

Stock Code: 688007

Stock Short Name: Appotronics



**Appotronics Corporation Limited**  
**The Third Quarter Report in 2020**

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## I. Important Notes

- 1.1 The Board of Directors, the Board of Supervisors, directors, supervisors and senior officers of the Company hereby warrant that the information contained in this Quarter Report is true, accurate and complete and this Quarter Report is free from any misrepresentation, misleading statement or material omission, and agree to assume joint and several liability for this Quarter Report.
- 1.2 All directors of the Company attended the meeting of the Board of Directors for deliberation of this Quarter Report.
- 1.3 BO Lianming, Principal of the Company; ZHAO Ruijin, the Person in Charge of the Accounting Body; and WEI Yanlin, the Chief Accountant (the Person in Charge of Accounting) hereby represent that the financial statements contained in this Quarter Report are true, accurate and complete.
- 1.4 The Company's third quarter report has not been audited.

## II. Basic Information

### 2.1 Major financial data

In RMB

	At the end of the reporting period	At the end of the prior year	Changes at the end of the reporting period from the end of the prior year (%)
Total assets	3,064,551,514.66	3,099,508,090.85	-1.13
Net assets attributable to shareholders of the listed company	2,012,293,789.69	1,974,559,837.64	1.91
	From the beginning of the year to the end of the reporting period (Jan.-Sep.)	From the beginning of the prior year to the end of the reporting period of the prior year (Jan.-Sep.)	Changes over the same period of the prior year (%)
Net cash flow from operating activities	113,316,743.29	54,312,138.69	108.64
	From the beginning of the year to the end of	From the beginning of the prior year to the end of the	Changes over the same period of the prior year (%)

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	the reporting period (Jan.-Sep.)	reporting period of the prior year (Jan.-Sep.)	
Operating income	1,238,398,708.87	1,351,772,312.07	-8.39
Net profits attributable to shareholders of the listed company	44,138,225.23	124,130,427.05	-64.44
Net profits attributable to shareholders of the listed company after deduction of non-recurring profits or losses	-11,822,043.71	90,158,518.82	-113.11
Weighted average return on net assets (%)	2.21	12.21	Decrease by 10%
Basic earnings per share (RMB/share)	0.10	0.31	-67.74
Diluted earnings per share (RMB/share)	0.10	0.31	-67.74
Proportion of R&D investments to the operating income (%)	11.83	10.16	Increase by 1.67%

**Operating Analysis**

In the third quarter, the Company recovered nicely, represented by a positive year-on-year growth in operating income and continuous improvement in profitability. Revenue in the third quarter amounted to RMB 522 million, achieving a positive growth, up 4.81% year on year and 27.68% month on month. During the reporting period, the net cash flow from operating activities was RMB 113 million, up 108.64% year on year.

1.The Company has demonstrated the strength of operations in fields of commercial education and engineering since household business developed fast and cinema business recovered continuously. In the third quarter, the Company's revenue in non-cinema businesses was RMB 450 million overall, up 58.47% year on year and 21.71% month on month, in which household products achieved a revenue amounting to RMB 250 million, up 138.45% year on year. During the reporting period, the Company's key subsidiary, Fengmi (Beijing) Technology Co., Ltd., as successfully introduced strategic investments, further accelerated the outbreak of laser display technology applications and promoted the rapid development of the laser display industry. The Company's cinema business revived strongly, as the revenue from the

cinema service recovering to 9.47%, 64.91% and 83.16% of that in the same period of last year in July, August and September respectively. With normal services available in cinemas, the Company has resumed its cinema service businesses basically.

2. The Company has achieved milestones in patent operation, including authorizing patent licenses to enterprises in intelligent projection industry with advanced and efficient core devices supplied, and concluding strategic cooperation agreements with partners, in which the partners would continue to purchase core device products from the Company in next five years, playing important roles for the development of the Company's core device business. These milestones are significant signs to evidence the Company's persistence on exploring operation mode of intellectual property rights and great efforts to protect core technology achievements, and further confirm the Company's leading role in original laser display technology.

3. The Company has made breakthrough progress in new products. The 100-inch flexible Fresnel anti-light screen firstly launched by the Company globally, has greatly enhanced the display effect by adopting the ALFA technology independently developed by the Company which was in advance in light shaping and light absorption, and by practicing the micro-nano structure and nano-coating design. Comparing with traditional products, this product is significantly advantaged in costs and performance. Now, as the Company can produce this product in mass, consumers will enjoy portable large-screen interactive entertainment experience due to its accessibility to various application scenarios.

4. Despite the impact of the COVID-19, the Company continues to make more investments in research and development in emerging areas, and has established the AR Division for providing a broad platform for the exploration of the "next curve" as technology innovation is the foot-stone of any enterprise. In the third quarter, the Company's R&D expenses were RMB 59,262,400, up 23.26% year on year. The Company has obtained 45 new domestic and foreign authorized patents, and applied 68 new domestic and foreign patents, including 55 domestic and foreign invention patents, and 31 new PCT international patents.

Items and amounts of non-recurring profit or loss

Applicable  N/A

In RMB

Item	Amount of the current period (Jul.-Sep.)	From the beginning of the year to the end of the reporting period (Jan.-Sep.)	Description
Profit or loss on disposal of non-current assets	162,789.52	208,729.85	
Government grants recognized in profit or loss other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	3,983,553.27	33,835,240.75	
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date	5,827,864.14	17,483,592.42	

recognized as a result of business combination of enterprises involving entities under common control			
Profit or loss on changes in the fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities and investment income on disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than those used in the effective hedging activities relating to normal operating business	1,934,383.56	12,759,177.27	
Other non-operating income or expenses other than the above	596,713.59	230,307.70	
Effects attributable to minority interests (net of tax)	-263,601.44	-2,201,678.67	
Income tax effects	-841,371.79	-6,355,100.38	
Total	11,400,330.85	55,960,268.94	

2.2 Total number of shareholders, and the shareholding of top ten shareholders and top ten unrestricted shareholders as of the end of reporting period

In Share

Total number of shareholders (account)		16,247					
The shareholding of top ten shareholders							
Shareholder name (full name)	Number of shares held at the end of the period	Proportion (%)	Number of restricted shares held	Number of restricted shares including shares leased out for refinancing business	Description of pledge or freeze		Nature of shareholders
					If pledged or frozen	Number	
Shenzhen Appotronics Holdings Limited	79,762,679	17.66	79,762,679	79,762,679	No	0	Non-state-owned corporation in China

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SAIF IV Hong Kong (China Investments) Limited	58,707,119	13.00	0	0	No	0	Oversea corporation
CITIC PE Investment (Hong Kong) 2016 Limited	41,774,562	9.25	0	0	No	0	Oversea corporation
Nantong Strait Appotronics Investment Partnership (LP)	25,064,737	5.55	0	0	No	0	Other
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	24,139,500	5.35	24,139,500	24,139,500	No	0	Other
Shenzhen Appotronics Daye Investment Partnership (LP)	20,430,250	4.52	20,430,250	20,430,250	No	0	Other
GREEN FUTURE HOLDINGS LIMITED	16,504,518	3.66	0	0	No	0	Oversea corporation
Shenzhen Appotronics Hongye Investment Partnership (LP)	15,662,374	3.47	15,662,374	15,662,374	No	0	Other
Shenzhen Jinleijing Investment Limited Partnership (LP)	12,353,106	2.74	12,353,106	12,353,106	No	0	Other
Shenzhen Chengguhui Equity Investment Partnership (LP)	10,443,640	2.31	0	0	No	0	Other
The shareholding of top ten shareholders of non-restricted shares							
Shareholder name	Number of unrestricted circulating shares	Category and number of shares					
		Category	Number				
SAIF IV Hong Kong (China Investments) Limited	58,707,119	RMB ordinary shares	58,707,119				
CITIC PE Investment (Hong Kong) 2016 Limited	41,774,562	RMB ordinary shares	41,774,562				

Nantong Strait Appotronics Investment Partnership (LP)	25,064,737	RMB ordinary shares	25,064,737
GREEN FUTURE HOLDINGS LIMITED	16,504,518	RMB ordinary shares	16,504,518
Shenzhen Chengguhui Equity Investment Partnership (LP)	10,443,640	RMB ordinary shares	10,443,640
SMART TEAM INVESTMENT LIMITED	6,799,660	RMB ordinary shares	6,799,660
CAI Kunliang	6,106,243	RMB ordinary shares	6,106,243
ShenZhen Xiaoxiang Junyi Asset Management Co., Ltd. -Junyi Private Placement No.1 Privately Offered Investment Funds	5,849,872	RMB ordinary shares	5,849,872
ZHENG Yongshi	5,833,817	RMB ordinary shares	5,833,817
Shenzhen Liansong Capital Management Limited Partnership (LP)	5,833,817	RMB ordinary shares	5,833,817
Explanation for related-party relationship or concerted actions among aforementioned shareholders	As of the end of the reporting period, the Company has received no statement from aforementioned shareholders to confirm there is a related-party relationship or concerted action, except the concerted action among Shenzhen Appotronics Holdings Limited, Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP), Shenzhen Appotronics Daye Investment Partnership ( LP), Shenzhen Appotronics Hongye Investment Partnership (LP), and Shenzhen Jinleijing Investment Limited Partnership (LP).		
Explanation on preferred shareholders of voting power recovered and shareholding numbers	N/A		

2.3 Total number of preferred shareholders, and the shareholding of top ten preferred shareholders and top ten unrestricted preferred shareholders as of the end of reporting period

Applicable  N/A

### III. Significant Events

3.1 Significant changes in the Company's main accounting line items and financial highlights and reasons thereof

Applicable  N/A



1. Changes in line items of the balance sheet and reasons thereof

In RMB

Item	September 30, 2020	December 31, 2019	Proportion of change (%)	Reason for change
Cash and bank balances	483,912,743.79	875,858,784.58	-44.75	Primarily due to increased oversea investments, more payments used for purchase of wealth management products, and repayment of certain borrowings in the current period
Accounts receivable	99,577,072.66	176,035,155.24	-43.43	Primarily due to changes in product sales structure and model in the current reporting period as influenced by COVID-19
Receivables financing	12,362,600.00	1,980,500.00	524.22	Primarily due to receipt of more bank acceptance bills in the current period
Inventories	477,741,934.81	299,966,170.35	59.27	Primarily due to increased material safety stock in response to COVID-19 and increased stock of finished goods in response to growth in the household business
Contract assets	2,953,407.97	-	N/A	Primarily due to the implementation of the new revenue standard
Long-term receivables	12,746,195.72	-	N/A	Primarily due to recognition of revenue from sales of products by installment with a financing nature in the current period
Long-term equity investments	271,239,198.05	139,534,371.94	94.39	Primarily due to recognition of investment in GDC and changes in investment income
Construction in progress	36,727,517.41	20,132,004.07	82.43	Primarily due to the increased investments in construction in progress of the headquarter building in the current period
Notes	116,480,308.72	37,335,841.79	211.98	Primarily due to more

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payable				payments made by bank acceptance bills in the current period
Contract liabilities	39,375,031.62	-	N/A	Primarily due to the implementation of the new revenue standard
Employee benefits payable	18,451,259.89	50,586,932.71	-63.53	Primarily due to the payment of 2019 year-end bonus in the current period
Taxes payable	15,633,660.66	42,924,647.79	-63.58	Primarily due to the decreased payment of enterprise income tax and the decline in taxes payable in the current period
Other payables	33,606,944.36	14,364,076.43	133.97	Primarily due to increased government grants payable to cooperative entities and borrowings made by subsidiaries from minority shareholders
Non-current liabilities due within one year	144,256,472.46	64,968,795.02	122.04	Primarily due to the increased balance on long-term borrowings due within one year
Other current liabilities	3,481,306.95	-	N/A	Primarily due to increased output VAT to be recognized in contractual liabilities caused by the implementation of the new revenue standard
Long-term borrowings	72,269,365.00	279,615,107.27	-74.15	Primarily due to increased balance on non-current liabilities due within one year transferred from long-term borrowings
Provisions	36,085,966.30	27,072,676.49	33.29	Primarily due to the provision made for three-guarantee services not yet incurred
Deferred tax liabilities	1,897,071.51	-	N/A	Primarily due to deferred tax liabilities recognized for income of installment collection

2. Changes in line items of the income statement and reasons thereof

In RMB

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Item	For the period from January 1, 2020 to September 30, 2020	For the period from January 1, 2019 to September 30, 2019	Proportion of change (%)	Reason for change
Financial expenses	9,040,635.11	24,776,270.90	-63.51	Primarily due to decreased loan interest expenses and increased deposit interest income
Other income	38,477,908.99	21,665,297.88	77.60	Primarily due to increased government grants recognized in the current period
Non-operating income	876,830.38	3,054,939.31	-71.30	Primarily due to receipt of compensations for litigation settlement in the prior period
Income tax expenses	18,096,689.22	52,507,610.31	-65.54	Primarily due to the decreased current tax expenses caused by less profits before tax in the current period
Net profits	16,647,218.80	160,004,297.63	-89.60	Primarily due to decreased gross profits, since the Company became less profitable as a result of decreased cinema service businesses due to COVID-19 and changes in the Company's product structure in the current period
Net profits attributable to shareholders of the Parent Company	44,138,225.2	124,130,427.05	-64.44	Primarily due to decreases in net profits
Profits or losses attributable to minority shareholders	-27,491,006.43	35,873,870.58	-176.63	Primarily due to losses from subsidiaries controlled by the Company in the current period
Other comprehensive income that can be attributable to owners of the Parent Company, net of tax	2,205,949.42	5,330,380.33	-58.62	Primarily due to changes in exchange differences on translation of financial statements denominated in foreign currencies and other comprehensive income from translation of financial statement of the investee caused by exchange fluctuations
Other	6,635,497.46	-	N/A	Primarily due to increases in other

comprehensive income that can be reclassified to profit or loss under the equity method				comprehensive income of the investee that can be recognized and transferred to profit or loss in the current period
Exchange differences on translation of financial statements denominated in foreign currencies	-4,429,548.04	5,330,380.33	-183.10	Primarily due to exchange fluctuations
Basic earnings per share	0.10	0.31	-67.74	Primarily due to the decline in earnings per share caused by decreased net profits attributable to shareholders of the listed Company

3. Changes in line items of the cash flow statement and reasons thereof

In RMB

Item	For the period from January 1, 2020 to September 30, 2020	For the period from January 1, 2019 to September 30, 2019	Proportion of change (%)	Reason for change
Net cash flow from operating activities	113,316,743.29	54,312,138.69	108.64	Primarily due to the increased amount of collection from businesses, decreased expenditures under reasonable control, and decreased payments of taxes and levies
Net cash flow from financing activities	-181,011,186.90	1,000,513,933.95	-118.09	Primarily due to no equity capital contributed to the Company in the current period while a number of funds raised in the prior period by IPO, and repayment of bank borrowings in succession
Effect of foreign exchange rate changes on cash and cash	-3,483,946.39	3,876,393.28	-189.88	Primarily due to exchange profit or loss and the exchange differences on translation of financial statements denominated in foreign currencies

equivalents				
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3.2 Description of analysis on progresses of significant events and their influences and solutions

√Applicable □ N/A

(I) Litigation

1.Civil litigation and arbitration cases where the Company acted as a defendant

Case No.	Cause of action	Plaintiff	Defendant/Appellee	Patents involved	Amount involved	Progress
(2019) Yue 73 Zhi Min Chu No.662	Infringement of patent rights of inventions	Delta Electronics, Inc.	Appotronics Corporation Limited; Shenzhen Futian Suopuni Projection Video System Commercial Firm	ZL201610387831.8	RMB 16,145,300	Suspension of hearing
(2019) Jing 73 Min Chu No.1275	Infringemen t of patent rights of inventions	Delta Electronics, Inc.	Fengmi (Beijing) Technology Co., Ltd.; Appotronics Corporation Limited	ZL201410249663.7	RMB 16,010,000	Pending
(2019) Jing 73 Min Chu No.1276				ZL201610387831.8	RMB 16,010,000	Pending
(2019) Jing 73 Min Chu No.1278				ZL201010624724.5	RMB 16,010,000	Pending

As of the disclosure date of the report, there have been 4 civil litigation cases where the Company was a defendant, with details as below:

2.Civil litigation and arbitration cases where the Company acted as a plaintiff

As of the disclosure date of the report, there have been 45 civil litigation cases where the Company acted as a plaintiff. In these cases, 43 cases were caused by infringement of invention patents with relevant claims as follows: requiring the defendant to stop infringing the Company's patents for invention and destroy the equipment and mold, etc. used to produce the infringed products; requiring the defendant to compensate the plaintiff with economic losses and reasonable expenses incurred for stopping the infringement, and to bear the joint and several liability. No other credit and debt disputes were involved. And 2 cases were brought for correcting the inventors of the patents, with relevant claims of correcting LI Yi and HU Fei as the inventors of the US Patent No. 9,024,241 and the China Patent No. ZL201610387831.8.

3. Progress on cases.

(1) In March 2020, the Company concluded the *Mediation Agreement* with Casio Computer Co., Ltd., pursuant to which both parties voluntarily reached a mediation on a number of litigation cases, and

withdrew relevant cases respectively. As of the disclosure date of the report, the withdrawal of cases by both parties has been completed.

(2) In August 2020, the Company concluded the *Mediation Agreement* with Chengdu Xgimi Technology Co., Ltd., pursuant to which both parties voluntarily reached a mediation on a number of litigation cases, and withdrew relevant cases respectively. As of the disclosure date of the report, the withdrawal of cases by both parties has been completed.

(3) The Company has received the Civil Judgement ((2019) Jing 73 Min Chu No.1277) decided by Beijing Intellectual Property Court in September 2020, in which Beijing Intellectual Property Court rejected the litigation brought by the plaintiff (Delta) against the defendant (the Company) for infringement of invention patents since the patents involved in this case was announced as invalidate by China National Intellectual Property Administration.

## (II) Invalidation plea

### 1. Invalidation plea cases where the Company acted as a patentee

As of the disclosure date of the report, there have been 2 invalidation plea cases where the Company acted as a patentee, with details as below:

Serial No.	Case code	Current Patentee	Patent No. involved	Petitioner for invalidation	Remark
1	4W110045	Appotronics Corporation Limited	ZL200880107739.5	Delta Electronics (Shanghai) Co., Ltd.	China National Intellectual Property Administration accepted the invalidation plea. Details were disclosed in 2020-007 Temporary Announcement.
2	4W110680	Appotronics Corporation Limited	ZL200880107739.5	WEI Qun	China National Intellectual Property Administration accepted the invalidation plea. Details were disclosed in 2020-045 Temporary Announcement.

### 2. Invalidation plea cases where the Company acted a petitioner

As of the disclosure date of the report, there have been 3 invalidation plea cases where the Company acted as a petitioner, all of which are related to the invalidation plea against patents held by Delta Electronics, Inc.

### 3.3 Commitments failed in completion as scheduled within the reporting period

Applicable  N/A

### 3.4 Warning of the estimate that the accumulated net profits from the beginning of the year to the end of the next reporting period will be negative or will change significantly comparing with the same period of the previous year, and description of reasons

Applicable  N/A

Company name	Appotronics Corporation Limited
Legal Representative	BO Lianming
Date	October 29, 2020

IV. Annex

4.1 Financial statements

**Consolidated Balance Sheet**

September 30, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	September 30, 2020	December 31, 2019
<b>Current Assets:</b>		
Cash and bank balances	483,912,743.79	875,858,784.58
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	664,000,000.00	540,000,000.00
Derivative financial assets		
Notes receivable	3,578,388.84	4,042,559.63
Accounts receivable	99,577,072.66	176,035,155.24
Receivables financing	12,362,600.00	1,980,500.00
Prepayments	35,448,165.42	35,070,999.13
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	12,796,292.05	9,618,750.08
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	477,741,934.81	299,966,170.35
Contract assets	2,953,407.97	
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	35,010,163.96	44,405,513.30
Total Current Assets	1,827,380,769.50	1,986,978,432.31
<b>Non-current Assets:</b>		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	12,746,195.72	



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Long-term equity investments	271,239,198.05	139,534,371.94
Other equity instrument investments	11,975,419.38	11,975,419.38
Other non-current financial assets		
Investment properties		
Fixed assets	450,146,136.15	471,204,340.95
Construction in progress	36,727,517.41	20,132,004.07
Bearer biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	324,511,996.30	332,331,324.07
Development expenditure		
Goodwill		
Long-term prepaid expenses	13,383,417.40	16,908,070.34
Deferred tax assets	108,168,696.46	109,023,941.85
Other non-current assets	8,272,168.29	11,420,185.94
Total Non-current Assets	1,237,170,745.16	1,112,529,658.54
Total assets	3,064,551,514.66	3,099,508,090.85
<b>Current Liabilities:</b>		
Short-term borrowings	54,021,724.03	76,765,319.05
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	116,480,308.72	37,335,841.79
Accounts payable	201,363,644.22	176,624,445.46
Receipts in advance	171,459,573.95	184,444,643.33
Contract liabilities	39,375,031.62	
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	18,451,259.89	50,586,932.71
Taxes payable	15,633,660.66	42,924,647.79
Other payables	33,606,944.36	14,364,076.43

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Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Held-for-sale liabilities		
Non-current liabilities due within one year	144,256,472.46	64,968,795.02
Other current liabilities	3,481,306.95	
<b>Total Current Liabilities</b>	<b>798,129,926.86</b>	<b>648,014,701.58</b>
<b>Non-current Liabilities:</b>		
Insurance contract reserves		
Long-term borrowings	72,269,365.00	279,615,107.27
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities		
Long-term payables	3,405,050.00	3,488,100.00
Long-term employee benefits payable		
Provisions	36,085,966.30	27,072,676.49
Deferred income	16,669,272.16	17,108,361.69
Deferred tax liabilities	1,897,071.51	
Other non-current liabilities		
<b>Total Non-current Liabilities</b>	<b>130,326,724.97</b>	<b>327,284,245.45</b>
<b>Total Liabilities</b>	<b>928,456,651.83</b>	<b>975,298,947.03</b>
<b>Owners' (or Shareholders') equity:</b>		
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,231,919,941.73	1,207,942,318.37
Less: Treasury shares		
Other comprehensive income	5,493,013.27	3,287,063.85
Special reserve		
Surplus reserve	22,800,224.13	22,800,224.13
General risk reserve		
Retained profits	300,526,199.56	288,975,820.29
<b>Total Owners'(or Shareholders') Equity Attributable to Owners of the Parent Company</b>	<b>2,012,293,789.69</b>	<b>1,974,559,837.64</b>

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Minority interests	123,801,073.14	149,649,306.18
Total Owners' (or Shareholders') Equity	2,136,094,862.83	2,124,209,143.82
Total Liabilities and Owners' (or Shareholders') Equity	3,064,551,514.66	3,099,508,090.85

Legal Representative:  
BO Lianming

Person in Charge of the Accounting Body:  
ZHAO Ruijin

Chief Accountant:  
WEI Yanlin

**Balance Sheet of the Parent Company**

September 30, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	September 30, 2020	December 31, 2019
<b>Current Assets:</b>		
Cash and bank balances	216,612,378.99	570,479,390.49
Held-for-trading financial assets	664,000,000.00	540,000,000.00
Derivative financial assets		
Notes receivable	2,092,388.84	3,542,559.63
Accounts receivable	463,796,378.00	299,315,776.44
Receivables financing	963,600.00	442,500.00
Prepayments	8,721,611.47	6,410,257.48
Other receivables	66,009,326.55	67,227,575.21
Including: Interest receivable		
Dividends receivable		
Inventories	181,941,472.22	135,617,379.22
Contract assets	2,922,380.97	
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	865,332.73	12,280,164.39
Total Current Assets	1,607,924,869.77	1,635,315,602.86
<b>Non-current Assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables	12,746,195.72	
Long-term equity investments	396,013,887.97	257,795,276.13
Other equity instrument investments	7,075,419.38	7,075,419.38
Other non-current financial assets		
Investment properties		

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Fixed assets	56,765,974.51	60,391,512.92
Construction in progress	25,048,282.58	1,385,496.59
Bearer biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	323,310,924.93	330,796,423.87
Development expenditure		
Goodwill		
Long-term prepaid expenses	10,805,041.05	12,771,126.83
Deferred tax assets	10,644,168.16	9,545,438.20
Other non-current assets	8,019,915.94	6,744,453.85
Total Non-current Assets	850,429,810.24	686,505,147.77
Total assets	2,458,354,680.01	2,321,820,750.63
<b>Current Liabilities:</b>		
Short-term borrowings	51,888,902.86	10,217,738.36
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	29,637,714.78	37,335,841.79
Accounts payable	202,684,447.31	162,596,838.45
Receipts in advance	3,626,119.84	11,116,659.11
Contract liabilities	18,804,754.20	
Employee benefits payable	10,011,782.35	26,985,668.92
Taxes payable	9,235,517.95	1,534,242.70
Other payables	39,949,486.90	42,599,703.36
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	1,111,100.27	
Total Current Liabilities	366,949,826.46	292,386,692.69
<b>Non-current Liabilities:</b>		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities		
Long-term payables	3,405,050.00	3,488,100.00
Long-term employee benefits payable		
Provisions	20,322,447.21	14,631,273.00

**The Third Quarter Report in 2020**

Deferred income	14,116,988.26	15,724,174.30
Deferred tax liabilities	1,897,071.51	
Other non-current liabilities		
Total Non-current Liabilities	39,741,556.98	33,843,547.30
Total Liabilities	406,691,383.44	326,230,239.99
<b>Owners' (or Shareholders') equity:</b>		
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,337,176,090.85	1,310,939,867.82
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	21,522,683.40	21,522,683.40
Retained profits	241,410,111.32	211,573,548.42
Total Owners' (or Shareholders') Equity	2,051,663,296.57	1,995,590,510.64
Total Liabilities and Owners' (or Shareholders') Equity	2,458,354,680.01	2,321,820,750.63

Legal Representative:  
BO Lianming

Person in Charge of the Accounting Body:  
ZHAO Ruijin

Chief Accountant:  
WEI Yanlin

**Consolidated Income Statement**

For the period from January 1, 2020 to September 30, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The third quarter in 2020 (Jul.-Sep.)	The third quarter in 2019 (Jul.-Sep.)	First three quarters in 2020 (Jan.-Sep.)	First three quarters in 2019 (Jan.-Sep.)
I. Total operating income	522,373,501.53	498,415,347.23	1,238,398,708.87	1,351,772,312.07
Including: Operating income	522,373,501.53	498,415,347.23	1,238,398,708.87	1,351,772,312.07
Interest income				
Premiums earned				
Fee and commission income				
II. Total operating costs	492,353,168.32	411,966,261.96	1,248,451,362.20	1,154,091,473.61
Including: Operating costs	362,665,544.45	284,068,967.95	892,453,334.39	795,826,871.07
Interest expenses				

The Third Quarter Report in 2020

Fee and commission expenses				
Surrenders				
Claims and policyholder benefits (net of amounts recoverable from reinsurers)				
Net withdrawal of insurance contract reserves				
Insurance policyholder dividends				
Expenses for reinsurance accepted				
Taxes and levies	1,875,651.83	1,366,675.04	4,205,362.39	5,703,626.02
Selling expenses	32,244,998.41	40,911,236.25	83,078,892.91	101,496,726.09
Administrative expenses	35,301,623.47	30,123,132.33	113,115,280.56	88,900,870.55
R&D expenses	59,262,406.09	48,077,619.18	146,557,856.84	137,387,108.98
Financial expenses	1,002,944.07	7,418,631.21	9,040,635.11	24,776,270.90
Including: Interest expense	4,581,708.83	9,497,830.74	16,194,534.70	27,765,589.66
Interest income	2,747,375.10	930,400.88	7,366,346.43	3,917,258.16
Add: other income	5,555,874.02	4,248,188.77	38,477,908.99	21,665,297.88
Investment income (loss is indicated by "-")	883,334.96	1,336,694.88	12,610,023.47	-2,123,921.67
Including: Income from investments in associates and joint ventures	-1,051,048.60	590,426.97	-149,153.80	-2,867,879.34
Gains from derecognition of financial assets at amortized assets				
Foreign exchange gains (loss is indicated by "-")				
Gains from net exposure hedges (loss is indicated by "-")				
Gains from changes in fair values (loss is indicated by "-")				
Losses of credit impairment (loss is indicated by "-")	28,945.51	-1,048,679.97	2,199,052.47	-1,810,440.85
Impairment losses of assets (loss is indicated by "-")	3,180,219.96	-3,528,161.53	-8,929,461.13	-4,907,457.63
Gains from disposal of assets (loss is indicated by "-")	266,622.24		416,243.15	
III. Operating profit (loss is	39,935,329.90	87,457,127.42	34,721,113.62	210,504,316.19

**The Third Quarter Report in 2020**

indicated by “-”)				
Add: Non-operating income	606,214.90	724,763.47	876,830.38	3,054,939.31
Less: Non-operating expenses	113,334.03	16,012.88	854,035.98	1,047,347.56
IV. Total profits (total losses are indicated by “-”)	40,428,210.77	88,165,878.01	34,743,908.02	212,511,907.94
Less: Income tax expenses	15,402,747.80	19,367,396.57	18,096,689.22	52,507,610.31
V. Net profits (net losses are indicated by “-”)	25,025,462.97	68,798,481.44	16,647,218.80	160,004,297.63
(I) Categorized by the continuity of operation				
1. Net profits from continuing operations (net losses are indicated by “-”)	25,025,462.97	68,798,481.44	16,647,218.80	160,004,297.63
2. Net profits from discontinued operations (net losses are indicated by “-”)				
(II) Categorized by the ownership				
1. Net profits attributable to shareholders of the Parent Company (net losses are indicated by “-”)	29,810,782.27	57,550,852.99	44,138,225.23	124,130,427.05
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)	-4,785,319.30	11,247,628.45	-27,491,006.43	35,873,870.58
VI. Other comprehensive income, net of tax	1,196,980.13	5,961,476.67	2,236,630.70	5,526,550.64
(I) Other comprehensive income that can be attributable to owners of the Parent Company, net of tax	1,192,134.22	5,763,041.54	2,205,949.42	5,330,380.33
1. Other comprehensive income that cannot be reclassified subsequently to profit or loss				
(1) Changes from remeasurement of defined benefit plans				
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method				
(3) Changes in fair value of investments in other equity instruments				

(4) Changes in fair value of enterprises' own credit risks				
2. Other comprehensive income that will be reclassified to profit or loss	1,192,134.22	5,763,041.54	2,205,949.42	5,330,380.33
(1) Other comprehensive income that can be reclassified to profit or loss under the equity method	6,771,203.77		6,635,497.46	
(2) Changes in fair value of other debt investments				
(3) Amount of financial assets reclassified to other comprehensive income				
(4) Provision for credit impairment of other debt investments				
(5) Reserve for cash flow hedges				
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-5,579,069.55	5,763,041.54	-4,429,548.04	5,330,380.33
(7) Others				
(II) Other comprehensive income that can be attributable to minority shareholders, net of tax	4,845.91	198,435.13	30,681.28	196,170.31
VII. Total comprehensive income	26,222,443.10	74,759,958.11	18,883,849.50	165,530,848.27
(I) Total comprehensive income that can be attributable to owners of the Parent Company	31,002,916.49	63,313,894.53	46,344,174.65	129,460,807.38
(II) Total comprehensive income that can be attributable to minority shareholders	-4,780,473.39	11,446,063.58	-27,460,325.15	36,070,040.89
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.07	0.13	0.10	0.31
(II) Diluted earnings per share (RMB/share)	0.07	0.13	0.10	0.31

For business combination involving entities under common control occurred during the period, net profit of the acquiree generated before the business combination is nil, and net profit of the acquiree generated in prior period is nil.



**The Third Quarter Report in 2020**

Legal Representative:  
BO Lianming

Person in Charge of the Accounting Body:  
ZHAO Ruijin

Chief Accountant:  
WEI Yanlin

**Income Statement of the Parent Company**

For the period from January 1, 2020 to September 30, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The third quarter in 2020 (Jul.-Sep.)	The third quarter in 2019 (Jul.-Sep.)	First three quarters in 2020 (Jan.-Sep.)	First three quarters in 2019 (Jan.-Sep.)
I. Operating income	321,136,628.42	307,161,249.72	706,036,006.83	734,845,754.76
Less: Operating costs	210,335,903.75	210,261,659.31	466,996,690.72	500,905,328.28
Taxes and levies	1,391,857.62	902,012.24	2,743,998.63	3,973,767.05
Selling expenses	18,123,753.89	18,079,644.26	45,650,045.32	58,924,010.31
Administrative expenses	24,400,714.23	20,134,847.79	80,711,100.08	59,260,571.86
R&D expenses	26,576,762.26	28,831,641.70	77,662,616.80	84,997,067.84
Financial expenses	-4,809,654.16	-2,880,026.75	-11,027,775.23	-3,006,419.68
Including: Interest expense	283,643.73	2,335,383.75	709,466.06	4,389,365.84
Interest income	4,571,775.39	2,935,596.65	13,654,169.54	7,069,117.92
Add: other income	4,129,368.65	607,742.78	30,529,269.12	10,475,701.91
Investment income (loss is indicated by “-”)	1,934,383.56	743,957.67	12,759,177.27	679,415.34
Including: Income from investments in associates and joint ventures				
Gains from derecognition of financial assets at amortized assets				
Gains from net exposure hedges (loss is indicated by “-”)				
Gains from changes in fair values				

**The Third Quarter Report in 2020**

(loss is indicated by “-”)				
Losses of credit impairment (loss is indicated by “-”)	-2,016,863.43	-871,600.60	-2,161,444.58	-12,156.94
Impairment losses of assets (loss is indicated by “-”)	3,899,393.36	-4,198,384.12	-6,700,815.24	-5,699,937.03
Gains from disposal of assets (loss is indicated by “-”)				
II. Operating profit (loss is indicated by “-”)	53,063,572.97	28,113,186.90	77,725,517.08	35,234,452.38
Add: Non-operating income	412,668.90	724,525.69	665,988.51	3,050,319.64
Less: Non-operating expenses	103,832.72	2,883.78	454,220.06	842,320.05
III. Total profits (total losses are indicated by “-”)	53,372,409.15	28,834,828.81	77,937,285.53	37,442,451.97
Less: Income tax expenses	9,475,176.74	4,351,071.49	14,234,141.80	5,609,048.39
IV. Net profits (net losses are indicated by “-”)	43,897,232.41	24,483,757.32	63,703,143.73	31,833,403.58
(I) Net profits from continuing operations (net losses are indicated by “-”)	43,897,232.41	24,483,757.32	63,703,143.73	31,833,403.58
(II) Net profits from discontinued operations (net losses are indicated by “-”)				
V. Other comprehensive income, net of tax				
(I) Other comprehensive income that cannot be reclassified subsequently to profit or loss				
1.Changes from remeasurement of defined benefit plans				
2. Other comprehensive income				

that cannot be reclassified to profit or loss under the equity method				
3.Changes in fair value of investments in other equity instruments				
4.Changes in fair value of enterprises' own credit risks				
(II) Other comprehensive income that will be reclassified to profit or loss				
1. Other comprehensive income that can be reclassified to profit or loss under the equity method				
2. Changes in fair value of other debt investments				
3. Amount of financial assets reclassified to other comprehensive income				
4.Provision for credit impairment of other debt investments				
5. Reserve for cash flow hedges				
6. Exchange differences on translation of financial statements denominated in foreign currencies				
7. Others				
VI. Total comprehensive income	43,897,232.41	24,483,757.32	63,703,143.73	31,833,403.58
VII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.10	0.06	0.14	0.08
(II) Diluted earnings	0.10	0.06	0.14	0.08

**The Third Quarter Report in 2020**

per share (RMB/share)			
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Legal Representative: BO Lianming	Person in Charge of the Accounting Body: ZHAO Ruijin	Chief Accountant: WEI Yanlin
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**Consolidated Cash Flow Statement**

For the period from January 1, 2020 to September 30, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	First three quarters in 2020 (Jan.-Sep.)	First three quarters in 2019 (Jan.-Sep.)
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	1,457,706,115.99	1,524,765,547.43
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from banks and other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and commissions		
Net increase in taking from banks		
Net increase in financial assets sold under repurchase arrangements		
Net cash received from securities trading agencies		
Receipts of tax refunds	5,764,495.55	3,992,454.55
Other cash receipts relating to operating activities	131,484,147.03	60,269,533.11
Sub-total of cash inflows from	1,594,954,758.57	1,589,027,535.09

**The Third Quarter Report in 2020**

operating activities		
Cash payments for goods purchased and services received	1,026,554,782.15	1,000,432,638.11
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	224,599,412.16	212,824,743.40
Payments of various types of taxes	55,076,208.73	122,094,156.48
Other cash payments relating to operating activities	175,407,612.24	199,363,858.41
Sub-total of cash outflows from operating activities	1,481,638,015.28	1,534,715,396.40
Net cash flow from operating activities	113,316,743.29	54,312,138.69
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	1,810,000,000.00	193,700,000.00
Cash receipts from investment income	12,759,177.27	743,957.67
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	3,600.00	4,467.91
Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	1,822,762,777.27	194,448,425.58
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	44,898,632.06	214,874,928.72

**The Third Quarter Report in 2020**

Cash payments to acquire investments	2,062,213,540.00	1,049,000,000.00
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	2,107,112,172.06	1,263,874,928.72
Net cash flow from investing activities	-284,349,394.79	-1,069,426,503.14
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions		1,190,000,000.00
Including: cash receipts from capital contributions from minority shareholders of subsidiaries		
Cash receipts from borrowings	98,922,683.45	339,450,000.00
Other cash receipts relating to financing activities	19,320,000.00	
Sub-total of cash inflows from financing activities	118,242,683.45	1,529,450,000.00
Cash repayments of borrowings	248,568,075.70	390,125,379.80
Cash payments for distribution of dividends or profits or settlement of interest expenses	50,497,914.29	26,476,981.84
Including: payments for distribution of dividends or profits to minority shareholders of subsidiaries		
Other cash payments relating to financing activities	187,880.36	112,333,704.41
Sub-total of cash outflows from financing activities	299,253,870.35	528,936,066.05
Net cash flow from financing activities	-181,011,186.90	1,000,513,933.95
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	-3,483,946.39	3,876,393.28
<b>V. Net Increase in Cash and Cash Equivalents</b>	-355,527,784.79	-10,724,037.22
Add: Opening balance of cash and cash equivalents	829,789,487.86	472,508,550.40

<b>VI. Closing Balance of Cash and Cash Equivalents</b>	474,261,703.07	461,784,513.18
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Legal Representative: BO Lianming      Person in Charge of the Accounting Body: ZHAO Ruijin      Chief Accountant: WEI Yanlin

**Cash Flow Statement of the Parent Company**

For the period from January 1, 2020 to September 30, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

<b>Item</b>	<b>First three quarters in 2020 (Jan.-Sep.)</b>	<b>First three quarters in 2019 (Jan.-Sep.)</b>
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	623,172,212.09	759,373,200.75
Receipts of tax refunds	3,108,523.77	
Other cash receipts relating to operating activities	185,835,186.09	189,854,012.75
Sub-total of cash inflows from operating activities	812,115,921.95	949,227,213.50
Cash payments for goods purchased and services received	538,963,144.43	478,755,326.24
Cash payments to and on behalf of employees	135,740,648.27	134,584,562.50
Payments of various types of taxes	12,715,535.03	45,613,336.41
Other cash payments relating to operating activities	135,880,309.94	292,741,755.03
Sub-total of cash outflows from operating activities	823,299,637.67	951,694,980.18
Net cash flow from operating activities	-11,183,715.72	-2,467,766.68
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	1,810,000,000.00	194,635,457.67
Cash receipts from investment income	12,759,177.27	743,957.67
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	3,600.00	

**The Third Quarter Report in 2020**

Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities	283,360.00	
Sub-total of cash inflows from investing activities	1,823,046,137.27	195,379,415.34
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	34,717,483.03	206,491,618.76
Cash payments to acquire investments	2,065,213,540.00	1,084,364,000.00
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities	33,440,160.00	
Sub-total of cash outflows from investing activities	2,133,371,183.03	1,290,855,618.76
Net cash flow from investing activities	-310,325,045.76	-1,095,476,203.42
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions		1,190,000,000.00
Cash receipts from borrowings	52,241,387.30	132,000,000.00
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	52,241,387.30	1,322,000,000.00
Cash repayments of borrowings	10,000,000.00	184,440,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	34,626,843.26	4,661,973.39
Other cash payments relating to financing activities	22,587.36	112,333,704.41
Sub-total of cash outflows from financing activities	44,649,430.62	301,435,677.80
Net cash flow from financing activities	7,591,956.68	1,020,564,322.20
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>	-34,785.59	1,707,762.33
<b>V. Net Increase in Cash and Cash Equivalents</b>	-313,951,590.39	-75,671,885.57
Add: Opening balance of cash and	524,648,100.62	295,049,085.02



**The Third Quarter Report in 2020**

cash equivalents		
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	210,696,510.23	219,377,199.45

Legal Representative: BO Lianming      Person in Charge of the Accounting Body: ZHAO Ruijin      Chief Accountant: WEI Yanlin

4.2 Description of adjustments in opening balances of line items in financial statements of the year due to the implementation of new revenue standard and new lease standard since 2020

√Applicable □ N/A

Consolidated Balance Sheet

In RMB

Item	December 31, 2019	January 1, 2020	Adjusted amount
<b>Current Assets:</b>			
Cash and bank balances	875,858,784.58	875,858,784.58	
Balances with clearing agencies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	540,000,000.00	540,000,000.00	
Derivative financial assets			
Notes receivable	4,042,559.63	4,042,559.63	
Accounts receivable	176,035,155.24	191,622,712.01	15,587,556.77
Receivables financing	1,980,500.00	1,980,500.00	
Prepayments	35,070,999.13	35,070,999.13	
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	9,618,750.08	9,618,750.08	
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	299,966,170.35	283,610,860.13	-16,355,310.22
Contract assets		3,740,605.96	3,740,605.96
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	44,405,513.30	42,064,888.10	-2,340,625.20

**The Third Quarter Report in 2020**

Total Current Assets	1,986,978,432.31	1,987,610,659.62	632,227.31
<b>Non-current Assets:</b>			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	139,534,371.94	139,534,371.94	
Other equity instrument investments	11,975,419.38	11,975,419.38	
Other non-current financial assets			
Investment properties			
Fixed assets	471,204,340.95	471,204,340.95	
Construction in progress	20,132,004.07	20,132,004.07	
Bearer biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	332,331,324.07	332,331,324.07	
Development expenditure			
Goodwill			
Long-term prepaid expenses	16,908,070.34	16,908,070.34	
Deferred tax assets	109,023,941.85	109,023,941.85	
Other non-current assets	11,420,185.94	11,420,185.94	
Total Non-current Assets	1,112,529,658.54	1,112,529,658.54	
Total assets	3,099,508,090.85	3,100,140,318.16	632,227.31
<b>Current Liabilities:</b>			
Short-term borrowings	76,765,319.05	76,765,319.05	
Loans from the central bank			
Taking from banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	37,335,841.79	37,335,841.79	
Accounts payable	176,624,445.46	176,624,445.46	
Receipts in advance	184,444,643.33	167,534,200.30	-16,910,443.03
Contract liabilities		15,777,305.81	15,777,305.81
Financial assets sold under repurchase agreements			
Customer deposits and deposits from banks and other financial institutions			
Funds from securities trading			

**The Third Quarter Report in 2020**

agency			
Funds from underwriting securities agency			
Employee benefits payable	50,586,932.71	50,586,932.71	
Taxes payable	42,924,647.79	42,924,647.79	
Other payables	14,364,076.43	14,364,076.43	
Including: Interest payable			
Dividends payable			
Fees and commissions payable			
Amounts payable under reinsurance contracts			
Held-for-sale liabilities			
Non-current liabilities due within one year	64,968,795.02	64,968,795.02	
Other current liabilities		1,133,137.22	1,133,137.22
Total Current Liabilities	648,014,701.58	648,014,701.58	
<b>Non-current Liabilities:</b>			
Insurance contract reserves			
Long-term borrowings	279,615,107.27	279,615,107.27	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Leasing liabilities			
Long-term payables	3,488,100.00	3,488,100.00	
Long-term employee benefits payable			
Provisions	27,072,676.49	27,072,676.49	
Deferred income	17,108,361.69	17,108,361.69	
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities	327,284,245.45	327,284,245.45	
Total Liabilities	975,298,947.03	975,298,947.03	
<b>Owners' (or Shareholders') equity:</b>			
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	1,207,942,318.37	1,207,942,318.37	
Less: Treasury shares			
Other comprehensive income	3,287,063.85	3,287,063.85	
Special reserve			
Surplus reserve	22,800,224.13	22,800,224.13	

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General risk reserve			
Retained profits	288,975,820.29	290,254,555.17	1,278,734.88
Total Owners' (or Shareholders') Equity Attributable to Owners of the Parent Company	1,974,559,837.64	1,975,838,572.52	1,278,734.88
Minority interests	149,649,306.18	149,002,798.61	-646,507.57
Total Owners' (or Shareholders') Equity	2,124,209,143.82	2,124,841,371.13	632,227.31
Total Liabilities and Owners' (or Shareholders') Equity	3,099,508,090.85	3,100,140,318.16	632,227.31

Description of adjustments on each item:

√Applicable □ N/A

In accordance with the *Accounting Standards for Business Enterprises No.14- Revenue* (Cai Kuai [2017] No. 2) issued by the Ministry of Finance on July 5, 2017, for enterprises listed in domestic and oversea stock exchange concurrently and enterprises listed overseas with the financial statements prepared under international financial reporting standards or accounting standards for business enterprises, the new revenue standard shall be implemented from January 1, 2018; and for other enterprises listed domestically, the revenue standard shall be implemented from January 1, 2020. As a domestic listed company, the Company adopted the new revenue standard as at January 1, 2020 on the basis of making adjustments on the opening balance of relevant items recognized in the financial statements of 2020 with the data in comparable period unadjusted, according to which: (1) the goods payments received in advance originally qualified for conditions of "Receipts in advance" were charged to the line item of "Contract liabilities"; (2) the rights of the Company for collecting the considerations for goods that have been transferred to customers, which depend on factors other than the lapse of time, were charged to the line item of "Contract assets"; (3) for goods sold under the model of "profit distribution", income from customers received but not recognized were changed as it satisfied the condition of revenue recognition under the new revenue standard.

Balance Sheet of the Parent Company

In RMB

Item	December 31, 2019	January 1, 2020	Adjusted amount
<b>Current Assets:</b>			
Cash and bank balances	570,479,390.49	570,479,390.49	
Held-for-trading financial assets	540,000,000.00	540,000,000.00	
Derivative financial assets			
Notes receivable	3,542,559.63	3,542,559.63	
Accounts receivable	299,315,776.44	295,616,359.63	-3,699,416.81
Receivables financing	442,500.00	442,500.00	
Prepayments	6,410,257.48	6,410,257.48	
Other receivables	67,227,575.21	67,227,575.21	
Including: Interest receivable			

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Dividends receivable			
Inventories	135,617,379.22	135,617,379.22	
Contract assets		3,699,416.81	3,699,416.81
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	12,280,164.39	12,280,164.39	
<b>Total Current Assets</b>	<b>1,635,315,602.86</b>	<b>1,635,315,602.86</b>	
<b>Non-current Assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	257,795,276.13	257,795,276.13	
Other equity instrument investments	7,075,419.38	7,075,419.38	
Other non-current financial assets			
Investment properties			
Fixed assets	60,391,512.92	60,391,512.92	
Construction in progress	1,385,496.59	1,385,496.59	
Bearer biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	330,796,423.87	330,796,423.87	
Development expenditure			
Goodwill			
Long-term prepaid expenses	12,771,126.83	12,771,126.83	
Deferred tax assets	9,545,438.20	9,545,438.20	
Other non-current assets	6,744,453.85	6,744,453.85	
<b>Total Non-current Assets</b>	<b>686,505,147.77</b>	<b>686,505,147.77</b>	
<b>Total assets</b>	<b>2,321,820,750.63</b>	<b>2,321,820,750.63</b>	
<b>Current Liabilities:</b>			
Short-term borrowings	10,217,738.36	10,217,738.36	
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	37,335,841.79	37,335,841.79	
Accounts payable	162,596,838.45	162,596,838.45	
Receipts in advance	11,116,659.11	4,387,326.61	-6,729,332.50
Contract liabilities		6,485,831.14	6,485,831.14
Employee benefits payable	26,985,668.92	26,985,668.92	
Taxes payable	1,534,242.70	1,534,242.70	

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Other payables	42,599,703.36	42,599,703.36	
Including: Interest payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities		243,501.36	243,501.36
Total Current Liabilities	292,386,692.69	292,386,692.69	
<b>Non-current Liabilities:</b>			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Leasing liabilities			
Long-term payables	3,488,100.00	3,488,100.00	
Long-term employee benefits payable			
Provisions	14,631,273.00	14,631,273.00	
Deferred income	15,724,174.30	15,724,174.30	
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities	33,843,547.30	33,843,547.30	
Total Liabilities	326,230,239.99	326,230,239.99	
<b>Owners' (or Shareholders') equity:</b>			
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	1,310,939,867.82	1,310,939,867.82	
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve	21,522,683.40	21,522,683.40	
Retained profits	211,573,548.42	211,573,548.42	
Total Owners' (or Shareholders') Equity	1,995,590,510.64	1,995,590,510.64	
Total Liabilities and Owners' (or Shareholders') Equity	2,321,820,750.63	2,321,820,750.63	

Description of adjustments on each item:

√Applicable □ N/A

In accordance with the *Accounting Standards for Business Enterprises No.14- Revenue* (Cai Kuai [2017] No. 2) issued by the Ministry of Finance on July 5, 2017, for enterprises listed in domestic and oversea stock exchange concurrently and enterprises listed overseas with the financial statements prepared under international financial reporting standards or accounting standards for business enterprises, the new revenue standard shall be implemented from January 1, 2018; and for other enterprises listed domestically, the revenue standard shall be implemented from January 1, 2020. As a domestic listed company, the Company adopted the new revenue standard as at January 1, 2020 on the basis of making adjustments on the opening balance of relevant items recognized in the financial statements of 2020 with the data in comparable period unadjusted, according to which: (1) the goods payments received in advance originally qualified for conditions of “Receipts in advance” were charged to the line item of “Contract liabilities”; (2) the rights of the Company for collecting the considerations for goods that have been transferred to customers, which depend on factors other than the lapse of time, were charged to the line item of “Contract assets”.

4.3 Description of retrospective adjustments in comparable data for previous periods upon the first adoption of the new revenue standard and new lease standard since 2020

Applicable  N/A

4.4 Auditor’s report

Applicable  N/A