

KONKA GROUP CO., LTD.

THIRD QUARTERLY REPORT 2020

2020-118

October 2020

Part I Important Notes

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

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

Liu Fengxi, the Company’s legal representative, Li Chunlei, the Company’s Chief Financial Officer (CFO), and Feng Junxiu, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

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

Part II Key Corporate Information

I Key Consolidated Financial Information

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

Yes No

	30 September 2020	31 December 2019	Change (%)	
			Q3 2020	Q1-Q3 2020
Total assets (RMB)	44,785,049,225.79	42,586,955,452.27		5.16%
Equity attributable to the listed company's shareholders (RMB)	8,518,673,314.06	8,068,505,598.13		5.58%
		YoY change (%)		YoY change (%)
Operating revenue (RMB)	12,276,961,374.42	-21.53%	29,801,145,271.16	-28.50%
Net profit attributable to the listed company's shareholders (RMB)	520,661,894.19	432.78%	615,363,686.82	36.60%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	-843,908,630.71	-99.32%	-1,493,919,126.18	-42.78%
Net cash generated from/used in operating activities (RMB)	-99,506,432.85	81.21%	-1,175,873,360.33	54.29%
Basic earnings per share (RMB/share)	0.2162	432.51%	0.2556	36.61%
Diluted earnings per share (RMB/share)	0.2162	432.51%	0.2556	36.61%
Weighted average return on equity (%)	6.27%	5.07%	7.37%	1.97%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2020	Note
Gain/Loss arising from disposal of non-current assets (inclusive of impairment allowance write-offs)	1,306,383,744.02	
Government subsidies recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	451,617,886.43	
Gain/Loss on entrusting others with investments or asset management	29,457,327.63	
Gain/Loss on changes in fair value arising from holding of held-for-trading financial assets and liabilities and derivative financial assets and liabilities, and investment income from disposal of held-for-trading financial assets and liabilities, derivative financial assets and liabilities, and other debt investments other than effective hedge	59,718,772.71	

business related to the Company's normal operating businesses		
Gain/loss on entrustment loans	267,097.29	
Other non-operating income and expense other than the above	7,388,516.01	
Other gains and losses that meet definition of exceptional gain/loss	675,542,207.54	
Less: Income tax effects	325,646,046.95	
Non-controlling interests effects (net of tax)	95,446,691.68	
Total	2,109,282,813.00	--

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

Applicable Not applicable

Item	Amount (RMB)	Reason
Tax rebates on software	21,347,468.54	Recurrent government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards

II Total Number of Shareholders and Holdings of Top 10 of Them as at the End of the Reporting Period

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

Unit: share

Number of ordinary shareholders	139,572	Number of preference shareholders with resumed voting rights (if any)			0
Top 10 shareholders					
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen
					Status Shares
OVERSEAS CHINESE TOWN ENTERPRISES CO., LTD	State-owned corporation	21.75%	523,746,932	0	
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	Foreign corporation	7.56%	182,100,202	0	
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	Foreign corporation	2.44%	58,852,625	0	
HOLY TIME GROUP LIMITED	Foreign corporation	2.38%	57,289,100	0	
GAOLING FUND,L.P.	Foreign	2.19%	52,801,250	0	

	corporation					
WANG JINGFENG	Domestic individual	1.52%	36,569,800	0		
NAM NGAI	Foreign individual	0.94%	22,567,540	0		
CHINA MERCHANTS SECURITIES (HK) LIMITED	State-owned corporation	0.82%	19,752,620	0		
Haitong International Securities Company Limited-Account Client	Foreign corporation	0.52%	12,452,154	0		
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign corporation	0.37%	8,810,290	0		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted ordinary shares held	Shares by class				
		Class	Shares			
OVERSEAS CHINESE TOWN ENTERPRISES CO., LTD	523,746,932	RMB-denominated ordinary share	523,746,932			
CITIC SECURITIES BROKERAGE (HONG KONG) CO., LTD.	182,100,202	Domestically listed foreign share	182,100,202			
GUOYUAN SECURITIES BROKER (HK) CO., LTD.	58,852,625	Domestically listed foreign share	58,852,625			
HOLY TIME GROUP LIMITED	57,289,100	Domestically listed foreign share	57,289,100			
GAOLING FUND,L.P.	52,801,250	Domestically listed foreign share	52,801,250			
WANG JINGFENG	36,569,800	RMB-denominated ordinary share	36,569,800			
NAM NGAI	22,567,540	Domestically listed foreign share	22,567,540			
CHINA MERCHANTS SECURITIES (HK) LIMITED	19,752,620	Domestically listed foreign share	19,752,620			
Haitong International Securities Company Limited-Account Client	12,452,154	Domestically listed foreign share	12,452,154			
HONG KONG SECURITIES CLEARING COMPANY LTD.	8,810,290	RMB-denominated ordinary share	8,810,290			
Related or acting-in-concert parties among shareholders above	Jialong Investment Limited, a wholly-funded subsidiary of the Company's first majority shareholder Overseas Chinese Town Enterprises Co. ("OCT Group" for short), holds 180,001,110 and 18,360,000 common shares in the Company respectively through CITIC Securities Brokerage (Hong Kong) Co., Ltd. and China Merchants Securities (HK) Limited. Jialong Investment Limited and					

	Overseas Chinese Town Enterprises Co. are parties acting in concert. Other than that, it is unknown whether the other shareholders are related parties or acting-in-concert parties or not.
Top 10 ordinary shareholders involved in securities margin trading	A-shareholders Wang Jingfeng held 36,309,800 A-shares in the Company through his account of collateral securities for margin trading in Guotai Junan Securities Co., Ltd..

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

Yes No

No such cases in the Reporting Period.

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

Applicable Not applicable

Part III Significant Events

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

Applicable Not applicable

(I) During the Reporting Period, the Company actively promoted strategic transformation and upgrading by implementing the long-term development strategy of “Technology + Industry + Parks” and centering on “Semiconductor + New Consumer Electronics + High-Tech Parks”. In terms of the semiconductor business, the Company worked on development and commercialization in respect of Micro LED and Mini LED, in addition to the launch of the Mini LED 8K TV. With regard to the consumer electronics business, continued efforts were made to enrich product categories and content, and to enhance coordination between the online and offline marketing system. By way of live streaming (including live streaming in offline stores), the Company was able to further boost online and offline sales. As for the high-tech park business, the Yangtze River Delta Headquarters and the Frestec Refrigeration Park, among others, were launched during the Reporting Period. These industrial parks are expected to help the Company optimize resource allocation and promote intelligent upgrading in the high-tech park business.

(II) Changes in Key Financial Statement Line Items

Unit: RMB

Item	Q1-Q3 2020	Q1-Q3 2019	Amount of change	Percentage of change	Main reason for change
Operating revenue	29,801,145,271.16	41,681,249,260.63	-11,880,103,989.47	-28.50%	Decreases in both operating revenue and cost of sales as a result of the pandemic during the Reporting Period
Cost of sales	27,874,517,742.42	39,601,480,656.43	-11,726,962,914.01	-29.61%	
R&D expense	486,664,300.94	319,102,256.98	167,562,043.96	52.51%	Greater investments in R&D
Return on investment	1,932,345,020.63	795,857,862.21	1,136,487,158.42	142.80%	Disposal of the Company's interest in Dongguan Konka Investment Co., Ltd.
Credit impairment loss (“-” for loss)	-419,369,553.83	-89,146,583.72	-330,222,970.11	-370.43%	Allowances for doubtful accounts established in the current period
Asset impairment loss (“-” for loss)	-98,202,971.26	-9,456,436.22	-88,746,535.04	-938.48%	Inventory valuation allowances established in the current period

II Progress, Influence and Solutions in respect of Significant Events

(I) Private placements of corporate bonds: So far, in respect of the private placement of RMB2.3 billion of corporate bonds, the Company has received the No Objection Letter from the Shenzhen Stock Exchange; and RMB600 million of privately placed corporate bonds are in the process.

(II) Launching and establishing funds: Currently, Orient Konka Industry M&A Fund respectively holds 7.75%, 2.75%, 11.73%, 6.05% and 3% equity interest in Jiangxi Yahua Electronic Materials Co., Ltd., Genew Technologies Co., Ltd., Shenzhen Grentech Technologies Co., Ltd., Huizhou Xuxin Intelligent Technology Co., Ltd. and Yimeide Technology Co., Ltd. Xinjia Emerging Industry Development Investment Fund, Wuzhen Jiayu Digital Economy Industry Fund and Yibin Kanghui Emerging Industry Fund have completed the filing in Asset Management Association of China. Yancheng Electronic Information Industry Fund has accomplished the signing of the partnership agreement and now the filing in Asset Management Association of China is underway.

(III) Yibin Smart Terminal High-Tech Industrial Park has been completed and accepted. Konka Chuzhou Smart Appliances and Equipment Industrial Park, Dongguan Konka Smart Industrial Park, Chongqing Konka Semiconductor Optoelectronic Industrial Park and Suining Konka Electronic Technology Industrial Park have obtained the project land and are under construction. Yancheng Semiconductor Closed Beta Test Base has completed the basic construction and is headed towards interior decoration. Frestec Refrigeration Park, Konka Production Base for Exported Intelligent Terminals and Guxian Green Technology Town are in the pipeline and waiting to bid for the target land in government auditions.

Summary of the significant event	Date of disclosure	Index to disclosure
Private placement of RMB600 million of corporate bonds	18 September 2019	http://www.cninfo.com.cn/new/index
Investment and construction of Dongguan Konka Smart Industrial Park	11 March 2017	
Investment and construction of Konka Chuzhou Smart Appliances and Equipment Industrial Park	5 December 2018	
Investment and construction of Yibin Smart Terminal High-Tech Industrial Park	16 December 2017	
Investment and construction of Suining Konka Electronic Technology Industrial Park	17 October 2018	
Investment and construction of Chongqing Konka Semiconductor Optoelectronic Industrial Park	9 October 2019	
Investment and construction of Yancheng Semiconductor Closed Beta Base	26 November 2019	
Investment and construction of Guxian Green Technology Town	26 November 2019	
Orient Konka Industry M &A Fund	7 September 2018	
Xinjia Emerging Industry Development Investment Fund	4 March 2020	
Wuzhen Jiayu Digital Economy Industry Fund	28 March 2020	
Investment and construction of Konka Production Base for Exported Intelligent Terminals	6 June 2020	
Private placement of RMB2.3 billion of corporate bonds	6 June 2020	
Investment and construction of Frestec Refrigeration Park	21 July 2020	

Yibin Kanghui Emerging Industry Fund	21 July 2020	
Yancheng Electronic Information Industry Fund	23 September 2020	
Completion of Ownership Transfer with the Industrial and Commercial Administration in Respect of the Disposal of a 51% Interest in Dongguan Konka Investment Co., Ltd. in an Open Manner	26 September 2020	

Progress of any share repurchase:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

No such cases in the Reporting Period.

IV Financial Investments

1. Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

2. Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

V Progress of Projects Financed with Raised Funds

Applicable Not applicable

VI 2020 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in the 2020 annual net profit, as well as explanation of why:

Applicable Not applicable

VII Significant Contracts Arising from the Company's Ordinary Course of Business

Applicable Not applicable

VIII Cash Entrusted for Wealth Management

Applicable Not applicable

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Bank's wealth management product	Self-owned	0	940	0
Total		0	940	0

High-risk wealth management transactions with a significant single amount, or with low security, low liquidity or no principal protection:

Applicable Not applicable

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

Applicable Not applicable

IX Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

XI Communications with the Investment Community such as Researches, Inquiries and Interviews Received during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Konka Group Co., Ltd.

30 September 2020

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Monetary assets	6,579,261,424.18	6,599,360,051.61
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets		61,494,666.97
Derivative financial assets		
Notes receivable	1,846,727,412.55	2,838,041,432.89
Accounts receivable	5,879,294,945.56	4,416,179,657.87
Receivables financing	90,635,143.47	143,174,271.82
Prepayments	2,580,862,758.73	2,072,550,811.86
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	1,710,567,669.55	1,772,183,366.49
Including: Interest receivable	19,432,661.26	7,807,400.40
Dividends receivable	547,848.62	547,848.62
Financial assets purchased under resale agreements		
Inventories	5,005,680,260.84	5,318,503,044.69
Contract assets	57,517,986.07	
Assets held for sale		
Current portion of non-current assets	93,761,768.42	108,087,016.22
Other current assets	1,566,320,040.85	2,093,212,552.25
Total current assets	25,410,629,410.22	25,422,786,872.67
Non-current assets:		
Loans and advances to customers		

Debt investments		
Other debt investments		
Long-term receivables	406,490,863.41	410,509,555.85
Long-term equity investments	4,080,885,163.89	3,465,541,196.89
Investments in other equity instruments	26,642,171.36	21,642,170.36
Other non-current financial assets	1,812,985,572.95	1,753,121,727.83
Investment property	388,983,302.24	400,197,374.07
Fixed assets	2,397,168,269.57	2,561,254,191.55
Construction in progress	6,012,462,841.51	4,291,544,368.52
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	1,135,960,506.05	1,213,271,713.22
Development costs	1,430,936.03	
Goodwill	779,260,296.41	779,260,296.41
Long-term prepaid expense	119,132,580.66	107,590,078.88
Deferred income tax assets	1,044,085,436.95	987,763,182.17
Other non-current assets	1,168,931,874.54	1,172,472,723.85
Total non-current assets	19,374,419,815.57	17,164,168,579.60
Total assets	44,785,049,225.79	42,586,955,452.27
Current liabilities:		
Short-term borrowings	11,545,605,169.58	10,332,687,239.63
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,206,473,051.09	1,319,396,374.37
Accounts payable	5,853,839,416.94	5,797,822,479.60
Advances from customers		1,076,856,387.08
Contract liabilities	1,637,940,617.00	
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		

Employee benefits payable	349,178,094.68	426,870,498.58
Taxes and levies payable	301,663,370.44	607,845,294.99
Other payables	2,130,027,470.51	2,374,287,243.20
Including: Interest payable	153,125,872.24	227,831,108.53
Dividends payable		
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	13,023,381.44	210,066,077.13
Other current liabilities		
Total current liabilities	23,037,750,571.68	22,145,831,594.58
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	5,169,802,097.54	4,890,315,729.90
Bonds payable	4,991,837,002.15	4,987,709,643.64
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	713,894,401.32	383,287,104.62
Long-term employee benefits payable	5,286,794.22	5,565,646.72
Provisions	137,192,250.40	206,591.51
Deferred income	158,620,881.77	151,874,258.45
Deferred income tax liabilities	88,347,193.28	95,467,096.05
Other non-current liabilities	110,361,780.89	
Total non-current liabilities	11,375,342,401.57	10,514,426,070.89
Total liabilities	34,413,092,973.25	32,660,257,665.47
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	230,368,577.09	230,368,577.09
Less: Treasury stock		
Other comprehensive income	-66,091,804.01	-21,293,103.52

Specific reserve		
Surplus reserves	1,211,721,109.67	1,211,721,109.67
General reserve		
Retained earnings	4,734,730,023.31	4,239,763,606.89
Total equity attributable to owners of the Company as the parent	8,518,673,314.06	8,068,505,598.13
Non-controlling interests	1,853,282,938.48	1,858,192,188.67
Total owners' equity	10,371,956,252.54	9,926,697,786.80
Total liabilities and owners' equity	44,785,049,225.79	42,586,955,452.27

Legal representative: Liu Fengxi CFO: Li Chunlei Head of the financial department: Feng Junxiu

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Monetary assets	2,949,020,415.52	2,498,077,198.12
Held-for-trading financial assets		61,494,666.97
Derivative financial assets		
Notes receivable	1,325,764,809.15	2,148,312,821.38
Accounts receivable	5,604,165,653.64	9,564,720,940.39
Receivables financing		66,002,903.68
Prepayments	1,003,172,364.65	911,315,168.95
Other receivables	8,734,438,082.30	10,552,820,915.47
Including: Interest receivable	11,146,879.93	7,431,353.86
Dividends receivable	349,515,715.50	518,580,871.02
Inventories	257,339,197.13	218,644,308.47
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	753,175,326.36	1,096,689,897.40
Total current assets	20,627,075,848.75	27,118,078,820.83
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	8,992,378,578.30	7,712,084,967.88

Investments in other equity instruments	17,940,215.36	12,940,214.36
Other non-current financial assets	250,230,000.00	250,230,000.00
Investment property	388,983,302.24	400,197,374.07
Fixed assets	430,537,915.34	444,107,402.57
Construction in progress	75,312,908.26	40,933,270.51
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	74,981,659.82	80,470,750.60
Development costs		
Goodwill		
Long-term prepaid expense	14,247,153.98	39,047,325.68
Deferred income tax assets	815,152,260.37	883,234,085.45
Other non-current assets		
Total non-current assets	11,059,763,993.67	9,863,245,391.12
Total assets	31,686,839,842.42	36,981,324,211.95
Current liabilities:		
Short-term borrowings	4,906,232,184.91	5,014,312,913.74
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,764,184,964.11	2,610,991,473.69
Accounts payable	6,996,269,041.93	11,078,648,690.19
Advances from customers		318,839,961.84
Contract liabilities	198,727,133.74	
Employee benefits payable	130,898,131.46	125,402,307.95
Taxes and levies payable	3,200,613.86	9,305,344.42
Other payables	4,026,877,947.82	3,193,392,734.69
Including: Interest payable	147,583,113.80	223,847,860.57
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		130,512,375.00
Other current liabilities		
Total current liabilities	18,026,390,017.83	22,481,405,801.52
Non-current liabilities:		

Long-term borrowings	2,353,034,612.32	3,438,055,729.90
Bonds payable	4,991,837,002.15	4,987,709,643.64
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	24,965,378.82	21,855,688.19
Long-term employee benefits payable		
Provisions	5,426,045.35	206,591.51
Deferred income	45,071,455.73	59,545,839.30
Deferred income tax liabilities		
Other non-current liabilities	57,440,562.28	
Total non-current liabilities	7,477,775,056.65	8,507,373,492.54
Total liabilities	25,504,165,074.48	30,988,779,294.06
Owners' equity:		
Share capital	2,407,945,408.00	2,407,945,408.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	114,018,066.79	114,018,066.79
Less: Treasury stock		
Other comprehensive income	-2,682,217.31	-2,682,217.31
Specific reserve		
Surplus reserves	1,227,564,785.19	1,227,564,785.19
Retained earnings	2,435,828,725.27	2,245,698,875.22
Total owners' equity	6,182,674,767.94	5,992,544,917.89
Total liabilities and owners' equity	31,686,839,842.42	36,981,324,211.95

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2020	Q3 2019
1. Revenues	12,276,961,374.42	15,644,806,446.79
Including: Operating revenue	12,276,961,374.42	15,644,806,446.79
Interest income		
Insurance premium income		
Fee and commission income		

2. Costs and expenses	12,941,220,330.25	16,025,188,376.66
Including: Cost of sales	11,605,524,309.54	14,927,438,285.30
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	19,117,752.68	18,882,712.84
Selling expense	443,120,418.41	537,449,008.46
Administrative expense	290,185,810.31	214,581,564.94
R&D expense	228,614,714.65	161,891,918.04
Finance costs	354,657,324.66	164,944,887.08
Including: Interest expense	209,255,381.22	286,311,826.27
Interest income	8,632,937.66	28,365,849.61
Add: Other income	149,944,065.29	298,288,604.77
Return on investment (“-” for loss)	1,333,651,444.04	236,696,834.29
Including: Share of profit or loss of joint ventures and associates	468,102.97	-17,103,633.76
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	-379,482,046.65	-39,670,359.96
Asset impairment loss (“-” for loss)	-96,217,311.31	2,261,331.07
Asset disposal income (“-” for loss)	89,624,963.47	
3. Operating profit (“-” for loss)	433,262,159.01	117,194,480.30
Add: Non-operating income	13,906,702.31	41,224,843.98
Less: Non-operating expense	6,986,036.13	1,809,247.39
4. Gross profit (“-” for loss)	440,182,825.19	156,610,076.89
Less: Income tax expense	-29,221,823.79	4,284,277.99
5. Net profit (“-” for net loss)	469,404,648.98	152,325,798.90

5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	469,404,648.98	152,325,798.90
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	520,661,894.19	97,725,667.63
5.2.1 Net profit attributable to non-controlling interests	-51,257,245.21	54,600,131.27
6. Other comprehensive income, net of tax	-48,021,475.59	-757,628.66
Attributable to owners of the Company as the parent	-44,481,996.02	-2,540,311.85
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-44,481,996.02	-2,540,311.85
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-44,481,996.02	-2,540,311.85
6.2.7 Other		
Attributable to non-controlling interests	-3,539,479.57	1,782,683.19
7. Total comprehensive income	421,383,173.39	151,568,170.24
Attributable to owners of the Company as the parent	476,179,898.17	95,185,355.78
Attributable to non-controlling interests	-54,796,724.78	56,382,814.46
8. Earnings per share		

8.1 Basic earnings per share	0.2162	0.0406
8.2 Diluted earnings per share	0.2162	0.0406

Legal representative: Liu Fengxi CFO: Li Chunlei Head of the financial department: Feng Junxiu

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2020	Q3 2019
1. Operating revenue	1,874,354,128.92	3,420,624,874.36
Less: Cost of sales	1,859,732,505.45	3,398,476,539.34
Taxes and levies	1,598,888.37	2,196,972.53
Selling expense	59,995,538.39	289,700,691.74
Administrative expense	153,151,582.89	97,690,345.27
R&D expense	11,884,823.72	11,583,116.72
Finance costs	222,105,925.22	51,277,210.40
Including: Interest expense	206,857,085.73	221,815,070.42
Interest income	116,575,711.62	107,028,598.07
Add: Other income	8,462,482.65	16,519,680.07
Return on investment ("-" for loss)	523,004,913.64	151,953,623.56
Including: Share of profit or loss of joint ventures and associates	-7,427,078.59	-7,857,057.42
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)		
Credit impairment loss ("-" for loss)	-212,612,195.51	-20,000,000.00
Asset impairment loss ("-" for loss)		
Asset disposal income ("-" for loss)	89,600,000.00	
2. Operating profit ("-" for loss)	-25,659,934.34	-281,826,698.01
Add: Non-operating income	8,790,701.45	185,713.17
Less: Non-operating expense	2,828,750.98	169,334.48
3. Gross profit ("-" for loss)	-19,697,983.87	-281,810,319.32
Less: Income tax expense	-15,512,798.22	-65,507,220.62
4. Net profit ("-" for net loss)	-4,185,185.65	-216,303,098.70
4.1 Net profit from continuing operations ("-" for net loss)	-4,185,185.65	-216,303,098.70
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax		

5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	-4,185,185.65	-216,303,098.70
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Revenues	29,801,145,271.16	41,681,249,260.63
Including: Operating revenue	29,801,145,271.16	41,681,249,260.63
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	31,294,628,818.95	42,723,961,198.82
Including: Cost of sales	27,874,517,742.42	39,601,480,656.43
Interest expense		
Fee and commission expense		

Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	48,302,193.04	56,271,805.11
Selling expense	1,412,344,800.39	1,605,394,922.82
Administrative expense	731,101,590.75	562,506,207.37
R&D expense	486,664,300.94	319,102,256.98
Finance costs	741,698,191.41	579,205,350.11
Including: Interest expense	742,208,965.50	815,995,662.79
Interest income	132,894,768.38	147,039,381.38
Add: Other income	468,038,917.63	642,173,576.13
Return on investment ("-" for loss)	1,932,345,020.63	795,857,862.21
Including: Share of profit or loss of joint ventures and associates	45,185,728.73	-8,562,359.20
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)		-3,005,381.67
Credit impairment loss ("-" for loss)	-419,369,553.83	-89,146,583.72
Asset impairment loss ("-" for loss)	-98,202,971.26	-9,456,436.22
Asset disposal income ("-" for loss)	188,079,246.33	293,705,840.64
3. Operating profit ("-" for loss)	577,407,111.71	587,416,939.18
Add: Non-operating income	22,568,475.79	63,494,286.07
Less: Non-operating expense	14,122,911.48	5,278,988.90
4. Gross profit ("-" for loss)	585,852,676.02	645,632,236.35
Less: Income tax expense	44,203,698.68	14,595,671.18
5. Net profit ("-" for net loss)	541,648,977.34	631,036,565.17
5.1 By operating continuity		
5.1.1 Net profit from continuing operations ("-" for net loss)	541,648,977.34	631,036,565.17
5.1.2 Net profit from discontinued operations ("-" for net loss)		

5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	615,363,686.82	450,492,688.36
5.2.1 Net profit attributable to non-controlling interests	-73,714,709.48	180,543,876.81
6. Other comprehensive income, net of tax	-46,863,350.96	-3,865,740.99
Attributable to owners of the Company as the parent	-44,798,700.49	-6,200,198.54
6.1 Items that will not be reclassified to profit or loss		-4,800,000.00
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		-4,800,000.00
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-44,798,700.49	-1,400,198.54
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-44,798,700.49	-1,400,198.54
6.2.7 Other		
Attributable to non-controlling interests	-2,064,650.47	2,334,457.55
7. Total comprehensive income	494,785,626.38	627,170,824.18
Attributable to owners of the Company as the parent	570,564,986.33	444,292,489.82
Attributable to non-controlling interests	-75,779,359.95	182,878,334.36
8. Earnings per share		
8.1 Basic earnings per share	0.2556	0.1871
8.2 Diluted earnings per share	0.2556	0.1871

Legal representative: Liu Fengxi CFO: Li Chunlei Head of the financial department: Feng Junxiu

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

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Operating revenue	5,249,800,159.81	8,788,646,584.76
Less: Cost of sales	4,810,832,336.30	8,662,626,032.49
Taxes and levies	4,054,892.86	5,247,218.40
Selling expense	406,754,081.49	892,638,143.13
Administrative expense	313,001,635.63	214,332,248.59
R&D expense	37,421,071.21	33,467,367.19
Finance costs	396,462,530.95	315,092,491.81
Including: Interest expense	637,210,813.14	706,461,849.17
Interest income	359,545,756.63	332,427,396.10
Add: Other income	68,743,421.98	42,403,642.65
Return on investment ("-" for loss)	1,031,869,975.34	337,929,362.44
Including: Share of profit or loss of joint ventures and associates	-8,126,917.97	-3,928,528.71
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)		-3,005,381.67
Credit impairment loss ("-" for loss)	-222,810,467.29	-26,660,947.01
Asset impairment loss ("-" for loss)	5,726,253.37	-3,172,282.22
Asset disposal income ("-" for loss)	188,200,000.00	200.00
2. Operating profit ("-" for loss)	353,002,794.77	-987,262,322.66
Add: Non-operating income	9,106,266.95	1,708,572.98
Less: Non-operating expense	3,054,317.36	1,126,692.02
3. Gross profit ("-" for loss)	359,054,744.36	-986,680,441.70
Less: Income tax expense	68,788,742.83	-240,955,012.03
4. Net profit ("-" for net loss)	290,266,001.53	-745,725,429.67
4.1 Net profit from continuing operations ("-" for net loss)	290,266,001.53	-745,725,429.67
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		

5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	290,266,001.53	-745,725,429.67
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	29,184,784,329.28	41,460,695,427.76
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		

Net proceeds from acting trading of securities		
Tax and levy rebates	158,747,704.56	596,940,645.18
Cash generated from other operating activities	2,779,748,792.23	2,810,409,063.92
Subtotal of cash generated from operating activities	32,123,280,826.07	44,868,045,136.86
Payments for commodities and services	28,608,102,086.75	42,633,289,918.22
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	1,359,110,793.58	1,354,791,311.98
Taxes and levies paid	785,311,074.53	604,891,331.46
Cash used in other operating activities	2,546,630,231.54	2,847,652,417.14
Subtotal of cash used in operating activities	33,299,154,186.40	47,440,624,978.80
Net cash generated from/used in operating activities	-1,175,873,360.33	-2,572,579,841.94
2. Cash flows from investing activities:		
Proceeds from disinvestment	695,562,072.60	222,405,975.50
Return on investment	97,902,372.90	109,794,038.16
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	305,251,144.96	123,083,476.75
Net proceeds from the disposal of subsidiaries and other business units	588,620,437.06	90,801,480.11
Cash generated from other investing activities	2,057,357,513.79	1,757,416,878.42
Subtotal of cash generated from investing activities	3,744,693,541.31	2,303,501,848.94
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	2,417,483,605.63	1,280,750,151.25
Payments for investments	162,157,119.25	1,236,659,360.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	155,520,775.46	800,033,420.00
Subtotal of cash used in investing activities	2,735,161,500.34	3,317,442,931.25
Net cash generated from/used in investing activities	1,009,532,040.97	-1,013,941,082.31
3. Cash flows from financing activities:		

Capital contributions received	133,039,439.25	316,350,268.17
Including: Capital contributions by non-controlling interests to subsidiaries	133,039,439.25	316,350,268.17
Borrowings received	14,453,038,928.17	21,816,836,119.64
Cash generated from other financing activities	1,396,812,658.86	662,446,627.50
Subtotal of cash generated from financing activities	15,982,891,026.28	22,795,633,015.31
Repayment of borrowings	13,243,185,186.02	15,301,413,298.24
Interest and dividends paid	745,791,874.18	674,111,965.45
Including: Dividends paid by subsidiaries to non-controlling interests	4,513,500.00	33,607,322.95
Cash used in other financing activities	1,347,499,266.63	534,292,325.64
Subtotal of cash used in financing activities	15,336,476,326.83	16,509,817,589.33
Net cash generated from/used in financing activities	646,414,699.45	6,285,815,425.98
4. Effect of foreign exchange rates changes on cash and cash equivalents	-22,135,152.50	7,020,688.15
5. Net increase in cash and cash equivalents	457,938,227.59	2,706,315,189.88
Add: Cash and cash equivalents, beginning of the period	4,493,701,917.22	3,434,149,481.72
6. Cash and cash equivalents, end of the period	4,951,640,144.81	6,140,464,671.60

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

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	5,287,315,115.68	15,276,237,884.82
Tax and levy rebates	42,763,151.28	48,371,777.09
Cash generated from other operating activities	10,273,988,822.96	9,241,152,305.86
Subtotal of cash generated from operating activities	15,604,067,089.92	24,565,761,967.77
Payments for commodities and services	3,473,166,490.54	13,228,154,713.94
Cash paid to and for employees	280,122,707.16	538,054,123.81
Taxes and levies paid	10,631,888.24	44,781,446.37
Cash used in other operating activities	10,751,419,805.68	10,978,851,545.86
Subtotal of cash used in operating activities	14,515,340,891.62	24,789,841,829.98
Net cash generated from/used in operating activities	1,088,726,198.30	-224,079,862.21
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,217,936,530.00	166,685,882.00
Return on investment	187,723,779.95	96,058,958.81

Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	188,253,456.56	255,200.79
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	1,935,867,847.12	777,615,551.82
Subtotal of cash generated from investing activities	3,529,781,613.63	1,040,615,593.42
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	65,949,474.37	59,662,429.02
Payments for investments	1,340,905,815.71	703,450,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	126,968,061.44	5,137,623,500.00
Subtotal of cash used in investing activities	1,533,823,351.52	5,900,735,929.02
Net cash generated from/used in investing activities	1,995,958,262.11	-4,860,120,335.60
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings received	9,378,654,852.74	11,517,566,793.66
Cash generated from other financing activities	132,564,434.59	2,500,000.00
Subtotal of cash generated from financing activities	9,511,219,287.33	11,520,066,793.66
Repayment of borrowings	10,634,198,610.76	4,960,897,423.76
Interest and dividends paid	663,698,397.97	561,130,301.68
Cash used in other financing activities	494,170,138.20	10,922,037.42
Subtotal of cash used in financing activities	11,792,067,146.93	5,532,949,762.86
Net cash generated from/used in financing activities	-2,280,847,859.60	5,987,117,030.80
4. Effect of foreign exchange rates changes on cash and cash equivalents	-5,866,676.75	-10,762,185.92
5. Net increase in cash and cash equivalents	797,969,924.06	892,154,647.07
Add: Cash and cash equivalents, beginning of the period	1,337,342,186.92	1,497,794,555.85
6. Cash and cash equivalents, end of the period	2,135,312,110.98	2,389,949,202.92

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year (2020) of the New Accounting Standards Governing Revenue and Leases

Applicable Not applicable

Whether items of the balance sheets at the beginning of the year need adjustments

Yes No

Consolidated balance sheet

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	6,599,360,051.61	6,599,360,051.61	
Settlement reserve			
Loans to other banks and financial institutions			
Held-for-trading financial assets	61,494,666.97	61,494,666.97	
Derivative financial assets			
Notes receivable	2,838,041,432.89	2,838,041,432.89	
Accounts receivable	4,416,179,657.87	4,419,658,123.40	3,478,465.53
Receivables financing	143,174,271.82	143,174,271.82	
Prepayments	2,072,550,811.86	2,072,550,811.86	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	1,772,183,366.49	1,772,183,366.49	
Including: Interest receivable	7,807,400.40	7,807,400.40	
Dividends receivable	547,848.62	547,848.62	
Financial assets purchased under resale agreements			
Inventories	5,318,503,044.69	5,307,497,440.88	-11,005,603.81
Contract assets		13,248,335.74	13,248,335.74
Assets held for sale			
Current portion of non-current assets	108,087,016.22	108,087,016.22	
Other current assets	2,093,212,552.25	2,104,218,156.06	11,005,603.81
Total current assets	25,422,786,872.67	25,439,513,673.94	16,726,801.27
Non-current assets:			
Loans and advances to customers			
Debt investments			
Other debt investments			

Long-term receivables	410,509,555.85	410,509,555.85	
Long-term equity investments	3,465,541,196.89	3,465,541,196.89	
Investments in other equity instruments	21,642,170.36	21,642,170.36	
Other non-current financial assets	1,753,121,727.83	1,753,121,727.83	
Investment property	400,197,374.07	400,197,374.07	
Fixed assets	2,561,254,191.55	2,561,254,191.55	
Construction in progress	4,291,544,368.52	4,291,544,368.52	
Productive living assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	1,213,271,713.22	1,213,271,713.22	
Development costs			
Goodwill	779,260,296.41	779,260,296.41	
Long-term prepaid expense	107,590,078.88	107,590,078.88	
Deferred income tax assets	987,763,182.17	987,763,182.17	
Other non-current assets	1,172,472,723.85	1,172,472,723.85	
Total non-current assets	17,164,168,579.60	17,164,168,579.60	
Total assets	42,586,955,452.27	42,603,682,253.54	16,726,801.27
Current liabilities:			
Short-term borrowings	10,332,687,239.63	10,332,687,239.63	
Borrowings from the central bank			
Loans from other banks and financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	1,319,396,374.37	1,319,396,374.37	
Accounts payable	5,797,822,479.60	5,797,822,479.60	
Advances from customers	1,076,856,387.08		-1,076,856,387.08
Contract liabilities		959,538,151.80	959,538,151.80

Financial assets sold under repurchase agreements			
Customer deposits and deposits from other banks and financial institutions			
Payables for acting trading of securities			
Payables for underwriting of securities			
Employee benefits payable	426,870,498.58	426,870,498.58	
Taxes and levies payable	607,845,294.99	607,845,294.99	
Other payables	2,374,287,243.20	2,289,729,308.18	-84,557,935.02
Including: Interest payable	227,831,108.53	227,831,108.53	
Dividends payable			
Fees and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities	210,066,077.13	210,066,077.13	
Other current liabilities			
Total current liabilities	22,145,831,594.58	21,943,955,424.28	-201,876,170.30
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	4,890,315,729.90	4,890,315,729.90	
Bonds payable	4,987,709,643.64	4,987,709,643.64	
Including: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	383,287,104.62	383,287,104.62	
Long-term employee	5,565,646.72	5,565,646.72	

benefits payable			
Provisions	206,591.51	101,491,327.80	101,284,736.29
Deferred income	151,874,258.45	151,874,258.45	
Deferred income tax liabilities	95,467,096.05	95,467,096.05	
Other non-current liabilities		117,318,235.28	117,318,235.28
Total non-current liabilities	10,514,426,070.89	10,733,029,042.46	218,602,971.57
Total liabilities	32,660,257,665.47	32,676,984,466.74	16,726,801.27
Owners' equity:			
Share capital	2,407,945,408.00	2,407,945,408.00	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserves	230,368,577.09	230,368,577.09	
Less: Treasury stock			
Other comprehensive income	-21,293,103.52	-21,293,103.52	
Specific reserve			
Surplus reserves	1,211,721,109.67	1,211,721,109.67	
General reserve			
Retained earnings	4,239,763,606.89	4,239,763,606.89	
Total equity attributable to owners of the Company as the parent	8,068,505,598.13	8,068,505,598.13	
Non-controlling interests	1,858,192,188.67	1,858,192,188.67	
Total owners' equity	9,926,697,786.80	9,926,697,786.80	
Total liabilities and owners' equity	42,586,955,452.27	42,603,682,253.54	16,726,801.27

Notes to the adjustment

In 2017, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 14-Revenue" (referred to as the "New Revenue Standards"). The company will begin accounting treatment in accordance with the newly revised standards from January 1, 2020. According to the convergence regulations, the comparable period information will not be adjusted. The difference between the implementation of the new standards and the current standards on the first day will be retrospectively adjusted. Profit or other comprehensive income.

Balance sheet of the Company as the parent

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	2,498,077,198.12	2,498,077,198.12	
Held-for-trading financial assets	61,494,666.97	61,494,666.97	
Derivative financial assets			
Notes receivable	2,148,312,821.38	2,148,312,821.38	
Accounts receivable	9,564,720,940.39	9,580,894,472.00	16,173,531.61
Receivables financing	66,002,903.68	66,002,903.68	
Prepayments	911,315,168.95	911,315,168.95	
Other receivables	10,552,820,915.47	10,552,820,915.47	
Including: Interest receivable	7,431,353.86	7,431,353.86	
Dividends receivable	518,580,871.02	518,580,871.02	
Inventories	218,644,308.47	207,949,690.07	-10,694,618.40
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets	1,096,689,897.40	1,107,384,515.80	10,694,618.40
Total current assets	27,118,078,820.83	27,134,252,352.44	16,173,531.61
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			

Long-term equity investments	7,712,084,967.88	7,712,084,967.88	
Investments in other equity instruments	12,940,214.36	12,940,214.36	
Other non-current financial assets	250,230,000.00	250,230,000.00	
Investment property	400,197,374.07	400,197,374.07	
Fixed assets	444,107,402.57	444,107,402.57	
Construction in progress	40,933,270.51	40,933,270.51	
Productive living assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	80,470,750.60	80,470,750.60	
Development costs			
Goodwill			
Long-term prepaid expense	39,047,325.68	39,047,325.68	
Deferred income tax assets	883,234,085.45	883,234,085.45	
Other non-current assets			
Total non-current assets	9,863,245,391.12	9,863,245,391.12	
Total assets	36,981,324,211.95	36,997,497,743.56	16,173,531.61
Current liabilities:			
Short-term borrowings	5,014,312,913.74	5,014,312,913.74	
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	2,610,991,473.69	2,610,991,473.69	
Accounts payable	11,078,648,690.19	11,078,648,690.19	
Advances from customers	318,839,961.84		-318,839,961.84
Contract liabilities		269,891,156.62	269,891,156.62
Employee benefits payable	125,402,307.95	125,402,307.95	
Taxes and levies payable	9,305,344.42	9,305,344.42	
Other payables	3,193,392,734.69	3,181,261,535.24	-12,131,199.45

Including: Interest payable	223,847,860.57	223,847,860.57	
Dividends payable			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities	130,512,375.00	130,512,375.00	
Other current liabilities			
Total current liabilities	22,481,405,801.52	22,420,325,796.85	-61,080,004.67
Non-current liabilities:			
Long-term borrowings	3,438,055,729.90	3,438,055,729.90	
Bonds payable	4,987,709,643.64	4,987,709,643.64	
Including: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	21,855,688.19	21,855,688.19	
Long-term employee benefits payable			
Provisions	206,591.51	28,511,322.57	28,304,731.06
Deferred income	59,545,839.30	59,545,839.30	
Deferred income tax liabilities			
Other non-current liabilities		48,948,805.22	48,948,805.22
Total non-current liabilities	8,507,373,492.54	8,584,627,028.82	77,253,536.28
Total liabilities	30,988,779,294.06	31,004,952,825.67	16,173,531.61
Owners' equity:			
Share capital	2,407,945,408.00	2,407,945,408.00	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserves	114,018,066.79	114,018,066.79	
Less: Treasury stock			

Other comprehensive income	-2,682,217.31	-2,682,217.31	
Specific reserve			
Surplus reserves	1,227,564,785.19	1,227,564,785.19	
Retained earnings	2,245,698,875.22	2,245,698,875.22	
Total owners' equity	5,992,544,917.89	5,992,544,917.89	
Total liabilities and owners' equity	36,981,324,211.95	36,997,497,743.56	16,173,531.61

Notes to the adjustment

In 2017, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 14-Revenue" (referred to as the "New Revenue Standards"). The company will begin accounting treatment in accordance with the newly revised standards from January 1, 2020. According to the convergence regulations, the comparable period information will not be adjusted. The difference between the implementation of the new standards and the current standards on the first day will be retrospectively adjusted. Profit or other comprehensive income.

2. Retrospective Adjustments to the Comparative Data of Prior Periods due to the First Execution in 2020 of the New Accounting Standards Governing Revenue and Leases

Applicable Not applicable

In 2017, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 14-Revenue" (referred to as the "New Revenue Standards"). The company will begin accounting treatment in accordance with the newly revised standards from January 1, 2020. According to the convergence regulations, the comparable period information will not be adjusted. The difference between the implementation of the new standards and the current standards on the first day will be retrospectively adjusted. Profit or other comprehensive income.

III Independent Auditor's Report

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

Yes No

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

The Board of Directors
Konka Group Co., Ltd
30 October 2020