



2020 First Quarter Report

Of

Chongqing Changan Automobile Company Limited

April, 2020

Chapter 1 Important Notes

The Board of Directors, the Supervisory Committee and directors, supervisors and senior management of Chongqing Changan Automobile Company Limited (hereinafter referred to as “the Company”) hereby guarantee that no false or misleading statement or major omission was made to the materials in this report and that they will assume all the responsibilities, individually and jointly, for the trueness, accuracy and completeness of the contents of this report.

All directors attended the board meeting for reviewing the first quarter report.

The Chairman of the Board Zhang Baolin, the Chief Financial Officer Zhang Deyong and the responsible person of the accounting institution (Accountant in charge) Chen Jianfeng hereby declare that the Financial Statements enclosed in this annual report are true, accurate and complete.

The report shall be presented in both Chinese and English, and should there be any conflicting understanding of the text, the Chinese version shall prevail.

Chapter 2 Basic Information

I. Main accounting data and financial indicators

Does the company conduct the retrospective adjustment or restatement of previous years accounting data due to changes in accounting policies or accounting errors?

Yes No

In RMB Yuan

| | The reporting period | The same period of last year | Variance (%) |
|--|----------------------|------------------------------|----------------|
| Operating income | 11,564,077,463.34 | 16,007,950,602.50 | -27.76% |
| Net profit attributable to shareholders of the Company | 631,077,888.63 | -2,096,352,326.12 | 130.10% |
| Net profit excluding non-recurring gains and losses attributable to shareholders of listed company | -1,793,324,817.62 | -2,161,147,810.27 | 17.02% |
| cash flow from operating activities | 4,155,344,266.52 | 3,258,788,381.35 | 27.51% |
| Basic earnings per share | 0.13 | -0.44 | 129.55% |
| Diluted earnings per share | N/A | N/A | N/A |
| Weighted average return on net assets | 1.42% | -4.62% | Up 6.04 Points |
| | The reporting period | End of 2019 | Variance (%) |
| Total assets | 95,283,479,873.92 | 97,617,053,590.38 | -2.39% |
| Net assets attributable to shareholders of listed company | 44,682,600,151.16 | 44,028,312,743.66 | 1.49% |

Accidental gain/loss item and amount

Applicable Not applicable

In RMB Yuan

| Item | Amount of the period from the beginning of year to the end of report term | Explanation |
|---|---|-------------|
| Gain/loss of non-current assets | 1,354,464.30 | |
| Government subsidies accounted into current gain/loss account, other than those closely related to the Company's common business, comply with the national policy and continues to enjoy at certain fixed rate or amount. | 57,408,092.65 | |
| Interest on deferred payment of funds received by non financial enterprises | 5,578,426.09 | |
| In addition to the effective hedging business related to the normal operation of the company, the fair value change profit and loss arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities | 341,035,600.71 | |
| Other non-business income and expenditures other than the above | 319,830.16 | |
| Others (Note 1) | 2,084,267,795.46 | |
| Less: Influenced amount of income tax | 65,074,332.57 | |
| Influenced amount of minority shareholders' equity | 487,170.55 | |
| Total | 2,424,402,706.25 | |

Note1: A wholly owned subsidiary, Chongqing Chang'an New Energy Automobile Technology Co., Ltd., has introduced strategic investors. The Company has recognized non-recurring gains and losses after losing control of the company.

According to "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" and "Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses" defined non-recurring items, and Public offering of securities information disclosure of the company's information disclosure announcement No. 1 - non-recurring gains and losses "The items listed in the non-recurring items defined as recurring items shall be explained.

Applicable Not applicable

The company in the reporting period does not base on the definition and listing of "Public offering of securities information

disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses” about non-recurring gains and losses to define a case of recurring profit or loss.

II. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten tradable shareholders

1. Total number of shareholders at the end of the reporting period and statement on shares held by the top ten shareholders

Unit: share

| As of the reporting period, the total number of shareholders | | | | | 142,292 | |
|--|--|--------------------------------|------------------|--------------------|----------------------|--------|
| Top 10 Shareholders | | | | | | |
| Name of the shareholder | Properties of shareholder | Shareholding (%) | Number of shares | Conditional shares | Pledging or freezing | |
| | | | | | Share status | Amount |
| China South Industries Group Co., Ltd. | State-owned legal person shares | 21.56% | 1,035,312,673 | | No pledge or frozen | 0 |
| China Changan Automobile Co., Ltd. | State-owned legal person shares | 19.32% | 928,044,946 | | No pledge or frozen | 0 |
| China securities finance Co, Ltd | domestic general legal person shares | 4.88% | 234,265,333 | | No pledge or frozen | 0 |
| United Prosperity (Hongkong) Investment Co., Limited | foreign legal person shares | 3.21% | 154,120,237 | | No pledge or frozen | 0 |
| Hong Kong Securities Clearing Company Limited | foreign legal person shares | 2.81% | 134,769,572 | | No pledge or frozen | 0 |
| Central Huijin Investment Ltd. | domestic general legal person shares | 1.15% | 55,393,100 | | No pledge or frozen | 0 |
| DRAGON BILLION SELECT MASTER FUND | foreign legal person shares | 0.80% | 38,400,332 | | No pledge or frozen | 0 |
| GIC PRIVATE LIMITED | foreign legal person shares | 0.73% | 35,283,393 | | No pledge or frozen | 0 |
| CAPE ANN GLOBAL DEVELOPING MARKETS FUND | foreign legal person shares | 0.51% | 24,279,825 | | No pledge or frozen | 0 |
| Industrial and Commercial Bank of China Value Growth Portfolio Investment Fund | Funds, wealth management products, etc. | 0.43% | 20,672,905 | | No pledge or frozen | 0 |
| Top 10 holders of unconditional shares | | | | | | |
| Name of the shareholder | Amount of shares without sales restriction | Category of shares | | | | |
| | | Category of shares | Amount | | | |
| China South Industries Group Co., Ltd. | 1,035,312,673 | RMB ordinary shares | 1,035,312,673 | | | |
| China Changan Automobile Co., Ltd. | 928,044,946 | RMB ordinary shares | 928,044,946 | | | |
| China securities finance Co, Ltd | 234,265,333 | RMB ordinary shares | 234,265,333 | | | |
| United Prosperity (Hongkong) Investment Co., Limited | 154,120,237 | Domestic listed foreign shares | 154,120,237 | | | |
| Hong Kong Securities Clearing Company Limited | 134,769,572 | RMB ordinary shares | 134,769,572 | | | |
| Central Huijin Investment Ltd. | 55,393,100 | RMB ordinary shares | 55,393,100 | | | |
| DRAGON BILLION SELECT MASTER FUND | 38,400,332 | Domestic listed foreign shares | 38,400,332 | | | |
| GIC PRIVATE LIMITED | 35,283,393 | Domestic listed foreign shares | 35,283,393 | | | |
| CAPE ANN GLOBAL DEVELOPING MARKETS FUND | 24,279,825 | Domestic listed foreign shares | 24,279,825 | | | |
| Industrial and Commercial Bank of China Value Growth Portfolio Investment Fund | 20,672,905 | RMB ordinary shares | 20,672,905 | | | |

| | |
|--|--|
| Explanation on the relationship and the action alike of above shareholders | Among the top 10 shareholders, China South Industries Group Co., Ltd., the actual controller; China Changan Automobile Group Co., Ltd., the controlling shareholder, and its wholly owned subsidiary United Prosperity (Hong Kong) Investment Co., Limited. belong to the concerted actor regulated by "Disclosure Administration of Shares Change Information of The Listed Company". |
|--|--|

Whether the company top 10 shareholders of ordinary shares, and the top 10 circulated shareholders agreed on the repurchase transactions during the report period

Applicable Not Applicable

The top 10 shareholders of ordinary shares, and the top 10 circulated shareholders have not agreed on the repurchase transactions during the report period

2. Total number of preferred shareholders at the end of the reporting period and statement on preferred shares held by the top ten tradable shareholders

Applicable Not Applicable

Chapter 3 Important Matters

I. Significant changes & reasons in major accounting data, financial indicators

√Applicable □Not Applicable

| In RMB Yuan | | | | |
|-------------|---|-----------------------------|-----------------------------|--------------------|
| Number | Balance Sheet Items | Mar. 31 st ,2020 | Jan. 1 st , 2020 | Changes (%) |
| 1 | Cash | 13,646,673,877.84 | 10,066,171,353.48 | 35.57% |
| 2 | Notes receivable | 18,555,222,074.54 | 26,805,635,587.19 | -30.78% |
| 3 | Accounts receivable | 1,831,079,053.00 | 838,314,076.82 | 118.42% |
| 4 | Prepayments | 978,074,993.19 | 623,801,896.07 | 56.79% |
| 5 | Short-term loans | 359,580,000.00 | 229,580,000.00 | 56.63% |
| 6 | Payroll payable | 718,849,463.37 | 1,046,335,781.91 | -31.30% |
| 7 | Tax payables | 366,104,658.60 | 889,092,442.80 | -58.82% |
| | Income Statement Items | Jan-Mar 2020 | Jan-Mar 2019 | Changes (%) |
| 1 | Cost | 10,555,130,992.83 | 15,204,463,239.37 | -30.58% |
| 2 | G&A expenses | 404,138,581.75 | 626,499,621.93 | -35.49% |
| 3 | R&D expenses | 697,946,683.12 | 455,925,951.99 | 53.08% |
| 4 | Financial expenses | -27,695,921.06 | -42,420,980.32 | 34.71% |
| 5 | Investment income | 1,452,112,755.17 | -397,154,020.56 | 465.63% |
| | Cash Flow Statement Items | Jan-Mar 2020 | Jan-Mar 2019 | Changes (%) |
| 1 | Net cash flows from operating activities | 4,155,344,266.52 | 3,258,788,381.35 | 27.51% |
| 2 | Net cash flows from investing activities | -2,100,075,814.59 | -1,241,139,566.02 | -69.21% |
| 3 | Net cash flows from financing activities | 1,306,529,442.19 | -491,899,844.50 | 365.61% |
| 4 | Net increase of cash and cash equivalents | 3,346,491,148.05 | 1,542,739,858.66 | 116.92% |

As at the end of reporting period, the company's total asset was 95.283 billion Yuan, with 2.39% decrease compared with the beginning of the year. The total liability was 50.703 billion Yuan, with 5.55% decrease compared with the beginning of the year. The debt asset ratio was 53.21%, which was 1.78 percentage points lower than the beginning of the year.

During the reporting period, the balance of monetary funds increased compared with that at the beginning of the year, and the balance of notes receivable decreased compared with that at the beginning of the year, which was mainly caused by the due collection of notes receivable within the quarter; the increase of accounts receivable was mainly caused by the change of consolidation scope; the increase of prepayment balance compared with that at the beginning of the year was mainly caused by the increase of loans from suppliers in advance; the increase of short-term loan balance compared with that at the beginning of the year was mainly caused by the increase of short-term bank loans. The balance of employee payable decreased compared with that at the beginning of the year, mainly due to the company's centralized payment of the salary payable accrued at the end of the previous year in the first quarter; the balance of tax payable decreased compared with that at the beginning of the year, mainly due to the decrease of consumption tax payable.

During the reporting period, the operating cost decreased year-on-year, mainly due to the year-on-year decline of product sales volume in the quarter; the management expense decreased year-on-year, and the R & D expense increased year-on-year, mainly due to the reclassification of the company's expenses; the financial expense increased significantly compared with the same period of last year, mainly due to the decrease of interest income; the investment income increased significantly, mainly due to the disposal of new energy technology company's equity.

During the reporting period, the company's net increase in cash and cash equivalents was RMB 3.346 billion, up 116.92% year-on-year, mainly due to the significant increase in net cash flow from financing activities; net cash flow from operating activities was RMB 4.155 billion, up 27.51% year-on-year, mainly due to the significant decrease in cash paid for purchasing goods and receiving services; net cash flow from investment activities was - 2.100 billion yuan, a year-on-year decrease of 69.21%, mainly due to the substantial increase in other cash paid related to investment activities; the net cash flow from financing activities was 1.307 billion

yuan, a year-on-year increase of 365.61%, mainly due to the substantial increase in cash received from investment.

II. The progress and influence of significant events and the analysis and explanation on resolving proposal

Applicable Not Applicable

The company held the 64th meeting of the 7th board of directors on April 27, 2020, deliberated and passed relevant proposals on the company's non-public issuance of shares, etc., and proposed to issue shares to specific objects, with the total amount of raised funds not more than 600 million yuan (including this number). For details, please refer to the relevant announcements disclosed by the company on <http://www.cninfo.com.cn>.

Implementation progress of share repurchase

Applicable not applicable

Progress in the implementation of reducing share buyback through centralized bidding

Applicable not applicable

III. Commitments made within the reporting period by the controlling shareholders, shareholders, related party, acquirer and the company overdue and not fulfilled

Applicable Not Applicable

During the reporting period, the company's actual controllers, shareholders, related parties, purchasers and companies and other commitment parties don't have any overdue unfulfilled commitments.

IV. Forecast of operation performance from Jan. – June of 2020

The warning or a reason for a loss or a significant change of cumulative net profit from the beginning of the year to the end of the next reporting period compared with the same period of last year

Applicable Not Applicable

V. Securities Investment

Applicable Not Applicable

| Security variety | Stock code | Stock name | Initial investment cost (RMB Yuan) | Opening equity Holdings (share) | Opening equity holding ratio (%) | Closing equity holdings (share) | Closing equity Holdings (%) | Closing book value (RMB Yuan) | Gain/loss in the reporting period (RMB Yuan) | Accounting title | Equity source |
|------------------|------------|----------------------|------------------------------------|---------------------------------|----------------------------------|---------------------------------|-----------------------------|-------------------------------|--|--------------------------------|--------------------|
| Stock | 600369 | Southwest Securities | 50,000,000 | 35,500,000 | 0.63% | 35,500,000 | 0.63% | 160,460,000.00 | -20,217,250.00 | Transactional financial assets | Initial investment |
| Stock | 300750 | CATL | 1,052,930,406.36 | 22,999,575 | 1.04% | 22,999,575 | 1.04% | 2,600,051,800.71 | 310,097,510.60 | Transactional financial assets | Initial investment |
| Total | | | 1,102,930,406.36 | 58,499,575 | -- | 58,499,575 | -- | 2,760,511,800.71 | 289,880,260.60 | | |

VI. Derivative Investment

Applicable Not Applicable

During the company's reporting period, there is no derivative investment.

VII. Interviews and visits in the reporting period

Applicable Not Applicable

| Date | Manner | Object | Content discussed and material offered |
|------|--------|--------|--|
|------|--------|--------|--|

| | | | |
|------------|----------------|-------------|--|
| 2020.01.14 | On-Site Survey | Institution | For details, see the January 16, 2020 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 14, 2020 investor relations activities record sheet |
| 2020.01.21 | On-Site Survey | Institution | For details, see the January 21, 2020 Shenzhen stock exchange interactive (http://irm.cninfo.com.cn) on the Changan Automobile: January 21, 2020 investor relations activities record sheet |

VIII. Illegal external guarantee

Applicable Not Applicable

The company doesn't violate the rules of external guarantee during the reporting period.

IX. Controlling shareholder and its related parties to the listing Corporation's non-operating funds

Applicable Not Applicable

During the reporting period, there is no non-operating capital occupied by the controlling shareholder and its related parties to the listed company.

Chapter 4 Financial Statements

I. Financial Statements

1. Consolidated Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

March 31, 2020

In RMB Yuan

| Account | Ending Balance | Opening Balance |
|--|--------------------------|--------------------------|
| Current assets: | | |
| Cash | 13,646,673,877.84 | 10,066,171,353.48 |
| Trading financial assets | 2,760,511,800.71 | 2,419,476,200.00 |
| Notes receivable | 18,555,222,074.54 | 26,805,635,587.19 |
| Accounts receivable | 1,831,079,053.00 | 838,314,076.82 |
| Prepayments | 978,074,993.19 | 623,801,896.07 |
| Other receivables | 304,699,309.11 | 3,731,755,992.46 |
| Inventories | 4,276,285,385.48 | 3,375,441,488.37 |
| Contract assets | 2,329,906,613.76 | - |
| Holding assets for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 1,501,583,086.80 | 1,746,120,128.04 |
| Total current assets | 46,184,036,194.43 | 49,606,716,722.43 |
| Non-current assets: | | |
| Available-for-sale financial assets | | |
| Long-term receivables | | |
| Long-term equity investments | 12,919,233,828.66 | 11,008,336,989.09 |
| Investment in other equity instruments | 734,506,100.00 | 734,506,100.00 |
| Investment properties | 7,046,171.83 | 7,102,849.72 |
| Fixed assets | 26,300,301,925.22 | 26,939,490,554.19 |
| Construction in progress | 1,981,341,959.25 | 1,729,803,028.43 |
| Intangible assets | 5,023,311,865.48 | 5,209,619,313.49 |
| Development expenditure | 596,010,178.96 | 814,745,464.20 |
| Goodwill | 9,804,394.00 | 9,804,394.00 |
| Long-term deferred expenses | 12,981,317.76 | 14,327,639.90 |
| Deferred tax assets | 1,514,905,938.33 | 1,542,600,534.93 |
| Other non-current assets | - | - |
| Total non-current assets | 49,099,443,679.49 | 48,010,336,867.95 |
| TOTAL ASSETS | 95,283,479,873.92 | 97,617,053,590.38 |
| Current liabilities: | | |
| Short-term loans | 359,580,000.00 | 229,580,000.00 |
| Notes payable | 16,698,989,559.58 | 13,430,543,294.23 |
| accounts payable | 14,006,202,179.77 | 18,905,725,271.50 |

| | | |
|---|-------------------|-------------------|
| Advances from customers | - | 2,315,641,685.78 |
| Contract liability | 2,377,452,671.30 | - |
| Payroll payable | 718,849,463.37 | 1,046,335,781.91 |
| Taxes payable | 366,104,658.60 | 889,092,442.80 |
| Other payables | 4,234,547,227.57 | 4,809,918,141.45 |
| Non-current liabilities within one year | | |
| Other current liabilities | 3,986,758,177.03 | 4,253,942,761.77 |
| Total current liabilities | 42,748,483,937.22 | 45,880,779,379.44 |
| Non-current liabilities: | | |
| Long-term loans | 55,300,000.00 | 55,300,000.00 |
| Long-term payables | 849,964,593.06 | 857,356,423.71 |
| Long-term payroll payable | 49,752,099.97 | 45,932,000.00 |
| Estimated liabilities | 3,378,716,063.75 | 3,352,580,839.28 |
| Deferred Revenue | 3,273,453,436.77 | 3,194,291,079.21 |
| Deferred tax liabilities | 346,959,239.49 | 296,742,890.29 |
| Other non-current liabilities | | |
| Total non-current liabilities | 7,954,145,433.04 | 7,802,203,232.49 |
| Total liabilities | 50,702,629,370.26 | 53,682,982,611.93 |
| Owners' equity (or Shareholders' equity): | | |
| Share capital | 4,802,648,511.00 | 4,802,648,511.00 |
| Capital reserves | 5,366,097,594.66 | 5,366,097,594.66 |
| Other comprehensive income | 130,993,670.48 | 139,994,580.19 |
| Special reserves | 79,286,671.29 | 47,076,242.71 |
| Surplus reserves | 2,401,324,255.50 | 2,401,324,255.50 |
| Retained earnings | 31,902,249,448.23 | 31,271,171,559.60 |
| Equity attributable to owners | 44,682,600,151.16 | 44,028,312,743.66 |
| Minority interests | -101,749,647.50 | -94,241,765.21 |
| Total Owners' equity (or Shareholders' equity) | 44,580,850,503.66 | 43,934,070,978.45 |
| Liabilities and owners' equity (or shareholders' equity) in total | 95,283,479,873.92 | 97,617,053,590.38 |

Legal person: Zhang Baolin

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

2. Balance Sheet

In RMB Yuan

| Account | Ending Balance | Opening Balance |
|--|-------------------|-------------------|
| Current assets: | | |
| Cash | 10,233,025,527.91 | 6,563,020,335.56 |
| Trading financial assets | 160,460,000.00 | 184,245,000.00 |
| Notes receivable | 17,376,487,325.63 | 25,837,326,483.09 |
| Accounts receivable | 5,867,427,148.02 | 5,094,270,365.72 |
| Prepayments | 831,591,942.08 | 403,105,316.24 |
| Other receivables | 945,884,133.95 | 2,597,314,344.40 |
| Inventories | 2,757,614,110.93 | 1,735,570,691.28 |
| Contract assets | 1,700,909,516.60 | - |
| Holding assets for sale | | |
| Non-current assets due within one year | | |

| | | |
|---|-------------------|-------------------|
| Other current assets | 761,646,004.23 | 798,430,035.62 |
| Total current assets | 40,635,045,709.35 | 43,213,282,571.91 |
| Non-current assets: | | |
| Available-for-sale financial assets | | |
| Long-term receivables | | |
| Long-term equity investments | 16,272,739,012.99 | 16,052,319,271.82 |
| Investment in other equity instruments | 724,309,400.00 | 724,309,400.00 |
| Investment properties | | |
| Fixed assets | 19,935,291,662.88 | 20,301,231,002.41 |
| Construction in progress | 1,789,399,376.53 | 1,545,211,000.22 |
| Intangible assets | 3,889,820,012.97 | 4,030,438,649.57 |
| Development expenditure | 476,130,218.41 | 431,774,377.27 |
| Goodwill | | |
| Long-term deferred expenses | 8,658,461.84 | 9,719,259.84 |
| Deferred tax assets | 1,312,252,438.05 | 1,318,884,054.48 |
| Other non-current assets | - | - |
| Total non-current assets | 44,408,600,583.67 | 44,413,887,015.61 |
| TOTAL ASSETS | 85,043,646,293.02 | 87,627,169,587.52 |
| Current liabilities: | | |
| Short-term loans | 29,580,000.00 | 29,580,000.00 |
| Notes payable | 15,012,605,826.64 | 11,983,445,725.06 |
| accounts payable | 11,698,344,640.50 | 15,601,432,751.74 |
| Advances from customers | - | 1,870,992,349.08 |
| Contract liability | 2,180,456,274.79 | - |
| Payroll payable | 460,546,898.23 | 641,340,149.30 |
| Taxes payable | 222,350,923.75 | 453,619,905.66 |
| Other payables | 3,446,421,152.76 | 4,301,257,819.04 |
| Holding liabilities for sale | | |
| Non-current liabilities within one year | | |
| Other current liabilities | 3,425,541,506.09 | 3,400,065,879.02 |
| Total current liabilities | 36,475,847,222.76 | 38,281,734,578.90 |
| Non-current liabilities: | | |
| Long-term loans | 55,300,000.00 | 55,300,000.00 |
| Long-term payables | 279,973,648.44 | 285,768,478.89 |
| Long-term payroll payable | 20,901,497.32 | 22,747,000.00 |
| Estimated liabilities | 2,548,720,258.99 | 2,413,434,397.36 |
| Deferred Revenue | 2,104,281,518.10 | 2,135,615,106.85 |
| Deferred tax liabilities | 78,207,591.60 | 81,775,341.60 |
| Other non-current liabilities | | |
| Total non-current liabilities | 5,087,384,514.45 | 4,994,640,324.70 |
| Total liabilities | 41,563,231,737.21 | 43,276,374,903.60 |
| Owners' equity (or Shareholders' equity): | | |
| Share capital | 4,802,648,511.00 | 4,802,648,511.00 |
| Capital reserves | 5,014,772,792.87 | 5,014,772,792.87 |
| Other comprehensive income | 259,380,413.58 | 259,380,413.58 |

| | | |
|---|-------------------|-------------------|
| Special reserves | 25,391,473.10 | 19,917,658.63 |
| Surplus reserves | 2,401,324,255.50 | 2,401,324,255.50 |
| Retained earnings | 30,976,897,109.76 | 31,852,751,052.34 |
| Total Owners' equity (or Shareholders' equity) | 43,480,414,555.81 | 44,350,794,683.92 |
| Liabilities and owners' equity (or shareholders' equity) in total | 85,043,646,293.02 | 87,627,169,587.52 |

3. Consolidated Income Statement of the report term

In RMB Yuan

| Account | Current Period | Prior Period |
|---|-------------------|-------------------|
| I. Total operating income | 11,564,077,463.34 | 16,007,950,602.50 |
| Operating income | 11,564,077,463.34 | 16,007,950,602.50 |
| Interest income | | |
| Earned premium | | |
| Fee and commission income | | |
| II. Total operating cost | 12,722,979,536.56 | 17,707,550,414.09 |
| Including: Operating cost | 10,555,130,992.83 | 15,204,463,239.37 |
| Tax and surcharges | 443,622,963.22 | 587,353,356.83 |
| Operating expenses | 649,836,236.70 | 875,729,224.29 |
| General and administrative expenses | 404,138,581.75 | 626,499,621.93 |
| R&D expenses | 697,946,683.12 | 455,925,951.99 |
| Financial expenses | -27,695,921.06 | -42,420,980.32 |
| Interest expense | | |
| Interest income | | |
| Impairment loss on assets | | |
| Impairment loss on credit | | |
| Add: Other income | 57,408,092.65 | 57,557,097.02 |
| Investment income ('-' represent loss) | 1,452,112,755.17 | -397,154,020.56 |
| Investment income from associates and from joint venture | -667,413,071.43 | -388,909,153.76 |
| Earnings from fair value changes | 341,035,600.71 | - |
| Impairment of credit | -2,142,668.54 | -3,592,637.73 |
| Asset disposal income | 1,354,464.30 | -1,633,541.79 |
| III. Operating profit ('-' represent loss) | 690,866,171.07 | -2,044,422,914.65 |
| Add: Non-operating income | 6,811,073.58 | 9,940,462.40 |
| Less: Non-operating expenses | 6,491,243.42 | 949,871.51 |
| IV. Total profit ('-' represent loss) | 691,186,001.23 | -2,035,432,323.76 |
| Less: Income tax expense | 67,615,994.89 | 67,508,680.94 |
| V. Net profit ('-' represent net loss) | 623,570,006.34 | -2,102,941,004.70 |
| I) Net profit from continuing operations | 623,570,006.34 | -2,102,941,004.70 |
| II) Net profit from discontinued operations | | |
| Net profit attributable to owners | 631,077,888.63 | -2,096,352,326.12 |
| Minority interests | -7,507,882.29 | -6,588,678.58 |
| VI. Other comprehensive income, net of tax | -9,000,909.71 | 260,305,062.54 |
| Total comprehensive income attributable to owners, net of tax | -9,000,909.71 | 260,305,062.54 |
| I) Other comprehensive income not to be reclassified to profit or loss in | -38,000.00 | |

| | | |
|---|----------------|-------------------|
| subsequent periods | | |
| Change from defined benefit plan | -38,000.00 | |
| Other comprehensive income not to be reclassified to profit or loss under equity method | | |
| II) Other comprehensive income to be reclassified to profit or loss in subsequent periods | -8,962,909.71 | 260,305,062.54 |
| Other comprehensive income transferable to profit or loss under the equity method | | |
| Changes in fair value from available-for-sale financial assets | | |
| Foreign currency reserve | -8,962,909.71 | -27,045,090.37 |
| Other | | 287,350,152.91 |
| VII. Total comprehensive income | 614,569,096.63 | -1,842,635,942.16 |
| Total comprehensive income attributable to owners | 622,076,978.92 | -1,836,047,263.58 |
| Total comprehensive income attributable to minority interest | -7,507,882.29 | -6,588,678.58 |
| VIII. Earnings per share: | | |
| I) Basic earnings per share | 0.13 | -0.44 |
| II) Diluted earnings per share | 0.13 | -0.44 |

Legal person: Zhang Baolin

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

4. Income Statement of the report term

In RMB Yuan

| Account | Current Period | Prior Period |
|--|-------------------|-------------------|
| I. Operating income | 10,675,079,250.36 | 14,441,944,991.72 |
| Less: Operating cost | 10,022,777,576.54 | 13,806,773,684.94 |
| Tax and surcharges | 291,774,994.51 | 483,106,911.75 |
| Operating expenses | 470,741,426.98 | 670,541,870.34 |
| General and administrative expenses | 210,786,199.26 | 347,026,490.13 |
| R&D expenses | 699,618,911.59 | 455,935,285.81 |
| Financial expenses | -31,509,277.08 | -44,343,446.15 |
| Interest expense | | |
| Interest income | | |
| Impairment loss on assets | | |
| Impairment loss on credit | | |
| Add: Other income | 25,279,321.68 | 27,829,453.81 |
| Investment income ('-' represent loss) | 113,578,786.80 | -386,857,266.96 |
| Investment income from associates and from joint venture | -618,249,269.01 | -388,909,153.76 |
| Earnings from fair value changes | -23,785,000.00 | - |
| Impairment of credit | -1,493,618.14 | -769,683.06 |
| Asset disposal income | - | -1,611,974.75 |
| II. Operating profit ('-' represent loss) | -875,531,091.10 | -1,638,505,276.06 |
| Add: Non-operating income | 3,519,692.63 | 8,494,672.83 |
| Less: Non-operating expenses | 778,677.68 | -511,973.00 |
| III. Total profit ('-' represent loss) | -872,790,076.15 | -1,629,498,630.23 |
| Less: Income tax expense | 3,063,866.43 | 52,478,793.98 |
| IV. Net profit ('-' represent net loss) | -875,853,942.58 | -1,681,977,424.21 |

| | | |
|--|-----------------|-------------------|
| I) Net profit from continuing operations | -875,853,942.58 | -1,681,977,424.21 |
| II) Net profit from discontinued operations | | |
| V. Other comprehensive income, net of tax | | 61,858,750.00 |
| I) Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | |
| Change from defined benefit plan | | |
| Other comprehensive income not to be reclassified to profit or loss under equity method | | |
| II) Other comprehensive income to be reclassified to profit or loss in subsequent periods | | 61,858,750.00 |
| Other comprehensive income transferable to profit or loss under the equity method | | |
| Changes in fair value from available-for-sale financial assets | | |
| Foreign currency reserve | | |
| Other | | 61,858,750.00 |
| VI. Total comprehensive income | -875,853,942.58 | -1,620,118,674.21 |
| VII. Earnings per share: | | |
| I) Basic earnings per share | -0.18 | -0.35 |
| II) Diluted earnings per share | -0.18 | -0.35 |

5. Consolidated Cash Flow Statement from the beginning of year to the end of report term.

In RMB Yuan

| Account | Current Period | Prior Period |
|---|-------------------|-------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from sale of goods or rendering of services | 21,257,466,605.15 | 20,101,009,864.13 |
| Refunds of taxes | 45,969,851.95 | 130,977,526.05 |
| Cash received relating to other operating activities | 386,274,604.44 | 2,351,463,047.17 |
| Sub-total of cash inflows | 21,689,711,061.54 | 22,583,450,437.35 |
| Cash paid for goods and services | 13,417,907,129.60 | 14,906,195,196.51 |
| Cash paid to and on behalf of employees | 1,565,688,589.42 | 1,732,748,414.84 |
| Cash paid for all types of taxes | 1,078,573,272.46 | 1,046,776,024.48 |
| Cash paid relating to other operating activities | 1,472,197,803.54 | 1,638,942,420.17 |
| Sub-total of cash outflows | 17,534,366,795.02 | 19,324,662,056.00 |
| Net cash flows from operating activities | 4,155,344,266.52 | 3,258,788,381.35 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Cash received from return on investments | | - |
| Cash received from investment income | 3,628,625.00 | - |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 170,091.83 | 20,000.00 |
| Net cash received from disposal of subsidiaries and other business units | | |

| | | |
|---|-------------------|-------------------|
| Cash received relating to other investing activities | - | 348,000.00 |
| Sub-total of cash inflows | 3,798,716.83 | 368,000.00 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | 566,554,431.22 | 1,241,507,566.02 |
| Cash paid for acquisition of investments | 13,088,871.00 | - |
| Net cash paid for subsidiaries and other business units | | |
| Cash paid relating to other investing activities | 1,524,231,229.20 | - |
| Sub-total of cash outflows | 2,103,874,531.42 | 1,241,507,566.02 |
| Net cash flows from investing activities | -2,100,075,814.59 | -1,241,139,566.02 |
| III. CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Cash received from borrowings | 1,420,000,000.00 | - |
| Cash received from the issuance of bonds | 150,000,000.00 | 35,000,000.00 |
| Cash received relating to other financing activities | 264,541,204.27 | 28,195,180.76 |
| Sub-total of cash inflows | 1,834,541,204.27 | 63,195,180.76 |
| Cash repayments of borrowings | 20,000,000.00 | 16,708,100.00 |
| Cash paid for distribution of dividends or profits and interest expenses | 9,459,181.50 | 9,358,472.79 |
| Cash paid relating to other financing activities | 498,552,580.58 | 529,028,452.47 |
| Sub-total of cash outflows | 528,011,762.08 | 555,095,025.26 |
| Net cash flows from financing activities | 1,306,529,442.19 | -491,899,844.50 |
| IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH | -15,306,746.07 | 16,990,887.83 |
| V. NET INCREASE IN CASH AND CASH EQUIVALENTS | 3,346,491,148.05 | 1,542,739,858.66 |
| Add: Opening balance of cash and cash equivalents | 9,360,474,674.89 | 9,648,153,614.80 |
| VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT | 12,706,965,822.94 | 11,190,893,473.46 |

6. Cash Flow Statement from the beginning of year to the end of report term.

In RMB Yuan

| Account | Current Period | Prior Period |
|---|-------------------|-------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from sale of goods or rendering of services | 18,868,422,291.72 | 17,714,720,410.20 |
| Refunds of taxes | | |
| Cash received relating to other operating activities | 54,826,509.91 | 2,039,698,293.41 |
| Sub-total of cash inflows | 18,923,248,801.63 | 19,754,418,703.61 |
| Cash paid for goods and services | 12,099,237,602.48 | 13,537,740,196.23 |
| Cash paid to and on behalf of employees | 1,112,718,300.63 | 1,250,523,925.99 |

| | | |
|---|-------------------|-------------------|
| Cash paid for all types of taxes | 513,342,838.61 | 825,010,270.02 |
| Cash paid relating to other operating activities | 891,028,153.93 | 1,679,903,064.63 |
| Sub-total of cash outflows | 14,616,326,895.65 | 17,293,177,456.87 |
| Net cash flows from operating activities | 4,306,921,905.98 | 2,461,241,246.74 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Cash received from return on investments | | |
| Cash received from investment income | 5,827,791.67 | 2,175,000.00 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other business units | | |
| Cash received relating to other investing activities | | |
| Sub-total of cash inflows | 5,827,791.67 | 2,175,000.00 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | 527,234,258.30 | 1,169,656,810.40 |
| Cash paid for acquisition of investments | 112,338,871.00 | 10,000,000.00 |
| Net cash paid for subsidiaries and other business units | | |
| Cash paid relating to other investing activities | | |
| Sub-total of cash outflows | 639,573,129.30 | 1,179,656,810.40 |
| Net cash flows from investing activities | -633,745,337.63 | -1,177,481,810.40 |
| III. CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Cash received from investors | | |
| Cash received from borrowings | | |
| Cash received from the issuance of bonds | | |
| Cash received relating to other financing activities | | |
| Sub-total of cash inflows | | |
| Cash repayments of borrowings | | |
| Cash paid for distribution of dividends or profits and interest expenses | 3,171,376.00 | 4,657,754.49 |
| Cash paid relating to other financing activities | - | - |
| Sub-total of cash outflows | 3,171,376.00 | 4,657,754.49 |
| Net cash flows from financing activities | -3,171,376.00 | -4,657,754.49 |
| IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH | | |
| V. NET INCREASE IN CASH AND CASH EQUIVALENTS | | |
| | 3,670,005,192.35 | 1,279,101,681.85 |
| Add: Opening balance of cash and cash equivalents | 6,563,020,335.56 | 7,310,973,018.99 |
| VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT | | |
| | 10,233,025,527.91 | 8,590,074,700.84 |

II. Notes on financial statement adjustments

1. Since 2020, the first implementation of the new revenue standards, the new lease standards to adjust the first implementation of the financial statements at the beginning of the year .

√Applicable □Not Applicable
Consolidated Balance Sheet

In RMB Yuan

| Account | 2019.12.31 | 2020.1.1 | Adjustment |
|--|-------------------|-------------------|-------------------|
| Current assets: | | | |
| Cash | 10,066,171,353.48 | 10,066,171,353.48 | |
| Trading financial assets | 2,419,476,200.00 | 2,419,476,200.00 | |
| Notes receivable | 26,805,635,587.19 | 26,805,635,587.19 | |
| Accounts receivable | 838,314,076.82 | 838,314,076.82 | |
| Prepayments | 623,801,896.07 | 623,801,896.07 | |
| Other receivables | 3,731,755,992.46 | 269,534,090.37 | -3,462,221,902.09 |
| Inventories | 3,375,441,488.37 | 3,375,441,488.37 | |
| Contract assets | | 3,462,221,902.09 | 3,462,221,902.09 |
| Holding assets for sale | | | |
| Non-current assets due within one year | | | |
| Other current assets | 1,746,120,128.04 | 1,746,120,128.04 | |
| Total current assets | 49,606,716,722.43 | 49,606,716,722.43 | |
| Non-current assets: | | | |
| Available-for-sale financial assets | | | |
| Long-term receivables | | | |
| Long-term equity investments | 11,008,336,989.09 | 11,008,336,989.09 | |
| Investment in other equity instruments | 734,506,100.00 | 734,506,100.00 | |
| Investment properties | 7,102,849.72 | 7,102,849.72 | |
| Fixed assets | 26,939,490,554.19 | 26,939,490,554.19 | |
| Construction in progress | 1,729,803,028.43 | 1,729,803,028.43 | |
| Intangible assets | 5,209,619,313.49 | 5,209,619,313.49 | |
| Development expenditure | 814,745,464.20 | 814,745,464.20 | |
| Goodwill | 9,804,394.00 | 9,804,394.00 | |
| Long-term deferred expenses | 14,327,639.90 | 14,327,639.90 | |
| Deferred tax assets | 1,542,600,534.93 | 1,542,600,534.93 | |
| Other non-current assets | - | - | |
| Total non-current assets | 48,010,336,867.95 | 48,010,336,867.95 | |
| TOTAL ASSETS | 97,617,053,590.38 | 97,617,053,590.38 | |
| Current liabilities: | | | |
| Short-term loans | 229,580,000.00 | 229,580,000.00 | |
| Notes payable | 13,430,543,294.23 | 13,430,543,294.23 | |
| Accounts payable | 18,905,725,271.50 | 18,905,725,271.50 | |
| Advances from customers | 2,315,641,685.78 | - | -2,315,641,685.78 |
| Contract liability | | 2,315,641,685.78 | 2,315,641,685.78 |
| Payroll payable | 1,046,335,781.91 | 1,046,335,781.91 | |
| Taxes payable | 889,092,442.80 | 889,092,442.80 | |

| | | | |
|---|-------------------|-------------------|--|
| Other payables | 4,809,918,141.45 | 4,809,918,141.45 | |
| Non-current liabilities within one year | | | |
| Other current liabilities | 4,253,942,761.77 | 4,253,942,761.77 | |
| Total current liabilities | 45,880,779,379.44 | 45,880,779,379.44 | |
| Non-current liabilities: | | | |
| Long-term loans | 55,300,000.00 | 55,300,000.00 | |
| Long-term payables | 857,356,423.71 | 857,356,423.71 | |
| Long-term payroll payable | 45,932,000.00 | 45,932,000.00 | |
| Estimated liabilities | 3,352,580,839.28 | 3,352,580,839.28 | |
| Deferred Revenue | 3,194,291,079.21 | 3,194,291,079.21 | |
| Deferred tax liabilities | 296,742,890.29 | 296,742,890.29 | |
| Other non-current liabilities | | | |
| Total non-current liabilities | 7,802,203,232.49 | 7,802,203,232.49 | |
| Total liabilities | 53,682,982,611.93 | 53,682,982,611.93 | |
| Owners' equity (or Shareholders' equity): | | | |
| Share capital | 4,802,648,511.00 | 4,802,648,511.00 | |
| Capital reserves | 5,366,097,594.66 | 5,366,097,594.66 | |
| Other comprehensive income | 139,994,580.19 | 139,994,580.19 | |
| Special reserves | 47,076,242.71 | 47,076,242.71 | |
| Surplus reserves | 2,401,324,255.50 | 2,401,324,255.50 | |
| Retained earnings | 31,271,171,559.60 | 31,271,171,559.60 | |
| Equity attributable to owners | 44,028,312,743.66 | 44,028,312,743.66 | |
| Minority interests | -94,241,765.21 | -94,241,765.21 | |
| Total Owners' equity (or Shareholders' equity) | 43,934,070,978.45 | 43,934,070,978.45 | |
| Liabilities and owners' equity (or shareholders' equity) in total | 97,617,053,590.38 | 97,617,053,590.38 | |

Statement of adjustment

On July 5, 2017, the Ministry of Finance revised and issued "Accounting Standards for Business Enterprises No. 14-Revenue" (Caihui [2017] No. 22). According to the requirements of the Ministry of Finance, companies listed at home and abroad at the same time, as well as listed overseas and adopt international Financial reporting standards or corporate accounting standards for companies that prepare financial statements will be implemented from January 1, 2018; other domestic listed companies will be implemented from January 1, 2020; non-listed companies that implement corporate accounting standards will be implemented from 2021. It will take effect on January 1. Due to the revision of the above corporate accounting standards, the company needs to adjust the relevant accounting policies originally adopted.

According to the time stipulated by the Ministry of Finance, the company will implement the new revenue standard from January 1, 2020.

Balance Sheet

In RMB Yuan

| Account | 2019.12.31 | 2020.1.1 | Adjustment |
|--------------------------|-------------------|-------------------|-------------------|
| Current assets: | | | |
| Cash | 6,563,020,335.56 | 6,563,020,335.56 | |
| Trading financial assets | 184,245,000.00 | 184,245,000.00 | |
| Notes receivable | 25,837,326,483.09 | 25,837,326,483.09 | |
| Accounts receivable | 5,094,270,365.72 | 5,094,270,365.72 | |
| Prepayments | 403,105,316.24 | 403,105,316.24 | |
| Other receivables | 2,597,314,344.40 | 941,161,145.80 | -1,656,153,198.60 |
| Inventories | 1,735,570,691.28 | 1,735,570,691.28 | |
| Contract assets | - | 1,656,153,198.60 | 1,656,153,198.60 |
| Holding assets for sale | | | |

| | | | |
|---|-------------------|-------------------|-------------------|
| Non-current assets due within one year | | | |
| Other current assets | 798,430,035.62 | 798,430,035.62 | |
| Total current assets | 43,213,282,571.91 | 43,213,282,571.91 | |
| Non-current assets: | | | |
| Available-for-sale financial assets | | | |
| Long-term receivables | | | |
| Long-term equity investments | 16,052,319,271.82 | 16,052,319,271.82 | |
| Investment in other equity instruments | 724,309,400.00 | 724,309,400.00 | |
| Investment properties | | | |
| Fixed assets | 20,301,231,002.41 | 20,301,231,002.41 | |
| Construction in progress | 1,545,211,000.22 | 1,545,211,000.22 | |
| Intangible assets | 4,030,438,649.57 | 4,030,438,649.57 | |
| Development expenditure | 431,774,377.27 | 431,774,377.27 | |
| Goodwill | | | |
| Long-term deferred expenses | 9,719,259.84 | 9,719,259.84 | |
| Deferred tax assets | 1,318,884,054.48 | 1,318,884,054.48 | |
| Other non-current assets | - | - | |
| Total non-current assets | 44,413,887,015.61 | 44,413,887,015.61 | |
| TOTAL ASSETS | 87,627,169,587.52 | 87,627,169,587.52 | |
| Current liabilities: | | | |
| Short-term loans | 29,580,000.00 | 29,580,000.00 | |
| Notes payable | 11,983,445,725.06 | 11,983,445,725.06 | |
| Accounts payable | 15,601,432,751.74 | 15,601,432,751.74 | |
| Advances from customers | 1,870,992,349.08 | - | -1,870,992,349.08 |
| Contract liability | - | 1,870,992,349.08 | 1,870,992,349.08 |
| Payroll payable | 641,340,149.30 | 641,340,149.30 | |
| Taxes payable | 453,619,905.66 | 453,619,905.66 | |
| Other payables | 4,301,257,819.04 | 4,301,257,819.04 | |
| Holding liabilities for sale | | | |
| Non-current liabilities within one year | | | |
| Other current liabilities | 3,400,065,879.02 | 3,400,065,879.02 | |
| Total current liabilities | 38,281,734,578.90 | 38,281,734,578.90 | |
| Non-current liabilities: | | | |
| Long-term loans | 55,300,000.00 | 55,300,000.00 | |
| Long-term payables | 285,768,478.89 | 285,768,478.89 | |
| Long-term payroll payable | 22,747,000.00 | 22,747,000.00 | |
| Estimated liabilities | 2,413,434,397.36 | 2,413,434,397.36 | |
| Deferred Revenue | 2,135,615,106.85 | 2,135,615,106.85 | |
| Deferred tax liabilities | 81,775,341.60 | 81,775,341.60 | |
| Other non-current liabilities | | | |
| Total non-current liabilities | 4,994,640,324.70 | 4,994,640,324.70 | |
| Total liabilities | 43,276,374,903.60 | 43,276,374,903.60 | |
| Owners' equity (or Shareholders' equity): | | | |
| Share capital | 4,802,648,511.00 | 4,802,648,511.00 | |
| Capital reserves | 5,014,772,792.87 | 5,014,772,792.87 | |

| | | | |
|---|-------------------|-------------------|--|
| Other comprehensive income | 259,380,413.58 | 259,380,413.58 | |
| Special reserves | 19,917,658.63 | 19,917,658.63 | |
| Surplus reserves | 2,401,324,255.50 | 2,401,324,255.50 | |
| Retained earnings | 31,852,751,052.34 | 31,852,751,052.34 | |
| Total Owners' equity (or Shareholders' equity) | 44,350,794,683.92 | 44,350,794,683.92 | |
| Liabilities and owners' equity (or shareholders' equity) in total | 87,627,169,587.52 | 87,627,169,587.52 | |

Statement of adjustment

On July 5, 2017, the Ministry of Finance revised and issued "Accounting Standards for Business Enterprises No. 14-Revenue" (Caihui [2017] No. 22). According to the requirements of the Ministry of Finance, companies listed at home and abroad at the same time, as well as listed overseas and adopt international Financial reporting standards or corporate accounting standards for companies that prepare financial statements will be implemented from January 1, 2018; other domestic listed companies will be implemented from January 1, 2020; non-listed companies that implement corporate accounting standards will be implemented from 2021. It will take effect on January 1. Due to the revision of the above corporate accounting standards, the company needs to adjust the relevant accounting policies originally adopted.

According to the time stipulated by the Ministry of Finance, the company will implement the new revenue standard from January 1, 2020.

2. Since 2020, the first implementation of the new income criteria, the new lease criteria retroactive adjustment of the preliminary comparison data.

Applicable Not Applicable

III. Auditors' Report

Whether the first quarter report has been audited

Yes No

The first quarter report has not been audited.