



Bengang Steel Plates Co., Ltd.

Third Quarter Report 2020

October 2020

I. Important Notice

The Board of Directors, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company guarantee that there are no misrepresentations or misleading statements, or material omission in this report, and individually and collectively accept full responsibility for the authenticity, accuracy and integrity of the information contained in this report.

All the members of the Board of Directors attended the board meeting on which this report was examined.

Gao Lie, Chairman of the Company, Shen Qiang, the principal in charge of the accounting, and Zhao Zhonghua, Chief of Accounting Affairs, make the pledge for the authenticity, accuracy and integrity of the attached financial statements.

II. Company Profile

I. Summary of Accounting data and Financial index

Whether the Company makes retroactive adjustment or restatement of the accounting data of the previous year

☐ Yes ☒ No

	At the end of the current period	At the end of previous year	Increase or decrease at the end of this reporting period over the previous year	
Total assets (RMB)	65,200,664,816.84	60,731,425,193.90	7.36%	
Net assets attributable to shareholders of the listed company (RMB)	20,945,268,782.71	19,487,665,261.17	7.48%	
	This reporting period	Increase or decrease over the same period of the previous year	From the beginning of this year to the end of this reporting period	Increase or decrease over the same period of the previous year
Operating income (RMB)	12,667,300,144.93	-12.29%	34,851,837,404.98	-9.58%
Net profit attributable to the shareholders of the listed company (RMB)	28,865,084.77	-15.67%	283,509,289.10	-41.84%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	4,967,865.93	-81.11%	244,853,338.47	-48.94%
Net Cash flow generated by business operation (RMB)	--	--	-1,407,629,344.42	-117.11%
Basic earnings per share(RMB/Share)	0.01	0.00%	0.07	-46.15%
Diluted earnings per share(RMB/Share)	0.01	0.00%	0.07	-46.15%
Weighted average net assets yield	0.14%	-0.04%	1.37%	-1.16%

Items and amount of non-recurring profit and loss

☒ Applicable ☐ Not applicable

Unit: Yuan

Items	From the beginning of the year to the end of the current period	Notes
Profit or loss from disposal of non-current assets (including the write-off part for which assets impairment provision is made)	-19,551,512.21	
Details of government subsidies recorded into current profits and loss (except such government subsidy closely related to the company's normal business operation, meeting the regulation of national policy and enjoyed constantly in certain quota or quantity according to a certain standard)	57,452,382.09	
Profit or loss from debt restructuring	32,800.02	
Other non-operating revenue and expenditure other than above items	988,008.32	
Less: Impact of income tax	255,202.08	
Impact of minority interests (after tax)	10,525.51	
Total	38,655,950.63	--

For the Company's non-recurring profit and loss items as defined in "the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Profits and Losses" and its non-recurring profit and loss items as illustrated in "the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Profits and Losses" which have been defined as recurring profits and losses, it is necessary to explain the reason.

☐ Applicable ☒ Not applicable

None of Non-recurring profit and loss items recognized as recurring profit and loss items as defined by "the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Profits and Losses" in the report period.

II. Total Number of Shareholders and Shareholding of top 10 shareholders

1. Total number of common shareholders, preferred shareholders whose voting rights restored, and shareholding of top 10 shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period		50,963		The total number of preferred shareholders whose voting rights has been restored at end of the reporting period（if any）		
Shareholding by Top 10 shareholders						
Name of the	Nature of	Proportion of	Quantity	of	Amount of	Number of share pledged/frozen

shareholder	shareholder	shares held	shares	restricted shares held	State of share	Quantity
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	62.18%	2,409,628,094		Pledged	712,545,000
					Frozen	102,100,000
CCB Principal Asset Management – ICBC – CR Trust – CR Trust · Xing Sheng No. 5 Collective Fund Trust Plan	Others	4.77%	184,842,883			
Bei Xin Rui Feng Fund – China Merchants Bank – Bei Xin Rui Feng Fund Feng Qing No. 229 Asset Management Plan	Others	4.77%	184,842,883			
China Life AMP Fund– ICBC – China Life AMP – Hua Xin Trust Targeted Additional Shares Issuance No. 10 Asset Management Plan	Others	4.77%	184,842,883			
Liaoning Provincial Transportation Investment Group Co., Ltd.	State-owned legal person	3.92%	151,806,883			
Fang Lei	Domestic natural person	0.36%	14,126,600			
Shanghai Yi Cun Investment Management Co., Ltd. – Yi Cun Sheng Hui No. 3	Others	0.31%	12,000,000			

Private Securities Investment Fund						
Fang Huaiyue	Domestic natural person	0.24%	9,205,501			
Shanghai Ying Shui Investment Management Co., Ltd. – Ying Shui Fu Lin No. 10 Private Securities Investment Fund	Others	0.24%	9,175,030			
Vanguard Investment Australia Ltd. – Vanguard Emerging Markets Stock Index Fund	Overseas legal person	0.22%	8,384,044			
Shareholding of top 10 shareholders of unrestricted shares						
Name of the shareholder	Number of non-restricted common shares held at the period-end			Category of shares		
				Category of shares	Quantity	
Benxi Steel & Iron (Group) Co., Ltd.	2,409,628,094			Common shares in RMB	2,409,628,094	
CCB Principal Asset Management – ICBC – CR Trust – CR Trust · Xing Sheng No. 5 Collective Fund Trust Plan	184,842,883			Common shares in RMB	184,842,883	
Bei Xin Rui Feng Fund – China Merchants Bank – Bei Xin Rui Feng Fund Feng Qing No. 229 Asset Management Plan	184,842,883			Common shares in RMB	184,842,883	
China Life AMP Fund– ICBC – China Life AMP – Hua Xin Trust Targeted Additional Shares Issuance No. 10 Asset Management Plan	184,842,883			Common shares in RMB	184,842,883	
Liaoning Provincial Transportation Investment Group Co., Ltd.	151,806,883			Common shares in RMB	151,806,883	
Fang Lei	14,126,600			Common shares in RMB	14,126,600	

Shanghai Yi Cun Investment Management Co., Ltd. – Yi Cun Sheng Hui No. 3 Private Securities Investment Fund	12,000,000	Common shares in RMB	12,000,000
Fang Huaiyue	9,205,501	Common shares in RMB	9,205,501
Shanghai Ying Shui Investment Management Co., Ltd. – Ying Shui Fu Lin No. 10 Private Securities Investment Fund	9,175,030	Common shares in RMB	9,175,030
Vanguard Investment Australia Ltd. - Vanguard Emerging Markets Stock Index Fund	8,384,044	Common shares in RMB	8,384,044
Related-parties or acting-in-concert parties among the above-mentioned shareholders	It is unknown to the Company whether there is any related parties or action-in-concert parties as defined in “Measures for the Administration of the Takeover of Listed Companies” among the above-mentioned shareholders.		
Shareholders among the top 10 participating in securities margin trading (if any)	Benxi Steel & Iron (Group) Co., Ltd. holds 2,170,628,094 shares of the company through an ordinary securities account, and holds 239,000,000 shares through the investor's credit securities account, therefore, it holds a total of 2,409,628,094 shares. Fang Lei holds 14,126,600 shares of the company through an investor's credit securities account. Shanghai Yi Cun Investment Management Co., Ltd. – Yi Cun Sheng Hui No. 3 Private Securities Investment Fund holds 12,000,000 shares of the company through an investor's credit securities account. Fang Huaiyue holds 9,205,501 shares of the company through an investor's credit securities account. Shanghai Ying Shui Investment Management Co., Ltd. – Ying Shui Fu Lin No. 10 Private Securities Investment Fund holds 9,175,030 shares of the company through an investor's credit securities account.		

Whether top 10 common shareholders and top 10 un-restricted common shareholders have a buy-back agreement dealing in reporting period

☐ Yes ☒ No

Top 10 common shareholders and top 10 un-restricted common shareholders had no buy-back agreement dealing in reporting period.

2. Total Number of Preferred Shareholders and Shareholding of Top 10 Preferred Shareholders

☐ Applicable ☒ Not applicable

III. Important Events

I. Major Changes in Financial Data and Financial Index and Reasons

√ Applicable □ Not applicable

- Items and reasons for the changes of more than 30% compared with the beginning of the year in the consolidated statement

1. Statement of Financial Position	Increase / Decrease	Reasons
Accounts receivable financing	113%	Due to the increase of accounts receivable received during the current period
Construction in progress	74%	Due to the increase of construction in progress that did not meet the conditions of transferring to fixed assets at the end of the period
Other non-current assets	61%	Due to the increase of lease guarantee paid during the current period
Employee benefits payables	174%	Due to the increase of employee benefits payables during the current period
Tax payables	-94%	Due to the decrease of VAT payable at the end of this period
Interest payables	146%	Due to the increase of interest accrued during the current period
Non-current liabilities due within one year	350%	Due to the increase of non-current liabilities due within one year during the current period
Long-term payables	169%	Due to the increase of lease payment during the current period
Special reserves	13073%	Due to the increase of unpaid safety production fee during the current period

- Items and reasons for the changes of more than 30% compared to January to September 2019 in the consolidated financial statements

2. Statement of comprehensive income	Increase / Decrease	Reasons
Financial expenses	-35%	Due to the increase of exchange loss during the current period
Assets disposal gains	-87%	Due to the decrease in assets sold during the current period
Non-operating income	-82%	Due to the decrease of other non-operating income
Non-operating expenses	-68%	Due to the decrease of losses arose from fixed assets scrapping
3. Statement of cash flows	Increase / Decrease	Reasons
Cash paid for goods and services	52%	Due to the increase of cash paid for goods and services during the current period
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	-65%	Due to the decrease of payment of acquisition of fixed assets, intangible assets during the current period
Cash repayments of borrowings	67%	Due to the increase of cash on repayment of borrowings
Cash and cash equivalents at the ending of the period	-86%	Due to the increase of cash paid for goods and services, and payment of acquisition of fixed assets, intangible assets during the current period

II. Progress and influence of significant events, as well as the analysis and explanation on solutions

√ Applicable □ Not applicable

1. Public offering and listing of A-share convertible corporate bonds

(1) Issue of convertible corporate bonds. Approved by the China Securities Regulatory Commission on Approval of the Public Issuance of A-Share Convertible Corporate Bonds by Bengang Steel Plate Co., Ltd. (Zheng Jian Permit [2020] No. 46), the company was approved to publicly issue a total face value of 6.8 billion convertible bonds to the public with a maturity of 6 years. The company actually issued 68 million convertible corporate bonds to the public, each with a face value of 100 yuan, and the total raised funds were 6.8 billion yuan. After deducting underwriting and sponsorship fees, issuance registration fees and other expenses, a total of 41,084,701.18 yuan (excluding tax) was raised. The net amount of funds is RMB 6,758,915,298.82. The above funds have been transferred to the company's fund-raising account on July 6, 2020. BDO Shu Lun Pan Certified Public Accountants LLP verified the receipt of the funds raised above and issued Xin Kuai Shi Bao Zi [2020] No. ZB11494 "Capital Verification Report".

(2) Public offering of convertible corporate bonds. On August 4, 2020, the company's A-share convertible corporate bonds were listed on the Shenzhen Stock Exchange, the abbreviation of the bond: Bengang Convertible Bonds, bond code: 127018, bond listings: 6.800 billion yuan (68 million). The beginning and ending date of existence: June 29, 2020 to June 28, 2026, the beginning and ending date of the conversion of convertible bonds: January 4, 2021 to June 28, 2026.

Overview of important matters	Date of disclosure	Interim report disclosure website query index
Public issuance of A-share convertible corporate bonds. The total issuance is RMB 6.8 billion, each with a face value of RMB 100, a total of 68 million, with a term of 6 years.	June 23, 2020	www.cninfo.com.cn Announcement No.: 2020-037
The company used RMB 366,180,860.17 to replace self-raised funds that were invested in investment projects with raised funds in advance and paid for issuance.	July 14, 2020	www.cninfo.com.cn Announcement No.: 2020-047
The company uses a quota of no more than RMB 4 billion (including) temporarily idle raised funds for cash management, and the period is no more than 12 months.	July 14, 2020	www.cninfo.com.cn Announcement No.: 2020-048
The company used idle raised funds of 4,846 million yuan to temporarily supplement working capital, of which 666 million yuan was raised from non-public issuance of stocks, and 4,180 million yuan was raised from public issuance of convertible bonds. The use period shall not exceed 12 months from the date of approval by the board of directors.	July 29, 2020	www.cninfo.com.cn Announcement No.: 2020-052
The company's A-share convertible corporate bonds were listed on the Shenzhen Stock Exchange on August 4, 2020. The abbreviation of the bond: Bengang Convertible Bond, the bond code: 127018, and the number of bonds listed: 6.8 billion yuan (68 million pieces)	August 3, 2020	www.cninfo.com.cn Announcement No.: 2020-053

Progress in the implementation of share repurchase

☐ Applicable ☒ Not Applicable

Progress in the implementation of the reduction of shareholding shares by centralized competitive bidding

☐ Applicable ☒ Not Applicable

III. The Under-Fulfillment Commitments by the End of the Period Made by Actual Controller, Acquirer, Director, Supervisor, Senior Management Personnel and other Related Parties.

☒ Applicable ☐ Not applicable

Commitments	Commitment party	Type of commitment	Contents	Commitment time	Commitment period	Performance
Commitment of shares reform						
Commitment made in the acquisition report or the equity change report						
Commitment made during asset restructuring						
Commitment made during initial public offering or refinancing	Company directors, senior management	Other commitment	According to the relevant regulations of the China Securities Regulatory Commission, all directors and senior management of the Company have made the following commitments to the Company's fulfillment of the diluted immediate return measures: 1. I promise to perform my duties faithfully and diligently, and safeguard the legitimate rights and interests of the Company and all shareholders . 2. I promise not to deliver benefits to other units or individuals without compensation or under unfair conditions, nor to use other means to	May 22, 2019	Long term	Under normal fulfillment

			damage the Company's interests. 3. I promise to restrict the position-related consumption behavior of company directors and senior management personnel. 4. I promise not to use the Company's assets to do investment and consumption activities that are not related to the performance of my duties. 5. Within the scope of my responsibilities and authority, I promise to make every effort to promote the company's board of directors or the remuneration system established by the remuneration and appraisal committee to be linked to the implementation of the company's compensation measures, and vote in favor of the relevant proposals reviewed by the company's board of directors and general meeting (If I have voting rights). 6. If the company intends to implement equity incentives, I promise to, within my own responsibilities and jurisdiction, make every effort to promote the Company's proposed equity incentive exercise conditions to be linked to			
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			the Company's implementation of the return measures, and to review the Company's board of directors and shareholders' general meetings and vote in favor of the relevant proposals reviewed by the company's board of directors and general meeting (If I have voting rights). 7. If the future issuance of this commitment and the implementation of the Company's public issuance of convertible corporate bonds are completed, if the China Securities Regulatory Commission makes other new regulatory provisions on the measures for filling returns and their commitments, and the above commitments cannot meet the requirements of the China Securities Regulatory Commission When other regulations are stipulated, a commitment will be issued in accordance with the latest regulations of the China Securities Regulatory Commission. The company's controlling shareholder, Benxi Iron and Steel (Group) Co., Ltd., promised not to			
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			interfere with the company's operation and management activities beyond its authority and not to infringe on the Company's interests.			
	Benxi Steel & Iron (Group) Co., Ltd. and Bengang Group Co., Ltd.	Other Commitment	The sales companies of Bengang International Trade Co.,Ltd. and Bengang Steel plates in the same region guarantee independent personnel, independent business, independent finance, and independent assets, and are guaranteed not to be in the same registration place or in the same office; The filing of foreign economic and trade operators, taking into account the need to gradually improve the qualification certification of raw material suppliers, customs import and export qualification certification, etc. In the short term, the actual conditions and capabilities for independent import and export business are still lacking. In order to ensure the normal business development of Benxi Steel Plate, the Group agrees that within the period of not more than 5 years from the date of issuance of this commitment, the main	July 24,2019	Long term	Under normal fulfillment

			import and export business of Benxi Steel Plate will still be represented by Bengang International Trade until Bengang Steel Plates can be independently developed Import and export business, and during this period, Bengang International Trade will provide the necessary support for the establishment and improvement of Bengang's import and export business. In addition, the sales company under Bengang International Trade is only responsible for selling the products of Beiyang Iron and Steel Group, and never sells third-party steel products. 3. The three sales companies under the Group, Shanghai Bengang Iron and Steel Sales Co., Ltd., Shanghai Bengang Iron and Steel Materials Co., Ltd., and Guangzhou Free Trade Zone Bengang Sales Co., Ltd., are currently no longer actually engaged in any business activities, as follows: (1) Shanghai Bengang Iron & Steel Sales Co., Ltd. filed for bankruptcy in 2014, and the Shanghai Changning District People's Court issued an			
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			announcement to appoint Guohao Lawyer (Shanghai) Office as the bankruptcy administrator. After communication with the bankruptcy administrator, it is expected that the bankruptcy and liquidation of Shanghai Bengang Iron and Steel Sales Co., Ltd. will be completed by the end of 2020. Upon completion of the aforementioned bankruptcy liquidation procedures, the relevant procedures for cancellation of Shanghai Bengang Iron and Steel Sales Co., Ltd. will be handled immediately. (2) Shanghai Bengang Iron & Steel Materials Co., Ltd. is a holding subsidiary of Shanghai Bengang Iron & Steel Sales Co., Ltd., and its business license has been revoked. As the shareholder Shanghai Bengang Iron & Steel Sales Co., Ltd. is in the process of bankruptcy and liquidation, Shanghai Bengang Iron & Steel Materials Co., Ltd. was unable to convene a shareholders' meeting to cancel the company and establish a liquidation group according to law.			
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			Therefore, the cancellation has not yet been completed. After the aforementioned bankruptcy and liquidation procedures of Shanghai Bengang Iron & Steel Sales Co., Ltd. are completed, the relevant procedures for cancellation of Shanghai Bengang Iron & Steel Materials Co., Ltd. will be processed immediately. (3) Guangzhou Free Trade Zone Bengang Sales Co., Ltd. has a contract arrears dispute with Jiedong County Trading Corporation. According to the Civil Judgment ((1999) Ben Jing No. 116), Guangzhou Free Trade Zone Bengang Sales Co., Ltd. applied to the court to seal 62 properties under the name of Jiedong County Trading Corporation. However, due to serious local protection, property rights and other factors, the content of the judgment has not been enforceable. Later, after applying again from Guangzhou Free Trade Zone Bengang Sales Co., Ltd., the Intermediate People's Court of Benxi City, Liaoning Province issued an execution ruling again, and 62			
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			properties of Jiedong County Trading Corporation were re-sealed. As of February 4, 2022. Except for participating in the litigation activities for the purpose of realizing creditor's rights, Guangzhou Free Trade Zone Bengang Sales Co., Ltd has not carried out other business activities. After the litigation is completed, the relevant procedures for the cancellation of Guangzhou Free Trade Zone Bengang Sales Co., Ltd. will be handled immediately.			
	Benxi Steel & Iron (Group) Co., Ltd.	Other Commitment	The Group's horizontal competition with Benxi Steel Plates and the measures and commitments to avoid inter-industry competition 1. During the period when the Group is the controlling shareholder of Bengang Steel Plates, in addition to the matters listed in Article 1 of this Commitment Letter, the Group and other enterprises controlled by the Group other than Bengang Steel Plates no longer produce or develop any products that compete or may compete with the products produced by	July 24, 2019	Long term	The company has completed the acquisition of the 2300mm hot rolling mill production line, and the industry competition problem has been completely resolved. Other commitments continue to be fulfilled

			Bengang Steel Plates and its subsidiaries at home and abroad, and do not directly or indirectly operate any business that competes with Bengang Steel Plates and its subsidiaries. Businesses that may constitute competition, nor are they involved in investing in any other enterprise that competes with or may compete with products or businesses produced by Bengang Steel Plates and its subsidiaries. 2. If Bengang Steel Plates and its subsidiaries further expand their business scope, the Group and other enterprises controlled by the Group will not compete with the expanded business of Bengang Steel Plates and its subsidiaries; they may compete with Bengang Steel Plates and its subsidiaries. If the company's expanded business produces competition, it will withdraw from the competition with Bengang Steel Plates as follows: (1) Stop business that may or may compete with Bengang Steel Plates and its subsidiaries; (2) Will compete The business is incorporated into Bengang Steel Plates and			
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			its subsidiaries in a legal and compliant manner; (3) Competitive business is transferred to unrelated third parties. 3. If the Group has any business opportunities to engage in or participate in the competition with Bengang Steel Plates' operations, the Group shall immediately notify Bengang Steel Plates of the above commercial opportunities. Within a reasonable period specified in the notice, Bengang Steel Plates If an affirmative answer is made to take advantage of the business opportunity, the Group will endeavor to give the business opportunity to Bengang Steel Plates on terms not less than that provided to any independent third party. 4. If the above commitments are violated, the Group is willing to bear all the responsibilities arising therefrom, and fully compensate or compensate for all direct or indirect losses caused to Bengang Steel Plates. 5. This letter of commitment continues to be effective during the period of the Group as the controlling shareholder of Bengang			
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			Steel Plates and cannot be changed or withdrawn			
	Benxi Steel & Iron (Group) Co., Ltd. and Bengang Group Co., Ltd.	Other Commitment	In order to regulate and reduce the Company's transactions with controlling shareholders and other related parties, and to protect the interests of the Company and small and medium shareholders, Benxi Iron and Steel (Group) Co., Ltd. and Bengang Group Co., Ltd. have issued the following commitments: "Benxi Iron and Steel (Group) Co., Ltd. and Bengang Group Co., Ltd. (hereinafter collectively referred to as the "Group"), as a direct controlling shareholder and an indirect controlling shareholder of Bengang Steel Plates Co., Ltd. (hereinafter referred to as "Bengang Steel Plates"), in order to protect the interests of Bengang Steel Plates and other shareholders of Bengang Steel Plates, regulate The Group's related transaction with Bengang Steel Plates hereby promises: 1. The Group will fully respect the independent legal person status of Bengang Steel Plates, ensure the independent operation and independent decision-making of	July 24, 2019	Long term	Under normal fulfillment

			Bengang Steel Plates, ensure the independence of Bengang Steel Plates' business, asset integrity and personnel Independence and financial independence to avoid and reduce unnecessary related transactions; the Group will strictly control related transactions with Bengang Steel Plates and its subsidiaries. 2. The Group and other controlled companies promise not to use loans or occupy or misappropriate the funds of Bengang Steel Plates and its subsidiaries to repay debts, substitute funds or otherwise, nor We ask Bengang Steel Plates and its subsidiaries to provide illegal guarantees for the Group and other companies under its control. 3. The Group and other controlled companies and Bengang Steel Plates will minimize related transactions. It is indeed necessary and unavoidable to carry out in the related party transactions, strictly implement the decision-making authority, decision-making procedures, avoidance system and other			
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			contents stipulated in Bengang's "Articles of Association" and related party transaction decision-making system, give full play to the role of the board of supervisors and independent directors, and earnestly fulfill the obligation of information disclosure. To ensure that transactions are conducted in accordance with the open, fair, and fair principles of market transactions and normal commercial terms, the Group and other companies under control will not require or accept Bengang Steel Sheets to give preferential treatment to third parties in any fair market transaction. Conditions to protect other shareholders of Benxi Steel Plates and the interests of Benxi Steel Plates from damage. 4. The Group guarantees that the above commitments are continuously effective and irrevocable as long as Bengang Steel Plates is listed on the domestic stock exchange and the Group acts as its direct and indirect controlling shareholder. If any violation of the above			
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			commitments occurs, the Group therefore bear all the losses caused to Bengang Steel Plates.			
Stock option incentive commitment						
Other commitments to the company's minority shareholders						
Whether Commitment fulfilled on time or not	Yes					

IV. Financial Asset Investment

1. Investment in Securities

☐ Applicable ☒ Not applicable

There are no securities investments in the reporting period.

2. Investment in Derivatives

☐ Applicable ☒ Not applicable

There is no investment in derivatives in the reporting period.

V. Progress of Investment Projects with Raised Funds

☒ Applicable ☐ Not applicable

1. Funds raised by non-public offering of shares

From the beginning of the year to the end of the reporting period, the company actually used RMB 93,860,100 to raise funds. As of September 30, 2020, the unused amount of the company's raised funds was 685,287,300, of which the supplementary working capital balance was 660 million, and the raised funds account balance was 25,287,300.

2. Public issuance of convertible bonds to raise funds

Approved by the China Securities Regulatory Commission on Approval of the Public Issuance of A-Share Convertible Corporate Bonds by Bengang Steel Plate Co., Ltd. (Zheng Jian Permit [2020] No. 46), the company was approved to publicly issue a total face value of 6.8 billion convertible bonds Corporate bonds with a maturity of 6 years. The company actually issued 68 million convertible corporate bonds to the public, each with a face value of 100 yuan, and the total raised funds were 6.8 billion yuan. After deducting underwriting and sponsorship fees, issuance registration fees and other expenses, a total of 41,084,701.18 yuan (excluding tax) was raised. The net amount of funds is RMB 6,758,915,298.82. The above funds have been transferred to the company's fund-raising account on July 6, 2020. BDO Shu Lun

Pan Certified Public Accountants LLP verified the receipt of the funds raised above and issued Xin Kuai Shi Bao Zi [2020] No. ZB11494 "Capital Verification Report".

As of the end of the reporting period, the company actually used the raised funds of RMB 2,425.36 million. As of September 30, 2020, the unused amount of the company's raised funds was 4,332.81 million, of which the supplementary working capital balance was 4,180 million, and the raised funds account balance was 152.81 million.

VI. Forecast of 2020 Business Performance

A warning and explanation of the reason for predicting that the cumulative net profit from the beginning of the year to the end of the next reporting period may be a loss or a significant change compared with the same period of the previous year

☐ Applicable ☒ Not applicable

VII. Major Contracts for Daily Operations

☐ Applicable ☒ Not applicable

VIII. Entrusted Financial Management

☐ Applicable ☒ Not applicable

There is no entrusted financial management in the reporting period.

IX. Violation of Regulations in Provision of External Guaranty

☐ Applicable ☒ Not applicable

There is no violation of regulations in provision of external guaranty during the reporting period.

X. Illustrations of Non-Operating Occupation of Funds by the Controlling Shareholder and Related Parties

☐ Applicable ☒ Not applicable

There is no non-operating occupation of funds by the controlling shareholder and related parties.

XI. Registration form of Activities such as Research, Communication, Interview in this Reporting Period

☐ Applicable ☒ Not applicable

There is no researches, visits and interviews received in the reporting period.

IV. Financial Report

I. Financial Statements

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Prepared by: Bengang Steel Plates Co., Ltd.

Unit: Yuan

Items	Sep 30 th , 2020	Dec 31 st , 2019
Current assets:		
Cash at bank and on hand	18,428,336,735.95	18,415,844,397.77
Settlement provisions		
Capital lent		
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	237,139,957.62	235,696,265.66
Accounts receivable financing	5,164,706,591.79	2,429,542,461.88
Prepayments	1,251,892,309.68	1,291,047,458.11
Premium receivable		
Reinsurance accounts receivable		
Receivable deposit for reinsurance contract		
Other receivables:	170,756,516.11	172,807,036.77
Including: Interest receivables	19,697,718.27	20,504,422.47
Dividend receivables		
Redemptory financial assets for sale		
Inventories	9,481,415,336.65	7,700,397,685.61
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	274,237,764.53	312,904,824.09
Total current assets	35,008,485,212.33	30,558,240,129.89
Non-current assets:		
Loan and advances issued		

Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,642,998.70	2,642,998.70
Other equity instrument investments	1,042,024,829.00	1,041,824,829.00
Other non-current financial assets		
Investment properties		
Fixed assets	24,355,855,265.63	26,123,375,492.40
Construction in progress	3,187,454,346.07	1,833,853,572.58
Productive biological assets		
Oil and gas assets		
Right of use assets		
Intangible assets	278,072,797.76	271,500,023.34
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	182,418,902.56	191,485,595.49
Other non-current assets	1,143,710,464.79	708,502,552.50
Total non-current assets	30,192,179,604.51	30,173,185,064.01
Total assets	65,200,664,816.84	60,731,425,193.90
Current Liabilities:		
Short-term loans	10,971,919,000.00	13,151,478,000.00
Loan from central bank		
Absorbed deposit and interbank deposit		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	9,755,186,320.32	11,828,514,676.95
Accounts payable	5,650,489,113.68	4,527,513,030.27
Advance from customers		4,429,821,526.79
Contract Liabilities	4,395,896,282.20	
Financial assets sold for repurchase		
Deposits from customers and interbank		
Acting trading securities		
Acting underwriting securities		

Employee benefits payable	64,817,798.23	23,698,174.56
Current tax liabilities	16,033,518.47	284,825,814.80
Other payables	685,226,321.42	662,701,744.97
Including: Interest payables	26,573,361.30	10,818,986.30
Dividend payables		
Handling charges and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,055,994,293.11	234,474,657.99
Other current liabilities		
Total current liabilities	32,595,562,647.43	35,143,027,626.33
Non-current liabilities:		
Provision for insurance contract		
Long-term loans	3,917,863,991.04	4,849,675,910.73
Bonds payable	5,647,525,812.18	
Including: Preferred stock		
Perpetual bond		
Lease liabilities		
Long-term payables	1,390,036,449.50	516,939,408.14
Long-term employee benefits payables		
Estimated liabilities		
Deferred income	174,010,233.06	208,955,407.30
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	11,129,436,485.78	5,575,570,726.17
Total liabilities	43,724,999,133.21	40,718,598,352.50
Shareholders' equity:		
Share capital	3,875,371,532.00	3,875,371,532.00
Other equity instruments	1,146,290,662.42	
Including: Preferred stock		
Perpetual bond		
Capital reserves	12,343,209,847.29	12,343,209,847.29
Less: treasury shares		

Other comprehensive income		
Special reserves	28,016,257.43	212,687.41
Surplus reserves	961,105,529.85	961,105,529.85
General risk reserves		
Undistributed profits	2,591,274,953.72	2,307,765,664.62
Total equity attributable to equity holders of the parent company	20,945,268,782.71	19,487,665,261.17
Non-controlling interests	530,396,900.92	525,161,580.23
Total shareholder's equity	21,475,665,683.63	20,012,826,841.40
Total liabilities and shareholder's equity	65,200,664,816.84	60,731,425,193.90

Legal Representative: Gao Lie

Person in charge of accounting: Shen Qiang

Accounting Dept. Leader: Zhao Zhonghua

2. STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

Unit: Yuan

Items	Sep 30 th , 2020	Dec 31 st , 2019
Current assets:		
Cash at bank and on hand	16,766,413,093.60	16,982,227,928.89
Financial assets held for trading		
Derivative financial assets		
Notes receivable		
Accounts receivable	374,165,618.46	388,997,108.46
Accounts receivable financing	4,753,243,417.46	2,193,319,842.60
Prepayments	1,151,892,309.68	1,184,632,345.13
Other receivables	254,693,349.32	266,663,235.81
Including: Interest receivables	19,697,718.27	19,658,230.77
Dividend receivables		
Inventories	7,835,149,045.38	6,114,582,832.33
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	226,583,443.14	191,249,460.42
Total current assets	31,362,140,277.04	27,321,672,753.64
Non-current assets:		
Debt investments		

Other debt investments		
Long-term receivables		
Long-term equity investments	2,016,281,902.16	2,016,281,902.16
Other equity instrument investments	1,041,624,829.00	1,041,624,829.00
Other non-current financial assets		
Investment properties		
Fixed assets	22,851,496,439.85	24,447,763,305.12
Construction in progress	3,119,248,726.75	1,813,889,136.42
Productive biological assets		
Oil and gas assets		
Right of use assets		
Intangible assets	183,630,437.72	145,470,040.68
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	84,273,622.44	93,555,276.54
Other non-current assets	1,141,588,572.16	696,351,867.38
Total non-current assets	30,438,144,530.08	30,254,936,357.30
Total assets	61,800,284,807.12	57,576,609,110.94
Current Liabilities:		
Short-term loans	10,011,919,000.00	11,851,478,000.00
Financial assets held for trading		
Derivative financial liabilities		
Notes payable	7,980,864,104.70	10,225,969,445.22
Accounts payable	5,631,646,967.19	4,909,389,629.86
Advance from customers		5,597,707,687.22
Contract liabilities	5,635,804,031.87	
Employee benefits payable	63,498,749.91	21,872,906.71
Current tax liabilities	10,049,192.88	274,181,048.14
Other payables	387,153,718.08	384,125,032.59
Including: Interest payables	23,918,986.30	10,818,986.30
Dividend payables		
Liabilities held for sale		
Non-current liabilities due within one	1,055,994,293.11	234,474,657.99

year		
Other current liabilities		
Total current liabilities	30,776,930,057.74	33,499,198,407.73
Non-current liabilities:		
Long-term loans	3,917,863,991.04	4,849,675,910.73
Bonds payable	5,647,525,812.18	
Including: Preferred stock		
Perpetual bond		
Lease liabilities		
Long-term payables	1,390,036,449.50	516,939,408.14
Long-term employee benefits payable		
Estimated liabilities		
Deferred incomes	174,010,233.06	208,955,407.30
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	11,129,436,485.78	5,575,570,726.17
Total liabilities	41,906,366,543.52	39,074,769,133.90
Shareholders' equity:		
Share capital	3,875,371,532.00	3,875,371,532.00
Other equity instruments	1,146,290,662.42	
Including: Preferred stock		
Perpetual bond		
Capital reserves	11,923,058,165.17	11,923,058,165.17
Less: treasury shares		
Other comprehensive income		
Special reserves	24,191,289.71	53,330.99
Surplus reserves	961,105,529.85	961,105,529.85
Undistributed profits	1,963,901,084.45	1,742,251,419.03
Total shareholder's equity	19,893,918,263.60	18,501,839,977.04
Total liabilities and shareholder's equity	61,800,284,807.12	57,576,609,110.94

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE CURRENT REPORTING PERIOD

Unit: Yuan

Items	The Current Period	The Previous Period
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1. Total operating income	12,667,300,144.93	14,441,830,940.38
Including: Operating income	12,667,300,144.93	14,441,830,940.38
Interest income		
Premium earned		
Income from handling charges and commission		
2. Total operating cost	12,682,362,775.14	14,421,363,860.63
Including: Operating cost	12,169,624,645.87	13,739,273,641.14
Interest cost		
Expenditure for handling charges and commission		
Surrender value		
Net expenditure for compensation		
Net provision for insurance contract appropriated		
Bonus payment for policy		
Reinsurance premium		
Taxes and surcharges	53,364,357.78	60,775,436.14
Selling and distribution expenses	255,130,098.08	257,155,173.90
General and administrative expenses	200,521,607.24	219,140,981.53
Research and development expenses	9,059,465.61	7,306,019.67
Financial expenses	-5,337,399.44	137,712,608.25
Including: interest expenses	260,988,980.85	136,052,012.01
Interest incomes	91,001,679.51	89,695,933.07
Add: Other incomes	18,865,049.69	20,821,500.00
Income on investment ("-" for loss)	77,242.47	
Including: Income from associates and joint ventures		
Income from derecognition of financial assets measured at amortised cost ("-" for loss)		
Exchange Income ("-" for loss)		
Hedging income from net exposure ("-" for loss)		

Gains from the change in fair value ("-" for loss)		
Expected credit losses ("-" for loss)	1,394,133.21	2,093,121.45
Asset impairment losses ("-" for loss)	48,426,143.08	
Assets disposal gains ("-" for loss)	68,683.20	579,216.73
3. Operating profit ("-" for loss)	53,768,621.44	43,960,917.93
Add: Non-operating income	604,118.24	1,506,324.18
Less: Non-operating expenses	239,714.81	6,120,953.63
4. Total profit ("-" for loss)	54,133,024.87	39,346,288.48
Less: Income tax expenses	22,372,416.47	4,904,499.90
5. Net Profit ("-" for loss)	31,760,608.40	34,441,788.58
(1) Classification by continuing operating		
1 Net profit from continuing operation	31,760,608.40	34,441,788.58
2 Net profit from discontinued operation		
(2) Classification by ownership		
1 Net profit attributable to the owners of parent company	28,865,084.77	34,229,631.12
2 Net profit attributable to non-controlling shareholders	2,895,523.63	212,157.46
6. Other comprehensive income after tax		
Other comprehensive income attributable to owners of parent company after tax		
1) Other comprehensive income items that will not be reclassified into gains/losses		
(1) . Re-measurement of defined benefit plans of changes in net debt or net assets		
(2) . Other comprehensive income under the equity method cannot be reclassified into profit or loss		
(3). Changes of fair value of other equity instrument investments		
(4). Changes in the fair value of the company's own credit risk		

(5). Others		
2) Other comprehensive income that will be reclassified into profit or loss		
(1) . Other comprehensive income under the equity method can be reclassified into profit or loss		
(2). Gains and losses from fair value changes of other debt investments		
(3). Gains and losses resulting from reclassification of financial assets recognised in other comprehensive income		
(4). Credit impairment losses of other debt investments		
(5). Effective portion of gains or losses from cash flow hedging		
(6). Translation differences in foreign currency financial statements		
(7). Others		
Other comprehensive income attributable to non-controlling shareholders after tax		
7. Total comprehensive income	31,760,608.40	34,441,788.58
Total comprehensive income attributable to owners of parent company	28,865,084.77	34,229,631.12
Total comprehensive income attributable to non-controlling shareholders	2,895,523.63	212,157.46
8. Earnings per share:		
1) Basic earnings per share	0.01	0.01
2) Diluted earnings per share	0.01	0.01

The current business combination under common control, the net profits of the combined party before achieved: Yuan, net profit of previous period of the combined party realized: Yuan.

Legal Representative: Gao Lie Person in charge of accounting: Shen Qiang Accounting Dept. Leader: Zhao Zhonghua

4. STATEMENT OF COMPREHENSIVE INCOME OF THE PARENT COMPANY OF THE CURRENT REPORTING PERIOD

Unit: Yuan

Items	The Current Period	The Previous Period
1. Total operating income	13,000,555,008.97	14,566,987,831.66
Less: Operating cost	12,660,551,211.93	14,024,765,556.43

Taxes and surcharges	42,476,807.35	49,468,259.31
Selling and distribution expenses	163,145,859.93	147,799,392.26
General and administrative expenses	186,584,532.02	205,034,439.76
Research and development expenses	9,059,465.61	7,306,019.67
Financial expenses	-8,934,597.73	127,265,933.34
Including: interest expenses	249,633,292.63	120,934,881.27
Interest incomes	81,952,729.77	84,996,191.09
Add: Other incomes	18,861,219.48	20,821,500.00
Income on investment ("-" for loss)	77,242.47	27,594,915.42
Including: Income from associates and joint ventures		
Income from derecognition of financial assets measured at amortised cost ("-" for loss)		
Hedging income from net exposure ("-" for loss)		
Gains from the change in fair value ("-" for loss)		
Expected credit losses ("-" for loss)	1,394,133.21	1,245,121.45
Asset impairment losses ("-" for loss)	48,426,143.08	
Assets disposal gains ("-" for loss)	68,683.20	579,216.73
2. Operating profit ("-" for loss)	16,499,151.30	55,588,984.49
Add: Non-operating income	574,699.43	1,141,958.73
Less: Non-operating expenses	226,440.47	6,116,261.39
3. Total profit ("-" for loss)	16,847,410.26	50,614,681.83
Less: Income tax expenses	12,455,069.07	521,085.42
4. Net Profit ("-" for loss)	4,392,341.19	50,093,596.41
(1) Net profit from continuing operation ("-" for loss)	4,392,341.19	50,093,596.41
(2) Net profit from discontinued operation ("-" for loss)		
5. Other comprehensive income after tax		
1) Other comprehensive income items that will not be reclassified into gains/losses		
(1) . Re-measurement of defined benefit plans of changes in net debt or net		

assets		
(2) . Other comprehensive income under the equity method cannot be reclassified into profit or loss		
(3). Changes of fair value of other equity instrument investments		
(4). Changes in the fair value of the company's own credit risk		
(5). Others		
2) Other comprehensive income that will be reclassified into profit or loss		
(1) . Other comprehensive income under the equity method can be reclassified into profit or loss		
(2). Gains and losses from fair value changes of other debt investments		
(3). Gains and losses resulting from reclassification of financial assets recognised in other comprehensive income		
(4). Credit impairment losses of other debt investments		
(5). Effective portion of gains or losses from cash flow hedging		
(6). Translation differences in foreign currency financial statements		
(7). Others		
6. Total comprehensive income	4,392,341.19	50,093,596.41
7. Earnings per share:		
1) Basic earnings per share		
2) Diluted earnings per share		

5. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM THE BEGINNING OF THE YEAR TO THE END OF THE CURRENT REPORTING PERIOD

Unit: Yuan

Items	The Current Period	The Previous Period
1. Total operating income	34,851,837,404.98	38,544,426,107.52
Including: Operating income	34,851,837,404.98	38,544,426,107.52

Interest income		
Premium earned		
Income from handling charges and commission		
2. Total operating cost	34,609,468,735.28	38,043,189,142.86
Including: Operating cost	32,609,871,008.54	35,806,886,370.79
Interest cost		
Expenditure for handling charges and commission		
Surrender value		
Net expenditure for compensation		
Net provision for insurance contract appropriated		
Bonus payment for policy		
Reinsurance premium		
Taxes and surcharges	141,762,794.46	174,900,799.11
Selling and distribution expenses	897,523,316.86	831,600,373.04
General and administrative expenses	581,349,923.65	665,908,793.30
Research and development expenses	29,262,450.81	22,714,491.95
Financial expenses	349,699,240.96	541,178,314.67
Including: interest expenses	700,850,334.78	703,293,515.07
Interest incomes	245,883,963.84	216,779,712.65
Add: Other incomes	57,452,382.09	62,516,500.00
Income on investment ("-" for loss)	106,546.47	25,907.49
Including: Income from associates and joint ventures		
Income from derecognition of financial assets measured at amortised cost ("-" for loss)		
Exchange Income ("-" for loss)		
Hedging income from net exposure ("-" for loss)		
Gains from the change in fair value ("-" for loss)		

Expected credit losses ("-" for loss)	4,881,916.63	5,844,635.28
Asset impairment losses ("-" for loss)	33,104,544.46	
Assets disposal gains ("-" for loss)	394,334.81	2,997,921.07
6. Operating profit ("-" for loss)	338,308,394.16	572,621,928.50
Add: Non-operating income	1,744,482.36	9,716,506.42
Less: Non-operating expenses	20,275,186.23	64,095,275.68
7. Total profit ("-" for loss)	319,777,690.29	518,243,159.24
Less: Income tax expenses	31,610,231.55	30,866,681.63
8. Net Profit ("-" for loss)	288,167,458.74	487,376,477.61
(1) Classification by continuing operating		
1 Net profit from continuing operation ("-" for loss)	288,167,458.74	487,376,477.61
2 Net profit from discontinued operation ("-" for loss)		
(2) Classification by ownership		
1 Net profit attributable to the owners of parent company	283,509,289.10	487,439,246.88
2 Net profit attributable to non-controlling shareholders	4,658,169.64	-62,769.27
6. Other comprehensive income after tax		
Other comprehensive income attributable to owners of parent company after tax		
1) Other comprehensive income items that will not be reclassified into gains/losses		
(1) . Re-measurement of defined benefit plans of changes in net debt or net assets		
(2) . Other comprehensive income under the equity method cannot be reclassified into profit or loss		
(3). Changes of fair value of other equity instrument investments		
(4). Changes in the fair value of the company's own credit risk		
(5). Others		
2) Other comprehensive income that will		

be reclassified into profit or loss		
(1). Other comprehensive income under the equity method can be reclassified into profit or loss		
(2). Gains and losses from fair value changes of other debt investments		
(3). Gains and losses resulting from reclassification of financial assets recognised in other comprehensive income		
(4). Credit impairment losses of other debt investments		
(5). Effective portion of gains or losses from cash flow hedging		
(6). Translation differences in foreign currency financial statements		
(7). Others		
Other comprehensive income attributable to non-controlling shareholders after tax		
7. Total comprehensive income	288,167,458.74	487,376,477.61
Total comprehensive income attributable to owners of parent company	283,509,289.10	487,439,246.88
Total comprehensive income attributable to non-controlling shareholders	4,658,169.64	-62,769.27
8. Earnings per share:		
1) Basic earnings per share	0.07	0.13
2) Diluted earnings per share	0.07	0.13

The current business combination under common control, the net profits of the combined party before achieved: Yuan, net profit of previous period of the combined party realized: Yuan.

Legal Representative: Gao Lie Person in charge of accounting: Shen Qiang Accounting Dept. Leader: Zhao Zhonghua

6. STATEMENT OF COMPREHENSIVE INCOME OF THE PARENT COMPANY FROM THE BEGINNING OF THE YEAR TO THE END OF THE CURRENT REPORTING PERIOD

Unit: Yuan

Items	The Current Period	The Previous Period
1. Total operating income	34,760,336,691.09	38,014,203,689.59
Less: Operating cost	33,039,699,493.20	35,782,055,553.61

Taxes and surcharges	116,717,589.70	133,935,663.72
Selling and distribution expenses	550,078,792.86	482,893,940.32
General and administrative expenses	541,211,684.30	647,086,930.06
Research and development expenses	29,262,450.81	22,714,491.95
Financial expenses	328,569,658.11	515,337,847.93
Including: interest expenses	659,897,744.52	659,441,927.72
Interest incomes	223,250,379.61	199,185,818.03
Add: Other incomes	56,863,565.01	62,516,500.00
Income on investment ("-" for loss)	77,242.47	27,594,915.42
Including: Income from associates and joint ventures		
Income from derecognition of financial assets measured at amortised cost ("-" for loss)		
Hedging income from net exposure ("-" for loss)		
Gains from the change in fair value ("-" for loss)		
Expected credit losses ("-" for loss)	4,022,071.94	4,996,635.28
Asset impairment losses ("-" for loss)	33,104,544.46	
Assets disposal gains ("-" for loss)	394,334.81	3,044,923.32
2. Operating profit ("-" for loss)	249,258,780.80	551,046,727.97
Add: Non-operating income	1,386,359.30	9,279,999.48
Less: Non-operating expenses	19,713,820.58	64,051,443.56
3. Total profit ("-" for loss)	230,931,319.52	496,275,283.89
Less: Income tax expenses	9,281,654.10	15,830,148.17
4. Net Profit ("-" for loss)	221,649,665.42	480,445,135.72
(1) Net profit from continuing operation ("-" for loss)	221,649,665.42	480,445,135.72
(2) Net profit from discontinued operation ("-" for loss)		
5. Other comprehensive income after tax		
1) Other comprehensive income items that will not be reclassified into gains/losses		
(1) . Re-measurement of defined benefit plans of changes in net debt or net		

assets		
(2) . Other comprehensive income under the equity method cannot be reclassified into profit or loss		
(3). Changes of fair value of other equity instrument investments		
(4). Changes in the fair value of the company's own credit risk		
(5). Others		
2) Other comprehensive income that will be reclassified into profit or loss		
(1) . Other comprehensive income under the equity method can be reclassified into profit or loss		
(2). Gains and losses from fair value changes of other debt investments		
(3). Gains and losses resulting from reclassification of financial assets recognised in other comprehensive income		
(4). Credit impairment losses of other debt investments		
(5). Effective portion of gains or losses from cash flow hedging		
(6). Translation differences in foreign currency financial statements		
(7). Others		
6. Total comprehensive income	221,649,665.42	480,445,135.72
7. Earnings per share:		
1) Basic earnings per share		
2) Diluted earnings per share		

7. CONSOLIDATED STATEMENT OF CASH FLOWS FROM THE BEGINNING OF THE YEAR TO THE END OF THE CURRENT PERIOD

Unit: Yuan

Items	The Current Period	The Previous Period
1. Cash flow from operating activities:		
Cash received from sale of goods or	25,444,022,450.66	26,790,594,559.41

rendering of services		
Net increase of customers' deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of loans from other financial institutions		
Cash received for premium of original insurance contract		
Net cash received for reinsurance business		
Net increase of deposit and investment of the insured		
Net increase of Financial assets at fair value through profit or loss		
Cash from receiving interest, handling charge and commission		
Net increase of loans from other financial institutions		
Net increase of fund for buy-back business		
Tax rebate received	387,294,316.80	330,537,134.71
Other cash received relating to operating activities	168,025,766.48	179,458,663.12
Subtotal of cash inflow received from operation activities	25,999,342,533.94	27,300,590,357.24
Cash paid for goods and services	24,909,229,260.23	16,361,584,571.18
Net increase of customer's loan and advances		
Net increase of deposit in central bank and interbank deposit		
Cash for payment of compensation for original insurance contract		
Net increase in funds lent		
Cash for payment of interest, handling charge and commission		
Cash for payment of policy bonus		
Cash paid to and on behalf of employees	1,408,629,415.56	1,450,655,474.24

Cash paid for all types of taxes	758,524,302.98	911,658,861.03
Other cash paid relating to operating activities	330,588,899.59	351,573,590.15
Subtotal of cash outflow received from operation activities	27,406,971,878.36	19,075,472,496.60
Net cash flows generated from operating activities	-1,407,629,344.42	8,225,117,860.64
2. Cash flows from investing activities:		
Cash received from return on investments		
Cash received from distribution of dividends or profit		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiary and other operating units		
Other cash paid relating to investing activities		
Subtotal of cash inflow received from investing activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,765,038,590.65	5,012,911,837.02
Cash paid for acquisition of investments		
Net increase of mortgage loan		
Net cash received from subsidiary and other operating unit		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	1,765,038,590.65	5,012,911,837.02
The net cash flow generated by investment activities	-1,765,038,590.65	-5,012,911,837.02
3. Cash flows from financing activities:		
Proceeds from investment		
Including: Proceeds from investment of non-controlling shareholders of subsidiary		

Proceeds from borrowings	9,297,194,000.00	7,482,429,000.00
Other proceeds relating to financing activities	6,800,000,000.00	
Subtotal cash inflow received from financing activities	16,097,194,000.00	7,482,429,000.00
Cash repayments of borrowings	11,555,411,601.25	6,938,475,606.71
Cash payments for distribution of dividends, profit or interest expenses	956,166,264.68	1,194,142,072.60
Including: Cash paid to non-controlling shareholders as dividend and profit by subsidiaries		
Other cash payments relating to financing activities	43,549,783.25	
Subtotal of cash outflows from financing activities	12,555,127,649.18	8,132,617,679.31
The net cash flow generated by financing activities	3,542,066,350.82	-650,188,679.31
4. Effect of foreign exchange rate changes on cash and cash equivalents	-12,482,658.90	57,000,333.44
5. Net increase in cash and cash equivalents	356,915,756.85	2,619,017,677.75
Add: Cash and cash equivalents at the beginning of the period	13,441,414,988.58	11,752,548,621.97
6. Cash and cash equivalents at the ending of the period	13,798,330,745.43	14,371,566,299.72

8. STATEMENT OF CASH FLOWS OF THE PARENT COMPANY FROM THE BEGINNING OF THE YEAR TO THE END OF THE CURRENT PERIOD

Unit: Yuan

Items	The Current Period	The Previous Period
1.Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	24,484,591,411.24	25,300,199,068.22
Tax rebate received	324,249,789.72	284,437,850.97
Other cash received relating to operating activities	163,745,932.07	174,941,066.19
Subtotal of cash inflow received from operation activities	24,972,587,133.03	25,759,577,985.38

Cash paid for goods and services	24,410,006,721.64	14,731,205,692.56
Cash paid to and on behalf of employees	1,344,314,670.02	1,371,069,525.86
Cash paid for all types of taxes	660,630,096.94	789,815,447.75
Other cash paid relating to operating activities	291,312,691.44	310,224,763.98
Subtotal of cash outflow received from operation activities	26,706,264,180.04	17,202,315,430.15
Net cash flows generated from operating activities	-1,733,677,047.01	8,557,262,555.23
2. Cash flows from investing activities:		
Cash received from return on investments		27,594,915.42
Cash received from distribution of dividends or profit		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiary and other operating units		
Other cash paid relating to investing activities		
Subtotal of cash inflow received from investing activities		27,594,915.42
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,746,442,503.88	5,006,076,777.58
Cash paid for acquisition of investments		
Net cash received from subsidiary and other operating unit		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	1,746,442,503.88	5,006,076,777.58
The net cash flow generated by investment activities	-1,746,442,503.88	-4,978,481,862.16
3. Cash flows from financing activities:		
Proceeds from investment		

Proceeds from borrowings	8,237,194,000.00	6,282,429,000.00
Other proceeds relating to financing activities	6,800,000,000.00	
Subtotal cash inflow received from financing activities	15,037,194,000.00	6,282,429,000.00
Cash repayments of borrowings	10,155,411,601.25	5,438,545,606.71
Cash payments for distribution of dividends, profit or interest expenses	917,902,736.92	1,112,682,499.61
Other cash payments relating to financing activities	43,549,783.25	
Subtotal of cash outflows from financing activities	11,116,864,121.42	6,551,228,106.32
The net cash flow generated by financing activities	3,920,329,878.58	-268,799,106.32
4. Effect of foreign exchange rate changes on cash and cash equivalents	-12,477,383.25	56,922,645.03
5. Net increase in cash and cash equivalents	427,732,944.44	3,366,904,231.78
Add: Cash and cash equivalents at the beginning of the period	13,029,616,298.47	10,807,824,843.20
6. Cash and cash equivalents at the ending of the period	13,457,349,242.91	14,174,729,074.98

II. Adjustments of Financial Statements

1. Adjustments of beginning balance due to the first-time implementation of the new revenue standards and new lease standards from 2020

√ Applicable □ Not applicable

Whether to adjust the balance sheet accounts at the beginning of the year

√ Applicable □ Not applicable

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unit: yuan

Items	Dec 31 st , 2019	Jan 1 st , 2020	Adjustment amount
Current assets:			
Cash at bank and on hand	18,415,844,397.77	18,415,844,397.77	
Settlement provisions			
Capital lent			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	235,696,265.66	235,696,265.66	
Accounts receivable financing	2,429,542,461.88	2,429,542,461.88	
Prepayments	1,291,047,458.11	1,291,047,458.11	
Premium receivable			
Reinsurance accounts receivable			
Receivable deposit for reinsurance contract			
Other receivables:	172,807,036.77	172,807,036.77	
Including: Interest receivables	20,504,422.47	20,504,422.47	
Dividend receivables			
Redemptory financial assets for sale			
Inventories	7,700,397,685.61	7,700,397,685.61	
Contract assets			
Assets classified as held for sale			
Non-current assets due within one year			
Other current assets	312,904,824.09	312,904,824.09	

Total current assets	30,558,240,129.89	30,558,240,129.89	
Non-current assets:			
Loan and advances issued			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	2,642,998.70	2,642,998.70	
Other equity instrument investments	1,041,824,829.00	1,041,824,829.00	
Other non-current financial assets			
Investment properties			
Fixed assets	26,123,375,492.40	26,123,375,492.40	
Construction in progress	1,833,853,572.58	1,833,853,572.58	
Productive biological assets			
Oil and gas assets			
Right of use assets			
Intangible assets	271,500,023.34	271,500,023.34	
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	191,485,595.49	191,485,595.49	
Other non-current assets	708,502,552.50	708,502,552.50	
Total non-current assets	30,173,185,064.01	30,173,185,064.01	
Total assets	60,731,425,193.90	60,731,425,193.90	
Current Liabilities:			
Short-term loans	13,151,478,000.00	13,151,478,000.00	
Loan from central bank			
Absorbed deposit and interbank deposit			
Financial liabilities held for trading			
Derivative financial liabilities			
Note payables	11,828,514,676.95	11,828,514,676.95	
Account payables	4,527,513,030.27	4,527,513,030.27	
Advance from customers	4,429,821,526.79		-4,429,821,526.79

Contract liabilities		4,429,821,526.79	4,429,821,526.79
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	23,698,174.56	23,698,174.56	
Current tax liabilities	284,825,814.80	284,825,814.80	
Other payables	662,701,744.97	662,701,744.97	
Including: Interest payables	10,818,986.30	10,818,986.30	
Dividend payables			
Handling charges and commission payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	234,474,657.99	234,474,657.99	
Other current liabilities			
Total current liabilities	35,143,027,626.33	35,143,027,626.33	
Non-current liabilities:			
Provision for insurance contract			
Long-term loans	4,849,675,910.73	4,849,675,910.73	
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liabilities			
Long-term payables	516,939,408.14	516,939,408.14	
Long-term employee benefits payables			
Estimated liabilities			
Deferred income	208,955,407.30	208,955,407.30	
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	5,575,570,726.17	5,575,570,726.17	

Total liabilities	40,718,598,352.50	40,718,598,352.50	
Shareholders' equity:			
Share capital	3,875,371,532.00	3,875,371,532.00	
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserves	12,343,209,847.29	12,343,209,847.29	
Less: treasury shares			
Other comprehensive income			
Special reserves	212,687.41	212,687.41	
Surplus reserves	961,105,529.85	961,105,529.85	
General risk reserves			
Undistributed profits	2,307,765,664.62	2,307,765,664.62	
Total equity attributable to equity holders of the parent company	19,487,665,261.17	19,487,665,261.17	
Non-controlling interests	525,161,580.23	525,161,580.23	
Total shareholder's equity	20,012,826,841.40	20,012,826,841.40	
Total liabilities and shareholder's equity	60,731,425,193.90	60,731,425,193.90	

Notes:

None

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

Unit: Yuan

Items	Dec 31 st , 2019	Jan 1 st , 2020	Adjustment amount
Current assets:			
Cash at bank and on hand	16,982,227,928.89	16,982,227,928.89	
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	388,997,108.46	388,997,108.46	
Accounts receivable financing	2,193,319,842.60	2,193,319,842.60	
Prepayments	1,184,632,345.13	1,184,632,345.13	
Other receivables	266,663,235.81	266,663,235.81	
Including: Interest receivables	19,658,230.77	19,658,230.77	
Dividend receivables			

Inventories	6,114,582,832.33	6,114,582,832.33	
Contract assets			
Assets classified as held for sale			
Non-current assets due within one year			
Other current assets	191,249,460.42	191,249,460.42	
Total current assets	27,321,672,753.64	27,321,672,753.64	
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	2,016,281,902.16	2,016,281,902.16	
Other equity instrument investments	1,041,624,829.00	1,041,624,829.00	
Other non-current financial assets			
Investment properties			
Fixed assets	24,447,763,305.12	24,447,763,305.12	
Construction in progress	1,813,889,136.42	1,813,889,136.42	
Productive biological assets			
Oil and gas assets			
Right of use assets			
Intangible assets	145,470,040.68	145,470,040.68	
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	93,555,276.54	93,555,276.54	
Other non-current assets	696,351,867.38	696,351,867.38	
Total non-current assets	30,254,936,357.30	30,254,936,357.30	
Total assets	57,576,609,110.94	57,576,609,110.94	
Current Liabilities:			
Short-term loans	11,851,478,000.00	11,851,478,000.00	
Financial assets held for trading			
Derivative financial liabilities			
Notes payable	10,225,969,445.22	10,225,969,445.22	
Accounts payable	4,909,389,629.86	4,909,389,629.86	
Advance from customers	5,597,707,687.22		-5,597,707,687.22

Contract liabilities		5,597,707,687.22	5,597,707,687.22
Employee benefits payable	21,872,906.71	21,872,906.71	
Current tax liabilities	274,181,048.14	274,181,048.14	
Other payables	384,125,032.59	384,125,032.59	
Including: Interest payables	10,818,986.30		
Dividend payables			
Liabilities held for sale			
Non-current liabilities due within one year	234,474,657.99	234,474,657.99	
Other current liabilities			
Total current liabilities	33,499,198,407.73	33,499,198,407.73	
Non-current liabilities:			
Long-term loans	4,849,675,910.73	4,849,675,910.73	
Bonds payable			
Including: Preferred stock			
Perpetual bond			
Lease liabilities			
Long-term payables	516,939,408.14	516,939,408.14	
Long-term employee benefits payable			
Estimated liabilities			
Deferred incomes	208,955,407.30	208,955,407.30	
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	5,575,570,726.17	5,575,570,726.17	
Total liabilities	39,074,769,133.90	39,074,769,133.90	
Shareholders' equity:			
Share capital	3,875,371,532.00	3,875,371,532.00	
Other equity instruments			
Including: Preferred stock			
Perpetual bond			
Capital reserves	11,923,058,165.17	11,923,058,165.17	
Less: treasury shares			
Other comprehensive income			
Special reserves	53,330.99	53,330.99	
Surplus reserves	961,105,529.85	961,105,529.85	

Undistributed profits	1,742,251,419.03	1,742,251,419.03	
Total shareholder's equity	18,501,839,977.04	18,501,839,977.04	
Total liabilities and shareholder's equity	57,576,609,110.94	57,576,609,110.94	

Notes:

None

2. Retroactive adjustment due to the first time implementation of the new revenue standards and new lease standards

☐ Applicable ☒ Not applicable

III. Audit report

Whether the third quarter report is audited

☐ Yes ☒ No

The third quarter report is not audited.