



**2021 First Quarter Report**

**Of**

**Chongqing Changan Automobile Company Limited**

**April, 2021**

## **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 Zhu Huarong, 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 need to retrospectively adjust or restate the accounting data of previous years

Yes No

Reasons for retrospective adjustment or restatement: changes in accounting policies

In RMB Yuan

	The reporting period	The same period of last year		Variance (%)
		Before adjustment	After adjustment	After adjustment
Operating income	32,027,320,806.54	11,564,077,463.34	11,564,077,463.34	176.96%
Net profit attributable to shareholders of the Company	853,585,805.31	631,077,888.63	631,077,888.63	35.26%
Net profit excluding non-recurring gains and losses attributable to shareholders of listed company	720,085,110.43	-1,793,324,817.62	-1,793,324,817.62	140.15%
cash flow from operating activities	7,236,025,541.31	4,155,344,266.52	4,155,344,266.52	74.14%
Basic earnings per share	0.16	0.13	0.13	23.08%
Diluted earnings per share	N/A	N/A	N/A	N/A
Weighted average return on net assets	1.58%	1.42%	1.42%	Up 0.16 Points
	At the end of the reporting period	End of 2020		Variance (%)
		Before adjustment	After adjustment	After adjustment
Total assets	127,989,062,491.55	120,915,805,349.52	118,265,186,394.85	8.22%
Net assets attributable to shareholders of listed company	54,846,284,914.36	53,410,193,236.09	53,410,193,236.09	2.69%

Reasons for changes in accounting policies and corrections of accounting errors

In order to make the company's accounting more accurate, objective and fair to reflect the company's financial status and operating results, the company's government subsidy accounting policy is changed from January 1, 2021, from the total amount method to the net amount method. For details, see " Announcement on Changes in Accounting Policies (Announcement Number: 2021-43).

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	9,257,168.41	
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.	153,059,746.06	
Interest on deferred payment of funds received by non financial enterprises	10,136,218.01	
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	-31,345,241.34	
Gains and losses from external entrusted loans	3,385,613.22	
Other non-business income and expenditures other than the above	9,717,311.60	
Less: Influenced amount of income tax	4,055,612.77	
Influenced amount of minority shareholders' equity	16,654,508.31	
Total	133,500,694.88	

According to “Public offering of securities information disclosure of the company's information disclosure announcement No. 1 – non-recurring gains and losses “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					381,802	
Top 10 Shareholders						
Name of the shareholder	Properties of shareholder	Shareholding (%)	Number of shares	Conditional shares	Pledging or freezing	
					Share status	Amount
China Changan Automobile Co., Ltd.	State-owned legal person shares	18.78%	1,021,502,890	93,457,944	No pledge or frozen	-
China South Industries Group Co., Ltd.	State-owned legal person shares	13.98%	760,304,571	2,764,486	No pledge or frozen	-
Southern Industrial Asset Management Co., Ltd.	State-owned legal person shares	7.11%	386,915,888	186,915,888	No pledge or frozen	-
China Securities Finance Corporation Limited	domestic general legal person shares	4.31%	234,265,333		No pledge or frozen	-
Hong Kong Securities Clearing Company Limited	foreign legal person shares	3.74%	203,191,650		No pledge or frozen	-
United Prosperity (Hongkong) Investment Co., Limited	foreign legal person shares	2.83%	154,120,237		No pledge or frozen	-
China Galaxy Securities Co., Ltd.	domestic general legal person shares	0.70%	38,318,957	38,317,757	No pledge or frozen	-
JPMORGAN CHASE BANK,NATIONAL ASSOCIATION	foreign legal person shares	0.60%	32,710,378	32,710,280	No pledge or frozen	-
CAPE ANN GLOBAL DEVELOPING MARKETS FUND	foreign legal person shares	0.42%	22,867,612		No pledge or frozen	-
Guotai Junan Securities Co., Ltd.	domestic general legal person shares	0.40%	21,843,893	14,018,691	No pledge or frozen	-
Top 10 holders of unconditional shares						
Name of the shareholder	Amount of shares without sales restriction	Category of shares				
		Category of shares	Amount			
China Changan Automobile Co., Ltd.	928,044,946	RMB ordinary shares	928,044,946			
China South Industries Group Co., Ltd.	757,540,085	RMB ordinary shares	757,540,085			
China Securities Finance Corporation Limited	234,265,333	RMB ordinary shares	234,265,333			
Hong Kong Securities Clearing Company Limited	203,191,650	RMB ordinary shares	203,191,650			
Southern Industrial Asset Management Co., Ltd.	200,000,000	RMB ordinary shares	200,000,000			
United Prosperity (Hongkong) Investment Co., Limited	154,120,237	Domestic listed foreign shares	154,120,237			
CAPE ANN GLOBAL DEVELOPING MARKETS FUND	22,867,612	Domestic listed foreign shares	22,867,612			

CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	20,937,863	Domestic listed foreign shares	20,937,863
GIC PRIVATE LIMITED	19,605,410	Domestic listed foreign shares	19,605,410
Haitong International Securities Company Limited-Account Client	19,162,244	Domestic listed foreign shares	19,162,244
Explanation on the relationship and the action alike of above shareholders	Among the top 10 shareholders, China South Industries Group Co., Ltd., With its wholly-owned subsidiary, Southern Industrial Asset Management 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".		
Explanation of the Top 10 Shareholders' Participation in Margin Trading	China South Industries Group Co., Ltd. participated in the refinancing securities lending business. As of the end of the reporting period, 43,540,000 shares had been lent. The ownership of the refinancing securities lending shares will not be transferred.		

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 <sup>st</sup> ,2021	Jan. 1 <sup>st</sup> , 2021	Changes (%)
1	Prepayments	217,323,536.22	460,703,603.80	-52.83%
2	Inventories	4,139,263,364.19	5,967,516,230.57	-30.64%
3	Development expenditure	372,952,680.61	596,577,787.95	-37.48%
4	Taxes payable	498,101,187.52	1,292,001,263.86	-61.45%
	<b>Income Statement Items</b>	<b>Jan-Mar 2021</b>	<b>Jan-Mar 2020</b>	<b>Changes (%)</b>
5	Total operating income	32,027,320,806.54	11,564,077,463.34	176.96%
6	Operating cost	27,508,384,891.85	10,504,652,155.97	161.87%
7	Tax and surcharges	1,139,344,789.09	443,622,963.22	156.83%
8	Operating expenses	1,010,369,424.61	649,835,784.68	55.48%
9	General and administrative expenses	1,244,629,210.77	398,803,812.20	212.09%
10	Financial expenses	-105,473,984.82	-27,860,921.06	-278.57%
11	Investment income	284,235,894.75	1,452,112,755.17	-80.43%
12	Earnings from fair value changes	-31,345,241.34	341,035,600.71	-109.19%
13	Income tax expense	-65,165,798.22	67,615,994.89	-196.38%
	<b>Cash Flow Statement Items</b>	<b>Jan-Mar 2021</b>	<b>Jan-Mar 2020</b>	<b>Changes (%)</b>
14	Net cash flows from operating activities	7,236,025,541.31	4,155,344,266.52	74.14%
15	Net cash flows from investing activities	-457,478,573.37	-2,100,075,814.59	78.22%
16	Net cash flows from financing activities	651,004,840.56	1,306,529,442.19	-50.17%
17	Net increase of cash and cash equivalents	7,428,018,280.20	3,346,491,148.05	121.96%

As of the end of the reporting period, the company's total assets were 127.989 billion yuan, total liabilities were 73.071 billion yuan, and the asset-liability ratio was 57.09%, an increase of 2.29 percentage points from the beginning of the year.

During the reporting period, the balance of prepayments decreased from the beginning of the year, mainly due to the receipt of prepayment related materials; the decrease in inventory was mainly due to the increase in sales; the decrease in development expenditure was mainly due to the transfer of intangible assets; the decrease in taxes payable was mainly due to the payment of taxes.

During the reporting period, total operating income, operating costs, taxes and surcharges, and sales expenses increased year-on-year, mainly due to the increase in product sales during the quarter. The year-on-year increase in management expenses was mainly due to the accrual of fuel and new energy points costs and the increase in employee compensation. The year-on-year decrease in financial expenses was mainly due to the increase in interest income. The year-on-year decrease in investment income was mainly due to the dilution of Chongqing Changan New Energy Automobile Technology Co., Ltd.'s equity in 2020, and the company confirmed the investment income. The decrease in the gains from changes in fair value year-on-year was mainly due to the gains from changes in the fair value of Ningde Times stocks in 2020. Ningde Times stocks have been disposed of in 2020. The year-on-year decrease in income tax expenses was mainly due to the increase in deferred income tax assets.

During the reporting period, the company's net increase in cash and cash equivalents was 7.428 billion yuan, an increase of 121.96% year-on-year, mainly due to the substantial increase in net cash flow from operating activities. The net cash flow from operating activities was 7.236 billion yuan, an increase of 74.14% year-on-year, mainly due to the substantial increase in cash received from the sale of goods and the provision of services. The net cash flow from investment activities was -457 million yuan, an increase of 78.22% year-on-year, mainly due to the significant decrease in other cash paid for investment activities. The net cash flow from financing activities was 651 million yuan, a year-on-year decrease of 50.17%, mainly due to the substantial decrease in cash received

from absorbing investments.

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

Applicable Not Applicable

On February 1, 2021, the company held the eleventh meeting of the eighth session of the board of directors, and reviewed and approved two proposals related to the revision of the restricted stock incentive plan. For details, please refer to the "Resolutions of the Eleventh Meeting of the Eighth Board of Directors" Announcement (Announcement Number: 2021-05).

On February 18, 2021, the company held the first extraordinary general meeting of shareholders in 2021, and reviewed and approved 3 proposals related to the restricted stock incentive plan. For details, please refer to the "Announcement on Resolutions of the First Extraordinary General Meeting of 2021" (Announcement) Number: 2021-13).

On February 22, 2021, the company held the twelfth meeting of the eighth session of the board of directors, at which it reviewed and approved the "Proposal on Adjusting the List of Restricted A Shares Incentive Plan and the Number of Incentives Granted" and "Regarding the Restriction of A Shares" The Proposal for the First Grant of Restricted Stocks to Incentives of the Stock Incentive Plan. For details, please refer to the "Announcement on Resolutions of the Twelfth Meeting of the Eighth Board of Directors" (Announcement Number: 2021-14).

On March 5, 2021, the shares granted by equity incentives is listed for circulation. For details, please refer to the "Announcement on Completion of Registration for the First Grant of A Share Restricted Stock Incentive Plan" (Announcement No.: 2021-20).

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 2021

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

### 1. Equity-holdings in financial enterprises

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	33,630,000	0.51%	33,630,000	0.51%	156,715,800	-24,213,600	Transactional financial assets	Initial investment
Total			50,000,000	33,630,000	--	33,630,000	--	156,715,800	-24,213,600		

## 2. Derivative Investments

Applicable Not Applicable

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

## VI. Progress of investment projects with raised funds

Applicable Not Applicable

During the reporting period, "committed investment projects" used raised funds totaling 253.0548 million yuan, and the net interest income obtained from the special account for raised funds during the reporting period was 11.8674 million yuan. As of March 31, 2021, the raised funds have been directly invested in fund-raising projects of 3505.1402 million yuan (including supplementary working capital projects of 1800 million yuan), the accumulated net interest income from the special account for raised funds was 22.6168 million yuan, and the balance of the raised funds was 2504.3167 million yuan.

## VII. Major contracts for daily operation

Applicable Not Applicable

## VIII. Entrusted financial management

Applicable Not Applicable

There is no entrusted financial management during the reporting period.

## IX. Illegal external guarantee

Applicable Not Applicable

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

## X. 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.

## XI. Interviews and visits in the reporting period

Applicable Not Applicable

Date	Manner	Object	Content discussed and material offered
2021.3.3	On-Site Survey, telephone communication	Institution	For details, see the March 5, 2021 Shenzhen stock exchange interactive ( <a href="http://irm.cninfo.com.cn">http://irm.cninfo.com.cn</a> ) on the Changan Automobile: March 3, 2020 investor relations activities record sheet



## Chapter 4 Financial Statements

### I. Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by: CHONGQING CHANGAN AUTOMOBILE CO., LTD.

March 31, 2021

In RMB Yuan

Account	2021.3.31	2020.12.31
Current assets:		
Cash	39,255,172,266.74	32,001,775,600.07
Trading financial assets	172,909,158.66	204,254,400.00
Notes receivable	33,188,863,184.35	28,371,541,054.75
Accounts receivable	2,195,171,039.65	2,141,197,139.45
Prepayments	217,323,536.22	460,703,603.80
Other receivables	617,382,928.77	723,919,037.36
Inventories	4,139,263,364.19	5,967,516,230.57
Contract assets	1,409,293,533.41	1,450,031,414.61
Other current assets	1,605,747,167.26	1,568,711,870.61
Total current assets	82,801,126,179.25	72,889,650,351.22
Non-current assets:		
Long-term equity investments	12,389,940,077.21	12,109,089,795.67
Investment in other equity instruments	691,990,000.00	691,990,000.00
Investment properties	6,819,460.27	6,876,138.16
Fixed assets	23,973,970,838.30	24,298,402,558.49
Construction in progress	903,207,112.78	1,048,036,148.70
Right-of-use asset	61,073,778.92	-
Intangible assets	4,530,941,810.81	4,433,771,236.26
Development expenditure	372,952,680.61	596,577,787.95
Goodwill	48,883,188.37	48,883,188.37
Long-term deferred expenses	11,734,850.68	10,642,512.51
Deferred tax assets	2,196,422,514.35	2,131,266,677.52
Total non-current assets	45,187,936,312.30	45,375,536,043.63
<b>TOTAL ASSETS</b>	<b>127,989,062,491.55</b>	<b>118,265,186,394.85</b>
Current liabilities:		
Short-term loans	558,000,000.00	578,000,000.00
Notes payable	21,643,827,043.44	17,574,014,553.46
Accounts payable	26,991,165,603.27	23,118,793,794.42
Contract liability	4,613,841,527.95	4,471,158,190.75
Payroll payable	1,737,635,550.55	2,015,868,366.57
Taxes payable	498,101,187.52	1,292,001,263.86
Other payables	4,476,574,969.60	4,475,215,625.98

Non-current liabilities within one year	100,054,857.28	100,000,000.00
Other current liabilities	6,817,884,263.93	5,842,758,104.08
Total current liabilities	67,437,085,003.54	59,467,809,899.12
Non-current liabilities:		
Long-term loans	955,300,000.00	955,300,000.00
Lease liability	60,484,054.10	-
Long-term payables	241,555,450.79	261,260,928.70
Long-term payroll payable	39,501,978.16	41,634,000.00
Estimated liabilities	3,439,256,762.04	3,125,170,942.46
Deferred Revenue	787,102,655.40	818,398,430.21
Deferred tax liabilities	110,939,521.14	115,304,728.61
Total non-current liabilities	5,634,140,421.63	5,317,069,029.98
Total liabilities	73,071,225,425.17	64,784,878,929.10
Owners' equity (or Shareholders' equity):		
Share capital	5,439,591,574.00	5,363,396,174.00
Capital reserves	11,388,509,086.42	10,930,781,918.64
Other comprehensive income	101,928,900.48	78,420,720.78
Special reserves	65,922,568.89	40,847,443.41
Surplus reserves	2,681,698,087.00	2,681,698,087.00
Retained earnings	35,168,634,697.57	34,315,048,892.26
Equity attributable to owners	54,846,284,914.36	53,410,193,236.09
Minority interests	71,552,152.02	70,114,229.66
Total Owners' equity (or Shareholders' equity)	54,917,837,066.38	53,480,307,465.75
Liabilities and owners' equity (or shareholders' equity) in total	127,989,062,491.55	118,265,186,394.85

Legal person: Zhu Huarong

Chief financial officer: Zhang Deyong

The head of accounting department: Chen Jianfeng

## 2. Balance Sheet

In RMB Yuan

Account	2021.3.31	2020.12.31
Current assets:		
Cash	33,280,567,130.30	25,238,014,025.38
Trading financial assets	156,715,800.00	180,929,400.00
Notes receivable	31,611,447,120.59	27,248,111,565.13
Accounts receivable	6,303,832,803.63	5,464,541,185.63
Prepayments	45,256,018.54	294,088,044.01
Other receivables	1,584,181,286.67	1,990,616,778.83
Inventories	2,730,351,086.60	4,332,579,774.46
Contract assets	914,624,005.60	941,046,613.60
Other current assets	310,655,546.94	322,467,261.74
Total current assets	76,937,630,798.87	66,012,394,648.78
Non-current assets:		
Long-term equity investments	16,338,104,282.42	15,911,304,527.87
Investment in other equity instruments	681,630,000.00	681,630,000.00
Fixed assets	18,095,123,730.85	18,282,163,718.91
Construction in progress	498,520,058.30	586,144,839.34

Right-of-use asset	58,800,812.73	-
Intangible assets	3,270,375,608.83	3,166,081,547.59
Development expenditure	340,611,070.84	555,569,523.02
Long-term deferred expenses	8,319,408.86	7,470,626.86
Deferred tax assets	1,889,919,258.48	1,803,491,965.40
Total non-current assets	41,181,404,231.31	40,993,856,748.99
<b>TOTAL ASSETS</b>	<b>118,119,035,030.18</b>	<b>107,006,251,397.77</b>
Current liabilities:		
Short-term loans	510,000,000.00	510,000,000.00
Notes payable	18,570,789,242.23	14,600,240,612.86
accounts payable	23,933,606,717.45	18,770,044,628.44
Contract liability	3,896,570,628.50	3,885,522,883.33
Payroll payable	1,443,950,832.63	1,604,474,120.45
Taxes payable	300,520,162.79	1,045,768,022.62
Other payables	3,547,287,239.92	3,166,636,684.63
Non-current liabilities due within one year	100,000,000.00	100,000,000.00
Other current liabilities	5,986,733,397.74	5,235,294,795.79
Total current liabilities	58,289,458,221.26	48,917,981,748.12
Non-current liabilities:		
Long-term loans	955,300,000.00	955,300,000.00
Lease liability	58,367,526.23	-
Long-term payables	181,269,821.39	187,142,303.66
Long-term payroll payable	19,651,794.06	21,657,000.00
Estimated liabilities	2,511,092,012.02	2,196,924,682.57
Deferred Revenue	150,000,000.00	150,000,000.00
Deferred tax liabilities	71,526,611.38	75,158,651.38
Total non-current liabilities	3,947,207,765.08	3,586,182,637.61
Total liabilities	62,236,665,986.34	52,504,164,385.73
Owners' equity (or Shareholders' equity):		
Share capital	5,439,591,574.00	5,363,396,174.00
Capital reserves	10,898,624,070.30	10,440,896,902.52
Other comprehensive income	159,954,052.00	159,954,052.00
Special reserves	14,150,864.62	7,505,438.57
Surplus reserves	2,681,698,087.00	2,681,698,087.00
Retained earnings	36,688,350,395.92	35,848,636,357.95
Total Owners' equity (or Shareholders' equity)	55,882,369,043.84	54,502,087,012.04
Liabilities and owners' equity (or shareholders' equity) in total	118,119,035,030.18	107,006,251,397.77

### 3. Consolidated Income Statement of the report term

In RMB Yuan

Account	Current Period	Prior Period
I. Total operating income	32,027,320,806.54	11,564,077,463.34
Less: Operating cost	27,508,384,891.85	10,504,652,155.97
Tax and surcharges	1,139,344,789.09	443,622,963.22

Operating expenses	1,010,369,424.61	649,835,784.68
General and administrative expenses	1,244,629,210.77	398,803,812.20
R&D expenses	710,391,890.16	696,517,648.90
Financial expenses	-105,473,984.82	-27,860,921.06
Add: Other income		
Investment income ('-' represent loss)	284,235,894.75	1,452,112,755.17
Investment income from associates and from joint venture	280,338,657.91	-667,413,071.43
Earnings from fair value changes	-31,345,241.34	341,035,600.71
Impairment of credit	-1,681,788.85	-2,142,668.54
Asset disposal income	9,257,168.41	1,354,464.30
II. Operating profit ('-' represent loss)	780,140,617.85	690,866,171.07
Add: Non-operating income	10,387,052.00	6,811,073.58
Less: Non-operating expenses	669,740.40	6,491,243.42
III. Total profit ('-' represent loss)	789,857,929.45	691,186,001.23
Less: Income tax expense	-65,165,798.22	67,615,994.89
IV. Net profit ('-' represent net loss)	855,023,727.67	623,570,006.34
I) Net profit from continuing operations	855,023,727.67	623,570,006.34
II) Net profit from discontinued operations		
Net profit attributable to owners	853,585,805.31	631,077,888.63
Minority interests	1,437,922.36	-7,507,882.29
V. Other comprehensive income, net of tax	23,508,179.70	-9,000,909.71
Total comprehensive income attributable to owners, net of tax	23,508,179.70	-9,000,909.71
I) Other comprehensive income not to be reclassified to profit or loss in subsequent periods	155,000.00	-38,000.00
Change from defined benefit plan	155,000.00	-38,000.00
II) Other comprehensive income to be reclassified to profit or loss in subsequent periods	23,353,179.70	-8,962,909.71
Foreign currency reserve	23,353,179.70	-8,962,909.71
VI. Total comprehensive income	878,531,907.37	614,569,096.63
Total comprehensive income attributable to owners	877,093,985.01	622,076,978.92
Total comprehensive income attributable to minority interest	1,437,922.36	-7,507,882.29
VII. Earnings per share:		
I) Basic earnings per share	0.16	0.13
II) Diluted earnings per share	0.16	0.13

Legal person: Zhu Huarong

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	30,376,645,267.72	10,675,079,250.36
Less: Operating cost	26,524,375,588.05	10,001,993,927.70
Tax and surcharges	834,751,224.47	291,774,994.51
Operating expenses	849,385,869.12	470,740,974.96
General and administrative expenses	1,129,211,744.22	206,455,978.44

R&D expenses	684,046,695.33	699,618,911.59
Financial expenses	-72,586,754.26	-31,674,277.08
Add: Other income		
Investment income ('-' represent loss)	335,945,304.87	113,578,786.80
Investment income from associates and from joint venture	331,419,754.55	-618,249,269.01
Earnings from fair value changes	-24,213,600.00	-23,785,000.00
Impairment of credit	-1,113,674.23	-1,493,618.14
Asset disposal income	4,845,248.97	-
II. Operating profit ('-' represent loss)	742,924,180.40	-875,531,091.10
Add: Non-operating income	6,730,962.63	3,519,692.63
Less: Non-operating expenses	438.13	778,677.68
III. Total profit ('-' represent loss)	749,654,704.90	-872,790,076.15
Less: Income tax expense	-90,059,333.07	3,063,866.43
IV. Net profit ('-' represent net loss)	839,714,037.97	-875,853,942.58
I) Net profit from continuing operations	839,714,037.97	-875,853,942.58
II) Net profit from discontinued operations		
V. Other comprehensive income, net of tax		
VI. Total comprehensive income	839,714,037.97	-875,853,942.58
VII. Earnings per share:		
I) Basic earnings per share	0.16	-0.18
II) Diluted earnings per share	0.16	-0.18

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

In RMB Yuan

Account	Current Period	Prior Period
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from sale of goods or rendering of services	30,112,384,312.29	21,257,466,605.15
Refunds of taxes	179,407,299.39	45,969,851.95
Cash received relating to other operating activities	1,595,191,409.36	386,274,604.44
Sub-total of cash inflows	31,886,983,021.04	21,689,711,061.54
Cash paid for goods and services	17,418,081,707.69	13,417,907,129.60
Cash paid to and on behalf of employees	1,926,702,389.58	1,565,688,589.42
Cash paid for all types of taxes	2,904,469,816.33	1,078,573,272.46
Cash paid relating to other operating activities	2,401,703,566.13	1,472,197,803.54
Sub-total of cash outflows	24,650,957,479.73	17,534,366,795.02
Net cash flows from operating activities	7,236,025,541.31	4,155,344,266.52
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash received from investment income	3,588,750.00	3,628,625.00

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	45,138,653.89	170,091.83
Sub-total of cash inflows	48,727,403.89	3,798,716.83
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	506,205,977.26	566,554,431.22
Cash paid for acquisition of investments	-	13,088,871.00
Cash paid relating to other investing activities	-	1,524,231,229.20
Sub-total of cash outflows	506,205,977.26	2,103,874,531.42
Net cash flows from investing activities	-457,478,573.37	-2,100,075,814.59
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Absorb cash received from investment	507,461,364.00	1,420,000,000.00
Cash received from borrowings	20,000,000.00	150,000,000.00
Cash received relating to other financing activities	174,621,613.52	264,541,204.27
Sub-total of cash inflows	702,082,977.52	1,834,541,204.27
Cash repayments of borrowings	40,000,000.00	20,000,000.00
Cash paid for distribution of dividends or profits and interest expenses	10,836,847.22	9,459,181.50
Cash paid relating to other financing activities	241,289.74	498,552,580.58
Sub-total of cash outflows	51,078,136.96	528,011,762.08
Net cash flows from financing activities	651,004,840.56	1,306,529,442.19
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH	-1,533,528.30	-15,306,746.07
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	7,428,018,280.20	3,346,491,148.05
Add: Opening balance of cash and cash equivalents	30,655,968,057.63	9,360,474,674.89
VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT	38,083,986,337.83	12,706,965,822.94

## 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	26,828,012,609.19	18,868,422,291.72
Refunds of taxes		
Cash received relating to other operating activities	795,160,254.72	54,826,509.91
Sub-total of cash inflows	27,623,172,863.91	18,923,248,801.63
Cash paid for goods and services	14,846,049,568.22	12,099,237,602.48
Cash paid to and on behalf of employees	1,436,120,942.70	1,112,718,300.63
Cash paid for all types of taxes	2,394,177,408.28	513,342,838.61

Cash paid relating to other operating activities	1,175,567,944.68	891,028,153.93
Sub-total of cash outflows	19,851,915,863.88	14,616,326,895.65
Net cash flows from operating activities	7,771,257,000.03	4,306,921,905.98
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash received from return on investments		
Cash received from investment income	4,797,083.33	5,827,791.67
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,508,823.89	-
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	200,000,000.00	-
Sub-total of cash inflows	212,305,907.22	5,827,791.67
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	438,041,626.59	527,234,258.30
Cash paid for acquisition of investments	-	112,338,871.00
Net cash paid for subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	438,041,626.59	639,573,129.30
Net cash flows from investing activities	-225,735,719.37	-633,745,337.63
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash received from investors	507,461,364.00	-
Cash received from borrowings		
Cash received relating to other financing activities	200,000.00	-
Sub-total of cash inflows	507,661,364.00	-
Cash repayments of borrowings		
Cash paid for distribution of dividends or profits and interest expenses	10,188,250.00	3,171,376.00
Cash paid relating to other financing activities	241,289.74	-
Sub-total of cash outflows	10,429,539.74	3,171,376.00
Net cash flows from financing activities	497,231,824.26	-3,171,376.00
<b>IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH</b>		
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	8,042,753,104.92	3,670,005,192.35
Add: Opening balance of cash and cash equivalents	25,190,870,784.06	6,563,020,335.56
<b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVLANT</b>	33,233,623,888.98	10,233,025,527.91

## II. Notes on financial statement adjustments

### 1. The first implementation of the new lease standard from 2021, adjustments to the first implementation of the financial statements at the beginning of the year

√Applicable    □Not Applicable

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

√Yes    □No

Consolidated Balance Sheet

In RMB Yuan

Account	2020.12.31	2021.1.1	Adjustment
Current assets:			
Cash	32,001,775,600.07	32,001,775,600.07	
Trading financial assets	204,254,400.00	204,254,400.00	
Notes receivable	28,371,541,054.75	28,371,541,054.75	
Accounts receivable	2,141,197,139.45	2,141,197,139.45	
Prepayments	460,703,603.80	460,703,603.80	
Other receivables	723,919,037.36	723,919,037.36	
Inventories	5,967,516,230.57	5,967,516,230.57	
Contract assets	1,450,031,414.61	1,450,031,414.61	
Other current assets	1,568,711,870.61	1,568,711,870.61	
Total current assets	72,889,650,351.22	72,889,650,351.22	
Non-current assets:			
Long-term equity investments	12,109,089,795.67	12,109,089,795.67	
Investment in other equity instruments	691,990,000.00	691,990,000.00	
Investment properties	6,876,138.16	6,876,138.16	
Fixed assets	24,298,402,558.49	24,298,402,558.49	
Construction in progress	1,048,036,148.70	1,048,036,148.70	
Right-of-use asset	-	55,231,380.07	55,231,380.07
Intangible assets	4,433,771,236.26	4,433,771,236.26	
Development expenditure	596,577,787.95	596,577,787.95	
Goodwill	48,883,188.37	48,883,188.37	
Long-term deferred expenses	10,642,512.51	10,642,512.51	
Deferred tax assets	2,131,266,677.52	2,131,266,677.52	
Total non-current assets	45,375,536,043.63	45,430,767,423.70	55,231,380.07
TOTAL ASSETS	118,265,186,394.85	118,320,417,774.92	55,231,380.07
Current liabilities:			
Short-term loans	578,000,000.00	578,000,000.00	
Notes payable	17,574,014,553.46	17,574,014,553.46	
Accounts payable	23,118,793,794.42	23,118,793,794.42	
Contract liability	4,471,158,190.75	4,471,158,190.75	
Payroll payable	2,015,868,366.57	2,015,868,366.57	
Taxes payable	1,292,001,263.86	1,292,001,263.86	
Other payables	4,475,215,625.98	4,475,215,625.98	
Non-current liabilities within one year	100,000,000.00	100,000,000.00	



Other current liabilities	5,842,758,104.08	5,842,758,104.08	
Total current liabilities	59,467,809,899.12	59,467,809,899.12	
Non-current liabilities:			
Long-term loans	955,300,000.00	955,300,000.00	
Lease liability	-	55,231,380.07	55,231,380.07
Long-term payables	261,260,928.70	261,260,928.70	
Long-term payroll payable	41,634,000.00	41,634,000.00	
Estimated liabilities	3,125,170,942.46	3,125,170,942.46	
Deferred Revenue	818,398,430.21	818,398,430.21	
Deferred tax liabilities	115,304,728.61	115,304,728.61	
Total non-current liabilities	5,317,069,029.98	5,372,300,410.05	55,231,380.07
Total liabilities	64,784,878,929.10	64,840,110,309.17	55,231,380.07
Owners' equity (or Shareholders' equity):			
Share capital	5,363,396,174.00	5,363,396,174.00	
Capital reserves	10,930,781,918.64	10,930,781,918.64	
Other comprehensive income	78,420,720.78	78,420,720.78	
Special reserves	40,847,443.41	40,847,443.41	
Surplus reserves	2,681,698,087.00	2,681,698,087.00	
Retained earnings	34,315,048,892.26	34,315,048,892.26	
Equity attributable to owners	53,410,193,236.09	53,410,193,236.09	
Minority interests	70,114,229.66	70,114,229.66	
Total Owners' equity (or Shareholders' equity)	53,480,307,465.75	53,480,307,465.75	
Liabilities and owners' equity (or shareholders' equity) in total	118,265,186,394.85	118,320,417,774.92	55,231,380.07

#### Statement of adjustment

On December 7, 2018, the Ministry of Finance revised and issued the "Accounting Standards for Business Enterprises No. 21-Leasing" (Caikuai [2018] No. 35). According to the requirements of the Ministry of Finance, companies listed at the Financial Reporting Standards or Accounting Standards for Business Enterprises shall be implemented on January 1, 2019 for enterprises that prepare financial statements; other enterprises that implement the Accounting Standards for Business Enterprises shall be implemented on January 1, 2021. Due to the revision of the above-mentioned accounting standards for enterprises, the company needs to adjust the related accounting policies originally adopted.

In accordance with the time set by the Ministry of Finance, the company will implement the new lease standards from January 1, 2021.

#### Balance Sheet

In RMB Yuan

Account	2020.12.31	2021.1.1	Adjustment
Current assets:			
Cash	25,238,014,025.38	25,238,014,025.38	
Trading financial assets	180,929,400.00	180,929,400.00	
Notes receivable	27,248,111,565.13	27,248,111,565.13	
Accounts receivable	5,464,541,185.63	5,464,541,185.63	
Prepayments	294,088,044.01	294,088,044.01	
Other receivables	1,990,616,778.83	1,990,616,778.83	
Inventories	4,332,579,774.46	4,332,579,774.46	
Contract assets	941,046,613.60	941,046,613.60	
Other current assets	322,467,261.74	322,467,261.74	
Total current assets	66,012,394,648.78	66,012,394,648.78	
Non-current assets:			

Long-term equity investments	15,911,304,527.87	15,911,304,527.87	
Investment in other equity instruments	681,630,000.00	681,630,000.00	
Fixed assets	18,282,163,718.91	18,282,163,718.91	
Construction in progress	586,144,839.34	586,144,839.34	
Right-of-use asset	-	52,544,645.37	52,544,645.37
Intangible assets	3,166,081,547.59	3,166,081,547.59	
Development expenditure	555,569,523.02	555,569,523.02	
Long-term deferred expenses	7,470,626.86	7,470,626.86	
Deferred tax assets	1,803,491,965.40	1,803,491,965.40	
Total non-current assets	40,993,856,748.99	41,046,401,394.36	52,544,645.37
<b>TOTAL ASSETS</b>	<b>107,006,251,397.77</b>	<b>107,058,796,043.14</b>	<b>52,544,645.37</b>
<b>Current liabilities:</b>			
Short-term loans	510,000,000.00	510,000,000.00	
Notes payable	14,600,240,612.86	14,600,240,612.86	
accounts payable	18,770,044,628.44	18,770,044,628.44	
Contract liability	3,885,522,883.33	3,885,522,883.33	
Payroll payable	1,604,474,120.45	1,604,474,120.45	
Taxes payable	1,045,768,022.62	1,045,768,022.62	
Other payables	3,166,636,684.63	3,166,636,684.63	
Non-current liabilities due within one year	100,000,000.00	100,000,000.00	
Other current liabilities	5,235,294,795.79	5,235,294,795.79	
Total current liabilities	48,917,981,748.12	48,917,981,748.12	
<b>Non-current liabilities:</b>			
Long-term loans	955,300,000.00	955,300,000.00	
Lease liability	-	52,544,645.37	52,544,645.37
Long-term payables	187,142,303.66	187,142,303.66	
Long-term payroll payable	21,657,000.00	21,657,000.00	
Estimated liabilities	2,196,924,682.57	2,196,924,682.57	
Deferred Revenue	150,000,000.00	150,000,000.00	
Deferred tax liabilities	75,158,651.38	75,158,651.38	
Total non-current liabilities	3,586,182,637.61	3,638,727,282.98	52,544,645.37
Total liabilities	52,504,164,385.73	52,556,709,031.10	52,544,645.37
<b>Owners' equity (or Shareholders' equity):</b>			
Share capital	5,363,396,174.00	5,363,396,174.00	
Capital reserves	10,440,896,902.52	10,440,896,902.52	
Other comprehensive income	159,954,052.00	159,954,052.00	
Special reserves	7,505,438.57	7,505,438.57	
Surplus reserves	2,681,698,087.00	2,681,698,087.00	
Retained earnings	35,848,636,357.95	35,848,636,357.95	
Total Owners' equity (or Shareholders' equity)	54,502,087,012.04	54,502,087,012.04	
Liabilities and owners' equity (or shareholders' equity) in total	107,006,251,397.77	107,058,796,043.14	52,544,645.37

Statement of adjustment

On December 7, 2018, the Ministry of Finance revised and issued the "Accounting Standards for Business Enterprises No. 21-Leasing" (Caikuai [2018] No. 35). According to the requirements of the Ministry of Finance, companies listed at the Financial Reporting Standards or Accounting Standards for Business Enterprises shall be implemented on January 1, 2019 for enterprises that prepare financial statements; other enterprises that implement the Accounting Standards for Business Enterprises shall be

implemented on January 1, 2021. Due to the revision of the above-mentioned accounting standards for enterprises, the company needs to adjust the related accounting policies originally adopted.

In accordance with the time set by the Ministry of Finance, the company will implement the new lease standards from January 1, 2021.

## **2. Explanation of the retrospective adjustment of the previous comparative data of the new lease standard for the first time from 2021**

Applicable Not Applicable

## **III. Auditors' Report**

Whether the first quarter report has been audited

Yes No

The first quarter report has not been audited.