

Tunghsu Optoelectronic Technology Co., Ltd.

The Third Quarterly Report 2019

October 2019

I. Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Wang Lipeng, Person in charge of the Company, Ms.Feng Qiuju , Person in charge of accounting works, Mr.Wang Cang , Chief of the accounting organ (chief of accounting) hereby confirm the authenticity and completeness of the financial report enclosed in this report.

II. Basic information about the company

I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

√Yes □No

Reasons for retrospective restatements:

Accounting policy change

	As at the end of the reporting period	As at the end of last year		Changed (%) over end of prev. year
		Before adjustment	After adjustment	After adjustment
Gross assets (Yuan)	72,440,407,897.85	72,576,122,859.60	72,576,122,859.60	-0.19%
Net assets attributable to the shareholders of the listed company (Yuan)	33,282,397,733.05	32,521,130,925.14	32,521,130,925.14	2.34%
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating revenue (Yuan)	4,091,106,986.20	-33.30%	12,566,196,209.13	-27.21%
Net profit attributable to the shareholders of the listed company (Yuan)	290,704,217.37	-36.37%	1,134,880,387.35	-13.71%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	183,931,159.91	-58.26%	962,026,486.57	-23.16%
Net cash generated from /used in operating activities (Yuan)	--	--	127,114,559.45	124.66%
Basic earning per share(Yuan/Share)	0.05	-37.50%	0.20	-13.04%
Diluted gains per share(Yuan/Share)	0.05	-37.50%	0.20	-13.04%
Weighted average return on equity (%)	0.88%	-39.31%	3.45%	-17.66%

The Reason of the Change of the Accounting Policy and the Correction of the Accounting Error

Items and amount of non-current gains and losses

√ Applicable □ Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	147,664,236.12	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	107,995,116.58	
Gain/loss on loans obtained by entrusting others	246,200.42	
Other non-operating income and expenditure beside for the above items	4,745,332.46	
Less: Influenced amount of income tax	74,860,960.41	
Amount of influence of minority interests (After tax)	12,936,024.39	
Total	172,853,900.78	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

☐ Applicable ☒ Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period**1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders**

In shares

Total number of common shareholders at the period-end		377,080(Including 360,087 shareholders holding A shares and 16,993 shareholders holding B shares)		Total preference shareholders with the voting power recovered at the end of the reporting period(if any)		0
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Tunghsu Group Co., Ltd.	Domestic Non -State-owned legal person	15.97%	915,064,091	352,006,791	Pledge	799,643,042
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non -State-owned legal person	5.80%	332,382,171		Pledge	153,520,000
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non -State-owned legal person	4.58%	262,626,262	262,626,262	Pledge	80,000,000
Beixin Ruifeng Fund—China Merchants Bank—Daye Trust —Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032			
Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non -State-owned legal person	1.07%	61,165,682		Pledge	55,265,682
Hong Kong Securities Clearing Co., Ltd.	Overseas Legal person	0.94%	53,932,469			
Minsheng Royal Fund Management Co., Ltd— -Ping An Bank-Daye Trust Zengli 2 single Fund Trust	Domestic Non -State-owned legal person	0.85%	48,663,412			
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	State-owned legal person	0.73%	41,838,269			

Tunghsu Optoelectronic Technology Co., Ltd.—The first ESOP	Other	0.63%	36,319,731			
China Securities Finance Co., Ltd.	Domestic Non-State-owned legal person	0.54%	30,906,112			
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders’ Names	Number of the non-restricted shares held	Share type		Share type	Quantity	
Tunghsu Group Co., Ltd.	563,057,300	RMB Common shares	563,057,300			
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares	332,382,171			
Beixin Ruifeng Fund—China Merchants Bank—Daye Trust—Daye Trust Profit increase 3 single fund plan	62,095,032	RMB Common shares	62,095,032			
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682			
Hong Kong Securities Clearing Co., Ltd.	53,932,469	RMB Common shares	53,932,469			
Minsheng Royal Fund Management Co., Ltd—Ping An Bank-Daye Trust Zengli 2 single Fund Trust	48,663,412	RMB Common shares	48,663,412			
Kunshan Development Zone State-Owned Investment Holding Co., Ltd.	41,838,269	RMB Common shares	41,838,269			
Tunghsu Optoelectronic Technology Co., Ltd.—The first ESOP	36,319,731	RMB Common shares	36,319,731			
China Securities Finance Co., Ltd.	30,906,112	RMB Common shares	30,906,112			
Pingan Bank Co., Ltd.-China stock 800 trading open index securities investment fund	24,381,300	RMB Common shares	24,381,300			

Explanation on shareholders participating in the margin trading business	Among the top ten shareholders , Tunghsu Group and, Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other 8 shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Not applicable

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

☐ Yes ☒ No

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

2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

☐ Applicable ☒ Not applicable

III Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

√ Applicable □ Not applicable

No	Items	Ending balance	Opening balance	Changes	Remarks on the change
1	Inventories	5,183,647,890.84	3,510,786,666.85	47.65%	Inventories increased by 47.65%, which's mainly due to the stock for the completion of the follow-up orders and the increase in the outstanding unsettled assets of the construction business segment.
2	Long-term account receivable	553,235,076.74	344,430,815.68	60.62%	The main reason is that the increase of installment business leads to the increase of long-term receivables.
3	Long-term account payable	1,552,195,921.05	2,644,309,592.95	-41.30%	Mainly due to the decrease in the balance of finance lease loans
No	Items	Year-beginning to the end of the report period	Same period of last year	Changes	Remarks on the change
1	Revenue	12,566,196,209.13	17,263,567,779.22	-27.21%	Mainly due to that the Company optimized the product structure and concentrated the resources to strengthen the quality product development.
2	Operating costs	9,911,799,916.26	14,026,126,902.57	-29.33%	Mainly due to corresponding changes in business income
3	Sales expense	257,054,949.35	179,353,037.49	43.32%	Mainly due to the increased sales promotion
4	Other income	391,804,098.83	155,240,877.89	152.38%	Mainly due to the increase in government grant

II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

□ Applicable √ Not applicable

Progress in the implementation of share repurchase

□ Applicable √ Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

□ Applicable √ Not applicable

III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

☐ Applicable ☒ Not applicable

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

IV. Investment in securities

☒ Applicable ☐ Not applicable

In RMB

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Source of the shares
Bonds	204004	GC004	3,000,000.00	FVM	0.00	0.00	0.00	3,000,000.00	3,000,000.00	9,945.61	0.00	Transactional financial	Self funds
Total			3,000,000.00	--	0.00	0.00	0.00	3,000,000.00	3,000,000.00	9,945.61	0.00	--	--
Disclosure date for the notice of approval by the Board (If any)													
Disclosure date for the notice of approval by shareholders' Meeting (If any)													

V. Entrusted Financial Management

☐ Applicable ☒ Not applicable

There is no Entrusted Financial Management during the report period.

VI. Investment in derivatives

☐ Applicable ☒ Not applicable

There is no derivative investment during the report period.

VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

☒ Applicable ☐ Not applicable

Reception time	Way of reception	Types of visitors	Basic index
May 31,2019	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 31 May 2019.
September 16,2019	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 16 September 2019.
January 1,2019 -- September30,2019	By phone	Individual	Company telephone records

VIII. External guarantee get out of line

☐ Applicable ☒ Not applicable

The Company has no external guarantee get out of the line in the Period

IX. Controlling shareholder and its related parties occupying non-business capital of the listed company

☐ Applicable ☒ Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

September 30,2019

In RMB

Items	September 30,2019	December 31,2018
Current asset :		
Cash and bank balances	18,316,331,896.27	19,807,094,397.16
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Financial assets measured at fair value with variations accounted into		

current income account		
Derivative financial assets		
Notes receivable	254,982,458.07	499,781,503.17
Account receivable	11,801,072,939.48	14,352,781,895.39
Financing of receivables		
Prepayments	6,149,290,112.13	5,215,414,219.51
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	1,821,457,689.85	1,125,991,020.55
Including: Interest receivable	143,850,518.91	56,811,961.67
Dividend receivable		
Repurchasing of financial assets		
Inventories	5,183,647,890.84	3,510,786,666.85
Contract assets		
Assets held for sales	119,355,435.58	119,355,435.58
Non-current asset due within 1 year		
Other current asset	842,775,602.57	809,360,778.49
Total of current assets	44,488,914,024.79	45,440,565,916.70
Non-current assets :		
Loans and payment on other's behalf disbursed		
Debt investment		
Available for sale of financial assets		243,158,605.30
Other investment on bonds		
Expired investment in possess		
Long-term receivable	553,235,076.74	344,430,815.68
Long term share equity investment	2,220,130,837.05	2,174,347,969.22
Other equity instruments investment		
Other non-current financial assets	548,158,605.30	
Property investment	703,253,374.12	686,993,881.02
Fixed assets	9,512,734,799.30	9,634,463,323.77
Construction in progress	4,956,647,559.30	5,013,941,980.61
Production physical assets		

Oil & gas assets		
Use right assets		
Intangible assets	1,071,918,499.27	1,146,949,745.14
Development expenses	40,072,802.72	37,122,235.94
Goodwill	2,702,403,019.28	2,835,672,586.90
Long-germ expenses to be amortized	22,903,926.50	21,884,204.82
Deferred income tax asset	529,157,272.82	533,094,627.68
Other non-current asset	5,090,878,100.66	4,463,496,966.82
Total of non-current assets	27,951,493,873.06	27,135,556,942.90
Total of assets	72,440,407,897.85	72,576,122,859.60
Current liabilities		
Short-term loans	10,129,150,000.00	8,361,106,651.33
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable	1,245,105,499.95	1,643,167,026.68
Account payable	7,169,816,748.49	8,632,927,106.20
Advance receipts	1,640,093,367.18	1,402,283,662.37
Contract Liabilities		
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	147,644,202.06	238,146,977.17
Tax payable	374,808,968.47	817,173,127.12
Other account payable	2,627,744,791.21	2,089,603,676.60
Including: Interest payable	283,661,586.73	117,554,951.58
Dividend payable	89,544,942.34	
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		

Non-current liability due within 1 year	3,238,184,894.19	3,697,392,864.91
Other current liability	473,494,228.58	315,193,128.73
Total of current liability	27,046,042,700.13	27,196,994,221.11
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	2,953,742,673.95	2,741,589,600.00
Bond payable	5,283,889,315.84	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	1,552,195,921.05	2,644,309,592.95
Long-term remuneration payable to staff		
Expected liabilities	92,169,224.93	99,765,750.04
Deferred income	670,373,925.18	676,146,399.31
Deferred income tax liability	53,646,602.58	55,192,983.97
Other non-current liabilities	508,000,000.00	108,000,000.00
Total non-current liabilities	11,114,017,663.53	11,955,823,151.59
Total of liability	38,160,060,363.66	39,152,817,372.70
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,812,136,465.66	21,786,233,393.78
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income	-29,175.80	-29,175.80
Special reserve	14,215,188.29	12,614,331.35
Surplus reserves	245,507,019.95	245,507,019.95
Common risk provision		
Retained profit	5,484,740,436.95	4,750,977,557.86
Total of owner's equity belong to the parent company	33,282,397,733.05	32,521,130,925.14
Minority shareholders' equity	997,949,801.14	902,174,561.76
Total of owners' equity	34,280,347,534.19	33,423,305,486.90

Total of liabilities and owners' equity	72,440,407,897.85	72,576,122,859.60
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Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

Person-in -charge of the accounting organ: Wang Cang

2. Balance sheet of Parent Company

In RMB

Items	September 30,2019	December 31,2018
Current asset :		
Cash and bank balances	4,680,260,358.50	9,732,302,654.23
Transactional financial assets		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable		50,000.00
Account receivable	238,937,474.76	176,563,926.23
Financing of receivables		
Prepayments	2,778,960.71	2,008,364.11
Other account receivable	11,570,854,039.27	6,281,675,319.27
Including: Interest receivable	46,967,564.49	7,521,489.86
Dividend receivable	500,000,000.00	500,000,000.00
Inventories	187,539,316.81	269,759,580.95
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	148,973.38	148,973.38
Total of current assets	16,680,519,123.43	16,462,508,818.17
Non-current assets:		
Debt investment		
Available for sale of financial assets		129,500,056.00
Other investment on bonds		
Expired investment in possess		

Long-term receivable		
Long term share equity investment	28,389,525,568.72	26,504,735,200.89
Other equity instruments investment		
Other non-current financial assets	429,500,056.00	
Property investment		
Fixed assets	149,336,842.79	160,867,244.63
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	9,078,606.77	9,339,387.26
Development expenses		
Goodwill		
Long-term expenses to be amortized		
Deferred income tax asset	102,498,508.59	119,964,967.85
Other non-current asset		
Total of non-current assets	29,079,939,582.87	26,924,406,856.63
Total of assets	45,760,458,706.30	43,386,915,674.80
Current liabilities		
Short-term loans	6,529,000,000.00	4,278,000,000.00
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable		
Account payable	7,214,450.15	11,500,796.58
Advance receipts	842,498.78	1,991,498.78
Contract Liabilities		
Employees' wage payable	4,481,371.86	4,484,401.86
Tax payable	13,821,959.07	17,959,833.09
Other account payable	4,582,303,283.17	3,656,725,253.66
Including: Interest payable	263,454,751.86	97,197,464.99
Dividend payable	89,544,942.34	
Liabilities held for sales		

Non-current liability due within 1 year	1,473,257,632.58	1,533,383,333.28
Other current liability		
Total of current liability	12,610,921,195.61	9,504,045,117.25
Non-current liabilities:		
Long-term loan	496,000,000.00	
Bond payable	4,683,889,315.84	5,630,818,825.32
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	5,179,889,315.84	5,630,818,825.32
Total of liability	17,790,810,511.45	15,134,863,942.57
Owners' equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	21,832,453,907.50	21,832,453,907.50
Less: Shares in stock	4,422,320.00	4,422,320.00
Other comprehensive income		
Special reserve		
Surplus reserves	226,517,795.62	226,517,795.62
Retained profit	184,848,693.73	467,252,231.11
Total of owners' equity	27,969,648,194.85	28,252,051,732.23
Total of liabilities and owners' equity	45,760,458,706.30	43,386,915,674.80

3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Turnover	4,091,106,986.20	6,133,715,988.34
Including : Operating income	4,091,106,986.20	6,133,715,988.34
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total operating costs	3,960,264,425.02	5,609,792,675.17
Including : Operating costs	3,339,906,699.32	5,036,411,172.85
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty, net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	13,484,690.14	23,906,807.14
Sales expense	101,242,232.81	85,460,345.07
Administrative expense	129,084,674.37	148,717,384.56
R & D expense	152,203,114.68	167,589,371.79
Financial expenses	224,343,013.70	147,707,593.76
Including: Interest expense	309,177,328.11	260,361,572.27
Interest income	90,045,140.54	116,750,430.74
Add: Other income	169,152,359.66	46,878,821.37
Investment gain ("-"for loss)	137,097,767.53	17,356,371.68
Including: investment gains from affiliates	-1,055,027.96	16,524,039.25
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-4,068,499.41	
Impairment loss of assets	1,400,471.00	653,072.76
Assets disposal income	-2,073,076.28	-814,481.33
III. Operating profit ("-"for loss)	432,351,583.68	587,997,097.65

Add : Non-operating income	1,881,466.41	8,221,514.11
Less: Non-operating expenses	2,259,372.16	1,196,410.58
IV. Total profit("–"for loss)	431,973,677.93	595,022,201.18
Less: Income tax expenses	127,395,305.35	133,529,216.17
V. Net profit	304,578,372.58	461,492,985.01
(I) Classification by business continuity		
1.Net continuing operating profit	304,578,372.58	461,492,985.01
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	290,704,217.37	456,861,464.93
2.Minority shareholders' equity	13,874,155.21	4,631,520.08
VI. Net after-tax of other comprehensive income		-9,338.97
Net of profit of other comprehensive income attributable to owners of the parent company.		-2,996.12
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		-2,996.12
1.Other comprehensive income under the		

equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		-2,996.12
9. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		-6,342.85
VII. Total comprehensive income	304,578,372.58	461,483,646.04
Total comprehensive income attributable to the owner of the parent company	290,704,217.37	456,858,468.81
Total comprehensive income attributable minority shareholders	13,874,155.21	4,625,177.23
VIII. Earnings per share		
(I) Basic earnings per share	0.05	0.08
(II) Diluted earnings per share	0.05	0.08

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB-9,555,668.76.

Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

Person-in-charge of the accounting organ: Wang Cang

4.Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	1,135,035.03	3,256,300.61
Including : Operating costs	876,819.06	2,218,588.34
Business tax and surcharge	990,268.44	915,072.46
Sales expense		18,769.00
Administrative expense	4,234,809.43	8,823,593.81
R & D expense	774,668.87	
Financial expenses	105,138,400.02	103,671,007.85
Including: Interest expenses	207,064,079.10	132,725,693.85
Interest income	102,879,825.66	30,455,946.93
Add: Other income		
Investment gain (“-”for loss)	381,599,672.04	16,524,776.06
Including: investment gains from affiliates	-1,055,027.96	16,524,776.06
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss		
Impairment loss of assets		-52,500.00
Assets disposal income		
II. Operating profit (“-”for loss)	270,719,741.25	-95,813,454.79
Add : Non-operating income	1,570.00	973.04
Less: Non -operating expenses	5,341.10	209,000.00
III. Total profit(“-”for loss)	270,715,970.15	-96,021,481.75
Less: Income tax expenses	40,765,649.72	
IV. Net profit	229,950,320.43	-96,021,481.75
1.Net continuing operating profit	229,950,320.43	-96,021,481.75
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items		

that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
VI. Total comprehensive income	229,950,320.43	-96,021,481.75
VII. Earnings per share		

(I) Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Income statement between the beginning of the year and end of the report period

In RMB

Items	Amount in this period	Amount in last period
I. Turnover	12,566,196,209.13	17,263,567,779.22
Including: Operating income	12,566,196,209.13	17,263,567,779.22
Interest income		
Insurance fee earned		
Commission charge and commission income		
II. Total operating costs	11,606,233,115.90	15,696,976,204.44
Including : Operating costs	9,911,799,916.26	14,026,126,902.57
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty,net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	60,211,803.78	210,002,927.84
Sales expense	257,054,949.35	179,353,037.49
Administrative expense	411,202,698.94	412,996,869.13
R & D expense	373,530,637.91	325,561,757.35
Financial expenses	592,433,109.66	542,934,710.06
Including: Interest expense	897,744,842.39	856,102,489.72
Interest income	319,022,171.63	314,912,662.98
Add: Other income	391,804,098.83	155,240,877.89
Investment gain (“-”for loss)	159,148,105.57	41,062,889.87
Including: investment gains from affiliates	16,382,867.83	28,360,663.73
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		

Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	-13,735,862.13	
Impairment loss of assets	-353,137.15	-405,516.55
Assets disposal income	-2,073,076.28	-1,479,307.78
III. Operating profit (“-”for loss)	1,494,753,222.07	1,761,010,518.21
Add : Non-operating income	9,801,394.59	14,167,411.04
Less: Non-operating expense	4,574,800.13	3,964,222.59
IV. Total profit (“-”for loss)	1,499,979,816.53	1,771,213,706.66
Less: Income tax expenses	314,304,023.20	415,659,992.41
V. Net profit	1,185,675,793.33	1,355,553,714.25
(I) Classification by business continuity		
1.Net continuing operating profit	1,185,675,793.33	1,355,553,714.25
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	1,134,880,387.35	1,315,157,554.01
2.Minority shareholders’ equity	50,795,405.98	40,396,160.24
VI. Net after-tax of other comprehensive income		4,756.26
Net of profit of other comprehensive income attributable to owners of the parent company.		4,756.26
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the		

company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		4,756.26
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3.Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		4,756.26
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	1,185,675,793.33	1,355,558,470.51
Total comprehensive income attributable to the owner of the parent company	1,134,880,387.35	1,315,162,310.27
Total comprehensive income attributable minority shareholders	50,795,405.98	40,396,160.24
VIII. Earnings per share		
(I) Basic earnings per share	0.20	0.23
(II) Diluted earnings per share	0.20	0.23

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB-9,555,668.76.

Legal representative : Wang Lipeng

Person-in-charge of the accounting work: Feng Qiuju

Person-in -charge of the accounting organ: Wang Cang

6.Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB		
Items	Amount in this period	Amount in last period
I. Revenue	119,463,664.36	58,572,283.01
Including : Operating costs	105,145,585.10	40,711,128.57
Business tax and surcharge	4,976,905.87	3,087,770.21
Sales expense		18,769.00
Administrative expense	20,956,885.00	33,117,331.75
R & D expense	2,472,551.86	
Financial expenses	249,197,283.14	355,271,284.54
Including: Interest expenses	549,600,702.10	486,422,033.10
Interest income	302,394,392.44	132,632,720.00
Add: Other income	50,000.00	
Investment gain (“-”for loss)	399,037,567.83	21,656,065.50
Including: investment gains from affiliates	16,382,867.83	28,360,663.73
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value		
Credit impairment loss	3,579.22	
Impairment loss of assets	241.00	7,848,812.69
Assets disposal income		
II. Operating profit (“-”for loss)	135,805,841.44	-359,826,748.25
Add : Non-operating income	379,929.80	1,644.45
Less: Non -operating expenses	5,341.10	209,000.15
III. Total profit(“-”for loss)	136,180,430.14	-360,034,103.95

Less: Income tax expenses	17,466,459.26	-1,269,693.27
IV. Net profit	118,713,970.88	-358,764,410.68
1.Net continuing operating profit	118,713,970.88	-358,764,410.68
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		

7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
VI. Total comprehensive income	118,713,970.88	-358,764,410.68
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	16,313,795,681.66	15,776,552,566.68
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	214,448,224.11	535,606,707.13
Other cash received from business operation	1,054,754,750.55	1,445,590,352.94

Sub-total of cash inflow	17,582,998,656.32	17,757,749,626.75
Cash paid for purchasing of merchandise and services	14,639,564,848.32	14,640,101,334.51
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	796,831,947.67	873,946,590.61
Taxes paid	858,148,458.85	718,192,319.59
Other cash paid for business activities	1,161,338,842.03	2,040,936,112.00
Sub-total of cash outflow from business activities	17,455,884,096.87	18,273,176,356.71
Net cash generated from /used in operating activities	127,114,559.45	-515,426,729.96
II. Cash flow generated by investing		
Cash received from investment retrieving		1,251,030,000.00
Cash received as investment gains		13,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	148,041.02	3,889,040.00
Net cash received from disposal of subsidiaries or other operational units	154,823,420.43	393,727,652.59
Other investment-related cash received	1,540,725,801.60	329,439,021.36
Sub-total of cash inflow due to investment activities	1,695,697,263.05	1,992,009,166.02
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,281,678,070.49	2,899,735,048.66
Cash paid as investment	332,390,000.00	446,473,324.50
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		108,724,611.43

Other cash paid for investment activities	754,833,239.59	452,439,739.56
Sub-total of cash outflow due to investment activities	2,368,901,310.08	3,907,372,724.15
Net cash flow generated by investment	-673,204,047.03	-1,915,363,558.13
III.Cash flow generated by financing		
Cash received as investment	131,690,000.00	6,399,500.00
Including: Cash received as investment from minor shareholders	125,000,000.00	6,399,500.00
Cash received as loans	6,414,443,540.78	4,419,098,213.33
Other financing –related cash received	2,062,562,380.83	777,589,299.83
Sub-total of cash inflow from financing activities	8,608,695,921.61	5,203,087,013.16
Cash to repay debts	6,652,951,104.36	6,926,972,109.28
Cash paid as dividend, profit, or interests	1,227,738,290.72	1,171,170,999.61
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	713,106,691.62	704,299,273.76
Sub-total of cash outflow due to financing activities	8,593,796,086.70	8,802,442,382.65
Net cash flow generated by financing	14,899,834.91	-3,599,355,369.49
IV. Influence of exchange rate alternation on cash and cash equivalents	-803,387.02	7,175,415.44
V.Net increase of cash and cash equivalents	-531,993,039.69	-6,022,970,242.14
Add: balance of cash and cash equivalents at the beginning of term	14,916,637,291.04	25,114,660,756.25
VI ..Balance of cash and cash equivalents at the end of term	14,384,644,251.35	19,091,690,514.11

8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	100,044,957.17	70,757,928.40

Tax returned		13,719.30
Other cash received from business operation	1,255,277,193.85	444,929,669.15
Sub-total of cash inflow	1,355,322,151.02	515,701,316.85
Cash paid for purchasing of merchandise and services	2,062,657.18	34,817,201.76
Cash paid to staffs or paid for staffs	12,823,734.51	24,886,017.39
Taxes paid	33,282,120.77	33,226,454.45
Other cash paid for business activities	1,272,735,223.00	219,935,549.94
Sub-total of cash outflow from business activities	1,320,903,735.46	312,865,223.54
Net cash generated from /used in operating activities	34,418,415.56	202,836,093.31
II.Cash flow generated by investing		
Cash received from investment retrieving		1,770,000,000.00
Cash received as investment gains		678,923,452.07
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units	400,000,000.00	
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	400,000,000.00	2,448,923,452.07
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	2,162,300,000.00	2,617,565,500.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	23,721,374,168.74	20,234,170,247.66
Sub-total of cash outflow due to investment activities	25,883,674,168.74	22,851,735,747.66
Net cash flow generated by investment	-25,483,674,168.74	-20,402,812,295.59
III. Cash flow generated by financing		

Cash received as investment		
Cash received as loans	3,051,000,000.00	580,000,000.00
Other financing –related ash received	19,504,029,140.15	19,085,073,335.80
Sub-total of cash inflow from financing activities	22,555,029,140.15	19,665,073,335.80
Cash to repay debts	1,468,383,333.28	3,281,257,300.02
Cash paid as dividend, profit, or interests	688,082,349.42	735,920,735.65
Other cash paid for financing activities	1,350,000.00	
Sub-total of cash outflow due to financing activities	2,157,815,682.70	4,017,178,035.67
Net cash flow generated by financing	20,397,213,457.45	15,647,895,300.13
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	-5,052,042,295.73	-4,552,080,902.15
Add: balance of cash and cash equivalents at the beginning of term	9,732,302,654.23	11,224,359,236.39
VI ..Balance of cash and cash equivalents at the end of term	4,680,260,358.50	6,672,278,334.24

II Adjustments to the Financial Statements

1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2019

√ Applicable □ Not applicable

Consolidated balance sheet

In RMB

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Current asset :			
Cash and bank balances	19,807,094,397.16	19,807,094,397.16	
Settlement provision			
Outgoing call loan			
Transactional financial assets			

Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Notes receivable	499,781,503.17	499,781,503.17	
Account receivable	14,352,781,895.39	14,352,781,895.39	
Financing of receivables			
Prepayments	5,215,414,219.51	5,215,414,219.51	
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Other account receivable	1,125,991,020.55	1,125,991,020.55	
Including: Interest receivable	56,811,961.67	56,811,961.67	
Dividend receivable			
Repurchasing of financial assets			
Inventories	3,510,786,666.85	3,510,786,666.85	
Contract assets			
Assets held for sales	119,355,435.58	119,355,435.58	
Non-current asset due within 1 year			
Other current asset	809,360,778.49	809,360,778.49	
Total of current assets	45,440,565,916.70	45,440,565,916.70	
Non-current assets :			
Loans and payment on other's behalf disbursed			
Debt investment			
Available for sale of financial assets	243,158,605.30		-243,158,605.30
Other investment on bonds			
Expired investment in possess			
Long-term receivable	344,430,815.68	344,430,815.68	
Long term share equity investment	2,174,347,969.22	2,174,347,969.22	
Other equity instruments			

investment			
Other non-current financial assets		243,158,605.30	243,158,605.30
Property investment	686,993,881.02	686,993,881.02	
Fixed assets	9,634,463,323.77	9,634,463,323.77	
Construction in progress	5,013,941,980.61	5,013,941,980.61	
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	1,146,949,745.14	1,146,949,745.14	
Development expenses	37,122,235.94	37,122,235.94	
Goodwill	2,835,672,586.90	2,835,672,586.90	
Long-germ expenses to be amortized	21,884,204.82	21,884,204.82	
Deferred income tax asset	533,094,627.68	533,094,627.68	
Other non-current asset	4,463,496,966.82	4,463,496,966.82	
Total of non-current assets	27,135,556,942.90	27,135,556,942.90	
Total of assets	72,576,122,859.60	72,576,122,859.60	
Current liabilities			
Short-term loans	8,361,106,651.33	8,361,106,651.33	
Loan from Central Bank			
Borrowing funds			
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable	1,643,167,026.68	1,643,167,026.68	
Account payable	8,632,927,106.20	8,632,927,106.20	
Advance receipts	1,402,283,662.37	1,402,283,662.37	
Contract liabilities			
Selling of repurchased financial assets			
Deposit taking and interbank deposit			

Entrusted trading of securities			
Entrusted selling of securities			
Employees' wage payable	238,146,977.17	238,146,977.17	
Tax payable	817,173,127.12	817,173,127.12	
Other account payable	2,089,603,676.60	2,089,603,676.60	
Including: Interest payable	117,554,951.58	117,554,951.58	
Dividend payable			
Fees and commissions payable			
Reinsurance fee payable			
Liabilities held for sales			
Non-current liability due within 1 year	3,697,392,864.91	3,697,392,864.91	
Other current liability	315,193,128.73	315,193,128.73	
Total of current liability	27,196,994,221.11	27,196,994,221.11	
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term loan	2,741,589,600.00	2,741,589,600.00	
Bond payable	5,630,818,825.32	5,630,818,825.32	
Including: preferred stock			
Sustainable debt			
Lease liability			
Long-term payable	2,644,309,592.95	2,644,309,592.95	
Long-term remuneration payable to staff			
Expected liabilities	99,765,750.04	99,765,750.04	
Deferred income	676,146,399.31	676,146,399.31	
Deferred income tax liability	55,192,983.97	55,192,983.97	
Other non-current liabilities	108,000,000.00	108,000,000.00	
Total non-current liabilities	11,955,823,151.59	11,955,823,151.59	
Total of liability	39,152,817,372.70	39,152,817,372.70	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	

Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	21,786,233,393.78	21,786,233,393.78	
Less: Shares in stock	4,422,320.00	4,422,320.00	
Other comprehensive income	-29,175.80	-29,175.80	
Special reserve	12,614,331.35	12,614,331.35	
Surplus reserves	245,507,019.95	245,507,019.95	
Common risk provision			
Retained profit	4,750,977,557.86	4,750,977,557.86	
Total of owner's equity belong to the parent company	32,521,130,925.14	32,521,130,925.14	
Minority shareholders' equity	902,174,561.76	902,174,561.76	
Total of owners' equity	33,423,305,486.90	33,423,305,486.90	
Total of liabilities and owners' equity	72,576,122,859.60	72,576,122,859.60	

Adjustment statement

According to the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (CK [2017] No.8), the Accounting Standards for Business Enterprises No.24-Hedge Accounting (CK [2017] No.9), Accounting Standard for Business Enterprises No.37-Presentation of Financial Instruments (CK [2017] No.14) (hereinafter referred to as the new financial instruments standards) issued by the Ministry of Finance in 2017, in combination with the company's business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the original available-for-sale financial assets are adjusted to be accounted for as financial assets measured at fair value with changes included in current profits and losses. Since the period is more than one year, it is listed as "other non-current financial assets" in the report.

Parent Company Balance Sheet

In RMB

Items	December 31,2018	January 1,2019	Amount involved in the adjustment
Current asset :			
Cash and bank balances	9,732,302,654.23	9,732,302,654.23	
Transactional financial assets			
Financial assets measured at fair value with variations accounted into current			

income account			
Derivative financial assets			
Notes receivable	50,000.00	50,000.00	
Account receivable	176,563,926.23	176,563,926.23	
Financing of receivables			
Prepayments	2,008,364.11	2,008,364.11	
Other account receivable	6,281,675,319.27	6,281,675,319.27	
Including: Interest receivable	7,521,489.86	7,521,489.86	
Dividend receivable	500,000,000.00	500,000,000.00	
Inventories	269,759,580.95	269,759,580.95	
Contract assets			
Assets held for sales			
Non-current asset due within 1 year			
Other current asset	148,973.38	148,973.38	
Total of current assets	16,462,508,818.17	16,462,508,818.17	
Non-current assets:			
Debt investment			
Available for sale of financial assets	129,500,056.00		-129,500,056.00
Other investment on bonds			
Expired investment in possess			
Long-term receivable			
Long term share equity investment	26,504,735,200.89	26,504,735,200.89	
Other equity instruments investment			
Other non-current financial assets		129,500,056.00	129,500,056.00
Property investment			
Fixed assets	160,867,244.63	160,867,244.63	
Construction in progress			
Production physical assets			
Oil & gas assets			
Use right assets			
Intangible assets	9,339,387.26	9,339,387.26	

Development expenses			
Goodwill			
Long-term expenses to be amortized			
Deferred income tax asset	119,964,967.85	119,964,967.85	
Other non-current asset			
Total of non-current assets	26,924,406,856.63	26,924,406,856.63	
Total of assets	43,386,915,674.80	43,386,915,674.80	
Current liabilities			
Short-term loans	4,278,000,000.00	4,278,000,000.00	
Transactional financial liabilities			
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Notes payable			
Account payable	11,500,796.58	11,500,796.58	
Advance receipts	1,991,498.78	1,991,498.78	
Contract Liabilities			
Employees' wage payable	4,484,401.86	4,484,401.86	
Tax payable	17,959,833.09	17,959,833.09	
Other account payable	3,656,725,253.66	3,656,725,253.66	
Including: Interest payable	97,197,464.99	97,197,464.99	
Dividend payable			
Liabilities held for sales			
Non-current liability due within 1 year	1,533,383,333.28	1,533,383,333.28	
Other current liability			
Total of current liability	9,504,045,117.25	9,504,045,117.25	
Non-current liabilities:			
Long-term loan			
Bond payable	5,630,818,825.32	5,630,818,825.32	
Including: preferred stock			

Sustainable debt			
Lease liability			
Long-term payable			
Long-term remuneration payable to staff			
Expected liabilities			
Deferred income			
Deferred income tax liability			
Other non-current liabilities			
Total non-current liabilities	5,630,818,825.32	5,630,818,825.32	
Total of liability	15,134,863,942.57	15,134,863,942.57	
Owners' equity			
Share capital	5,730,250,118.00	5,730,250,118.00	
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves	21,832,453,907.50	21,832,453,907.50	
Less: Shares in stock	4,422,320.00	4,422,320.00	
Other comprehensive income			
Special reserve			
Surplus reserves	226,517,795.62	226,517,795.62	
Retained profit	467,252,231.11	467,252,231.11	
Total of owners' equity	28,252,051,732.23	28,252,051,732.23	
Total of liabilities and owners' equity	43,386,915,674.80	43,386,915,674.80	

Adjustment statement

According to the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (CK [2017] No.8), the Accounting Standards for Business Enterprises No.24-Hedge Accounting (CK [2017] No.9), Accounting Standard for Business Enterprises No.37-Presentation of Financial Instruments (CK [2017] No.14) (hereinafter referred to as the new financial instruments standards) issued by the Ministry of Finance in 2017, in combination with the company's business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the original available-for-sale financial assets are adjusted to be accounted for as financial assets measured at fair value with changes included in current profits and losses. Since the period is more than one year, it is listed as "other non-current financial assets" in the report.

2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2019

☒Applicable ☐Not applicable

Beginning January 1, 2019, the company began to implement the new financial instrument guidelines, This accounting policy change does not involve retrospective adjustments in previous years, and does not affect the Company's 2018 annual financial indicators.

III. Auditor' report

Is the Third Quarterly Report be audited?

☐ Yes ☒No

The Third Quarterly report is not audited.

Tunghsu Optoelectronic Technology Co., Ltd.

Board Chairman: Wang Lipeng

Issue day approved by the Board of Directors: October 30,2019