not Applicable

In RMB Yuan				
Number	Balance Sheet Items	Sep. 30 <sup>th</sup> ,2020	Jan. 1st, 2020	Changes (%)
1	Cash	21,523,795,949.13	10,066,171,353.48	113.82%
2	Transactional financial assets	417,297,862.80	2,419,476,200.00	-82.75%
3	Accounts receivable	2,168,748,567.22	838,314,076.82	158.70%
4	Inventories	4,854,582,355.32	3,375,441,488.37	43.82%
5	Contract assets	1,795,811,136.71	3,462,221,902.09	-48.13%
6	Other current assets	999,687,355.44	1,746,120,128.04	-42.75%
7	Short-term loans	380,000,000.00	229,580,000.00	65.52%
8	Contract liabilities	5,289,446,772.53	2,315,641,685.78	128.42%
9	Other payables	2,847,502,506.48	4,809,918,141.45	-40.80%
10	Long-term loans	1,555,300,000.00	55,300,000.00	2712.48%
	<b>Income Statement Items</b>	<b>Jan-Sep 2020</b>	<b>Jan-Sep 2019</b>	<b>Changes (%)</b>
11	Tax and surcharges	2,076,509,817.05	1,579,840,592.98	31.44%
12	General and administrative expenses	2,360,629,505.98	1,559,033,968.43	51.42%
13	Other income	404,396,688.75	762,226,068.65	-46.95%
14	Investment income	3,524,898,587.68	-522,405,370.82	774.74%
15	Gains from changes in fair value	1,816,243,496.56	127,407,169.45	1325.54%
16	Income tax expense	-318,261,022.83	141,920,459.01	-324.25%
17	Net profit attributable to owners	3,485,972,972.43	-2,661,510,402.32	230.98%
	<b>Cash Flow Statement Items</b>	<b>Jan-Sep 2020</b>	<b>Jan-Sep 2019</b>	<b>Changes (%)</b>
18	Net cash flows from operating activities	7,019,439,880.31	3,757,823,903.36	86.80%
19	Net cash flows from investing activities	2,873,739,202.45	-3,172,586,837.66	190.58%
20	Net cash flows from financing activities	1,492,765,197.42	-413,937,943.57	460.63%
21	Net increase of cash and cash equivalents	11,344,467,853.86	202,190,712.04	5510.78%

As at the end of reporting period, the company's total asset was 111.455 billion yuan, with 14.18% increase compared with the beginning of the year. The total liability was 63.997 billion yuan, with 19.17% increase compared with the beginning of the year. The debt asset ratio was 57.40%, which was 2.41 percentage points higher than that at the beginning of the year. The substantial increase in cash was mainly due to the net cash inflow from operating activities and investment activities during the current period. Transactional financial assets decreased significantly, mainly due to the sale of transactional financial assets. The

significant increase in accounts receivable was mainly due to the changes in the scope of consolidation during the current period. The accounts receivable in the original consolidation scope were converted into accounts receivable outside the consolidation scope. Inventories increased substantially, mainly due to the increase in Inventories. Contract assets increased substantially, mainly due to new energy vehicle subsidies received this year. Other current assets decreased significantly, mainly due to the decrease in the debit balance of value-added tax payable. Short-term loans increased significantly due to the company's new borrowings. Contract liabilities increased significantly, mainly due to the increase in advance payments from dealers. Other payables decreased significantly, mainly due to the transfer of CAPSA disposal funds into investment income. The substantial increase in long-term loans was due to the company's new special loans this year.

During the reporting period, taxes and surcharges increased sharply, mainly due to the increase in income, which caused the increase in value-added tax, consumption tax and surcharges. The general and administrative expenses increased significantly, mainly due to changes in organization and prepaid wages. Other income decreased significantly, mainly due to the decrease in government financial subsidies obtained. Investment income increased significantly, mainly due to the income from the mixed reform of new energy technology companies and the sale of CAPSA equity. Gains from changes in fair value increased significantly, mainly due to changes in fair value of transactional financial assets. Income tax expense decreased significantly, mainly due to the increase in deductible temporary differences. The net profit attributable to the owners increased significantly, mainly due to the company's sales growth, product structure optimization, substantial improvement in profitability of independent businesses, and steady increase in profitability of joint venture businesses. At the same time, non-recurring gains and losses increased by approximately 5.6 billion yuan in net profit attributable to shareholders of listed companies.

During the reporting period, the net increase of cash and cash equivalents increased significantly, mainly due to the net cash inflow from operating activities and investment activities during the current period. The net cash flow from operating activities increased significantly, mainly due to the increase in cash received from sales of goods and provision of labor services. The net cash flow from investment activities increased significantly, mainly due to the sale of transactional financial assets. The net cash flow from financing activities increased significantly, mainly due to the increase in borrowings.

## II. The progress and influence of significant events and the analysis and explanation on resolving proposal

Applicable Not Applicable

### (1) Non-public offering of shares

On April 27, 2020, the company held the 64th meeting of the seventh board of directors, at which 13 proposals including the "Proposal on the Company's Non-public Issuance of A Shares" were reviewed and approved, and the company plans to issue non-public shares to specific targets. The total amount of raised funds does not exceed 6 billion yuan (including this figure). For details, please refer to the relevant announcement disclosed by the company on the <http://www.cninfo.com.cn> on April 28, 2020.

On May 22, 2020, this matter was approved by the 2019 Annual General Meeting of Shareholders (Announcement No.: 2020-44).

On June 9, 2020, the company received the application acceptance form for administrative license of China Securities Regulatory Commission (Announcement No.: 2020-52).

On July 24, 2020, the company held the third meeting of the eighth session of the board of directors, and approved 5 proposals including the "Proposal on Adjusting the Company's 2020 Non-public Issuance of A Shares-The Validity Period of Resolutions of the General Meeting of Shareholders". For details, please refer to the relevant announcement disclosed by the company on the <http://www.cninfo.com.cn> website on July 25, 2020.

On August 10, 2020, the relevant adjustment proposal was approved by the third extraordinary general meeting of shareholders in 2020 (Announcement No.: 2020-74).



On September 18, 2020, the company received the "Reply for the Approval of Non-public Issuance of Shares by Chongqing Changan Automobile Co., Ltd." issued by the China Securities Regulatory Commission (Announcement No.: 2020-84).

## (2) Free transfer matters

On April 18, 2020, the company disclosed the "Indicative Announcement Concerning the Gratuitous Transfer of 0.71% Equity of the Company by the Actual Controller" (Announcement No.: 2020-18). The company's actual controller, China South Industries Group has signed a free transfer agreement with China Power Technology Investment Holdings Co., Ltd. (hereinafter referred to as "China Power Technology Investment Holdings") to transfer 34,232,588 shares of Changan Automobile for free., which accounts for 0.71% of the company's total issued shares.

On May 29, 2020, the company disclosed the "Announcement on Obtaining the Approval of the State-owned Assets Supervision and Administration Commission of the State Council for the Gratuitous Transfer of the Company's Equity by the Actual Controller" (Announcement No.: 2020-45). On June 19, 2020, the company disclosed the "Announcement on the Completion of Transfer Registration for the Gratuitous Transfer of State-owned Equity of the Actual Controller" (Announcement No.: 2020-54), confirming that the transfer and registration procedures of the above-mentioned freely transferred shares was completed, and the transfer date was June 18, 2020.

## (3) Equity incentive matters

On July 13, 2020, the company held the second meeting of the eighth session of the board of directors and approved three proposals related to the restricted stock incentive plan. For details, please refer to the "Announcement of Resolutions of the Second Meeting of the Eighth Board of Directors" (Announcement number: 2020-63).

Implementation progress of share repurchase

Applicable Not Applicable

Progress in the implementation of the reduction of share repurchase by centralized bidding

Applicable Not Applicable

## III. Commitments made within the reporting period by the controlling shareholders, shareholders, related party, acquirer and the company overdue and not fulfilled

Applicable Not Applicable

During the reporting period, the company's actual controllers, shareholders, related parties, purchasers and companies and other commitment parties don't have any overdue unfulfilled commitments.

## IV. Securities investment

### (1)Equity-holdings in financial enterprises

Applicable Not Applicable

Securities variety	Securities code	Securities short name	Initial investment cost (Yuan)	Number of shares held at the beginning of the period (Share)	Percentage of shares held at the beginning of the period	Number of shares held at the end of the period (Share)	Percentage of shares held at the end of the period	Book value at the end of the period (Yuan)	Reporting period profit and loss (Yuan)	Accounting account	Source of shares
Stock	600369	Southwest Securities	50,000,000	35,500,000	0.63%	33,630,000	0.51%	176,893,800.00	6,856,244.22	Transactional financial assets	Initial investment

Stock	300750	CATL	1,000,000,821	22,999,575	1.06%	1,149,159	0.05%	240,404,062.80	1,960,539,622.40	Transactional financial assets	Initial investment
Total			1,050,000,821	58,499,575	--	34,779,159	--	417,297,862.80	1,967,395,866.62	--	--

**(2) Derivative Investments**

Applicable  Not applicable

**V. Progress of investment projects with raised funds**

Applicable  Not applicable

**VI. Forecast of operation performance of 2020**

The warning or a reason for a loss or a significant change of cumulative net profit from the beginning of the year to the end of the next reporting period compared with the same period of last year

Applicable  Not Applicable

**VII. Major contracts for daily operations**

Applicable  Not applicable

**VIII. Entrusted financial management**

Applicable  Not Applicable

During the reporting period, there is no entrusted financial management.

**IX. Illegal external guarantee**

Applicable  Not Applicable

The company doesn't violate the rules of external guarantee during the reporting period.

**X. Controlling shareholder and its related parties to the listing Corporation's non-operating funds**

Applicable  Not Applicable

During the reporting period, there is no non-operating capital occupied by the controlling shareholder and its related parties to the listed company.

**XI. Interviews and visits in the reporting period**

Applicable  Not Applicable

Date	Manner	Object	Content discussed and material offered
2020.01.14	On-Site Survey	Institution	For details, see the January 16, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: January 14, 2020

			investor relations activities record sheet
2020.01.21	On-Site Survey	Institution	For details, see the January 21, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: January 21, 2020 investor relations activities record sheet
2020.04.30	"Panorama·Roadshow World" Webcast	All investors	For details, see the May 6, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: April 30, 2020 investor relations activities record sheet
2020.05.07	Telephone conference	Institution	For details, see the May 9, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: May 7, 2020 investor relations activities record sheet
2020.05.08	Telephone conference	Institution	For details, see the May 9, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: May 8, 2020 investor relations activities record sheet
2020.05.12	Telephone conference	Institution	For details, see the May 14, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: May 12, 2020 investor relations activities record sheet(1)
2020.05.12	On-Site Survey	Institution	For details, see the May 14, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: May 12, 2020 investor relations activities record sheet(2)
2020.06.24	On-Site Survey	Institution	For details, see the June 28, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: June 24, 2020 investor relations activities record sheet
2020.07.14	Telephone conference	Institution	For details, see the July 17, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: July 14, 2020 investor relations activities record sheet
2020.07.15	Telephone conference	Institution	For details, see the July 17, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: July 15, 2020 investor relations activities record sheet
2020.07.16	Telephone conference	Institution	For details, see the July 17, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: July 16, 2020 investor relations activities record sheet
2020.07.17	On-Site Survey	Institution	For details, see the July 21, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: July 17, 2020 investor relations activities record sheet
2020.08.31	On-Site Survey	Institution	For details, see the September 2, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: August 31, 2020 investor relations activities record sheet
2020.09.01	On-Site Survey	Institution	For details, see the September 3, 2020 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: September 1, 2020 investor relations activities record sheet

## Chapter 4 Financial Statements

### I. Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

In RMB Yuan

Account	September 30, 2020	December 31, 2019
Current assets:		
Cash	21,523,795,949.13	10,066,171,353.48
Transactional financial assets	417,297,862.80	2,419,476,200.00
Notes receivable	30,413,714,401.95	26,805,635,587.19
Accounts receivable	2,168,748,567.22	838,314,076.82
Prepayments	704,484,935.11	623,801,896.07
Other receivables	252,819,974.76	3,731,755,992.46
Inventories	4,854,582,355.32	3,375,441,488.37
Contract assets	1,795,811,136.71	-
Other current assets	999,687,355.44	1,746,120,128.04
Total current assets	63,130,942,538.44	49,606,716,722.43
Non-current assets:		
Long-term receivables	12,285,663,719.73	11,008,336,989.09
Other equity investment	731,506,100.00	734,506,100.00
Investment properties	6,932,816.05	7,102,849.72
Fixed assets	25,868,780,947.38	26,939,490,554.19
Construction in progress	1,983,254,088.69	1,729,803,028.43
Intangible assets	5,005,050,384.40	5,209,619,313.49
Development expenditure	656,321,457.16	814,745,464.20
Goodwill	42,586,584.41	9,804,394.00
Long-term deferred expenses	11,178,367.22	14,327,639.90
Deferred tax assets	1,732,766,829.70	1,542,600,534.93
Total non-current assets	48,324,041,294.74	48,010,336,867.95

Total assets	111,454,983,833.18	97,617,053,590.38
Current liabilities:		
Short-term loans	380,000,000.00	229,580,000.00
Notes payable	17,247,043,895.19	13,430,543,294.23
Accounts payable	21,767,207,102.05	18,905,725,271.50
Advances from customers	-	2,315,641,685.78
Contract liabilities	5,289,446,772.53	-
Payroll payable	1,447,674,590.20	1,046,335,781.91
Taxes payable	747,018,131.42	889,092,442.80
Other payables	2,847,502,506.48	4,809,918,141.45
Other current liabilities	5,097,986,867.56	4,253,942,761.77
Total current liabilities	54,823,879,865.43	45,880,779,379.44
Non-current liabilities:		
Long-term loans	1,555,300,000.00	55,300,000.00
Long-term payable	733,843,848.69	857,356,423.71
Long term payroll payable	42,757,719.81	45,932,000.00
Estimated liabilities	3,333,071,776.86	3,352,580,839.28
Deferred earnings	3,351,421,757.75	3,194,291,079.21
Deferred tax liabilities	136,332,297.60	296,742,890.29
Total non-current liabilities	9,152,727,400.71	7,802,203,232.49
Total liabilities	63,976,607,266.14	53,682,982,611.93
Owners' equity:		
Share capital	4,802,648,511.00	4,802,648,511.00
Capital reserves	5,366,097,594.66	5,366,097,594.66
Other Comprehensive Income	168,429,195.19	139,994,580.19
Special reserves	78,641,781.70	47,076,242.71
Surplus reserves	2,401,324,255.50	2,401,324,255.50
Retained earnings	34,757,144,532.03	31,271,171,559.60
Equity attributable to owners	47,574,285,870.08	44,028,312,743.66
Minority interests	-95,909,303.04	-94,241,765.21
<b>Total equity</b>	<b>47,478,376,567.04</b>	<b>43,934,070,978.45</b>
Total liabilities and owener's equity	111,454,983,833.18	97,617,053,590.38

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

**2. Balance Sheet**

In RMB Yuan

Account	September 30, 2020	December 31, 2019
<b>Current assets:</b>		
Cash	17,029,501,888.30	6,563,020,335.56
Transactional financial assets	176,893,800.00	184,245,000.00
Notes receivable	29,375,242,977.48	25,837,326,483.09
Accounts receivable	5,778,121,669.49	5,094,270,365.72
Prepayments	496,420,849.75	403,105,316.24
Other receivables	1,240,530,868.92	2,597,314,344.40
Inventories	3,074,491,279.82	1,735,570,691.28
Contract assets	1,172,197,092.60	-
Other current assets	389,992,598.91	798,430,035.62
<b>Total current assets</b>	<b>58,733,393,025.27</b>	<b>43,213,282,571.91</b>
<b>Non-current assets:</b>		
Long-term equity investments	15,124,868,084.61	16,052,319,271.82
Other equity investment	721,309,400.00	724,309,400.00
Fixed assets	19,285,216,175.68	20,301,231,002.41
Construction in progress	1,679,999,223.82	1,545,211,000.22
Intangible assets	3,656,821,788.41	4,030,438,649.57
Development expenditure	558,477,357.68	431,774,377.27
Long-term deferred expenses	7,428,051.29	9,719,259.84
Deferred tax assets	1,494,121,159.07	1,318,884,054.48
<b>Total non-current assets</b>	<b>42,528,241,240.56</b>	<b>44,413,887,015.61</b>
<b>Total assets</b>	<b>101,261,634,265.83</b>	<b>87,627,169,587.52</b>
<b>Current liabilities:</b>		
Short-term loans	310,000,000.00	29,580,000.00
Notes payable	14,490,288,462.75	11,983,445,725.06
Accounts payable	19,346,216,599.63	15,601,432,751.74
Advances from customers	-	1,870,992,349.08

Contract liabilities	4,871,687,965.73	-
Payroll payable	1,139,239,054.00	641,340,149.30
Taxes payable	575,189,732.39	453,619,905.66
Other payables	2,537,112,623.44	4,301,257,819.04
Other current liabilities	4,130,092,838.96	3,400,065,879.02
Total current liabilities	47,399,827,276.90	38,281,734,578.90
Non-current liabilities:		
Long-term loans	1,555,300,000.00	55,300,000.00
Long-term payable	162,300,028.54	285,768,478.89
Long term payroll payable	19,956,878.06	22,747,000.00
Estimated liabilities	2,485,065,446.17	2,413,434,397.36
Deferred earnings	2,141,455,899.06	2,135,615,106.85
Deferred tax liabilities	80,853,445.83	81,775,341.60
Total non-current liabilities	6,444,931,697.66	4,994,640,324.70
Total liabilities	53,844,758,974.56	43,276,374,903.60
Owners' equity:		
Share capital	4,802,648,511.00	4,802,648,511.00
Capital reserves	5,014,772,792.87	5,014,772,792.87
Other comprehensive income	259,380,413.58	259,380,413.58
Special reserves	21,064,487.30	19,917,658.63
Surplus reserves	2,401,324,255.50	2,401,324,255.50
Retained earnings	34,917,684,831.02	31,852,751,052.34
Total owners' equity	47,416,875,291.27	44,350,794,683.92
Total liabilities and owners' equity	101,261,634,265.83	87,627,169,587.52

### 3. Consolidated Income Statement of the reporting term

In RMB Yuan

Account	Current Period	Prior Period
1.Total operating revenue	23,059,924,854.44	15,239,641,870.97
Less:Operating cost	19,854,726,032.02	12,377,295,658.38
Tax and surcharges	870,223,433.60	499,570,118.20
Operating expenses	776,936,277.11	1,373,059,373.36

General and administrative expenses	1,196,476,733.07	715,873,415.81
Research and development expenses	832,151,987.62	506,613,694.43
Financial expenses	-56,682,430.59	-35,453,408.66
Add: Other income	188,418,733.47	141,492,994.54
Investment income	524,094,923.69	-414,068,660.88
Including: Investment income from associates and joint venture	309,260,124.00	-469,708,441.67
Gains from changes in fair value	62,568,799.56	87,070,018.18
Credit impairment loss	6,359,894.64	-4,361,637.66
Asset impairment loss	-1,970,600.37	-
Gain on disposal of assets	230,996.02	5,165,289.52
2. Operating profit	365,795,568.62	-382,018,976.85
Add: Non-operating income	8,485,196.78	5,135,954.79
Less: Non-operating expenses	-209,540.54	20,336,854.47
3. Total profit	374,490,305.94	-397,219,876.53
Less: Income tax expense	-508,192,319.47	25,352,762.93
4. Net profit	882,682,625.41	-422,572,639.46
Classification by going concern		
Net profit from continuing operations	882,682,625.41	-422,572,639.46
Net profit from discontinued operations		
Classification by ownership attribution		
Net profit attributable to owners	883,806,569.75	-421,470,641.21
Minority interests	-1,123,944.34	-1,101,998.25
5. Other comprehensive income, net of tax	21,667,675.63	13,299,672.07
Net after-tax net of other comprehensive income attributable to the parent company owner	21,667,675.63	13,299,672.07
Other comprehensive income that will be reclassified into profit or loss	21,667,675.63	13,299,672.07
Foreign currency financial statement translation difference	21,667,675.63	13,299,672.07
6. Total comprehensive income	904,350,301.04	-409,272,967.39
Total comprehensive income attributable to owners	905,474,245.38	-408,170,969.14
Total comprehensive income attributable to minority interest	-1,123,944.34	-1,101,998.25
7. Earnings per share		



Basic earnings per share	0.18	-0.08
Diluted earnings per share	Not applicable	Not applicable

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

#### 4. Income Statement of the reporting term

In RMB Yuan

Account	Current Period	Prior Period
1. Operating revenue	22,405,653,698.10	14,120,637,727.72
Less: Operating cost	19,804,992,963.20	12,031,564,713.41
Tax and surcharges	564,573,659.98	358,002,714.07
Operating expenses	761,720,910.64	968,592,956.55
General and administrative expenses	978,360,073.16	473,600,026.95
Research and development expenses	753,736,455.57	460,428,130.07
Financial expenses	-82,499,176.26	-32,976,211.68
Add: Other income	48,537,577.77	34,022,327.37
Investment income	3,286,330,730.80	-384,329,858.65
Including: Investment income from associates and joint venture	393,278,347.97	-431,385,259.48
Gains from changes in fair value	22,532,100.00	-15,265,000.00
Credit impairment loss	1,695,735.18	-2,514,873.36
Asset impairment loss	-	-
Gain on disposal of assets	-	3,009,509.76
2. Operating profit	2,983,864,955.56	-503,652,496.53
Add: Non-operating income	7,238,557.75	3,122,855.88
Less: Non-operating expenses	-	18,753,563.34
3. Total profit	2,991,103,513.31	-519,283,203.99
Less: Income tax expense	-90,372,920.40	-3,216,467.13
4. Net profit	3,081,476,433.71	-516,066,736.86
Net profit from continuing operations	3,081,476,433.71	-516,066,736.86
Net profit from discontinued operations		
5. Other comprehensive income, net of tax		
6. Total comprehensive income	3,081,476,433.71	-516,066,736.86
7. Earnings per share		
Basic earnings per share	0.64	-0.11

Diluted earnings per share	Not applicable	Not applicable
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## 5. Consolidated Income Statement from 1<sup>st</sup> January to 30<sup>th</sup> September

In RMB Yuan

Account	Current Period	Prior Period
1.Total operating revenue	55,841,582,333.54	45,115,421,967.81
Less: Operating cost	49,589,341,729.65	39,796,706,285.30
Tax and surcharges	2,076,509,817.05	1,579,840,592.98
Operating expenses	2,047,653,359.18	2,816,275,914.66
General and administrative expenses	2,360,629,505.98	1,559,033,968.43
Research and development expenses	2,296,706,411.04	2,226,773,353.31
Financial expenses	-154,735,975.97	-132,286,117.81
Add: Other income	404,396,688.75	762,226,068.65
Investment income	3,524,898,587.68	-522,405,370.82
Including: Investment income from associates and joint venture	-219,022,032.89	-578,045,151.61
Gains from changes in fair value	1,816,243,496.56	127,407,169.45
Credit impairment loss	-16,940,224.37	-13,891,371.32
Asset impairment loss	-210,213,218.08	-152,676,538.06
Gain on disposal of assets	33,659,642.99	14,557,748.80
2.Operating profit	3,177,522,460.14	-2,515,704,322.36
Add: Non-operating income	39,664,057.22	23,972,635.23
Less: Non-operating expenses	51,142,105.59	32,981,921.67
3.Total profit	3,166,044,411.77	-2,524,713,608.80
Less: Income tax expense	-318,261,022.83	141,920,459.01
4.Net profit	3,484,305,434.60	-2,666,634,067.81
Classification by going concern		
Net profit from continuing operations	3,484,305,434.60	-2,666,634,067.81
Net profit from discontinued operations		
Classification by ownership attribution		
Net profit attributable to owners	3,485,972,972.43	-2,661,510,402.32
Minority interests	-1,667,537.83	-5,123,665.49
5.Other comprehensive income, net of tax	28,434,615.00	35,867,520.20
Net after-tax net of other comprehensive income	28,434,615.00	35,867,520.20

attributable to the parent company owner		
Other comprehensive income that will be reclassified into profit or loss	28,434,615.00	35,867,520.20
Foreign currency financial statement translation difference	28,434,615.00	35,867,520.20
6.Total comprehensive income	3,512,740,049.60	-2,630,766,547.61
Total comprehensive income attributable to owners	3,514,407,587.43	-2,625,642,882.12
Total comprehensive income attributable to minority interest	-1,667,537.83	-5,123,665.49
7.Earnings per share		
Basic earnings per share	0.73	-0.55
Diluted earnings per share	Not applicable	Not applicable

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

## 6. Income Statement from 1<sup>st</sup> January to 30<sup>th</sup> September

In RMB Yuan

Account	Current Period	Prior Period
1.Operating revenue	52,164,573,595.47	40,925,746,049.94
Less: Operating cost	47,716,851,866.23	36,669,471,484.36
Tax and surcharges	1,326,595,162.77	1,213,169,611.10
Operating expenses	1,722,760,567.36	1,870,809,533.03
General and administrative expenses	1,704,843,597.33	781,474,535.63
Research and development expenses	2,134,550,600.79	2,170,651,071.80
Financial expenses	-180,469,941.05	-121,729,573.14
Add: Other income	106,422,387.91	440,862,305.46
Investment income	5,603,470,503.46	-458,228,680.98
Including: Investment income from associates and joint venture	-36,967,363.11	-509,433,452.89
Gains from changes in fair value	1,232,100.00	36,565,000.00
Credit impairment loss	-19,418,826.10	-6,896,127.61
Asset impairment loss	-162,746,163.89	-141,818,001.51
Gain on disposal of assets	-10,976,304.75	9,756,936.37
2.Operating profit	3,257,425,438.67	-1,777,859,181.11
Add: Non-operating income	30,164,079.45	17,355,197.17
Less: Non-operating expenses	43,916,807.17	27,472,289.72

3.Total profit	3,243,672,710.95	-1,787,976,273.66
Less: Income tax expense	-176,159,000.35	96,571,829.17
4.Net profit	3,419,831,711.30	-1,884,548,102.83
Net profit from continuing operations	3,419,831,711.30	-1,884,548,102.83
Net profit from discontinued operations		
5.Other comprehensive income, net of tax		
6.Total comprehensive income	3,419,831,711.30	-1,884,548,102.83
7.Earnings per share		
Basic earnings per share	0.71	-0.39
Diluted earnings per share	Not applicable	Not applicable

## 7. Consolidated cash flow statement

In RMB Yuan

Account	Current Period	Prior Period
1.Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	59,930,321,923.05	52,195,863,813.18
Refunds of taxes	360,670,888.01	370,518,656.33
Cash received relating to other operating activities	2,075,715,232.73	4,051,700,128.82
Subtotal of cash inflows	62,366,708,043.79	56,618,082,598.33
Cash paid for goods and services	43,414,997,218.34	41,039,472,205.53
Cash paid to and on behalf of employees	3,908,561,563.58	4,256,843,195.40
Cash paid for all types of taxes	2,917,091,828.88	2,275,961,263.72
Cash paid relating to other operating activities	5,106,617,552.68	5,287,982,030.32
Subtotal of cash outflows	55,347,268,163.48	52,860,258,694.97
Net cash flows from operating activities	7,019,439,880.31	3,757,823,903.36
2.Cashflows from investing activities:		
Cash received from return on investments	1,763,103,867.38	-
Cash received from investment income	4,123,878,052.39	1,382,556,705.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	48,841,644.04	9,246,980.58
Cash received relating to other investing activities	18,790,704.55	2,198,000.00
Subtotal of cash inflows	5,954,614,268.36	1,394,001,686.53

Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,826,038,840.71	3,313,861,816.59
Cash paid for acquisition of investments	150,604,996.00	936,788,517.00
Cash paid relating to other investing activities	104,231,229.20	315,938,190.60
Subtotal of cash outflows	3,080,875,065.91	4,566,588,524.19
Net cash flows from investing activities	2,873,739,202.45	-3,172,586,837.66
3.Cash flows from financing activities:		
Cash received from borrowing	2,011,525,472.30	85,580,000.00
Cash received relating to other financing activities	243,609,412.22	6,166,032.98
Subtotal of cash inflows	2,255,134,884.52	91,746,032.98
Cash repayments of borrowings	361,105,472.30	52,708,100.00
Cash paid for distribution of dividends or profits and interest expenses	31,841,983.79	119,340,285.40
Cash paid relating to other financing activities	369,422,231.01	333,635,591.15
Subtotal of cash outflows	762,369,687.10	505,683,976.55
Net cash flows from financing activities	1,492,765,197.42	-413,937,943.57
4.Effect of changes in exchange rate on cash	-41,476,426.32	30,891,589.91
5.Net increase in cash and cash equivalents	11,344,467,853.86	202,190,712.04
Add: Opening balance of cash and cash equivalents	9,360,474,674.89	9,648,153,614.80
6.Closing balance of cash and cash equivalents	20,704,942,528.75	9,850,344,326.84

## 8. Cash Flow Statement

In RMB Yuan

Account	Current Period	Prior Period
1.Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	52,480,910,634.81	47,436,005,517.08
Cash received relating to other operating activities	723,986,897.62	2,387,245,384.10
Subtotal of cash inflows	53,204,897,532.43	49,823,250,901.18
Cash paid for goods and services	39,732,970,912.48	37,783,862,965.51
Cash paid to and on behalf of employees	2,833,913,413.03	2,963,826,773.83

Cash paid for all types of taxes	1,539,194,258.50	1,594,920,019.03
Cash paid relating to other operating activities	3,406,567,463.74	4,938,851,025.43
Subtotal of cash outflows	47,512,646,047.75	47,281,460,783.80
Net cash flows from operating activities	5,692,251,484.68	2,541,790,117.38
2.Cashflows from investing activities:		
Cash received from return on investments	1,942,989,489.98	-
Cash received from investment income	3,916,753,315.02	1,389,178,372.61
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	93,034.76	-
Cash received relating to other investing activities	16,388,900.00	-
Subtotal of cash inflows	5,876,224,739.76	1,389,178,372.61
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,738,710,737.94	3,084,777,049.44
Cash paid for acquisition of investments	1,127,218,581.00	997,294,972.55
Cash paid relating to other investing activities	-	300,000,000.00
Subtotal of cash outflows	2,865,929,318.94	4,382,072,021.99
Net cash flows from investing activities	3,010,295,420.82	-2,992,893,649.38
3.Cash flows from financing activities:		
Cash received from borrowings	1,839,580,000.00	29,580,000.00
Subtotal of cash inflows	1,839,580,000.00	29,580,000.00
Cash paid for debt repayment	59,160,000.00	-
Cash paid for distribution of dividends or profits and interest expenses	16,485,352.76	105,545,010.80
Subtotal of cash outflows	75,645,352.76	105,545,010.80
Net cash flows from financing activities	1,763,934,647.24	-75,965,010.80
4.Effect of changes in exchange rate on cash	-	-
5.Net increase in cash and cash equivalents	10,466,481,552.74	-527,068,542.80
Add: Opening balance of cash and cash equivalents	6,563,020,335.56	7,310,973,018.99
6.Closing balance of cash and cash equivalents	17,029,501,888.30	6,783,904,476.19

## II. Notes on financial statement adjustments

### 1. Since 2020, the first implementation of the new revenue standards, the new lease standards to adjust the first implementation of the financial statements at the beginning of the year.

√Applicable    □Not Applicable

Consolidated balance sheet

In RMB Yuan

Account	December 31, 2019	January 01, 2020	Adjustment
Current assets:			
Cash	10,066,171,353.48	10,066,171,353.48	
Transactional financial assets	2,419,476,200.00	2,419,476,200.00	
Notes receivable	26,805,635,587.19	26,805,635,587.19	
Accounts receivable	838,314,076.82	838,314,076.82	
Prepayments	623,801,896.07	623,801,896.07	
Other receivables	3,731,755,992.46	269,534,090.37	-3,462,221,902.09
Inventories	3,375,441,488.37	3,375,441,488.37	
Contract assets		3,462,221,902.09	3,462,221,902.09
Other current assets	1,746,120,128.04	1,746,120,128.04	
Total current assets	49,606,716,722.43	49,606,716,722.43	
Non-current assets:			
Long-term receivables	11,008,336,989.09	11,008,336,989.09	
Other equity investment	734,506,100.00	734,506,100.00	
Investment properties	7,102,849.72	7,102,849.72	
Fixed assets	26,939,490,554.19	26,939,490,554.19	
Construction in progress	1,729,803,028.43	1,729,803,028.43	
Intangible assets	5,209,619,313.49	5,209,619,313.49	
Development expenditure	814,745,464.20	814,745,464.20	
Goodwill	9,804,394.00	9,804,394.00	
Long-term deferred expenses	14,327,639.90	14,327,639.90	
Deferred tax assets	1,542,600,534.93	1,542,600,534.93	
Total non-current assets	48,010,336,867.95	48,010,336,867.95	
Total assets	97,617,053,590.38	97,617,053,590.38	
Current liabilities:			
Short-term loans	229,580,000.00	229,580,000.00	
Notes payable	13,430,543,294.23	13,430,543,294.23	

Accounts payable	18,905,725,271.50	18,905,725,271.50	
Advances from customers	2,315,641,685.78		-2,315,641,685.78
Contract liabilities		2,315,641,685.78	2,315,641,685.78
Payroll payable	1,046,335,781.91	1,046,335,781.91	
Taxes payable	889,092,442.80	889,092,442.80	
Other payables	4,809,918,141.45	4,809,918,141.45	
Other current liabilities	4,253,942,761.77	4,253,942,761.77	
Total current liabilities	45,880,779,379.44	45,880,779,379.44	
Non-current liabilities:			
Long-term loans	55,300,000.00	55,300,000.00	
Long-term payable	857,356,423.71	857,356,423.71	
Long term payroll payable	45,932,000.00	45,932,000.00	
Estimated liabilities	3,352,580,839.28	3,352,580,839.28	
Deferred earnings	3,194,291,079.21	3,194,291,079.21	
Deferred tax liabilities	296,742,890.29	296,742,890.29	
Total non-current liabilities	7,802,203,232.49	7,802,203,232.49	
Total liabilities	53,682,982,611.93	53,682,982,611.93	
Owners' equity:			
Share capital	4,802,648,511.00	4,802,648,511.00	
Capital reserves	5,366,097,594.66	5,366,097,594.66	
Other Comprehensive Income	139,994,580.19	139,994,580.19	
Special reserves	47,076,242.71	47,076,242.71	
Surplus reserves	2,401,324,255.50	2,401,324,255.50	
Retained earnings	31,271,171,559.60	31,271,171,559.60	
Equity attributable to owners	44,028,312,743.66	44,028,312,743.66	
Minority interests	-94,241,765.21	-94,241,765.21	
Total equity	43,934,070,978.45	43,934,070,978.45	
Total liabilities and owener's equity	97,617,053,590.38	97,617,053,590.38	

## Statement of adjustment

On July 5, 2017, the Ministry of Finance revised and issued "Accounting Standards for Business Enterprises No. 14-Revenue" (Caihui [2017] No. 22). According to the requirements of the Ministry of Finance, companies listed at home and abroad at the same time, as well as listed overseas and adopt international Financial reporting standards or corporate accounting standards for companies that prepare financial statements will be implemented from January 1, 2018; other domestic listed companies will be implemented from January 1, 2020; non-listed companies that implement corporate accounting standards will be implemented from 2021. It will take effect on January 1. Due to the revision of the above corporate accounting standards, the company needs to adjust the relevant accounting policies originally adopted.

According to the time stipulated by the Ministry of Finance, the company will implement the new revenue standard from January 1, 2020.



## Balance sheet

In RMB Yuan

Account	December 31, 2019	January 01, 2020	Adjustment
<b>Current assets:</b>			
Cash	6,563,020,335.56	6,563,020,335.56	
Transactional financial assets	184,245,000.00	184,245,000.00	
Notes receivable	25,837,326,483.09	25,837,326,483.09	
Accounts receivable	5,094,270,365.72	5,094,270,365.72	
Prepayments	403,105,316.24	403,105,316.24	
Other receivables	2,597,314,344.40	941,161,145.80	-1,656,153,198.60
Inventories	1,735,570,691.28	1,735,570,691.28	
Contract assets		1,656,153,198.60	1,656,153,198.60
Other current assets	798,430,035.62	798,430,035.62	
<b>Total current assets</b>	<b>43,213,282,571.91</b>	<b>43,213,282,571.91</b>	
<b>Non-current assets:</b>			
Long-term equity investments	16,052,319,271.82	16,052,319,271.82	
Other equity investment	724,309,400.00	724,309,400.00	
Fixed assets	20,301,231,002.41	20,301,231,002.41	
Construction in progress	1,545,211,000.22	1,545,211,000.22	
Intangible assets	4,030,438,649.57	4,030,438,649.57	
Development expenditure	431,774,377.27	431,774,377.27	
Long-term deferred expenses	9,719,259.84	9,719,259.84	
Deferred tax assets	1,318,884,054.48	1,318,884,054.48	
<b>Total non-current assets</b>	<b>44,413,887,015.61</b>	<b>44,413,887,015.61</b>	
<b>Total assets</b>	<b>87,627,169,587.52</b>	<b>87,627,169,587.52</b>	
<b>Current liabilities:</b>			
Short-term loans	29,580,000.00	29,580,000.00	
Notes payable	11,983,445,725.06	11,983,445,725.06	
Accounts payable	15,601,432,751.74	15,601,432,751.74	
Advances from customers	1,870,992,349.08		-1,870,992,349.08
Contract liabilities		1,870,992,349.08	1,870,992,349.08
Payroll payable	641,340,149.30	641,340,149.30	
Taxes payable	453,619,905.66	453,619,905.66	
Other payables	4,301,257,819.04	4,301,257,819.04	

Other current liabilities	3,400,065,879.02	3,400,065,879.02	
Total current liabilities	38,281,734,578.90	38,281,734,578.90	
Non-current liabilities:			
Long-term loans	55,300,000.00	55,300,000.00	
Long-term payable	285,768,478.89	285,768,478.89	
Long term payroll payable	22,747,000.00	22,747,000.00	
Estimated liabilities	2,413,434,397.36	2,413,434,397.36	
Deferred earnings	2,135,615,106.85	2,135,615,106.85	
Deferred tax liabilities	81,775,341.60	81,775,341.60	
Total non-current liabilities	4,994,640,324.70	4,994,640,324.70	
Total liabilities	43,276,374,903.60	43,276,374,903.60	
Owners' equity:			
Share capital	4,802,648,511.00	4,802,648,511.00	
Capital reserves	5,014,772,792.87	5,014,772,792.87	
Other comprehensive income	259,380,413.58	259,380,413.58	
Special reserves	19,917,658.63	19,917,658.63	
Surplus reserves	2,401,324,255.50	2,401,324,255.50	
Retained earnings	31,852,751,052.34	31,852,751,052.34	
Total owners' equity	44,350,794,683.92	44,350,794,683.92	
Total liabilities and owners' equity	87,627,169,587.52	87,627,169,587.52	

## Statement of adjustment

On July 5, 2017, the Ministry of Finance revised and issued "Accounting Standards for Business Enterprises No. 14-Revenue" (Caihui [2017] No. 22). According to the requirements of the Ministry of Finance, companies listed at home and abroad at the same time, as well as listed overseas and adopt international Financial reporting standards or corporate accounting standards for companies that prepare financial statements will be implemented from January 1, 2018; other domestic listed companies will be implemented from January 1, 2020; non-listed companies that implement corporate accounting standards will be implemented from 2021. It will take effect on January 1. Due to the revision of the above corporate accounting standards, the company needs to adjust the relevant accounting policies originally adopted.

According to the time stipulated by the Ministry of Finance, the company will implement the new revenue standard from January 1, 2020.

## 2. Since 2020, the first implementation of the new income criteria, the new lease criteria retroactive adjustment of the preliminary comparison data.

Applicable Not Applicable

### III. Auditors' Report

Whether the third quarter report has been audited

Yes No

The third quarter report has not been audited.