



**OFFCN EDUCATION TECHNOLOGY CO., LTD.**

**Third Quarter 2020 Report**

**Stock Code: 002607**

**Stock Abbr.: OFFCN EDU**

**October, 2020**

## **Chapter I. Important Notes**

The board of directors, the supervisor committee, the directors, supervisors, and senior management of the Company shall hereby guarantee the authenticity, accuracy and completeness of this quarterly report without misrepresentations, misleading statements, or material omissions, and bear individual and joint legal liabilities.

All directors attended the board meeting approving this quarterly report.

Wang Zhendong, the Company's legal representative, Shi Lei, the responsible person in charge of accounting work, and Luo Xue, the person in charge of the accounting department, hereby declare that the financial report in this quarterly report is authentic, accurate and complete.

Note: The Company's Third Quarter 2020 Report is prepared and published in Chinese version, and the English version is for reference only. Should there be any inconsistency between the Chinese version and English version, the Chinese version shall prevail.

## Chapter II. Corporate Profile

### Sector I. Key accounting information and financial indicators

Does the Company need to adjust its financial information retrospectively or restate its accounting information of previous year?

Yes  No

	End of current reporting period	End of the previous year	Increase/decrease at the end of this reporting period over end of the previous year	
Total assets (RMB)	15,351,254,073.24	9,960,705,427.94	54.12%	
Net assets attributable to shareholders of the listed Company (RMB)	3,299,163,560.79	3,431,545,903.82	-3.86%	
	Current reporting period	Increase/decrease in current reporting period over same period of the previous year	From beginning of the year 2020 to end of this reporting period	Increase/decrease from beginning of the year 2020 to end of this reporting period over same period of the previous year
Revenue (RMB)	4,630,989,349.21	83.65%	7,438,969,829.81	20.78%
Net profit attributable to shareholders of the listed Company (RMB)	1,553,920,155.49	233.58%	1,320,893,510.33	37.76%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains or losses (RMB)	1,445,848,093.32	247.44%	1,078,305,710.49	21.35%
Net cash flow from operating activities (RMB)	2,654,154,595.86	302.28%	6,717,830,100.05	120.79%
Basic earnings per share (RMB/share)	0.25	212.50%	0.21	31.25%
Diluted earnings per share (RMB/share)	0.25	212.50%	0.21	31.25%
Weighted average return on assets	51.35%	31.05%	42.35%	8.39%

## Items and amounts of non-recurring gains or losses

 Applicable    Not applicable

Unit: RMB

Item	Amount from beginning of the year 2020 to end of the reporting period	Notes
Gains or losses on disposal of non-current assets (including the offsetting amount for the provision of impairment of assets)	162,043.59	
Government subsidies included in the current gains or losses (not including subsidies enjoyed in quota or ration according to national standards, which are closely relevant to the Company's business.)	475,756.81	
Gains or losses from entrusting others to invest or manage assets	130,365,075.07	
Non-operating income and expenses other than the above	-457,000.58	
Other items that meet the definition of non-recurring gains or losses	159,614,478.41	
Less: Influenced amount of income tax	47,572,553.46	
Total	242,587,799.84	--

Provide explanations for classifying non-recurring profit and loss items defined in the *Explanatory Announcement No. 1 for Public Company Information Disclosures - Non-recurring Gains and Losses*, and for classifying non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures - Non-recurring Gains and Losses* as recurring profit and loss items.

 Applicable    Not applicable

The Company has not classified non-recurring profit and loss items defined or listed in the *Explanatory Announcement No. 1 for Public Company Information Disclosures - Non-recurring Gains and Losses* as recurring profit and loss items in the reporting period.

## Sector II. Tables on the total number of shareholders and shares held by the top 10 shareholders at the end of the reporting period

### 1. Table on the total number of common shareholders and preferred shareholders with restored voting rights and shares held by the top 10 shareholders

Unit: share(s)

Total number of common shareholders at the end of reporting period		30,880		Total number of preferred shareholders with restored voting rights at end of the reporting period (if any)		0	
Particulars about shares held by the top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Shares held	Number of shares held with sales restrictions	Pledged or frozen		
					Status of shares	Number of shares	
Lu Zhongfang	Domestic natural person	41.36%	2,550,549,260	2,550,549,260	Pledged	450,000,000	
Li Yongxin	Domestic natural person	18.35%	1,131,415,121	1,131,415,121	Pledged	774,495,000	
Wang Zhendong	Domestic natural person	15.61%	962,471,418	962,471,418	Pledged	107,100,000	
Beijing Aerospace Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	4.33%	267,353,171	267,353,171			
Beijing Guangyin Venture Capital Center (Limited Partnership)	Domestic non-state-owned legal person	2.89%	178,235,447	178,235,447			
Beijing Kerui Technology Innovation Investment Center (Limited Partnership)	Domestic non-state-owned legal person	1.44%	89,117,723	89,117,723			

Hong Kong Securities Clearing Co.,Ltd.	Overseas legal person	1.41%	86,771,865	0		
Beijing Offcn Future Information Consulting Center (Limited Partnership)	Domestic non-state-owned legal person	1.30%	80,000,000	0		
Zhou Xiayun	Domestic natural person	1.28%	78,848,640	0	Pledged	47,148,845
Zhou Hui	Domestic natural person	1.17%	72,277,920	0	Pledged	9,450,000

## Particulars about shares held by the top 10 shareholders without sales restrictions

Name of shareholder	Number of shares without sales restrictions held	Type of shares	
		Type of shares	Number of shares
Hong Kong Securities Clearing Co.,Ltd.	86,771,865	RMB common shares	86,771,865
Beijing Offcn Future Information Consulting Center (Limited Partnership)	80,000,000	RMB common shares	80,000,000
Zhou Xiayun	78,848,640	RMB common shares	78,848,640
Zhou Hui	72,277,920	RMB common shares	72,277,920
Zhou Li	48,185,280	RMB common shares	48,185,280
China Merchants Bank Co.,Ltd.-China Universal Asset Management Mid-Capitalization Active Growth Hybrid Securities Investment Fund	10,742,427	RMB common shares	10,742,427
Agricultural Bank of China Co.,Ltd.-BOCOM Schroders Growth Hybrid Securities Investment Fund	10,163,856	RMB common shares	10,163,856
China Construction Bank	9,235,717	RMB common	9,235,717

Co.,Ltd.-Huatai Pinebridge Prosperity Optimal Hybrid Securities Investment Fund		shares	
China CITIC Band Co.,Ltd.-BOCOM Schroders New Vitality Flexible Allocation Hybrid Securities Investment Fund	8,493,732	RMB common shares	8,493,732
China Construction Bank Co.,Ltd.-BOCOM Schroders Blue Chip Hybrid Securities Investment Fund	8,028,102	RMB common shares	8,028,102
Description of the relationship or concerted action among the above mentioned shareholders	The Company's controlling shareholder and actual controller Lu Zhongfang and Li Yongxin are in a parent-child relationship. Lu Zhongfang, Li Yongxin, and Beijing Offcn Future Information Consulting Center (Limited Partnership) constitute persons acting in concert. Zhou Xiayun and Zhou Hui have a father-son relationship. Zhou Xiayun and Zhou Li have a father-daughter relationship. It is unknown whether there is an associated relationship among the above-mentioned other shareholders, nor whether the above-mentioned shareholders belong to the parties acting in concert as stipulated in the <i>Administrative Measures on Information Disclosure of Shareholding Changes in Listed Companies</i> .		
Description of the top 10 shareholders participating in the margin trading (if any)	None		

Whether the Company's top 10 common shareholders and top 10 common shareholders without sales restrictions conducted agreed repurchase transactions during the reporting period?

Yes  No

The Company's top 10 common shareholders and top 10 common shareholders without sales restrictions did not conduct agreed repurchase transactions during the reporting period.

**2. Table on the total number of preferred shareholders and shares held by the top 10 preferred shareholders**

Applicable  Not Applicable

## Chapter III. Significant Events

### Section I. Cases and reasons of main financial data and indicators fluctuation during the reporting period

√ Applicable   □ Not Applicable

Balance Sheet	September 30, 2020	December 31, 2019	Growth	Statements
Cash and cash equivalents	5,069,423,730.49	2,724,335,001.58	86.08%	The main reason for the growth is the recruitment examinations have been fully resumed and the marketing and enrollment of the Company have returned to the normal level. The revenue therefore has been increased.
Financial assets held for trading	4,123,307,227.54	1,754,396,227.54	135.03%	It is mainly due to the increased revenue of training business in this reporting period and the increased purchase of financial products.
Accounts receivable	20,252,907.35	2,721,638.09	644.14%	It is mainly due to the increase of rents from retained assets in the major asset restructuring in the current period.
Prepayments	5,734,527.16	2,461,009.00	133.02%	It is mainly due to the increased prepayments for the employees' business travel air tickets to the travel agency.
Non-current assets due within one year	1,959,426,969.04	0.00	100.00%	The reason for the growth is that the fixed deposit due within one year is listed under "non-current assets due within one year" item based on the liquidity of assets.
Other current assets	179,404,189.50	97,336,600.16	84.31%	It is mainly due to the increased prepayments for rent and property management in the current period.
Debt investments	20,000,000.00	1,923,598,909.09	-98.96%	The reason for the growth is that the fixed deposit due within one year is listed under "non-current assets due within one year" item based on the liquidity of assets.
Deferred tax assets	11,310,880.26	21,482,832.13	-47.35%	The main reason is that the accrual of the employees' remuneration in the previous year is paid in the current period.
Other non-current assets	500,359,990.69	325,967,628.34	53.50%	It is mainly due to the prepayments for the decoration of branches and training centers in the current period.
Accounts payable	124,596,162.88	236,481,990.86	-47.31%	It is mainly due to the settlement and payment of the initial payables in the current period.
Receipts in advance	0.00	2,634,276,203.88	-100.00%	The reason is that "receipts in advance"

				carried over within one year are listed under “Contract liabilities” and “Other current liabilities” item according to the new criteria of revenue in the current period.
Contract liabilities	7,410,923,947.05	0.00	100.00%	It is mainly due to the “receipts in advance” carried over within one year after tax deduction is listed under “Contract liabilities” item according to the new criteria of revenue in the current period.
Employee benefits payable	602,771,357.67	411,475,636.03	46.49%	It is mainly due to the expansion of business scale and increase in personnel costs.
Taxes payable	253,433,295.83	184,306,027.84	37.51%	It is mainly due to the increase of income tax of the Company in the third quarter from the beginning of the period.
Other current liabilities	222,327,718.41	0.00	100.00%	The reason is that the pending output tax in the “receipts in advance” carried over within one year is adjusted to be listed under “Other current liabilities” item according to the new criteria of revenue in the current period.
<b>Income Statement</b>	<b>January-September 2020</b>	<b>January-September 2019</b>	<b>Growth</b>	<b>Statements</b>
Taxes and surcharges	9,832,926.10	43,197,122.47	-77.24%	It is mainly due to the tax reduction and exemption during the pandemic.
Financial expenses	346,754,421.65	65,332,528.30	430.75%	It is mainly due to the increased receivables and commissions in the current period.
Other income	221,416,613.84	500,478.07	44141.02%	It is mainly due to the reduction and exemption of value-added tax enjoyed by the Company during the pandemic.
Investment income	187,595,273.90	126,753,395.24	48.00%	The main reason is that the interest income from fixed deposit is adjusted from being included in “financial expenses” to be included in “investment income” based on the new accounting standards of financial instruments.
Income tax expenses	261,121,317.06	189,559,243.49	37.75%	It is mainly due to the increase of taxable profits.
<b>Cash Flow Statement</b>	<b>January-September 2020</b>	<b>January-September 2019</b>	<b>Growth</b>	<b>Statements</b>
Cash receipts from the sale of goods and the rendering of services	12,630,977,793.14	8,330,180,757.44	51.63%	It is mainly due to the increase of training fees received in advance in the current period.
Other cash receipts related to operating	246,310,360.72	2,290,953.16	10651.44%	It is mainly due to the resumption of land auction deposit in the current period.

activities				
Cash paid to and for employees	3,833,750,101.55	2,877,043,972.46	33.25%	It is mainly due to the increased number of the the Company's employee, thus increasing the payment for the employees' remuneration.
Cash paid for all types of taxes	200,151,843.84	424,466,382.02	-52.85%	It is mainly due to the tax reduction and exemption during the pandemic.
Cash receipts from disposals and recovery of investments	25,895,487,090.00	18,199,290,000.00	42.29%	It is mainly due to the redemption of financial products in the current period.
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	897,559,659.37	516,034,598.11	73.93%	It is mainly due to the acquisition of Guancheng training center in Shaanxi province, the prepayments for cooperative construction funds to Shenfu training center of Liaoning Offcn, and the payments for construction in progress, decoration and etc in the current period.
Cash paid for investment	28,265,198,090.00	19,445,620,000.00	45.36%	It is mainly due to the Company's optimized fund management and the increased purchase of financial products in the current period.
Cash from borrowings	3,002,000,000.00	986,698,800.00	204.25%	It is mainly due to the increased borrowings from the bank in the current period.
Cash paid for debt repayment	2,641,000,000.00	496698800	431.71%	It is mainly due to the repayment of bank loans due in the current period.

## Section II. Progress of significant events, their impact and analysis on the solutions

Applicable ✓ Not applicable

Progress in the implementation of share repurchase

Applicable ✓ Not applicable

Progress in the implementation of centralized bidding to reduce holdings of repurchased shares

Applicable ✓ Not applicable

## Section III. Commitments in implementation by the Company's actual controller, shareholders, related parties, acquirer and the Company itself, etc. during the reporting period

✓ Applicable Not applicable

The important commitments made by the major asset restructuring parties are as follows:

Commitment	Type of commitment	Content of commitment	Date of commitment	Period of commitment	Performance
Lu Zhongfang, Li Yongxin, Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhi'an	Performance commitment and compensation arrangement	<p>1. The profit forecast and compensation periods are the years of 2018, 2019 and 2020.</p> <p>2. Performance commitment: The compensation obligors confirm and promise that the net profits attributable to the shareholders of the parent company after deducting non-recurring gains and losses under the consolidated statements of Offcn Ltd. shall not be less than 930 million RMB, 1.3 billion RMB and 1.65 billion RMB in years of 2018, 2019 and 2020 respectively.</p> <p>3. The parties agree that the certified public accountants employed by Yaxia Auto shall review the actual net profits of Offcn Ltd. after the end of each of the three fiscal years. The difference between the actual net profits of Offcn Ltd. and the net profits committed by the compensation obligors shall be reviewed and a special audit report shall be issued. At the end of the third fiscal year, an auditing agency with qualifications for executing securities and futures engaged by Yaxia Auto will conduct an impairment test on Offcn Ltd. and issue an impairment test report, within 90 days after the certified public accountant issues a special audit report.</p> <p>4. Compensation measures:</p> <p>(1) If the certified public accountant confirms that the actual net profits accumulated by Offcn Ltd. fails to meet the aggregate committed net profits as of the end of each of three fiscal years, each compensation obligor shall assume the compensation obligation according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction. All compensation obligors are given priority to conduct compensation with shares. When the total amount of share compensation reaches 90% of the total number of shares issued for purchasing assets, all compensation obligors shall conduct compensation in cash. The formula for calculating the amount of compensation payable by the obligors in the current period is as follows: compensation amount for the current period = (aggregate committed net profits as of the end of the current period - accumulated net profits as of the end of the current period) ÷ the sum of committed net profits of years within the compensation period × the price of Offcn Ltd. in this transaction - aggregate compensated amount.</p> <p>In the application of the above formula, it should be as follows: ① "As of the end of the current period" refers to the period starting from 2018 and ending at the end of the current period; ② "the sum of committed net profits" refers to the sum of committed net profits in 2018, 2019 and 2020, that is RMB 3.88 billion. Number of shares to be compensated by the obligor in the current period = Obligor's compensation amount ÷ the issue price per share of the shares issued for purchasing assets. When the number of</p>	May 4, 2018	Years of 2018, 2019, 2020	Performance commitments of the year 2018 and 2019 have been fulfilled.

	<p>shares for compensation is not a whole number, it shall be handled in accordance with the rounding principle.</p> <p>(2) The upper limit of the compensation obligor in the compensation commitments and end-of-period impairment compensation of Offcn Ltd. shall not exceed the total transaction consideration obtained by all shareholders in this transaction. When the calculated compensable amount is less than or equal to 0, the value is taken as 0, that is, the amount or the shares that have been compensated are not redeemed.</p> <p>(3) If Yaxia Auto implements ex-rights and ex-dividends, such as bonus shares, the capitalization of the capital reserve to share capital, or allotment within the period of profit compensation, the number of shares to be compensated shall be adjusted accordingly as follows: the number of shares to be compensated by the obligor (after adjustment) = the number of shares to be compensated by the obligor <math>\times</math> (1 + the proportion of bonus shares or transferred capital stock).</p> <p>(4) If Yaxia Auto implements cash dividends during the period of profit compensation, the cash dividends shall be returned accordingly. The calculation formula is: repayment amount of the compensation obligor = total cash distribution received by the compensation obligor (before tax) <math>\div</math> the number of shares obtained by the compensation obligor in this transaction (including shares acquired in this transaction and shares newly added by bonus shares and transfer of capital stock) <math>\times</math> the number of obligor's compensation shares.</p> <p>5. Impairment test and compensation after the performance commitment period expires:</p> <p>(1) At the end of the performance commitment period, the auditing agency with qualifications for executing securities and futures engaged by Yaxia Auto will perform an impairment test on exchange-in assets in this transaction (i.e. 100% of the shares of Offcn Ltd.) and issue an <i>Impairment Test Report</i>.</p> <p>(2) If the amount of exchange-in assets impairment at the end of the period &gt; the total number of compensated shares <math>\times</math> the issue price + the amount of compensated cash, each compensation obligor shall compensate Yaxia Auto separately according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction. The calculation formula is: the amount to be compensated for the impairment of the exchange-in assets = the amount of impairment of exchange-in assets at the end of the period – the total compensated amount in the commitment year(s). In any situations, the total amount of the compensation for exchange-in assets impairment and the compensation for performance commitment shall not exceed the total amount of this transaction's consideration received by all the shareholders of Offcn Ltd.</p> <p>(3) The aforementioned amount of impairment is the consideration of exchange-in assets minus the estimated value</p>			
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	<p>of exchange-in assets at the end of the period, deducting the effects of capital injection, capital reduction, gift acceptance and profit distribution of the shareholders during compensation period.</p> <p>6. Implementation of compensation:</p> <p>(1) If the compensation obligor is required to compensate Yaxia Auto because the net profits generated by exchange-in assets are lower than its commitment, Yaxia Auto shall convene a board meeting within 30 working days after the special audit report or impairment test report is issued by the accounting firm, and shall determine the number of shares or cash amount to be compensated by each compensation obligor in accordance with the "<i>Profit Forecast Compensation Agreement</i>". The board of directors shall convene a general meeting of shareholders to consider the repurchase and/or cancellation of compensated shares for the current period.</p> <p>(2) Based on the terms and conditions of the agreement, each compensation obligor will compensate Yaxia Auto in the following order: each compensation obligor shall perform the compensation obligation according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction.</p> <p>① Firstly, all compensation obligors shall compensate the listed Company with Yaxia Auto shares obtained in this transaction according to the proportion of the shares to the total shares of Offcn Ltd. held by all the compensation obligors before the transaction. If the aforementioned shares are insufficient for compensation, each compensation obligor shall make compensation by purchasing Yaxia Auto shares from the secondary market or by other legal means. In order to avoid ambiguity, the compensation obligors shall not bear joint liability for the above compensation obligations.</p> <p>② Yaxia Auto shall notify all compensation obligors in writing within 5 working days after the date of announcement of resolution by the shareholders' meeting. All compensation obligors shall transfer their compensation shares of the current year to the designated account set up by the board of directors of Yaxia Auto at a total price of RMB 1.00 within 5 working days after receiving the aforementioned notice, and cancel the repurchase of aforementioned shares in accordance with relevant laws and regulations. (If there are changes in relevant laws and regulations and/or in regulations of relevant authorities at that time, the cancellation shall be completed in accordance with the relevant regulations at that time)</p> <p>③ From the date on which the number of compensation shares of each compensation obligor is determined until the cancellation of these shares, these shares are with no voting rights or rights for dividend distribution.</p> <p>④ If the compensation obligor needs to compensate Yaxia Auto in cash in accordance with the stipulations of the <i>Profit Forecast Compensation Agreement</i>, each compensation</p>			
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		<p>obligor shall pay the compensation amount to Yaxia Auto within the period specified in the notice. In case of overdue payment, the compensation obligor shall pay the late payment interest to Yaxia Auto on the overdue portion at daily interest rate of 5 ‰ , with the continuity of obligation of compensation.</p>			
<p>Yaxia Industry, Zhou Xiayun, Zhou Hui, Zhou Li, Phase-I employee stock ownership plan</p>	<p>Letter of commitment on lock-up period</p>	<p>After the completion of the transaction (starting from the date of the listing of shares issued in this transaction), the Company/I/the plan shall not transfer the shares with rights of Yaxia Auto within 36 months .</p> <p>After the completion of the transaction, the shares held by the Company/I/the plan, derived from Yaxia Auto shares due to the distribution of stock dividends and/or the transfer of the capital reserve to share capital by Yaxia Auto, shall also comply with the above-mentioned sales restrictions.</p> <p>If the China Securities Regulatory Commission and/or Shenzhen Stock Exchange have/has other provisions for the aforementioned lock-up period arrangement, the Company/I/the plan will adjust and implement the aforementioned lock-up period according to the latest regulations of the China Securities Regulatory Commission and/or Shenzhen Stock Exchange.</p> <p>If violating the above commitments, the Company/I/the plan will bear all losses caused to Yaxia Auto.</p>	<p>May 4, 2018</p>	<p>January 31, 2022</p>	<p>Under normal implementation</p>
<p>Li Yongxin</p>	<p>Letter of Commitment on lock-up period for subscription of shares</p>	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If ex-rights or ex-dividend events, such as dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the aforementioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. As the transferee of 72,696,561 Yaxia Auto shares held by Anhui Yaxia Industry Co., Ltd., I shall not transfer the aforementioned shares within 36 months from the date of registration in my securities account.</p> <p>3. The aforesaid arrangement of share lock-up does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed Company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>4. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of</p>	<p>April 27, 2018</p>	<p>January 31, 2022</p>	<p>Under normal implementation</p>

		<p>misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>5. After the completion date of this transaction, my increased shares due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>6. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>7. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Lu Zhongfang	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of the listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired by myself shall be automatically extended for 6 months. (If ex-rights or ex-dividend events, such as dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the aforementioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The aforesaid share lock-up arrangement does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed Company has the right to relieve the lock-up of shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion date of this transaction, my increased shares due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory</p>	April 27, 2018	January 31, 2022	Under normal implementation

		<p>requirements of the securities regulatory institution, I agree to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Kerui Technology Innovation	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by the enterprise in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the stock is lower than the issue price, the lock-up period of consideration shares acquired in this transaction shall be automatically extended for 6 months. (If ex-rights or ex-dividend events, such as dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the aforementioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion date of this transaction, the shares that the enterprise owns increased due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>	July 27, 2018	January 31, 2022	Under normal Implementation
Aerospace Industry, Guangyin Venture	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by the enterprise in this transaction shall not be transferred or dealt with in any other forms within 36 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the stock is lower than the issue price, the</p>	July 27, 2018	January 31, 2021	Under normal Implementation

		<p>lock-up period of consideration shares acquired in this transaction shall be automatically extended for 6 months. (If ex-rights or ex-dividend events, such as dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the aforementioned period, the aforementioned issue price shall be calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>2. The enterprise promises to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>3. After the completion date of this transaction, the shares that the enterprise owns increased due to bonus shares and transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>4. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, the enterprise agrees to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>5. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Wang Zhendong, Guo Shihong, Liu Bin, Zhang Yongsheng, Yang Shaofeng, Zhang Zhi'an	Letter of commitment on lock-up period for subscription of shares	<p>1. The shares of the listed Company subscribed by myself in this transaction shall not be transferred or dealt with in any other forms within 24 months from the date of listing of the shares. Within 6 months after the listing of the shares, if the closing price of the listed Company stock is lower than the issue price for consecutive 20 trading days, or the closing price of the stock at the end of the 6 months after the listing of the shares is lower than the issue price, the lock-up period of consideration shares acquired in this transaction by myself is automatically extended for 6 months. (If dividend distribution, bonus shares, transfer of capital stock, or allotment to the listed Company occurred during the above period, the aforementioned issuance price is calculated based on the price adjusted by factors as ex-dividend and ex-rights, etc.)</p> <p>If Offcn Ltd. fails to meet the committed net profits as stipulated in the Profit Forecast Compensation Agreement in either 2018 or 2019, the lock-up period of the shares of the listed Company I obtained in this transaction will be extended to 36 months. At the expiration of 36 months from the date when the aforementioned shares are registered to my securities account, if the performance compensation obligations under the Profit Forecast Compensation Agreement have not been fulfilled, the above lock-up period</p>	July 27, 2018	January 31, 2021	Under normal Implementation

		<p>will be extended to the date when the compensation obligations are fulfilled.</p> <p>2. The aforesaid share lock-up arrangement does not affect the implementation of profit compensation for this transaction, that is, when I need to make profit compensation, the listed Company has the right to relieve the shares in corresponding amount in advance for profit compensation.</p> <p>3. I promise to abide by the following provision: if the transaction is investigated by judiciary authorities or the China Securities Regulatory Commission on suspicion of misrepresentations, misleading statements, or material omissions in regard to the information provided or disclosed, the shares of the listed Company acquired in this transaction shall not be transferred until the conclusion of the investigation is clarified.</p> <p>4. After the completion date of this transaction, my increased shares due to bonus shares and/or transfer of capital stock of the listed Company shall also comply with the foregoing requirements.</p> <p>5. If the aforementioned lock-up period arrangement does not match the latest laws and regulations and the latest regulatory requirements of the securities regulatory institution, I agree to implement the latest laws and regulations and the requirements of the regulatory agency.</p> <p>6. After the lock-up period expires, it will be implemented in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.</p>			
Offcn Partnership	Letter of commitment on the lock-up of shares	<p>Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Auto held by Anhui Yaxia Industry Co., Ltd. to the enterprise, the shares shall not be transferred. The lock-up period of the shares increased during the above period due to bonus shares, transfer of capital stock or allotment of shares by Yaxia Auto, shall also comply with the foregoing requirements.</p> <p>If the enterprise violates commitments listed above, it will bear all losses caused to Yaxia Auto.</p>	April 27, 2018	January 31, 2022	Under normal Implementation
Li Yongxin and other 10 counterparties	Letter of commitment on the lock-up of Offcn Partnership's contribution shares	<p>Within 36 months from the date of the transfer of 80,000,000 shares of Yaxia Auto held by Anhui Yaxia Industry Co.,Ltd. to Beijing Offcn Future Information Consulting Center (Limited Partnership), I or the enterprise shall not in any way transfer the shares of Beijing Offcn Future Information Consulting Center (Limited Partnership) or withdraw from the partnership with Beijing Offcn Future Information Consulting Center (Limited Partnership), nor do we transfer, assign or authorize other entities in any way to fully or partially have the rights and interests indirectly related to the shares of Yaxia Auto held by Beijing Offcn Future Information Consulting Center (Limited Partnership).</p>	July 27, 2018	January 31, 2022	Under normal Implementation
Li Yongxin Lu Zhongfang	Letter of commitment	1. Guarantee the independence of the listed Company ' s personnel	April 27, 2018	Long-term	Under normal

<p>Wang Zhendong Offcn Partnership</p>	<p>ent on maintaini ng independ ence of the listed Company</p>	<p>(1) It is guaranteed that after the completion of transaction, the labor, personnel and salary management of the listed Company shall be completely independent from myself/Offcn Partnership, and from other related parties, such as companies, enterprises or economic organizations, controlled by myself/Offcn Partnership.</p> <p>(2) It is guaranteed that after the completion of transaction, senior executives shall work as full-time employees and receive remuneration in the listed Company. They shall not hold any positions other than directors or supervisors in other companies, enterprises, or economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of transaction, the official powers of the shareholders' meeting and board of directors on personnel appointments and dismissals shall not be interfered.</p> <p>2. Guarantee the independence of institutes of the listed Company</p> <p>(1) It is guaranteed that after the completion of transaction, the listed Company shall build a sound structure of corporate governance and develop an independent and complete organizational structure.</p> <p>(2) It is guaranteed that after the completion of transaction, the shareholders' meeting, the board of directors, and the supervisor committee shall independently exercise their powers in accordance with laws, regulations and the Company's articles.</p> <p>3. Guarantee the independence and completeness of the assets of the listed Company.</p> <p>(1) It is guaranteed that after the transaction, the listed Company shall have independent and complete assets related to production and operation.</p> <p>(2) It is guaranteed that after the completion of transaction, the business premises of the listed Company shall be independent from myself/Offcn Partnership, and other related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of transaction, except for normal business dealings, there shall be no capital and/or assets of the listed Company occupied by myself/Offcn Partnership, and other related parties, such as companies, enterprises or economic organizations, controlled by myself or Offcn Partnership.</p> <p>4. Guarantee the independence of the listed Company's business.</p> <p>(1) It is guaranteed that after the completion of transaction, the listed Company shall have the qualifications of independently conducting business activities and the capabilities of running market-oriented, independent, autonomous, sustainable business.</p> <p>(2) It is guaranteed that after the completion of transaction, I/Offcn Partnership, or other related parties, such as companies, enterprises, or other economic organization</p>			<p>implement ation</p>
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		<p>controlled by myself/Offcn Partnership shall avoid businesses which have a competitive relationship with the listed Company and its subsidiaries.</p> <p>(3) It is guaranteed that after the completion of transaction, I/Offcn Partnership, or related parties, such as companies, enterprises, or other economic organizations controlled by myself/Offcn Partnership shall reduce related-party transactions with the listed Company and its subsidiaries. Related-party transactions that are really necessary and unavoidable shall be conducted in a market-oriented and fair way and perform relevant approval processes and information disclosure obligations in accordance with relevant laws, regulations and regulatory documents.</p> <p>5. Guarantee the financial independence of the listed Company.</p> <p>(1) It is guaranteed that after the completion of transaction, the listed Company shall establish an independent financial department with independent financial accounting systems and standardized and independent financial accounting rules.</p> <p>(2) It is guaranteed that after the completion of transaction, the listed Company shall open bank accounts independently and shall not share bank accounts with myself/Offcn Partnership/other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership.</p> <p>(3) It is guaranteed that after the completion of transaction, financial personnel hired by the listed Company shall not hold part-time positions in other related parties, such as companies, enterprises or other economic organizations controlled by myself or Offcn Partnership.</p> <p>(4) It is guaranteed that after the completion of transaction, the listed Company can make financial decisions independently. I/Offcn Partnership shall not interfere with the use of funds by the listed Company.</p> <p>(5) It is guaranteed that after the completion of transaction, the listed Company will pay taxes independently according to laws.</p> <p>I/Offcn Partnership shall be liable for all losses caused to the listed Company and its subsidiaries due to my/Offcn Partnership's failure in fulfilling the above commitments.</p>			
Li Yongxin, Lu Zhongfang	Letter of Commitment on avoiding horizontal competition	1. As of the date of signing this commitment letter, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself, and my close relatives, except for Beijing Offcn Online Education Technology Co., Ltd. (hereinafter referred to as Offcn Online), controlled by my relatives Xuhua and Lu Yan, and its affiliated schools which are involved in the same or similar businesses conducted by Offcn Ltd., other related parties are not involved in any same, similar or related businesses conducted by the listed Company, Offcn Ltd. and its affiliated companies and schools.. Except for serving as a director in Kunming Wuhua Offcn training school, which is affiliated to	September 20, 2018	1.The transfer of Kairuier Training School in Haidian District of Beijing: within 24 months from the	As of the end of the reporting period, Kairuier Training School in Haidian District of Beijing had been transferred

	<p>Offcn Online, Li Yongxin neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises, which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I also hold directly or indirectly no stock rights(shares) of companies or enterprises conducting the same, similar or related businesses as the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. As of the date of signing this commitment letter, Offcn Online and its two affiliated training schools' disposals are as follow: Offcn Online conducts no education businesses (to be canceled after affiliated schools transferred). Kairuier Training School in Haidian District of Beijing is to be transferred to an unrelated third party and the transfer agreement of owner's equity has been signed. If the transfer is not completed within 24 months since the date of signing this commitment letter, I will urge Offcn Online to cancel the Kairuier Training School in Haidian District of Beijing. Kunming Wuhua Offcn Training School, associated with Offcn Online, has been closed and it will be transferred to an unrelated third party or will be canceled within 12 months after the revised <i>Regulations for the Implementation of the Law on the Promotion of Private Education of the People's Republic of China</i> (hereinafter referred to as <i>Regulations of Implementation</i>) is officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised <i>Regulations of Implementation</i> come into effect.</p> <p>3. As of the date of signing this commitment letter, Offcn Ltd. as the organizer intends to transfer its 100% of the rights of 33 private schools for non-academic qualifications to Li Yongxin, and it has signed the <i>Agreement on Transfer of Rights of Private Schools for Non-Academic Qualifications Affiliated to Beijing Offcn Education Technology Co., Ltd.</i> Li Yongxin is willing to entrust the transferred 33 private schools for non-academic qualifications to Offcn Ltd. and has signed the <i>Trusteeship Agreement of Private Schools for Non-academic Qualifications</i>.</p> <p>4. After the completion of transaction, except for the above-mentioned cases, I promise that during the time of being the actual controller of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and/or aboard) engage in the same, similar, related or competitive businesses with the listed Company, which include the follows:</p> <p>(1) I will not directly or indirectly operate, participate in or assist others to conduct same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies.</p>		<p>date of the signing of this letter of commitment</p> <p>2. The transfer of Kunming Wuhua Offcn Training School : within 12 months after the revised Regulations of Implementation officially promulgated and implemented and supporting regulations formulated by relevant local education authorities in accordance with the revised Regulations of Implementation come into effect.</p>	<p>to an unrelated third party. Other commitments are under normal implementation.</p>
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		<p>(2) I will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates.</p> <p>(3) I will not be hired by any competitors that directly or indirectly compete with the listed Company and its affiliates, nor provide any advice, assistance or business opportunities directly or indirectly to such competitors.</p> <p>(4) I will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates.</p> <p>(5) I will not urge others to hire employees or management personnel from the listed Company and its affiliates.</p> <p>5. I promise that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives obtain any business opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I will notify the listed Company and its affiliates in writing within 5 working days. After obtaining the third party 's promise, I will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>6. I guarantee that I will never use my knowledge about and the information I 'm aware of the listed Company and its affiliates to assist any third party to engage, participate, or invest in businesses or projects that compete with the listed Company and its affiliates.</p> <p>7. If I violate the above commitments, the benefits obtained by the violation of commitments shall belong to the listed Company and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the writing notice from the listed Company, compensation will be made in cash.</p> <p>8. I will disclose relevant information in a timely manner if commitments fail to be fulfilled or fail to be fulfilled on schedule because of objective reasons, such as changes in relevant laws, regulations and policies, or natural disasters. Except for the above-mentioned objective reasons, if the commitments is anyhow unable to be fulfilled or fulfilling the commitments is not conducive to safeguarding the rights and interests of the listed Company, I should fully disclose the reasons and either provide a new commitment to the listed Company and related investors to replace the original one, or propose an exemption from fulfilling the commitment.</p> <p>9. The commitment is valid from the date on which the letter of commitment is signed to the time when I cease to be the actual controller of the listed Company.</p>			
Wang Zhendong, Offcn	Letter of Commitment on	1. As of the date of signing this letter of commitment, I, my close relatives, or related parties such as companies, enterprises or other economic organizations controlled by	April 27, 2018	Long-term	Under normal implement

Partnership	avoiding horizontal competition	<p>myself and my close relatives / Offcn Partnership and its related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, participate in no businesses which are the same, similar or related to businesses competing with the listed Company, Offcn Ltd. and their affiliated companies or schools. Except for serving as a director at Kairuier Training School in Haidian District of Beijing affiliated to Offcn Online ( Offcn Online tends to transfer the rights of Kairuier Training School to an unrelated third party and after this transfer, Wang Zhendong will no longer hold the post as a director), I neither holds any full-time or part-time positions nor provides consultancy at any companies or enterprises which conducts competitive businesses with the listed Company, Offcn Ltd. and their affiliates. I also hold directly or indirectly no stock rights(shares) of companies or enterprises conducting the same, similar or related businesses as the listed Company, Offcn Ltd. and its affiliates.</p> <p>2. After the completion of transaction, except for the above-mentioned cases, I/Offcn Partnership promise(s) that during the time of being the actual controller of the listed Company, I, my close relatives and other related parties, such as companies, enterprises or other economic organizations, controlled by myself and my close relatives / Offcn Partnership and its related parties, such as other enterprises or economic organizations controlled by Offcn Partnership, shall not in any way (including but not limited to self operated or with other parties to operate joint venture, cooperation, joint operation, investment, mergence, and trustee operation home and/or aboard) engage in the same, similar, related or competitive businesses with the listed Company, which include the follows:</p> <p>(1) I/Offcn Partnership will not directly or indirectly operate, participate in or assist others to conduct same, similar businesses or other economic activities which directly or indirectly constitute a competitive relationship with businesses currently operated by the listed Company and its affiliated companies.</p> <p>(2) I/Offcn Partnership will not directly or indirectly invest on any economic entities whose businesses constitute a direct or indirect competitive relationship with the listed Company and its affiliates.</p> <p>(3) I will not be hired by any competitors that directly or indirectly compete with the listed Company and its affiliates, nor provide any advice, assistance or business opportunities directly or indirectly to such competitors.</p> <p>(4) I/Offcn Partnership will not instigate, mislead, encourage or otherwise induce, persuade, or coerce the employees or management personnel in the listed Company and its affiliates to terminate their labor or employment relationship with the Company and its affiliates.</p> <p>(5) I/Offcn Partnership will not urge others to hire employees</p>			ation
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		<p>or management personnel from the listed Company and its affiliates.</p> <p>3. I/Offcn Partnership promise(s) that if I, my close relatives and other related parties, such as companies, enterprises or other economic organizations controlled by myself and my close relatives / Offcn Partnership and its related parties, such as other enterprises or economic organizations controlled by Offcn Partnership obtain any business opportunities from any third party, which can or may compete with the listed Company and its affiliates in the future, I/Offcn Partnership will notify the listed Company and its affiliates in writing within 5 working days. After obtaining the third party's promise, I/Offcn Partnership will attempt to transfer these business opportunities to the listed Company and its affiliates.</p> <p>4. I/Offcn Partnership guarantee(s) that I/Offcn Partnership will never use my knowledge about and the information I'm aware of the listed Company and its affiliates to assist any third party to engage, participate, or invest in businesses or projects that compete with the listed Company and its affiliates.</p> <p>If I/Offcn Partnership fail(s) to fulfill the above-mentioned commitments, I/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates.</p>			
Li Yongxin, Lu Zhongfang	Letter of Commitment on reducing and regulating related-party transactions	<p>1. After the transaction is completed, during the time of being the actual controller of the listed Company, I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives will try to avoid and reduce the related-party transactions with the listed Company and its affiliates; unless it is necessary for the business development of the listed Company, any related-party transactions with the listed Company and its affiliates will not be conducted.</p> <p>2. After the transaction is completed, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, I, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, will sign related-party transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or its directors, supervisors and senior executives to make the listed Company provide or</p>	July 27, 2018	Long-term	Under normal implementation

		<p>accept funds, commodities, services or other assets under unequal conditions or engage in any behaviors that would damage the interests of the listed Company.</p> <p>4. I will urge my close relatives and other companies, enterprises or other economic organizations controlled by myself and my close relatives to abide by the aforementioned commitments.</p> <p>5. If I, my close relatives and other companies, enterprises or other economic organizations controlled by myself and my close relatives violate the above commitments, the profits obtained by the violation of commitments shall belong to the listed Company, and I shall be liable for all losses caused to the listed Company and its affiliates. Within 30 working days since receiving the written notice from the listed Company, compensation will be made in cash.</p> <p>6. The commitments are valid from the date on which the letter of commitment is signed to the time when I cease to be the actual controller of Yaxia Auto and there is no other related relationship with Yaxia Auto.</p>			
Wang Zhendong, Aerospace Industry, Offcn Partnership	Letter of Commitment on reducing and regulating related-party transactions	<p>1. After the completion of transaction, during the period of being the actual controller/shareholder, I, my close relatives and other companies, enterprises or other economic organizations controlled by myself, my close relatives, Aerospace Industry or Offcn Partnership, will try to avoid and reduce the related-party transactions with the listed Company and its affiliates.</p> <p>2. After the completion of transaction, for the related-party transactions which are unavoidable or reasonable to happen with the listed Company and its affiliates, myself, my close relatives and other companies, enterprises or economic organizations controlled by myself and my close relatives, Aerospace Industry or Offcn Partnership, will sign related-party transaction agreements with the listed Company and its affiliates in accordance with the relevant laws, regulations and regulatory documents and follow the general business principles of equality, willingness, equivalence and paid-use. The prices of related-party transactions shall be fair. Decision-making procedures, lawful information disclosure obligations and relevant reporting and approval procedures regarding the related-party transactions, shall be followed. The status of shareholders shall not be used to damage the legitimate rights and interests of the listed Company and other shareholders.</p> <p>3. After the completion of the transaction, I/Aerospace Industry/Offcn Partnership will not use the shareholders' rights of the listed Company to manipulate or instruct the listed Company or the directors, supervisors and senior executives of the listed Company to make the listed Company provide or accept funds, commodities, services or other assets in different forms under unequal conditions or engage in any behaviors that would damage the interests of the listed Company.</p>	April 27, 2018	Long-term	Under normal implementation

		I/Aerospace Industry/Offcn Partnership shall be liable for all losses caused to the listed Company and its affiliates due to my/Aerospace Industry ' s/Offcn Partnership ' s failures in fulfilling the aforementioned commitments.			
Whether the commitments are fulfilled on schedule	Yes				

## Section IV. Financial assets investment

### 1. Securities investment

Applicable  Not applicable

There was no securities investment during the reporting period.

### 2. Derivatives investment

Applicable  Not applicable

There was no derivatives investment during the reporting period.

## Section V. Progress of the funded investment project(s)

Applicable  Not applicable

## Section VI. Prediction on annual business performance of the year 2020

Alarm and explanations on that the cumulative net profit from the beginning of the year to the end of the next reporting period may be a loss or have a significant change compared with the same period of last year.

Applicable  Not applicable

## Section VII. Significant contracts of daily operations

Applicable  Not applicable

## Section VIII. Entrusted financing

Applicable  Not applicable

Unit: 10 thousands RMB

Type	Source of entrusted financing	Amount of entrusted financing	Unexpired balance	Amount not recovered after the due date
Bank financial products	Self-owned fund	730,064.8	395,326.1	0
Brokerage financial products	Self-owned fund	8,000	0	0
Trust financial	Self-owned fund	519,953	27,000	0

products				
Total		1,258,017.8	422,326.1	0

Particulars of high-risk entrusted financial management with a large single amount, low security, poor liquidity or no capital protection

Applicable  Not applicable

Entrusted financing is overdue and the principal cannot be recovered or there are other cases that may cause impairments.

Applicable  Not applicable

### **Section IX. External guarantee violating regulations**

Applicable  Not applicable

There was no external guarantee violating regulations during the reporting period of the Company.

### **Section X. Capital of the listed Company used for non-operational purposes by the controlling shareholders or their related parties**

Applicable  Not applicable

There was no occupation of the Company's capital by the controlling shareholders or their related parties for non-operating purposes during the reporting period of the Company.

### **Section XI. Registration form(s) of activities including reception of research, communication or interviews during the reporting period**

Applicable  Not applicable

There was no reception of research, communication or interviews during the reporting period of the Company.

## Chapter IV. Financial Statements

### Section I. Financial statements

#### 1. Consolidated balance sheet

Company: Offcn Education Technology Co., Ltd.

September 30, 2020

Unit: RMB

Item	September 30, 2020	December 31, 2019
Current Assets:		
Cash and cash equivalents	5,069,423,730.49	2,724,335,001.58
Settlement reserve		
Due from banks and other financial institutions		
Financial assets held for trading	4,123,307,227.54	1,754,396,227.54
Derivative Financial assets		
Notes Receivable		
Accounts Receivable	20,252,907.35	2,721,638.09
Financing receivables		
Prepayments	5,734,527.16	2,461,009.00
Premium receivable		
Reinsurance premium receivable		
Reserve receivable for reinsurance		
Other receivables	276,857,922.57	255,013,296.96
Inc: Interest receivables	5,104,477.73	567,341.68
Dividends receivables		
Financial assets purchased under resale agreements		
Inventories		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	1,959,426,969.04	
Other current assets	179,404,189.50	97,336,600.16

Total current assets	11,634,407,473.65	4,836,263,773.33
Non-current assets:		
Loans and advances		
Debt investments	20,000,000.00	1,923,598,909.09
Other debt investments		
Long-term receivables		
Long-term equity investments		
Other equity instruments	162,800,000.00	162,800,000.00
Other non-current financial assets	138,166,559.96	138,166,559.96
Investment properties	673,644,955.82	688,475,053.53
Fixed assets	866,069,135.46	672,429,601.44
Construction in progress	838,185,436.29	653,580,160.32
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	192,463,617.08	197,507,227.40
Development expenditure		
Goodwill	99,867,720.38	99,867,720.38
Long-term prepaid expenses	213,978,303.65	240,565,962.02
Deferred tax assets	11,310,880.26	21,482,832.13
Other non-current assets	500,359,990.69	325,967,628.34
Total Non-current Assets	3,716,846,599.59	5,124,441,654.61
Total Assets	15,351,254,073.24	9,960,705,427.94
Current liabilities:		
Short-term borrowings	3,228,000,000.00	2,867,000,000.00
Borrowings from central bank		
Placement from banks and other financial institutions		
Financial liabilities held for trading		
Derivative Financial liabilities		
Notes payable		
Accounts payable	124,596,162.88	236,481,990.86
Receipts in advance		2,634,276,203.88

Contract liabilities	7,410,923,947.05	
Financial assets sold under repurchase agreements		
Absorbing deposit and deposit in inter-bank market		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Employee benefits payable	602,771,357.67	411,475,636.03
Taxes payable	253,433,295.83	184,306,027.84
Other payables	105,020,152.13	88,693,411.98
Inc: Interest payables	14,224,814.22	4,521,557.54
Dividends payables		
Fees and commissions payable		
Reinsurance amounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	222,327,718.41	
Total Current Liabilities	11,947,072,633.97	6,422,233,270.59
Non-current Liabilities:		
Deposits for insurance contracts		
Long-term borrowings		
Bonds payable		
Inc: preferred share		
Perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred Income		
Deferred tax liabilities	105,031,118.33	106,932,273.03
Other non-current liabilities		
Total non-current liabilities	105,031,118.33	106,932,273.03

Total liabilities	12,052,103,752.30	6,529,165,543.62
Owners' equity:		
Share capital	103,807,623.00	103,807,623.00
Other equity instrument		
Inc: preferred share		
Perpetual bond		
Capital reserve	1,225,481,049.50	1,198,581,049.50
Less: Treasury stock		
Other comprehensive income	37,500,000.00	37,500,000.00
Special reserve		
Surplus reserve	45,000,000.00	45,000,000.00
General risk reserve		
Retained earnings	1,887,374,888.29	2,046,657,231.32
Total owners' equity attributable to parent company	3,299,163,560.79	3,431,545,903.82
Minority interests	-13,239.85	-6,019.50
Total owners' equity	3,299,150,320.94	3,431,539,884.32
Total liabilities and owners' equity	15,351,254,073.24	9,960,705,427.94

Legal representative: Wang Zhendong    Person in charge of accounting work: Shi Lei    Head of the accounting department: Luo Xue

## 2. Balance sheet of the parent company

Unit: RMB

Item	September 30, 2020	December 31, 2019
Current Assets:		
Cash and cash equivalents	5,766,823.16	6,931,803.33
Financial assets held for trading	1,601,681.64	101,681.64
Derivative financial assets		
Notes receivable		
Accounts receivable	10,887,569.17	
Financing receivables		
Prepayments		
Other receivables	677,572,345.68	1,717,949,520.99
Inc: interest receivables		
Dividends receivables		1,700,000,000.00
Inventories		

Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	930,179.30	
Total current assets	696,758,598.95	1,724,983,005.96
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	18,582,307,907.14	18,582,307,907.14
Other equity instruments	162,800,000.00	162,800,000.00
Other non-current financial assets		
Investment properties	387,476,257.91	395,978,156.15
Fixed assets		
Construction in progress	372,569,103.57	72,569,103.57
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	10,948,186.11	10,804,928.62
Other non-current assets		
Total non-current assets	19,516,101,454.73	19,224,460,095.48
Total assets	20,212,860,053.68	20,949,443,101.44
Current liabilities:		
Short-term borrowings	800,000,000.00	
Financial liabilities held for trading		
Derivative Financial liabilities		
Notes payable		
Accounts payable	561,752.26	561,752.26

Receipts in advance		
Contract liabilities		
Employee benefits payable		
Taxes payable	1,190,410.34	791,191.77
Other payables	7,652,009.31	40,275,566.88
Inc: Interest payables	957,000.00	
Dividends payables		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	809,404,171.91	41,628,510.91
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Inc: preferred share		
Perpetual bond		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred tax liabilities	12,500,420.41	12,500,420.41
Other non-current liabilities		
Total non-current liabilities	12,500,420.41	12,500,420.41
Total liabilities	821,904,592.32	54,128,931.32
Owners' equity:		
Share capital	6,167,399,389.00	6,167,399,389.00
Other equity instrument		
Inc: preferred share		
Perpetual bond		
Capital reserve	12,775,326,370.33	12,775,326,370.33
Less: Treasury stock		
Other comprehensive income	37,500,000.00	37,500,000.00

Special reserve		
Surplus reserve	387,458,806.65	387,458,806.65
Retained earnings	23,270,895.38	1,527,629,604.14
Total owners' equity	19,390,955,461.36	20,895,314,170.12
Total liabilities and owners' equity	20,212,860,053.68	20,949,443,101.44

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

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total revenue	4,630,989,349.21	2,521,688,418.01
Inc: Revenue	4,630,989,349.21	2,521,688,418.01
Interest income		
Insurance gained		
Fee and commission income		
II. Total operating costs	3,019,768,100.60	2,042,255,143.77
Inc: Cost of revenue	1,619,290,590.57	1,065,755,848.75
Interest expenses		
Fee and commission expenses		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expenses		
Taxes and surcharges	3,555,293.06	11,363,875.26
Selling and marketing	577,293,364.56	405,619,023.15
General and administrative expenses	383,190,228.80	328,939,780.61
Research and development expenses	272,338,825.62	207,753,576.34
Financial expenses	164,099,797.99	22,823,039.66
Inc: Interest expenses	43,003,356.67	27,288,799.46
Interest income	9,009,075.02	20,145,598.82
Add: Other income	136,961,906.40	269,801.65
Investment income (Losses are indicated by "-")	58,777,147.46	72,781,468.62
Inc: Income from investments in associates		

and joint ventures		
The termination of income recognition for financial assets measured by amortized cost (Loss is indicated by "-")		
Exchange income (Loss is indicated by "-")		
Net exposure hedging income (Loss is indicated by "-")		
Gains from changes in fair values (Loss is indicated by "-")		
Impairment losses of creditability (Loss is indicated by "-")	-612,214.97	
Impairment losses of assets (Loss is indicated by "-")		
Income from assets disposal (Loss is indicated by "-")		-16,145.38
III. Operating profit (Loss is indicated by "-")	1,806,348,087.50	552,468,399.13
Add: Non-operating income		1,255,543.92
Less: Non-operating expenses	363,846.30	1.02
IV. Total profit (Total Loss is indicated by "-")	1,805,984,241.20	553,723,942.03
Less: Income tax expenses	252,065,622.62	87,887,105.17
V. Net profit (Net loss is indicated by "-")	1,553,918,618.58	465,836,836.86
1. Classified by continuing/discontinuing operation		
(1) Net profit from continuing operations (Net loss is indicated by "-")	1,553,918,618.58	465,836,836.86
(2) Net profit from discontinued operations (Net loss is indicated by "-")		
2. Classified by ownership		
(1) Net profit attributable to owners of the Company	1,553,920,155.49	465,837,656.14
(2) Minority shareholders' gains and losses	-1,536.91	-819.28
VI: Other comprehensive income after tax		
Net other comprehensive income after tax attributable to controlling interest		
1. Other comprehensive income not reclassified into gains or losses		

(1) Changes of the defined benefit plans that re-measured		
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses		
(3) Changes in the fair value of other equity instruments		
(4) Change in fair value of the enterprise's own credit risk		
(5) Others		
2. Other comprehensive income classified into gains or losses		
(1) Under the equity method, the share of other comprehensive income which can be reclassified into gains or losses		
(2) Changes in the fair value of other debt instruments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Credit impairment provision for other debt investment		
(5) Cash flow hedging reserve		
(6) Conversion difference of foreign currency financial statements		
(7) Others		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,553,918,618.58	465,836,836.86
Total comprehensive income attributable to owners of the Company	1,553,920,155.49	465,837,656.14
Total comprehensive income attributable to minority interests	-1,536.91	-819.28
VIII. Earnings per share		
1. Basic earnings per share	0.25	0.08
2. Diluted earnings per share	0.25	0.08

If a business combination under the same control occurs in this period, the net profit realized by the combined party before the combination is RMB 0.00 and in the previous period is RMB 0.00.

Legal representative: Wang Zhendong    Person in charge of accounting: Shi Lei    Head of the accounting department: Luo Xue

**4. Profit statement of the parent company for the reporting period**

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Revenue	3,638,285.45	3,638,285.43
Less: Cost of revenue	2,833,966.13	2,831,674.88
Taxes and surcharges	1,043,887.94	1,073,115.58
Selling and marketing		
General and administrative expenses	340,832.27	848,474.90
Research and development expenses		
Financial expenses	9,781,325.12	960.04
Inc:Interest expenses	9,782,666.66	
Interest income	89,668.69	310.46
Add: Other income		
Investment income (Loss is indicated by "-")	249,600.00	
Inc: Income from investments in associates and joint ventures		
The termination of income recognition for financial assets measured by amortized cost(Loss is indicated by “-” )		
Net exposure hedging income (Loss is indicated by “-” )		
Gains from changes in fair values (Loss is indicated by "-")		
Impairment losses of creditability (Loss is indicated by "-")	-191,009.99	
Impairment losses of assets(Loss is indicated by "-")		
Income from assets disposal (Loss is indicated by “-” )		
II. Operating profit (Loss is indicated by "-")	-10,303,136.00	-1,115,939.97
Add: Non-operating income		
Less: Non-operating expenses		

III. Total profit (Total loss is indicated by "-")	-10,303,136.00	-1,115,939.97
Less: Income tax expenses	-47,752.50	
IV. Net profit (Net loss is indicated by "-")	-10,255,383.50	-1,115,939.97
1. Net profit from continuing operations (Net loss is indicated by "-")	-10,255,383.50	-1,115,939.97
2. Net profit from discontinued operations (Net loss is indicated by "-")		
V. Other comprehensive income after tax		
1. Other comprehensive income not reclassified into gains or losses		
(1) Changes of the defined benefit plans that re-measured		
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses		
(3) Changes in the fair value of other equity instruments		
(4) Change in fair value of the enterprise's own credit risk		
(5) Others		
2. Other comprehensive income classified into gains or losses		
(1) Under the equity method, the share of other comprehensive income which can be reclassified into gains or losses		
(2) Changes in the fair value of other debt instruments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Credit impairment provision for other debt investment		
(5) Cash flow hedging reserve		
(6) Conversion difference of foreign currency financial statements		
(7) Others		
VI. Total comprehensive income	-10,255,383.50	-1,115,939.97
VII. Earnings per share		

1. Basic earnings per share		
2. Diluted earnings per share		

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

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I.Total revenue	7,438,969,829.81	6,159,107,933.49
Inc: Revenue	7,438,969,829.81	6,159,107,933.49
Interest income		
Insurance gained		
Fee and commission income		
II. Total operating costs	6,264,315,976.76	5,140,860,641.89
Inc: Cost of revenue	3,071,901,770.96	2,611,044,308.31
Interest expenses		
Fee and commission expenses		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expenses		
Taxes and surcharges	9,832,926.10	43,197,122.47
Selling and marketing	1,278,110,818.48	1,080,932,122.44
General and administrative expenses	902,149,682.94	828,570,826.52
Research and development expenses	655,566,356.63	511,783,733.85
Financial expenses	346,754,421.65	65,332,528.30
Inc:Interest expenses	128,133,368.78	74,213,689.89
Interest income	11,898,982.50	57,868,274.95
Add: Other income	221,416,613.84	500,478.07
Investment income (Loss is indicated by "-")	187,595,273.90	126,753,395.24
Inc: Income from investments in associates and joint ventures		
The termination of income		

recognition for financial assets measured by amortized cost(Loss is indicated by "-")		
Exchange income (Loss is indicated by "-")		
Net exposure hedging income (Loss is indicated by "-")		
Gains from changes in fair values (Loss is indicated by "-")		
Impairment losses of creditability (Loss is indicated by "-")	-1,382,976.76	
Impairment losses of assets (Loss is indicated by "-")		
Income from assets disposal (Loss is indicated by "-")	162,043.59	182,662.36
III. Operating profit (Loss is indicated by "-")	1,582,444,807.62	1,145,683,827.27
Add: Non-operating income	20,148.00	2,820,715.78
Less: Non-operating expenses	457,348.58	82,997.55
IV. Total profit (Total Loss is indicated by "-")	1,582,007,607.04	1,148,421,545.50
Less: Income tax expenses	261,121,317.06	189,559,243.49
V. Net profit (Net loss is indicated by "-")	1,320,886,289.98	958,862,302.01
1. Classified by continuing/discontinuing operation		
(1) Net profit from continuing operations (Net loss is indicated by "-")	1,320,886,289.98	958,862,302.01
(2) Net profit from discontinued operations (Net loss is indicated by "-")		
2. Classified by ownership		
(1) Net profit attributable to owners of the Company	1,320,893,510.33	958,863,121.29
(2) Minority shareholders' gains and losses	-7,220.35	-819.28
VI:Other comprehensive income after tax		
Net other comprehensive income after tax attributable to controlling interest		
1. Other comprehensive income not reclassified into gains or losses		
(1) Changes of the defined benefit plans that re-measured		

(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses		
(3) Changes in the fair value of other equity instruments		
(4) Change in fair value of the enterprise's own credit risk		
(5) Others		
2. Other comprehensive income classified into gains or losses		
(1) Under the equity method, the share of other comprehensive income which can be reclassified into gains or losses		
(2) Changes in the fair value of other debt instruments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Credit impairment provision for other debt investment		
(5) Cash flow hedging reserve		
(6) Conversion difference of foreign currency financial statements		
(7) Others		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,320,886,289.98	958,862,302.01
Total comprehensive income attributable to owners of the Company	1,320,893,510.33	958,863,121.29
Total comprehensive income attributable to minority interests	-7,220.35	-819.28
VIII. Earnings per share		
(1) Basic earnings per share	0.21	0.16
(2) Diluted earnings per share	0.21	0.16

If a business combination under the same control occurs in this period, the net profit realized by the combined party before the combination is RMB 0.00 and in the previous period is RMB 0.00.

Legal representative: Wang Zhendong    Person in charge of accounting: Shi Lei    Head of the accounting department: Luo Xue

**6. Profit statement of the parent company (from the beginning of the year to end of the reporting period)**

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Revenue	10,914,856.31	10,914,856.29
Less: Cost of revenue	8,501,898.24	8,500,488.23
Taxes and surcharges	3,164,729.29	17,475,546.28
Selling and marketing		
General and administrative expenses	3,271,489.33	12,769,860.71
Research and development expenses		
Financial expenses	20,454,223.42	1,080.25
Inc:Interest expenses	20,486,445.83	
Interest income	46,061.41	2,581.24
Add: Other income	474,801.04	
Investment income (Loss is indicated by "-")	249,600.00	30,534.61
Inc: Income from investments in associates and joint ventures		
The termination of income recognition for financial assets measured by amortized cost(Loss is indicated by "-")		
Net exposure hedging income (Loss is indicated by "-")		
Gains from changes in fair values (Loss is indicated by "-")		
Impairment losses of creditability (Loss is indicated by "-")	-573,029.96	
Impairment losses of assets (Loss is indicated by "-")		
Income from assets disposal (Loss is indicated by "-")		
II. Operating profit (Loss is indicated by "-")	-24,326,112.89	-27,801,584.57
Add: Non-operating income		
Less: Non-operating expenses		

III. Total profit (Total loss is indicated by "-")	-24,326,112.89	-27,801,584.57
Less: Income tax expenses	-143,257.49	
IV. Net profit (Net loss is indicated by "-")	-24,182,855.40	-27,801,584.57
(1) Net profit from continuing operations (Net loss is indicated by "-")	-24,182,855.40	-27,801,584.57
(2) Net profit from discontinued operations (Net loss is indicated by "-")		
V. Other comprehensive income after tax		
1. Other comprehensive income not reclassified into gains or losses		
(1) Changes of the defined benefit plans that re-measured		
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses		
(3) Changes in the fair value of other equity instruments		
(4) Change in fair value of the enterprise's own credit risk		
(5) Others		
2. Other comprehensive income classified into gains or losses		
(1) Under the equity method, the share of other comprehensive income which can be reclassified into gains or losses		
(2) Changes in the fair value of other debt instruments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Credit impairment provision for other debt investment		
(5) Cash flow hedging reserve		
(6) Conversion difference of foreign currency financial statements		

(7) Others		
VI. Total comprehensive income	-24,182,855.40	-27,801,584.57
VII. Earnings per share		
1. Basic earnings per share		
2. Diluted earnings per share		

### 7. Consolidated cash flow statement (from beginning of the year to end of the reporting period)

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	12,630,977,793.14	8,330,180,757.44
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Premiums received from original insurance contracts		
Net cash received from reinsurance		
Net increase in deposits from policyholders		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business capital		
Net cash from acting trading securities		
Tax rebates received		
Cash received relating to other operating activities	246,310,360.72	2,290,953.16
Sub-total of cash inflows from operating activities	12,877,288,153.86	8,332,471,710.60
Cash payments for goods purchased and services received	1,241,258,102.15	1,232,423,568.58
Net increase in loans and advances to		

customers		
Net increase in deposits with central bank and other financial institutions		
Original insurance contract claims paid		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, fee and commission		
Cash paid as policy dividend		
Cash paid to and for employees	3,833,750,101.55	2,877,043,972.46
Cash paid for all types of taxes	200,151,843.84	424,466,382.02
Cash paid relating to other operating activities	884,298,006.27	755,878,077.76
Sub-total of cash outflows from operating activities	6,159,458,053.81	5,289,812,000.82
Net cash flow from operating activities	6,717,830,100.05	3,042,659,709.78
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments	25,895,487,090.00	18,199,290,000.00
Cash receipts from investment income	132,306,688.95	135,682,859.12
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	162,043.59	
Net cash receipts from disposals of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	26,027,955,822.54	18,334,972,859.12
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	897,559,659.37	516,034,598.11
Cash paid for investment	28,265,198,090.00	19,445,620,000.00
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business units		
Cash paid relating to other investing activities		

Sub-total of cash outflows from investing activities	29,162,757,749.37	19,961,654,598.11
Net cash flow from investing activities	-3,134,801,926.83	-1,626,681,738.99
III. Cash flows from financing activities:		
Cash received from investors		
Inc: cash receipts from capital contributions from minority owners of subsidiaries		
Cash from borrowings	3,002,000,000.00	986,698,800.00
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	3,002,000,000.00	986,698,800.00
Cash repayments of borrowings	2,641,000,000.00	496,698,800.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,598,605,965.46	1,475,449,057.25
Inc: payments for distribution of dividends or profits to minority owners of subsidiaries		
Cash paid relating to other financing activities	333,478.85	320,723.05
Sub-total of cash outflows from financing activities	4,239,939,444.31	1,972,468,580.30
Net cash flow from financing activities	-1,237,939,444.31	-985,769,780.30
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	2,345,088,728.91	430,208,190.49
Add: Initial cash and cash equivalents balance	2,724,335,001.58	648,711,545.32
VI. The final cash and cash equivalents balance	5,069,423,730.49	1,078,919,735.81

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

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services		
Tax rebates received		

Cash received relating to other operating activities	1,765,726.02	544,070,513.56
Sub-total of cash inflows from operating activities	1,765,726.02	544,070,513.56
Cash payments for goods purchased and services received		
Cash paid to and for employees		895,723.48
Cash paid for all types of taxes	4,063,237.82	20,718,284.89
Cash paid relating to other operating activities	697,578,290.33	105,180,989.65
Sub-total of cash outflows from operating activities	701,641,528.15	126,794,998.02
Net cash flow from operating activities	-699,875,802.13	417,275,515.54
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments		23,960,000.00
Cash receipts from investment income	1,700,249,600.00	1,550,030,534.61
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		
Net cash receipts from disposals of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	1,700,249,600.00	1,573,990,534.61
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	300,000,000.00	11,929,500.00
Cash paid for investment	1,500,000.00	24,060,000.00
Net cash payments for acquisitions of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	301,500,000.00	35,989,500.00
Net cash flow from investing activities	1,398,749,600.00	1,538,001,034.61
III. Cash flows from financing activities:		
Cash received from investors		

Cash from borrowings	800,000,000.00	
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	800,000,000.00	
Cash repayments of borrowings		216,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,499,705,299.19	1,738,432,883.87
Cash paid relating to other financing activities	333,478.85	1,503,370.80
Sub-total of cash outflows from financing activities	1,500,038,778.04	1,955,936,254.67
Net cash flow from financing activities	-700,038,778.04	-1,955,936,254.67
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-1,164,980.17	-659,704.52
Add: Initial cash and cash equivalents balance	6,931,803.33	5,304,519.61
VI. The final cash and cash equivalents balance	5,766,823.16	4,644,815.09

## Section II. Explanation on the adjustments to the financial statements

### 1. Adjustments to the financial statements at the beginning of the first execution year of the new standards governing income and lease since 2020

Applicable  Not applicable

Whether items listed in the consolidated balance sheet at beginning of the year need to be adjusted

Yes  No

#### Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2019	January 1, 2020	Adjustments
Current Assets:			
Cash and cash equivalents	2,724,335,001.58	2,724,335,001.58	
Settlement reserve			
Due from banks and other financial institutions			

Financial assets held for trading	1,754,396,227.54	1,754,396,227.54	
Derivative Financial assets			
Notes Receivable			
Accounts Receivable	2,721,638.09	2,721,638.09	
Financing receivables			
Prepayments	2,461,009.00	2,461,009.00	
Premium receivable			
Reinsurance premium receivable			
Reserve receivable for reinsurance			
Other receivables	255,013,296.96	255,013,296.96	
Inc: Interest receivables	567,341.68	567,341.68	
Dividends receivables			
Financial assets purchased under resale agreements			
Inventories			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	97,336,600.16	97,336,600.16	
Total current assets	4,836,263,773.33	4,836,263,773.33	
Non-current assets:			
Loans and advances			
Debt investments	1,923,598,909.09	1,923,598,909.09	
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity instruments	162,800,000.00	162,800,000.00	
Other non-current financial assets	138,166,559.96	138,166,559.96	
Investment properties	688,475,053.53	688,475,053.53	

Fixed assets	672,429,601.44	672,429,601.44	
Construction in progress	653,580,160.32	653,580,160.32	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	197,507,227.40	197,507,227.40	
Development expenditure			
Goodwill	99,867,720.38	99,867,720.38	
Long-term prepaid expenses	240,565,962.02	240,565,962.02	
Deferred tax assets	21,482,832.13	21,482,832.13	
Other non-current assets	325,967,628.34	325,967,628.34	
Total non-current assets	5,124,441,654.61	5,124,441,654.61	
Total assets	9,960,705,427.94	9,960,705,427.94	
Current liabilities:			
Short-term borrowings	2,867,000,000.00	2,867,000,000.00	
Borrowings from central bank			
Placement from banks and other financial institutions			
Financial liabilities held for trading			
Derivative Financial liabilities			
Notes payable			
Accounts payable	236,481,990.86	236,481,990.86	
Receipts in advance	2,634,276,203.88		-2,634,276,203.88
Contract liabilities		2,557,549,712.50	2,557,549,712.50
Financial assets sold under repurchase agreements			
Absorbing deposit and deposit in inter-bank market			
Customer deposits for trading in securities			
Amounts due to issuer for			

securities underwriting			
Employee benefits payable	411,475,636.03	411,475,636.03	
Taxes payable	184,306,027.84	184,306,027.84	
Other payables	88,693,411.98	88,693,411.98	
Inc: Interest payables	4,521,557.54	4,521,557.54	
Dividends payable			
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities		76,726,491.38	76,726,491.38
Total current liabilities	6,422,233,270.59	6,422,233,270.59	
Non-current liabilities:			
Deposits for insurance contracts			
Long-term borrowings			
Bonds payable			
Inc: preferred share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred Income			
Deferred tax liabilities	106,932,273.03	106,932,273.03	
Other non-current liabilities			
Total non-current liabilities	106,932,273.03	106,932,273.03	
Total liabilities	6,529,165,543.62	6,529,165,543.62	
Owners' equity:			
Share capital	103,807,623.00	103,807,623.00	
Other equity instrument			

Inc: preferred share			
Perpetual bond			
Capital reserve	1,198,581,049.50	1,198,581,049.50	
Less: Treasury stock			
Other comprehensive income	37,500,000.00	37,500,000.00	
Special reserve			
Surplus reserve	45,000,000.00	45,000,000.00	
General risk reserve			
Retained earnings	2,046,657,231.32	2,046,657,231.32	
Total owners'equity attributable to parent company	3,431,545,903.82	3,431,545,903.82	
Minority interests	-6,019.50	-6,019.50	
Total owners' equity	3,431,539,884.32	3,431,539,884.32	
Total liabilities and owners' equity	9,960,705,427.94	9,960,705,427.94	

Explanation on the adjustments

Part of the item "receipts in advance" is adjusted to the item "contract liabilities" in accordance with the new revenue standard.

#### Balance sheet of the parent company

Unit: RMB

Item	December 31, 2019	January 1, 2020	Adjustments
Current Assets:			
Cash and cash equivalents	6,931,803.33	6,931,803.33	
Financial assets held for trading	101,681.64	101,681.64	
Derivative financial assets			
Notes receivable			
Accounts receivable			
Financing receivables			
Prepayments			
Other receivables	1,717,949,520.99	1,717,949,520.99	
Inc: interest receivables			
Dividends receivables	1,700,000,000.00	1,700,000,000.00	
Inventories			

Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			
Total current assets	1,724,983,005.96	1,724,983,005.96	
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	18,582,307,907.14	18,582,307,907.14	
Other equity instruments	162,800,000.00	162,800,000.00	
Other non-current financial assets			
Investment properties	395,978,156.15	395,978,156.15	
Fixed assets			
Construction in progress	72,569,103.57	72,569,103.57	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditure			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets	10,804,928.62	10,804,928.62	
Other non-current assets			
Total non-current assets	19,224,460,095.48	19,224,460,095.48	
Total assets	20,949,443,101.44	20,949,443,101.44	
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial			

liabilities			
Notes payable			
Accounts payable	561,752.26	561,752.26	
Receipts in advance			
Contract liabilities			
Employee benefits payable			
Taxes payable	791,191.77	791,191.77	
Other payables	40,275,566.88	40,275,566.88	
Inc: Interest payables			
Dividends payables			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	41,628,510.91	41,628,510.91	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Inc: preferred share			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred Income			
Deferred tax liabilities	12,500,420.41	12,500,420.41	
Other non-current liabilities			
Total non-current liabilities	12,500,420.41	12,500,420.41	
Total liabilities	54,128,931.32	54,128,931.32	
Owners' equity:			
Share capital	6,167,399,389.00	6,167,399,389.00	
Other equity instrument			
Inc: preferred share			

Perpetual bond			
Capital reserve	12,775,326,370.33	12,775,326,370.33	
Less: Treasury stock			
Other comprehensive income	37,500,000.00	37,500,000.00	
Special reserve			
Surplus reserve	387,458,806.65	387,458,806.65	
Retained earnings	1,527,629,604.14	1,527,629,604.14	
Total owners' equity	20,895,314,170.12	20,895,314,170.12	
Total liabilities and owners' equity	20,949,443,101.44	20,949,443,101.44	

**2. Description of retroactive adjustment of comparative data in the early stage by the new revenue standard and the new lease standard initially implemented since 2020**

Applicable  Not Applicable

**Section III. Auditor's report**

Whether this Third Quarter 2020 Report has been audited

Yes  No

The Company's Third Quarter 2020 Report has not been audited.