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**SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD.**

**(深圳市海普瑞藥業集團股份有限公司)**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 9989)**

**2020 THIRD QUARTERLY REPORT**

This announcement is published in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The following is the 2020 third quarterly report of Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (the “**Company**” or “**Hepalink**”, together with its subsidiaries referred to as the “**Group**”) for the nine months ended September 30, 2020 (the “**Reporting Period**”). Its financial report was prepared in accordance with the PRC Accounting Standards and Accounting Regulations for Business Enterprises and was unaudited.

By order of the Board

**Shenzhen Hepalink Pharmaceutical Group Co., Ltd.**

**Li Li**

*Chairman*

Shenzhen, the PRC

October 29, 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Li Li, Ms. Li Tan, Mr. Shan Yu and Mr. Sun Xuan; the non-executive director is Mr. Bu Haihua; and the independent non-executive directors are Dr. Lu Chuan, Mr. Chen Junfa and Mr. Wang Zhaohui.*

## I Important Notice

- 1.1 The board of directors (the “**Board**”), supervisory committee and directors, supervisors and senior management of the Company undertake that all information in the third quarterly report is true, accurate and complete, without any false record, misrepresentation or material omission, and individually and jointly bear legal liabilities in this respect.
- 1.2 All the directors attended the Board meeting held on October 29, 2020 in which the 2020 third quarterly report of the Company was deliberated and approved.
- 1.3 Li Li, the person in charge of the Company and the Chairman of the Board and Zhang Bin, the person in charge of the accounting function and the person in charge of accounting department, declare that they guarantee the financial statements in this quarterly report are true, accurate and complete.
- 1.4 The third quarterly report of the Company was prepared in accordance with the PRC Accounting Standards and Accounting Regulations for Business Enterprises and was unaudited.

## II Basic Information of the Company

### I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

		As at the end of the Reporting Period	As at the end of last year	Increase/decrease for the end of the Reporting Period over the end of last year
Total assets (RMB)		18,512,739,521.17	15,242,205,403.45	21.46%
Net assets attributable to the shareholders of the listed company (RMB)		11,250,565,828.20	7,347,010,761.12	53.13%
	<b>The Reporting Period</b>	<b>Increase/ decrease for the Reporting Period over corresponding period of last year</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>Increase/ decrease from the beginning of the year to the end of the Reporting Period over corresponding period of last year</b>
Operating revenue (RMB)	883,279,435.85	-12.56%	3,542,478,922.83	12.85%
Net profit attributable to the shareholders of the listed company (RMB)	127,537,897.12	2.13%	708,597,054.96	5.56%
Net profit attributable to the shareholders of the listed company, net of non-recurring profits and losses (RMB)	101,542,973.46	-35.02%	605,993,778.68	173.00%
Net cash flows from operating activities (RMB)	115,697,104.31	260.03%	-129,851,048.90	-14.26%
Basic earnings per share (RMB/share)	0.0915	-8.59%	0.5467	1.58%
Diluted earnings per share (RMB/share)	0.0915	-8.59%	0.5467	1.58%
Weighted average return on net assets	1.26%	-0.60%	8.48%	-1.93%

## **Business Review**

In the nine months of 2020, with the sudden and ongoing outbreak of the novel coronavirus (COVID-19), the global economy is facing a number of great challenges. According to Fitch Ratings' latest "Global Economic Prospects" released on September 7, 2020, the Report predicts that global GDP will fall by 4.4% in 2020. Although the number of COVID-19 cases in many regions has dropped in mid-2020, there has been a new round of outbreaks recently. The governments of some countries or regions continue to relax the restrictive measures implemented to prevent the spread of the pandemic, but social distancing and strict border restrictions continue. Under the haze of the pandemic, the business environment has become more severe and difficult. The business performance of the Group remains strong. The finished dose pharmaceutical products business continued to maintain rapid growth. CDMO sales revenue and gross profit margin continued to rise. However, API customers have adjusted their operating strategies due to the ongoing impact of the pandemic, adopted a short-term tightening of procurement arrangements in the third quarter of 2020 to reduce API procurement, which posed challenges to our business in the quarter.

During the Reporting Period, the Group achieved sales revenue of RMB3,542.5 million (the same period last year: RMB3,139.0 million), an increase of 12.9% over the same period last year. During the Reporting Period, the Group recorded net profit attributable to shareholder of the listed company (net of non-recurring profit and loss) of RMB606.0 million (without deducting the H share listing expense of RMB32 million) (the same period last year: RMB222.0 million, a year-on-year increase of 173.0%).

### **Finished Dose Pharmaceutical Products Business**

During the Reporting Period, revenue from sales of finished dose enoxaparin sodium pharmaceutical products was approximately RMB927.9 million, representing an increase of approximately 28.7% from RMB720.9 million in the same period last year, accounting for 26.2% of the Group's total revenue, representing an increase of 3.2 percentage points as compared to the same period last year, and has become an important source of revenue for the Group. During the Reporting Period, the gross profit margin of finished dose enoxaparin sodium pharmaceutical products was 45.0%, an increase of 1.8 percentage points from the gross profit margin of 43.2% for the six months ended June 30, 2020.

During the Reporting Period, Europe was still affected by the novel coronavirus pandemic to varying degrees. The Group's overseas sales has gradually returned to normal, continuing to develop hospital sales channels in various countries, and enhancing the spillover effect from hospitals to drugstore channels. During the Reporting Period, the optimization of the sales channel structure has been further realized. On the one hand, it drives the increase in the average sales price of the Company's finished dose, and on the other hand, it drives the increase in the Company's overall sales of finished dose enoxaparin sodium pharmaceutical products. In addition, the Group obtained US FDA approval in September 2020 to become a supplier of enoxaparin sodium injection drugs and APIs in the United States. We are working closely with our US partner to accelerate the implementation of the sales arrangements for finished dose enoxaparin sodium pharmaceutical products in the United States.

## CDMO Business

During the Reporting Period, sales of the CDMO business were approximately RMB579.4 million, an increase of approximately 16.0% from RMB499.6 million in the same period last year, accounting for 16.4% of the Group's total revenue. Revenue for three months from July 1, 2020 to September 30, 2020 (the “**Third Quarter**”) was RMB192.7 million, an increase of 28.6% over the same period last year. During the Reporting Period, gross profit margin increased by 1.7 percentage points from the same period last year to 26.5%.

During the Reporting Period, the Group operated CDMO business through two platforms, namely Cytovance and SPL. CDMO business developed rapidly and successfully established close cooperation with multinational customers. Revenue and gross profit maintained the growth momentum, and the marginal effect of gross profit and gross profit margin was significant. With the improvement of CDMO business and operational capability, the continuous optimization of order delivery speed and customer structure, Cytovance's backlog continues to grow. During the Reporting Period, we actively continued to gradually doing horizontal and vertical expansion on the basis of keeping the orders of core varieties tight, we increased efforts to develop customer resources, and by relying on the international CDMO technical team and business development team, we actively followed up the projects of potential customers to increase the number of CDMO projects in each stage.

## API Business

During the Reporting Period, sales of the heparin API business amounted to approximately RMB1,796.5 million, an increase of approximately 6.0% from approximately RMB1,694.9 million in the same period last year, accounting for 50.7% of the total revenue of the Group. During the Reporting Period, the gross profit margin increased by 8.3 percentage points from the same period last year to 43.6%. Sales of the heparin API business increased slightly, mainly due to the continued impact of the pandemic. API customers adjusted their operational strategies and adopted a short-term tightening of procurement arrangements in the Third Quarter to reduce the number of API purchases. The Group believes that the arrangement is only a short-term transitional arrangement, and customers will gradually resume normalized procurement in response to their production needs.

Heparin is a type of anticoagulant drug with various functions such as anticoagulation and antithrombosis. The heparin industry consists of the initial upstream procurement of porcine small intestines, the upstream extraction of crude heparin, the midstream manufacture of heparin APIs and downstream manufacture and supply of enoxaparin finished dose. Heparin Sodium API is mainly used for the manufacture of standard heparin finished doses and LMWH APIs, which in turn are used for the manufacture of LMWH finished doses. The Group has two major manufacture bases for Heparin Sodium API in the PRC and the United States of America. Apart from being partly supplied to Shenzhen Techdow Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Group, the Heparin Sodium APIs are mainly sold to overseas customers, including a number of world renowned multinational pharmaceutical enterprises.

## **Outlook**

Looking forward to 2020, it is expected that the pandemic will continue to affect most parts of the world for the rest of the year. The business environment is still full of uncertainties, which will bring pressure and challenges to the Group's operations and development. The International Monetary Fund (IMF) lowered its forecast for global economic growth by 4.9%. It also lowered its forecast for global economic growth in 2021. Although the macro environment is full of challenges, with the continuous increase in revenue of the Group's finished dose enoxaparin sodium pharmaceutical products business and the rapid development of the CDMO segment, the Group's business will maintain rapid growth in 2020, and the API business is expected to return to normal gradually in the fourth quarter.

Through years of experience, Hepalink has become an international leading manufacturer of high-quality pharmaceutical products. Leveraging on its leading R&D and vertically integrated manufacturing capabilities, product portfolio synergies and quality customer resources, business of the Group has entered a new cycle of rapid growth. Hepalink not only continues to consolidate its leading position in API products, but also continues to increase its market share. While the CDMP business keeps growing at a rapid pace in the future, the Group will continue to promote the development of innovative drug pipelines, laying a solid foundation for the Group's long-term development.

**Table of total number of shareholders and shareholdings of the top 10 shareholders as at the end of the Reporting Period**

1. *Table of total number of ordinary shareholders and preferred shareholders whose voting rights have been restored and shareholdings of the top 10 shareholders*

*Unit: Share(s)*

<b>Total number of ordinary shareholders as at the end of the Reporting Period</b>	33,786	<b>Total number of preferred shareholders (if any) whose voting rights have been restored as at the end of the Reporting Period</b>	0			
<b>Shareholdings of the top 10 shareholders</b>						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares held subject to selling restrictions	Status of shares pledged or frozen	
					Status of shares	Number
Shenzhen Leren Technology Co., Ltd.	Domestic non-state-owned legal person	32.31%	474,029,899	0	Pledged	43,600,000
Urumqi Jintiantu Equity Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	27.81%	408,041,280	0		
HKSCC Nominees Limited <sup>Note 1</sup>	Foreign legal person	15.00%	220,033,490	0		
Urumqi Shuidi Shichuan Equity Investment Partnership (Limited Partnership)	Domestic non-state-owned legal person	3.16%	46,425,600	0		
Urumqi Feilaishi Equity Investment Co., Ltd.	Domestic non-state-owned legal person	2.75%	40,320,000	0		
Shenzhen Hepalink Pharmaceutical Co., Ltd. — Employee Share Scheme II	Others	1.03%	15,118,035	0		
Industrial and Commercial Bank of China Limited — Rongtong Healthcare Industry Flexible Allocation Mixed Securities Investment Fund	Others	0.75%	10,995,153	0		

Shareholdings of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares held subject to the lock-up undertakings	Status of shares pledged or frozen	
					Status of shares	Number
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.62%	9,130,848	0		
Industrial and Commercial Bank of China Limited — China AMC Lexiang Healthcare Flexible Allocation Mixed Securities Investment Fund	Others	0.41%	6,081,587	0		
Huang Quanwei	Domestic natural person	0.29%	4,184,108	0		

Shareholdings of the top 10 shareholders who are not subject to selling restrictions			
Name of shareholder	Number of shares held not subject to selling restrictions	Type of shares	
		Type of shares	Number
Shenzhen Leren Technology Co., Ltd.	474,029,899	RMB ordinary shares	474,029,899
Urumqi Jintiantu Equity Investment Partnership (Limited Partnership)	408,041,280	RMB ordinary shares	408,041,280
HKSCC Nominees Limited <sup>Note 1</sup>	220,033,490	Domestic listed foreign shares	220,033,490
Urumqi Shuidi Shichuan Equity Investment Partnership (Limited Partnership)	46,425,600	RMB ordinary shares	46,425,600
Urumqi Feilaishi Equity Investment Co., Ltd.	40,320,000	RMB ordinary shares	40,320,000
Shenzhen Hepalink Pharmaceutical Co., Ltd. — Employee Share Scheme II	15,118,035	RMB ordinary shares	15,118,035
Industrial and Commercial Bank of China Limited — Rongtong Healthcare Industry Flexible Allocation Mixed Securities Investment Fund	10,995,153	RMB ordinary shares	10,995,153
Hong Kong Securities Clearing Company Limited	9,130,848	RMB ordinary shares	9,130,848
Industrial and Commercial Bank of China Limited — China AMC Lexiang Healthcare Flexible Allocation Mixed Securities Investment Fund	6,081,587	RMB ordinary shares	6,081,587
Huang Quanwei	4,184,108	RMB ordinary shares	4,184,108



## **Explanations of the related relationships or acting in concert among above shareholders:**

The shareholders (partners) of Shenzhen Leren Technology Co., Ltd. and Urumqi Jintiantu Equity Investment Partnership (Limited Partnership) are Li Li and Li Tan, the shareholder of Urumqi Feilaishi Equity Investment Co., Ltd. is Li Li, and the partners of Urumqi Shuidi Shichuan Equity Investment Partnership (Limited Partnership) are Shan Yu and Li Tan. Li Li and Li Tan are the spouse of each other. Shan Yu is the elder brother of Li Tan. Shan Yu has participated in Employee Share Scheme II of the Company, where such employee share scheme owns a shareholding of 38.88%. Saved for the aforesaid information, the Company does not aware of any related relationship among the other top 10 shareholders or parties acting in concert.

Note 1: HKSCC Nominees Limited is a nominee company, whose shares are held on behalf of multiple clients.

## **Explanation on the top 10 shareholders' engagement in margin trading and short selling (if any)**

None

Whether the Company's top 10 ordinary shareholders and top 10 ordinary shareholders who do not subject to selling restrictions conducted agreed repurchase transactions during the Reporting Period

Yes       No

The Company's top 10 ordinary shareholders and top 10 ordinary shareholders who do not subject to selling restrictions did not conduct agreed repurchase transactions during the Reporting Period.

## **2. *Statement of the total number of preferred shareholders of the Company and shareholdings of the top 10 preferred shareholders***

Applicable       Not Applicable

### III Important Events

#### I. CHANGES IN KEY FINANCIAL DATA AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD AND REASONS

√ Applicable      □ Not Applicable

*Currency: RMB Unit: Yuan*

Balance sheet items	As at the end of the Reporting Period	As at the end of last year	Year-on-year increase/decrease	Reasons for changes
Monetary capital	2,928,107,184.47	1,277,767,013.51	129.16%	Due to an increase in the raised funds as a result of the Company's Listing in Hong Kong during the Reporting Period
Trading financial assets	613,097,117.68	112,644,401.68	444.28%	Due to an increase in the amounts of the Company's short-term wealth management products purchased with idle raised funds during the Reporting Period
Bills receivable	35,186,255.23	22,825,711.23	54.15%	Due to an increase in the balance of the bills receivable as a result of an increase in sales during the Reporting Period
Prepayments	233,903,064.39	443,349,517.87	-47.24%	Due to a decrease in the prepayments of raw materials during the Reporting Period
Other receivables	75,415,309.45	375,506,464.54	-79.92%	Due to the provision for performance compensation at the end of last year received during the Reporting Period
Inventories	3,344,386,695.08	2,374,356,880.29	40.85%	Due to the joint effect of a proper increase in the finished dose inventory storage and an increase in the costs of inventories in accordance with an increasing sale trend of finished doses during the Reporting Period
Contract assets	24,845,153.47	—	N/A	Due to the effects of adoption of New Revenue Standards by the Company during the Reporting Period

<b>Balance sheet items</b>	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Non-current assets due within one year	90,589,975.96	13,511,372.38	570.47%	Due to the reclassification of the Company's debt investments due within one year into the non-current assets due within one year during the Reporting Period
Other current assets	179,562,019.84	82,052,791.47	118.84%	Due to an increase in the amounts of retained value-added tax of the Company during the Reporting Period
Debt investments	0.00	74,183,339.05	-100.00%	Due to the reclassification of the Company's debt investments due within one year into the non-current assets due within one year during the Reporting Period
Right-of-use assets	97,492,452.60	—	N/A	Due to the effects of adoption of New Lease Standards by the Company during the Reporting Period
Development costs	14,726,937.07	11,090,829.18	32.78%	Due to an increase in the research and development costs of the AR-301 injection (a research and development project of our subsidiary) during the Reporting Period
Other non-current assets	289,340,285.65	114,888,950.64	151.84%	Due to the equity investment amounts prepaid and the payment of RMB87 million bond deposit by issuance of RMB870 million bond during the Reporting Period
Short-term borrowings	1,686,887,572.34	2,927,445,063.98	-42.38%	Due to the repayment of part of the short-term bank loans during the Reporting Period
Receipts in advance	0.00	203,356,476.11	-100.00%	Due to the effects of adoption of New Revenue Standards by the Company during the Reporting Period
Contract liabilities	321,225,006.06	—	N/A	Due to the effects of adoption of New Revenue Standards by the Company during the Reporting Period

<b>Balance sheet items</b>	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Other current liabilities	27,066,488.77	8,549,897.61	216.57%	Due to an increase in short-term lease liabilities as a result of adoption of New Lease Standards by the Company during the Reporting Period
Bonds payable	1,557,072,728.73	695,693,831.85	123.82%	Due to an increase of RMB870 million in corporate bonds of the Company during the Reporting Period
Lease liabilities	73,896,594.89	—	N/A	Due to the effects of adoption of New Lease Standards by the Company during the Reporting Period
Long-term payables	227,966.68	7,886,256.84	-97.11%	Due to the effects of adoption of New Lease Standards by the Company during the Reporting Period
Capital reserves	5,950,227,261.00	2,633,959,376.05	125.90%	Due to the issuance of shares by the Company and being listed in Hong Kong and an increase in share premium during the Reporting Period
<b>Income statement items</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>Corresponding period of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Operating revenue	3,542,478,922.83	3,139,025,084.46	12.85%	During the Reporting Period, revenue from finished dose pharmaceutical products business and CDMO business continued to grow, the sale of the heparin API was affected by the impact of the pandemic, and the adjustment of customers' procurement pace fluctuated quarterly

<b>Income statement items</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>Corresponding period of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Business tax and levies	20,260,072.63	14,982,094.24	35.23%	During the Reporting Period, the amount of value-added tax exempted by Shenzhen Techdow Pharmaceutical Co., Ltd. for the period, a subsidiary of the Group approved by the competent tax bureau increased compared with the same period of the previous year
Research and development expenses	69,407,687.52	112,376,401.45	-38.24%	During the Reporting Period, the research and development investment decreased compared with the same period of the previous year, mainly due to Shenzhen Hightide Biopharmaceutical Co., Ltd. was no longer included in the consolidation scope from the second quarter of 2019, and research and development expenses decreased year-on-year
Finance costs	231,112,061.89	136,508,207.75	69.30%	During the Reporting Period, the interest expenses increased year-on-year while interest income decreased year-on-year, and due to the Company's ownership of foreign currency assets, foreign currency depreciated during the Reporting Period while appreciated in the same period of the previous year, and foreign exchange losses increased year-on-year
Asset impairment loss	-14,395,140.01	-152,665.30	-9,329.22%	During the Reporting Period, prepared intestine accrued inventory falling price reserves increased year-on-year
Credit impairment loss	-5,940,731.67	-1,148,906.03	-417.08%	During the Reporting Period, the average balance of account receivables increased, and the accrued credit impairment losses increased year-on-year
Other gains	44,059,801.13	28,021,248.20	57.24%	The government subsidies received during the Reporting Period increased year-on-year

<b>Income statement items</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>Corresponding period of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Investment income	298,214,815.65	511,993,974.31	-41.75%	Loss of control of Shenzhen Hightide Biopharmaceutical Co., Ltd. and the one-time investment income recognized from the cost method to the equity method during the Reporting Period of the previous year. There was no such matter during the Reporting Period and the increase in investment income recognized by the equity method on the invested company's equity during the Reporting Period
Gains on fair value changes	36,491,216.73	-86,682,316.61	142.10%	During the Reporting Period, the fair value of financial assets increased year-on-year
Profit or loss attributable to minority interests	-2,171,862.13	-14,700,977.93	85.23%	Mainly due to Shenzhen Hightide Biopharmaceutical Co., Ltd. was no longer included in the consolidation scope from the second quarter of 2019, and profit or loss attributable to minority interests increased year-on-year
Other comprehensive income, net of tax	-118,965,617.15	85,148,325.89	-239.72%	Due to the change in exchange differences on translation of statements denominated in foreign currencies as a result of appreciation of Renminbi during the Reporting Period
<b>Cash flow items</b>	<b>From the beginning of the year to the end of the Reporting Period</b>	<b>Corresponding period of last year</b>	<b>Year-on-year increase/decrease</b>	<b>Reasons for changes</b>
Net cash flows from investing activities	-1,537,910,388.39	-174,397,214.41	-781.84%	Due to the year-on-year increase in the cash paid for wealth management products purchased by the Company during the Reporting Period
Net cash flows from financing activities	2,511,085,525.36	-45,011,515.41	5,678.76%	Due to the year-on-year increase in the cash received from capital contributions as the Company issued shares and was listed in Hong Kong during the Reporting Period

Cash flow items	From the beginning of the year to the end of the Reporting Period	Corresponding period of last year	Year-on-year increase/decrease	Reasons for changes
Effect of fluctuations in exchange rates on cash and cash equivalents	-8,645,136.92	8,248,142.87	-204.81%	Due to the effect of fluctuations in exchange rate as a result of the appreciation of the RMB during the Reporting Period, compared to impairment of the RMB during the corresponding period of previous year
Net increase in cash and cash equivalents	834,678,951.15	-362,615,597.97	330.18%	Due to the joint effect of the increase in the net cash flows from financing activities and the decrease in the net cash flows from investing activities

## II. ANALYSIS OF PROGRESS, IMPACT AND SOLUTIONS OF IMPORTANT EVENTS

Applicable       Not Applicable

- On June 16, 2016, the 22nd meeting of the third session of the Board of the Company deliberated and approved the *Proposal on the Company's Use of Its Own Funds for Investment in TPG Biotechnology Partners V, L.P.*, permitting the Company to use its own funds of US\$60 million for investment in TPG Biotechnology Partners V, L.P. For details, see the *Announcement on the Company's Use of Its Own Funds for Investment in TPG Biotechnology Partners V, L.P.* published on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn on June 17, 2016. At the end of August 2016, a notice of filing and approval from the Development and Reform Commission of Shenzhen Municipality, Economy, Trade and Information Commission of Shenzhen Municipality and Shenzhen Bureau of the State Administration of Foreign Exchange was obtained for the said foreign investment. The investment was in progress during the Reporting Period.
- On September 20, 2016, the 26th meeting of the third session of the Board deliberated and approved the *Proposal on Capital Increase in the Wholly-owned Subsidiary Hepalink (Hong Kong) Limited*, permitting the Company to increase its investment in Hepalink (Hong Kong) with its own funds of US\$55 million (or equivalent value in RMB). For details, see the *Announcement on Capital Increase in the Wholly-owned Subsidiary Hepalink (Hong Kong) Limited* published on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn on September 21, 2016. As of the date of approval of this report, the capital increase has not been completed.

3. On November 18, 2016, the 28th meeting of the third session of the Board deliberated and approved the *Proposal on Capital Increase in the Wholly-owned Subsidiary Hepalink USA Inc.*, permitting the Company to increase its investment in Hepalink USA with its own funds equivalent to RMB500 million. As of the date of approval of this report, the capital increase has not been completed. On July 31, 2020, the 36th meeting of the fourth session of the Board of the Company deliberated and approved the *Proposal on Capital Increase in the Wholly-owned Subsidiary Hepalink USA Inc.*, permitting the Company to increase its investment in Hepalink USA with its own funds of US\$112,900,100. As of the date of approval of this report, the capital increase was under necessary approval and filing application.
4. In January 2019, the Company obtained the *Reply on the Approval of the Public Offering of Corporate Bonds to Qualified Investors by Shenzhen Hepalink Pharmaceutical Group Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 28) issued by China Securities Regulatory Commission for its public offering of corporate bonds to qualified investors.

On October 29, 2019, the Company completed the public offering of corporate bonds to qualified investors by Shenzhen Hepalink Pharmaceutical Group Co., Ltd. in 2019 (first tranche) (abbreviation of the bonds: “19 Hepalink 01”), with a final actual offering size of RMB430 million at a coupon rate of 6.50%. According to the terms of put options of investors as specified in the offering memorandum of “19 Hepalink 01”, in September 2020, the Company issued the cautionary announcements on the adjustment to the coupon rate of “19 Hepalink 01” and measures for implementation of the put options by investors and the announcement on the application for exercising the put options. The number of effective applications for the put options was 1,890,000, with a put options amount of RMB189,000,000 (excluding the interest on the put options). The amount for exercising the put options would be in place on October 29, 2020, with an accrued interest on the put options of RMB12,285,000 (tax inclusive). The Company will entrust Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to pay the principal and current interest to bondholders who have successfully applied for exercising of the put options. The coupon rate of “19 Hepalink 01” remaining to be held in the next interest-bearing year, i.e., from October 29, 2020 to October 28, 2021, would be adjusted to 2.50%.

For details of the above, please refer to relevant announcements published by the Company through the designated media for information disclosure.

5. On July 8, 2020, with the approval of the Hong Kong Stock Exchange, the 220,094,500 H Shares issued by the Company were listed on the Hong Kong Stock Exchange. The Chinese and English abbreviations of the Company’s H Shares are “海普瑞” and “HEPALINK” respectively, with a stock code of “09989”. The final price of the H Shares issued by the Company for this time is HK\$18.40 (excluding brokerage of 1.0%, the Hong Kong Securities and Futures Commission transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%), and the net proceeds raised are equivalent to RMB3.538 billion.



For details of the above, please refer to the announcements published by the Company through the designated media for information disclosure.

6. In September 2020, the Company received a notice that the U.S. FDA had permitted the wholly-owned subsidiary Shenzhen Techdow Pharmaceutical Co., Ltd. to register as a drug and API supplier for a holder of marketing license of finished dose enoxaparin sodium pharmaceutical products in the U.S.. For details, please refer to the *Announcement on Registration of Wholly-owned Subsidiary as a Supplier of Finished Dose Enoxaparin Sodium Pharmaceutical Products in the U.S. Market* published by the Company through designated media for information disclosure on September 22, 2020.
7. In October 2020, the Company received the Notice of Approval of Supplementary Drug Application approved and issued by the National Medical Products Administration where Techdow Pharmaceutical's enoxaparin sodium injection of all five strengths sold domestically has passed the consistency evaluation of quality and efficacy of generic drugs. For related information, please refer to the *Announcement on Passing the Consistency Evaluation for the Generic Drug of All Strengths of "Enoxaparin Sodium Injection"* issued by the Company on October 27, 2020 in the designated information disclosure media.

<b>Summary of important matters</b>	<b>Date of disclosure</b>	<b>Search index of websites for disclosing interim announcements</b>
Initial public offering of overseas listed foreign shares	July 3, 2020	2020-044 <i>Announcement on the Public Offering Price of Overseas Listed Foreign Shares (H Shares)</i> on www.cninfo.com.cn
	July 7, 2020	2020-045 <i>Announcement on the Allotment Results of Overseas Listed Foreign Shares (H Shares)</i> on www.cninfo.com.cn
	July 8, 2020	2020-046 <i>Announcement on the Listing and Trading of Overseas Listed Foreign Shares (H Shares)</i> on www.cninfo.com.cn
	July 31, 2020	2020-049 <i>Announcement on the End of Stabilization Period and Lapse of the Over-allotment Option</i> on www.cninfo.com.cn
Capital increase in Hepalink USA	August 1, 2020	2020-060 <i>Announcement on Capital Increase in Wholly-owned Subsidiary Hepalink USA Inc.</i> on www.cninfo.com.cn

<b>Summary of important matters</b>	<b>Date of disclosure</b>	<b>Search index of websites for disclosing interim announcements</b>
The adjustment to the coupon rate of corporate bond “19 Hepalink 01” and implementation of put option by investors	September 4, 2020	2020-073 <i>Reminder Announcement on Proposal to Lower the Coupon Rate of Corporate Bond “19 Hepalink 01”</i> on www.cninfo.com.cn
	September 8, 2020	2020-074 <i>The First Reminder Announcement on the Adjustment to the Coupon Rate of “19 Hepalink 01” and Measures for Implementation of Put Option by Investors</i> on www.cninfo.com.cn
	September 10, 2020	2020-075 <i>The Second Reminder Announcement on the Adjustment to the Coupon Rate of “19 Hepalink 01” and Measures for Implementation of Put Option by Investors</i> on www.cninfo.com.cn
	September 14, 2020	2020-076 <i>The Third Reminder Announcement on the Adjustment to the Coupon Rate of “19 Hepalink 01” and Measures for Implementation of Put Option by Investors</i> on www.cninfo.com.cn
	September 16, 2020	2020-077 <i>Announcement on the Application for Put Option of “19 Hepalink 01”</i> on www.cninfo.com.cn
Registration of wholly-owned subsidiary as a supplier of finished dose enoxaparin sodium pharmaceutical products in the U.S. market	September 22, 2020	2020-081 <i>Announcement on Registration of Wholly-owned Subsidiary as a Supplier of Finished Dose Enoxaparin Sodium Pharmaceutical Products in the U.S. Market</i> on www.cninfo.com.cn
Passing of consistency evaluation for the generic drug of all strengths of “Enoxaparin Sodium Injection”	October 27, 2020	2020-086 <i>Announcement on Passing of Consistency Evaluation for the Generic Drug of All Strengths of “Enoxaparin Sodium Injection”</i> on www.cninfo.com.cn

Progress of share repurchase

Applicable       Not Applicable

Progress of reduction in shareholding of repurchased shares through centralized bidding

Applicable       Not Applicable

### III. OVERDUE UNDERTAKINGS OF THE COMPANY'S DE FACTO CONTROLLERS, SHAREHOLDERS, RELATED PARTIES, PURCHASERS, THE COMPANY AND OTHER UNDERTAKING-RELATED PARTIES DURING THE REPORTING PERIOD

√ Applicable

□ Not Applicable

Undertakings	Undertakers	Type of undertaking	Content of undertaking	Time of undertaking	Duration of undertaking	Performance
Share conversion undertakings	Not applicable					
Undertakings made in acquisition report or equity changes report	Not applicable					
Undertakings made in asset restructuring	Li Li; Li Tan; Shan Yu; Shenzhen Leren Technology Co., Ltd.; Urumqi Feilaishi Equity Investment Co., Ltd.; Urumqi Jintiantu Equity Investment Partnership (Limited Partnership); Urumqi Shuidi Shichuan Equity Investment Partnership (Limited Partnership)	Performance-related undertakings and compensation arrangements	The net profits of Shenzhen Topknow Industrial Development Co., Ltd. for 2018, 2019 and 2020, net of non-recurring profits and losses, are not less than RMB190.60 million, RMB286.80 million and RMB340.80 million, respectively. If Shenzhen Topknow Industrial Development Co., Ltd. fails to achieve the net profits undertakings above, the undertakers shall be liable for the performance-related compensations with the consideration they respectively acquired in the transaction and shall bear joint liability for the above compensation obligations.	February 11, 2018	From January 1, 2018 to December 31, 2020	In normal performance. Performance-related undertakings for 2018 have been achieved; compensations required to be borne in 2019 amounted to RMB252.3987 million, which have been received by the Company on May 6, 2020. The parties responsible for Performance-related undertakings and compensations have fulfilled the compensation obligations of 2019.

Undertakings	Undertakers	Type of undertaking	Content of undertaking	Time of undertaking	Duration of undertaking	Performance
Undertakings made at initial public offering or refinancing	Shenzhen Leren Technology Co., Ltd.; Urumqi Feilaishi Equity Investment Co., Ltd.; Urumqi Jintiantu Equity Investment Partnership (Limited Partnership); Li Li; Li Tan; Shan Yu	Undertakings related to business competition, related party transactions and capital occupation	<p>1. During the period when the Company serves as a controlling shareholder of the Company/when the relevant person serves as the de facto controller of the Company/when the relevant person serves as the director and general manager of the Company, the Company/the relevant person undertakes that it/ I will not engage (whether alone or in the form of joint venture or cooperation), in any manner, in any business which competes with the business of the Company nor will its current or future wholly owned subsidiaries, controlled subsidiaries or other entities controlled by it engage in any business which competes with the business of the Company.</p> <p>2. In the event of any breaches of the above undertakings, the Company shall agree to bear all the losses incurred to the Company.</p>	April 23, 2010		The undertakers have strictly performed the above undertakings during the Reporting Period.

Undertakings	Undertakers	Type of undertaking	Content of undertaking	Time of undertaking	Duration of undertaking	Performance
	Shenzhen Leren Technology Co., Ltd.; Urumqi Jintiantu Equity Investment Partnership (Limited Partnership)	Other undertakings	<p>1. If the Company or its subsidiary Shenzhen Duopusheng Biological Technology Co., Ltd. ( 深圳市多普生生物技術有限公司 ) incurs additional taxes and expenses in the future due to cancellation of the preferential enterprise income tax by tax authorities under Shen Fu [1988] No. 232, the undertakers will immediately, unconditionally and fully repay the taxes made up and all relevant expenses arising therefrom to the Company or Shenzhen Duopusheng Biological Technology Co., Ltd. ( 深圳市多普生生物技術有限公司 ).</p> <p>2. If the Company incurs additional taxes and expenses due to future recourse by tax authorities caused by the Company's calculation and payment of urban maintenance and construction taxes and education surcharges based on the value-added tax and business</p>	April 23, 2010		The undertakers have strictly performed the above undertakings during the Reporting Period.

Undertakings	Undertakers	Type of undertaking	Content of undertaking	Time of undertaking	Duration of undertaking	Performance
	Shenzhen Leren Technology Co., Ltd.; Urumqi Jintiantu Equity Investment Partnership (Limited Partnership)	Other undertakings	tax actually paid, the undertakers will immediately, unconditionally and fully repay the taxes made up and all relevant expenses arising therefrom to the Company. If the Company or its subsidiary Shenzhen Duopusheng Biological Technology Co., Ltd. ( 深圳市多普生生物技術有限公司 ) is required to make up the housing provident fund and pay relevant fines or suffers any losses due to implementation of policies related to housing provident fund before listing, the undertakers will immediately, unconditionally and fully repay all the losses arising therefrom to the Company or Shenzhen Duopusheng Biological Technology Co., Ltd. ( 深圳市多普生生物技術有限公司 )	April 23, 2020		The undertakers have strictly performed the above undertakings during the Reporting Period.

Undertakings	Undertakers	Type of undertaking	Content of undertaking	Time of undertaking	Duration of undertaking	Performance
Undertakings on equity incentives	Not applicable					
Other undertakings made to minority shareholders of the Company	Not applicable					
Whether the undertakings have been performed in due time	Yes					
If any undertaking fails to be performed in due time, please specify the specific reasons for failed performance and the work plan of next step	Not applicable					

#### 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.

## V. PROGRESS OF THE FUNDED INVESTMENT PROJECTS

Applicable       Not Applicable

On August 27, 2019, the 24th meeting of the fourth session of the board of directors of the Company considered and approved the *Proposal on Using Part of the Over-raised Funds to Permanently Supplement the Working Capital*, allowing the Company to use the remaining over-raised funds and corresponding interest income to permanently supplement the working capital. As of the end of the Reporting Period, the Company has transferred the aforesaid over-raised funds and remaining interest into its general account to supplement the working capital and cancelled the corresponding special account for the raised funds. For details, please refer to the *Announcement About Completion of the Cancellation of the Special Account for Raised Funds (2020-082)* issued by the Company on the designated media for information disclosure.

## VI. FORECAST OF OPERATING PERFORMANCE IN 2020

Warnings of and reasons for any projected accumulated net loss from the beginning of the year to the end of the next Reporting Period or substantial change in accumulated net profit as compared to the same period last year

Applicable       Not Applicable

## VII. MATERIAL CONTRACTS FOR DAILY OPERATIONS

Applicable       Not Applicable

## VIII. ENTRUSTED WEALTH MANAGEMENT

Applicable       Not Applicable

*Currency: RMB    Unit: 0'000*

Specific type	Source of funds for entrusted investment	Amount of entrusted investment	Undue balance	Amount overdue for recovery
Wealth management products of banks	Own funds	320	320	0
Wealth management products of banks	Own funds	58,000	58,000	0
Total		58,320	58,320	0

Particulars of high-risk entrusted wealth management with individually significant, low-security, low-liquidity, non-principal protected products

Applicable       Not Applicable

Expected irrecoverable principal or other potential impairment in entrusted wealth management

Applicable       Not Applicable



## IX. ILLEGAL EXTERNAL GUARANTEES

Applicable       Not Applicable

There was no illegal external guarantee during the Reporting Period.

## X. OCCUPATION OF NON-OPERATING FUNDS OF THE LISTED COMPANY BY CONTROLLING SHAREHOLDERS AND THEIR RELATED PARTIES

Applicable       Not Applicable

There was no occupation of non-operating funds of the listed company by controlling shareholders and their related parties during the Reporting Period.

## XI. REGISTRATION FORM OF RESEARCH RECEPTION, COMMUNICATION, INTERVIEW AND OTHER ACTIVITIES DURING THE REPORTING PERIOD

Applicable       Not Applicable

Reception time	Reception place	Way of reception	Type of target object	Target object	Main content of discussion and information provided	Index of basic information of the research
July 2, 2020	Teleconference	Communication by telephone	Institution	Southwest Securities and other institutions	Regular reports on performance of the Company	<i>Record of Investor Relations on July 2, 2020</i> , the website of cninf: <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

## IV Financial Statements

### I. FINANCIAL STATEMENTS

#### 1. Consolidated Balance Sheet

Prepared by Shenzhen Hepalink Pharmaceutical Group Co., Ltd.

*Currency: RMB Unit: Yuan*

Items	September 30, 2020	December 31, 2019
<b>Current assets:</b>		
Monetary capital	<b>2,928,107,184.47</b>	1,277,767,013.51
Provision of settlement fund		
Placements with banks and other financial institutions		
Trading financial assets	<b>613,097,117.68</b>	112,644,401.68
Derivative financial assets		
Bills receivable	<b>35,186,255.23</b>	22,825,711.23
Accounts receivable	<b>1,325,075,655.86</b>	1,293,516,538.76
Receivables financing		
Prepayments	<b>233,903,064.39</b>	443,349,517.87
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	<b>75,415,309.45</b>	375,506,464.54
Including: Interests receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventories	<b>3,344,386,695.08</b>	2,374,356,880.29
Contract assets	<b>24,845,153.47</b>	
Assets held for sale		
Non-current assets due within one year	<b>90,589,975.96</b>	13,511,372.38
Other current assets	<b>179,562,019.84</b>	82,052,791.47
<b>Total current assets</b>	<b>8,850,168,431.43</b>	5,995,530,691.73

<b>Items</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Non-current assets:</b>		
Loans and advances to customers		
Debt investments		74,183,339.05
Other debt investments		
Long-term receivables		
Long-term equity investments	<b>1,596,067,372.18</b>	1,349,772,012.70
Other equity instrument investments	<b>651,517,483.00</b>	627,397,476.26
Other non-current financial assets	<b>1,302,107,958.30</b>	1,228,170,684.39
Investment properties		
Fixed assets	<b>2,023,829,543.97</b>	1,855,259,018.31
Construction in progress	<b>520,300,519.56</b>	720,385,145.89
Biological assets for production		
Oil and gas assets		
Right-of-use assets	<b>97,492,452.60</b>	
Intangible assets	<b>625,484,459.81</b>	671,897,093.31
Development costs	<b>14,726,937.07</b>	11,090,829.18
Goodwill	<b>2,298,838,563.54</b>	2,354,907,796.79
Long-term prepaid expenses	<b>119,173,801.71</b>	120,973,124.69
Deferred income tax assets	<b>123,691,712.35</b>	117,749,240.51
Other non-current assets	<b>289,340,285.65</b>	114,888,950.64
<b>Total non-current assets</b>	<b>9,662,571,089.74</b>	9,246,674,711.72
<b>Total assets</b>	<b>18,512,739,521.17</b>	15,242,205,403.45

Items	September 30, 2020	December 31, 2019
<b>Current liabilities:</b>		
Short-term borrowings	<b>1,686,887,572.34</b>	2,927,445,063.98
Borrowing from the central bank		
Placements from banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	<b>167,598,424.91</b>	228,661,231.29
Receipts in advance		203,356,476.11
Contract liabilities	<b>321,225,006.06</b>	
Financial assets sold under repurchase agreements		
Receipt of deposits and deposits from other banks		
Customer deposits for trading in securities		
Customer deposits for undertaking securities		
Staff remuneration payable	<b>136,984,132.76</b>	152,419,850.05
Taxes payable	<b>78,586,975.42</b>	88,245,135.71
Other payables	<b>317,726,656.89</b>	344,008,014.30
Including: Interests payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	<b>1,007,240,560.10</b>	1,014,450,750.85
Other current liabilities	<b>27,066,488.77</b>	8,549,897.61
<b>Total current liabilities</b>	<b>3,743,315,817.25</b>	4,967,136,419.90

Items	September 30, 2020	December 31, 2019
<b>Non-current liabilities:</b>		
Provision for insurance contracts		
Long-term borrowings	<b>1,315,166,097.13</b>	1,658,959,445.14
Bonds payable	<b>1,557,072,728.73</b>	695,693,831.85
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	<b>73,896,594.89</b>	
Long-term payables	<b>227,966.68</b>	7,886,256.84
Long-term staff remuneration payable	<b>109,107,471.18</b>	109,002,695.34
Estimated liabilities	<b>9,368,243.38</b>	9,596,737.12
Deferred income	<b>19,262,150.58</b>	20,815,853.52
Deferred income tax liabilities	<b>314,012,997.93</b>	302,003,817.41
Other non-current liabilities		
Total non-current liabilities	<b>3,398,114,250.50</b>	2,803,958,637.22
Total liabilities	<b>7,141,430,067.75</b>	7,771,095,057.12
<b>Owners' equity:</b>		
Share capital	<b>1,467,296,204.00</b>	1,247,201,704.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	<b>5,950,227,261.00</b>	2,633,959,376.05
Less: Treasury stock		
Other comprehensive income	<b>-63,053,248.53</b>	55,115,850.41
Special reserves		
Surplus reserves	<b>532,228,470.47</b>	532,228,470.47
Provision for general risks		
Undistributed profits	<b>3,363,867,141.26</b>	2,878,505,360.19
Total equity attributable to owners of the parent company	<b>11,250,565,828.20</b>	7,347,010,761.12
Minority interests	<b>120,743,625.22</b>	124,099,585.21
Total owners' equity	<b>11,371,309,453.42</b>	7,471,110,346.33
Total liabilities and owners' equity	<b>18,512,739,521.17</b>	15,242,205,403.45

Legal representative: Li Li      Person in charge of accounting function: Zhang Bin      Person in charge of accounting department: Zhang Bin

2. *Balance Sheet of the Parent Company*

*Currency: RMB Unit: Yuan*

<b>Items</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Current assets:</b>		
Monetary capital	<b>2,286,426,635.96</b>	801,539,194.11
Trading financial assets	<b>603,423,222.38</b>	54,820,664.62
Derivative financial assets		
Bills receivable	<b>35,106,255.23</b>	15,987,305.20
Accounts receivable	<b>1,187,607,992.27</b>	710,207,502.99
Receivables financing	<b>430,000,000.00</b>	500,000,000.00
Prepayments	<b>695,969,475.54</b>	781,667,944.94
Other receivables	<b>1,744,184,672.44</b>	1,059,086,676.50
Including: Interests receivable		
Dividends receivable		
Inventories	<b>985,491,037.38</b>	781,290,447.09
Contract assets		
Assets held for sale		
Non-current assets due within one year	<b>72,974,999.98</b>	
Other current assets	<b>41,774,060.48</b>	7,382,809.31
<b>Total current assets</b>	<b>8,082,958,351.66</b>	4,711,982,544.76

<b>Items</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Non-current assets:</b>		
Debt investments		74,183,339.05
Other debt investments		
Long-term receivables	<b>1,239,691,855.01</b>	1,213,420,622.37
Long-term equity investments	<b>2,955,854,751.75</b>	2,799,806,348.00
Other equity instrument investments	<b>31,862,600.00</b>	31,862,600.00
Other non-current financial assets	<b>578,204,280.15</b>	473,267,641.96
Investment properties		
Fixed assets	<b>811,724,949.72</b>	602,823,532.75
Construction in progress	<b>357,270,136.82</b>	538,268,079.47
Biological assets for production		
Oil and gas assets		
Right-of-use assets	<b>31,123,292.17</b>	
Intangible assets	<b>91,951,267.63</b>	94,429,494.96
Development costs	<b>542,476.01</b>	542,476.01
Goodwill		
Long-term prepaid expenses	<b>83,846,068.65</b>	87,798,802.91
Deferred income tax assets	<b>3,938,259.12</b>	37,581,108.50
Other non-current assets	<b>89,746,179.40</b>	2,516,314.20
<b>Total non-current assets</b>	<b>6,275,756,116.43</b>	5,956,500,360.18
<b>Total assets</b>	<b>14,358,714,468.09</b>	10,668,482,904.94

<b>Items</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Current liabilities:</b>		
Short-term borrowings	<b>1,111,160,686.51</b>	1,856,572,659.59
Trading financial liabilities		
Derivative financial liabilities		
Bills payable		
Accounts payable	<b>6,711,039.39</b>	16,487,933.18
Receipts in advance		
Contract liabilities	<b>1,961,308.80</b>	
Staff remuneration payable	<b>52,128,070.27</b>	54,445,330.88
Taxes payable	<b>6,545,803.24</b>	4,646,305.08
Other payables	<b>225,654,033.16</b>	240,932,050.05
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	<b>608,657,828.18</b>	545,720,071.60
Other current liabilities		
<b>Total current liabilities</b>	<b>2,012,818,769.55</b>	2,718,804,350.38
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>986,478,779.78</b>	1,068,352,000.00
Bonds payable	<b>1,557,072,728.73</b>	695,693,831.85
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	<b>28,432,809.85</b>	
Long-term payables		
Long-term staff remuneration payable		
Estimated liabilities		
Deferred income	<b>3,457,870.35</b>	3,974,899.29
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>2,575,442,188.71</b>	1,768,020,731.14
<b>Total liabilities</b>	<b>4,588,260,958.26</b>	4,486,825,081.52



<b>Items</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Owners' equity:</b>		
Share capital	<b>1,467,296,204.00</b>	1,247,201,704.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	<b>5,986,068,420.58</b>	2,673,370,877.48
Less: Treasury stock		
Other comprehensive income	<b>10,120,005.35</b>	10,120,005.35
Special reserves		
Surplus reserves	<b>527,787,524.13</b>	527,787,524.13
Undistributed profit	<b>1,779,181,355.77</b>	1,723,177,712.46
Total owners' equity	<b>9,770,453,509.83</b>	6,181,657,823.42
Total liabilities and owners' equity	<b>14,358,714,468.09</b>	10,668,482,904.94

3. Consolidated Income Statement for the Reporting Period

Currency: RMB Unit: Yuan

Items	Amount for current period (From July to September 2020)	Amount for previous period (From July to September 2019)
I. Total operating revenue	<b>883,279,435.85</b>	1,010,151,349.28
Including: Operating revenue	<b>883,279,435.85</b>	1,010,151,349.28
Interest income	<b>12,049,433.37</b>	25,938,293.90
Insurance premiums earned		
Fee and commission income		
II. Total operating costs	<b>945,559,111.93</b>	925,568,466.57
Including: Operating costs	<b>611,540,195.55</b>	639,749,886.48
Interest expenses		
Fee and commission expenses		
Insurance withdrawal payment		
Net claims expenses		
Net provisions withdrew for insurance liability		
Insurance policy dividend paid		
Reinsurance costs		
Taxes and surcharges	<b>2,889,403.41</b>	3,760,841.77
Selling expenses	<b>87,635,084.21</b>	89,673,225.60
Administration expenses	<b>88,400,875.15</b>	91,693,565.45
Research and development expenses	<b>34,495,520.35</b>	54,048,691.20
Finance costs	<b>120,598,033.26</b>	46,642,256.07
Including: Interest expenses	<b>60,094,348.04</b>	74,604,279.44
Interest income	<b>12,049,433.37</b>	25,938,293.90

Items	Amount for current period (From July to September 2020)	Amount for previous period (From July to September 2019)
Add: Other gains	<b>11,262,910.80</b>	2,912,152.27
Gain from investments (losses are represented by “-”)	<b>189,160,051.46</b>	119,245,530.31
Including: Investment income of associates and joint ventures	<b>183,417,183.89</b>	104,390,299.53
Derecognition income on financial assets measured at amortized cost		
Exchange gain (losses are represented by “-”)		
Gains on net exposure hedges (losses are represented by “-”)		
Gains on fair value changes (losses are represented by “-”)	<b>14,063,857.21</b>	-57,494,637.17
Credit impairment losses (losses are represented by “-”)	<b>4,497.25</b>	1,135,906.91
Asset impairment losses (losses are represented by “-”)	<b>2,703,498.86</b>	-432,815.66
Gains from disposal of assets (losses are represented by “-”)	<b>-167,384.97</b>	67,427.73
<b>III. Operating profit (losses are represented by “-”)</b>	<b>154,747,754.53</b>	150,016,447.10
Add: Non-operating income	<b>804,120.81</b>	562,283.41
Less: Non-operating expenses	<b>135,567.30</b>	254,479.15
<b>IV. Total profit (total losses are represented by “-”)</b>	<b>155,416,308.04</b>	150,324,251.36
Less: Income tax expense	<b>28,255,503.99</b>	26,924,629.19
<b>V. Net profit (net losses are represented by “-”)</b>	<b>127,160,804.05</b>	123,399,622.17
(I) Classification by continuous operation		
1. Net profit from continuous operations (net losses are represented by “-”)	<b>127,160,804.05</b>	123,399,622.17
2. Net profit from discontinuous operations (net losses are represented by “-”)		
(II) Classification by ownership of the equity		
1. Net profit attributable to owners of the parent company	<b>127,537,897.12</b>	124,880,496.24
2. Profit or loss attributable to minority shareholders	<b>-377,093.07</b>	-1,480,874.07

Items	Amount for current period (From July to September 2020)	Amount for previous period (From July to September 2019)
VI. Other comprehensive income, net of tax	<b>-158,594,352.22</b>	76,376,885.26
Other comprehensive income attributable to owners of the parent company, net of tax	<b>-157,865,458.58</b>	76,258,285.61
(I) Other comprehensive income that cannot be reclassified into the profit or loss	<b>1,730,660.28</b>	-1,127,858.05
1. Changes arising from re-measurement of defined benefit plans	<b>-31,198.72</b>	
2. Other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of investments in other equity instruments	<b>1,730,660.28</b>	-1,127,858.05
4. Changes in fair value of credit risks of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into the profit or loss	<b>-159,596,118.86</b>	77,386,143.66
1. Other comprehensive income that can be transferred into profit or loss under equity method		620,255.67
2. Changes in fair value of other debt investments		
3. Reclassified financial assets that are credited to other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange differences on translation of financial statements denominated in foreign currencies	<b>-159,596,118.86</b>	76,765,887.99
7. Others		
Other comprehensive income attributable to minority shareholders, net of tax	<b>-728,893.64</b>	118,599.65
VII. Total comprehensive income	<b>-31,433,548.17</b>	199,776,507.43
Total comprehensive income attributable to owners of the parent company	<b>-30,327,561.46</b>	201,138,781.85
Total comprehensive income attributable to minority shareholders	<b>-1,105,986.71</b>	-1,362,274.42
VIII. Earnings per share:		
(I) Basic earnings per share	<b>0.0915</b>	0.1001
(II) Diluted earnings per share	<b>0.0915</b>	0.1001

Net profit of the combined party before the combination in respect of business combination under common control during current period: RMB0.00, net profit of the combined party during previous period: RMB0.00.

Legal representative: Li Li      Person in charge of accounting function: Zhang Bin      Person in charge of accounting department: Zhang Bin

4. *Income Statement of the Parent Company for the Reporting Period*

*Currency: RMB Unit: Yuan*

<b>Items</b>	<b>Amount for current period (From July to September 2020)</b>	Amount for previous period (From July to September 2019)
I. Operating revenue	<b>277,978,009.22</b>	441,405,952.69
Less: Operating cost	<b>237,734,178.16</b>	315,841,490.98
Taxes and surcharges	<b>392,126.96</b>	849,183.90
Selling expenses	<b>2,961,003.70</b>	2,859,094.98
Administrative expenses	<b>31,666,987.00</b>	29,219,230.50
Research and development expenses	<b>23,539,099.04</b>	18,669,286.81
Financial expenses	<b>113,553,211.62</b>	-9,347,731.66
Including: Interest expenses	<b>53,505,695.88</b>	59,150,227.25
Interest income	<b>14,993,738.72</b>	33,235,421.40
Add: Other income	<b>6,458,491.18</b>	1,681,202.26
Investment income (losses are represented by “-”)	<b>44,996,893.30</b>	127,962,718.86
Including: Investment income of associates and joint ventures	<b>41,988,199.20</b>	129,629,319.24
Derecognition income on financial assets measured at amortized cost		
Gains on net exposure hedges (losses are represented by “-”)		
Gains on fair value changes (losses are represented by “-”)	<b>10,442,796.92</b>	-87,579,492.23
Loss on credit impairment (losses are represented by “-”)		963,349.62
Loss on assets impairment (losses are represented by “-”)		97,951.09
Gain from disposal of assets (losses are represented by “-”)		

Items	Amount for current period (From July to September 2020)	Amount for previous period (From July to September 2019)
II. Operating profit (losses are represented by “-”)	<b>-69,970,415.86</b>	126,441,126.78
Add: Non-operating income	<b>16,504.00</b>	
Less: Non-operating expenses	<b>267,813.65</b>	
III. Total profit (total losses are represented by “-”)	<b>-70,221,725.51</b>	126,441,126.78
Less: Income tax expense	<b>-12,496,623.80</b>	16,931,788.76
IV. Net profit (net losses are represented by “-”)	<b>-57,725,101.71</b>	109,509,338.02
(I) Net profit from continuous operation (net losses are represented by “-”)	<b>-57,725,101.71</b>	109,509,338.02
(II) Net profit from discontinuous operation (net losses are represented by “-”)		
V. Other comprehensive income, net of tax		21,883,902.27
(I) Other comprehensive income that cannot be reclassified into the profit or loss		21,263,646.60
1. Changes arising from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of investments in other equity instruments		21,263,646.60
4. Changes in fair value of credit risks of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into the profit or loss		620,255.67
1. Other comprehensive income that can be transferred into profit or loss under equity method		620,255.67
2. Changes in fair value of other debt investments		
3. Reclassified financial assets that are credited to other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		

Items	Amount for current period (From July to September 2020)	Amount for previous period (From July to September 2019)
6. Exchange differences on translation of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	<b>-57,725,101.71</b>	131,393,240.29
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. *Consolidated Income Statement from the Beginning of the Year to the End of the Reporting Period*

*Currency: RMB Unit: Yuan*

Items	Amount for current period (From January to September 2020)	Amount for previous period (From January to September 2019)
I. Total operating revenue	<b>3,542,478,922.83</b>	3,139,025,084.46
Including: Operating revenue	<b>3,542,478,922.83</b>	3,139,025,084.46
Interest income		
Insurance premiums earned		
Fee and commission income		
II. Total operating cost	<b>3,052,549,275.49</b>	2,819,389,479.00
Including: Operating cost	<b>2,150,731,197.46</b>	2,027,680,588.08
Interest expenses		
Fee and commission expenses		
Insurance withdrawal payment		
Net claims expenses		
Net provisions withdrew for insurance liability		
Insurance policy dividend paid		
Reinsurance costs		
Taxes and surcharges	<b>20,260,072.63</b>	14,982,094.24
Selling expenses	<b>292,753,033.65</b>	242,572,038.59

Items	Amount for current period (From January to September 2020)	Amount for previous period (From January to September 2019)
Administrative expenses	<b>288,285,222.34</b>	285,270,148.89
Research and development expenses	<b>69,407,687.52</b>	112,376,401.45
Financial expenses	<b>231,112,061.89</b>	136,508,207.75
Including: Interest expenses	<b>200,820,043.60</b>	187,966,857.87
Interest income	<b>19,478,895.29</b>	39,930,636.31
Add: Other income	<b>44,059,801.13</b>	28,021,248.20
Investment income (losses are represented by “-”)	<b>298,214,815.65</b>	511,993,974.31
Including: Investment income of associates and joint ventures	<b>259,509,168.46</b>	-74,893,857.36
Derecognition income on financial assets measured at amortized cost		
Exchange gain (losses are represented by “-”)		
Gains on net exposure hedges (losses are represented by “-”)		
Gains on fair value changes (losses are represented by “-”)	<b>36,491,216.73</b>	-86,682,316.61
Loss on credit impairment (losses are represented by “-”)	<b>-5,940,731.67</b>	-1,148,906.03
Loss on assets impairment (losses are represented by “-”)	<b>-14,395,140.01</b>	-152,665.30
Gain from disposal of assets (losses are represented by “-”)	<b>-154,701.98</b>	2,603,692.06
III. Operating profit (losses are represented by “-”)	<b>848,204,907.19</b>	774,270,632.09
Add: Non-operating income	<b>862,546.11</b>	1,445,550.96
Less: Non-operating expenses	<b>1,260,664.67</b>	604,530.15
IV. Total profit (total losses are represented by “-”)	<b>847,806,788.63</b>	775,111,652.90
Less: Income tax expense	<b>141,381,595.80</b>	118,530,133.21
V. Net profit (net losses are represented by “-”)	<b>706,425,192.83</b>	656,581,519.69
(I) Classification by continuous operation		
1. Net profit from continuous operations (net losses are represented by “-”)	<b>706,425,192.83</b>	656,581,519.69
2. Net profit from discontinued operations (net losses are represented by “-”)		



Items	Amount for current period (From January to September 2020)	Amount for previous period (From January to September 2019)
(II) Classification by ownership of the equity		
1. Net profit attributable to owners of the parent company	<b>708,597,054.96</b>	671,282,497.62
2. Profit or loss attributable to minority shareholders	<b>-2,171,862.13</b>	-14,700,977.93
VI. Other comprehensive income, net of tax	<b>-118,965,617.15</b>	85,148,325.89
Other comprehensive income attributable to owners of the parent company, net of tax	<b>-118,257,411.28</b>	85,500,580.15
(I) Other comprehensive income that cannot be reclassified into the profit or loss	<b>16,822,297.77</b>	-1,184,652.88
1. Changes arising from re-measurement of defined benefit plans	<b>4,943,618.19</b>	
2. Other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of investments in other equity instruments	<b>11,878,679.58</b>	-1,184,652.88
4. Changes in fair value of credit risks of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into the profit or loss	<b>-135,079,709.05</b>	86,685,233.03
1. Other comprehensive income that can be transferred into profit or loss under equity method		269,485.92
2. Changes in fair value of other debt investments		
3. Reclassified financial assets that are credited to other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange differences on translation of financial statements denominated in foreign currencies	<b>-135,079,709.05</b>	86,415,747.11
7. Others		
Other comprehensive income attributable to minority shareholders, net of tax	<b>-708,205.87</b>	-352,254.26

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
VII. Total comprehensive income	<b>587,459,575.68</b>	741,729,845.58
Total comprehensive income attributable to owners of parent company	<b>590,339,643.68</b>	756,783,077.77
Total comprehensive income attributable to minority shareholders	<b>-2,880,068.00</b>	-15,053,232.19
VIII. Earnings per share:		
(I) Basic earnings per share	<b>0.5467</b>	0.5382
(II) Diluted earnings per share	<b>0.5467</b>	0.5382

Net profit of the combined party before the combination in respect of business combination under common control during current period: RMB0.00, net profit of the combined party during previous period: RMB0.00.

Legal representative: Li Li      Person in charge of accounting function: Zhang Bin      Person in charge of accounting department: Zhang Bin

6. *Income Statement of the Parent Company from the Beginning of the Year to the End of the Reporting Period*

*Currency: RMB Unit: Yuan*

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
I. Operating revenue	<b>1,602,670,867.05</b>	1,389,865,478.99
Less: Operating cost	<b>1,193,781,609.24</b>	1,052,628,728.17
Taxes and surcharges	<b>1,186,311.86</b>	7,486,240.34
Selling expenses	<b>8,735,282.33</b>	7,651,539.79
Administrative expenses	<b>130,996,997.83</b>	90,057,820.90
Research and development expenses	<b>39,096,831.10</b>	42,768,575.09
Financial expenses	<b>206,513,112.89</b>	36,212,982.71
Including: Interest expenses	<b>168,666,018.10</b>	128,358,920.28
Interest income	<b>32,003,069.43</b>	58,273,822.36
Add: Other income	<b>25,631,042.37</b>	22,661,237.30
Investment income (losses are represented by “-”)	<b>191,004,479.06</b>	-57,378,343.27

Items	Amount for current period (From January to September 2020)	Amount for previous period (From January to September 2019)
Including: Investment income of associates and joint ventures	<b>173,068,913.21</b>	-44,799,342.31
Derecognition income on financial assets measured at amortized cost		
Gains on net exposure hedges (losses are represented by “-”)		
Gains on fair value changes (losses are represented by “-”)	<b>84,627,431.82</b>	-117,271,048.88
Loss on credit impairment (losses are represented by “-”)	<b>-1,978,525.95</b>	-982,750.57
Loss on asset impairment (losses are represented by “-”)		316,624.71
Gain from disposal of assets (losses are represented by “-”)		101.96
II. Operating profit (losses are represented by “-”)	<b>321,645,149.10</b>	405,413.24
Add: Non-operating income	<b>17,536.68</b>	
Less: Non-operating expenses	<b>581,800.94</b>	10,086.47
III. Total profit (total losses are represented by “-”)	<b>321,080,884.84</b>	395,326.77
Less: Income tax expenses	<b>39,180,840.52</b>	-4,575,725.17
IV. Net profit (net losses are represented by “-”)	<b>281,900,044.32</b>	4,971,051.94
(I) Net profit from continuous operation (net losses are represented by “-”)	<b>281,900,044.32</b>	4,971,051.94
(II) Net profit from discontinuous operation (net losses are represented by “-”)		
V. Other comprehensive income, net of tax		15,912,781.12
(I) Other comprehensive income that cannot be reclassified into the profit or loss		15,643,295.20
1. Changes arising from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred into profit or loss under equity method		
3. Changes in fair value of investments in other equity instruments		15,643,295.20
4. Changes in fair value of credit risks of the enterprise		
5. Others		

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
(II) Other comprehensive income to be reclassified into the profit or loss		269,485.92
1. Other comprehensive income that can be transferred into profit or loss under equity method		269,485.92
2. Changes in fair value of other debt investments		
3. Reclassified financial assets that are credited to other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange differences on translation of financial statements denominated in foreign currencies		
7. Others		
<b>VI. Total comprehensive income</b>	<b>281,900,044.32</b>	20,883,833.06
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share		
(II) Diluted earnings per share		

7. Consolidated Cash Flow Statement from the Beginning of the Year to the End of the Reporting Period

Currency: RMB Unit: Yuan

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
<b>I. Cash flows from operating activities:</b>		
Cash received from the sale of goods and rendering of services	<b>3,476,393,821.65</b>	3,300,416,917.83
Net increase in customers and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in placement from other financial institutes		

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fee and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in cash received from repurchase operation		
Net cash received from securities trading agency services		
Refunds of taxes received	<b>171,927,526.65</b>	188,927,399.40
Cash received from other related operating activities	<b>147,993,291.96</b>	153,953,759.59
<b>Sub-total of cash inflows from operating activities</b>	<b>3,796,314,640.26</b>	3,643,298,076.82
Cash paid on purchase of goods and services	<b>2,614,251,334.49</b>	2,621,889,325.77
Net increase in loans and advances to customers		
Net increase in deposits with central bank and interbank		
Cash paid for compensation payments under original insurance contract		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	<b>556,432,287.67</b>	585,071,005.37
Cash paid for all types of taxes	<b>235,099,880.89</b>	156,239,398.56
Cash paid to other operation related activities	<b>520,382,186.11</b>	431,553,358.14
<b>Sub-total of cash outflows from operating activities</b>	<b>3,926,165,689.16</b>	3,794,753,087.84
<b>Net cash flows from operating activities</b>	<b>-129,851,048.90</b>	-151,455,011.02
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	<b>163,813,580.16</b>	930,109,168.78
Cash received from investment income	<b>38,781,010.58</b>	32,660,015.70

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	<b>Amount for previous period (From January to September 2019)</b>
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>212,899.76</b>	24,361.08
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment related activities	<b>144,625,036.55</b>	480,747,951.15
Sub-total of cash inflows from investing activities	<b>347,432,527.05</b>	1,443,541,496.71
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	<b>163,103,860.97</b>	275,003,019.52
Cash paid for investments	<b>722,239,054.47</b>	1,261,023,539.00
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid on other investment related activities	<b>1,000,000,000.00</b>	81,912,152.60
Sub-total of cash outflows from investing activities	<b>1,885,342,915.44</b>	1,617,938,711.12
Net cash flows from investing activities	<b>-1,537,910,388.39</b>	-174,397,214.41
III. Cash flows from financing activities:		
Cash received from capital contributions	<b>3,538,287,231.32</b>	14,565,663.42
Including: Cash received from capital contributions by minority shareholders of subsidiaries		14,543,953.42
Cash received from borrowings	<b>3,693,081,017.14</b>	4,131,683,233.40
Cash received from other financing related activities	<b>252,863,775.46</b>	
Sub-total of cash inflows from financing activities	<b>7,484,232,023.92</b>	4,146,248,896.82
Cash paid on repayment of borrowings	<b>4,430,375,198.04</b>	2,728,080,756.96
Cash paid on distribution of dividends, profits or interest expenses	<b>394,368,335.48</b>	253,283,866.18
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing related activities	<b>148,402,965.04</b>	1,209,895,789.09
Sub-total of cash outflows from financing activities	<b>4,973,146,498.56</b>	4,191,260,412.23
Net cash flows from financing activities	<b>2,511,085,525.36</b>	-45,011,515.41

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	<b>-8,645,136.92</b>	8,248,142.87
V. Net increase in cash and cash equivalents	<b>834,678,951.15</b>	-362,615,597.97
Add: Balance of cash and cash equivalents at the beginning of the period	<b>1,076,536,863.48</b>	1,526,099,509.35
VI. Balance of cash and cash equivalents at the end of the period	<b>1,911,215,814.63</b>	1,163,483,911.38

8. *Cash Flow Statement of the Parent Company from the Beginning of the Year to the End of the Reporting Period*

*Currency: RMB Unit: Yuan*

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	Amount for previous period (From January to September 2019)
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	<b>905,335,944.95</b>	1,425,408,666.97
Refunds of taxes received	<b>93,908,158.71</b>	100,441,523.40
Cash received from other operating related activities	<b>250,505,162.98</b>	156,977,365.42
Sub-total of cash inflows from operating activities	<b>1,249,749,266.64</b>	1,682,827,555.79
Cash paid on purchase of goods and services	<b>1,397,535,774.66</b>	1,542,363,744.66
Cash paid to and on behalf of employees	<b>122,314,739.19</b>	146,095,859.16
Cash paid for all types of taxes	<b>34,818,337.92</b>	62,083,073.88
Cash paid to other operating related activities	<b>1,543,251,541.07</b>	230,058,251.97
Sub-total of cash outflows from operating activities	<b>3,097,920,392.84</b>	1,980,600,929.67
Net cash flows from operating activities	<b>-1,848,171,126.20</b>	-297,773,373.88
II. Cash flows from investing activities:		
Cash received from disposal of investments	<b>361,853,209.95</b>	672,946,668.78
Cash received from investment income	<b>20,763,986.25</b>	29,741,127.32
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>4,418.00</b>	4,092.23

<b>Items</b>	<b>Amount for current period (From January to September 2020)</b>	<b>Amount for previous period (From January to September 2019)</b>
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment related activities	<b>144,625,036.55</b>	464,299,143.42
Sub-total of cash inflows from investing activities	<b>527,246,650.75</b>	1,166,991,031.75
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	<b>83,612,764.60</b>	141,840,723.96
Cash paid for investments	<b>655,877,174.14</b>	2,031,865,797.13
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid on other investment related activities	<b>1,000,000,000.00</b>	452,281,724.34
Sub-total of cash outflows from investing activities	<b>1,739,489,938.74</b>	2,625,988,245.43
Net cash flows from investing activities	<b>-1,212,243,287.99</b>	-1,458,997,213.68
III. Cash flows from financing activities:		
Cash received from capital contributions	<b>3,538,287,231.32</b>	
Cash received from borrowings	<b>2,666,067,460.11</b>	2,556,363,350.22
Cash received from other financing related activities	<b>253,104,498.97</b>	
Sub-total of cash inflows from financing activities	<b>6,457,459,190.40</b>	2,556,363,350.22
Cash paid on repayment of borrowings	<b>2,249,982,045.28</b>	937,195,188.73
Cash paid on distribution of dividends, profits or interest expenses	<b>361,987,571.87</b>	205,825,257.40
Cash paid on other financing related activities	<b>118,925,227.09</b>	24,494,141.50
Sub-total of cash outflows from financing activities	<b>2,730,894,844.24</b>	1,167,514,587.63
Net cash flows from financing activities	<b>3,726,564,346.16</b>	1,388,848,762.59
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	<b>-48,412,069.64</b>	1,838,346.63
V. Net increase in cash and cash equivalents	<b>617,737,862.33</b>	-366,083,478.34
Add: Balance of cash and cash equivalents at the beginning of the period	<b>661,877,403.79</b>	1,032,773,151.55
VI. Balance of cash and cash equivalents at the end of the period	<b>1,279,615,266.12</b>	666,689,673.21



## II. EXPLANATIONS ABOUT ADJUSTMENTS TO FINANCIAL STATEMENTS

### 1. Particulars in Relation to Adjustments Made to Relevant Items of the Financial Statements as at the Beginning of the Year of the Initial Adoption of New Revenue Standards and New Lease Standards from 2020

Applicable       Not Applicable

Whether to adjust items of balance sheet as at the beginning of the year

Yes       No

Consolidated Balance Sheet

*Currency: RMB    Unit: Yuan*

Items	December 31, 2019	January 1, 2020	Adjustment
<b>Current assets:</b>			
Monetary capital	1,277,767,013.51	<b>1,277,767,013.51</b>	
Provision of settlement fund			
Placements with banks and other financial institutions			
Trading financial assets	112,644,401.68	<b>112,644,401.68</b>	
Derivative financial assets			
Bills receivable	22,825,711.23	<b>22,825,711.23</b>	
Accounts receivable	1,293,516,538.76	<b>1,277,883,453.58</b>	-15,633,085.18
Receivables financing			
Prepayments	443,349,517.87	<b>443,349,517.87</b>	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	375,506,464.54	<b>375,506,464.54</b>	
Including: Interests receivable			
Dividends receivable			
Financial assets held under resale agreements			
Inventories	2,374,356,880.29	<b>2,363,168,294.25</b>	-11,188,586.04

Items	December 31, 2019	January 1, 2020	Adjustment
Contract assets		<b>31,185,701.36</b>	31,185,701.36
Assets held for sale			
Non-current assets due within one year	13,511,372.38	<b>13,511,372.38</b>	
Other current assets	82,052,791.47	<b>82,052,791.47</b>	
Total current assets	5,995,530,691.73	<b>5,999,894,721.87</b>	4,364,030.14
<b>Non-current assets:</b>			
Loans and advances to customers			
Debt investments	74,183,339.05	<b>74,183,339.05</b>	
Other debt investments			
Long-term receivables			
Long-term equity investments	1,349,772,012.70	<b>1,349,772,012.70</b>	
Other equity instrument investments	627,397,476.26	<b>627,397,476.26</b>	
Other non-current financial assets	1,228,170,684.39	<b>1,228,170,684.39</b>	
Investment properties			
Fixed assets	1,855,259,018.31	<b>1,846,947,521.66</b>	-8,311,496.65
Construction in progress	720,385,145.89	<b>720,385,145.89</b>	
Biological assets for production			
Oil and gas assets			
Right-of-use assets		<b>113,688,182.31</b>	113,688,182.31
Intangible assets	671,897,093.31	<b>671,897,093.31</b>	
Development costs	11,090,829.18	<b>11,090,829.18</b>	
Goodwill	2,354,907,796.79	<b>2,354,907,796.79</b>	
Long-term prepaid expenses	120,973,124.69	<b>120,973,124.69</b>	
Deferred income tax assets	117,749,240.51	<b>117,749,240.51</b>	
Other non-current assets	114,888,950.64	<b>114,888,950.64</b>	
Total non-current assets	9,246,674,711.72	<b>9,352,051,397.38</b>	105,376,685.66
Total assets	15,242,205,403.45	<b>15,351,946,119.25</b>	109,740,715.80
<b>Current liabilities:</b>			
Short-term borrowings	2,927,445,063.98	<b>2,927,445,063.98</b>	
Borrowings from central bank			
Placements from banks and other financial institutions			
Trading financial liabilities			

Items	December 31, 2019	January 1, 2020	Adjustment
Derivative financial liabilities			
Bills payable			
Accounts payable	228,661,231.29	<b>228,661,231.29</b>	
Receipts in advance	203,356,476.11		-203,356,476.11
Contract liabilities		<b>203,356,476.11</b>	203,356,476.11
Financial assets sold under repurchase agreements			
Receipt of deposits and deposits from other banks			
Customer deposits for trading in securities			
Customer deposits for undertaking securities			
Staff remuneration payable	152,419,850.05	<b>152,419,850.05</b>	
Taxes payable	88,245,135.71	<b>88,245,135.71</b>	
Other payables	344,008,014.30	<b>344,008,014.30</b>	
Including: Interests payable			
Dividends payable			
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	1,014,450,750.85	<b>1,043,875,468.50</b>	29,424,717.65
Other current liabilities	8,549,897.61	<b>8,549,897.61</b>	
Total current liabilities	4,967,136,419.90	<b>4,996,561,137.55</b>	29,424,717.65
<b>Non-current liabilities:</b>			
Provision for insurance contracts			
Long-term borrowings	1,658,959,445.14	<b>1,658,959,445.14</b>	
Bonds payable	695,693,831.85	<b>695,693,831.85</b>	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		<b>87,252,896.29</b>	87,252,896.29
Long-term payable	7,886,256.84	<b>186,027.04</b>	-7,700,229.80
Long-term staff remuneration payable	109,002,695.34	<b>109,002,695.34</b>	
Estimated liabilities	9,596,737.12	<b>9,596,737.12</b>	

Items	December 31, 2019	January 1, 2020	Adjustment
Deferred income	20,815,853.52	<b>20,815,853.52</b>	
Deferred income tax liabilities	302,003,817.41	<b>302,003,817.41</b>	
Other non-current liabilities			
Total non-current liabilities	2,803,958,637.22	<b>2,883,511,303.71</b>	79,552,666.49
Total liabilities	7,771,095,057.12	<b>7,880,072,441.26</b>	108,977,384.14
<b>Owners' equity:</b>			
Share capital	1,247,201,704.00	<b>1,247,201,704.00</b>	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	2,633,959,376.05	<b>2,633,959,376.05</b>	
Less: Treasury stock			
Other comprehensive income	55,115,850.41	<b>55,204,162.75</b>	88,312.34
Special reserves			
Surplus reserves	532,228,470.47	<b>532,228,470.47</b>	
Provision for general risks			
Undistributed profits	2,878,505,360.19	<b>2,879,766,393.02</b>	1,261,032.83
Total equity attributable to owners of the parent company	7,347,010,761.12	<b>7,348,360,106.29</b>	1,349,345.17
Minority interests	124,099,585.21	<b>123,513,571.70</b>	-586,013.51
Total owners' equity	7,471,110,346.33	<b>7,471,873,677.99</b>	763,331.66
Total liabilities and owners' equity	15,242,205,403.45	<b>15,351,946,119.25</b>	109,740,715.80

### Adjustment Description

The Company implemented the New Revenue and New Lease Standards for the first time from January 1, 2020, and adjusted the retained earnings at the beginning of the year and the amount of other related items in the financial statements based on the cumulative impact of the first implementation standards and the New Lease Standards, and no adjustment had been made to the information in the comparable period.

## Balance Sheet of the Parent Company

Currency: RMB Unit: Yuan

Items	December 31, 2019	January 1, 2020	Adjustment
<b>Current assets:</b>			
Monetary funds	801,539,194.11	<b>801,539,194.11</b>	
Trading financial assets	54,820,664.62	<b>54,820,664.62</b>	
Derivative financial assets			
Bills receivable	15,987,305.20	<b>15,987,305.20</b>	
Accounts receivable	710,207,502.99	<b>710,207,502.99</b>	
Receivables financing	500,000,000.00	<b>500,000,000.00</b>	
Prepayments	781,667,944.94	<b>781,667,944.94</b>	
Other receivables	1,059,086,676.50	<b>1,059,086,676.50</b>	
Including: Interests receivable			
Dividends receivable			
Inventories	781,290,447.09	<b>781,290,447.09</b>	
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	7,382,809.31	<b>7,382,809.31</b>	
Total current assets	4,711,982,544.76	<b>4,711,982,544.76</b>	
<b>Non-current assets:</b>			
Debt investments	74,183,339.05	<b>74,183,339.05</b>	
Other debt investments		<b>0.00</b>	
Long-term receivables	1,213,420,622.37	<b>1,213,420,622.37</b>	
Long-term equity investments	2,799,806,348.00	<b>2,799,806,348.00</b>	
Other equity instrument investments	31,862,600.00	<b>31,862,600.00</b>	
Other non-current financial assets	473,267,641.96	<b>473,267,641.96</b>	
Investment properties			
Fixed assets	602,823,532.75	<b>602,823,532.75</b>	
Construction in progress	538,268,079.47	<b>538,268,079.47</b>	
Biological assets for production			
Oil and gas assets			
Right-of-use assets		<b>34,614,096.35</b>	34,614,096.35

Items	December 31, 2019	January 1, 2020	Adjustment
Intangible assets	94,429,494.96	<b>94,429,494.96</b>	
Development costs	542,476.01	<b>542,476.01</b>	
Goodwill			
Long-term prepaid expenses	87,798,802.91	<b>87,798,802.91</b>	
Deferred tax assets	37,581,108.50	<b>37,581,108.50</b>	
Other non-current assets	2,516,314.20	<b>2,516,314.20</b>	
Total non-current assets	5,956,500,360.18	<b>5,991,114,456.53</b>	34,614,096.35
Total assets	10,668,482,904.94	<b>10,703,097,001.29</b>	34,614,096.35
<b>Current liabilities:</b>			
Short-term borrowings	1,856,572,659.59	<b>1,856,572,659.59</b>	
Trading financial liabilities			
Derivative financial liabilities			
Bills payable			
Accounts payable	16,487,933.18	<b>16,487,933.18</b>	
Receipts in advance			
Contract liabilities			
Staff remuneration payable	54,445,330.88	<b>54,445,330.88</b>	
Taxes payable	4,646,305.08	<b>4,646,305.08</b>	
Other payables	240,932,050.05	<b>240,932,050.05</b>	
Including: Interests payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year	545,720,071.60	<b>550,122,921.63</b>	4,402,850.03
Other current liabilities			
Total current liabilities	2,718,804,350.38	<b>2,723,207,200.41</b>	4,402,850.03
<b>Non-current liabilities:</b>			
Long-term borrowings	1,068,352,000.00	<b>1,068,352,000.00</b>	
Bonds payable	695,693,831.85	<b>695,693,831.85</b>	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		<b>31,611,340.61</b>	31,611,340.61
Long-term payables			
Long-term staff remuneration payable			

Items	December 31, 2019	January 1, 2020	Adjustment
Estimated liabilities			
Deferred income	3,974,899.29	<b>3,974,899.29</b>	
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	1,768,020,731.14	<b>1,799,632,071.75</b>	31,611,340.61
Total liabilities	4,486,825,081.52	<b>4,522,839,272.16</b>	36,014,190.64
<b>Owners' equity:</b>			
Share capital	1,247,201,704.00	<b>1,247,201,704.00</b>	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	2,673,370,877.48	<b>2,673,370,877.48</b>	
Less: Treasury stock			
Other comprehensive income	10,120,005.35	<b>10,120,005.35</b>	
Special reserves			
Surplus reserves	527,787,524.13	<b>527,787,524.13</b>	
Undistributed profits	1,723,177,712.46	<b>1,721,777,618.17</b>	-1,400,094.29
Total owners' equity	6,181,657,823.42	<b>6,180,257,729.13</b>	-1,400,094.29
Total liabilities and owners' equity	10,668,482,904.94	<b>10,703,097,001.29</b>	34,614,096.35

### Adjustment Description

The Company implemented the New Revenue and New Lease Standards for the first time from January 1, 2020, and adjusted the retained earnings at the beginning of the year and the amount of other related items in the financial statements based on the cumulative impact of the first implementation standards and the New Lease Standards, and no adjustment had been made to the information in the comparable period.

#### 2. *Retrospective Adjustment of the Previous Comparative Data by Initial Adoption of New Revenue Standards and New Lease Standards since 2020*

Applicable       Not Applicable

### III. Audit Report

Whether the third quarterly report has been audited

Yes       No

The third quarterly report of the Company has not been audited.