

# **Tsann Kuen (China) Enterprise Co., Ltd.**

## **Report for the Third Quarter of 2019**

**October 2019**

## **Section I Important Statements**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Tsann Kuen (China) Enterprise Co., Ltd. (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.**

**Mr. Pan Zhirong, company principal, and Mr. Wu Jianhua, head of the accounting work & the accounting division (head of accounting) 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.**

## Section II Company Profile

### I Key financial results

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

Yes  No

Unit: RMB

Item	30 September 2019	31 December 2018	Change (%)	
Total assets	1,954,892,781.06	1,842,514,750.64	6.10	
Equity attributable to shareholders of the Company	726,606,403.59	648,801,684.35	11.99	
Item	Q3 2019	YoY change (%)	Q1-Q3 2019	YoY change (%)
Operating revenue	567,950,007.62	-5.07	1,497,398,991.00	16.09
Net profit attributable to shareholders of the Company	34,915,901.13	49.06	82,208,469.08	1,771.64
Net profit attributable to shareholders of the Company before exceptional profit and loss	34,968,587.22	64.30	44,832,321.67	551.66
Net operating cash flow	46,236,107.54	-14.91	50,403,316.97	176.97
Basic earnings per share	0.18	50.00	0.44	1,566.67
Diluted earnings per share	0.18	50.00	0.44	1,566.67
Weighted average return on equity (%)	4.88	0.95	11.90	12.70

Total share capital up to the former trading date before the disclosure:

Total share capital up to the former trading date before the disclosure (share)	185,391,680
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Fully diluted EPS calculated by the newest share capital:

Fully diluted EPS calculated by the newest share capital (RMB/share)	0.44
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Exceptional profit and loss

Applicable  Not applicable

Unit: RMB

Item	January-September 2019	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	63,553,375.02	
Tax rebates, reductions and exemptions due to approval beyond authority or the lack of official approval documents		
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and	24,423,952.00	

Item	January-September 2019	Note
given at a fixed quota or amount in accordance with the State's uniform standards)		
Capital occupation charges on non-financial enterprises that are charged to the profit/loss for the Reporting Period		
Profit due to the situation where investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of identifiable net assets of investees when making investments		
Profit/loss on non-monetary asset swap		
Profit/loss on entrusting others with investments or asset management		
Asset impairment provisions due to acts of God such as natural disasters		
Profit/loss on debt restructuring		
Restructuring costs in staff arrangement, integration, etc.		
Profit/loss on the part over the fair value due to transactions with distinctly unfair prices		
Reporting Period net profit/loss of subsidiaries acquired through business mergers under the same control from period-beginnings to merger dates		
Profit/loss on contingencies irrelevant to the Company's normal business activities		
Profit/loss on fair value changes of transactional financial assets and liabilities & investment profit on disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effectively hedging business related to normal business operations of the Company	4,935,188.65	Mainly the investment income of sales of forward foreign exchange contract, income from changes in fair value, and other current assets income from wealth management products
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately		
Profit/loss on entrusted loans		
Profit/loss on fair value changes in investing properties of which the subsequent measurement is carried out adopting the fair value method		
Effect on Reporting Period profit/loss when a one-off adjustment is made to Reporting Period profit/Loss according to requirements of taxation, accounting and other relevant laws and regulations		
Custody fee income when entrusted with operations		
Non-operating income and expense other than the above	5,635,329.21	
Other profit/loss that meet the definition of exceptional profit/loss		
Less: Income tax effects	23,794,421.97	
Minority interests effects (after tax)	37,377,275.50	
Total	37,376,147.41	

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable  Not applicable

## II Total number of shareholders at the period-end and shareholdings of top ten shareholders

### 1. Numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top ten shareholders

Unit: share

Total number of common shareholders at the period-end	16,021	Total number of preference shareholders with resumed voting rights at the period-end	0			
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
FORDCHEE DEVELOPMENT LIMITED	Foreign corporation	29.10%	53,940,530	0	N/A	0
EUPA INDUSTRY CORPORATION LIMITED	Foreign corporation	13.09%	24,268,840	0	N/A	0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	4.95%	9,170,982	0	N/A	0
FILLMAN INVESTMENTS LIMITED	Foreign corporation	2.49%	4,621,596	0	N/A	0
SHENWAN HONGYUAN SECURITIES (HK) CO., LTD.	Foreign corporation	1.09%	2,016,752	0	N/A	0
CHEN YONGQUAN	Domestic individual	1.03%	1,900,776	0	N/A	0
CHEN YONGQING	Foreign individual	0.84%	1,561,249	0	N/A	0
CHEN LIJUAN	Foreign individual	0.75%	1,398,634	0	N/A	0
DING XIAOLUN	Domestic individual	0.63%	1,173,500	0	N/A	0
XU QIANMING	Domestic individual	0.33%	618,259	0	N/A	0
Shareholdings of top ten non-restricted shareholders						
Name of shareholder	Number of unrestricted shares held	Variety of shares				
		Variety	Number			
FORDCHEE DEVELOPMENT LIMITED	53,940,530	Domestically listed foreign shares	53,940,530			
EUPA INDUSTRY CORPORATION LIMITED	24,268,840	Domestically listed foreign shares	24,268,840			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	9,170,982	Domestically listed foreign shares	9,170,982			
FILLMAN INVESTMENTS LIMITED	4,621,596	Domestically listed foreign shares	4,621,596			

SHENWAN HONGYUAN SECURITIES (HK) CO., LTD.	2,016,752	Domestically listed foreign shares	2,016,752
CHEN YONGQUAN	1,900,776	Domestically listed foreign shares	1,900,776
CHEN YONGQING	1,561,249	Domestically listed foreign shares	1,561,249
CHEN LIJUAN	1,398,634	Domestically listed foreign shares	1,398,634
DING XIAOLUN	1,173,500	Domestically listed foreign shares	1,173,500
XU QIANMING	618,259	Domestically listed foreign shares	618,259
Related or acting-in-concert parties among the above shareholders	The first, the second and the fourth largest shareholders are the Company's corporate controlling shareholders. It is unknown to the Company whether there exists associated relationship among the shareholders above or they are acting-in-concert entities as stipulated in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.		
Top 10 shareholders involved in securities margin trading	N/A		

Did any of the top ten common shareholders or the top ten non-restricted common shareholders of the Company conduct any promissory repo during the Reporting Period?

Yes  No

## Section III Significant Events

### I Changes in major accounting statement items and financial indicators for the Reporting Period, as well as reasons for such changes

Applicable  Not applicable

Unit: RMB

Item	30 September 2019	31 December 2018	+/-%	Main reason for change
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period	123,789.00	1,440,700.00	-91.41	Decline in assessed gains on forward forex contracts in the current period
Prepayments	16,822,846.57	2,668,796.33	530.35	Prepayments for aluminium ingot and prepaid plant rents in the current period
Assets held for sale	0.00	4,311,436.92	-100.00	Completion of asset disposal in the current period
Construction in progress	1,594,856.44	895,756.17	78.05	No acceptance of premises renovation work upon examination in the current period
Other non-current assets	1,975,525.02	3,495,224.64	-43.48	Acceptance of the equipment that had been prepaid for in the current period
Short-term borrowings	15,348,260.30	10,432,044.21	47.13	Increase in guaranteed loans in the current period
Financial liabilities measured at fair value with fair value changes included in the profit and loss for	7,805,500.00	0.00	100.00	Assessed losses on forward forex contracts in the current period

Item	30 September 2019	31 December 2018	+/-%	Main reason for change
the Reporting Period				
Advances from customers	15,995,813.35	9,747,158.90	64.11	Advances from customer for goods in the current period
Taxes and fares payable	13,627,462.25	3,768,531.07	261.61	Withdrawal of enterprise income tax for increase in net profit in the current period
Deferred income tax liabilities	48,315,954.43	27,505,224.10	75.66	Recognition of deferred income tax liabilities from asset disposal for policy plant demolition Phase II of Tsann Kuen China (Shanghai) Enterprise Co., Ltd. in current period
Other comprehensive income	8,130,226.45	5,924,132.67	37.24	Rise in currency translation income

Item	January-September 2019	January-September 2018	+/-%	Main reason for change
Other income	3,261,776.00	2,276,139.00	43.30	Increase in government subsidies in current period
Investment income	14,057,599.65	9,744,079.99	44.27	Increase in income from wealth management product in the current period
Asset impairment loss	-2,312,972.35	-12,648,743.40	81.71	Decline in inventory valuation allowances in the current period
Asset disposal income	63,553,375.02	368,732.74	17,135.62	Gains on asset disposal for policy plant demolition Phase II of Tsann Kuen China (Shanghai) Enterprise Co., Ltd. in current period
Non-business revenue	26,875,443.46	3,104,942.74	765.57	Subsidies for policy plant demolition Phase II of Tsann Kuen China (Shanghai) Enterprise Co., Ltd. in current period
Non-business expenses	77,938.25	57,120.31	36.45	Increase in donation expenses in the current period
Income tax expense	37,524,398.17	-271,427.47	13,924.83	Recognition of deferred income tax liabilities from asset disposal for policy plant demolition Phase II of Tsann Kuen China (Shanghai) Enterprise Co., Ltd. in current period
Net profit	134,990,727.84	-9,083,916.37	1,586.04	Increase in YoY overall profit due to subsidies for expropriation of plant Phase II of Tsann Kuen China (Shanghai) Enterprise Co., Ltd., increase in operating revenue and influence of RMB exchange rate in current period
Net operating cash flow	50,403,316.97	-65,482,868.76	176.97	Increase in operating revenue and cash received from sales of goods in the current period
Net investing cash flow	-100,359,011.02	-256,498,962.27	60.87	1. Net amount of wealth management product recovered in the Reporting Period increased compared to that of the same period of last year 2. Receipt of accounts from asset disposal of Phase II of Tsann Kuen China (Shanghai) Enterprise Co., Ltd.
Net financing cash flow	-10,570,441.66	48,471,387.05	-121.81	Increase in YoY dividend payment and loans of subsidiaries

## II Progress of significant events and analysis & explanations on their influence and solutions

Applicable  Not applicable

### 1. Contingencies

(1) As MTN Products, Inc. / Water Solutions (Hong Kong) Ltd. ("MTN / WSL") did not pay the relevant payment in time and fulfill the order according to the contract, the subsidiary of the Company, TsannKuen (Zhangzhou) Enterprise Co., Ltd. submitted the indictment to the SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES on 23 November 2016 to sue MTN / WSL for payment of USD707,522.92 and USD1,402,940 for reserve losses, totaling USD2,110,462.92. Both parties signed the settlement agreement on 22 August 2019 and completed the action withdrawal without any influence on the Company's profit in the current period.

### 2. Progress of significant events

Overview of significant event	Disclosure date	Website where the relevant current announcement is disclosed
The controlling subsidiary company, Tsann Kuen China (Shanghai) Enterprise Co., Ltd signed the Expropriation Compensation Agreement (second phase of the factory) and received the first installment of expropriation compensation of RMB44,172,066.5 on 15 January 2019.	16 January 2019	www.cninfo.com.cn
The controlling subsidiary company, Tsann Kuen China (Shanghai) Enterprise Co., Ltd signed the Expropriation Compensation Agreement (second phase of the factory) and received the final installment of expropriation compensation of RMB44,172,066.5 on 25 January 2019.	26 January 2019	www.cninfo.com.cn

Progress of any share repurchase:

Applicable  Not applicable

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

Applicable  Not applicable

## III Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers, unfulfilled in this reporting period

Applicable  Not applicable

## IV Operating result forecast for 2019

Forecast of a possible deficit or considerable YoY change in the accumulative net profit made during the period from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable  Not applicable



## V Securities investments

Applicable  Not applicable

## VI Wealth management entrustment

Applicable  Not applicable

Unit: RMB'0,000

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Wealth management product purchased from bank	Self-funded	64,500.00	49,000.00	0.00

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

## VII Investments in derivative financial instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Operating party	Relation	Related-party transaction or not	Type of investment in derivative financial instruments	Initial investment amount	Commencement date	Termination date	Investment amount at the beginning of the period	Pursed in this reporting period	Sold in this reporting period	Amount provided for impairment	Investment amount at the end of the period	Ratio of investment amount at the end of the period to the Company's net asset at the end of the period (%)	Actual profit/loss for the period
Bank	No	No	Forward forex	82,556.37	January 1, 2019	September 30, 2019	22,778.24	59,778.13	46,323.88		36,232.49	49.87	-1,014.78
Total				82,556.37			22,778.24	59,778.13	46,323.88		36,232.49	49.87	-1,014.78
Source of investment funds				All from the Company's own funds									
Lawsuits				No lawsuits									
Disclosure date of the announcement about the board's consent for the investment				March 12, 2013									
Disclosure date of the announcement about the general meeting's consent for the investment				May 18, 2013									
Risk analysis and risk control measures for positions held in derivatives in this reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				<p>1. Analysis on risks from holding of derivative products: gains or losses from difference between contracted exchange rate and market exchange rate on value date.</p> <p>2. Control measures:</p> <p>(1) Principle: The purpose of the financial derivative operation is to avoid risks. The Company shall not conduct transactional operation for other purposes than risk avoidance. The Company shall not conduct complex derivative trading above the actual operation needs and shall not speculate in derivative trading with hedging as an excuse. The overall contractual amount for risk avoidance of the Company shall not exceed the summation of the net risk exposure of the existing assets and liabilities and the net risk exposure of assets and liabilities arising from the operation of the Company in the coming year.</p> <p>(2) Staff requirements: Personnel taking part in the investment shall all fully understand the risks of derivative investment and strictly execute the business operation and risk management mechanisms for derivative investment.</p> <p>(3) Operation standardization: Before making a derivative investment, the Company shall rationally equip itself with professional personnel for investment decision-making, business operation, risk control, etc. It shall also inquire and compare among various markets and products. Besides, it</p>									



**VIII Visits paid to the Company in the Reporting Period for purposes of research, communication, interview, etc.**

Applicable  Not applicable

Date of visit	Way of visit	Type of visitor	About
September 27, 2019	By phone	Individual	Inquired of the operation of the Company

**IX Illegal provision of guarantees for external parties**

Applicable  Not applicable

No such cases in the Reporting Period.

**X Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes**

Applicable  Not applicable

## Section IV Financial Statements

### I Financial statements

#### 1. Consolidated balance sheet

Prepared by TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary funds	563,629,573.66	469,692,295.47
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period	123,789.00	1,440,700.00
Derivative financial assets		
Notes and accounts receivable	356,890,916.24	280,796,130.89
Of which: Notes receivable	0.00	200,000.00
Accounts receivable	356,890,916.24	280,596,130.89
Accounts paid in advance	16,822,846.57	2,668,796.33
Other accounts receivable	26,188,791.41	29,944,042.47
Of which: Interests receivable	2,433,668.78	0.00
Dividends receivable		
Inventories	216,173,298.82	243,262,500.58
Assets held for sale	0.00	4,311,436.92
Non-current assets due within one year		
Other current assets	497,313,762.59	527,497,484.82
Total current assets	1,677,142,978.29	1,559,613,387.48
Non-current assets:		
Available-for-sale financial assets	40,000.00	40,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments		
Investment property	23,937,655.33	25,014,648.31
Fixed assets	186,688,116.54	191,073,302.46
Construction in progress	1,594,856.44	895,756.17
Productive living assets		
Oil-gas assets		
Intangible assets	32,097,444.94	27,771,236.03
R&D expense		
Goodwill		
Long-term prepaid expense	7,146,916.85	8,058,867.12
Deferred income tax assets	24,269,287.65	26,552,328.43
Other non-current assets	1,975,525.02	3,495,224.64
Total non-current assets	277,749,802.77	282,901,363.16
Total assets	1,954,892,781.06	1,842,514,750.64

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	15,348,260.30	10,432,044.21
Financial liabilities at fair value through profit or loss	7,805,500.00	0.00
Derivative financial liabilities		
Notes and accounts payable	618,851,034.93	672,895,647.66
Of which: Notes payable	26,717,493.62	17,120,079.05
Accounts payable	592,133,541.31	655,775,568.61
Accounts received in advance	15,995,813.35	9,747,158.90
Payroll payable	45,080,043.06	48,587,140.78
Taxes payable	13,627,462.25	3,768,531.07
Other accounts payable	49,832,667.36	52,818,204.91
Of which: Interests payable	0.00	23,919.09
Dividends payable		
Reinsurance premiums payables		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	766,540,781.25	798,248,727.53
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable	414,432.69	361,923.23
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	48,315,954.43	27,505,224.10
Other non-current liabilities		
Total non-current liabilities	48,730,387.12	27,867,147.33
Total liabilities	815,271,168.37	826,115,874.86
Shareholders' equity:		
Share capital	185,391,680.00	185,391,680.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	296,808,965.79	296,808,965.79
Less: Treasury stock		
Other composite income	8,130,226.45	5,924,132.67
Special reserves		
Surplus reserves	37,770,482.76	37,804,354.59
Provisions for general risks		
Retained profit	198,505,048.59	122,872,551.30
Total equity attributable to shareholders of the Company	726,606,403.59	648,801,684.35
Minority interests	413,015,209.10	367,597,191.43
Total shareholders' equity	1,139,621,612.69	1,016,398,875.78
Total liabilities and shareholders' equity	1,954,892,781.06	1,842,514,750.64

Legal representative: Pan Zhirong      Chief of the accounting work: Wu Jianhua      Chief of the accounting organ: Wu Jianhua

**2. Balance sheet of the Company**

Unit: RMB

Item	30 September 2019	31 December 2018
Current Assets:		
Monetary funds	7,554,368.17	6,985,345.44
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Derivative financial assets		
Notes and accounts receivable	6,416,138.69	16,443,882.91
Of which: Notes receivable		200,000.00
Accounts receivable	6,416,138.69	16,243,882.91
Accounts paid in advance	352,800.00	260,472.55
Other accounts receivable	3,642,254.20	2,213,373.51
Of which: Interests receivable		
Dividends receivable		
Inventories	3,560,312.55	9,339,180.06
Assets held for sale		
Non-current assets due within one year		
Other current assets	199,345.92	381,431.15
Total current assets	21,725,219.53	35,623,685.62
Non-current assets:		
Available-for-sale financial assets	40,000.00	40,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	923,414,701.56	921,914,701.56
Investment property	28,115,480.49	29,863,349.12
Fixed assets	1,067,750.65	1,189,309.65
Construction in progress	291,958.22	
Productive living assets		
Oil-gas assets		
Intangible assets	8,999.99	29,249.99
R&D expense		
Goodwill		
Long-term prepaid expense	117,660.50	
Deferred income tax assets	8,586,800.91	10,946,860.01
Other non-current assets		53,879.31
Total non-current assets	961,643,352.32	964,037,349.64
Total assets	983,368,571.85	999,661,035.26

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Derivative financial liabilities		
Notes and accounts payable	36,690,613.08	58,463,830.39
Of which: Notes payable		
Accounts receivable	36,690,613.08	58,463,830.39
Accounts received in advance	1,000,655.00	1,708,795.17
Payroll payable	5,942,134.59	5,338,618.00
Taxes payable	580,608.40	666,695.14
Other accounts payable	251,082,927.47	262,786,311.87
Of which: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	295,296,938.54	328,964,250.57
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preferred shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	295,296,938.54	328,964,250.57
Shareholders' equity:		
Share capital	185,391,680.00	185,391,680.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserves	271,490,289.82	271,490,289.82
Less: Treasury stock		
Other composite income		
Special reserves		
Surplus reserves	37,770,482.76	37,804,354.59
Provisions for general risks		
Retained profit	193,419,180.73	176,010,460.28
Total shareholders' equity	688,071,633.31	670,696,784.69
Total liabilities and shareholders' equity	983,368,571.85	999,661,035.26

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Jianhua

Chief of the accounting organ: Wu Jianhua



## 3. Consolidated income statement for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Operating revenues	567,950,007.62	598,301,806.56
Including: Sales revenue	567,950,007.62	598,301,806.56
2. Total operating costs	513,764,875.84	562,044,317.38
Including: Cost of sales	465,320,577.82	511,559,347.10
Taxes and surcharges	2,789,111.99	2,924,289.24
Selling expense	17,180,100.98	19,362,202.21
Administrative expense	19,627,118.43	21,296,613.25
R&D expense	20,421,277.44	17,320,328.99
Finance costs	-11,573,310.82	-10,418,463.41
Of which: Interest expense	292,383.43	192,293.47
Interest revenue	1,941,025.34	1,352,502.66
Add: Other income	644,009.00	714,047.00
Profit/loss on investment (“-” for loss)	5,744,560.68	-132,820.99
Including: Share of profit in associates and joint ventures		
Profit/loss on fair value changes (“-” means loss)	-4,977,061.00	2,153,400.00
Asset impairment loss (“-” for loss)	-393,616.48	-7,825,409.98
Income arising from disposal of assets (“-” means loss)	154,955.42	-7,450.86
3. Operating profit (“-” for loss)	55,357,979.40	31,159,254.35
Add: Non-operating income	693,632.09	637,368.87
Less: Non-operating expense	57,435.55	19,905.62
4. Profit before tax (“-” for loss)	55,994,175.94	31,776,717.60
Less: Income tax expense	7,703,418.05	767,082.04
5. Net profit (“-” for net loss)	48,290,757.89	31,009,635.56
5.1 Classified by operating continuity		
5.1.1 Net profit from going concern (“-” means net loss)	48,290,757.89	31,009,635.56
5.1.2 Net profit from discontinued operations (“-” means net loss)		
5.2 Classified by ownership		
5.2.1 Minority shareholders’ income (“-” means net loss)	13,374,856.76	7,585,769.86
5.2.2 Net profit attributable to owners of the Company (“-” means net loss)	34,915,901.13	23,423,865.70
6. After-tax net amount of other composite income	2,729,221.82	2,297,951.56
After-tax net amount of other composite income attributable to shareholders of the Company	2,046,916.36	1,723,463.67
6.1 Other composite income that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other composite income of investees that will not be reclassified to profit or loss under equity method		
6.2 Other composite income that will be reclassified to profit or loss	2,046,916.36	1,723,463.67
6.2.1 Share of other composite income of investees that will		

Item	Q3 2019	Q3 2018
be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	2,046,916.36	1,723,463.67
6.2.6 Other		
After-tax net amount of other composite income attributable to minority shareholders	682,305.46	574,487.89
7. Total comprehensive income	51,019,979.71	33,307,587.12
Attributable to shareholders of the Company	36,962,817.49	25,147,329.37
Attributable to minority interests	14,057,162.22	8,160,257.75
8. Earnings per share		
8.1 Basic earnings per share	0.18	0.12
8.2 Diluted earnings per share	0.18	0.12

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Pan Zhirong      Chief of the accounting work: Wu Jianhua      Chief of the accounting organ: Wu Jianhua

## 4. Income statement of the Company for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Operating revenues	21,337,483.46	27,973,310.19
Less: Operating costs	15,089,616.94	22,958,078.34
Taxes and surtaxes	443,563.59	865,677.25
Selling expenses	1,013,254.54	1,591,859.19
Administrative expenses	1,448,761.21	904,331.37
R&D expenses		
Finance costs	-22,082.56	-28,906.93
Of which: Interest expense		
Interest revenue	26,232.44	4,432.76
Add: Other income		
Profit/loss on investment (“-” for loss)		
Including: Share of profit in associates and joint ventures		
Profit/loss on fair value changes (“-” means loss)		
Asset impairment loss (“-” for loss)	-50,718.86	-2,880,418.89
Income arising from disposal of assets (“-” means loss)		
2. Operating profit (“-” for loss)	3,313,650.88	-1,198,147.92
Add: Non-operating revenue	342,116.55	138,260.65
Less: Non-operating expense		
3. Profit before tax (“-” for loss)	3,655,767.43	-1,059,887.27
Less: Income tax expense	3,009,611.63	-640,998.08
4. Net profit (“-” for net loss)	646,155.80	-418,889.19
4.1 Net profit from going concern (“-” for net loss)	646,155.80	-418,889.19
4.2 Net profit from discontinued operations (“-” for net loss)		
5. After-tax net amount of other composite income		
5.1 Other composite income that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other composite income of investees that will not be reclassified to profit or loss under equity method		
5.2 Other composite income that will be reclassified to profit or loss		
5.2.1 Share of other composite income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		

Item	Q3 2019	Q3 2018
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total composite income	646,155.80	-418,889.19
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: Pan Zhirong    Chief of the accounting work: Wu Jianhua    Chief of the accounting organ: Wu Jianhua

## 5. Consolidated income statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Revenue	1,497,398,991.00	1,289,812,311.79
Of which: Operating revenue	1,497,398,991.00	1,289,812,311.79
2. Operating costs and expenses	1,421,118,737.52	1,294,174,686.39
Of which: Operating costs	1,261,653,155.30	1,137,008,364.49
Taxes and surtaxes	8,469,062.01	8,615,824.18
Selling expenses	49,793,405.07	46,943,707.03
Administrative expenses	58,396,362.95	61,813,542.09
R&D expenses	57,120,477.94	51,443,153.79
Finance costs	-14,313,725.75	-11,649,905.19
Of which: Interest expense	724,124.16	479,941.76
Interest revenue	6,311,962.49	5,835,960.62
Add: Other income	3,261,776.00	2,276,139.00
Profit/loss on investment (“-” for loss)	14,057,599.65	9,744,079.99
Including: Share of profit in associates and joint ventures		
Profit/loss on fair value changes (“-” means loss)	-9,122,411.00	-7,781,000.00
Asset impairment loss (“-” for loss)	-2,312,972.35	-12,648,743.40
Income arising from disposal of assets (“-” means loss)	63,553,375.02	368,732.74
3. Operating profit (“-” for loss)	145,717,620.80	-12,403,166.27
Add: Non-operating income	26,875,443.46	3,104,942.74
Less: Non-operating expense	77,938.25	57,120.31
4. Profit before tax (“-” for loss)	172,515,126.01	-9,355,343.84
Less: Income tax expense	37,524,398.17	-271,427.47
5. Net profit (“-” for net loss)	134,990,727.84	-9,083,916.37
5.1 Classified by operating continuity		
5.1.1 Net profit from going concern (“-” means net loss)	134,990,727.84	-9,083,916.37
5.1.2 Net profit from discontinued operations (“-” means net loss)		
5.2 Classified by ownership		
5.2.1 Minority shareholders’ income (“-” means net loss)	52,782,258.76	-4,166,095.30
5.2.2 Net profit attributable to owners of the Company (“-” means net loss)	82,208,469.08	-4,917,821.07
6. After-tax net amount of other composite income	2,928,662.19	2,245,532.55
Attributable to owners of the Company as the parent	2,196,496.64	1,684,149.41
6.1 Other composite income that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by		

Item	Q1~Q3 2019	Q1~Q3 2018
remeasurements on defined benefit pension schemes		
6.1.2 Share of other composite income of investees that will not be reclassified to profit or loss under equity method		
6.2 Other composite income that will be reclassified to profit or loss	2,196,496.64	1,684,149.41
6.2.1 Share of other composite income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
6.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gain/loss on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	2,196,496.64	1,684,149.41
6.2.6 Other		
Attributable to minority interests	732,165.55	561,383.14
7. Total composite income	137,919,390.03	-6,838,383.82
Attributable to shareholders of the Company	84,404,965.72	-3,233,671.66
Attributable to Minority interests	53,514,424.31	-3,604,712.16
8. Earnings per share		
8.1 Basic earnings per share	0.44	-0.03
8.2 Diluted earnings per share	0.44	-0.03

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Pan Zhirong    Chief of the accounting work: Wu Jianhua    Chief of the accounting organ: Wu Jianhua

**6. Income statement of the Company for Q1~Q3**

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Operating revenues	58,486,701.87	84,995,033.15
Less: Operating costs	46,102,120.70	68,390,679.44
Taxes and surtaxes	1,360,261.86	2,009,123.01
Selling expenses	3,388,320.67	5,250,666.63
Administrative expenses	4,343,364.16	2,963,224.44
R&D expenses		
Finance costs	-60,232.02	134,373.75
Of which: Interest expense		
Interest revenue	110,810.12	84,858.87
Add: Other income		
Profit/loss on investment (“-” for loss)	25,443,358.87	33,547,555.83
Including: Share of profit in associates and joint ventures		
Profit/loss on fair value changes (“-” means loss)		
Asset impairment loss (“-” for loss)	-1,898,411.25	-3,061,250.18
Income arising from disposal of assets (“-” means loss)		
2. Operating profit (“-” for loss)	26,897,814.12	36,733,271.53
Add: Non-operating income	704,385.14	1,170,280.21
Less: Non-operating expense		4,632.00
3. Profit before tax (“-” for loss)	27,602,199.26	37,898,919.74
Less: Income tax expense	2,472,965.18	-570,628.51
4. Net profit (“-” for net loss)	25,129,234.08	38,469,548.25
4.1 Net profit from going concern (“-” for net loss)	25,129,234.08	38,469,548.25
4.2 Net profit from discontinued operations (“-” for net loss)		
5. After-tax net amount of other composite income		
5.1 Other composite income that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other composite income of investees that will not be reclassified to profit or loss under equity method		
5.2 Other composite income that will be reclassified to profit or loss		
5.2.1 Share of other composite income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.3 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gain/loss on cash flow hedges		

Item	Q1~Q3 2019	Q1~Q3 2018
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total composite income	25,129,234.08	38,469,548.25
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: Pan Zhirong    Chief of the accounting work: Wu Jianhua    Chief of the accounting organ: Wu Jianhua



## 7. Consolidated cash flow statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Operating cash flow:		
Cash received from sale of commodities and rendering of service	1,424,898,676.41	1,194,143,782.69
Tax refunds received	127,264,387.82	126,976,317.46
Other operating cash received	75,454,522.56	46,817,557.41
Subtotal of operating cash inflow	1,627,617,586.79	1,367,937,657.56
Cash paid for goods and services	1,180,739,622.69	1,066,998,861.67
Cash paid to and for employees	212,717,958.32	199,588,889.06
Taxes and fares paid	18,121,099.06	9,802,696.58
Other cash payment relating to operating activities	165,635,589.75	157,030,079.01
Subtotal of operating cash outflow	1,577,214,269.82	1,433,420,526.32
Net operating cash flow	50,403,316.97	-65,482,868.76
2. Investment cash flow:		
Cash received from retraction of investments	494,561,696.08	292,157,440.00
Cash received from return on investments	16,543,185.85	10,800,555.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	67,245,069.02	463,696.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investment activities	110,758,658.06	539,417,500.00
Subtotal of investment cash inflow	689,108,609.01	842,839,191.44
Cash paid to acquire fixed assets, intangible assets and other long-term assets	53,991,936.51	42,726,408.44
Cash paid for investment	467,069,315.47	370,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investment activities	268,406,368.05	686,611,745.27
Subtotal of investment cash outflow	789,467,620.03	1,099,338,153.71
Net investment cash flow	-100,359,011.02	-256,498,962.27
3. Financing cash flow:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	50,375,683.07	103,479,312.51
Other financing cash received	14,000,000.00	2,252,250.08
Subtotal of financing cash inflow	64,375,683.07	105,731,562.59
Repayment of borrowings	47,834,093.98	29,726,823.30
Cash paid for interest expenses and distribution of dividends or profit	16,312,030.75	26,407,227.20
Including: Dividends or profit paid by subsidiaries to minority shareholders	8,481,119.62	11,182,518.60
Other cash payments relating to financing activities	10,800,000.00	1,126,125.04
Subtotal of financing cash outflow	74,946,124.73	57,260,175.54
Net financing cash flow	-10,570,441.66	48,471,387.05
4. Effect of foreign exchange rate changes on cash and cash equivalents	147,631.12	-3,207,571.28
5. Net increase in cash and cash equivalents	-60,378,504.59	-276,718,015.26
Add: Opening balance of cash and cash equivalents	448,492,295.47	564,381,960.88
6. Closing balance of cash and cash equivalents	388,113,790.88	287,663,945.62

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Jianhua

Chief of the accounting organ: Wu Jianhua

**8. Cash flow statement of the Company for Q1~Q3**

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
<b>1. Operating cash flow:</b>		
Cash received from sale of commodities and rendering of service	38,846,898.64	47,407,867.79
Tax refunds received		
Other operating cash received	266,337,599.24	39,883,542.53
Subtotal of operating cash inflow	305,184,497.88	87,291,410.32
Cash paid for goods and services	42,831,095.70	48,924,317.09
Cash paid to and for employees	2,292,491.54	3,300,271.47
Taxes and fares paid	4,708,705.29	5,105,270.66
Other operating cash payments	271,128,744.36	46,288,076.30
Subtotal of operating cash outflow	320,961,036.89	103,617,935.52
Net operating cash flow	-15,776,539.01	-16,326,525.20
<b>2. Investment cash flow:</b>		
Cash received from retraction of investments		
Cash received from return on investments	25,443,358.87	33,547,555.83
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investment activities		
Subtotal of investment cash inflow	25,443,358.87	33,547,555.83
Cash paid to acquire fixed assets, intangible assets and other long-term assets	145,897.00	
Cash paid for investment	1,500,000.00	
Net cash paid to acquire subsidiaries and other business units		
Other investment cash payments		
Subtotal of investment cash outflow	1,645,897.00	0.00
Net investment cash flow	23,797,461.87	33,547,555.83
<b>3. Financing cash flow:</b>		
Cash received from capital contributions		
Cash received as borrowings		
Other financing cash received		
Subtotal of financing cash inflow	0.00	0.00
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	7,415,667.20	14,831,334.40
Other cash payments relating to financing activities		
Subtotal of financing cash outflow	7,415,667.20	14,831,334.40
Net financing cash flow	-7,415,667.20	-14,831,334.40
4. Effect of foreign exchange rate changes on cash and cash equivalents	-36,232.93	-171,821.03
5. Net increase in cash and cash equivalents	569,022.73	2,217,875.20
Add: Opening balance of cash and cash equivalents	6,985,345.44	5,342,389.95
6. Closing balance of cash and cash equivalents	7,554,368.17	7,560,265.15

Legal representative: Pan Zhirong

Chief of the accounting work: Wu Jianhua

Chief of the accounting organ: Wu Jianhua

## 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

#### Retroactive restatement of consolidated balance sheet

Prepared by TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Unit: RMB

Item	1 January 2019	31 December 2018	Adjusted
Current assets:			
Monetary funds	469,692,295.47	469,692,295.47	
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period	1,440,700.00	1,440,700.00	
Derivative financial assets			
Notes and accounts receivable	282,087,350.72	280,796,130.89	1,291,219.83
Of which: Notes receivable	200,000.00	200,000.00	
Accounts receivable	281,887,350.72	280,596,130.89	1,291,219.83
Accounts paid in advance	2,668,796.33	2,668,796.33	
Other accounts receivable	29,944,042.47	29,944,042.47	
Of which: Interest receivable			
Dividends receivable			
Inventories	243,262,500.58	243,262,500.58	
Assets held for sale	4,311,436.92	4,311,436.92	
Non-current assets due within one year			
Other current assets	527,497,484.82	527,497,484.82	
Total current assets	1,560,904,607.31	1,559,613,387.48	1,291,219.83
Non-current assets:			
Available-for-sale financial assets	40,000.00	40,000.00	
Held-to-maturity investments			
Long-term accounts receivable			
Long-term equity investments			
Investment property	25,014,648.31	25,014,648.31	
Fixed assets	191,073,302.46	191,073,302.46	
Construction in progress	895,756.17	895,756.17	
Productive living assets			
Oil-gas assets			
Intangible assets	27,771,236.03	27,771,236.03	
R&D expense			
Goodwill			
Long-term deferred expenses	8,058,867.12	8,058,867.12	
Deferred income tax assets	26,461,242.31	26,552,328.43	-91,086.12
Other non-current assets	3,495,224.64	3,495,224.64	
Total non-current assets	282,810,277.04	282,901,363.16	-91,086.12
Total assets	1,843,714,884.35	1,842,514,750.64	1,200,133.71

## Retroactive restatement of consolidated balance sheet (Continued)

Prepared by TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Unit: RMB

Item	1 January 2019	31 December 2018	Adjusted
Current liabilities:			
Short-term borrowings	10,432,044.21	10,432,044.21	
Financial liabilities measured at fair value with fair value changes included in the profit and loss for the Reporting Period			
Derivative financial liabilities			
Notes and accounts payable	672,895,647.66	672,895,647.66	
Accounts received in advance	9,747,158.90	9,747,158.90	
Payroll payable	48,587,140.78	48,587,140.78	
Taxes and fares payable	3,768,531.07	3,768,531.07	
Other accounts payable	52,818,204.91	52,818,204.91	
Of which: Interest payable	23,919.09	23,919.09	
Dividends payable			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	798,248,727.53	798,248,727.53	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Long-term accounts payable			
Long-term payroll payable	361,923.23	361,923.23	
Estimated liabilities			
Deferred income			
Deferred income tax liabilities	27,505,224.10	27,505,224.10	
Other non-current liabilities			
Total non-current liabilities	27,867,147.33	27,867,147.33	
Total liabilities	826,115,874.86	826,115,874.86	
Shareholders' equity:			
Share capital	185,391,680.00	185,391,680.00	
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves	296,808,965.79	296,808,965.79	
Less: Treasury stock			
Other composite income	5,933,729.81	5,924,132.67	9,597.14
Special reserves			
Surplus reserves	37,770,482.76	37,804,354.59	-33,871.83
Provisions for general risks			
Retained profit	123,712,246.71	122,872,551.30	839,695.41
Total equity attributable to shareholders of the Company	649,617,105.07	648,801,684.35	815,420.72
Minority interests	367,981,904.42	367,597,191.43	384,712.99
Total shareholders' equity	1,017,599,009.49	1,016,398,875.78	1,200,133.71
Total liabilities and shareholders' equity	1,843,714,884.35	1,842,514,750.64	1,200,133.71

## Retroactive restatement of balance sheet

Prepared by TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Unit: RMB

Item	1 January 2019	31 December 2018	Adjusted
Current assets:			
Monetary funds	6,985,345.44	6,985,345.44	
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period			
Derivative financial assets			
Notes and accounts receivable	15,992,258.57	16,443,882.91	-451,624.34
Of which: Notes receivable	200,000.00	200,000.00	
Accounts receivable	15,792,258.57	16,243,882.91	-451,624.34
Accounts paid in advance	260,472.55	260,472.55	
Other accounts receivable	2,213,373.51	2,213,373.51	
Of which: Interest receivable			
Dividends receivable			
Inventories	9,339,180.06	9,339,180.06	
Assets held for sale			
Non-current assets due within one year			
Other current assets	381,431.15	381,431.15	
Total current assets	35,172,061.28	35,623,685.62	-451,624.34
Non-current assets:			
Available-for-sale financial assets	40,000.00	40,000.00	
Held-to-maturity investments			
Long-term accounts receivable			
Long-term equity investments	921,914,701.56	921,914,701.56	
Investment property	29,863,349.12	29,863,349.12	
Fixed assets	1,189,309.65	1,189,309.65	
Construction in progress			
Productive living assets			
Oil-gas assets			
Intangible assets	29,249.99	29,249.99	
R&D expense			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	11,059,766.09	10,946,860.01	112,906.08
Other non-current assets	53,879.31	53,879.31	

Total non-current assets	964,150,255.72	964,037,349.64	112,906.08
Total assets	999,322,317.00	999,661,035.26	-338,718.26

## Retroactive restatement of balance sheet (Continued)

Prepared by TSANN KUEN (CHINA) ENTERPRISE CO., LTD.

Unit: RMB

Item	1 January 2019	31 December 2018	Adjusted
Current liabilities:			
Short-term borrowings			
Financial liabilities measured at fair value with fair value changes included in the profit and loss for the Reporting Period			
Derivative financial liabilities			
Notes and accounts payable	58,463,830.39	58,463,830.39	
Accounts received in advance	1,708,795.17	1,708,795.17	
Payroll payable	5,338,618.00	5,338,618.00	
Taxes and fares payable	666,695.14	666,695.14	
Other accounts payable	262,786,311.87	262,786,311.87	
Of which: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	328,964,250.57	328,964,250.57	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Long-term accounts payable			
Long-term payroll payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities			
Total liabilities	328,964,250.57	328,964,250.57	
Shareholders' equity:			
Share capital	185,391,680.00	185,391,680.00	
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves	271,490,289.82	271,490,289.82	
Less: Treasury stock			
Other composite income			
Special reserves			
Surplus reserves	37,770,482.76	37,804,354.59	-33,871.83

Item	1 January 2019	31 December 2018	Adjusted
Provisions for general risks			
Retained profit	175,705,613.85	176,010,460.28	-304,846.43
Total shareholders' equity	670,358,066.43	670,696,784.69	-338,718.26
Total liabilities and shareholders' equity	999,322,317.00	999,661,035.26	-338,718.26



Notes for adjustment:

According to the revised and printed Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24 – Hedging Accounting, and Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments issued by Ministry of Finance in 2017, enterprises listed domestically shall implement it from 1 January 2019.

The Company shall classify and measure financial instruments on implementation date of the standards in accordance with the regulations. No adjustment is needed if the previous comparative data of financial statements are inconsistent with the requirements of the standards. The balance between the original carrying value of financial instruments and the new carrying value on implementation date of the standards shall recorded into the items of beginning retained earnings, other comprehensive income and other items of financial statements during the reporting period of implementation date of the standards.

The Company shall change withdrawal method of accounts receivable impairment from “incurred loss method” to “expected credit loss method” in order to make provision for financial assets impairment more timely and sufficiently, revealing and controlling credit risks of financial assets.

## **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 Auditor’s report**

Is this Report audited?

Yes  No

This Report is not audited.