

Yantai Changyu Pioneer Wine Co., Ltd.

2020 Third Quarter Report

Final 2020-04



October 2020

I. Important Notice

The board of directors, the board of supervisors, directors, supervisors and senior executives of the Company guarantee the truthfulness, accuracy and completeness of the contents contained in the third quarter report with no false records, misleading statements or significant omissions, and undertake individual and joint legal liabilities.

All directors attended the meeting for deliberating this quarter report.

Mr. Zhou Hongjiang (Person in charge of the Company), Mr. Jiang Jianxun (Person in charge of accounting work) and Mrs. Guo Cuimei (Person in charge of accounting organ & Accountant in charge) assure the truthfulness, accuracy and completeness of the financial statements in the third quarter report.

II. Corporate Information

1. Key accounting data and financial indicators

Whether the Company makes retroactive adjustments or restates the accounting data of previous fiscal years.

☒Yes ☐No

The reason of makes retroactive adjustments or restates: business combination under the same control

	The end of this report period	The end of last year			More or less than last year (%)			
		Before adjustment		After adjustment	After adjustment			
Total assets (CNY)	13,049,517,856	13,647,932,568		13,767,237,838	-5.21%			
Net assets attributed to the shareholders of the listed company (CNY)	10,198,945,037	10,308,910,198		10,401,071,088	-1.94%			
	This report period	Same period of last year		More or less than last year (%)	From the beginning of the year to the end of this report period	Same period of last year		More or less than last year (%)
		Before adjustment	After adjustment	After adjustment		Before adjustment	After adjustment	After adjustment
Operating income (CNY)	774,191,143	968,100,175	980,743,772	-21.06%	2,192,739,690	3,526,374,960	3,553,926,816	-38.30%
Net profit attributed to the shareholders of the listed company (CNY)	85,120,851	125,557,834	130,147,686	-34.60%	403,760,926	728,961,623	740,898,517	-45.50%
Net profit attributed to the shareholders of the listed company after deducting the extraordinary gains and losses (CNY)	73,406,867	119,702,422	119,702,422	-38.68%	340,173,716	672,193,117	672,193,117	-49.39%
Net cash flow from operating activities (CNY)	268,955,826	145,855,707	150,903,125	78.23%	252,437,074	645,331,713	656,726,875	-61.56%

Basic earnings per share (CNY/share)	0.12	0.18	0.19	-36.84%	0.59	1.06	1.08	-45.37%
Diluted earnings per share (CNY/share)	0.12	0.18	0.19	-36.84%	0.59	1.06	1.08	-45.37%
Weighted average for earning rate of the net assets	0.92%	1.31%	1.37%	-0.45%	3.85%	7.38%	7.50%	-3.65%

Details of extraordinary profit and loss

☒Available ☐Not available

Unit: CNY

Item	Amount from the beginning of the year to the end of report period	Explanation
Disposal gains and losses for non-current assets, including the reversal of accrued impairment provision	-1,124,290	
Government grants credited in current profit and loss (except for those recurring government grants that are closely related to the entity's operation, in line with related regulations and have proper basis of calculation)	65,451,990	
Current net profit and loss of subsidiary arising from business combination under the same control for the current period from the beginning of the period to the date of the merger	12,943,426	
Other non-operating income and expenses in addition to above items	4,701,227	
Less: Income tax effect	17,066,302	
Minority interests effect (after-tax)	1,318,841	
Total	63,587,210	--

The reasons shall be made clear and definitely as to the extraordinary profit and loss that the Company has defined by virtue of the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Extraordinary Profit and Loss* and as to regarding the extraordinary profit and loss as recurrent profit and loss as specified in the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Extraordinary Profit and Loss*.

☐Available ☒Not available

There is no situation regarding the extraordinary profit and loss as defined and specified in the *Explanatory Announcement on Public Company's Information Disclosure No.1 - Extraordinary Profit and Loss* as recurrent profit and loss.

2. The total number of shareholders and the shareholding of top 10 shareholders at the end of the report period

1) The total number of common shareholders and the total number of preferred shareholders with recovered voting power as well as the shareholding of top 10 shareholders

Unit: share

Total number of common shareholders at the end of report period	48,873	Total number of preferred shareholders with recovered voting power at the end of report period (if have)	0			
The top 10 common shareholders						
Name of Shareholders	Character of shareholders	Shareholding ratio (%)	Number of holding shares	Number of restricted	Pledged or frozen	
					Share	Number

				shares	status	
YANTAI CHANGYU GROUP CO., LTD.	Domestic non-state-owned legal person	50.40%	345,473,856	—		—
GAOLING FUND, L.P.	Foreign legal person	3.08%	21,090,219	—		—
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.25%	15,440,794	—		—
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.02%	13,822,699	—		—
SHENWAN HONGYUAN SECURITIES(HONG KONG) LIMITED	Foreign legal person	1.20%	8,228,333	—		—
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.93%	6,350,762	—		—
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.76%	5,215,446	—		—
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	—		—
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED-ACCOUNT CLIENT	Foreign legal person	0.68%	4,687,187	—		—
FIDELITY CHINA SPECIAL SITUATIONS PLC	Foreign legal person	0.55%	3,779,202	—		—
The shareholding of top 10 shareholders with unrestricted shares						
Name of Shareholders		Number of unrestricted shares held	Type of share			
			Type of share	Number		
YANTAI CHANGYU GROUP CO., LTD.		345,473,856	A share	345,473,856		
GAOLING FUND,L.P.		21,090,219	B share	21,090,219		
CHINA SECURITIES FINANCE CORP		15,440,794	A share	15,440,794		
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD		13,822,699	B share	13,822,699		
SHENWAN HONGYUAN SECURITIES(HONG KONG) LIMITED		8,228,333	B share	8,228,333		
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND		6,350,762	B share	6,350,762		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED		5,215,446	B share	5,215,446		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.		4,761,200	A share	4,761,200		
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED-ACCOUNT CLIENT		4,687,187	B share	4,687,187		
FIDELITY CHINA SPECIAL SITUATIONS PLC		3,779,202	B share	3,779,202		
The explanation for the associated relationship and accordant action of the top 10 shareholders		Yantai Changyu Group Company Limited has no associated relationship or accordant action relationship with the other 9 listed shareholders, and the relationship among the other shareholders is unknown.				

Explanation for the top 10 shareholders who involved in financing activities and stock trading business(if any)	No
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Whether or not the Company's top 10 common shareholders and top 10 common shareholders with unrestricted shares conduct agreed buy-back transaction during the report period

☐ Yes ☒ No

There are no top 10 common shareholders or top 10 common shareholders with unrestricted shares in the Company conduct agreed buy-back transaction during the report period.

2) The total number of preferred shareholders and the shareholding of top 10 preferred shareholders

☐ Available ☒ Not available

III. Major Issue

1. Situation and reasons on changes in main financial data and financial index during the report period

☒ Available ☐ Not available

Unit: CNY

Item	Ending balance	Initial balance	Increase rate	Reason for change
Accounts receivables	163,837,210	265,693,603	-38.34%	Mainly due to decrease in trade receivables
Account prepaid	22,130,403	67,840,190	-67.38%	Mainly due to decrease in advance payment for raw materials
Other receivables	65,496,611	24,380,907	168.64%	Mainly due to receivables from disposal of fixed assets
Interest receivable	634,668	148,927	326.16%	Mainly due to increase in interest receivable of fixed deposit
Advance receipts		131,429,639	-100.00%	Mainly due to being included in contract liability in accordance with new <i>Revenue Standards</i> in 2020
Long-term borrowing	203,994,136	128,892,501	58.27%	Mainly due to increase in long-term borrowing from the bank
Item	Amount in current period	Amount in last period	Increase rate	Reason for change
Operating income	2,192,739,690	3,553,926,816	-38.30%	Mainly due to decrease in product sales volume affected by COVID-19
Selling expenses	421,620,422	932,125,012	-54.77%	Mainly due to reduce in marketing activities affected by COVID-19
Loss of credit impairment (loss is listed with "-")	3,125,029	-2,183,171	Not applicable	Mainly due to the turn back of provision for bad debts
Loss of impairment of assets (loss is listed with "-")	5,083,785.00	1,691,320	200.58%	Mainly due to the turn back of preparation for assets impairment
Net profits attributed to the owner of parent company	403,760,926	740,898,517	-45.50%	Mainly due to decrease in sales revenue affected by COVID-19

Cash received from sales of goods and rendering of services	2,310,331,855	3,404,022,629	-32.13%	Mainly due to decrease in sales revenue affected by COVID-19
Sub-total of cash inflows of operating activities	2,413,325,169	3,519,431,675	-31.43%	Mainly due to decrease in sales revenue affected by COVID-19
Net cash flow from operating activities	252,437,074	656,726,875	-61.56%	Mainly due to decrease in sales revenue affected by COVID-19
Sub-total of cash inflows of investment activities	82,752,204	175,995,217	-52.98%	Mainly due to decrease in cash received from return of fixed deposit
Cash paid to acquire fixed assets, intangible asset and other long-term assets	100,318,579	201,434,544	-50.20%	Mainly due to decrease in cash invested in new project and continued project
Cash paid to acquire fixed deposit	58,200,000	113,718,193	-48.82%	Mainly due to decrease in fixed deposit

2. Analysis explanation of the major issue's progress as well as its influence and solution

☐ Available ☒ Not available

Implementation progress of share repurchases

☐ Available ☒ Not available

Implementation progress of reducing repurchased shares by the way of centralized competitive bidding

☐ Available ☒ Not available

3. The commitments that the Company's actual controllers, shareholders, related parties, purchasers, the Company and other related parties do not implement completely exceeding the time limit within the report period

☒ Available ☐ Not available

Commitments	Commitment Party	Commitment Type	Commitment content	Commitment time	Commitment period	Implementation
Commitments at share reform						
Commitments made in acquisition report or equity changes report						
Commitments at asset restructuring						
Commitments at the initial public offering or refinancing	Yantai Changyu Group Co., Ltd.	Solve horizontal competition	Non-horizontal competition	1997.05.18	Permanent	Has been fulfilling the commitment
	Yantai Changyu Group Co., Ltd.	Define the use of trademark use fee	According to <i>Trademark License Contract</i> , the annual trademark use fee of trademarks including “张裕” (Changyu) paid by the Company to Yantai Changyu Group Co., Ltd. should be mainly used by Yantai Changyu Group Co., Ltd. to publicize trademarks including “张裕” (Changyu) and contractual products.	1997.05.18	1997.05.18 to 2019.04.04	According to <i>Trademark License Contract</i> , the annual trademark use fee charged by Yantai Changyu Group Co., Ltd. should be mainly used to publicize trademarks including “张裕” (Changyu) and contractual products. Except the period from

						2013 to 2017 when Yantai Changyu Group Co., Ltd. Didn't strictly fulfill the commitment, Yantai Changyu Group Co., Ltd. has been fulfilling the commitment.
Equity incentive commitments						
Commitments made to the minority shareholders of the Company	Yantai Changyu Group Co., Ltd.	Compensating unfulfilled commitment	The CNY231,768,615 that was not used for publicity of trademarks and contract products as promised will be offset by the four-year trademark use fee from 2019 to 2022. If insufficient, the shortfall would be filled in one time in 2023. If there is any excess, the excess portion of the trademark use fee would be collected from the year with excess occurrence.	2019.04.04	2019.04.04 to 2023.12.31	Has been fulfilling the commitment
Commitment under timely implementation or not	No					
For commitments that exceed the time limit and are not completed, specific reasons of not completing the implementation and the next step	<p>According to <i>Trademark License Contract</i> (hereafter referred to as “this Contract”), Changyu Group promised that the annual trademark use fee paid by the Company to Changyu Group would be mainly used by Changyu Group to publicize these trademarks and contractual products. However, the above-mentioned “mainly” is not a specific number. During the implementation process, due to inconsistent understanding, it is easy to cause divergence and leads to problems.</p> <p>From 2013 to 2017, Changyu Group collected a total of CNY420,883,902 trademark use fee, of which 51% was used to publicize trademarks including Changyu and contract products with amount of CNY214,650,790. The amount has been used to publicize trademarks including Changyu and</p>					

	<p>contract products is CNY50,025,181, with a balance of CNY164,625,609.</p> <p>In 2018 and 2019, the trademark use fee collected of 2017 and 2018 is CNY155,623,907, of which 51% is used to publicize trademarks including Changyu and contract products with amount of CNY79,368,193. The amount has been used to publicize trademarks including Changyu and contract products is CNY12,225,187, with a balance of CNY67,143,006.</p> <p>Since 2013, the accumulated balance of Changyu Group using to publicize trademarks including Changyu and contract products is CNY231,768,615.</p> <p>If Changyu Group is not able to implement the above-mentioned commitment owing to various reasons, the Company will timely supervise and urge Changyu Group to fulfill its commitment and request Changyu Group to raise funds through bank loaning, assets sales and equity sales etc. in order to implement the commitment.</p> <p>For detailed information, please refer to <i>Announcement of Commitment Issues of Yantai Changyu Group Co., Ltd.</i> disclosed on April 4th, 2019.</p>
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4. Financial assets investment

1) The situation of security investment

☐ Available ☒ Not available

There is no security investment during the report period.

2) The situation of derivative investment

☐ Available ☒ Not available

There is no derivative investment during the report period.

5. Progress of fund-raising investment project

☐ Available ☒ Not available

6. Prediction for 2020 annual business performance

Warning and cause explanation for the prediction that the cumulative net profit from the beginning of the year to the end of the next report period might be a loss or might occur a significant change compared with the same period of last year

☐ Available ☒ Not available

7. Major contracts during daily operations

☐ Available ☒ Not available

8. Entrusted financial management

☐ Available ☒ Not available

There is no entrusted financial management during the report period.

9. The situation of illegal external guarantee

☐ Available ☒ Not available

There is no illegal external guarantee during the report period.

10. The situation of non-operating fund occupation of controlling shareholders and related parties

☐ Available ☒ Not available

There is no non-operating fund occupation of controlling shareholders and related parties during the report period.

11. The activity registration form of receptions, communication and interview etc. during the report period

☐ Available ☒ Not available

There is no reception, communication or interview etc. during the report period.

IV. Financial Statements

1. Financial statements

1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co., Ltd.

Unit: CNY

Item	September 30 th , 2020	December 31 st , 2019
Current Assets:		
Monetary fund	1,203,006,675	1,597,410,774
Petty cash		
Lending funds		
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	163,837,210	265,693,603
Receivables Financing	247,698,065	317,270,229
Accounts prepaid	22,130,403	67,840,190
Premiums receivable		
Reinsurance accounts receivable		
Receivable reserves for reinsurance contract		
Other receivables	65,496,611	24,380,907
Including: Interest receivable	634,668	148,927
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,936,748,059	2,903,817,750
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	259,694,494	269,931,887
Total Current Assets	4,898,611,517	5,446,345,340
Non-current Assets:		
Offering loans and imprest		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	42,725,025	43,981,130
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	27,333,702	29,714,586
Fixed assets	5,759,324,713	5,943,969,100
Construction in progress	672,423,746	567,478,833
Biological assets for production	193,294,233	202,425,286
Oil and gas assets		
Right-of-use assets		
Intangible assets	645,257,046	652,543,848

Development expenditure		
Goodwill	141,859,193	141,859,193
Long-term deferred expenses	270,342,238	280,478,194
Deferred tax assets	218,464,419	264,768,008
Other non-current assets	179,882,024	193,674,320
Total Non-Current Assets	8,150,906,339	8,320,892,498
Total Assets	13,049,517,856	13,767,237,838
Current liabilities:		
Short-term loan	687,389,648	754,313,744
Borrowings from the Central Bank		
Borrowing funds		
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	422,825,916	570,506,459
Advances from customers		131,429,639
Contract liabilities	134,944,827	
Sales/buyback financial assets		
Customer and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Wage payable	153,025,619	235,555,474
Tax payable	179,804,765	375,582,368
Other accounts payable	400,730,391	463,433,185
Including: Interest payable	2,370,128	758,047
Dividend payable	6,252,201	1,366,559
Payable handling fees and commission		
Dividend payable for reinsurance		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year	153,726,948	150,826,221
Other current liabilities	17,542,827	
Total Current Liabilities	2,149,990,941	2,681,647,090
Non-Current Liabilities:		
Insurance contract reserve		
Long-term borrowings	203,994,136	128,892,501
Bonds payable		
Including: Preferred Stock		
Perpetual capital securities		
Lease liability		
Long-term accounts payable	166,977,000	191,000,000
Long-term accrued payroll		
Estimated liabilities		
Deferred income	58,783,709	70,701,288
Deferred tax liabilities	13,430,542	14,691,424
Other non-current liabilities	7,645,777	7,645,777
Total non-current liabilities	450,831,164	412,930,990
Total liabilities	2,600,822,105	3,094,578,080
Owner's equity (or shareholders' equity):		

Capital stock	685,464,000	685,464,000
Other equity instruments		
Including: Preferred Stock		
Perpetual capital securities		
Capital reserve	531,802,207	642,775,360
Minus: treasury stock		
Other comprehensive income	-6,867,531	-4,235,583
Special reserves		
Surplus reserve	342,732,000	342,732,000
General risk preparation		
Undistributed profits	8,645,814,361	8,734,335,311
Total owner's equity attributable to the holding company	10,198,945,037	10,401,071,088
Minority interests	249,750,714	271,588,670
Total owner's equity	10,448,695,751	10,672,659,758
Total liabilities and owner's equity	13,049,517,856	13,767,237,838

Legal representative: Zhou Hongjiang; Person in charge of accounting : Jiang Jianxun; Person in charge of accounting organ: Guo Cuimei

2) Balance sheet of parent company

Unit: CNY

Item	September 30 th , 2020	December 31 st , 2019
Current Assets:		
Monetary fund	283,795,444	710,505,269
Transactional financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	1,076,952	1,988,326
Receivables Financing	24,736,524	41,679,635
Accounts prepaid	2,867,357	776,539
Other receivables	273,989,436	586,424,958
Including: Interest receivable	290,661	90,355
Dividends receivable	2,985,375	200,000,000
Inventory	492,785,866	434,007,808
Contract assets		
Assets classified as holding for sale		
Non-current assets expire in one year		
Other current assets	34,002,542	39,130,466
Total Current Assets	1,113,254,121	1,814,513,001
Non-current Assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	7,571,920,448	7,432,422,621
Investment in other equity instrument		
Other non-current financial assets		
Real estate for investment	29,714,586	29,714,586
Fixed assets	242,616,583	261,137,072

Construction in progress	1,578,127	
Biological assets for production	115,250,024	121,414,096
Oil and gas assets		
Right-of-use assets		
Intangible assets	63,080,549	64,864,913
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	17,404,533	16,255,870
Other non-current assets	1,534,700,000	1,427,700,000
Total Non-Current Assets	9,576,264,850	9,353,509,158
Total Assets	10,689,518,971	11,168,022,159
Current liabilities:		
Short-term loan	150,000,000	150,000,000
Transactional financial liability		
Derivative financial liabilities		
Notes payable		
Accounts payable	30,321,882	63,655,240
Advances from customers		
Contract liabilities		
Wage payable	58,238,348	70,445,847
Tax payable	7,610,188	6,052,456
Other accounts payable	601,714,603	660,149,563
Including: Interest payable	137,671	181,250
Dividend payable		
Liabilities classified as holding for sale		
Non-current liabilities expire in one year		
Other current liabilities		
Total Current Liabilities	847,885,021	950,303,106
Non-Current Liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred Stock		
Perpetual capital securities		
Lease liability		
Long-term accounts payable		
Long-term accrued payroll		
Estimated liabilities		
Deferred income	7,101,526	9,176,315
Deferred tax liabilities		
Other non-current liabilities	3,146,706	3,146,707
Total non-current liabilities	10,248,232	12,323,022
Total liabilities	858,133,253	962,626,128
Owner's equity (or shareholders' equity):		
Capital stock	685,464,000	685,464,000
Other equity instruments		
Including: Preferred Stock		
Perpetual capital securities		
Capital reserve	559,208,768	557,222,454

Minus: treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	342,732,000	342,732,000
Undistributed profits	8,243,980,950	8,619,977,577
Total owner's equity	9,831,385,718	10,205,396,031
Total liabilities and owner's equity	10,689,518,971	11,168,022,159

3) Consolidated profit statement in this report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Revenue	774,191,143	980,743,772
Including: Operating income	774,191,143	980,743,772
Interest income		
Earned premium		
Handling fees and commission income		
2. Total operating costs	674,063,423	805,641,704
Including: Operating costs	375,604,374	344,875,471
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve fund withdrawal		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	47,921,208	62,399,991
Selling expenses	168,492,290	324,667,610
Administrative expenses	77,883,831	63,818,231
Research and development expenditure	869,269	1,149,179
Financial expenses	3,292,451	8,731,222
Including: Interest expenses	10,174,541	9,525,615
Interest income	3,760,898	5,613,745
Plus: Other income	15,671,759	4,809,425
Investment profit (loss is listed with "-")	-85,420	-128,956
Including: Investment profit for joint-run business and joint venture	-85,420	-959,797
Termination of recognized income of financial assets measured at amortized cost		
Exchange income (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment(loss is listed with "-")	3,024,194	-2,284,006
Loss for impairment of assets(loss is listed with "-")	1,474,952	-3,590,639

Assets disposal income (loss is listed with "-")	-1,163,931	-167,802
3. Operating profit (loss is listed with "-")	119,049,274	173,740,090
Plus: Non-operating income	932,994	2,705,357
Minus: Non-operating expenditure	46,725	730,796
4. Total profits (total loss is listed with "-")	119,935,543	175,714,651
Minus: Income taxes	33,798,402	45,230,193
5. Net profit (net loss is listed with "-")	86,137,141	130,484,458
(一) Classification by continuous operation		
1. Net profit from continuous operation (net loss is listed with "-")		
2. Net profit from terminational operation (net loss is listed with "-")		
(二) Classification by ownership		
1. Net profits attribute to equity holders of the company	85,120,851	130,147,686
2. Minority interests	1,016,290	336,772
6. Net value of other comprehensive income after tax	3,475,361	-16,794,085
6.1 Net value of other comprehensive income after tax of holding company's owners	2,374,705	-16,794,085
6.1.1 Other comprehensive income that will not be classified into the profit and loss		
6.1.1.1 Changes of the defined benefit plans that re-measured		
6.1.1.2 Other comprehensive income under equity method that cannot be transfer to gain/loss		
6.1.1.3 Change of fair value of investment in other equity instrument		
6.1.1.4 Fair value change of enterprise's credit risk		
6.1.1.5 Other		
6.1.2 Other comprehensive income that will be classified into the profit and loss	2,374,705	-16,794,085
6.1.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
6.1.2.2 Change of fair value of other debt investment		
6.1.2.3 Amount of financial assets re-classify to other comprehensive income		
6.1.2.4 Credit impairment provision for other debt investment		
6.1.2.5 Cash flow hedging reserve		
6.1.2.6 Translation differences arising on translation of foreign currency financial statements	2,374,705	-16,794,085
6.1.2.7 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders	1,100,656	
7. Total comprehensive Income	89,612,502	113,690,373
Total comprehensive income of holding company	87,495,556	113,353,601
Total comprehensive income of minority shareholders	2,116,946	336,772
8. Earnings per share		
8.1 Basic earnings per share	0.12	0.19
8.2 Diluted earnings per share	0.12	0.19

During this report period, the issue relates to company consolidation under common control, consolidated party completes net profit amount of CNY924,213 before being consolidated, and consolidated party completes net profit amount of CNY4,885,903 in the same period of last year.

Legal representative: Zhou Hongjiang; Person in charge of accounting: Jiang Jianxun; Person in charge of accounting organ: Guo Cuimei

4) Profit statement of parent company in this report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Revenue	105,418,687	200,488,769
Minus: Operating costs	87,036,926	184,071,670
Taxes and surcharges	4,744,353	10,446,607
Selling expenses		
Administrative expenses	14,936,063	16,494,204
Research and development expenditure	175,365	206,023
Financial expenses	-1,086,829	-547,440
Including: Interest expenses	2,108,757	2,190,828
Interest income	2,792,562	3,602,659
Plus: Other income	858,264	858,264
Investment profit (loss is listed with "-")	32,523,818	55,000,000
Including: Investment profit for joint-run business and joint venture		
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment (loss is listed with "-")		
Loss for impairment of assets (loss is listed with "-")		
Assets disposal income (loss is listed with "-")		21,901
2. Operating profit (loss is listed with "-")	32,989,823	45,697,870
Plus: Non-operating income	51,398	122,208
Minus: Non-operating expenses		748,159
3. Total profits (total loss is listed with "-")	33,041,221	45,071,919
Minus: Income tax	160,153	-181,802
4. Net profit (net loss is listed with "-")	32,881,068	45,253,721
1. Net profit from continuous operation (net loss is listed with "-")	32,881,068	45,253,721
2. Net profit from terminational operation (net loss is listed with "-")		
5. Net value of other comprehensive income after tax		
5.1 Other comprehensive income that will not be classified into the profit and loss		
5.1.1 Remeasure the changes in net assets or liabilities of defined benefit plans		
5.1.2 Shares of other comprehensive income from investee which cannot be reclassified into profit and loss under the equity method		
5.1.3 Change of fair value of investment in other equity instrument		
5.1.4 Fair value change of enterprise's credit risk		

5.1.5 Other		
5.2 Other comprehensive income that will be classified into the profit and loss		
5.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
5.2.2 Change of fair value of other debt investment		
5.2.3 Amount of financial assets re-classify to other comprehensive income		
5.2.4 Credit impairment provision for other debt investment		
5.2.5 Cash flow hedging reserve		
5.2.6 Translation differences arising on translation of foreign currency financial statements		
5.2.7 Other		
6. Total comprehensive income	32,881,068	45,253,721
7. Earnings per share		
7.1 Basic earnings per share	0.05	0.07
7.2 Diluted earnings per share	0.05	0.07

5) Consolidated profit statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Revenue	2,192,739,690	3,553,926,816
Including: Operating income	2,192,739,690	3,553,926,816
Interest income		
Earned premium		
Handling fees and commission income		
2. Total operating costs	1,717,091,047	2,629,345,172
Including: Operating costs	950,246,786	1,269,673,410
Interest expenditure		
Handling fees and commission expenditure		
Premium rebate		
Net amount of indemnity expenditure		
Net amount of insurance contract reserve fund withdrawal		
Policy bonus payment		
Amortized reinsurance expenditures		
Taxes and surcharges	136,365,030	186,796,533
Selling expenses	421,620,422	932,125,012
Administrative expenses	190,953,700	219,370,543
Research and development expenditure	2,675,257	3,855,990
Financial expenses	15,229,852	17,523,684
Including: Interest expenses	25,065,852	19,338,175
Interest income	9,907,308	10,250,903
Plus: Other income	66,451,990	69,021,317
Investment profit (loss is listed with "-")	-1,256,105	-128,956

Including: Investment profit for joint-run business and joint venture	-1,256,105	-959,797
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Exchange income (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment(loss is listed with "-")	3,125,029	-2,183,171
Loss for impairment of assets(loss is listed with "-")	5,083,785	1,691,320
Assets disposal income (loss is listed with "-")	-1,139,783	-166,664
3. Operating profit (loss is listed with "-")	547,913,559	992,815,490
Plus: Non-operating income	7,619,514	6,340,525
Minus: Non-operating expenditure	1,073,199	902,287
4. Total profits (total loss is listed with "-")	554,459,874	998,253,728
Minus: Income taxes	147,252,351	257,857,213
5. Net profit (net loss is listed with "-")	407,207,523	740,396,515
(一) Classification by continuous operation		
1.Net profit from continuous operation(net loss is listed with "-")		
2.Net profit from terminational operation(net loss is listed with "-")		
(二)Classification by ownership		
1.Net profits attribute to equity holders of the company	403,760,926	740,898,517
2. Minority interests	3,446,597	-502,002
6. Net value of other comprehensive income after tax	-2,290,461	-21,451,376
6.1 Net value of other comprehensive income after tax of holding company's owners	-2,631,948	-19,854,806
6.1.1 Other comprehensive income that will not be classified into the profit and loss		
6.1.1.1 Changes of the defined benefit plans that re-measured		
6.1.1.2 Other comprehensive income under equity method that cannot be transfer to gain/loss		
6.1.1.3 Change of fair value of investment in other equity instrument		
6.1.1.4 Fair value change of enterprise's credit risk		
6.1.1.5 Other		
6.1.2 Other comprehensive income that will be classified into the profit and loss	-2,631,948	-19,854,806
6.1.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
6.1.2.2 Change of fair value of other debt investment		
6.1.2.3 Amount of financial assets re-classify to other comprehensive income		
6.1.2.4 Credit impairment provision for other debt investment		
6.1.2.5 Cash flow hedging reserve		
6.1.2.6 Translation differences arising on translation of foreign currency financial statements	-2,631,948	-19,854,806

6.1.2.7 Other		
6.2 Net value of other comprehensive income after tax of minority shareholders	341,487	-1,596,570
7.Total comprehensive Income	404,917,062	718,945,139
Total comprehensive income of holding company	401,128,978	721,043,711
Total comprehensive income of minority shareholders	3,788,084	-2,098,572
8. Earnings per share		
8.1 Basic earnings per share	0.59	1.08
8.2 Diluted earnings per share	0.59	1.08

During this report period, the issue relates to company consolidation under common control, consolidated party completes net profit amount of CNY12,943,426 before being consolidated, and consolidated party completes net profit amount of CNY12,619,645 in the same period of last year.

Legal representative: Zhou Hongjiang; Person in charge of accounting: Jiang Jianxun; Person in charge of accounting organ: Guo Cuimei

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

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Revenue	258,369,202	552,839,771
Minus: Operating costs	230,278,120	493,642,250
Taxes and surcharges	9,123,718	23,586,763
Selling expenses		
Administrative expenses	45,086,374	55,928,450
Research and development expenditure	494,283	611,084
Financial expenses	-152,052	-4,204,810
Including: Interest expenses	4,916,507	-514,245
Interest income	5,043,797	5,073,326
Plus: Other income	2,678,154	2,574,791
Investment profit (loss is listed with "-")	119,998,422	319,221,755
Including: Investment profit for joint-run business and joint venture		
Termination of recognized income of financial assets measured at amortized cost (loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Fair value charge profit (loss is listed with "-")		
Loss of credit impairment (loss is listed with "-")		
Loss for impairment of assets (loss is listed with "-")		
Assets disposal income (loss is listed with "-")		21,901
2. Operating profit (loss is listed with "-")	96,809,899	305,094,481
Plus: Non-operating income	2,058,634	825,767
Minus: Non-operating expenses	525,000	845,797
3. Total profits (total loss is listed with "-")	98,343,533	305,074,451
Minus: Income tax	-5,484,640	-908,748

4. Net profit (net loss is listed with "-")	103,828,173	305,983,199
1.Net profit from continuous operation (net loss is listed with "-")	103,828,173	305,983,199
2.Net profit from terminational operation (net loss is listed with "-")		
5. Net value of other comprehensive income after tax		
5.1 Other comprehensive income that will not be classified into the profit and loss		
5.1.1 Remeasure the changes in net assets or liabilities of defined benefit plans		
5.1.2 Shares of other comprehensive income from investee which cannot be reclassified into profit and loss under the equity method		
5.1.3 Change of fair value of investment in other equity instrument		
5.1.4 Fair value change of enterprise's credit risk		
5.1.5 Other		
5.2 Other comprehensive income that will be classified into the profit and loss		
5.2.1 Other comprehensive income under equity method that can transfer to gain/loss		
5.2.2 Change of fair value of other debt investment		
5.2.3 Amount of financial assets re-classify to other comprehensive income		
5.2.4 Credit impairment provision for other debt investment		
5.2.5 Cash flow hedging reserve		
5.2.6 Translation differences arising on translation of foreign currency financial statements		
5.2.7 Other		
6. Total comprehensive income	103,828,173	305,983,199
7. Earnings per share		
7.1 Basic earnings per share	0.15	0.45
7.2 Diluted earnings per share	0.15	0.45

7) Consolidated cash flow statement from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	2,310,331,855	3,404,022,629
Net increase in customer and interbank deposits		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		

Cash received from receiving insurance premium of original insurance contract		
Net cash received from reinsurance business		
Net increase of deposit of insured and investment fund		
Net increase in disposing of financial assets that measured by fair value with changes recorded into the current profit and loss		
Cash received from collecting interest, handling fees and commission		
Net increase in borrowings		
Net increase in repurchasement business funds		
Tax refund received	33,733,604	29,762,041
Other cash received related to operating activities	69,259,710	85,647,005
Sub-total of cash inflows of operating activities	2,413,325,169	3,519,431,675
Cash paid for goods and services	855,818,928	1,207,473,323
Net increase in customer loans and advances		
Net increase in deposits in central bank and interbank deposits		
Cash paid to original insurance contract payments		
Cash paid to interest, handling fees and commission		
Cash paid to policy bonus		
Cash paid to and on behalf of employees	325,519,463	385,086,539
Cash paid for taxes and expenses	605,846,671	685,034,497
Other cash paid related to operating activities	373,703,033	585,110,441
Sub-total of cash outflows of operating activities	2,160,888,095	2,862,704,800
Net cash flow from operating activities	252,437,074	656,726,875
2. Cash flow from investing activities:		
Cash received from return of investment		
Cash received from return of fixed deposit	80,128,600	174,597,650
Cash received from obtaining investment profit		
Cash received from interest income	1,484,244	1,199,968
Cash received from disposal of fixed assets, intangible assets and other long-term assets	1,139,360	197,599
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Sub-total of cash inflows of investment activities	82,752,204	175,995,217
Cash paid to acquire fixed assets, intangible asset and other long-term assets	100,318,579	201,434,544
Cash for investments		401,647
Cash paid to acquire fixed deposit	58,200,000	113,718,193
Net increase in hypothecated loan		
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		170,752
Subtotal of cash outflows of investment activities	158,518,579	315,725,136
Net cash flow from investing activities	-75,766,375	-139,729,919
3. Cash flow from financing activities		

Cash received from acquiring investment		
Including: Cash received from acquiring minority shareholders' investment by branch		
Cash received from acquiring loans	784,217,057	684,581,027
Other cash received related to financing activities		
Sub-total cash inflows of financing activities	784,217,057	684,581,027
Cash paid to repay debts	775,223,291	697,660,583
Cash paid to distribute dividend, profit or pay interest	514,217,826	446,242,354
Including: Dividend and profit paid to minority shareholders by branch	2,932,523	
Other cash paid related to financing activities	44,025,637	
Sub-total of cash outflows of financing activities	1,333,466,754	1,143,902,937
Net cash flow from financing activities	-549,249,697	-459,321,910
4. Influences of exchange rate fluctuation on cash and cash equivalents	-301,828	-308,084
5. Net Increase of cash and cash equivalents	-372,880,826	57,366,962
Plus: balance at the beginning of the period of cash and cash equivalents	1,397,399,469	1,236,286,115
6. Balance at the end of the period of cash and cash equivalents	1,024,518,643	1,293,653,077

8) Cash flow statement of parent company from the beginning of the year to the end of the report period

Unit: CNY

Item	Amount in this report period	Amount in prior report period
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	240,400,432	442,359,311
Tax refund received		
Other cash received related to operating activities	19,575,796	44,030,652
Sub-total of cash inflows of operating activities	259,976,228	486,389,963
Cash paid for goods and services	171,128,867	332,017,753
Cash paid to and on behalf of employees	46,232,646	57,697,044
Cash paid for taxes and expenses	4,938,030	34,602,597
Other cash paid related to operating activities	153,027,196	236,084,524
Sub-total of cash outflows of operating activities	375,326,739	660,401,918
Net cash flow from operating activities	-115,350,511	-174,011,955
2. Cash flow from investing activities:		
Cash received from return of investment		
Cash received from return of fixed deposit	35,200,000	110,000,000
Cash received from obtaining investment profit	319,744,088	815,117,830
Cash received from interest income	493,434	715,111
Cash received from disposal of fixed assets, intangible assets and other long-term assets	83,699	29,815

Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Sub-total of cash inflows of investment activities	355,521,221	925,862,756
Cash paid to acquire fixed assets, intangible asset and other long-term assets	2,411,971	14,223,638
Cash for investments	47,991,725	265,479,443
Cash paid to acquire fixed deposit	38,200,000	105,238,750
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities	97,000,000	
Subtotal of cash outflows of investment activities	185,603,696	384,941,831
Net cash flow from investing activities	169,917,525	540,920,925
3. Cash flow from financing activities		
Cash received from acquiring investment		
Cash received from acquiring loans	150,000,000	
Other cash received related to financing activities		
Sub-total cash inflows of financing activities	150,000,000	
Cash paid to repay debts	150,000,000	
Cash paid to distribute dividend, profit or pay interest	484,681,932	416,717,150
Other cash paid related to financing activities		
Sub-total of cash outflows of financing activities	634,681,932	416,717,150
Net cash flow from financing activities	-484,681,932	-416,717,150
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase of cash and cash equivalents	-430,114,918	-49,808,180
Plus: balance at the beginning of the period of cash and cash equivalents	623,116,542	532,384,882
6. Balance at the end of the period of cash and cash equivalents	193,001,624	482,576,702

2. Explanation for adjustment in financial statements

1) The situation of adjusting related items in financial statements at the beginning of 2020 owing to the first implementation of new Revenue Standards and new Lease Standards since 2020

☒Available ☐Not available

Whether needs to adjust the balance sheet account at the beginning of the year

☒Yes ☐No

Consolidated balance sheet

Unit: CNY

Item	December 31 st , 2019	January 1 st , 2020	Adjusted amount
Current Assets:			
Monetary fund	1,597,410,774	1,597,410,774	
Petty cash			
Lending funds			
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	265,693,603	265,693,603	
Receivables Financing	317,270,229	317,270,229	
Accounts prepaid	67,840,190	67,840,190	
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserves for reinsurance contract			
Other receivables	24,380,907	24,380,907	
Including: Interest receivable	148,927	148,927	
Dividends receivable			
Buying back the sale of financial assets			
Inventory	2,903,817,750	2,903,817,750	
Contract assets			
Assets classified as holding for sale			
Non-current assets expire in one year			
Other current assets	269,931,887	269,931,887	
Total Current Assets	5,446,345,340	5,446,345,340	
Non-current Assets:			
Offering loans and imprest			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	43,981,130	43,981,130	
Investment in other equity instrument			
Other non-current financial assets			
Real estate for investment	29,714,586	29,714,586	
Fixed assets	5,943,969,100	5,943,969,100	
Construction in progress	567,478,833	567,478,833	
Biological assets for production	202,425,286	202,425,286	
Oil and gas assets			
Right-of-use assets			
Intangible assets	652,543,848	652,543,848	
Development expenditure			
Goodwill	141,859,193	141,859,193	
Long-term deferred expenses	280,478,194	280,478,194	
Deferred tax assets	264,768,008	264,768,008	
Other non-current assets	193,674,320	193,674,320	
Total Non-Current Assets	8,320,892,498	8,320,892,498	
Total Assets	13,767,237,838	13,767,237,838	

Current liabilities:			
Short-term loan	754,313,744	754,313,744	
Borrowings from the Central Bank			
Borrowing funds			
Transactional financial liability			
Derivative financial liabilities			
Notes payable			
Accounts payable	570,506,459	570,506,459	
Advances from customers	131,429,639		-131,429,639
Contract liabilities		116,309,415	116,309,415
Sales/buyback financial assets			
Customer and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Wage payable	235,555,474	235,555,474	
Tax payable	375,582,368	375,582,368	0
Other accounts payable	463,433,185	463,433,185	
Including: Interest payable	758,047	758,047	
Dividend payable	1,366,559	1,366,559	
Payable handling fees and commission			
Dividend payable for reinsurance			
Liabilities classified as holding for sale			
Non-current liabilities expire in one year	150,826,221	150,826,221	
Other current liabilities		15,120,224	15,120,224
Total Current Liabilities	2,681,647,090	2,681,647,090	0
Non-Current Liabilities:			
Insurance contract reserve			
Long-term borrowings	128,892,501	128,892,501	
Bonds payable			
Including: Preferred Stock			
Perpetual capital securities			
Lease liability			
Long-term accounts payable	191,000,000	191,000,000	
Long-term accrued payroll			
Estimated liabilities			
Deferred income	70,701,288	70,701,288	
Deferred tax liabilities	14,691,424	14,691,424	
Other non-current liabilities	7,645,777	7,645,777	
Total non-current liabilities	412,930,990	412,930,990	
Total liabilities	3,094,578,080	3,094,578,080	
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Other equity instruments			
Including: Preferred Stock			
Perpetual capital securities			
Capital reserve	642,775,360	642,775,360	
Minus: treasury stock			
Other comprehensive income	-4,235,583	-4,235,583	
Special reserves			

Surplus reserve	342,732,000	342,732,000	
General risk preparation			
Undistributed profits	8,734,335,311	8,734,335,311	
Total owner's equity attributable to the holding company	10,401,071,088	10,401,071,088	
Minority interests	271,588,670	271,588,670	
Total owner's equity	10,672,659,758	10,672,659,758	
Total liabilities and owner's equity	13,767,237,838	13,767,237,838	

Explanation for adjustment

Balance sheet of parent company

Unit: CNY

Item	December 31 st , 2019	January 1 st , 2020	Adjusted amount
Current Assets:			
Monetary fund	710,505,269	710,505,269	
Transactional financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	1,988,326	1,988,326	
Receivables Financing	41,679,635	41,679,635	
Accounts prepaid	776,539	776,539	
Other receivables	586,424,958	586,424,958	
Including: Interest receivable	90,355	90,355	
Dividends receivable	200,000,000	200,000,000	
Inventory	434,007,808	434,007,808	
Contract assets			
Assets classified as holding for sale			
Non-current assets expire in one year			
Other current assets	39,130,466	39,130,466	
Total Current Assets	1,814,513,001	1,814,513,001	
Non-current Assets:			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	7,432,422,621	7,432,422,621	
Investment in other equity instrument			
Other non-current financial assets			
Real estate for investment	29,714,586	29,714,586	
Fixed assets	261,137,072	261,137,072	
Construction in progress			
Biological assets for production	121,414,096	121,414,096	
Oil and gas assets			
Right-of-use assets			
Intangible assets	64,864,913	64,864,913	
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred tax assets	16,255,870	16,255,870	

Other non-current assets	1,427,700,000	1,427,700,000	
Total Non-Current Assets	9,353,509,158	9,353,509,158	
Total Assets	11,168,022,159	11,168,022,159	
Current liabilities:			
Short-term loan	150,000,000	150,000,000	
Transactional financial liability			
Derivative financial liabilities			
Notes payable			
Accounts payable	63,655,240	63,655,240	
Advances from customers			
Contract liabilities			
Wage payable	70,445,847	70,445,847	
Tax payable	6,052,456	6,052,456	
Other accounts payable	660,149,563	660,149,563	
Including: Interest payable	181,250	181,250	
Dividend payable			
Liabilities classified as holding for sale			
Non-current liabilities expire in one year			
Other current liabilities			
Total Current Liabilities	950,303,106	950,303,106	
Non-Current Liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred Stock			
Perpetual capital securities			
Lease liability			
Long-term accounts payable			
Long-term accrued payroll			
Estimated liabilities			
Deferred income	9,176,315	9,176,315	
Deferred tax liabilities			
Other non-current liabilities	3,146,707	3,146,707	
Total non-current liabilities	12,323,022	12,323,022	
Total liabilities	962,626,128	962,626,128	
Owner's equity (or shareholders' equity):			
Capital stock	685,464,000	685,464,000	
Other equity instruments			
Including: Preferred Stock			
Perpetual capital securities			
Capital reserve	557,222,454	557,222,454	
Minus: treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	342,732,000	342,732,000	
Undistributed profits	8,619,977,577	8,619,977,577	
Total owner's equity	10,205,396,031	10,205,396,031	
Total liabilities and owner's equity	11,168,022,159	11,168,022,159	

Explanation for adjustment

2) Explanation for retroactive adjustment in comparable data in prior report period owing to the implementation of new Revenue Standards and new Lease Standards since 2020

☒Available ☐Not available

During the report period, the Company implemented the new *Revenue Standards* and retroactively adjusted the previous comparative data according to the Standards, resulting in a decrease of CNY 131,429,639 in the advance receipts at the beginning of the period, an increase of CNY 116,309,415 in the contract liabilities and an increase of CNY 15,120,224 in other current liabilities.

3. Audit report

Whether the third quarter report has been audited.

☐Yes ☒No

The third quarter report has not been audited.

Yantai Changyu Pioneer Wine Co., Ltd.

Board of Directors

October 24th, 2020