

Stock Code: 688007

Stock Short Name: Appotronics



Appotronics Corporation Limited

The First Quarter Report in 2020

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I. Important Notes

- 1.1 The Board of Directors, the Board of Supervisors, directors, supervisors and senior officers of the Company hereby warrant that the information contained in this Quarter Report is true, accurate and complete and this Quarter Report is free from any misrepresentation, misleading statement or material omission, and agree to assume joint and several liability for this Quarter Report.
- 1.2 All directors of the Company attended the meeting of the Board of Directors for deliberation of this Quarter Report.
- 1.3 BO Lianming, Principal of the Company; ZHAO Ruijin, the Person in Charge of the Accounting Body; and WEI Yanlin, the Chief Accountant (the Person in Charge of Accounting) hereby represent that the financial statements contained in this Quarter Report are true, accurate and complete.
- 1.4 The Company's first quarter report has not been audited.

II. Basic Information

2.1 Major financial data

In RMB			
	At the end of the reporting period	At the end of the prior year	Changes at the end of the reporting period from the end of the prior year (%)
Total assets	2,984,904,808.29	3,099,508,090.85	-3.70
Net assets attributable to shareholders of the listed company	2,001,216,429.95	1,974,559,837.64	1.35
	From the beginning of the year to the end of the reporting period	From the beginning of the prior year to the end of the reporting period of the prior year	Changes over the same period of the prior year (%)
Net cash flow from operating activities	-38,289,185.55	-65,364,673.16	N/A
	From the beginning of the year to the end of the reporting period	From the beginning of the prior year to the end of the reporting period of the prior year	Changes over the same period of the prior year (%)
Operating income	306,900,748.84	359,369,025.24	-14.60
Net profits	13,322,216.29	27,848,207.29	-52.16

attributable to shareholders of the listed company			
Net profits attributable to shareholders of the listed company after deduction of non-recurring profits or losses	-7,989,708.14	17,279,140.15	-146.24
Weighted average return on net assets (%)	0.67	3.83	Decrease by 3.16%
Basic earnings per share (RMB/share)	0.03	0.07	-57.14
Diluted earnings per share (RMB/share)	0.03	0.07	-57.14
Proportion of R&D investments to the operating income (%)	14.26	10.17	Increase by 4.09%

The net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss for the current period amounted to RMB -7,989,708.14, down 146.24%, primarily due to the decline in the comprehensive gross margin caused by changed product income structure during the period; the expenses during the period, including the share-based payments charged to recurring profit or loss amounted to RMB 9,027,862.06, increased by 8.72% year over year; and the non-recurring gains for the current period increased by RMB 12,528,305.13, primarily contributed by the income from wealth management products and government grants.

Items and amounts of non-recurring profit or loss

√Applicable □ N/A

In RMB

Item	2019	Description
Profit or loss on disposal of non-current assets	238,395.63	
Government grants recognized in profit or loss other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	11,818,995.29	The government grants primarily represent those recognized in profit or loss for the current period, including government grants received in the current period and those previously received but recognized in the current period for amortization.
Net profit or loss of subsidiaries from	5,827,864.14	It refers to the realized part of

the beginning of the period up to the business combination date recognized as a result of business combination of enterprises involving entities under common control		unrealized profits and losses from transactions prior to business combination involving entities under common control.
Profit or loss on changes in the fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities and investment income on disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than those used in the effective hedging activities relating to normal operating business	6,232,108.77	It primarily refers to the gains from wealth management products purchased by temporarily idle funds
Other non-operating income or expenses other than the above	-344,986.73	
Effects attributable to minority interests (net of tax)	-120,908.65	
Income tax effects	-2,339,544.02	
Total	21,311,924.43	

2.2 Total number of shareholders, and the shareholding of top ten shareholders and top ten unrestricted shareholders as of the end of reporting period

In Share							
Total number of shareholders (account)				17,029			
The shareholding of top ten shareholders							
Shareholder name (full name)	Number of shares held at the end of the period	Proport ion (%)	Number of restricted shares held	Number of restricted shares including shares leased out for refinancing business	Description of pledge or freeze		Nature of shareh olders
					If pledged or frozen	Num ber	

Shenzhen Appotronics Holdings Limited	79,762,679	17.66	79,762,679	79,762,679	No	0	Non-state-owned corporation in China
SAIF IV Hong Kong (China Investments) Limited	62,980,676	13.95	62,980,676	62,980,676	No	0	Oversea corporation
CITIC PE Investment (Hong Kong) 2016 Limited	41,774,562	9.25	41,774,562	41,774,562	No	0	Oversea corporation
Fuzhou Strait Appotronics Investment Partnership (LP)	25,064,737	5.55	25,064,737	25,064,737	No	0	Non-state-owned corporation in China
Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP)	24,139,500	5.35	24,139,500	24,139,500	No	0	Non-state-owned corporation in China
Shenzhen Appotronics Daye Investment Partnership (LP)	20,430,250	4.52	20,430,250	20,430,250	No	0	Non-state-owned corporation in China
GREEN FUTURE HOLDINGS LIMITED	16,504,518	3.66	16,504,518	16,504,518	No	0	Oversea corporation
Shenzhen Appotronics Hongye Investment Partnership (LP)	15,662,374	3.47	15,662,374	15,662,374	No	0	Non-state-owned corporation in China
Shenzhen Jinleijing Investment Limited Partnership (LP)	12,353,106	2.74	12,353,106	12,353,106	No	0	Non-state-owned corporation in China
Changzhou Lisheng Equity Investment Partnership (LP)	11,667,635	2.58	11,667,635	11,667,635	No	0	Non-state-owned corporation in China
The shareholding of top ten shareholders of non-restricted shares							
Shareholder name	Number of unrestricted circulating shares	Category and number of shares					
		Category		Number			

National Social Security Fund Portfolio 102	1,742,168	RMB ordinary shares	1,742,168
UBS AG	1,517,479	RMB ordinary shares	1,517,479
ZHONG Haidi	822,804	RMB ordinary shares	822,804
Agricultural Bank of China Limited - BOCOM Schroder Pioneer Hybrid Securities Investment Fund	594,434	RMB ordinary shares	594,434
LONG Shixue	464,700	RMB ordinary shares	464,700
GAO Ermei	393,713	RMB ordinary shares	393,713
WANG Danping	329,210	RMB ordinary shares	329,210
ZHANG Shangmin	317,734	RMB ordinary shares	317,734
ZHOU Qiping	273,940	RMB ordinary shares	273,940
Industrial and Commercial Bank of China Limited - BOCOM Schroder Technology Innovation Flexible Allocation Hybrid Securities Investment Fund	272,708	RMB ordinary shares	272,708
Explanation for related-party relationship or concerted actions among aforementioned shareholders	<p>1. As of March 31, 2020, the Company has received no statement from aforementioned shareholders to confirm there is a related-party relationship or concerted action, except the concerted action among Shenzhen Appotronics Holdings Limited, Shenzhen Yuanshi Laser Industrial Investment Consulting Partnership (LP), Shenzhen Appotronics Daye Investment Partnership (LP), Shenzhen Appotronics Hongye Investment Partnership (LP), and Shenzhen Jinleijing Investment Limited Partnership (LP) in top 10 shareholders of the Company.</p> <p>2. The Company is unaware that whether there is a related-party relationship among circulating shareholders or whether they are persons acting in concert as stipulated in the <i>Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies</i>.</p>		
Explanation on preferred shareholders of voting power recovered and shareholding numbers	N/A		

2.3 Total number of preferred shareholders, and the shareholding of top ten preferred shareholders and top ten unrestricted preferred shareholders as of the end of reporting period

☐ Applicable ☒ N/A

III. Significant Events

3.1 Significant changes in the Company's main accounting line items and financial highlights and reasons thereof

☒ Applicable ☐ N/A

1. Changes in line items of the balance sheet and reasons thereof

In RMB

Item	March 31, 2020	December 31, 2019	Proportion of change	Reason for change
Receivables financing	1,169,000.00	1,980,500.00	-40.97%	Primarily due to the acceptance of matured bank acceptance bills
Notes payable	22,379,090.01	37,335,841.79	-40.06%	Primarily due to the acceptance of matured bank acceptance bills
Receipts in advance		184,444,643.33	N/A	Primarily due to the implementation of new standards
Contract liabilities	198,880,050.18		N/A	Primarily due to the implementation of new standards
Employee benefits payable	13,882,223.33	50,586,932.71	-72.56%	Primarily due to the payment of 2019 year-end bonus in the current period
Taxes payable	10,525,791.11	42,924,647.79	-75.48%	Primarily due to the decreased payment of enterprise income tax and the decline in taxes payable in the current period
Non-current liabilities due within one year	36,459,795.66	64,968,795.02	-43.88%	Primarily due to the decreased balance of long-term borrowings

				due within one year
Other comprehensive income	7,084,382.66	3,287,063.85	115.52%	Primarily due to the exchange differences on translation of financial statements denominated in foreign currencies

2. Changes in line items of the income statement and reasons thereof

In RMB

Item	For the period from January 1, 2020 to March 31, 2020	For the period from January 1, 2019 to March 31, 2019	Proportion of change	Reason for change
Taxes and levies	848,964.73	2,713,456.49	-68.71%	Primarily due to the decreased payment of VAT in the current period
Administrative expenses	34,641,364.44	26,453,737.41	30.95%	Primarily due to the increased expenses of share-based payments in the current period
Financial expenses	3,640,120.46	10,183,619.72	-64.26%	Primarily due to decreased loan interest expenses and increased deposit interest income
Other income	13,967,683.29	6,995,045.26	99.68%	Primarily due to increases in government grants recognized in the current period
Investment income	6,951,747.26	-4,299,742.78	N/A	Primarily due to the income from wealth management products recognized in the current period and decreased losses of investments in associates
Losses of credit impairment	3,178,689.54	13,856.68	22839.76%	Primarily due to the decrease in the

				provision for bad debts of accounts receivable
Impairment losses of assets	-4,230,773.80	1,936,993.19	-318.42%	Primarily due to the increase in the provision for decline in value of inventories in the current period
Income tax expense	6,583,959.00	15,103,968.68	-56.41%	Primarily due to the decreased profits before tax in the current period
Net profit	7,299,713.17	37,606,521.44	-80.59%	Primarily due to decreased income and increased expenses in the current period
Net profits attributable to owners of the Parent Company	13,322,216.29	27,848,207.29	-52.16%	Primarily due to decreased income and increased expenses in the current period
Profit or loss attributable to minority shareholders	-6,022,503.12	9,758,314.15	-161.72%	Primarily due to the decreased profits of subsidiaries in the current period
Exchange differences on translation of financial statements denominated in foreign currencies	3,797,318.81	-2,985,768.48	N/A	Primarily due to increased assets dominated in foreign currencies and the exchange rate change
Basic and diluted earnings per share	0.03	0.07	-57.14%	Primarily due to decreased profits and increased shares

3. Changes in line items of the cash flow statement and reasons thereof

In RMB

Item	For the period from January 1, 2020 to March 31, 2020	For the period from January 1, 2019 to March 31, 2019	Proportion of change	Reason for change
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Net cash flow from operating activities	-38,289,185.55	-65,364,673.16	N/A	Primarily due to the decreased payment for purchase in the current period
Net cash flow from investing activities	56,240,044.30	-5,455,447.62	N/A	Primarily due to the redemption of and gains from wealth management products purchased by temporarily idle funds
Net cash flow from financing activities	-53,008,882.64	-9,610,541.75	N/A	Primarily due to the decrease in new borrowings in the current period as compared with the same period of last year.
Effect of foreign exchange rate changes on cash and cash equivalents	419,408.45	-2,687,466.36	N/A	Primarily due to exchange profit or loss and the exchange differences on translation of financial statements denominated in foreign currencies
Net increase in cash and cash equivalents	-34,638,615.44	-83,118,128.89	N/A	Primarily due to the comprehensive effects on changes in each line item above of the cash flow statement

3.2 Description of analysis on progresses of significant events and their influences and solutions

√Applicable □ N/A

(I) Litigation

1.Civil litigation and arbitration cases where the Company acted as a defendant

As of the date of issue of the financial statements, there have been 5 civil litigation cases where the Company was a defendant, with details as below:

Case No.	Cause of action	Plaintiffs	Defendant/Appellee	Patents involved	Amount involved	Progress
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(2019) Yue 73 Zhi Min Chu No.662	Infringement of patent rights of inventions	Delta Electronics, Inc.	Appotronics Corporation Limited; Shenzhen Futian Suopuni Projection Video System Commercial Firm	ZL201610387831.8	RMB 16,145,300	Suspension of hearing
(2019) Yue 73 Zhi Min Chu No.663				ZL201310017478.0	RMB 16,145,300	Pending
(2019) Yue 73 Zhi Min Chu No.664				ZL20310625063.1	RMB 16,145,300	Pending
(2019) Jing 73 Min Chu No.1275	Infringement of patent rights of inventions	Delta Electronics, Inc.	Fengmi (Beijing) Technology Co., Ltd.; Appotronics Corporation Limited	ZL201410249663.7	RMB 16,010,000	Pending
(2019) Jing 73 Min Chu No.1276				ZL201610387831.8	RMB 16,010,000	Pending

2.Civil litigation and arbitration cases where the Company acted as a plaintiff

As of the disclosure date of the report, there have been 30 civil litigation cases where the Company acted as a plaintiff. In these cases, 28 cases were caused by infringement of invention patents with relevant claims as follows: requiring the defendant to stop infringing the Company's patents for invention and destroy the equipment and mold used to produce the infringed products; requiring the defendant to compensate the plaintiff with economic losses and reasonable expenses incurred for stopping the infringement, and to bear the joint and several liability. No other credit and debit disputes were involved. And 2 cases are brought for correcting the inventors of the patents, with relevant claims of correcting LI Yi and HU Fei as the inventors of the US Patent No. 9,024,241 and the China Patent No. ZL201610387831.8.

3. In March 2020, the Company concluded the Mediation Agreement with Casio Computer Co., Ltd., pursuant to which both parties voluntarily reached a mediation on a number of litigation cases, and withdrew relevant cases respectively. The details were disclosed by the Company on the official site of Shanghai Stock Exchange (www.sse.com.cn) on March 21, 2020 and in the 2020-008 Announcement in designated information disclosure media. As of the disclosure date of the report, the withdrawal of cases by both parties is in progress.

(II) Invalidation plea

1. Invalidation plea cases where the Company acted a patentee

As of the disclosure date of the report, there have been 4 invalidation plea cases where the Company acted as a patentee, with details as below:

Serial No.	Case code	Patentee	Patent No. involved	Petitioner for invalidation	Remark
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1	4W110045	Appotronics Corporation Limited	ZL200880107739.5	Delta Electronics (Shanghai) Co., Ltd.	The National Intellectual Property Administration of the PRC accepted the invalidation plea. Details were disclosed in 2020-007 Temporary Announcement.
2	4W108668	Appotronics Corporation Limited	ZL200810065225.X	Dehao Electronic Technology Ltd.	Pending
3	4W108847	Appotronics Corporation Limited	ZL200810065225.X	WEI Qun	Pending
4	4W110041	Appotronics Corporation Limited	ZL200810065225.X	Delta Electronics (Shanghai) Co., Ltd.	The National Intellectual Property Administration of the PRC accepted the invalidation plea. Details were disclosed in 2020-007 Temporary Announcement.

2. Invalidation plea cases where the Company acted a petitioner

As of the disclosure date of the report, there have been 4 invalidation plea cases where the Company acted as a petitioner, all of which are related to the invalidation plea against patents held by Delta Electronics, Inc.

3.3 Commitments failed in completion as scheduled within the reporting period

☐ Applicable ☒ N/A

3.4 Warning of the estimate that the accumulated net profits from the beginning of the year to the end of the next reporting period will be negative or will change significantly comparing with the same period of the previous year, and description of reasons

☒ Applicable ☐ N/A

Though the COVID-19 epidemic has been effectively controlled in China, it still spreads all over the world in a tendency far from optimistic, which has greatly affected the worldwide economy and industry. Due to the impact of this epidemic, businesses in the movie industry where the Company's cinema light source lease service belongs have also suspended, causing the Company's shutdown of its cinema projector light source lease service business, hence the Company's income from cinema projector light source lease service has been directly affected. Meanwhile, the shrink of consumption demand as the result of the macro environment has also affected the Company's other businesses to a certain extent. As GDC invested by the Company belongs to the cinema projection equipment industry, it is also affected by the discontinued operation of cinemas, so that it may fail to achieve the expected results, which will increase the Company's external investment risks. Therefore, the Company is exposed to the risk that the Company's performance from the beginning of the year to the end of the next reporting period will be significantly lower than that of the same period of the previous year.

Company name	Appotronics Corporation Limited
Legal Representative	BO Lianming
Date	April 29, 2020

IV. Annex

4.1 Financial statements

Consolidated Balance Sheet

March 31, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	March 31, 2020	December 31, 2019
Current Assets:		
Cash and bank balances	827,117,516.74	875,858,784.58
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	485,000,000.00	540,000,000.00
Derivative financial assets		
Notes receivable	4,583,773.78	4,042,559.63
Accounts receivable	138,433,481.93	176,035,155.24
Receivables financing	1,169,000.00	1,980,500.00
Prepayments	30,274,385.62	35,070,999.13
Premiums receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	11,893,750.49	9,618,750.08
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	347,382,515.07	299,966,170.35
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	41,590,854.50	44,405,513.30
Total Current Assets	1,887,445,278.13	1,986,978,432.31
Non-current Assets:		
Loans and advances		
Debt investments		
Other debt investments		

Long-term receivables		
Long-term equity investments	142,382,489.82	139,534,371.94
Other equity instrument investments	11,975,419.38	11,975,419.38
Other non-current financial assets		
Investment properties		
Fixed assets	465,654,761.50	471,204,340.95
Construction in progress	14,552,980.54	20,132,004.07
Bearer biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	328,514,812.96	332,331,324.07
Development expenditure		
Goodwill		
Long-term prepaid expenses	16,759,002.15	16,908,070.34
Deferred tax assets	106,192,677.72	109,023,941.85
Other non-current assets	11,427,386.09	11,420,185.94
Total Non-current Assets	1,097,459,530.16	1,112,529,658.54
Total assets	2,984,904,808.29	3,099,508,090.85
Current Liabilities:		
Short-term borrowings	97,656,413.93	76,765,319.05
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	22,379,090.01	37,335,841.79
Accounts payable	156,802,981.12	176,624,445.46
Receipts in advance		184,444,643.33
Contract liabilities	198,880,050.18	
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	13,882,223.33	50,586,932.71
Taxes payable	10,525,791.11	42,924,647.79

Other payables	14,972,938.20	14,364,076.43
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Held-for-sale liabilities		
Non-current liabilities due within one year	36,459,795.66	64,968,795.02
Other current liabilities		
Total Current Liabilities	551,559,283.54	648,014,701.58
Non-current Liabilities:		
Insurance contract reserves		
Long-term borrowings	240,199,125.63	279,615,107.27
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities		
Long-term payables	3,542,550.00	3,488,100.00
Long-term employee benefits payable		
Provisions	29,568,184.72	27,072,676.49
Deferred income	15,034,378.48	17,108,361.69
Deferred tax liabilities		
Other non-current liabilities		
Total Non-current Liabilities	288,344,238.83	327,284,245.45
Total Liabilities	839,903,522.37	975,298,947.03
Owners' (or Shareholders') equity:		
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,216,200,640.70	1,207,942,318.37
Less: Treasury shares		
Other comprehensive income	7,084,382.66	3,287,063.85
Special reserve		
Surplus reserve	22,800,224.13	22,800,224.13
General risk reserve		
Retained profits	303,576,771.46	288,975,820.29
Total Owners'(or Shareholders') Equity Attributable to Owners of the	2,001,216,429.95	1,974,559,837.64

Parent Company		
Minority interests	143,784,855.97	149,649,306.18
Total Owners' (or Shareholders') Equity	2,145,001,285.92	2,124,209,143.82
Total Liabilities and Owners' (or Shareholders') Equity	2,984,904,808.29	3,099,508,090.85

Legal Representative:
BO Lianming

Person in Charge of the Accounting Body:
ZHAO Ruijin

Chief Accountant:
WEI Yanlin

Balance Sheet of the Parent Company

March 31, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	March 31, 2020	December 31, 2019
Current Assets:		
Cash and bank balances	469,608,752.61	570,479,390.49
Held-for-trading financial assets	485,000,000.00	540,000,000.00
Derivative financial assets		
Notes receivable	2,909,223.78	3,542,559.63
Accounts receivable	288,187,483.95	299,315,776.44
Receivables financing	129,000.00	442,500.00
Prepayments	5,305,552.69	6,410,257.48
Other receivables	70,959,929.83	67,227,575.21
Including: Interest receivable		
Dividends receivable		
Inventories	163,646,069.08	135,617,379.22
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	10,924,913.92	12,280,164.39
Total Current Assets	1,496,670,925.86	1,635,315,602.86
Non-current Assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	391,378,475.54	257,795,276.13
Other equity instrument investments	7,075,419.38	7,075,419.38
Other non-current financial assets		

Investment properties		
Fixed assets	58,631,091.77	60,391,512.92
Construction in progress	2,245,799.09	1,385,496.59
Bearer biological assets		
Oil and gas assets		
Use right assets		
Intangible assets	327,120,322.03	330,796,423.87
Development expenditure		
Goodwill		
Long-term prepaid expenses	13,072,982.44	12,771,126.83
Deferred tax assets	7,861,742.77	9,545,438.20
Other non-current assets	6,439,815.16	6,744,453.85
Total Non-current Assets	813,825,648.18	686,505,147.77
Total assets	2,310,496,574.04	2,321,820,750.63
Current Liabilities:		
Short-term borrowings	20,000,000.00	10,217,738.36
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	22,379,090.01	37,335,841.79
Accounts payable	159,440,057.91	162,596,838.45
Receipts in advance		11,116,659.11
Contract liabilities	13,163,978.16	
Employee benefits payable	7,794,625.23	26,985,668.92
Taxes payable	735,473.27	1,534,242.70
Other payables	46,393,502.32	42,599,703.36
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
Total Current Liabilities	269,906,726.90	292,386,692.69
Non-current Liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Leasing liabilities		
Long-term payables	3,542,550.00	3,488,100.00
Long-term employee benefits payable		

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Provisions	15,151,566.68	14,631,273.00
Deferred income	13,668,257.45	15,724,174.30
Deferred tax liabilities		
Other non-current liabilities		
Total Non-current Liabilities	32,362,374.13	33,843,547.30
Total Liabilities	302,269,101.03	326,230,239.99
Owners' (or Shareholders') equity:		
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,319,967,729.88	1,310,939,867.82
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	21,522,683.40	21,522,683.40
Retained profits	215,182,648.73	211,573,548.42
Total Owners' (or Shareholders') Equity:	2,008,227,473.01	1,995,590,510.64
Total Liabilities and Owners' (or Shareholders') Equity:	2,310,496,574.04	2,321,820,750.63

Legal Representative:
BO Lianming

Person in Charge of the Accounting Body:
ZHAO Ruijin

Chief Accountant:
WEI Yanlin

Consolidated Income Statement

For the period from January 1, 2020 to March 31, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The First Quarter in 2020	The First Quarter in 2019
I. Total operating income	306,900,748.84	359,369,025.24
Including: Operating income	306,900,748.84	359,369,025.24
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	312,526,014.17	311,930,400.24
Including: Operating costs	205,113,820.04	211,196,655.46
Interest expenses		

Fee and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Net withdrawal of insurance contract reserves		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Taxes and levies	848,964.73	2,713,456.49
Selling expenses	24,522,520.30	24,850,190.08
Administrative expenses	34,641,364.44	26,453,737.41
R&D expenses	43,759,224.20	36,532,741.08
Financial expenses	3,640,120.46	10,183,619.72
Including: Interest expense	5,974,996.52	8,508,945.58
Interest income	2,452,836.80	656,900.44
Add: other income	13,967,683.29	6,995,045.26
Investment income (loss is indicated by “-”)	6,951,747.26	-4,299,742.78
Including: Income from investments in associates and joint ventures	719,638.49	-4,299,742.78
Gains from derecognition of financial assets at amortized assets		
Foreign exchange gains (loss is indicated by “-”)		
Gains from net exposure hedges (loss is indicated by “-”)		
Gains from changes in fair values (loss is indicated by “-”)		
Losses of credit impairment (loss is indicated by “-”)	3,178,689.54	13,856.68
Impairment losses of assets (loss is indicated by “-”)	-4,230,773.80	1,936,993.19
Gains from disposal of assets (loss is indicated by “-”)	0.00	0.00
III. Operating profit (loss is indicated by “-”)	14,242,080.96	52,084,777.35
Add: Non-operating income	17,320.21	881,216.12
Less: Non-operating expenses	375,729.00	255,503.35
IV. Total profits (total losses are indicated by “-”)	13,883,672.17	52,710,490.12
Less: Income tax expenses	6,583,959.00	15,103,968.68
V. Net profits (net losses are indicated by “-”)	7,299,713.17	37,606,521.44
(I) Categorized by the continuity of operation		

1. Net profits from continuing operations (net losses are indicated by “-”)	7,299,713.17	37,606,521.44
2. Net profits from discontinued operations (net losses are indicated by “-”)		
(II) Categorized by the ownership		
1. Net profits attributable to shareholders of the Parent Company (net losses are indicated by “-”)	13,322,216.29	27,848,207.29
2. Profits or losses attributable to minority shareholders (net losses are indicated by “-”)	-6,022,503.12	9,758,314.15
VI. Other comprehensive income, net of tax	3,832,339.57	-3,083,099.94
(I) Other comprehensive income that can be attributable to owners of the Parent Company, net of tax	3,797,318.81	-2,985,768.48
1. Other comprehensive income that cannot be reclassified subsequently to profit or loss		
(1) Changes from remeasurement of defined benefit plans		
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
(3) Changes in fair value of investments in other equity instruments		
(4) Changes in fair value of enterprises’ own credit risks		
2. Other comprehensive income that will be reclassified to profit or loss	3,797,318.81	-2,985,768.48
(1) Other comprehensive income that will be reclassified to profit or loss under the equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Reserve for cash flow hedges		
(6) Exchange differences on translation of financial statements denominated in foreign currencies	3,797,318.81	-2,985,768.48
(7) Others		

(II) Other comprehensive income that can be attributable to minority shareholders, net of tax	35,020.76	-97,331.46
VII. Total comprehensive income	11,132,052.74	34,523,421.50
(I) Total comprehensive income that can be attributable to owners of the Parent Company	17,119,535.10	24,862,438.81
(II) Total comprehensive income that can be attributable to minority shareholders	-5,987,482.36	9,660,982.69
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.03	0.07
(II) Diluted earnings per share (RMB/share)	0.03	0.07

For business combination involving entities under common control occurred during the period, net profit of the acquiree generated before the business combination is nil, and net profit of the acquiree generated in prior period is nil.

Legal Representative:
BO Lianming

Person in Charge of the Accounting Body:
ZHAO Ruijin

Chief Accountant:
WEI Yanlin

Income Statement of the Parent Company

For the period from January 1, 2020 to March 31, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The First Quarter in 2020	The First Quarter in 2019
I. Operating income	149,314,735.41	200,753,485.99
Less: Operating costs	95,623,590.51	138,936,932.06
Taxes and levies	414,212.02	2,021,050.85
Selling expenses	14,007,454.17	19,037,302.68
Administrative expenses	24,524,700.83	18,742,524.81
R&D expenses	25,612,027.29	21,264,581.55
Financial expenses	-3,569,835.96	2,396,569.61
Including: Interest expense	13,174.14	1,267,455.77
Interest income	3,279,548.30	1,998,509.13
Add: other income	11,797,618.37	4,522,798.93
Investment income (loss is indicated by “-”)	6,232,108.77	-64,542.33
Including: Income from investments in associates and joint ventures		
Gains from derecognition of		

financial assets at amortized assets		
Gains from net exposure hedges (loss is indicated by “-”)		
Gains from changes in fair values (loss is indicated by “-”)		
Losses of credit impairment (loss is indicated by “-”)	175,684.06	939,710.43
Impairment losses of assets (loss is indicated by “-”)	-3,221,027.46	1,825,144.32
Gains from disposal of assets (loss is indicated by “-”)		
II. Operating profit (loss is indicated by “-”)	7,686,970.29	5,577,635.78
Add: Non-operating income	17,318.89	879,954.73
Less: Non-operating expenses	14,740.59	63,711.29
III. Total profits (total losses are indicated by “-”)	7,689,548.59	6,393,879.22
Less: Income tax expenses	4,080,448.28	931,193.96
VI. Net profits (net losses are indicated by “-”)	3,609,100.31	5,462,685.26
(I) Net profits from continuing operations (net losses are indicated by “-”)	3,609,100.31	5,462,685.26
(II) Net profits from discontinued operations (net losses are indicated by “-”)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified subsequently to profit or loss		
1.Changes from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3.Changes in fair value of investments in other equity instruments		
4.Changes in fair value of enterprises’ own credit risks		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified to other comprehensive income		

4.Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Exchange differences on translation of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	3,609,100.31	5,462,685.26
VII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.01	0.01
(II) Diluted earnings per share (RMB/share)	0.01	0.01

Legal Representative:
BO Lianming

Person in Charge of the Accounting Body:
ZHAO Ruijin

Chief Accountant:
WEI Yanlin

Consolidated Cash Flow Statement

For the period from January 1, 2020 to March 31, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The First Quarter in 2020	The First Quarter in 2019
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	397,384,359.17	431,315,369.06
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from banks and other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and		

commissions		
Net increase in taking from banks		
Net increase in financial assets sold under repurchase arrangements		
Net cash received from securities trading agencies		
Receipts of tax refunds	2,267,811.01	1,515,965.19
Other cash receipts relating to operating activities	34,991,984.03	27,092,157.24
Sub-total of cash inflows from operating activities	434,644,154.21	459,923,491.49
Cash payments for goods purchased and services received	298,323,599.64	340,681,052.03
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	99,940,689.15	78,312,969.04
Payments of various types of taxes	35,918,878.89	53,102,338.02
Other cash payments relating to operating activities	38,750,172.08	53,191,805.56
Sub-total of cash outflows from operating activities	472,933,339.76	525,288,164.65
Net cash flow from operating activities	-38,289,185.55	-65,364,673.16
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	540,000,000.00	3,700,000.00
Cash receipts from investment income	6,232,108.77	
Net cash receipts from disposals of fixed assets, intangible assets and other	2,281.47	

long-term assets		
Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	546,234,390.24	3,700,000.00
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	4,994,345.94	9,155,447.62
Cash payments to acquire investments	485,000,000.00	
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	489,994,345.94	9,155,447.62
Net cash flow from investing activities	56,240,044.30	-5,455,447.62
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions		
Including: cash receipts from capital contributions from minority shareholders of subsidiaries		
Cash receipts from borrowings	31,049,660.15	101,960,000.00
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	31,049,660.15	101,960,000.00
Cash repayments of borrowings	77,790,695.10	103,168,350.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	6,267,847.69	8,402,191.75
Including: payments for distribution of dividends or profits to minority shareholders of subsidiaries		
Other cash payments relating to financing activities		
Sub-total of cash outflows from	84,058,542.79	111,570,541.75

financing activities		
Net cash flow from financing activities	-53,008,882.64	-9,610,541.75
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	419,408.45	-2,687,466.36
V. Net Increase in Cash and Cash Equivalents	-34,638,615.44	-83,118,128.89
Add: Opening balance of cash and cash equivalents	829,789,487.86	472,508,550.40
VI. Closing Balance of Cash and Cash Equivalents	795,150,872.42	389,390,421.51

Legal Representative:

BO Lianming

Person in Charge of the Accounting Body:

ZHAO Ruijin

Chief Accountant:

WEI Yanlin

Cash Flow Statement of the Parent Company

For the period from January 1, 2020 to March 31, 2020

Prepared by: Appotronics Corporation Limited

In RMB, Unaudited

Item	The First Quarter in 2020	The First Quarter in 2019
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	175,632,699.35	259,244,374.99
Receipts of tax refunds	1,258,598.52	0.00
Other cash receipts relating to operating activities	69,010,030.52	27,903,540.81
Sub-total of cash inflows from operating activities	245,901,328.39	287,147,915.80
Cash payments for goods purchased and services received	148,745,453.42	177,525,319.52
Cash payments to and on behalf of employees	58,149,160.99	48,748,387.90
Payments of various types of taxes	2,326,794.97	27,672,453.21
Other cash payments relating to operating activities	59,079,296.15	44,283,765.25
Sub-total of cash outflows from operating activities	268,300,705.53	298,229,925.88

Net cash flow from operating activities	-22,399,377.14	-11,082,010.08
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	540,000,000.00	4,635,457.67
Cash receipts from investment income	6,232,108.77	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,281.47	
Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	546,234,390.24	4,635,457.67
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	3,965,789.67	8,002,000.13
Cash payments to acquire investments	616,213,540.00	
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	620,179,329.67	8,002,000.13
Net cash flow from investing activities	-73,944,939.43	-3,366,542.46
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions		
Cash receipts from borrowings	20,000,000.00	
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	20,000,000.00	
Cash repayments of borrowings	10,000,000.00	44,440,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	230,912.50	1,347,159.22
Other cash payments relating to financing activities		

Sub-total of cash outflows from financing activities	10,230,912.50	45,787,159.22
Net cash flow from financing activities	9,769,087.50	-45,787,159.22
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-327,571.48	-2,970,439.13
V. Net Increase in Cash and Cash Equivalents	-86,902,800.55	-63,206,150.89
Add: Opening balance of cash and cash equivalents	524,648,100.62	295,049,085.02
VI. Closing Balance of Cash and Cash Equivalents	437,745,300.07	231,842,934.13

Legal Representative:
BO Lianming

Person in Charge of the Accounting Body:
ZHAO Ruijin

Chief Accountant:
WEI Yanlin

4.2 Description of adjustments in opening balances of line items in financial statements of the year due to the implementation of new revenue standard and new lease standard since 2020

√Applicable □ N/A

Consolidated Balance Sheet

In RMB

Item	December 31, 2019	January 1, 2020	Adjusted amount
Current Assets:			
Cash and bank balances	875,858,784.58	875,858,784.58	
Balances with clearing agencies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	540,000,000.00	540,000,000.00	
Derivative financial assets			
Notes receivable	4,042,559.63	4,042,559.63	
Accounts receivable	176,035,155.24	195,363,317.97	19,328,162.73
Receivables financing	1,980,500.00	1,980,500.00	
Prepayments	35,070,999.13	35,070,999.13	
Premiums receivable			
Amounts receivable under reinsurance contracts			
Reinsurer's share of insurance contract reserves			
Other receivables	9,618,750.08	9,618,750.08	

Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	299,966,170.35	283,610,860.13	-16,355,310.22
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	44,405,513.30	44,405,513.30	
Total Current Assets	1,986,978,432.31	1,989,951,284.82	2,972,852.51
Non-current Assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	139,534,371.94	139,534,371.94	
Other equity instrument investments	11,975,419.38	11,975,419.38	
Other non-current financial assets			
Investment properties			
Fixed assets	471,204,340.95	471,204,340.95	
Construction in progress	20,132,004.07	20,132,004.07	
Bearer biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	332,331,324.07	332,331,324.07	
Development expenditure			
Goodwill			
Long-term prepaid expenses	16,908,070.34	16,908,070.34	
Deferred tax assets	109,023,941.85	109,023,941.85	
Other non-current assets	11,420,185.94	11,420,185.94	
Total Non-current Assets	1,112,529,658.54	1,112,529,658.54	
Total assets	3,099,508,090.85	3,102,480,943.36	2,972,852.51
Current Liabilities:			
Short-term borrowings	76,765,319.05	76,765,319.05	
Loans from the central bank			
Taking from banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			

Notes payable	37,335,841.79	37,335,841.79	
Accounts payable	176,624,445.46	176,624,445.46	
Receipts in advance	184,444,643.33		-184,444,643.33
Contract liabilities		184,444,643.33	184,444,643.33
Financial assets sold under repurchase agreements			
Customer deposits and deposits from banks and other financial institutions			
Funds from securities trading agency			
Funds from underwriting securities agency			
Employee benefits payable	50,586,932.71	50,586,932.71	
Taxes payable	42,924,647.79	45,265,272.99	2,340,625.20
Other payables	14,364,076.43	14,364,076.43	
Including: Interest payable			
Dividends payable			
Fees and commissions payable			
Amounts payable under reinsurance contracts			
Held-for-sale liabilities			
Non-current liabilities due within one year	64,968,795.02	64,968,795.02	
Other current liabilities			
Total Current Liabilities	648,014,701.58	650,355,326.78	2,340,625.20
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	279,615,107.27	279,615,107.27	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Leasing liabilities			
Long-term payables	3,488,100.00	3,488,100.00	
Long-term employee benefits payable			
Provisions	27,072,676.49	27,072,676.49	
Deferred income	17,108,361.69	17,108,361.69	
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities	327,284,245.45	327,284,245.45	
Total Liabilities	975,298,947.03	977,639,572.23	2,340,625.20
Owners' (or Shareholders') equity:			

Paid-in capital (or share capital)	451,554,411.00	451,554,411.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	1,207,942,318.37	1,207,942,318.37	
Less: Treasury shares			
Other comprehensive income	3,287,063.85	3,287,063.85	
Special reserve			
Surplus reserve	22,800,224.13	22,800,224.13	
General risk reserve			
Retained profits	288,975,820.29	290,254,555.17	1,278,734.88
Total Owners' (or Shareholders') Equity Attributable to Owners of the Parent Company	1,974,559,837.64	1,975,838,572.52	1,278,734.88
Minority interests	149,649,306.18	149,002,798.61	-646,507.57
Total Owners' (or Shareholders') Equity	2,124,209,143.82	2,124,841,371.13	632,227.31
Total Liabilities and Owners' (or Shareholders') Equity	3,099,508,090.85	3,102,480,943.36	2,972,852.51

Description of adjustments on each item:

√Applicable □ N/A

In accordance with the *Accounting Standards for Business Enterprises No.14- Revenue* (Cai Kuai [2017] No. 2) issued by the Ministry of Finance on July 5, 2017, for enterprises listed in domestic and oversea stock exchange concurrently and enterprises listed overseas with the financial statements prepared under international financial reporting standards or accounting standards for business enterprises, the new revenue standard shall be implemented from January 1, 2018; and for other enterprises listed in domestically, the revenue standard shall be implemented from January 1, 2020. As a domestic listed company, the Company adopted the new revenue standard as at January 1, 2020, according to which: (1) the goods payments received in advance originally qualified for conditions of “Receipts in advance” were charged to the line item of “Contract liabilities”, with an adjustment on the opening balance of relevant item recognized in the financial statements of 2020, but the data in comparable period can be unadjusted; (2) for goods sold under the model of “profit distribution”, income from customers received but not recognized were changed as it satisfied the condition of revenue recognition under the new revenue standard, with an adjustment on the opening balance of relevant item recognized in the balance sheet for adopting a transition treatment during the implementation of standards.

Balance Sheet of the Parent Company

In RMB

Item	December 31, 2019	January 1, 2020	Adjusted amount
Current Assets:			
Cash and bank balances	570,479,390.49	570,479,390.49	

Held-for-trading financial assets	540,000,000.00	540,000,000.00	
Derivative financial assets			
Notes receivable	3,542,559.63	3,542,559.63	
Accounts receivable	299,315,776.44	299,315,776.44	
Receivables financing	442,500.00	442,500.00	
Prepayments	6,410,257.48	6,410,257.48	
Other receivables	67,227,575.21	67,227,575.21	
Including: Interest receivable			
Dividends receivable			
Inventories	135,617,379.22	135,617,379.22	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	12,280,164.39	12,280,164.39	
Total Current Assets	1,635,315,602.86	1,635,315,602.86	
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	257,795,276.13	257,795,276.13	
Other equity instrument investments	7,075,419.38	7,075,419.38	
Other non-current financial assets			
Investment properties			
Fixed assets	60,391,512.92	60,391,512.92	
Construction in progress	1,385,496.59	1,385,496.59	
Bearer biological assets			
Oil and gas assets			
Use right assets			
Intangible assets	330,796,423.87	330,796,423.87	
Development expenditure			
Goodwill			
Long-term prepaid expenses	12,771,126.83	12,771,126.83	
Deferred tax assets	9,545,438.20	9,545,438.20	
Other non-current assets	6,744,453.85	6,744,453.85	
Total Non-current Assets	686,505,147.77	686,505,147.77	
Total assets	2,321,820,750.63	2,321,820,750.63	
Current Liabilities:			
Short-term borrowings	10,217,738.36	10,217,738.36	

Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	37,335,841.79	37,335,841.79	
Accounts payable	162,596,838.45	162,596,838.45	
Receipts in advance	11,116,659.11		-11,116,659.11
Contract liabilities		11,116,659.11	11,116,659.11
Employee benefits payable	26,985,668.92	26,985,668.92	
Taxes payable	1,534,242.70	1,534,242.70	
Other payables	42,599,703.36	42,599,703.36	
Including: Interest payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities			
Total Current Liabilities	292,386,692.69	292,386,692.69	
Non-current Liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Leasing liabilities			
Long-term payables	3,488,100.00	3,488,100.00	
Long-term employee benefits payable			
Provisions	14,631,273.00	14,631,273.00	
Deferred income	15,724,174.30	15,724,174.30	
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities	33,843,547.30	33,843,547.30	
Total Liabilities	326,230,239.99	326,230,239.99	
Owners' (or Shareholders') equity:			
Paid-in capital (or share capital)	451,554,411.00	451,554,411.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve	1,310,939,867.82	1,310,939,867.82	
Less: Treasury shares			
Other comprehensive income			
Special reserve			

Surplus reserve	21,522,683.40	21,522,683.40	
Retained profits	211,573,548.42	211,573,548.42	
Total Owners' (or Shareholders') Equity:	1,995,590,510.64	1,995,590,510.64	
Total Liabilities and Owners' (or Shareholders') Equity:	2,321,820,750.63	2,321,820,750.63	

Description of adjustments on each item:

☒ Applicable ☐ N/A

In accordance with the *Accounting Standards for Business Enterprises No.14- Revenue* (Cai Kuai [2017] No. 2) issued by the Ministry of Finance on July 5, 2017, for enterprises listed in domestic and oversea stock exchange concurrently and enterprises listed overseas with the financial statements prepared under international financial reporting standards or accounting standards for business enterprises, the new revenue standard shall be implemented from January 1, 2018; and for other enterprises listed in domestically, the revenue standard shall be implemented from January 1, 2020. As a domestic listed company, the Company adopted the new revenue standard as at January 1, 2020, according to which the goods payments received in advance originally qualified for conditions of "Receipts in advance" were charged to the line item of "Contract liabilities", with an adjustment on the opening balance of relevant item recognized in the financial statements of 2020, but the data in comparable period can be unadjusted.

4.3 Description of retrospective adjustments in comparable data for previous periods upon the first adoption of the new revenue standard and new lease standard since 2020

☐ Applicable ☒ N/A

4.4 Auditor's report

☐ Applicable ☒ N/A