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

**(Stock Code: 00323)**

## **INSIDE INFORMATION/OVERSEAS REGULATORY ANNOUNCEMENT 2020 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **1. IMPORTANT NOTICES**

- 1.1 The board of directors (the “Board”), the supervisory committee, the directors, the supervisors and senior management of Maanshan Iron & Steel Company Limited (the “Company”) warrant that the contents of the quarterly report are true, accurate and complete and do not contain any false representation, misleading statement or material omission, and shall jointly and severally accept legal liability.
- 1.2 All directors of the Company attended the Board meeting to review the quarterly report.
- 1.3 Mr. Ding Yi, the person-in-charge of the Company; Mr. Wang Qiangmin, the person overseeing accounting operations; and Mr. Xing Qunli, the person-in-charge of the Accounting Department, warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The financial statements contained in this first quarterly report have not been audited, but have been considered and approved by the Audit Committee under the Board of the Company.

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Major accounting data

*Unit: Yuan, Currency: RMB*

|                                                          | <b>As at the end<br/>of the reporting<br/>period</b>                                         | <b>As at the end<br/>of previous<br/>year</b>                                                                              | <b>Increase/<br/>decrease<br/>at the end of<br/>the reporting<br/>period as<br/>compared with<br/>the end of the<br/>previous year<br/>(%)</b> |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Total assets                                             | 82,932,551,486                                                                               | 86,322,043,538                                                                                                             | -3.93                                                                                                                                          |
| Net assets attributable to equity holders<br>the Company | 27,292,652,949                                                                               | 26,933,162,065                                                                                                             | 1.33                                                                                                                                           |
|                                                          | <b>From the<br/>beginning of<br/>the year to<br/>the end of<br/>the reporting<br/>period</b> | <b>From the<br/>beginning of<br/>previous year<br/>to the end of<br/>the reporting<br/>period of the<br/>previous year</b> | <b>Increase/<br/>decrease<br/>as compared<br/>with the same<br/>period of the<br/>previous year<br/>(%)</b>                                    |
| Net cash flows from operating activities                 | -3,126,708,674                                                                               | -2,289,422,589                                                                                                             | –                                                                                                                                              |

|                                                                                                        | <b>From the<br/>beginning of<br/>the year to<br/>the end of<br/>the reporting<br/>period</b> | <b>From the<br/>beginning of<br/>previous year<br/>to the end of<br/>the reporting<br/>period of the<br/>previous year</b> | <b>Increase/<br/>decrease<br/>as compared<br/>with the same<br/>period of the<br/>previous year<br/>(%)</b> |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Revenue                                                                                                | 16,206,269,481                                                                               | 17,717,438,947                                                                                                             | -8.53                                                                                                       |
| Net profit attributable to equity holders<br>of the Company                                            | 377,406,202                                                                                  | 83,745,946                                                                                                                 | 350.66                                                                                                      |
| Net profit excluding non-recurring gains<br>or losses attributable to equity holders<br>of the Company | 355,877,294                                                                                  | 55,940,412                                                                                                                 | 536.17                                                                                                      |
| Return on net assets (weighted average)<br>(%)                                                         | 1.39                                                                                         | 0.30                                                                                                                       | Increased by<br>1.09 percentage<br>points                                                                   |
| Basic earnings per share ( <i>RMB/share</i> )                                                          | 0.0490                                                                                       | 0.0109                                                                                                                     | 349.54                                                                                                      |
| Diluted earnings per share ( <i>RMB/share</i> )                                                        | 0.0490                                                                                       | 0.0109                                                                                                                     | 349.54                                                                                                      |

***Items and amount of non-recurring gains or losses***

*Unit: Yuan, Currency: RMB*

| <b>Item</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Amount for<br/>the period</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Profit/losses from disposal of non-current assets                                                                                                                                                                                                                                                                                                                                                                                                                                              | -9,942,948                       |
| Government subsidies recognized in current gains/losses (excluding those having close relationship with the Company's normal business, conforming to the national policies and regulations and enjoying ongoing fixed amount or quantity according to certain standards)                                                                                                                                                                                                                       | 15,145,786                       |
| Gains or losses arising from fair value changes of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income on disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments other than the hedging business that is related to the normal business of the Company | 20,099,906                       |
| Non-operating income and expenses other than the above items                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2,136,644                        |
| Impact of non-controlling interests (after tax)                                                                                                                                                                                                                                                                                                                                                                                                                                                | -2,675,192                       |
| Impact of income tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -3,235,288                       |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u><u>21,528,908</u></u>         |

**2.2 Total number of shareholders and table of shareholdings of the top ten shareholders and the top ten public shareholders (or shareholders without selling restrictions) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders (accounts) 201,162

| Name of shareholder<br>(Full name)                                                                  | Shareholdings of the top ten shareholders                |                |                                                  |                                    |         | Type of shareholders     |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------|--------------------------------------------------|------------------------------------|---------|--------------------------|
|                                                                                                     | Number of shares held at the end of the reporting period | Percentage (%) | Number of shares subject to selling restrictions | Number of pledged or frozen shares | Status  |                          |
| Magang (Group) Holding Company Limited                                                              | 3,506,467,456                                            | 45.54          | –                                                | Nil                                | –       | State-owned legal person |
| Hong Kong Securities Clearing Company (Nominees) Limited <i>(note)</i>                              | 1,717,193,050                                            | 22.30          | –                                                | Unknown                            | Unknown | Unknown                  |
| Central Huijin Investment Ltd.                                                                      | 142,155,000                                              | 1.85           | –                                                | Unknown                            | Unknown | State-owned legal person |
| Hong Kong Securities Clearing Company Limited                                                       | 92,238,321                                               | 1.20           | –                                                | Unknown                            | Unknown | Unknown                  |
| Fujian Gunxueqiu Investment Management Co., Ltd. – Jiayao Gunxueqiu Securities Investment Fund No.1 | 58,081,313                                               | 0.75           | –                                                | Unknown                            | Unknown | Unknown                  |
| China Merchants Bank Co., Ltd. –SSE Dividend ETF                                                    | 44,536,813                                               | 0.58           | –                                                | Unknown                            | Unknown | Unknown                  |
| Bank of China Limited – Fullgoal CSI SOE Belt and Road ETF                                          | 44,346,622                                               | 0.58           | –                                                | Unknown                            | Unknown | Unknown                  |
| Fujian Gunxueqiu Investment Management Co., Ltd. – Fujian Zhicheng Gunxueqiu No.1                   | 41,209,601                                               | 0.54           | –                                                | Unknown                            | Unknown | Unknown                  |
| China Construction Bank Corporation – E Fund CSI SOE Belt and Road ETF                              | 40,941,100                                               | 0.53           | –                                                | Unknown                            | Unknown | Unknown                  |
| Agricultural Bank of China Limited- CSI 500 ETF                                                     | 26,756,349                                               | 0.35           | –                                                | Unknown                            | Unknown | Unknown                  |

**Shareholding of top ten shareholders without selling restrictions**

| Name of shareholder                                                                                   | Number<br>of shares<br>without selling<br>restrictions | Type and number of shares          |               |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------|---------------|
|                                                                                                       |                                                        | Type                               | Number        |
| Magang (Group) Holding Company Limited                                                                | 3,506,467,456                                          | RMB-denominated<br>ordinary shares | 3,506,467,456 |
| Hong Kong Securities Clearing Company (Nominees)<br>Limited ( <i>note</i> )                           | 1,717,193,050                                          | Overseas-listed<br>shares          | 1,717,193,050 |
| Central Huijin Investment Ltd.                                                                        | 142,155,000                                            | RMB-denominated<br>ordinary shares | 142,155,000   |
| Hong Kong Securities Clearing Company Limited                                                         | 92,238,321                                             | RMB-denominated<br>ordinary shares | 92,238,321    |
| Fujian Gunxueqiu Investment Management Co., Ltd. –<br>Jiyao Gunxueqiu Securities Investment Fund No.1 | 58,081,313                                             | RMB-denominated<br>ordinary shares | 58,081,313    |
| China Merchants Bank Co., Ltd. –SSE Dividend ETF                                                      | 44,536,813                                             | RMB-denominated<br>ordinary shares | 44,536,813    |
| Bank of China Limited – Fullgoal CSI SOE Belt and Road<br>ETF                                         | 44,346,622                                             | RMB-denominated<br>ordinary shares | 44,346,622    |
| Fujian Gunxueqiu Investment Management Co., Ltd. –<br>Fujian Zhicheng Gunxueqiu No.1                  | 41,209,601                                             | RMB-denominated<br>ordinary shares | 41,209,601    |
| China Construction Bank Corporation – E Fund CSI SOE<br>Belt and Road ETF                             | 40,941,100                                             | RMB-denominated<br>ordinary shares | 40,941,100    |
| Agricultural Bank of China Limited- CSI 500 ETF                                                       | 26,756,349                                             | RMB-denominated<br>ordinary shares | 26,756,349    |

Notes on the above shareholders' affiliated relation or concerted action

Magang (Group) Holding Company Limited has no affiliated relation with any of the other foregoing shareholders, nor is it a person acting in concert; Fujian Gunxueqiu Investment Management Co., Ltd. – Jiyao Gunxueqiu Securities Investment Fund No.1 and Fujian Gunxueqiu Investment Management Co., Ltd. – Fujian Zhicheng Gunxueqiu No.1 are under management of the same fund manager. Saved as disclosed above, it is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concert.

*Note:* 1,717,193,050 H shares of the Company held by Hong Kong Securities Clearing Company (Nominees) Limited are held on behalf of a number of clients, among which 896,387,958 H shares of the Company are held on behalf of Baosteel Hong Kong Investment Company Limited, a wholly-owned subsidiary of China Baowu Steel Group Corporation Limited (“China Baowu”) which in turn is the controlling shareholder of Magang (Group) Holding Company Limited.

### 3. SIGNIFICANT MATTERS

#### 3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

In the first quarter of this year, as impacted by the COVID-19 pandemic, China's GDP decreased by 6.8% as compared with the same period last year. However, the economic and social activities have gradually resumed to normal due to the regular pandemic prevention and control measures. In March, with the progressive results in pandemic prevention and control as well as the scientific and orderly progress of resumption of work and production in China, the major economic indicators showed an upward trend and the decline of such indicators narrowed to a great extent. As the steel production is typically carried out in hot and continuous conditions, the production was generally stable for the steel industry. From January to March, the national production of pig iron and crude steel were 200 million tonnes and 234 million tonnes, respectively, representing a year-on-year increase of 2.4% and 1.2%, respectively, while the production of steel products was 267 million tonnes, representing a year-on-year decrease of 1.6%. As the steel price kept declining, the average value of the domestic steel price index was 101.69 from January to March, representing a year-on-year decrease of 5.96%; the iron ore price fluctuated at high levels and the average value of China iron ore price index was 326.04 from January to March, representing a year-on-year increase of 12.42%. Meanwhile, due to the impact of the pandemic on downstream demand and logistics, the inventories of steel products increased significantly in the first quarter and the steel enterprises faced sharply mounted pressure in production and operation. After the mid-March, the inventories eased up as the downstream demand was released and logistics became unimpeded.

During the reporting period, the Company and its subsidiaries (the "Group") focused on pandemic prevention and control while organizing production in an efficient and reasonable way. As a result, our production and operation remained stable in general. From January to March, the Group produced 4.65 million tonnes of pig iron, 5.09 million tonnes of crude steel and 4.83 million tonnes of steel products in total, representing a year-on-year increase of 11.78%, 12.36% and 14.73% respectively, of which the Company produced 3.65 million tonnes of pig iron, 3.97 million tonnes of crude steel and 3.62 million tonnes of steel products, representing a year-on-year increase of 13.00%, 12.78% and 12.42%, respectively. This was mainly due to the overhaul of a 2,500 cubic meters blast furnace of the Company from January to February 2019, which resulted in a relatively low production in the first quarter of 2019. Under the PRC Accounting Standards, the Group's revenue amounted to approximately RMB16,206 million, representing a year-on-year decrease of 8.53%, which was mainly due to the year-on-year decrease in sales volume of steel products as impacted by the COVID-19 pandemic and other factors during the reporting period. Net profit attributable to the equity holders of the Company amounted to approximately RMB377 million, representing a year-on-year increase of 350.66%, which was mainly due to the fact that the gross profit of steel products increased as compared with the same period of last year due to the dilution of fixed costs as a result of the increase in steel production of the Company during the reporting period.

***Items with more than 30% changes as compared with the end of the previous year in the consolidated financial statements and the reasons for such changes:***

Trade receivables increased by 36.33% as compared with the end of the previous year, mainly due to the decrease in sales proceeds as affected by the Chinese New Year holidays and COVID-19 pandemic during the period.

Financial assets purchased under agreements to resell decreased by 77.06% as compared with the end of the previous year, mainly due to the decrease in reverse repurchase business of Magang Group Finance Co., Ltd. (“Finance Company”) during the period.

Deposits and balances from banks and other financial institutions increased by 49.99% as compared with the end of the previous year, mainly due to the increase in placements from commercial banks by Finance Company during the period as compared with the end of the previous year.

Customer deposits decreased by 33.36% as compared with the end of the previous year, mainly due to the decrease in monetary funds of the Group and its member companies placed with Finance Company during the current period.

Financial assets sold under repurchase agreements decreased by 71.44% as compared with the end of the previous year, mainly due to the decrease in the borrowings by Finance Company from other financial institutions through pledge during the period.

Financial liabilities held for trading was nil as compared with RMB2 million as at the end of the previous year, mainly due to the change in fair value of forward foreign exchange contracts held by the Company during the period.

Payroll and employee benefits payable decreased by 50.25% as compared with the end of the previous year, mainly due to the payment of employee performance bonus and employee termination compensation provided for at the end of the previous year.

Taxes payable decreased by 33.44% as compared with the end of the previous year, mainly due to the decrease in sales volume of the Company and its subsidiaries as affected by the COVID-19 pandemic during the period, the decrease in output tax payable as compared with the same period last year, and the payment of various taxes payable but not yet paid as at the end of the previous year by Anhui Changjiang Steel Co., Ltd. (“Changjiang Steel”), a subsidiary of the Company.



***Items with more than 30% changes as compared with the same period last year in the consolidated financial statements and the reasons for such changes:***

R&D expenses increased by 48.60% as compared with the same period last year, mainly due to increased investment in scientific research by the Company and more new products developed in the period, which resulted in the increase in relevant expenses as compared with the same period last year.

Other income increased by 30.01% as compared with the previous year, mainly due to the slight increase in government grants relating to daily operating activities received in the period as compared with the same period last year.

Investment income decreased by 40.38% as compared with the same period last year, mainly due to the decrease in profit of associates and joint ventures from the same period last year as affected by the COVID-19 pandemic.

Gain from changes in fair value amounted to RMB20 million, as compared with loss from changes in fair value amounting to RMB33 million in the same period last year, mainly due to the gain from the change in fair value of forward foreign exchange contracts held by the Company in the period, as compared with a loss in the same period last year.

Asset impairment losses amounted to RMB203,891. As compared with the same period last year, the change was mainly due to the reversal of impairment of certain inventories by MG-Valdunes, a subsidiary of the Company, during the period.

Credit impairment losses amounted to RMB-8 million. As compared with the same period last year, the change was mainly due to the increase in provision for bad debts of trade receivable by subsidiaries in the period as compared with the same period last year.

Loss on disposal of assets amounted to RMB10 million, representing an increase of RMB9 million as compared with last year, mainly due to the recognition of loss on disposal of certain scrapped assets by Changjiang Steel, a subsidiary of the Company, during the period.

Non-operating income amounted to RMB3 million, representing a decrease of 96.54% as compared with last year, mainly due to the government grants relating to de-capacity received by Hefei Steel, a subsidiary of the Company, in the same period last year.



Non-operating expenses amounted to RMB1 million, representing an increase of 39.57% as compared with last year, mainly due to the increase in penalties and other expenses of the Company and its subsidiaries during the period as compared with the same period last year.

Net profit amounted to RMB436 million, representing an increase of 158.58% as compared with the same period last year, which was mainly due to the increase in profitability of the Company during the period as compared with the same period last year.

Net profit attributable to owners of the parent company amounted to RMB377 million, representing an increase of 350.66% as compared with the same period last year, mainly due to the increase in gross profit of steel products of the Company during the period as compared with the same period last year.

Non-controlling interests amounted to RMB58 million, representing a decrease of 31.22% as compared to the same period last year, mainly due to the decrease in the profitability of certain non-wholly owned subsidiaries from the same period last year as impacted by the COVID-19 pandemic.

Net cash outflow from operating activities was RMB3,127 million, as compared with net outflow of RMB2,289 million for the same period last year, mainly due to the increase in the inventories of the Company and the increase in cash outflow in financial businesses of the Finance Company such as deposits taking and financial assets sold under repurchase agreements, as compared with the same period last year.

Net cash outflow from investing activities amounted to RMB1,075 million, as compared with net cash outflow of RMB413 million for the same period last year, mainly due to the increase in cash outflow for the purchase and construction of fixed assets, intangible assets and other non-current assets in the period as compared with the same period last year.

Net cash inflow from financing activities amounted to RMB2,792 million, as compared with net cash inflow of RMB199 million for the same period last year, mainly due to the increase in borrowings of the Company in the period as compared with the same period last year.

### **3.2 Progress of significant events and the impact thereof as well as the analysis and explanations for the solutions**

- (1) By a letter sent to the Company dated 24 July 2015, Magang (Group) Holding Company Limited. (“Magang Group”), the controlling shareholder of the Company, stated its plan to further acquire A shares of the Company of not less than RMB409 million at an appropriate price through Magang (Group) Investment Limited (“Magang Investment”), its wholly-owned subsidiary, in a way complying with the applicable laws and regulations, and undertook that the shares acquired would not be sold within six months after the completion of the plan for increasing the shareholding. For details, please refer to the “Announcement on Intended Increase in Shareholding of the Company’s A Shares by the Controlling Shareholder” published on 25 July 2015. Please refer to the following websites: <http://www.sse.com.cn>; <http://www.hkexnews.hk>.

Due to the influence from the industry, the production and operation of Magang Group improved during the reporting period. However, its operating costs may increase due to supply-side reform and intensifying environmental production restriction, which may lead to financial strains. In addition, Magang Group is undergoing industry integration, which resulted in a relatively large demand for funds. Up to now, it has not raised enough funds to increase its holdings. Therefore, the aforesaid acquisition plan has not been formally implemented yet. Under the premise of ensuring the fund needs for normal production and operation, Magang Group will actively raise funds, implement the plan to increase its shareholding in a legal and compliant manner, and strictly fulfill its information disclosure obligations.

On 7 April 2020, the Company received a notice from Magang Investment, that based on the holistic arrangement of Magang Group, Magang Investment increased the holding of A shares of the Company through the Shanghai Stock Exchange trading system by 4,732,291 shares on the same date, accounting for 0.06% of the total share capital of the Company; and plans to continue the increase in the holding of A shares of the Company, when appropriate, in the 12 months from the date(inclusive) of this increase in shareholding, at appropriate price, with the amount for increase in shareholding not less than RMB409 million and not more than RMB500 million.(For details, please refer to the announcement of the Company at [http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2020-04-08/600808\\_20200408\\_1.pdf](http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2020-04-08/600808_20200408_1.pdf)). From 7 April 2020 to 17 April 2020, Magang Group has increased its holding of A shares of the Company by 40,440,519 A shares, with total consideration of approximately RMB104 million.

- (2) When China Baowu applied to the CSRC for a waiver of the offer to acquire the Company's shares (A shares) in 2019, China Baowu issued the Letter of Undertaking on Non-competition, the Letter of Undertaking on Regulating and Reducing Related Party Transactions and the Letter of Undertaking on Ensuring the Independence of the Listed Company.

During the Reporting Period, China Baowu was not in breach of such undertakings

**3.3 Undertakings that have yet to be fulfilled within the stated time frame during the reporting period**

Applicable       Not applicable

**3.4 The warning about and explanation for the forecast of a possible loss in aggregate net profits from the beginning of the year to the end of the next reporting period, or of significant changes in such profits over the same period last year**

Applicable       Not applicable

By order of the Board  
**Maanshan Iron & Steel Company Limited**  
**Ding Yi**  
*Chairman*

28 April 2020  
Maanshan City, Anhui Province, the PRC

*As at the date of this announcement, the directors of the Company include executive directors Ding Yi, Wang Qiangmin, Ren Tianbao and Zhang Wenyang; non-executive director Qian Haifan; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.*

## 4. APPENDIX

### 4.1 Financial Statements

Prepared by Maanshan Iron & Steel Company Limited

#### ***Consolidated Statement of Financial Position***

*31 March 2020*

*Unit: RMB*

| ASSETS                                                | 31 March 2020<br>Unaudited   | 31 December 2019<br>Audited  |
|-------------------------------------------------------|------------------------------|------------------------------|
| <b>CURRENT ASSETS:</b>                                |                              |                              |
| Cash and bank balances                                | 8,196,241,911                | 9,517,313,695                |
| Financial assets held for trading                     | 2,146,899,110                | 2,126,112,194                |
| Trade receivables                                     | 1,489,980,108                | 1,092,930,122                |
| Financing receivables                                 | 9,512,843,330                | 11,098,699,421               |
| Prepayments                                           | 1,140,983,392                | 981,443,575                  |
| Other receivables                                     | 174,153,968                  | 156,291,851                  |
| Inventories                                           | 13,307,396,221               | 10,947,850,219               |
| Financial assets purchased under agreements to resell | 543,757,489                  | 2,369,966,754                |
| Loans and advances to customers                       | 3,585,944,371                | 4,256,415,190                |
| Other current assets                                  | 2,921,856,119                | 3,975,034,798                |
| Total current assets                                  | <u>43,020,056,019</u>        | <u>46,522,057,819</u>        |
| <b>NON-CURRENT ASSETS:</b>                            |                              |                              |
| Long term equity investments                          | 3,632,156,103                | 3,546,219,668                |
| Other equity instrument investments                   | 278,508,859                  | 278,576,509                  |
| Investment properties                                 | 64,254,050                   | 64,697,688                   |
| Property, plant and equipment                         | 29,314,065,662               | 30,045,743,674               |
| Construction in progress                              | 3,996,901,510                | 3,259,704,984                |
| Right-of-use assets                                   | 414,263,538                  | 418,879,903                  |
| Intangible assets                                     | 1,990,511,012                | 1,973,126,962                |
| Deferred tax assets                                   | 221,834,733                  | 213,036,331                  |
| Total non-current assets                              | <u>39,912,495,467</u>        | <u>39,799,985,719</u>        |
| <b>TOTAL ASSETS</b>                                   | <u><u>82,932,551,486</u></u> | <u><u>86,322,043,538</u></u> |

**Consolidated Statement of Financial Position (continued)**  
**31 March 2020**

*Unit: RMB*

| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                       | <b>31 March 2020</b>  | 31 December 2019 |
|-------------------------------------------------------------------|-----------------------|------------------|
|                                                                   | <b>Unaudited</b>      | Audited          |
| <b>CURRENT LIABILITIES:</b>                                       |                       |                  |
| Deposits and balances from banks and other financial institutions | <b>600,000,000</b>    | 400,031,889      |
| Customer deposits                                                 | <b>7,307,435,445</b>  | 10,964,896,002   |
| Financial assets sold under repurchase agreements                 | <b>395,993,284</b>    | 1,386,580,448    |
| Short-term loans                                                  | <b>15,459,221,737</b> | 12,880,053,159   |
| Financial liabilities held for trading                            | –                     | 2,258,750        |
| Notes payable                                                     | <b>6,224,775,324</b>  | 7,313,729,148    |
| Trade payables                                                    | <b>5,870,196,485</b>  | 6,130,327,006    |
| Contract liabilities                                              | <b>3,413,240,546</b>  | 3,765,254,551    |
| Payroll and employee benefits payable                             | <b>344,238,837</b>    | 691,976,938      |
| Taxes payable                                                     | <b>364,203,941</b>    | 547,209,418      |
| Other payables                                                    | <b>4,466,688,055</b>  | 4,294,496,279    |
| Non-current liabilities due within one year                       | <b>1,865,439,686</b>  | 1,677,068,898    |
| Accrued liabilities                                               | <b>22,207,036</b>     | 22,664,675       |
|                                                                   | <hr/>                 | <hr/>            |
| Total current liabilities                                         | <b>46,333,640,376</b> | 50,076,547,161   |
| <b>NON-CURRENT LIABILITIES:</b>                                   |                       |                  |
| Long-term loans                                                   | <b>3,418,200,000</b>  | 3,468,200,000    |
| Lease liabilities                                                 | <b>408,849,027</b>    | 411,432,835      |
| Long-term employee benefits payable                               | <b>101,305,155</b>    | 101,327,703      |
| Deferred revenue                                                  | <b>1,388,221,602</b>  | 1,402,283,687    |
| Deferred tax liabilities                                          | <b>21,500,325</b>     | 21,500,325       |
|                                                                   | <hr/>                 | <hr/>            |
| Total non-current liabilities                                     | <b>5,338,076,109</b>  | 5,404,744,550    |
|                                                                   | <hr/>                 | <hr/>            |
| Total liabilities                                                 | <b>51,671,716,485</b> | 55,481,291,711   |
|                                                                   | <hr/> <hr/>           | <hr/> <hr/>      |

**Consolidated Statement of Financial Position (continued)**  
**31 March 2020**

*Unit: RMB*

| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>         | <b>31 March 2020</b>                | 31 December 2019                    |
|-----------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                     | <b>Unaudited</b>                    | Audited                             |
| <b>SHAREHOLDERS' EQUITY:</b>                        |                                     |                                     |
| Share capital                                       | <b>7,700,681,186</b>                | 7,700,681,186                       |
| Capital reserve                                     | <b>8,353,499,761</b>                | 8,353,499,761                       |
| Other comprehensive income                          | <b>(119,661,540)</b>                | (99,760,804)                        |
| Special reserve                                     | <b>37,469,594</b>                   | 35,484,176                          |
| Surplus reserve                                     | <b>4,651,252,494</b>                | 4,651,252,494                       |
| General reserve                                     | <b>325,786,322</b>                  | 325,786,322                         |
| Retained earnings                                   | <b>6,343,625,132</b>                | 5,966,218,930                       |
| Equity attributable to owners of the parent company | <b><u>27,292,652,949</u></b>        | <u>26,933,162,065</u>               |
| Non-controlling interests                           | <b><u>3,968,182,052</u></b>         | <u>3,907,589,762</u>                |
| Total shareholders' equity                          | <b><u>31,260,835,001</u></b>        | <u>30,840,751,827</u>               |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   | <b><u><u>82,932,551,486</u></u></b> | <b><u><u>86,322,043,538</u></u></b> |

|                              |                               |                                |
|------------------------------|-------------------------------|--------------------------------|
| <i>Legal representative:</i> | <i>Person-in-charge of</i>    | <i>Person-in-charge of the</i> |
| <b>Ding Yi</b>               | <i>accounting operations:</i> | <i>Accounting Department:</i>  |
|                              | <b>Wang Qiangmin</b>          | <b>Xing Qunli</b>              |

**Statement of Financial Position of Parent Company**  
**31 March 2020**

*Unit: RMB*

| <b>ASSETS</b>                       | <b>31 March 2020</b>  | 31 December 2019 |
|-------------------------------------|-----------------------|------------------|
|                                     | <b>Unaudited</b>      | Audited          |
| <b>CURRENT ASSETS:</b>              |                       |                  |
| Cash and bank balances              | <b>3,186,579,547</b>  | 3,187,001,428    |
| Financial assets held for trading   | <b>5,437,653</b>      | 3,573,580        |
| Trade receivables                   | <b>3,799,842,829</b>  | 3,154,416,565    |
| Financing receivables               | <b>8,055,273,980</b>  | 9,796,502,361    |
| Prepayments                         | <b>946,778,610</b>    | 693,109,995      |
| Other receivables                   | <b>105,634,358</b>    | 94,415,995       |
| Inventories                         | <b>7,001,364,688</b>  | 6,633,161,943    |
| Other current assets                | <b>272,152,842</b>    | 354,016,165      |
|                                     | <hr/>                 | <hr/>            |
| Total current assets                | <b>23,373,064,507</b> | 23,916,198,032   |
| <b>NON-CURRENT ASSETS:</b>          |                       |                  |
| Long term equity investments        | <b>11,563,628,307</b> | 11,477,691,872   |
| Other equity instrument investments | <b>275,508,859</b>    | 275,508,859      |
| Investment properties               | <b>64,156,177</b>     | 64,570,817       |
| Property, plant and equipment       | <b>21,765,961,110</b> | 22,357,559,485   |
| Construction in progress            | <b>3,506,274,828</b>  | 2,770,963,397    |
| Right-of-use assets                 | <b>364,502,495</b>    | 368,857,495      |
| Intangible assets                   | <b>1,099,910,382</b>  | 1,088,324,048    |
| Deferred tax assets                 | <b>125,314,560</b>    | 125,314,560      |
|                                     | <hr/>                 | <hr/>            |
| Total non-current assets            | <b>38,765,256,718</b> | 38,528,790,533   |
|                                     | <hr/>                 | <hr/>            |
| <b>TOTAL ASSETS</b>                 | <b>62,138,321,225</b> | 62,444,988,565   |
|                                     | <hr/> <hr/>           | <hr/> <hr/>      |



**Statement of Financial Position of Parent Company (continued)**  
**31 March 2020**

*Unit: RMB*

| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>31 March 2020</b>  | 31 December 2019 |
|---------------------------------------------|-----------------------|------------------|
|                                             | <b>Unaudited</b>      | Audited          |
| <b>CURRENT LIABILITIES:</b>                 |                       |                  |
| Short-term loans                            | <b>13,831,366,934</b> | 10,776,844,475   |
| Financial liabilities held for trading      | –                     | 2,258,750        |
| Notes payable                               | <b>3,533,104,607</b>  | 5,085,093,096    |
| Trade payables                              | <b>6,527,890,530</b>  | 7,478,411,251    |
| Contract liabilities                        | <b>2,106,494,729</b>  | 2,455,027,803    |
| Payroll and employee benefits payable       | <b>229,639,113</b>    | 540,612,797      |
| Taxes payable                               | <b>183,249,905</b>    | 232,319,349      |
| Other payables                              | <b>3,994,260,885</b>  | 3,793,893,919    |
| Non-current liabilities due within one year | <b>3,533,213,388</b>  | 3,612,706,920    |
|                                             | <hr/>                 | <hr/>            |
| Total current liabilities                   | <b>33,939,220,091</b> | 33,977,168,360   |
| <b>NON-CURRENT LIABILITIES:</b>             |                       |                  |
| Long-term loans                             | <b>3,618,200,000</b>  | 4,098,200,000    |
| Lease liabilities                           | <b>359,522,690</b>    | 363,877,690      |
| Long-term employee benefits payable         | <b>71,919,779</b>     | 71,919,779       |
| Deferred revenue                            | <b>726,609,100</b>    | 736,754,692      |
|                                             | <hr/>                 | <hr/>            |
| Total non-current liabilities               | <b>4,776,251,569</b>  | 5,270,752,161    |
|                                             | <hr/>                 | <hr/>            |
| Total liabilities                           | <b>38,715,471,660</b> | 39,247,920,521   |

**Statement of Financial Position of Parent Company (continued)**  
**31 March 2020**

*Unit: RMB*

| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       | <b>31 March 2020</b>         | 31 December 2019             |
|---------------------------------------------------|------------------------------|------------------------------|
|                                                   | <b>Unaudited</b>             | Audited                      |
| <b>SHAREHOLDERS' EQUITY:</b>                      |                              |                              |
| Share capital                                     | 7,700,681,186                | 7,700,681,186                |
| Capital reserve                                   | 8,358,017,477                | 8,358,017,477                |
| Other comprehensive income                        | 22,196,339                   | 22,196,339                   |
| Special reserve                                   | 13,711,365                   | 13,711,365                   |
| Surplus reserve                                   | 3,814,465,907                | 3,814,465,907                |
| Retained earning                                  | <u>3,513,777,291</u>         | <u>3,287,995,770</u>         |
| Total shareholders' equity                        | <u>23,422,849,565</u>        | <u>23,197,068,044</u>        |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b><u>62,138,321,225</u></b> | <b><u>62,444,988,565</u></b> |

|                                                |                                                                               |                                                                                |
|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <i>Legal representative:</i><br><b>Ding Yi</b> | <i>Person-in-charge of<br/>accounting operations:</i><br><b>Wang Qiangmin</b> | <i>Person-in-charge of the<br/>Accounting Department:</i><br><b>Xing Qunli</b> |
|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|

***Consolidated Income Statement***  
*January to March 2020*

*Unit: RMB*

|                                                                           | January to March<br>2020<br>Unaudited | January to March<br>2019<br>Unaudited |
|---------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Revenue                                                                   | 16,206,269,481                        | 17,717,438,947                        |
| Less: Cost of sales                                                       | 14,790,034,586                        | 16,741,979,608                        |
| Taxes and surcharges                                                      | 117,099,594                           | 139,960,931                           |
| Selling expenses                                                          | 233,172,348                           | 206,422,722                           |
| General and administrative expenses                                       | 351,434,167                           | 390,400,467                           |
| R&D expenses                                                              | 203,344,111                           | 136,835,720                           |
| Financial expenses                                                        | 146,183,609                           | 135,933,575                           |
| Including: Interest expense                                               | 146,022,046                           | 138,073,269                           |
| Interest income                                                           | 14,931,962                            | 33,993,082                            |
| Add: Other income                                                         | 15,145,833                            | 11,649,336                            |
| Investment income                                                         | 120,884,538                           | 202,762,129                           |
| Including: Share of profits of associates and joint ventures              | 85,936,435                            | 145,671,092                           |
| Gain from derecognition of financial assets<br>measured at amortised cost | 20,667,084                            | 19,982,680                            |
| Gain/(loss) on the changes in fair value                                  | 20,099,906                            | (33,276,948)                          |
| Credit impairment losses                                                  | (8,039,470)                           | 1,186,971                             |
| Asset impairment losses                                                   | 203,891                               | (138,172)                             |
| (Loss)/gain on disposal of assets                                         | (9,942,948)                           | (437,536)                             |
| Operating profit                                                          | 503,352,816                           | 147,651,704                           |
| Add: Non-operating income                                                 | 3,365,867                             | 97,353,992                            |
| Less: Non-operating expenses                                              | 930,545                               | 666,723                               |
| Profit before tax                                                         | 505,788,138                           | 244,338,973                           |
| Less: Income tax expense                                                  | 70,087,397                            | 75,839,987                            |
| Net profit                                                                | 435,700,741                           | 168,498,986                           |
| Categorized by operation continuity                                       |                                       |                                       |
| Net profit from continuing operations                                     | 435,700,741                           | 168,498,986                           |
| Net profit from discontinued operations                                   | -                                     | -                                     |

***Consolidated Income Statement (continued)***  
*January to March 2020*

*Unit: RMB*

|                                                                                           | <b>January to March<br/>2020<br/>Unaudited</b> | January to March<br>2019<br>Unaudited |
|-------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------|
| Categorized by ownership                                                                  |                                                |                                       |
| Net profit attributable to owners of the parent company                                   | <u><b>377,406,202</b></u>                      | <u>83,745,946</u>                     |
| Non-controlling interests                                                                 | <u><b>58,294,539</b></u>                       | <u>84,753,040</u>                     |
| Other comprehensive income, net of tax                                                    | <b>(19,900,737)</b>                            | (23,680,972)                          |
| Other comprehensive income attributable to shareholders of the parent company, net of tax | <b>(19,900,737)</b>                            | (23,680,972)                          |
| Other comprehensive income to be reclassified to profit or loss                           | <b>(19,900,737)</b>                            | (23,680,972)                          |
| Exchange differences on translation of foreign operation foreign operations               | <u><b>(19,900,737)</b></u>                     | <u>(23,680,972)</u>                   |
| Other comprehensive income attributable to non-controlling interests, net of tax          | <u>-</u>                                       | <u>-</u>                              |
| Total comprehensive income                                                                | <u><b>415,800,004</b></u>                      | <u>144,818,014</u>                    |
| Attributable to:                                                                          |                                                |                                       |
| Owners of the parent company                                                              | <u><b>357,505,465</b></u>                      | <u>60,064,974</u>                     |
| Non-controlling interests                                                                 | <u><b>58,294,539</b></u>                       | <u>84,753,040</u>                     |
| Earnings per share:                                                                       |                                                |                                       |
| Basic earnings per share                                                                  | <u><b>0.05</b></u>                             | <u>0.01</u>                           |
| Diluted earnings per share                                                                | <u><b>0.05</b></u>                             | <u>0.01</u>                           |

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Wang Qiangmin**

*Person-in-charge of the  
Accounting Department:*  
**Xing Qunli**

***Income Statement of Parent Company***  
***January to March 2020***

|                                                              | <i>Unit: RMB</i>                      |                                       |
|--------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                              | January to March<br>2020<br>Unaudited | January to March<br>2019<br>Unaudited |
| Revenue                                                      | 15,357,773,743                        | 14,127,570,371                        |
| Less: Cost of sales                                          | 14,528,300,866                        | 13,610,304,873                        |
| Taxes and surcharges                                         | 85,139,945                            | 98,615,535                            |
| Selling expenses                                             | 76,123,137                            | 73,019,640                            |
| General and administrative expenses                          | 221,257,664                           | 293,013,059                           |
| R&D expenses                                                 | 165,052,986                           | 126,210,368                           |
| Financial expenses                                           | 163,103,043                           | 138,056,391                           |
| Including: Interest expense                                  | 167,345,708                           | 162,296,512                           |
| Interest income                                              | 13,741,311                            | 28,604,858                            |
| Add: Other income                                            | 11,400,135                            | 8,246,849                             |
| Investment income                                            | 87,262,067                            | 145,013,422                           |
| Including: share of profits of associates and joint ventures | 85,936,435                            | 145,013,422                           |
| Gain/(loss) on the changes in fair value                     | 6,504,703                             | (34,227,758)                          |
| Credit impairment losses                                     | -                                     | -                                     |
| Asset impairment losses                                      | -                                     | -                                     |
| Gain/(loss) from disposal of assets                          | 129,654                               | (153,470)                             |
| Operating profit/(loss)                                      | 224,092,661                           | (92,770,452)                          |
| Add: Non-operating income                                    | 1,988,044                             | 440,229                               |
| Less: Non-operating expenses                                 | 299,184                               | 23,875                                |
| Profit before tax/loss                                       | 225,781,521                           | (92,354,098)                          |
| Less: Income tax expense                                     | -                                     | -                                     |
| Net profit/(loss)                                            | <u>225,781,521</u>                    | <u>(92,354,098)</u>                   |

***Income Statement of Parent Company (continued)***  
*January to March 2020*

*Unit: RMB*

|                                                  | <b>January to March<br/>2020<br/>Unaudited</b> | January to March<br>2019<br>Unaudited |
|--------------------------------------------------|------------------------------------------------|---------------------------------------|
| Including: Net profit from continuing operations | <u><u>225,781,521</u></u>                      | <u><u>(92,354,098)</u></u>            |
| Net profit from discontinued operations          | <u><u>-</u></u>                                | <u><u>-</u></u>                       |
| Other comprehensive income, net of tax           | <u><u>-</u></u>                                | <u><u>-</u></u>                       |
| Total comprehensive income                       | <u><u>225,781,521</u></u>                      | <u><u>(92,354,098)</u></u>            |

|                                                |                                                                               |                                                                                |
|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <i>Legal representative:</i><br><b>Ding Yi</b> | <i>Person-in-charge of<br/>accounting operations:</i><br><b>Wang Qiangmin</b> | <i>Person-in-charge of the<br/>Accounting Department:</i><br><b>Xing Qunli</b> |
|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|

***Consolidated Statement of Cash Flow***  
*January to March 2020*

*Unit: RMB*

|                                                                       | <b>January to March<br/>2020<br/>Unaudited</b> | January to March<br>2019<br>Unaudited |
|-----------------------------------------------------------------------|------------------------------------------------|---------------------------------------|
| I. Cash flow from operating activities                                |                                                |                                       |
| Cash received from sale of goods and rendering services               | <b>17,562,293,684</b>                          | 16,229,703,260                        |
| Tax refunds received                                                  | <b>5,047,433</b>                               | 20,049,286                            |
| Net decrease in deposits in central bank                              | –                                              | 256,699,008                           |
| Net decrease in loans and advances to customers                       | <b>670,470,820</b>                             | –                                     |
| Net decrease in financial assets purchased under agreements to resell | <b>1,826,209,264</b>                           | 2,128,901,915                         |
| Cash received for interest charges, fees and commissions              | <b>66,662,423</b>                              | 50,046,895                            |
| Cash received relating to other operating activities                  | <b>125,318,884</b>                             | 139,406,241                           |
|                                                                       | <hr/>                                          | <hr/>                                 |
| Sub-total of cash inflows                                             | <b>20,256,002,508</b>                          | 18,824,806,605                        |
|                                                                       | <hr/>                                          | <hr/>                                 |
| Cash paid for purchase of goods and services                          | <b>(16,709,380,234)</b>                        | (16,357,468,605)                      |
| Cash paid to and on behalf of employees                               | <b>(1,343,039,895)</b>                         | (1,532,694,912)                       |
| Taxes and surcharges paid                                             | <b>(579,431,622)</b>                           | (1,388,185,713)                       |
| Net decrease in financial assets sold under repurchase agreements     | <b>(990,587,164)</b>                           | (474,337,363)                         |
| Net decrease in customer deposits and deposits from banks             | <b>(3,457,492,446)</b>                         | (354,395,907)                         |
| Net increase in deposits in the central bank                          | <b>(213,882,421)</b>                           | –                                     |
| Net increase in loans and advances to customers                       | –                                              | (924,435,133)                         |
| Cash paid for interest charges, fees and commissions                  | <b>(45,653,250)</b>                            | (29,435,488)                          |
| Cash paid relating to other operating activities                      | <b>(43,244,150)</b>                            | (53,276,073)                          |
|                                                                       | <hr/>                                          | <hr/>                                 |
| Sub-total of cash outflows                                            | <b>(23,382,711,182)</b>                        | (21,114,229,194)                      |
|                                                                       | <hr/>                                          | <hr/>                                 |
| Net cash flows used in operating activities                           | <b><u>(3,126,708,674)</u></b>                  | <b><u>(2,289,422,589)</u></b>         |



***Consolidated Statement of Cash Flow (continued)***  
*January to March 2020*

|                                                                                                                                                                    | <i>Unit: RMB</i>                      |                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                                                                                                    | January to March<br>2020<br>Unaudited | January to March<br>2019<br>Unaudited |
| II. Cash flows from investing activities                                                                                                                           |                                       |                                       |
| Cash received from disposal of investments                                                                                                                         | 6,202,381,880                         | 10,225,234,000                        |
| Cash received from investment income                                                                                                                               | 120,884,538                           | 57,814,983                            |
| Proceeds from disposal of property, plant and equipment,<br>intangible assets and other non-current assets Cash received<br>relating to other investing activities | <u>45,556,515</u>                     | <u>461,677</u>                        |
| Sub-total of cash inflows                                                                                                                                          | <u>6,368,822,933</u>                  | <u>10,283,510,660</u>                 |
| Cash paid for purchases of property, plant and equipment,<br>intangible assets and other non-current assets                                                        | (1,157,455,179)                       | (651,138,203)                         |
| Cash paid for investments                                                                                                                                          | <u>(6,286,108,785)</u>                | <u>(10,045,503,360)</u>               |
| Sub-total of cash outflow                                                                                                                                          | <u>(7,443,563,964)</u>                | <u>(10,696,641,563)</u>               |
| Net cash flows used in investing activities                                                                                                                        | <u>(1,074,741,031)</u>                | <u>(413,130,903)</u>                  |
| III. Cash flows from financing activities:                                                                                                                         |                                       |                                       |
| Cash received from borrowings                                                                                                                                      | <u>6,810,127,847</u>                  | <u>3,692,177,429</u>                  |
| Sub-total of cash inflows                                                                                                                                          | <u>6,810,127,847</u>                  | <u>3,692,177,429</u>                  |
| Repayment of borrowings                                                                                                                                            | (3,863,921,827)                       | (3,434,839,222)                       |
| Cash paid for the distribution of dividend or profits and for<br>interest expenses                                                                                 | <u>(154,242,723)</u>                  | <u>(58,343,255)</u>                   |
| Sub-total of cash outflows                                                                                                                                         | <u>(4,018,164,550)</u>                | <u>(3,493,182,477)</u>                |
| Net cash flows from financing activities                                                                                                                           | <u>2,791,963,297</u>                  | <u>198,994,952</u>                    |

***Consolidated Statement of Cash Flow (continued)***  
*January to March 2020*

*Unit: RMB*

|                                                                          | <b>January to March<br/>2020<br/>Unaudited</b> | January to March<br>2019<br>Unaudited |
|--------------------------------------------------------------------------|------------------------------------------------|---------------------------------------|
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | <u><b>(13,182,369)</b></u>                     | <u>(97,590,209)</u>                   |
| V. Net increase/(decrease) in cash and cash equivalents                  | <u><b>(1,422,668,777)</b></u>                  | <u>(2,601,148,749)</u>                |
| Add: cash and cash equivalents at the beginning of the period            | <u><b>7,239,650,634</b></u>                    | <u>6,934,175,776</u>                  |
| VI. Cash and cash equivalents at the end of the period                   | <u><b>5,816,981,857</b></u>                    | <u>4,333,027,027</u>                  |

|                                                |                                                                               |                                                                                |
|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <i>Legal representative:</i><br><b>Ding Yi</b> | <i>Person-in-charge of<br/>accounting operations:</i><br><b>Wang Qiangmin</b> | <i>Person-in-charge of the<br/>Accounting Department:</i><br><b>Xing Qunli</b> |
|------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------|

***Statement of Cash Flow of the Parent Company***  
***January to March 2020***

*Unit: RMB*

|                                                                                                            | <b>January to March<br/>2020<br/>Unaudited</b> | January to March<br>2019<br>Unaudited |
|------------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------|
| I. Cash flow from operating activities                                                                     |                                                |                                       |
| Cash received from sale of goods and rendering services                                                    | <b>16,595,771,483</b>                          | 13,246,637,279                        |
| Tax refunds received                                                                                       | <b>5,047,433</b>                               | 20,049,286                            |
| Cash received relating to other operating activities                                                       | <b>266,529,287</b>                             | 29,045,088                            |
|                                                                                                            | <hr/>                                          | <hr/>                                 |
| Sub-total of cash inflows                                                                                  | <b>16,867,348,203</b>                          | 13,295,731,653                        |
|                                                                                                            |                                                |                                       |
| Cash paid for purchase of goods and services                                                               | <b>(16,586,465,776)</b>                        | (13,182,724,688)                      |
| Cash paid to and on behalf of employees                                                                    | <b>(1,217,325,651)</b>                         | (1,223,408,555)                       |
| Taxes and surcharges paid                                                                                  | <b>(256,645,734)</b>                           | (555,691,859)                         |
| Cash paid relating to other operating activities                                                           | <b>(27,735,644)</b>                            | (91,096,003)                          |
|                                                                                                            | <hr/>                                          | <hr/>                                 |
| Sub-total of cash outflows                                                                                 | <b>(18,088,172,805)</b>                        | (15,052,921,105)                      |
|                                                                                                            |                                                |                                       |
| Net cash flows used in operating activities                                                                | <b>(1,220,824,602)</b>                         | (1,757,189,452)                       |
|                                                                                                            |                                                |                                       |
| II. Cash flows from investing activities                                                                   |                                                |                                       |
| Cash received from disposal of investments                                                                 | <b>2,381,880</b>                               | –                                     |
| Cash received from investment income                                                                       | <b>87,262,067</b>                              | 1,350,094                             |
| Proceeds from disposal of property, plant and equipment,<br>intangible assets and other non-current assets | <b>45,686,169</b>                              | 308,206                               |
|                                                                                                            | <hr/>                                          | <hr/>                                 |
| Sub-total of cash inflows                                                                                  | <b>135,330,116</b>                             | 1,658,300                             |
|                                                                                                            |                                                |                                       |
| Purchases of property, plant and equipment, intangible assets<br>and other non-current assets              | <b>(1,141,362,948)</b>                         | (666,503,415)                         |
| Cash paid for investments                                                                                  | <b>(85,936,435)</b>                            | (93,125,000)                          |
| Sub-total of cash outflow                                                                                  | <b>(1,227,299,383)</b>                         | (759,628,415)                         |
|                                                                                                            | <hr/>                                          | <hr/>                                 |
| Net cash flows used in investing activities                                                                | <b>(1,091,969,267)</b>                         | (757,970,115)                         |

***Statement of Cash Flow of the Parent Company (continued)***  
***January to March 2020***

|                                                                                 | <i>Unit: RMB</i>                               |                                       |
|---------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------|
|                                                                                 | <b>January to March<br/>2020<br/>Unaudited</b> | January to March<br>2019<br>Unaudited |
| III. Cash flows from financing activities:                                      |                                                |                                       |
| Cash received from borrowings                                                   | <u>5,632,501,555</u>                           | <u>2,405,871,730</u>                  |
| Sub-total of cash inflows                                                       | <u>5,632,501,555</u>                           | <u>2,405,871,730</u>                  |
| Repayment of borrowings                                                         | (2,908,805,972)                                | (1,742,611,024)                       |
| Cash paid for the distribution of dividend or profits and for interest expenses | (173,247,837)                                  | (157,461,223)                         |
| Cash paid relating to other financing activities                                | <u>-</u>                                       | <u>(88,447,584)</u>                   |
| Sub-total of cash outflows                                                      | <u>(3,082,053,809)</u>                         | <u>(1,988,519,831)</u>                |
| Net cash flows from financing activities                                        | <u>2,550,447,746</u>                           | <u>417,351,899</u>                    |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents        | <u>14,412,217</u>                              | <u>(137,395,432)</u>                  |
| V. Net increase/(decrease) in cash and cash equivalents                         | <u>252,066,094</u>                             | <u>(2,235,203,100)</u>                |
| Add: cash and cash equivalents at the beginning of the period                   | <u>2,652,770,395</u>                           | <u>5,825,154,899</u>                  |
| VI. Cash and cash equivalents at the end of the period                          | <u><u>2,904,836,489</u></u>                    | <u><u>3,589,951,799</u></u>           |

*Legal representative:*  
**Ding Yi**

*Person-in-charge of  
accounting operations:*  
**Wang Qiangmin**

*Person-in-charge of the  
Accounting Department:*  
**Xing Qunli**