

**SUPOR 苏泊尔**

**Zhejiang Supor Co., Ltd.**

**Third Quarterly Report 2020**

**October 2020**

## **SECTION I IMPORTANT NOTES**

**The Board of Directors and the Board of Supervisors of Zhejiang Supor Co., Ltd. (hereinafter referred to as “the Company”) and all its directors, supervisors and senior executives warrant that this quarterly report is true, accurate and complete, and does not contain any false statements, misleading information or significant omissions; all directors, supervisors and senior executives of the Company undertake, separately and jointly, all responsibilities in relation to the authenticity, accuracy and integrity hereof.**

**All directors were present at the board meeting on which the quarterly report was reviewed.**

**Mr. Thierry de LA TOUR D’ARTAISE, principal of the Company, and Mr. Xu Bo, person in charge of accounting (accountant in charge), hereby confirm that the Financial Report enclosed in this Quarterly Report is authentic, accurate and complete.**

## SECTION II BASIC INFORMATION OF THE COMPANY

### I. Major accounting data and financial indicators

Does the company need to retroactively adjust or restate previous year's accounting data?

Yes  No

	End of this reporting period	End of last year	Increased or decreased	
Total assets (RMB)	10,833,279,398.15	11,847,953,986.45	-8.56%	
Net assets attributable to shareholders of listed company (RMB)	6,568,116,120.11	6,836,417,032.56	-3.92%	
	This reporting period	Increased or decreased	From beginning of the year to end of reporting period	Increased or decreased
Total sales (RMB)	5,117,457,143.46	1.12%	13,304,693,701.70	-10.68%
Net profits attributable to shareholders of listed company (RMB)	414,411,763.41	1.01%	1,080,892,547.17	-13.42%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (RMB)	391,077,395.53	-3.46%	982,191,940.99	-19.61%
Net cash flows resulting from operating activities (RMB)	691,142,073.23	219.91%	613,540,115.47	225.22%
Basic earnings per share (RMB/share)	0.506	1.00%	1.320	-13.44%
Diluted earnings per share (RMB/share)	0.505	1.00%	1.316	-13.42%
Return on weighted average net assets	6.47%	-0.20%	16.32%	-4.18%

Note: The total sales during the reporting period decreased on a YoY basis due to the effects of the COVID-19 epidemic and sales offsetting under the New Income Standards. The Ministry of Finance modified and promulgated the Accounting Standards for Business Enterprises No. 14 - Income (hereinafter referred to "New Income Standards" on July 5, 2017 that domestic listing enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Group implemented the New Income Standards from January 1, 2020. Under the New Income Standards, the Group's payable customer expenses that meet the sale offsetting requirements were offset by the operating income of "From beginning of the year to end of reporting period" and "Same period last year" in the above table represents the operating income under original standards. Therefore, the total sales of the two periods are different in terms of standards. If the total sales of "From beginning of the year to end of reporting period" is recalculated based on standards of that under "Same period last year", the total sales declined by 5.96% on a YoY basis.

Items and amount of non-recurring profit and loss

Applicable  Not-applicable

Unit: Yuan

Item	Amount from beginning of the year to end of report period	Notes
Profit and loss on disposal of non-current assets (including the write-off of provision for asset impairment)	-1,316,983.63	
Government subsidy included in current profit or loss (excluding government subsidies closely related to operating activities of the Company and subject to uniform national standards on amount and quantity)	41,764,658.14	
Profit and loss from fair value changes due to holding of the transactional financial assets, derivative financial assets, transactional financial liabilities and derivative financial liabilities, and investment income from disposal of transactional financial assets, derivative financial assets, transactional financial liabilities, derivative financial liabilities and other investment in debt securities, in addition to effective hedging business related to normal businesses of the Company.	68,560,824.55	
Other non-operating revenues or expenditures except for the foregoing items	4,063,423.97	
Other profit or loss conforming to the definition of non-recurring profit or loss	6,604,714.44	
Minus: income tax impact	20,836,546.54	
Effects on minority interest (after tax)	139,484.75	
Total	98,700,606.18	--

The Company should state reason for defining “non-recurring profit or loss items” defined in the *Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss* and non-recurring profit or loss items listed in the *Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss* as recurring profit or loss items.

Applicable  Not-applicable

The Company did not define any non-recurring profit and loss that is defined and listed the *Explanatory Announcement No.1 on Disclosure of the Information of Companies Offering Their Securities to the Public -- Non-recurring Profit or Loss* as recurring profit and loss.

## II. Total number of shareholders and shareholdings of top 10 shareholders at the end of the reporting period

### 1. Number of common stockholders and the preferred stockholders whose voting rights are recovered and shares held by top 10 shareholders

Unit: share

Total number of common shareholders at the end of the reporting period	10,507	Total number of preferred shareholder whose voting right is recovered at the end of reporting	0
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		period (if any)				
Top 10 shareholders						
Name	Nature	Shareholding ratio	Number of shares	Number of restricted shares	Pledged or frozen	
					Status of share	Share number
SEB INTERNATIONALE S.A.S	Foreign legal entity	81.20%	666,681,904	206,367,590		
Hong Kong Securities Clearing Company Ltd.	Foreign legal entity	6.70%	54,999,238	0		
Bank of China-E-Fund Small and Medium Cap Complex Securities Investment Funds	Others	2.11%	17,350,132	0		
ABC- E-fund Consumption Industry Securities Investment Funds	Others	0.88%	7,257,537	0		
BNP Paribas - Own Funds	Foreign legal entity	0.63%	5,174,424	0		
E-Fund Management Co., Ltd.-Social Security Fund No.1104	Domestic non-state-owned legal entity	0.55%	4,500,135	0		
Central Huijin Asset Management Ltd.	State-owned legal entity	0.54%	4,423,640	0		
Fidelity Mutual Fund & Investment Management- Clients' Capital	Foreign legal entity	0.52%	4,247,539	0		
China Construction Bank- E-Fund New Silk Road Flexible Complex Securities Investment Funds	Others	0.49%	4,000,000	0		
China Construction Bank-HuaAn Juyou Selected Complex Securities Investment Funds	Others	0.40%	3,266,690	0		
Shareholdings of top 10 shareholders holding non-restricted shares						
Name	Quantity of non-restricted shares	Type of share				
		Type of share	Share number			
SEB INTERNATIONALE S.A.S	460,314,314	RMB common share	460,314,314			
Hong Kong Securities Clearing Company Ltd.	54,999,238	RMB common share	54,999,238			
Bank of China -E-Fund Small and Medium Cap Complex Securities Investment Funds	17,350,132	RMB common share	17,350,132			
Agricultural Bank of China - E-fund Consumption Industry Securities Investment Funds	7,257,537	RMB common share	7,257,537			
BNP Paribas - Own Funds	5,174,424	RMB common share	5,174,424			
E-Fund Management Co., Ltd.-Social Security Fund No.1104	4,500,135	RMB common share	4,500,135			

Central Huijin Asset Management Ltd.	4,423,640	RMB common share	4,423,640
Fidelity Mutual Fund & Investment Management-Clients' Capital	4,247,539	RMB common share	4,247,539
China Construction Bank- E-Fund New Silk Road Flexible Complex Securities Investment Fund	4,000,000	RMB common share	4,000,000
China Construction Bank-HuaAn Juyou Selected Complex Securities Investment Funds	3,266,690	RMB common share	3,266,690
Description on the above-mentioned shareholder relationships or concerted actions	Bank of China-E-Fund Small and Medium Cap Complex Securities Investment Funds, ABC-E-fund Consumption Industry Securities Investment Funds and China Construction Bank-E-Fund New Silk Road Flexible Complex Securities Investment Funds are funds of E-Fund. It is unknown whether there is an associated relationship among other shareholders, nor whether they are persons who act in concert as stipulate in the Measures for the Administration of the Acquisition of Listed Companies.		
Description on participation of the top 10 shareholders in margin trading (if any)	None		

Did the top 10 common shareholders and the top 10 common shareholders holding non-restricted shares conduct the agreed repurchase transaction during the reporting period?

Yes  No

The top 10 common shareholders and the top 10 common shareholders holding non-restricted shares did not conduct the agreed repurchase transaction during the reporting period.

## 2. Total number of preferred shareholders and shareholdings of the top 10 preferred shareholders

Applicable  Not-applicable

## SECTION III IMPORTANT ITEMS

### I. Change in major accounting items and financial indicators during the reporting period and change reasons

√ Applicable □ Not-applicable

#### Items on Balance Sheet:

1. Transactional financial assets decreased by 87.69% than that of the beginning of the year, mainly due to the delivery upon expiration of investment period of financial products with guaranteed capital with floating earnings as associated with interest rate during the reporting period.
2. The accounts receivable increased by 38.60% than that of the beginning of the year, mainly due to increase of export business during the reporting period.
3. Financing of receivable decreased by 34.77% than that of the beginning of the year, mainly due to the decrease of notes receivable during the reporting period.
4. Fixed assets increased by 31.15% than that of the beginning of the year, mainly due to the transfer of the subsidiary's construction in progress into fixed assets because they reach a predetermined state of use during the reporting period.
5. Construction in progress decreased by 72.81% than that of the beginning of the year, mainly due to the transfer of the subsidiary's construction in progress to fixed assets because they reach a predetermined state of use during the reporting period.
6. Advance receipts decreased by 100.00% and contract liabilities increased by 100.00% than that of the beginning of the year, mainly because under the New Income Standards, advance receipts originally included in "Advances received" were reclassified into "Contract liabilities" during the reporting period.
7. Other current liabilities decreased by 38.43% than that of the beginning of the year, mainly due to the decrease of endorsed bank acceptances that are not derecognized during the reporting period.
8. Treasury shares increased by 6,444.69% than that of the beginning of the year, mainly because the Company repurchased its shares using own funds from secondary market during the reporting period.
9. Minority interest increased by 321.65% than that of the beginning of the year, mainly because the subsidiary Zhejiang Supor Water Heater Co., Ltd. received contribution payment of its minority shareholders.

#### Items on Profit Statement:

1. Selling expenses decreased by 32.26% from that of the same period of last year, mainly due to the adoption of the New Income Standards during the reporting period to offset operating income with payable customer expenses that meet the sale offsetting requirements and was included in the "selling expenses", and also because of the reduction in promotional activities during the reporting period compared with that of the corresponding period last year under the impact of the COVID-19.
2. Financial expenses increased by 81.90% from that of the same period of last year, mainly because monetary capital investment is changed, and the income from investment in agreement savings during the reporting period is included in investment income, which makes the interest income under the financial expenses during the reporting period decrease year-on-year.
3. Other incomes increased by 50.71% from that of the same period of last year, mainly due to the increase in government subsidies during the reporting period.
4. Income from investments increased by 98.24% from that of the same period of last year, mainly due to the increase returns of monetary capital investment during the reporting period.
5. Gains from changes of fair value increased by 809.68% from that of the same period of last year, mainly because by bringing forward income from maturity and delivery of fixed-earning financial products of the same period last year into investment income, and including income from the maturity and delivery of floating-earning financial products of the current period in the item.

6. Asset impairment loss decreased by 272.50% from that of the same period of last year, mainly due to the accelerated turnover of dead stock during the reporting period.
7. Non-operating income increased by 198.16% from that of the same period of last year, mainly due to write-off of estimated liabilities of fire litigation during the reporting period.
8. Non-operating expense decreased by 55.30% from that of the same period of last year, mainly due to increase in estimated liabilities of fire litigation during the reporting period.
9. Income tax decreased by 39.31% from that of the same period of last year, mainly due to the reduction of the total profits and the decrease in income tax rate of subsidiary during the reporting period.

**Items on Cash Flow Statement:**

1. The net cash flows resulting from operating activities during the reporting period increased by 225.22% compared with that of the same period last year, mainly due to decrease in cash paid for purchase of goods and receipt of services in the cash outflows from operating activities during the reporting period.
2. The net cash flows resulting from investing activities during this period decreased by 49.12% compared with that of the same period last year, mainly due to increase of cash expense for financial product investment in cash outflow from investing activities during the reporting period.
3. The net cash flows resulting from financing activities during the reporting period decreased by 59.53% compared with that of the same period last year, mainly due to YoY increase of dividends in cash outflow from financing activities and share repurchase expense.
4. Net increase in cash and cash equivalents in the current period decreased by 96.27% compared with that of the same period last year, which was attributable to the decrease in net cash flows from investing activities.

## II. Analysis and description on the progress of important items, its influence and solution

Applicable  Not-applicable

Progress in the implementation of share repurchase

Applicable  Not-applicable

The *Proposal on Public Shares Repurchase Plan* was reviewed and approved by the 14th Session of the Sixth Board of Directors held on August 29, 2019. With the confidence in the Company's future development, in order to effectively protect the interests of shareholders effectively and enhance investor confidence, and in consideration of the Company's overall financial situation, the Company planned to repurchase the Company's shares with self-owned capital for reducing registered capital and implementing equity incentive. The *Proposal on Adjusting Public Shares Repurchase Plan* was reviewed and approved by the 2nd Session of the Seventh Board of Directors held on August 27, 2020, approving the Company to adjust the maximum price for repurchasing shares, the total fund amount used for repurchasing shares and the implementation period of shares repurchase plan to ensure the smooth implementation of this public shares repurchase plan. The Company will repurchase the shares of the Company from secondary market through centralized bidding with the highest price of CNY90.97 per share. The top limitation of shares to be repurchased will not exceed 8,211,199 shares and the bottom limitation of shares will not be lower than 4,105,600 shares. As of the end of the reporting period, the Company has repurchased 4,105,600 shares accounting for 0.50% of the total shares of the Company at the highest price of CNY79.89 per share and lowest price of CNY62.88 per share with the payment of CNY 281.33million (excluding transaction fee).

This Public Share Repurchase Plan has been approved by the Second Interim General Meeting of Shareholders in 2019 held on September 23, 2019 and the *Repurchase Report on Public Shares* was published on September 25, 2019. And the adjustment to the Share Repurchase Plan has been approved by the 2nd Session of the Seventh Board of Directors held on August 27, 2020 and the *Repurchase Report on Public Shares (Revised)* was published on August 28, 2020. For detailed contents, please see the *Repurchase Report on Public Shares* (Announcement No.: 2019-058), *Announcement on Adjusting Share Price for Public Shares Repurchase Plan* (Announcement No.: 2019-064 and 2020-036), *Announcement on Adjusting Public Shares Repurchase Plan* (Announcement No.: 2020-049), the *Repurchase Report on Public Shares (Revised)* (Announcement No.: 2020-050), *Announcement on the Progress*



of *Public Shares Repurchase* (Announcement No.: 2019-059, 2019-070, 2019-074, 2020-001, 2020-005, 2020-008, 2020-009, 2020-027, 2020-034, 2020-037, 2020-043, 2020-051 and 2020-052) and the *Announcement on the First Share Repurchase* (Announcement No.: 2019-073) disclosed on Securities Times, China Securities Daily, Securities Daily, and <http://www.cninfo.com.cn>.

Progress in the reduction of shareholding of repurchased shares through auction

Applicable  Not-applicable

### III. Commitments that should be fulfilled by actual controller, shareholders, affiliates, acquirer of the Company within the reporting period and were not fully fulfilled within the reporting period

Applicable  Not-applicable

There were no commitments that should be fulfilled by actual controller, shareholders, affiliates, acquirer of the Company within the reporting period and were not fully fulfilled within the reporting period.

### IV. Financial asset investment

#### 1. Securities investment

Applicable  Not-applicable

There was no securities investment in the company in the reporting period.

#### 2. Derivative products investment

Applicable  Not-applicable

Unit: CNY10,000

Name of derivative product investment handler	Correlated relation	Connected transaction	Type of derivative product investment	Original amount of derivative product investment	Start date	Expiry date	Opening investment amount	Purchase amount during the reporting period	Sales amount during the reporting period	Amount of provision for impairment (if any)	Ending investment amount	Proportion of ending investment amount to the Company's net assets at the end of the reporting period	Actual profit and loss amount during the reporting period
Bank	None	No	Foreign exchange derivatives	0	January 01, 2020	September 30, 2020	0	75,276.19	51,040.42	0	24,235.77	3.67%	-495.74

Total	0	--	--	0	75,276.19	51,040.42	0	24,235.77	3.67%	-495.74
Source of derivative product investment fund	Self-owned capital									
Proceedings (if applicable)	Not applicable									
Disclosure date of the announcement of the board of directors on the approval of derivatives investment (if any)	April 29, 2020									
Disclosure date of the announcement of the meeting of board of directors on the approval of derivatives investment (if any)										
Description of risk analysis and control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operating risk, legal risk, etc.)	<p>In order to reduce the risk from the fluctuation of exchange rate and interest rate and strengthen the monitoring and management of foreign currency asset position, the Company carried out foreign exchange derivatives trading business.</p> <p>(I) Risks</p> <ol style="list-style-type: none"> <li>1. Price fluctuation risk: loss may be caused by price fluctuation of foreign exchange derivatives that was resulted from the fluctuation of market price such as target interest rate and exchange rate.</li> <li>2. Internal control risk: foreign exchange derivatives trading business is highly specialized and complex, which may cause risks due to imperfect internal control mechanism.</li> <li>3. Liquidity risk: the risk that a transaction cannot be completed due to insufficient market liquidity.</li> <li>4. Performance risk: there is a risk of default caused by the failure to perform the contract.</li> <li>5. Legal risk: loss may be caused due to changes in relevant laws or violation of relevant laws by counterparties, prohibiting the execution of the contract.</li> </ol> <p>(II) Risk control measures</p> <ol style="list-style-type: none"> <li>1. Clear principle: foreign exchange derivatives trading shall be based on the principle of hedging, to avoid the risk brought by exchange rate fluctuation to the greatest extent, and adjust the operation strategy in time in combination with the market situation, so as to improve the hedging effect.</li> <li>2. System construction: the Company has established the internal control system for the administration of foreign exchange derivatives trading business, which clearly defines the scope of authorization, approval procedures, key points of operation, risk management and information disclosure of derivatives transactions, and can effectively regulate foreign exchange derivatives transactions and control the risks of foreign exchange derivatives transactions.</li> <li>3. Product selection: comparative analysis shall be conducted for potential products. The foreign exchange derivatives that are most suitable for the Company's business background, strong liquidity and controllable risk shall be selected for trading.</li> </ol>									

	<p>4. Counterparty management: carefully select the counterparties engaged in foreign exchange derivatives business. The Company only conducts foreign exchange derivatives trading business with large-scale commercial banks with legal qualifications and other foreign exchange institutions to avoid possible legal risks.</p> <p>5. Dedicated team: the Company's management representative, treasury department, the financial sharing service center, the audit department, the securities department and other relevant departments set up a special working team to be responsible for the risk assessment, trading execution, booking and monitoring. The working team shall take emergent measures to stop loss when the market changes significantly.</p>
Changes in market prices or product fair values of invested derivatives during the reporting period (The analysis of the fair value of derivatives should be made with the disclosure of specific methods used, related assumptions and parameter settings)	The profit and loss incurred during the reporting period from foreign exchange derivatives was RMB -4,957,400; it was obtained by evaluating the spot and forward foreign exchange quotations of banking institutions.
Description of whether the accounting policies and specific accounting principles for the Company's derivatives during the reporting period have changed significantly compared with that during the previous reporting period	Not applicable
Independent directors' special opinions on the Company's derivatives investment and risk control	The independent directors have addressed following independent opinions: the foreign exchange derivatives business carried out by the Company is closely related to the daily operation demand, which is conducive to avoiding the risk of exchange rate fluctuation, enhancing the financial stability of the Company, and meeting the needs of the Company's operation and development. The Company has formulated the <i>Internal Control System of Foreign Exchange Derivatives</i> and relevant risk control measures, which are conducive to strengthening the risk management and control of foreign exchange derivatives transactions. The Company has fulfilled the corresponding approval procedures and information disclosure obligations, and there is no damage to the interests of the Company and all shareholders, especially small and medium shareholders.

## V. Progress of financing investments

Applicable     Not-applicable

## VI. Forecast on annual business performance during 2020

Warning and reason for the prediction that the cumulative net profit from the beginning of the year to the end of the next reporting period may suffer a loss or a significant change from that in the same period last year

Applicable  Not-applicable

## VII. Major contracts for daily operations

Applicable  Not-applicable

## VIII. Entrusted financing

Applicable  Not-applicable

Unit: CNY10,000

Specific type	Source of fund for entrusted financing	Amount incurred of entrusted financing	Undue balance	Overdue amount unclaimed
Bank financial products	Self-owned capital	181,000.00	15,500.30	0
Total		181,000.00	15,500.30	0

During the third quarter of 2020, the short-term financial products purchased have been disclosed in *Announcement of Progress of Using Excessive Cash to Purchase Short-term Financial Products (2020-053)* at <http://www.cninfo.com.cn>.

Specific description for high-risk entrusted finance with single significant amount, low security, poor liquidity and unguaranteed principal

Applicable  Not-applicable

Circumstances in which principal of entrusted financing may not be recovered or which may result in decrease in value:

Applicable  Not-applicable

## IX. Irregular external guaranty

Applicable  Not-applicable

The Company did not involve in any irregular external guaranty during the reporting period.

## X. Occupied non-operating capital of listed company for shareholders and affiliated company

Applicable  Not-applicable

There was no non-operating occupation of capital of listed companies by controlling shareholders and their affiliates of the Company during the reporting period.

## XI. Record form for investigation, communication, interview and other activities during the report period

Applicable  Not-applicable

Reception time	Reception place	Reception mode	Type of reception object	Reception object	Main content of discussion and materials provided	Index for basic condition of investigation and survey
April 29, 2020	The Company	Conference Call	Institution	Analysts and institutional	performance and operating	See 20200430 Management File for Investor Relation of

				investors	conditions in 2019	<i>Supor</i> disclosed by the Company in <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> on April 30, 2020 for details.
August 28, 2020	The Company	Conference Call	Institution	Analysts and institutional investors	performance and operating conditions in the first half of 2020	See <i>20200831 Management File for Investor Relation of Supor</i> disclosed by the Company in <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> on August 31, 2020 for details.
September 22, 2020	The Company	On-site meeting	Institution	Analysts and institutional investors	performance and operating conditions in the first half of 2020	See <i>20200923 Management File for Investor Relation of Supor</i> disclosed by the Company in <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> on September 23, 2020 for details.

## SECTION IV FINANCIAL STATEMENTS

### I. Financial statements

#### 1. Consolidated balance sheet

Compiled by: Zhejiang Supor Co., Ltd.

Unit: Yuan

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary capital	1,340,195,175.39	1,308,132,657.16
Settlement reserve		
Loans to other banks		
Transactional financial assets	155,620,597.03	1,264,563,042.79
Derivative financial assets		
Notes receivable		
Accounts receivable	2,490,547,184.94	1,796,909,432.40
Financing of receivable	774,285,344.96	1,186,980,101.71
Advance payment	239,865,022.26	278,545,463.04
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	13,038,142.18	14,230,736.62
Where: interest receivable		
Dividend receivable		
Reverse-REPO financial assets		
Inventories	1,793,609,597.28	2,247,612,900.00
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,855,714,478.49	1,732,984,689.16
Total current assets	8,662,875,542.53	9,829,959,022.88
Non-current assets:		
Loans and advances granted		

Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	64,048,024.74	61,917,730.62
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,192,162,634.69	908,982,690.72
Construction in progress	58,505,468.15	215,167,399.12
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	467,759,387.67	465,546,894.17
Development expenditures		
Goodwill		
Long-term unamortized expenses	1,759,700.68	2,168,302.35
Deferred income tax assets	386,168,639.69	364,211,946.59
Other non-current assets		
Total non-current assets	2,170,403,855.62	2,017,994,963.57
Total assets	10,833,279,398.15	11,847,953,986.45
Current liabilities:		
Short-term borrowings	2,056,500.00	
Central bank loan		
Loans from others		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	3,103,047,873.31	3,011,464,656.36
Advances received		1,106,996,534.96
Contract liabilities	442,594,487.56	
Proceeds from sale of repurchase financial assets		
Deposit taken and interbank deposit		
Proceeds from security transaction agency		
Proceeds from security underwriting agency		

Employee pay payable	266,409,378.23	300,734,908.98
Taxes payable	131,879,159.24	172,591,751.41
Other payables	84,398,962.12	93,696,839.73
Where: interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	178,915,898.26	290,585,764.00
Total current liabilities	4,209,302,258.72	4,976,070,455.44
Non-current liabilities:		
Reinsurance contract reserve		
Long-term borrowings		
Bonds payable		
Wherein: preferred shares		
Perpetual bond		
Lease obligation		
Long-term payables		
Long-term employee benefits payable	3,092,648.50	3,683,907.11
Estimated liabilities	16,150,000.00	21,150,000.00
Deferred income		
Deferred income tax liabilities	2,057,250.00	2,436,047.01
Other non-current liabilities		
Total non-current liabilities	21,299,898.50	27,269,954.12
Total liabilities	4,230,602,157.22	5,003,340,409.56
Owner's equity:		
Share capital	821,083,860.00	821,119,910.00
Other equity instruments		
Wherein: preferred shares		
Perpetual bond		
Capital reserves	219,665,749.36	194,633,350.10
Minus: treasury stock	284,201,212.47	4,342,472.56
Other comprehensive incomes	-27,338,911.87	-20,313,446.20



Special reserves		
Surplus reserve	401,648,181.64	401,648,181.64
General risk reserve		
Undistributed profit	5,437,258,453.45	5,443,671,509.58
Total owner's equity belonging to parent company	6,568,116,120.11	6,836,417,032.56
Minority equity	34,561,120.82	8,196,544.33
Total owner's equity	6,602,677,240.93	6,844,613,576.89
Total liabilities and owner's equity	10,833,279,398.15	11,847,953,986.45

Legal representative: Thierry de LA TOUR D'RTAISE  
 accounting department: Xu Bo

Person in charge of accounting: Xu Bo

Person in charge of

## 2. Balance sheet of parent company

Unit: Yuan

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary capital	161,464,184.04	877,009,108.98
Transactional financial assets		702,525,313.39
Derivative financial assets		
Notes receivable		
Accounts receivable	563,329,259.75	341,182,660.24
Financing of receivable	35,224,637.51	22,735,319.00
Advance payment	42,182,017.69	41,392,385.97
Other receivables	255,978,524.52	110,807,092.72
Where: interest receivable		
Dividend receivable		
Inventories	178,347,830.32	146,997,997.90
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,796,619,543.22	1,597,853,406.49
Total current assets	3,033,145,997.05	3,840,503,284.69
Non-current assets:		
Debt investment		
Other debt investments		

Long-term receivables		
Long-term equity investment	3,016,540,861.42	2,975,731,261.81
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	160,434,511.32	168,793,198.76
Construction in progress	12,110,291.90	9,128,658.64
Productive biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	90,744,741.01	88,321,489.84
Development expenditures		
Goodwill		
Long-term unamortized expenses		
Deferred income tax assets	34,234,653.07	19,821,224.48
Other non-current assets		
Total non-current assets	3,314,065,058.72	3,261,795,833.53
Total assets	6,347,211,055.77	7,102,299,118.22
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	259,894,941.85	209,574,572.27
Advances received		6,231,654.41
Contract liabilities	2,665,955.83	
Employee pay payable	57,355,942.97	61,804,868.33
Taxes payable	22,036,791.49	6,323,506.14
Other payables	4,191,401,469.46	3,852,130,178.87
Where: interest payable		
Dividend payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		

Total current liabilities	4,533,355,101.60	4,136,064,780.02
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Wherein: preferred shares		
Perpetual bond		
Lease obligation		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		378,797.01
Other non-current liabilities		
Total non-current liabilities		378,797.01
Total liabilities	4,533,355,101.60	4,136,443,577.03
Owner's equity:		
Share capital	821,083,860.00	821,119,910.00
Other equity instruments		
Wherein: preferred shares		
Perpetual bond		
Capital reserves	660,921,150.08	637,954,156.03
Minus: treasury stock	284,201,212.47	4,342,472.56
Other comprehensive incomes		
Special reserves		
Surplus reserve	410,621,980.00	410,621,980.00
Undistributed profit	205,430,176.56	1,100,501,967.72
Total owner's equity	1,813,855,954.17	2,965,855,541.19
Total liabilities and owner's equity	6,347,211,055.77	7,102,299,118.22

### 3. Consolidated profit statement during the reporting period

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
I. Total operating revenue	5,117,457,143.46	5,060,731,903.21

Where: operating revenue	5,117,457,143.46	5,060,731,903.21
Interest revenue		
Premium earned		
Revenue from handling charges and commission		
II. Total operating cost	4,629,882,395.11	4,529,094,984.10
Where: operating cost	3,797,009,680.76	3,518,422,051.54
Interest expense		
Expense for handling fee and commission		
Surrender value		
Net payments for insurance claims		
Net amount of withdrawn reserve fund for insured liability		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	22,500,574.58	29,202,527.40
Selling expenses	616,766,012.86	791,766,752.46
Administrative expenses	73,748,778.16	85,512,871.96
Research and development expenses	110,768,613.01	128,718,899.39
Financial expenses	9,088,735.74	-24,528,118.65
Where: interest expenses	93,705.07	49,253.55
Interest revenue	4,555,573.38	22,892,212.50
Plus: other incomes	6,953,482.52	4,065,309.98
Return on investment (“-” for loss)	14,590,530.01	3,533,201.62
Where: return on investment on associated enterprise and cooperative enterprise	272,346.49	478,148.65
Income from derecognition of financial assets measured by amortized cost		
Exchange earning (“-” for loss)		
Net exposure hedging gains (“-” for loss)		
Gains on changes of fair value (“-” for loss)	1,121,284.54	643,672.17
Credit impairment loss (“-” for loss)	-23,797,101.39	-25,059,781.64
Asset impairment loss (“-” for loss)	6,847,169.94	3,081,073.45
Return on assets disposal (“-” for loss)	-232,854.99	-553,692.30
III. Operating profit (“-” for loss)	493,057,258.98	517,346,702.39
Plus: non-operating revenue	7,111,318.31	1,836,918.79
Minus: non-operating expenditure	1,893,963.71	2,306,705.14

IV. Total profit (“-” for total loss)	498,274,613.58	516,876,916.04
Minus: income tax expenses	83,836,909.48	108,740,674.78
V. Net profit (“-” for net loss)	414,437,704.10	408,136,241.26
(I) By business continuity		
1. Net profit under continuing operating (“-” for net loss)	414,437,704.10	408,136,241.26
2. Net profit under discontinuing operation (“-” for net loss)		
(II) By ownership		
1. Net profit belonging to the owners of parent company	414,411,763.41	410,255,559.78
2. Minority interest	25,940.69	-2,119,318.52
VI. After-tax net amount of other comprehensive income	-10,965,748.00	7,266,480.27
After-tax net amount of other comprehensive income belonging to the owners of parent company	-10,640,177.94	7,304,222.31
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that can not be transferred to gain and loss under the equity law		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company’s own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss	-10,640,177.94	7,304,222.31
1. Other comprehensive income that can be transferred to gain and loss under the equity law		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve for other debt investments		
5. Cash flow hedging reserve		
6. Foreign currency translation difference in financial statements	-10,640,177.94	7,304,222.31
7. Others		
After-tax net profit of other comprehensive income belonging to minority shareholder	-325,570.06	-37,742.04
VII. Total comprehensive income	403,471,956.10	415,402,721.53

Total comprehensive income attributed to owners of parent company	403,771,585.47	417,559,782.09
Total comprehensive income attributed to minority shareholders	-299,629.37	-2,157,060.56
VIII. Earnings per share:		
(I) Basic earnings per share (EPS)	0.506	0.501
(II) Diluted earnings per share (EPS)	0.505	0.500

Legal representative: Thierry de LA TOUR D'RTAISE  
 accounting department: Xu Bo

Person in charge of accounting: Xu Bo

Person in charge of

#### 4. Profit statement of parent company during the reporting period

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
I. Operating income	704,246,623.29	622,843,594.52
Minus: operating costs	549,773,940.85	502,312,040.96
Taxes and surcharges	2,283,181.14	3,703,193.78
Selling expenses	18,265,622.58	15,298,438.49
Administrative expenses	24,137,266.80	28,887,968.18
Research and development expenses	22,383,109.52	20,249,276.71
Financial expenses	17,298,743.63	-24,011,922.14
Where: interest expenses	9,759,398.24	
Interest revenue	2,527,180.73	19,415,740.28
Plus: other incomes	4,737,665.00	816,649.98
Return on investment (“-” for loss)	38,279,780.24	2,716,453.10
Where: return on investment on associated enterprise and cooperative enterprise	272,346.49	478,148.65
Income from derecognition of financial assets measured by amortized cost		
Net exposure hedging gains (“-” for loss)		
Gains on changes of fair value (“-” for loss)	188,501.25	42,374.22
Credit impairment loss (“-” for loss)	-2,032,969.04	-3,017,201.18
Asset impairment loss (“-” for loss)	392,323.14	-688,734.09
Return on assets disposal (“-” for loss)		-450,656.52
II. Operating profit (“-” for loss)	111,670,059.36	75,823,484.05
Plus: non-operating revenue	29,764.99	739,292.17

Minus: non-operating expenditure	853,574.85	2,126,463.08
III. Total profit (“-” for total loss)	110,846,249.50	74,436,313.14
Minus: income tax expenses	13,244,037.65	9,083,200.11
IV. Net profit (“-” for net loss)	97,602,211.85	65,353,113.03
(I) Net profit under continuing operating (“-” for net loss)	97,602,211.85	65,353,113.03
(II) Net profit under discontinuing operation (“-” for net loss)		
V. After-tax net amount of other comprehensive income		
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that can not be transferred to gain and loss under the equity law		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company’s own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss		
1. Other comprehensive income that can be transferred to gain and loss under the equity law		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve for other debt investments		
5. Cash flow hedging reserve		
6. Foreign currency translation difference in financial statements		
7. Others		
VI. Total comprehensive income	97,602,211.85	65,353,113.03
VII. Earnings per share:		
(I) Basic earnings per share (EPS)		
(II) Diluted earnings per share (EPS)		

### 5. Consolidated profit statement from the beginning of the year to the end of the reporting period

Unit: Yuan

Item	Amount incurred during the	Amount incurred during
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	reporting period	prior period
I. Total operating revenue	13,304,693,701.70	14,896,315,591.99
Where: operating revenue	13,304,693,701.70	14,896,315,591.99
Interest revenue		
Premium earned		
Revenue from handling charges and commission		
II. Total operating cost	12,096,071,159.42	13,272,544,428.82
Where: operating cost	9,927,948,024.40	10,326,973,440.36
Interest expense		
Expense for handling fee and commission		
Surrender value		
Net payments for insurance claims		
Net amount of withdrawn reserve fund for insured liability		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	70,871,473.11	100,709,497.21
Selling expenses	1,590,600,044.72	2,347,951,608.26
Administrative expenses	222,675,391.53	248,925,677.42
Research and development expenses	295,511,558.71	311,702,375.40
Financial expenses	-11,535,333.05	-63,718,169.83
Where: interest expenses	328,287.57	659,231.57
Interest revenue	21,927,421.29	62,024,702.64
Plus: other incomes	41,764,658.14	27,711,038.96
Return on investment (“-” for loss)	43,169,669.65	21,776,071.45
Where: return on investment on associated enterprise and cooperative enterprise	1,862,171.10	3,988,844.71
Income from derecognition of financial assets measured by amortized cost		
Exchange earning (“-” for loss)		
Net exposure hedging gains (“-” for loss)		
Gains on changes of fair value (“-” for loss)	26,136,167.03	2,873,109.73
Credit impairment loss (“-” for loss)	-37,685,059.17	-36,187,382.92
Asset impairment loss (“-” for loss)	17,951,108.15	-10,406,699.43
Return on assets disposal (“-” for loss)	-399,149.95	-594,164.63
III. Operating profit (“-” for loss)	1,299,559,936.13	1,628,943,136.33



Plus: non-operating revenue	11,679,829.68	3,917,329.13
Minus: non-operating expenditure	8,534,239.39	19,094,185.73
IV. Total profit (“-” for total loss)	1,302,705,526.42	1,613,766,279.73
Minus: income tax expenses	223,813,134.51	368,777,203.66
V. Net profit (“-” for net loss)	1,078,892,391.91	1,244,989,076.07
(I) By business continuity		
1. Net profit under continuing operating (“-” for net loss)	1,078,892,391.91	1,244,989,076.07
2. Net profit under discontinuing operation (“-” for net loss)		
(II) By ownership		
1. Net profit belonging to the owners of parent company	1,080,892,547.17	1,248,399,357.71
2. Minority interest	-2,000,155.26	-3,410,281.64
VI. After-tax net amount of other comprehensive income	-7,460,733.98	6,949,230.35
After-tax net amount of other comprehensive income belonging to the owners of parent company	-7,025,465.73	7,037,645.25
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that can not be transferred to gain and loss under the equity law		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company’s own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss	-7,025,465.73	7,037,645.25
1. Other comprehensive income that can be transferred to gain and loss under the equity law		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve for other debt investments		
5. Cash flow hedging reserve		
6. Foreign currency translation difference in financial statements	-7,025,465.73	7,037,645.25
7. Others		
After-tax net profit of other comprehensive income belonging to	-435,268.25	-88,414.90

minority shareholder		
VII. Total comprehensive income	1,071,431,657.93	1,251,938,306.42
Total comprehensive income attributed to owners of parent company	1,073,867,081.44	1,255,437,002.96
Total comprehensive income attributed to minority shareholders	-2,435,423.51	-3,498,696.54
VIII. Earnings per share:		
(I) Basic earnings per share (EPS)	1.320	1.525
(II) Diluted earnings per share (EPS)	1.316	1.520

Legal representative: Thierry de LA TOUR D'RTAISE      Person in charge of accounting: Xu Bo      Person in charge of accounting department: Xu Bo

## 6. Profit statement of parent company from beginning of the year to end of report period

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
I. Operating income	1,559,187,167.81	1,586,388,989.91
Minus: operating costs	1,212,375,878.12	1,255,202,025.75
Taxes and surcharges	7,879,625.77	12,175,983.66
Selling expenses	41,485,007.70	40,019,916.73
Administrative expenses	72,806,859.03	86,321,471.93
Research and development expenses	55,113,178.14	56,000,644.35
Financial expenses	26,600,591.48	-53,334,831.25
Where: interest expenses	26,566,997.68	2,396,397.22
Interest revenue	8,156,521.21	49,888,844.12
Plus: other incomes	8,233,602.78	9,243,764.52
Return on investment (“-” for loss)	66,858,919.88	30,882,230.67
Where: return on investment on associated enterprise and cooperative enterprise	1,862,171.10	3,988,844.71
Income from derecognition of financial assets measured by amortized cost		
Net exposure hedging gains (“-” for loss)		
Gains on changes of fair value (“-” for loss)	14,855,182.57	867,393.60
Credit impairment loss (“-” for loss)	-11,321,104.70	-2,297,906.33
Asset impairment loss (“-” for loss)	941,520.39	-2,313,116.07
Return on assets disposal (“-” for loss)	5,336.37	-206,522.48

II. Operating profit (“-” for loss)	222,499,484.86	226,179,622.65
Plus: non-operating revenue	1,988,509.04	1,189,197.25
Minus: non-operating expenditure	2,591,003.32	2,944,334.20
III. Total profit (“-” for total loss)	221,896,990.58	224,424,485.70
Minus: income tax expenses	29,663,178.44	31,054,821.58
IV. Net profit (“-” for net loss)	192,233,812.14	193,369,664.12
(I) Net profit under continuing operating (“-” for net loss)	192,233,812.14	193,369,664.12
(II) Net profit under discontinuing operation (“-” for net loss)		
V. After-tax net amount of other comprehensive income		
(I) Other comprehensive incomes that can not be reclassified into profit and loss		
1. Remeasured amount of changes in defined benefit plan		
2. Other comprehensive income that can not be transferred to gain and loss under the equity law		
3. Changes in the fair value of other equity instrument investments		
4. Changes in the fair value of the Company’s own credit risk		
5. Others		
(II) Other comprehensive incomes to be reclassified into the profit and loss		
1. Other comprehensive income that can be transferred to gain and loss under the equity law		
2. Changes in the fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve for other debt investments		
5. Cash flow hedging reserve		
6. Foreign currency translation difference in financial statements		
7. Others		
VI. Total comprehensive income	192,233,812.14	193,369,664.12
VII. Earnings per share:		
(I) Basic earnings per share (EPS)		
(II) Diluted earnings per share (EPS)		

**7. Consolidated cash flow statement from the beginning of the year to the end of the reporting period**

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	8,495,154,843.46	9,319,051,771.94
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash received from original insurance contract premium		
Net cash received from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increment of repurchase capital		
Net cash from security transaction agency		
Tax refund received	250,606,798.22	211,519,269.02
Other cash receipts related to operating activities	82,459,815.60	207,363,660.97
<b>Sub-total of cash inflows from operating activities</b>	<b>8,828,221,457.28</b>	<b>9,737,934,701.93</b>
Cash payments for purchasing goods and receiving services	5,463,536,920.44	6,639,683,546.37
Net increment of customer loans and advances		
Net increase of central bank deposit and interbank deposit		
Cash payment for insurance indemnities of original insurance contracts		
Net increase of loans from others		
Cash payment for interest, handling charges and commission		
Cash payment of policy bonus		
Cash paid to and on behalf of employees	1,155,349,535.62	1,133,124,277.40
Taxes paid	656,378,033.47	882,364,046.96
Other cash payments related to operating activities	939,416,852.28	894,107,792.56
<b>Subtotal of cash outflows from operating activities</b>	<b>8,214,681,341.81</b>	<b>9,549,279,663.29</b>
<b>Net cash flows from operating activities</b>	<b>613,540,115.47</b>	<b>188,655,038.64</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investments		

Cash received from investment income	31,821,547.04	37,373,209.49
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	514,967.66	539,771.50
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts related to investment activities	3,804,707,488.53	3,156,055,152.66
Subtotal of cash inflows from investing activities	3,837,044,003.23	3,193,968,133.65
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	228,670,819.81	253,703,595.56
Cash paid for investment		
Net increase of pledge loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	2,845,000,000.00	1,440,000,000.00
Sub-total of cash outflow from investment activity	3,073,670,819.81	1,693,703,595.56
Net cash flow from investment activities	763,373,183.42	1,500,264,538.09
III. Cash flows from financing activities:		
Cash received from investment by others	28,800,000.00	
Where: cash received by subsidiaries from minority shareholder investment	28,800,000.00	
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	2,056,500.00	
Sub-total of cash inflows from financing activities	30,856,500.00	
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	1,087,305,603.23	837,668,839.20
Where: dividends or profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	279,894,789.91	
Subtotal of cash outflows from financing activities	1,367,200,393.14	837,668,839.20
Net cash flows from financing activities	-1,336,343,893.14	-837,668,839.20
IV. Impact of exchange rate changes on cash and cash equivalents	-8,506,887.52	8,029,123.41
V. Net increase in cash and cash equivalents	32,062,518.23	859,279,860.94
Plus: opening balance of cash and cash equivalents	1,234,132,657.16	1,400,762,574.83
VI. Closing balance of cash and cash equivalents	1,266,195,175.39	2,260,042,435.77

**8. Cash flow statement of parent company from the beginning of the year to the end of the reporting period**

Unit: Yuan

Item	Amount incurred during the reporting period	Amount incurred during prior period
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	1,153,481,994.78	1,500,526,767.34
Tax refund received	81,127,849.51	86,035,322.91
Other cash receipts related to operating activities	14,427,087.96	33,795,443.66
Sub-total of cash inflows from operating activities	1,249,036,932.25	1,620,357,533.91
Cash payments for purchasing goods and receiving services	1,075,355,728.84	1,215,012,122.00
Cash paid to and on behalf of employees	172,566,451.12	176,143,845.93
Taxes paid	45,585,103.52	54,104,539.21
Other cash payments related to operating activities	21,700,156.08	30,587,044.82
Subtotal of cash outflows from operating activities	1,315,207,439.56	1,475,847,551.96
Net cash flows from operating activities	-66,170,507.31	144,509,981.95
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investments		
Cash received from investment income	41,957,138.80	43,983,940.38
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	26,828.66	355,000.00
Net cash received from disposal of subsidiaries and other business units		
Other cash receipts related to investment activities	2,154,707,488.53	2,499,900,000.00
Subtotal of cash inflows from investing activities	2,196,691,455.99	2,544,238,940.38
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	19,153,672.06	31,351,539.97
Cash paid for investment	31,200,000.00	160,000,000.00
Net cash paid for acquiring subsidiaries and other business units		
Other cash payments related to investing activities	2,213,975,395.52	1,240,075,753.51
Sub-total of cash outflow from investment activity	2,264,329,067.58	1,431,427,293.48
Net cash flow from investment activities	-67,637,611.59	1,112,811,646.90
<b>III. Cash flows from financing activities:</b>		
Cash received from investment by others		
Cash received from obtaining borrowings		
Other cash receipts related to financing activities	792,840,628.43	1,013,330,433.11

Sub-total of cash inflows from financing activities	792,840,628.43	1,013,330,433.11
Cash paid for debt repayment		
Cash paid for distribution of dividends or profits or for payment of interest	1,087,305,603.30	837,668,839.20
Other cash payments related to financing activities	279,894,789.91	
Subtotal of cash outflows from financing activities	1,367,200,393.21	837,668,839.20
Net cash flows from financing activities	-574,359,764.78	175,661,593.91
IV. Impact of exchange rate changes on cash and cash equivalents	-7,377,041.26	6,509,964.61
V. Net increase in cash and cash equivalents	-715,544,924.94	1,439,493,187.37
Plus: opening balance of cash and cash equivalents	877,009,108.98	466,625,941.96
VI. Closing balance of cash and cash equivalents	161,464,184.04	1,906,119,129.33

## II. Description on adjustments to financial statements

### 1. Adjustment and implementation of financial statements at the beginning of 2020 when the New Income Standards, and new lease standards were implemented for the first time of the year

Applicable  Not-applicable

Whether it is necessary to adjust accounts of balance sheet for the beginning of the year

Yes  No

Consolidated balance sheet

Unit: Yuan

Item	December 31, 2019	January 01, 2020	Adjustment amount
Current assets:			
Monetary capital	1,308,132,657.16	1,308,132,657.16	
Settlement reserve			
Loans to other banks			
Transactional financial assets	1,264,563,042.79	1,264,563,042.79	
Derivative financial assets			
Notes receivable			
Accounts receivable	1,796,909,432.40	1,796,909,432.40	
Financing of receivable	1,186,980,101.71	1,186,980,101.71	
Advance payment	278,545,463.04	278,545,463.04	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserve receivable			

Other receivables	14,230,736.62	14,230,736.62	
Where: interest receivable			
Dividend receivable			
Reverse-REPO financial assets			
Inventories	2,247,612,900.00	2,247,612,900.00	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	1,732,984,689.16	1,732,984,689.16	
Total current assets	9,829,959,022.88	9,829,959,022.88	
Non-current assets:			
Loans and advances granted			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	61,917,730.62	61,917,730.62	
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets	908,982,690.72	908,982,690.72	
Construction in progress	215,167,399.12	215,167,399.12	
Productive biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	465,546,894.17	465,546,894.17	
Development expenditures			
Goodwill			
Long-term unamortized expenses	2,168,302.35	2,168,302.35	
Deferred income tax assets	364,211,946.59	364,211,946.59	
Other non-current assets			
Total non-current assets	2,017,994,963.57	2,017,994,963.57	
Total assets	11,847,953,986.45	11,847,953,986.45	
Current liabilities:			
Short-term borrowings			



Central bank loan			
Loans from others			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	3,011,464,656.36	3,011,464,656.36	
Advances received	1,106,996,534.96		-1,106,996,534.96
Contract liabilities		1,106,996,534.96	1,106,996,534.96
Proceeds from sale of repurchase financial assets			
Deposit taken and interbank deposit			
Proceeds from security transaction agency			
Proceeds from security underwriting agency			
Employee pay payable	300,734,908.98	300,734,908.98	
Taxes payable	172,591,751.41	172,591,751.41	
Other payables	93,696,839.73	93,696,839.73	
Where: interest payable			
Dividend payable			
Handling fee and commission payable			
Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	290,585,764.00	290,585,764.00	
Total current liabilities	4,976,070,455.44	4,976,070,455.44	
Non-current liabilities:			
Reinsurance contract reserve			
Long-term borrowings			
Bonds payable			
Wherein: preferred shares			
Perpetual bond			
Lease obligation			
Long-term payables			
Long-term employee benefits payable	3,683,907.11	3,683,907.11	
Estimated liabilities	21,150,000.00	21,150,000.00	
Deferred income			

Deferred income tax liabilities	2,436,047.01	2,436,047.01	
Other non-current liabilities			
Total non-current liabilities	27,269,954.12	27,269,954.12	
Total liabilities	5,003,340,409.56	5,003,340,409.56	
Owner's equity:			
Share capital	821,119,910.00	821,119,910.00	
Other equity instruments			
Wherein: preferred shares			
Perpetual bond			
Capital reserves	194,633,350.10	194,633,350.10	
Minus: treasury stock	4,342,472.56	4,342,472.56	
Other comprehensive incomes	-20,313,446.20	-20,313,446.20	
Special reserves			
Surplus reserve	401,648,181.64	401,648,181.64	
General risk reserve			
Undistributed profit	5,443,671,509.58	5,443,671,509.58	
Total owner's equity belonging to parent company	6,836,417,032.56	6,836,417,032.56	
Minority equity	8,196,544.33	8,196,544.33	
Total owner's equity	6,844,613,576.89	6,844,613,576.89	
Total liabilities and owner's equity	11,847,953,986.45	11,847,953,986.45	

## Description on adjustments

The Ministry of Finance modified and promulgated the *Accounting Standards for Business Enterprises No. 14 - Income* (hereinafter referred to "New Income Standards" on July 5, 2017 that domestic listing enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Group reclassified advance receipts formerly included in "Advances receivable" into "Contract liabilities" on January 1, 2020.

## Balance sheet of parent company

Unit: Yuan

Item	December 31, 2019	January 01, 2020	Adjustment amount
Current assets:			
Monetary capital	877,009,108.98	877,009,108.98	
Transactional financial assets	702,525,313.39	702,525,313.39	
Derivative financial assets			
Notes receivable			
Accounts receivable	341,182,660.24	341,182,660.24	

Financing of receivable	22,735,319.00	22,735,319.00	
Advance payment	41,392,385.97	41,392,385.97	
Other receivables	110,807,092.72	110,807,092.72	
Where: interest receivable			
Dividend receivable			
Inventories	146,997,997.90	146,997,997.90	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	1,597,853,406.49	1,597,853,406.49	
Total current assets	3,840,503,284.69	3,840,503,284.69	
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	2,975,731,261.81	2,975,731,261.81	
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets	168,793,198.76	168,793,198.76	
Construction in progress	9,128,658.64	9,128,658.64	
Productive biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	88,321,489.84	88,321,489.84	
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets	19,821,224.48	19,821,224.48	
Other non-current assets			
Total non-current assets	3,261,795,833.53	3,261,795,833.53	
Total assets	7,102,299,118.22	7,102,299,118.22	
Current liabilities:			
Short-term borrowings			

Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	209,574,572.27	209,574,572.27	
Advances received	6,231,654.41		-6,231,654.41
Contract liabilities		6,231,654.41	6,231,654.41
Employee pay payable	61,804,868.33	61,804,868.33	
Taxes payable	6,323,506.14	6,323,506.14	
Other payables	3,852,130,178.87	3,852,130,178.87	
Where: interest payable			
Dividend payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	4,136,064,780.02	4,136,064,780.02	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Wherein: preferred shares			
Perpetual bond			
Lease obligation			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities	378,797.01	378,797.01	
Other non-current liabilities			
Total non-current liabilities	378,797.01	378,797.01	
Total liabilities	4,136,443,577.03	4,136,443,577.03	
Owner's equity:			
Share capital	821,119,910.00	821,119,910.00	
Other equity instruments			
Wherein: preferred shares			
Perpetual bond			

Capital reserves	637,954,156.03	637,954,156.03	
Minus: treasury stock	4,342,472.56	4,342,472.56	
Other comprehensive incomes			
Special reserves			
Surplus reserve	410,621,980.00	410,621,980.00	
Undistributed profit	1,100,501,967.72	1,100,501,967.72	
Total owner's equity	2,965,855,541.19	2,965,855,541.19	
Total liabilities and owner's equity	7,102,299,118.22	7,102,299,118.22	

## Description on adjustments

The Ministry of Finance modified and promulgated the *Accounting Standards for Business Enterprises No. 14 - Income* (hereinafter referred to "New Income Standards" on July 5, 2017 that domestic listing enterprises shall implement the New Income Standards from January 1, 2020. In accordance with the new standards and related transition regulations, the Company reclassified advance receipts formerly included in "Advances on sales" into "Contract liabilities" on January 1, 2020.

## 2. Description of retrospective adjustment of comparison data in the previous period upon the first implementation of the New Income Standards and the new lease standards since 2020

Applicable  Not-applicable

### III. Audit Report

The Third Quarter Report is already audited or not:

Yes  No

The Third Quarter Report of the Company is not yet audited.

Zhejiang Supor Co., Ltd.

Board Chairman: Thierry de LA TOUR D'ARTAISE

October 27, 2020