



CHANGCHAI COMPANY, LIMITED

THIRD QUARTER REPORT 2019

October 2019

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Changchai Company, Limited (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

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

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

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

Part II Key Corporate Information

I Key Consolidated Financial Information

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

Yes No

| | 30 September 2019 | 31 December 2018 | Change (%) | |
|---|-------------------|------------------|------------------|----------------|
| Total assets (RMB) | 3,498,167,449.23 | 3,542,019,195.75 | -1.24% | |
| Equity attributable to the listed company's shareholders (RMB) | 2,080,307,118.49 | 2,043,308,026.74 | 1.81% | |
| | Q3 2019 | YoY change (%) | Q1-Q3 2019 | YoY change (%) |
| Operating revenue (RMB) | 460,579,449.28 | 6.47% | 1,576,409,294.87 | -2.65% |
| Net profit attributable to the listed company's shareholders (RMB) | 950,668.62 | -79.65% | 20,008,693.69 | -14.16% |
| Net profit attributable to the listed company's shareholders before exceptional items (RMB) | 197,704.53 | -- | 14,424,860.12 | 27.87% |
| Net cash generated from/used in operating activities (RMB) | -- | -- | -177,873,130.52 | -- |
| Basic earnings per share (RMB/share) | 0.01 | 0.00% | 0.04 | 0.00% |
| Diluted earnings per share (RMB/share) | 0.01 | 0.00% | 0.04 | 0.00% |
| Weighted average return on equity (%) | 0.05% | -0.17% | 1.02% | -0.03% |

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

| Item | Q1-Q3 2019 | Note |
|---|--------------|------|
| Gain/Loss arising from disposal of non-current assets (inclusive of impairment allowance write-offs) | 1,024,006.08 | |
| Government subsidies recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards | 326,259.20 | |
| Gain/Loss on changes in fair value arising from holding of trading financial assets and liabilities, derivative financial assets and liabilities and investment income from disposal of trading financial assets and liabilities, derivative financial assets and liabilities and other investments in debt obligation other than effective hedge | 337,630.60 | |

| | | |
|---|--------------|----|
| business related to the Company's normal operating businesses | | |
| Reversed portions of impairment allowances for loan by mandate which are tested individually for impairment | 4,000,000.00 | |
| Other non-operating income and expense other than the above | 732,475.63 | |
| Less: Income tax effects | 843,914.88 | |
| Non-controlling interests effects (after tax) | -7,376.94 | |
| Total | 5,583,833.57 | -- |

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019

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

Unit: share

| Number of ordinary shareholders | 51,028 | Number of preferred shareholders with resumed voting rights (if any) | 0 | | | |
|---|--------------------------|--|------------------|-------------------|----------------------------|--------|
| Top 10 shareholders | | | | | | |
| Name of shareholder | Nature of shareholder | Shareholding percentage | Number of shares | Restricted shares | Shares in pledge or frozen | |
| | | | | | Status | Shares |
| CHANGZHOU INVESTMENT GROUP CO., LTD | State-owned legal person | 30.43% | 170,845,236 | | | |
| CHINA CITIC BANK CORPORATION LIMITED-CCB CHINA SECURITIES 500 INDEX ENHANCED SECURITIES INVESTMENT FUND | Other | 0.76% | 4,254,122 | | | |
| KGI ASIA LIMITED | Foreign legal person | 0.57% | 3,189,845 | | | |
| LEI YANQIN | Domestic natural person | 0.36% | 2,019,946 | | | |
| GAO FENHUI | Domestic natural person | 0.33% | 1,873,800 | | | |

| HU WENYONG | Domestic natural person | 0.28% | 1,545,266 | | | |
|---|---|-----------------------------------|-------------|--|--|--|
| HUANG GUOLIANG | Domestic natural person | 0.27% | 1,528,891 | | | |
| LI SUINAN | Domestic natural person | 0.27% | 1,507,800 | | | |
| XUE HONG | Domestic natural person | 0.23% | 1,290,900 | | | |
| ZHOU YONG | Domestic natural person | 0.22% | 1,250,000 | | | |
| Top 10 unrestricted shareholders | | | | | | |
| Name of shareholder | Unrestricted shares | Shares by type | | | | |
| | | Type | Shares | | | |
| CHANGZHOU INVESTMENT GROUP CO., LTD | 170,845,236 | RMB-denominated ordinary stock | 170,845,236 | | | |
| CHINA CITIC BANK CORPORATION LIMITED-CCB CHINA SECURITIES 500 INDEX ENHANCED SECURITIES INVESTMENT FUND | 4,254,122 | RMB-denominated ordinary stock | 4,254,122 | | | |
| KGI ASIA LIMITED | 3,189,845 | Domestically listed foreign stock | 3,189,845 | | | |
| LEI YANQIN | 2,019,946 | RMB-denominated ordinary stock | 2,019,946 | | | |
| GAO FENHUI | 1,873,800 | RMB-denominated ordinary stock | 1,873,800 | | | |
| HU WENYONG | 1,545,266 | Domestically listed foreign stock | 1,545,266 | | | |
| HUANG GUOLIANG | 1,528,891 | Domestically listed foreign stock | 1,528,891 | | | |
| LI SUINAN | 1,507,800 | Domestically listed foreign stock | 1,507,800 | | | |
| XUE HONG | 1,290,900 | Domestically listed foreign stock | 1,290,900 | | | |
| ZHOU YONG | 1,250,000 | RMB-denominated ordinary stock | 1,250,000 | | | |
| Related or acting-in-concert parties among the shareholders above | It is unknown whether there is among the top 10 public shareholders and the top 10 unrestricted public shareholders any related parties or acting-in-concert parties as defined in the Administrative Measures for Information Regarding Shareholding Alteration. | | | | | |

| | |
|---|-----|
| Top 10 ordinary shareholders involved in securities margin trading (if any) | N/A |
|---|-----|

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

Yes No

No such cases in the Reporting Period.

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

Applicable Not applicable

Part III Significant Events

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

√ Applicable □ Not applicable

1. Consolidated Balance Sheet Items as at 30 September 2019

| Item | 30 September 2019 (RMB) | 31 December 2018 (RMB) | Change (%) | Explanation of why |
|---|-------------------------|------------------------|------------|---|
| Accounts receivable | 813,510,517.41 | 378,859,159.11 | 114.73% | Accounts receivable as at 30 September 2019 rose 114.73% from the amount as at 31 December 2018, because during Q1~Q3 2019, credit sale was properly carried out to extend market space, and most multi-cylinder engine customers were supporting manufacturers for bigger enterprises, which means relatively long account ages for the Company. |
| Other current assets | 15,813,912.76 | 34,357,608.97 | -53.97% | Decrease in overpaid VAT |
| Advance payment | 64,895,163.52 | 34,500,232.97 | 88.10% | The increase of the company's advance payment. |
| Payroll payable | 12,826,072.56 | 50,500,592.99 | -74.60% | Salaries and bonuses accrued in the nine months ended 30 September 2018 were paid in the corresponding period of the current year. |
| Tax payable | 3,867,390.55 | 7,066,085.89 | -45.27% | Mainly for the changes of sales and profit, as well as the impact of the national tax reduction policy. |
| The non-current liabilities due within one year | 0.00 | 18,500,000.00 | -100.00% | The company repaid the due non-current liabilities of RMB 18,500,000.00 during the reporting period.. |
| Long-term loan | 0.00 | 2,000,000.00 | -100.00% | The company repaid the long-term loan of RMB 2,000,000.00 during the reporting period in advance. |

2. Consolidated Income Statement Items for Q1~Q3 2019

| Item | Q1~Q3 2019 (RMB) | Q1~Q3 2018 (RMB) | Change (%) | Explanation of why |
|--|------------------|------------------|------------|--|
| Research and development costs | 49,515,164.09 | 36,524,504.36 | 35.57% | some r&d projects used more r&d funds. |
| Asset impairment loss | 26,096.43 | -2,531,847.48 | -- | Allowances for doubtful accounts receivable recorded based on aging led to an increase in asset impairment loss, while the collection of entrusted loans with full-amount impairment allowances resulted in writedowns in this item. |
| Non-operating income | 961,235.14 | 2,830,716.11 | -66.04% | More government subsidies. |
| Non-operating expenses | 233,654.06 | 1,698,515.85 | -86.24% | The large loss of dull materials disposed in the previous period. |
| The income tax expense | -2,232,431.33 | 5,079,513.44 | -- | The company received a total of 6,700,210.88 yuan of corporate income tax refund in the final settlement of 2018 in June 2019. |
| Other comprehensive income, net of tax | 30,999,075.00 | -144,235,225.00 | -- | Significant increase in gains on fair value changes of investments in other equity instruments. |

3. Consolidated Cash Flow Statement Items for Q1~Q3 2019

| Item | Q1~Q3 2019 (RMB) | Q1~Q3 2018 (RMB) | Change (%) | Explanation of why |
|--|------------------|------------------|------------|---|
| Net cash generated from/used in operating activities | -177,873,130.52 | -54,251,797.59 | -- | Increase in accounts receivable. |
| Net cash generated from/used in investing activities | -64,901,304.94 | -23,421,616.03 | -- | The investment of 50 million yuan to Jiangsu Housheng New Energy Technology co., LTD. |
| Net cash generated from/used in financing activities | -44,353,925.59 | -16,892,465.30 | -- | Mainly for the company repaid part of the bank debt. |

II Progress, Influence and Solutions with regard to Significant Events

Applicable Not applicable

Progress of any share repurchase:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

| Commitment | Commitment maker | Type of commitment | Contents | Date of commitment making | Period of commitment | Fulfillment |
|---|----------------------------|--------------------|--|---------------------------|----------------------|--------------------------------|
| Other commitments made to minority shareholders | Changchai Company, Limited | Bonus | Rewards Plan for Shareholders in Next Three Years(2017-2019) Under the premise of positive distributive profit (remaining after-tax profits after making up for the loss and extracting for the common reserves) in this year or half year and abundant money flow and no influence on the following-up going concern after cash bonus, the profits allocated by cash every year shouldn't be lower than 10% of the allocable profits from parent company. Meanwhile, the accumulated allocable profits by cash in the arbitrary continuous three accounting years should not be lower than 30% of the annual average allocable profits in those three years. | 11 May 2017 | Year 2017-2019 | Implementation in a normal way |
| Fulfilled on time | | | Yes | | | |
| When the commitment was not completely fulfilled at maturity, the specific reasons and following work plan shall be given | | | N/A | | | |

IV Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

V Wealth Management Entrustment

Applicable Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

| Type of wealth management | Funding source | Principal | Outstanding amount before maturity | Overdue amount |
|---|----------------|-----------|------------------------------------|----------------|
| Wealth management product purchased from securities company | Self-funded | 1000 | 1000 | 0 |
| Total | | 1000 | 1000 | 0 |

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

Applicable Not applicable

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

Applicable Not applicable

VI Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable Not applicable

| Date of visit | Way of visit | Type of visitor | About |
|-------------------|--------------|-----------------|--|
| 17 September 2019 | Other | Individual | Tax rebate of the corporate income tax |
| 11 September 2019 | Other | Individual | Number of shareholders of the Company |
| 5 September 2019 | Other | Individual | Agricultural machinery industry policy |
| 5 September 2019 | Other | Individual | Development state of the agricultural machinery industry |
| 5 September 2019 | Other | Individual | Transformation and upgrading of the Company |
| 5 September 2019 | Other | Individual | Development program of the Company |
| 30 August 2019 | Other | Individual | The Company' investment in the |

| | | | |
|---------------|-------|------------|--|
| | | | project of Housheng lithium battery |
| 6 August 2019 | Other | Individual | The Company' investment in the project of Housheng lithium battery |
| 29 July 2019 | Other | Individual | The purchase for relocation of the Company |
| 28 July 2019 | Other | Individual | The relocation schedule of the Company |
| 28 July 2019 | Other | Individual | The relocation schedule of the Company |
| 10 July 2019 | Other | Individual | Transformation and upgrading of the Company |
| 4 July 2019 | Other | Individual | The Company' investment in the project of Housheng lithium battery |
| 1 July 2019 | Other | Individual | Product rage of the Company |

VIII Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Changchai Company, Limited

30 September 2019

Unit: RMB

| Item | 30 September 2019 | 31 December 2018 |
|---|----------------------|---------------------|
| Current assets: | | |
| Monetary capital | 532,068,642.57 | 800,960,036.69 |
| Settlement reserve | | |
| Interbank loans granted | | |
| Trading financial assets | | |
| Financial assets at fair value through profit or loss | | |
| Derivative financial assets | | |
| Notes receivable | 374,709,812.25 | 495,370,782.47 |
| Accounts receivable | 813,510,517.41 | 378,859,159.11 |
| Accounts receivable financing | | |
| Prepayments | 15,664,279.74 | 11,352,297.10 |
| Premiums receivable | | |
| Reinsurance receivables | | |
| Receivable reinsurance contract reserve | | |
| Other receivables | 9,078,508.78 | 9,244,584.42 |
| Including: Interest receivable | | |
| Dividends receivable | | |
| Financial assets purchased under resale agreements | | |
| Inventories | 465,692,034.05 | 557,953,891.70 |
| Contractual assets | | |
| Assets classified as held for sale | | |
| Current portion of non-current assets | | |
| Other current assets | 15,813,912.76 | 34,357,608.97 |

| | | |
|--|------------------|------------------|
| Total current assets | 2,226,537,707.56 | 2,288,098,360.46 |
| Non-current assets: | | |
| Loans and advances to customers | | |
| Investments in debt obligations | | |
| Available-for-sale financial assets | 0.00 | 498,851,369.49 |
| Investments in other debt obligations | | |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | | 0.00 |
| Investments in other equity instruments | 585,459,311.25 | |
| Other non-current financial assets | | |
| Investment property | 48,999,752.03 | 50,656,007.63 |
| Fixed assets | 470,100,999.47 | 511,250,371.37 |
| Construction in progress | 66,051,324.92 | 89,090,384.71 |
| Productive living assets | | |
| Oil and gas assets | | |
| Right-of-use assets | | |
| Intangible assets | 100,038,531.29 | 103,092,879.38 |
| R&D expense | | |
| Goodwill | | |
| Long-term prepaid expense | | |
| Deferred income tax assets | 979,822.71 | 979,822.71 |
| Other non-current assets | | 0.00 |
| Total non-current assets | 1,271,629,741.67 | 1,253,920,835.29 |
| Total assets | 3,498,167,449.23 | 3,542,019,195.75 |
| Current liabilities: | | |
| Short-term borrowings | 22,000,000.00 | 27,000,000.00 |
| Borrowings from central bank | | |
| Interbank loans obtained | | |
| Trading financial liabilities | | |
| Financial liabilities at fair value through profit or loss | | |
| Derivative financial liabilities | | |
| Notes payable | 417,176,000.00 | 438,375,400.00 |
| Accounts payable | 524,853,934.94 | 591,754,875.77 |

| | | |
|---|------------------|------------------|
| Advances from customers | 64,895,163.52 | 34,500,232.97 |
| Contractual liabilities | | |
| Financial assets sold under repurchase agreements | | |
| Customer deposits and interbank deposits | | |
| Payables for acting trading of securities | | |
| Payables for underwriting of securities | | |
| Payroll payable | 12,826,072.56 | 50,500,592.99 |
| Taxes payable | 3,867,390.55 | 7,066,085.89 |
| Other payables | 236,797,366.66 | 199,412,250.90 |
| Including: Interest payable | | |
| Dividends payable | 3,891,433.83 | 3,891,433.83 |
| Handling charges and commissions payable | | |
| Reinsurance payables | | |
| Liabilities directly associated with assets classified as held for sale | | |
| Current portion of non-current liabilities | | 18,500,000.00 |
| Other current liabilities | 2,548,235.52 | 2,082,985.18 |
| Total current liabilities | 1,284,964,163.75 | 1,369,192,423.70 |
| Non-current liabilities: | | |
| Insurance contract reserve | | |
| Long-term borrowings | | 2,000,000.00 |
| Bonds payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | | |
| Long-term payables | | |
| Long-term payroll payable | | |
| Provisions | | |
| Deferred income | 59,928,484.84 | 59,928,484.84 |
| Deferred income tax liabilities | 53,300,187.69 | 47,971,780.36 |
| Other non-current liabilities | | |
| Total non-current liabilities | 113,228,672.53 | 109,900,265.20 |
| Total liabilities | 1,398,192,836.28 | 1,479,092,688.90 |
| Owners' equity: | | |
| Share capital | 561,374,326.00 | 561,374,326.00 |

| | | |
|--|------------------|------------------|
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 164,328,665.43 | 164,328,665.43 |
| Less: Treasury stock | | |
| Other comprehensive income | 295,404,750.00 | 264,405,675.00 |
| Specific reserve | 15,182,958.83 | 15,182,958.83 |
| Surplus reserves | 320,133,050.15 | 320,133,050.15 |
| General reserve | | |
| Retained earnings | 723,883,368.08 | 717,883,351.33 |
| Total equity attributable to owners of the Company as the parent | 2,080,307,118.49 | 2,043,308,026.74 |
| Non-controlling interests | 19,667,494.46 | 19,618,480.11 |
| Total owners' equity | 2,099,974,612.95 | 2,062,926,506.85 |
| Total liabilities and owners' equity | 3,498,167,449.23 | 3,542,019,195.75 |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

2. Balance Sheet of the Company as the Parent

Unit: RMB

| Item | 30 September 2019 | 31 December 2018 |
|---|----------------------|---------------------|
| Current assets: | | |
| Monetary capital | 491,145,212.15 | 759,404,219.72 |
| Trading financial assets | | |
| Financial assets at fair value through profit or loss | | |
| Derivative financial assets | | |
| Notes receivable | 371,544,812.25 | 490,519,795.91 |
| Accounts receivable | 731,237,909.37 | 300,357,283.81 |
| Accounts receivable financing | | |
| Prepayments | 5,764,253.12 | 4,768,038.11 |
| Other receivables | 22,280,624.02 | 21,681,331.85 |
| Including: Interest receivable | | |
| Dividends receivable | | |
| Inventories | 341,116,993.50 | 437,423,195.46 |
| Contractual assets | | |
| Assets classified as held for sale | | |
| Current portion of non-current assets | | |
| Other current assets | 1,347,082.79 | 23,099,858.67 |
| Total current assets | 1,964,436,887.20 | 2,037,253,723.53 |
| Non-current assets: | | |
| Investments in debt obligations | | |
| Available-for-sale financial assets | 0.00 | 470,940,000.00 |
| Investments in other debt obligations | | |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 301,752,730.03 | 241,752,730.03 |
| Investments in other equity instruments | 507,409,500.00 | 0.00 |
| Other non-current financial assets | | |
| Investment property | 48,999,752.03 | 50,656,007.63 |
| Fixed assets | 380,190,310.84 | 413,186,680.19 |

| | | |
|---|------------------|------------------|
| Construction in progress | 63,953,756.12 | 87,007,215.91 |
| Productive living assets | | |
| Oil and gas assets | | |
| Right-of-use assets | | |
| Intangible assets | 71,044,474.74 | 72,184,608.63 |
| R&D expense | | |
| Goodwill | | |
| Long-term prepaid expense | | |
| Deferred income tax assets | 930,641.19 | 930,641.19 |
| Other non-current assets | | |
| Total non-current assets | 1,374,281,164.95 | 1,336,657,883.58 |
| Total assets | 3,338,718,052.15 | 3,373,911,607.11 |
| Current liabilities: | | |
| Short-term borrowings | 5,000,000.00 | 10,000,000.00 |
| Trading financial liabilities | | |
| Financial liabilities at fair value through profit or loss | | |
| Derivative financial liabilities | | |
| Notes payable | 405,116,000.00 | 425,995,400.00 |
| Accounts payable | 497,566,271.13 | 561,555,397.44 |
| Advances from customers | 62,723,784.88 | 32,072,387.55 |
| Contractual liabilities | | |
| Payroll payable | 5,663,233.97 | 43,597,759.22 |
| Taxes payable | 1,060,847.79 | 2,443,767.89 |
| Other payables | 226,984,452.30 | 185,022,961.56 |
| Including: Interest payable | | |
| Dividends payable | 3,243,179.97 | 3,243,179.97 |
| Liabilities directly associated with assets classified as held for sale | | |
| Current portion of non-current liabilities | | 18,500,000.00 |
| Other current liabilities | | |
| Total current liabilities | 1,204,114,590.07 | 1,279,187,673.66 |
| Non-current liabilities: | | |
| Long-term borrowings | | |
| Bonds payable | | |
| Including: Preferred shares | | |

| | | |
|--------------------------------------|------------------|------------------|
| Perpetual bonds | | |
| Lease liabilities | | |
| Long-term payables | | |
| Long-term payroll payable | | |
| Provisions | | |
| Deferred income | 59,928,484.84 | 59,928,484.84 |
| Deferred income tax liabilities | 52,130,250.00 | 46,659,825.00 |
| Other non-current liabilities | | |
| Total non-current liabilities | 112,058,734.84 | 106,588,309.84 |
| Total liabilities | 1,316,173,324.91 | 1,385,775,983.50 |
| Owners' equity: | | |
| Share capital | 561,374,326.00 | 561,374,326.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 183,071,147.70 | 183,071,147.70 |
| Less: Treasury stock | | |
| Other comprehensive income | 295,404,750.00 | 264,405,675.00 |
| Specific reserve | 15,182,958.83 | 15,182,958.83 |
| Surplus reserves | 320,133,050.15 | 320,133,050.15 |
| Retained earnings | 647,378,494.56 | 643,968,465.93 |
| Total owners' equity | 2,022,544,727.24 | 1,988,135,623.61 |
| Total liabilities and owners' equity | 3,338,718,052.15 | 3,373,911,607.11 |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

3. Consolidated Income Statement

Unit: RMB

| Item | Q3 2019 | Q3 2018 |
|---|----------------|----------------|
| 1. Revenue | 460,579,449.28 | 432,605,495.58 |
| Including: Operating revenue | 460,579,449.28 | 432,605,495.58 |
| Interest income | | |
| Premium income | | |
| Handling charge and commission income | | |
| 2. Costs and expenses | 465,423,303.87 | 447,865,887.95 |
| Including: Cost of sales | 389,380,663.04 | 368,800,817.45 |
| Interest expense | | |
| Handling charge and commission expense | | |
| Surrenders | | |
| Net claims paid | | |
| Net amount provided as policy reserve | | |
| Expenditure on policy dividends | | |
| Reinsurance premium expense | | |
| Taxes and surcharges | 754,800.30 | 3,622,252.63 |
| Selling expense | 37,273,069.65 | 41,800,679.58 |
| Administrative expense | 22,124,400.48 | 21,842,985.31 |
| R&D expense | 19,450,880.63 | 15,978,761.69 |
| Finance costs | -3,560,510.23 | -4,179,608.71 |
| Including: Interest expense | 2,277,728.34 | 740,882.96 |
| Interest income | 1,620,732.15 | 682,638.32 |
| Add: Other income | 196,959.20 | |
| Investment income (“-” for loss) | 6,275,331.91 | 7,677,178.18 |
| Including: Share of profit or loss of joint ventures and associates | | |
| Derecognition income of financial assets measured at amortized cost | | |
| Foreign exchange gain (“-” for loss) | | |
| Net gain on exposure hedges (“-” for loss) | | |
| Gain on changes in fair value (“-” for loss) | | |
| Credit impairment loss (“-” for loss) | -325,681.21 | |
| Asset impairment loss (“-” for loss) | | 12,489,304.22 |

| | | |
|--|----------------|----------------|
| Asset disposal income (“-” for loss) | 35,470.13 | |
| 3. Operating profit (“-” for loss) | 1,338,225.44 | 4,906,090.03 |
| Add: Non-operating income | 394,303.76 | 727,633.08 |
| Less: Non-operating expense | 15,816.08 | 171,349.64 |
| 4. Profit before tax (“-” for loss) | 1,716,713.12 | 5,462,373.47 |
| Less: Income tax expense | 766,044.50 | 726,986.79 |
| 5. Net profit (“-” for net loss) | 950,668.62 | 4,735,386.68 |
| 5.1 By operating continuity | | |
| 5.1.1 Net profit from continuing operations (“-” for net loss) | 950,668.62 | 4,735,386.68 |
| 5.1.2 Net profit from discontinued operations (“-” for net loss) | | |
| 5.2 By ownership | | |
| 5.2.1 Net profit attributable to owners of the Company as the parent | 950,668.62 | 4,670,842.38 |
| 5.2.2 Net profit attributable to non-controlling interests | | 64,544.30 |
| 6. Other comprehensive income, net of tax | -56,331,625.00 | -18,037,000.00 |
| Attributable to owners of the Company as the parent | -56,331,625.00 | -18,037,000.00 |
| 6.1 Items that will not be reclassified to profit or loss | -56,331,625.00 | |
| 6.1.1 Changes caused by remeasurements on defined benefit pension schemes | | |
| 6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method | | |
| 6.1.3 Changes in the fair value of investments in other equity instruments | -56,331,625.00 | |
| 6.1.4 Changes in the fair value of the company’s credit risks | | |
| 6.1.5 Other | | |
| 6.2 Items that will be reclassified to profit or loss | | -18,037,000.00 |
| 6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method | | |
| 6.2.2 Changes in the fair value of investments in other debt obligations | | |
| 6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets | | -18,037,000.00 |
| 6.2.4 Other comprehensive income arising from the reclassification of financial assets | | |
| 6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets | | |
| 6.2.6 Allowance for credit impairments in investments in other debt obligations | | |
| 6.2.7 Reserve for cash flow hedges | | |

| | | |
|---|----------------|----------------|
| 6.2.8 Differences arising from the translation of foreign currency-denominated financial statements | | |
| 6.2.9 Other | | |
| Attributable to non-controlling interests | | |
| 7. Total comprehensive income | -55,380,956.38 | -13,301,613.32 |
| Attributable to owners of the Company as the parent | -55,380,956.38 | -13,366,157.62 |
| Attributable to non-controlling interests | | 64,544.30 |
| 8. Earnings per share | | |
| 8.1 Basic earnings per share | 0.01 | 0.01 |
| 8.2 Diluted earnings per share | 0.01 | 0.01 |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

4. Income Statement of the Company as the Parent

Unit: RMB

| Item | Q3 2019 | Q3 2018 |
|---|----------------|----------------|
| 1. Operating revenue | 421,276,661.38 | 416,427,359.56 |
| Less: Cost of sales | 359,102,937.24 | 362,072,818.22 |
| Taxes and surcharges | 284,731.94 | 2,893,386.71 |
| Selling expense | 35,132,740.35 | 39,994,953.30 |
| Administrative expense | 18,782,065.04 | 17,353,285.58 |
| R&D expense | 18,913,412.83 | 15,978,761.69 |
| Finance costs | -3,838,154.82 | -4,413,035.38 |
| Including: Interest expense | 2,245,294.98 | 768,546.57 |
| Interest income | 1,582,099.73 | 591,988.98 |
| Add: Other income | 196,959.20 | |
| Investment income (“-” for loss) | 6,116,775.16 | 7,576,950.00 |
| Including: Share of profit or loss of joint ventures and associates | | |
| Derecognition income of financial assets measured at amortized cost | | |
| Net gain on exposure hedges (“-” for loss) | | |
| Gain on changes in fair value (“-” for loss) | | |
| Credit impairment loss (“-” for loss) | -200,000.00 | |
| Asset impairment loss (“-” for loss) | | 12,556,816.51 |
| Asset disposal income (“-” for loss) | 35,470.13 | |
| 2. Operating profit (“-” for loss) | -951,866.71 | 2,680,955.95 |
| Add: Non-operating income | 90,530.00 | 344,083.46 |
| Less: Non-operating expense | 1,380.00 | 170,435.64 |
| 3. Profit before tax (“-” for loss) | -862,716.71 | 2,854,603.77 |
| Less: Income tax expense | 80,572.15 | |
| 4. Net profit (“-” for net loss) | -943,288.86 | 2,854,603.77 |
| 4.1 Net profit from continuing operations (“-” for net loss) | -943,288.86 | 2,854,603.77 |
| 4.2 Net profit from discontinued operations (“-” for net loss) | | |
| 5. Other comprehensive income, net of tax | -56,331,625.00 | -18,037,000.00 |
| 5.1 Items that will not be reclassified to profit or loss | -56,331,625.00 | |
| 5.1.1 Changes caused by remeasurements on defined benefit pension schemes | | |

| | | |
|--|----------------|----------------|
| 5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method | | |
| 5.1.3 Changes in the fair value of investments in other equity instruments | -56,331,625.00 | |
| 5.1.4 Changes in the fair value of the company's credit risks | | |
| 5.1.5 Other | | |
| 5.2 Items that will be reclassified to profit or loss | | -18,037,000.00 |
| 5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method | | |
| 5.2.2 Changes in the fair value of investments in other debt obligations | | |
| 5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets | | -18,037,000.00 |
| 5.2.4 Other comprehensive income arising from the reclassification of financial assets | | |
| 5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets | | |
| 5.2.6 Allowance for credit impairments in investments in other debt obligations | | |
| 5.2.7 Reserve for cash flow hedges | | |
| 5.2.8 Differences arising from the translation of foreign currency-denominated financial statements | | |
| 5.2.9 Other | | |
| 6. Total comprehensive income | -57,274,913.86 | -15,182,396.23 |
| 7. Earnings per share | | |
| 7.1 Basic earnings per share | | |
| 7.2 Diluted earnings per share | | |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

| Item | Q1~Q3 2019 | Q1~Q3 2018 |
|---|------------------|------------------|
| 1. Revenue | 1,576,409,294.87 | 1,619,366,387.84 |
| Including: Operating revenue | 1,576,409,294.87 | 1,619,366,387.84 |
| Interest income | | |
| Premium income | | |
| Handling charge and commission income | | |
| 2. Operating costs and expenses | 1,561,504,072.64 | 1,602,490,496.40 |
| Including: Cost of sales | 1,359,819,510.40 | 1,403,155,726.44 |
| Interest expense | | |
| Handling charge and commission expense | | |
| Surrenders | | |
| Net claims paid | | |
| Net amount provided as insurance contract reserve | | |
| Expenditure on policy dividends | | |
| Reinsurance premium expense | | |
| Taxes and surcharges | 5,752,156.03 | 9,361,725.89 |
| Selling expense | 95,531,468.63 | 94,028,755.44 |
| Administrative expense | 56,227,095.34 | 63,731,730.10 |
| R&D expense | 49,515,164.09 | 36,524,504.36 |
| Finance costs | -5,341,321.85 | -4,311,945.83 |
| Including: Interest expense | 3,845,353.84 | 2,545,980.06 |
| Interest income | 3,262,988.18 | 1,574,301.49 |
| Add: Other income | 326,259.20 | 129,600.00 |
| Investment income (“-” for loss) | 6,454,405.76 | 8,053,269.86 |
| Including: Share of profit or loss of joint ventures and associates | | |
| Derecognition income of financial assets measured at amortized cost | | |
| Foreign exchange gain (“-” for loss) | | |
| Net gain on exposure hedges (“-” for loss) | | |
| Gain on changes in fair value (“-” for loss) | | |
| Credit impairment loss (“-” for loss) | -5,586,101.21 | |

| | | |
|--|---------------|-----------------|
| Asset impairment loss (“-” for loss) | -26,096.43 | 2,531,847.48 |
| Asset disposal income (“-” for loss) | 1,024,006.08 | |
| 3. Operating profit (“-” for loss) | 17,097,695.63 | 27,590,608.78 |
| Add: Non-operating income | 961,235.14 | 2,830,716.11 |
| Less: Non-operating expense | 233,654.06 | 1,698,515.85 |
| 4. Profit before tax (“-” for loss) | 17,825,276.71 | 28,722,809.04 |
| Less: Income tax expense | -2,232,431.33 | 5,079,513.44 |
| 5. Net profit (“-” for net loss) | 20,057,708.04 | 23,643,295.60 |
| 5.1 By operating continuity | | |
| 5.1.1 Net profit from continuing operations (“-” for net loss) | 20,057,708.04 | 23,643,295.60 |
| 5.1.2 Net profit from discontinued operations (“-” for net loss) | | |
| 5.2 By ownership | | |
| 5.2.1 Net profit attributable to owners of the Company as the parent | 20,008,693.69 | 23,309,400.04 |
| 5.2.2 Net profit attributable to non-controlling interests | 49,014.35 | 333,895.56 |
| 6. Other comprehensive income, net of tax | 30,999,075.00 | -144,235,225.00 |
| Attributable to owners of the Company as the parent | 30,999,075.00 | -144,235,225.00 |
| 6.1 Items that will not be reclassified to profit or loss | 30,999,075.00 | |
| 6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes | | |
| 6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method | | |
| 6.1.3 Changes in the fair value of investments in other equity instruments | 30,999,075.00 | |
| 6.1.4 Changes in the fair value of the company’s credit risks | | |
| 6.1.5 Other | | |
| 6.2 Items that may subsequently be reclassified to profit or loss | | -144,235,225.00 |
| 6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method | | |
| 6.2.2 Changes in the fair value of investments in other debt obligations | | |
| 6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets | | -144,235,225.00 |
| 6.2.4 Other comprehensive income arising from the reclassification of financial assets | | |
| 6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets | | |
| 6.2.6 Allowance for credit impairments in investments in other | | |

| | | |
|---|---------------|-----------------|
| debt obligations | | |
| 6.2.7 Reserve for cash flow hedges | | |
| 6.2.8 Differences arising from the translation of foreign currency-denominated financial statements | | |
| 6.2.9 Other | | |
| Attributable to non-controlling interests | | |
| 7. Total comprehensive income | 51,056,783.04 | -120,591,929.40 |
| Attributable to owners of the Company as the parent | 51,007,768.69 | -120,925,824.96 |
| Attributable to non-controlling interests | 49,014.35 | 333,895.56 |
| 8. Earnings per share | | |
| 8.1 Basic earnings per share | 0.04 | 0.04 |
| 8.2 Diluted earnings per share | 0.04 | 0.04 |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

| Item | Q1~Q3 2019 | Q1~Q3 2018 |
|---|------------------|------------------|
| 1. Operating revenue | 1,454,605,836.96 | 1,537,762,482.71 |
| Less: Cost of sales | 1,266,389,252.73 | 1,353,150,662.71 |
| Taxes and surcharges | 4,248,625.13 | 7,281,502.74 |
| Selling expense | 88,479,571.30 | 86,373,935.16 |
| Administrative expense | 44,258,430.92 | 50,165,905.14 |
| R&D expense | 46,805,098.25 | 36,524,504.36 |
| Finance costs | -6,848,347.17 | -6,333,999.37 |
| Including: Interest expense | 3,559,655.48 | 2,380,867.34 |
| Interest income | 2,747,522.82 | 1,395,580.84 |
| Add: Other income | 326,259.20 | 129,600.00 |
| Investment income (“-” for loss) | 6,116,775.16 | 7,597,950.00 |
| Including: Share of profit or loss of joint ventures and associates | | |
| Derecognition income of financial assets measured at amortized cost | | |
| Net gain on exposure hedges (“-” for loss) | | |
| Gain on changes in fair value (“-” for loss) | | |
| Credit impairment loss (“-” for loss) | -5,460,420.00 | |
| Assets impairment loss (“-” for loss) | -26,096.43 | 2,631,847.48 |
| Asset disposal income (“-” for loss) | 1,024,006.08 | |
| 2. Operating profit (“-” for loss) | 13,253,729.81 | 20,959,369.45 |
| Add: Non-operating income | 320,883.36 | 2,104,313.37 |
| Less: Non-operating expense | 168,334.64 | 1,695,773.85 |
| 3. Profit before tax (“-” for loss) | 13,406,278.53 | 21,367,908.97 |
| Less: Income tax expense | -4,038,108.25 | 3,037,417.85 |
| 4. Net profit (“-” for net loss) | 17,444,386.78 | 18,330,491.12 |
| 4.1 Net profit from continuing operations (“-” for net loss) | 17,444,386.78 | 18,330,491.12 |
| 4.2 Net profit from discontinued operations (“-” for net loss) | | |
| 5. Other comprehensive income, net of tax | 30,999,075.00 | -144,235,225.00 |
| 5.1 Items that will not be reclassified to profit or loss | 30,999,075.00 | |
| 5.1.1 Changes in net liabilities or assets caused by | | |

| | | |
|--|---------------|-----------------|
| remeasurements on defined benefit pension schemes | | |
| 5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method | | |
| 5.1.3 Changes in the fair value of investments in other equity instruments | 30,999,075.00 | |
| 5.1.4 Changes in the fair value of the company's credit risks | | |
| 5.1.5 Other | | |
| 5.2 Items that may subsequently be reclassified to profit or loss | | -144,235,225.00 |
| 5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method | | |
| 5.2.2 Changes in the fair value of investments in other debt obligations | | |
| 5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets | | -144,235,225.00 |
| 5.2.4 Other comprehensive income arising from the reclassification of financial assets | | |
| 5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets | | |
| 5.2.6 Allowance for credit impairments in investments in other debt obligations | | |
| 5.2.7 Reserve for cash flow hedges | | |
| 5.2.8 Differences arising from the translation of foreign currency-denominated financial statements | | |
| 5.2.9 Other | | |
| 6. Total comprehensive income | 48,443,461.78 | -125,904,733.88 |
| 7. Earnings per share | | |
| 7.1 Basic earnings per share | | |
| 7.2 Diluted earnings per share | | |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

| Item | Q1~Q3 2019 | Q1~Q3 2018 |
|---|------------------|------------------|
| 1. Cash flows from operating activities: | | |
| Proceeds from sale of commodities and rendering of services | 1,359,318,699.75 | 1,502,082,934.17 |
| Net increase in customer deposits and interbank deposits | | |
| Net increase in borrowings from the central bank | | |
| Net increase in loans from other financial institutions | | |
| Premiums received on original insurance contracts | | |
| Net proceeds from reinsurance | | |
| Net increase in deposits and investments of policy holders | | |
| Interest, handling charges and commissions received | | |
| Net increase in interbank loans obtained | | |
| Net increase in proceeds from repurchase transactions | | |
| Net proceeds from acting trading of securities | | |
| Tax rebates | 23,791,753.91 | 39,981,450.76 |
| Cash generated from other operating activities | 11,459,085.79 | 9,176,454.39 |
| Subtotal of cash generated from operating activities | 1,394,569,539.45 | 1,551,240,839.32 |
| Payments for commodities and services | 1,266,094,750.13 | 1,302,400,952.42 |
| Net increase in loans and advances to customers | | |
| Net increase in deposits in the central bank and in interbank loans granted | | |
| Payments for claims on original insurance contracts | | |
| Net increase in interbank loans granted | | |
| Interest, handling charges and commissions paid | | |
| Policy dividends paid | | |
| Cash paid to and for employees | 219,511,319.88 | 227,468,105.70 |
| Taxes paid | 20,471,465.12 | 21,038,574.94 |
| Cash used in other operating activities | 66,365,134.84 | 54,585,003.85 |
| Subtotal of cash used in operating activities | 1,572,442,669.97 | 1,605,492,636.91 |
| Net cash generated from/used in operating activities | -177,873,130.52 | -54,251,797.59 |
| 2. Cash flows from investing activities: | | |
| Proceeds from disinvestment | 14,000,000.00 | 23,459,682.03 |
| Return on investment | 6,454,405.76 | 8,053,269.86 |

| | | |
|---|-----------------|----------------|
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 1,040,506.08 | 295,880.71 |
| Net proceeds from the disposal of subsidiaries and other business units | | |
| Cash generated from other investing activities | | |
| Subtotal of cash generated from investing activities | 21,494,911.84 | 31,808,832.60 |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets | 16,257,775.02 | 27,248,307.93 |
| Payments for investments | 70,138,441.76 | |
| Net increase in pledged loans granted | | |
| Net payments for the acquisition of subsidiaries and other business units | | |
| Cash used in other investing activities | | 27,982,140.70 |
| Subtotal of cash used in investing activities | 86,396,216.78 | 55,230,448.63 |
| Net cash generated from/used in investing activities | -64,901,304.94 | -23,421,616.03 |
| 3. Cash flows from financing activities: | | |
| Capital contributions received | | |
| Including: Capital contributions by non-controlling interests to subsidiaries | | |
| Borrowings obtained | 19,000,000.00 | 17,000,000.00 |
| Cash generated from other financing activities | | |
| Subtotal of cash generated from financing activities | 19,000,000.00 | 17,000,000.00 |
| Repayments of borrowings | 44,500,000.00 | 15,400,000.00 |
| Payments for interest and dividends | 18,854,400.12 | 18,492,465.30 |
| Including: Dividends paid by subsidiaries to non-controlling interests | | |
| Cash used in other financing activities | | |
| Subtotal of cash used in financing activities | 63,354,400.12 | 33,892,465.30 |
| Net cash generated from/used in financing activities | -44,354,400.12 | -16,892,465.30 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | | |
| 5. Net increase in cash and cash equivalents | -287,128,835.58 | -94,565,878.92 |
| Add: Cash and cash equivalents, beginning of the period | 687,079,639.59 | 325,263,654.43 |
| 6. Cash and cash equivalents, end of the period | 399,950,804.01 | 230,697,775.51 |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

| Item | Q1~Q3 2019 | Q1~Q3 2018 |
|---|------------------|------------------|
| 1. Cash flows from operating activities: | | |
| Proceeds from sale of commodities and rendering of services | 1,175,685,236.64 | 1,415,048,015.22 |
| Tax rebates | 17,666,191.34 | 31,526,429.06 |
| Cash generated from other operating activities | 7,495,628.63 | 7,685,480.38 |
| Subtotal of cash generated from operating activities | 1,200,847,056.61 | 1,454,259,924.66 |
| Payments for commodities and services | 1,132,183,895.35 | 1,235,746,003.49 |
| Cash paid to and for employees | 183,902,068.67 | 198,291,459.90 |
| Taxes paid | 10,494,488.59 | 15,439,986.70 |
| Cash used in other operating activities | 50,986,232.72 | 51,499,872.31 |
| Subtotal of cash used in operating activities | 1,377,566,685.33 | 1,500,977,322.40 |
| Net cash generated from/used in operating activities | -176,719,628.72 | -46,717,397.74 |
| 2. Cash flows from investing activities: | | |
| Proceeds from disinvestment | | |
| Return on investment | 6,116,775.16 | 7,597,950.00 |
| Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets | 1,024,006.08 | 154,889.08 |
| Net proceeds from the disposal of subsidiaries and other business units | | |
| Cash generated from other investing activities | | |
| Subtotal of cash generated from investing activities | 7,140,781.24 | 7,752,839.08 |
| Payments for the acquisition of fixed assets, intangible assets and other long-lived assets | 11,570,933.53 | 25,507,202.39 |
| Payments for investments | 60,000,000.00 | |
| Net payments for the acquisition of subsidiaries and other business units | | |
| Cash used in other investing activities | | |
| Subtotal of cash used in investing activities | 71,570,933.53 | 25,507,202.39 |
| Net cash generated from/used in investing activities | -64,430,152.29 | -17,754,363.31 |
| 3. Cash flows from financing activities: | | |
| Capital contributions received | | |
| Borrowings obtained | 5,000,000.00 | 10,000,000.00 |
| Cash generated from other financing activities | | |

| | | |
|---|-----------------|----------------|
| Subtotal of cash generated from financing activities | 5,000,000.00 | 10,000,000.00 |
| Repayments of borrowings | 28,500,000.00 | 500,000.00 |
| Payments for interest and dividends | 17,594,013.63 | 17,852,241.03 |
| Cash used in other financing activities | | |
| Subtotal of cash used in financing activities | 46,094,013.63 | 18,352,241.03 |
| Net cash generated from/used in financing activities | -41,094,013.63 | -8,352,241.03 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | | |
| 5. Net increase in cash and cash equivalents | -282,243,794.64 | -72,824,002.08 |
| Add: Cash and cash equivalents, beginning of the period | 651,854,206.79 | 272,064,464.71 |
| 6. Cash and cash equivalents, end of the period | 369,610,412.15 | 199,240,462.63 |

Legal representative: Shi Xinkun

General manager: Zhang Xin

Head of the Company's financial department: Jiang He

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the Execution of any New Standards Governing Financial Instruments, Revenue or Leases from 2019

√ Applicable □ Not applicable

Consolidated balance sheet

Unit: RMB

| Item | 31 December 2018 | 1 January 2019 | Adjustment |
|---|------------------|----------------|------------|
| Current assets: | | | |
| Monetary capital | 800,960,036.69 | 800,960,036.69 | |
| Settlement reserve | | | |
| Interbank loans granted | | | |
| Trading financial assets | | | |
| Financial assets at fair value through profit or loss | | | |
| Derivative financial assets | | | |
| Notes receivable | 495,370,782.47 | 495,370,782.47 | |
| Accounts receivable | 378,859,159.11 | 378,859,159.11 | |
| Accounts receivable financing | | | |
| Prepayments | 11,352,297.10 | 11,352,297.10 | |
| Premiums receivable | | | |
| Reinsurance receivables | | | |
| Receivable reinsurance contract reserve | | | |
| Other receivables | 9,244,584.42 | 9,244,584.42 | |
| Including: Interest receivable | | | |
| Dividends receivable | | | |
| Financial assets purchased under resale agreements | | | |
| Inventories | 557,953,891.70 | 557,953,891.70 | |
| Contractual assets | | | |
| Assets classified as held for sale | | | |
| Current portion of non-current assets | | | |
| Other current assets | 34,357,608.97 | 34,357,608.97 | |
| Total current assets | 2,288,098,360.46 | 34,357,608.97 | |
| Non-current assets: | | | |

| | | | |
|--|------------------|------------------|-----------------|
| Loans and advances to customers | | | |
| Investments in debt obligations | | | |
| Available-for-sale financial assets | 498,851,369.49 | 0.00 | -498,851,369.49 |
| Investments in other debt obligations | | | |
| Held-to-maturity investments | | | |
| Long-term receivables | | | |
| Long-term equity investments | 0.00 | | |
| Investments in other equity instruments | | 498,851,369.49 | 498,851,369.49 |
| Other non-current financial assets | | | |
| Investment property | 50,656,007.63 | 50,656,007.63 | |
| Fixed assets | 511,250,371.37 | 511,250,371.37 | |
| Construction in progress | 89,090,384.71 | 89,090,384.71 | |
| Productive living assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | | | |
| Intangible assets | 103,092,879.38 | 103,092,879.38 | |
| R&D expense | | | |
| Goodwill | | | |
| Long-term prepaid expense | | | |
| Deferred income tax assets | 979,822.71 | 979,822.71 | |
| Other non-current assets | 0.00 | | |
| Total non-current assets | 1,253,920,835.29 | 1,253,920,835.29 | |
| Total assets | 3,542,019,195.75 | 3,542,019,195.75 | |
| Current liabilities: | | | |
| Short-term borrowings | 27,000,000.00 | 27,000,000.00 | |
| Borrowings from central bank | | | |
| Interbank loans obtained | | | |
| Trading financial liabilities | | | |
| Financial liabilities at fair value through profit or loss | | | |
| Derivative financial liabilities | | | |
| Notes payable | 438,375,400.00 | 438,375,400.00 | |
| Accounts payable | 591,754,875.77 | 591,754,875.77 | |
| Advances from customers | 34,500,232.97 | 34,500,232.97 | |
| Contractual liabilities | | | |

| | | | |
|---|------------------|------------------|--|
| Financial assets sold under repurchase agreements | | | |
| Customer deposits and interbank deposits | | | |
| Payables for acting trading of securities | | | |
| Payables for underwriting of securities | | | |
| Payroll payable | 50,500,592.99 | 50,500,592.99 | |
| Taxes payable | 7,066,085.89 | 7,066,085.89 | |
| Other payables | 199,412,250.90 | 199,412,250.90 | |
| Including: Interest payable | | | |
| Dividends payable | 3,891,433.83 | 3,891,433.83 | |
| Handling charges and commissions payable | | | |
| Reinsurance payables | | | |
| Liabilities directly associated with assets classified as held for sale | | | |
| Current portion of non-current liabilities | 18,500,000.00 | 18,500,000.00 | |
| Other current liabilities | 2,082,985.18 | 2,082,985.18 | |
| Total current liabilities | 1,369,192,423.70 | 1,369,192,423.70 | |
| Non-current liabilities: | | | |
| Insurance contract reserve | | | |
| Long-term borrowings | 2,000,000.00 | 2,000,000.00 | |
| Bonds payable | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | | | |
| Long-term payables | | | |
| Long-term payroll payable | | | |
| Provisions | | | |
| Deferred income | 59,928,484.84 | 59,928,484.84 | |
| Deferred income tax liabilities | 47,971,780.36 | 47,971,780.36 | |
| Other non-current liabilities | | | |
| Total non-current liabilities | 109,900,265.20 | 109,900,265.20 | |
| Total liabilities | 1,479,092,688.90 | 1,479,092,688.90 | |
| Owners' equity: | | | |
| Share capital | 561,374,326.00 | 561,374,326.00 | |
| Other equity instruments | | | |

| | | | |
|--|------------------|------------------|--|
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserves | 164,328,665.43 | 164,328,665.43 | |
| Less: Treasury stock | | | |
| Other comprehensive income | 264,405,675.00 | 264,405,675.00 | |
| Specific reserve | 15,182,958.83 | 15,182,958.83 | |
| Surplus reserves | 320,133,050.15 | 320,133,050.15 | |
| General reserve | | | |
| Retained earnings | 717,883,351.33 | 717,883,351.33 | |
| Total equity attributable to owners of the Company as the parent | 2,043,308,026.74 | 2,043,308,026.74 | |
| Non-controlling interests | 19,618,480.11 | 19,618,480.11 | |
| Total owners' equity | 2,062,926,506.85 | 2,062,926,506.85 | |
| Total liabilities and owners' equity | 3,542,019,195.75 | 3,542,019,195.75 | |

Notes to adjustment

Balance sheet of the Company as the parent

Unit: RMB

| Item | 31 December 2018 | 1 January 2019 | Adjustment |
|---|------------------|----------------|------------|
| Current assets: | | | |
| Monetary capital | 759,404,219.72 | 759,404,219.72 | |
| Trading financial assets | | | |
| Financial assets at fair value through profit or loss | | | |
| Derivative financial assets | | | |
| Notes receivable | 490,519,795.91 | 490,519,795.91 | |
| Accounts receivable | 300,357,283.81 | 300,357,283.81 | |
| Accounts receivable financing | | | |
| Prepayments | 4,768,038.11 | 4,768,038.11 | |
| Other receivables | 21,681,331.85 | 21,681,331.85 | |
| Including: Interest receivable | | | |
| Dividends receivable | | | |
| Inventories | 437,423,195.46 | 437,423,195.46 | |
| Contractual assets | | | |
| Assets classified as held for sale | | | |
| Current portion of non-current assets | | | |

| | | | |
|--|------------------|------------------|-----------------|
| Other current assets | 23,099,858.67 | 23,099,858.67 | |
| Total current assets | 2,037,253,723.53 | 2,037,253,723.53 | |
| Non-current assets: | | | |
| Investments in debt obligations | | | |
| Available-for-sale financial assets | 470,940,000.00 | 0.00 | -470,940,000.00 |
| Investments in other debt obligations | | | |
| Held-to-maturity investments | | | |
| Long-term receivables | | | |
| Long-term equity investments | 241,752,730.03 | 241,752,730.03 | |
| Investments in other equity instruments | | 470,940,000.00 | 470,940,000.00 |
| Other non-current financial assets | | | |
| Investment property | 50,656,007.63 | 50,656,007.63 | |
| Fixed assets | 413,186,680.19 | 413,186,680.19 | |
| Construction in progress | 87,007,215.91 | 87,007,215.91 | |
| Productive living assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | | | |
| Intangible assets | 72,184,608.63 | 72,184,608.63 | |
| R&D expense | | | |
| Goodwill | | | |
| Long-term prepaid expense | | | |
| Deferred income tax assets | 930,641.19 | 930,641.19 | |
| Other non-current assets | | | |
| Total non-current assets | 1,336,657,883.58 | 1,336,657,883.58 | |
| Total assets | 3,373,911,607.11 | 3,373,911,607.11 | |
| Current liabilities: | | | |
| Short-term borrowings | 10,000,000.00 | 10,000,000.00 | |
| Trading financial liabilities | | | |
| Financial liabilities at fair value through profit or loss | | | |
| Derivative financial liabilities | | | |
| Notes payable | 425,995,400.00 | 425,995,400.00 | |
| Accounts payable | 561,555,397.44 | 561,555,397.44 | |
| Advances from customers | 32,072,387.55 | 32,072,387.55 | |
| Contractual liabilities | | | |

| | | | |
|---|------------------|------------------|--|
| Payroll payable | 43,597,759.22 | 43,597,759.22 | |
| Taxes payable | 2,443,767.89 | 2,443,767.89 | |
| Other payables | 185,022,961.56 | 185,022,961.56 | |
| Including: Interest payable | | | |
| Dividends payable | 3,243,179.97 | 3,243,179.97 | |
| Liabilities directly associated with assets classified as held for sale | | | |
| Current portion of non-current liabilities | 18,500,000.00 | 18,500,000.00 | |
| Other current liabilities | | | |
| Total current liabilities | 1,279,187,673.66 | 1,279,187,673.66 | |
| Non-current liabilities: | | | |
| Long-term borrowings | | | |
| Bonds payable | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Lease liabilities | | | |
| Long-term payables | | | |
| Long-term payroll payable | | | |
| Provisions | | | |
| Deferred income | 59,928,484.84 | 59,928,484.84 | |
| Deferred income tax liabilities | 46,659,825.00 | 46,659,825.00 | |
| Other non-current liabilities | | | |
| Total non-current liabilities | 106,588,309.84 | 106,588,309.84 | |
| Total liabilities | 1,385,775,983.50 | 1,385,775,983.50 | |
| Owners' equity: | | | |
| Share capital | 561,374,326.00 | 561,374,326.00 | |
| Other equity instruments | | | |
| Including: Preferred shares | | | |
| Perpetual bonds | | | |
| Capital reserves | 183,071,147.70 | 183,071,147.70 | |
| Less: Treasury stock | | | |
| Other comprehensive income | 264,405,675.00 | 264,405,675.00 | |
| Specific reserve | 15,182,958.83 | 15,182,958.83 | |
| Surplus reserves | 320,133,050.15 | 320,133,050.15 | |
| Retained earnings | 643,968,465.93 | 643,968,465.93 | |

| | | | |
|--------------------------------------|------------------|------------------|--|
| Total owners' equity | 1,988,135,623.61 | 1,988,135,623.61 | |
| Total liabilities and owners' equity | 3,373,911,607.11 | 3,373,911,607.11 | |

Notes to adjustment

2. Retrospective Restatement of Previous Comparative Data due to the Execution of any New Standards Governing Financial Instruments or Leases from 2019

Applicable Not applicable

III Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.