

Stock Code: 603609

Stock Abbreviation (English): Wellhope

**Liaoning Wellhope Agri-Tech Joint Stock Co., Ltd.**  
**2020 Third Quarter Report**



禾豐牧業

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## Section I Important Statements

I. The Board of Directors, Supervisory Board, Directors, Supervisors and Senior Leadership of Liaoning Wellhope hereby warrant that there are no false representations, misleading statements or material omissions in the third quarter report, jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the contents of this report.

II. All the Directors attended the board meeting to deliberate the third quarter report.

III. The Company's Chairman Weidong Jin and the Director of internal audit Wenliang Zhang warrant the truthfulness, accuracy and completeness of the information presented in the financial statements in this report.

IV. The third quarter report is unaudited.

V. This report has been disclosed in both Chinese and English versions. In case there is any discrepancy or inconsistency between the two versions, the Chinese version shall prevail. The disclosed Chinese version of 2020 Third Quarter Report can be obtained at: [www.sse.com.cn](http://www.sse.com.cn).

## Section II Company Information

### I. Key Financial Figures

CNY

Item	September 30, 2020	December 31, 2019	Change %
Total assets	11,250,796,245.86	9,149,772,043.85	22.96
Net assets attributable to the shareholders of the Company	6,446,000,440.81	5,698,139,557.54	13.12
Item	January-September, 2020	January-September, 2019	Year-on-year change %
Net cash flow from operating activities	282,805,713.73	582,911,553.62	-51.48
Item	January-September, 2020	January-September, 2019	Year-on-year change %
Operating revenue	16,857,939,370.84	12,743,225,876.96	32.29
Net profit attributable to the shareholders of the Company	928,184,218.31	713,087,990.71	30.16
Net profit attributable to the shareholders of the Company deducting non-recurring items	919,750,306.36	704,761,464.34	30.51
Return on equity %	15.29	15.57	Decreased by 0.28 percentage points
Basic earnings per share (CNY per share)	1.01	0.80	26.25
Diluted earnings per share (CNY per share)	1.01	0.80	26.25

## Non-recurring items

CNY

Item	July-September, 2020	January-September, 2020
Gains or losses on disposal of non-current assets	-2,312,747.53	-2,879,833.68
Government grants charged to current gains or losses (excl. the government grants that are closely related to the Company's ordinary course of business and gained constantly at fixed quotas or amounts as per certain standards based on the state policies)	7,813,536.65	20,438,735.72
Gains or losses on fair value changes in holding the trading financial assets and liabilities as well as derivative financial assets and liabilities, and investment income from disposal of the trading financial assets and liabilities, derivative financial assets and liabilities as well as other debt investment (excl. the effective portion of hedges that arise in the Company's ordinary course of business)	2,453,322.25	553,325.70
Non-operating income and expense other than those described above	109,992.00	-4,850,061.70
Non-controlling interests effects (after-tax)	-2,025,081.60	-2,621,451.79
Income tax effects	-1,030,626.04	-2,206,802.30
Total	5,008,395.73	8,433,911.95

## II. The Number of Shareholders, Top Ten Shareholders and Top Ten Shareholders Holding Unrestricted Shares as at the end of the Reporting Period

Share

The number of shareholders				38,013		
Shareholding of top ten shareholders						
Name of shareholder	Total shares held at the period-end	%	Restricted shares held	Pledged or Frozen		Nature of shareholder
				Status	Shares	
Weidong Jin	149,549,498	16.22	3,062,117	Pledged	55,000,000	Domestic natural person
DE HEUS MAURITIUS	82,303,939	8.93	2,296,587	-	-	Foreign corporation
Yunfeng Ding	81,929,558	8.89	1,531,058	Pledged	47,620,000	Domestic natural person
Caimei Shao	49,773,878	5.40	-	-	-	Domestic natural person
Tiesheng Zhang	48,360,000	5.24	-	Pledged	6,600,000	Domestic natural person
Wulian Heli Equity Investment Partnership (LP)	48,360,000	5.24	-	-	-	Other
Fengjiu Wang	47,964,602	5.20	-	Pledged	5,190,000	Domestic natural person
Zhongtao Wang	46,625,229	5.06	765,529	-	-	Domestic natural person
Zhongyi Asset Management-China Minsheng Banking Corp-Zhongyi Asset-Non-public Offering Selection No. 103 Asset Management Product	18,953,539	2.06	-	-	-	Other
Sinosafe Property and Asset Management-Industrial and Commercial Bank of China-Stably Increasing Profit No. 12 Collective Asset Management Product	17,650,146	1.91	-	-	-	Other

Top ten shareholders holding unrestricted shares			
Name of shareholder	Unrestricted shares held	Shares by type	
		Type	Shares
Weidong Jin	146,487,381	CNY common stock	146,487,381
Yunfeng Ding	80,398,500	CNY common stock	80,398,500
DE HEUS MAURITIUS	80,007,352	CNY common stock	80,007,352
Caimei Shao	49,773,878	CNY common stock	49,773,878
Tiesheng Zhang	48,360,000	CNY common stock	48,360,000
Wulian Heli Equity Investment Partnership (LP)	48,360,000	CNY common stock	48,360,000
Fengjiu Wang	47,964,602	CNY common stock	47,964,602
Zhongtao Wang	45,859,700	CNY common stock	45,859,700
Zhongyi Asset Management-China Minsheng Banking Corp-Zhongyi Asset-Non-public Offering Selection No. 103 Asset Management Product	18,953,539	CNY common stock	18,953,539
Sinosafe Property and Asset Management- Industrial and Commercial Bank of China-Stably Increasing Profit No. 12 Collective Asset Management Product	17,650,146	CNY common stock	17,650,146
Relationship of above shareholders or statement made by the parties acting in concert	1. Weidong Jin, Yunfeng Ding, Fengjiu Wang, Caimei Shao and Zhongtao Wang act in concert. 2. Weidong Jin is the actual controller of Wulian Heli Equity Investment Partnership (LP). 3. No relation or concerted action is found among other shareholders.		

## Section III Important Disclosures

### I. Changes of Major Items in the Financial Statements

CNY

Balance sheet item	September 30, 2020	January 1, 2020	Change	Explanation
Trading financial assets	100,000,000.00	40,000,000.00	150.00%	Structural deposits increased
Derivative financial assets	8,246,791.00	3,912,584.30	110.78%	The position of derivative financial assets increased
Notes receivable	21,827,750.84	3,696,180.25	490.55%	Payment for commodities settled by negotiable instrument increased
Accounts receivable	866,444,569.60	362,060,802.38	139.31%	Newly increased accounts receivable during the settlement period
Prepayments	394,998,568.70	222,064,368.55	77.88%	Prepayment for raw materials increased
Other receivables	131,608,734.34	85,600,811.75	53.75%	Other receivables related to operating, petty cash increased
Other equity instrument investment	12,921,702.93	5,760,839.23	124.30%	Newly increased other equity instrument investment
Construction in progress	365,457,368.84	240,012,874.86	52.27%	The Company increased investment in the projects of broiler and swine integrations
Biological assets	202,574,066.97	94,826,312.88	113.63%	Breeders (swine) increased
Other non-current assets	540,392,843.78	337,463,267.56	60.13%	Advance payment for long-lived assets and feeding fees to farmers increased
Accounts payable	1,040,155,759.62	659,216,483.84	57.79%	Trade accounts payable increased
Tax payable	51,093,283.66	37,680,953.84	35.59%	Corporate income tax payable increased
Non-current liabilities due within one year	95,228,089.23	70,593,717.62	34.90%	Long-term borrowings and long-term payables due within one year increased
Long-term borrowings	352,830,000.00	174,330,000.00	102.39%	Long-term borrowings from bank increased
Long-term payables	49,398,235.14	11,025,000.09	348.06%	Payable for finance lease increased
Deferred income tax liabilities	813,350.90	396,995.58	104.88%	Deferred income tax liabilities recognized by taxable temporary differences increased



Income statement item	January-September, 2020	January-September, 2019	Change	Explanation
Operating revenue	16,857,939,370.84	12,743,225,876.96	32.29%	Feed sales volume continued to grow and revenue of businesses in the industrial chain increased
Operating cost	15,254,503,331.16	11,419,337,434.95	33.58%	The growth of operating revenue drove the increase of operating cost
Other income	11,307,173.33	4,389,415.74	157.60%	Government grants increased
Credit impairment loss	-44,982,365.28	-27,678,451.02	Not applicable	The accrual of bad-debt allowance increased
Assets impairment loss	-17,267,757.41	-5,409,240.15	Not applicable	The accrual of allowance for inventory write-down increased
Gain or loss from assets disposal	1,987,707.93	-566,068.09	Not applicable	Gains from disposal of fixed assets increased
Non-operating income	11,539,843.27	18,299,191.94	-36.94%	Government grants recorded in non-operating income declined
Non-operating expenditure	13,645,780.19	20,913,066.65	-34.75%	Extraordinary loss decreased
Income tax expense	113,292,732.82	65,556,455.05	72.82%	The growth of profit drove the increase of income tax
Cash flow statement item	January-September, 2020	January-September, 2019	Change	Explanation
Net cash flow from operating activities	282,805,713.73	582,911,553.62	-51.48%	Due to the price of feed raw materials increased in the reporting period, the stock of raw materials increased
Net cash flow from investing activities	-863,635,618.41	-549,750,402.35	Not applicable	Expanding business scale drove the expansion of asset investment and the increase of investment expenditure
Net cash flow from financing activities	386,307,052.53	616,139,019.52	-37.30%	Payment for debt increased

<b>Company</b>	Liaoning Wellhope Agri-Tech Joint Stock Co., Ltd.
<b>Legal representative</b>	Weidong Jin
<b>Date</b>	October 27, 2020

## Section IV Appendix

### I. Financial Statement

#### Consolidated Balance Sheet

September 30, 2020

Liaoning Wellhope

CNY

Item	September 30, 2020	December 31, 2019
<b>Current assets:</b>		
Monetary capital	1,327,491,810.09	1,554,781,324.13
Trading financial assets	100,000,000.00	40,000,000.00
Derivative financial assets	8,246,791.00	3,912,584.30
Notes receivable	21,827,750.84	3,696,180.25
Accounts receivable	866,444,569.60	362,060,802.38
Prepayments	394,998,568.70	222,064,368.55
Other receivables	131,608,734.34	85,600,811.75
including: Interest receivable		
Dividend receivable	25,353,722.11	25,353,722.11
Inventory	1,963,953,478.82	1,568,373,133.15
Other current assets	103,328,694.41	121,711,175.93
Total current assets	4,917,900,397.80	3,962,200,380.44
<b>Non-current assets:</b>		
Long-term equity investment	2,345,973,948.01	2,070,047,882.51
Other equity instrument investment	12,921,702.93	5,760,839.23
Fixed assets	2,450,650,945.78	2,023,113,939.02
Construction in progress	365,457,368.84	240,012,874.86
Biological assets	202,574,066.97	94,826,312.88
Intangible assets	261,458,254.62	245,564,167.39
Goodwill	290,425.67	290,425.67
Long-term prepaid expenses	107,317,432.92	134,504,217.80

Deferred income tax assets	45,858,858.54	35,987,736.49
Other non-current assets	540,392,843.78	337,463,267.56
Total non-current assets	6,332,895,848.06	5,187,571,663.41
Total assets	11,250,796,245.86	9,149,772,043.85
<b>Current liabilities:</b>		
Short-term borrowings	1,328,220,741.20	1,050,878,205.81
Notes payable	4,000,000.00	
Accounts payable	1,040,155,759.62	659,216,483.84
Advance receipt		209,529,248.68
Contract liability	278,529,809.01	
Payroll	67,340,581.71	62,549,364.12
Tax payable	51,093,283.66	37,680,953.84
Other payables	400,308,867.39	342,239,361.28
including: Interest payable	1,302,186.81	1,528,201.39
Dividend payable		1,434,027.14
Non-current liabilities due within one year	95,228,089.23	70,593,717.62
Total current liabilities	3,264,877,131.82	2,432,687,335.19
<b>Non-current liabilities:</b>		
Long-term borrowings	352,830,000.00	174,330,000.00
Long-term payable	49,398,235.14	11,025,000.09
Deferred income	36,857,599.70	31,841,250.00
Deferred income tax liabilities	813,350.90	396,995.58
Total non-current liabilities	439,899,185.74	217,593,245.67
Total liabilities	3,704,776,317.56	2,650,280,580.86
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	922,059,896.00	922,304,396.00
Capital reserve	885,831,628.52	882,723,066.29
deduct: Treasury stock	45,695,815.00	70,688,750.00

Other comprehensive income	818,205.15	6,122,835.30
Surplus reserves	352,059,456.90	352,059,456.90
Undistributed profits	4,330,927,069.24	3,605,618,553.05
Total owners' equity attributable to the parent company	6,446,000,440.81	5,698,139,557.54
Non-controlling interests	1,100,019,487.49	801,351,905.45
Total owners' equity (or shareholders' equity)	7,546,019,928.30	6,499,491,462.99
Total liabilities and owners' equity (or shareholders' equity)	11,250,796,245.86	9,149,772,043.85

## Balance Sheet of Parent Company

**September 30, 2020**

CNY

Item	September 30, 2020	December 31, 2019
<b>Current assets:</b>		
Monetary capital	835,412,522.74	1,039,575,222.99
Trading financial assets	100,000,000.00	40,000,000.00
Derivative financial assets	7,085,109.00	2,285,934.30
Accounts receivable	25,846,580.93	13,631,690.45
Prepayments	696,831.52	7,560,408.95
Other receivables	1,799,863,952.01	1,020,785,676.46
including: Interest receivable		
Dividend receivable	33,977,209.35	33,977,209.35
Inventory	48,059,153.41	49,839,754.57
Total current assets	2,816,964,149.61	2,173,678,687.72
<b>Non-current assets:</b>		
Long-term equity investment	4,782,980,270.42	4,117,315,830.10
Other equity instrument investment	12,651,707.44	5,539,369.92
Fixed assets	136,469,902.39	132,106,337.38
Construction in progress	5,084,073.40	5,163,075.76
Intangible assets	14,774,093.89	15,425,425.33
Long-term prepaid expenses	1,985,771.79	797,929.30
Deferred income tax assets	11,593,454.62	10,699,738.59
Total non-current assets	4,965,539,273.95	4,287,047,706.38
Total assets	7,782,503,423.56	6,460,726,394.10
<b>Current liabilities:</b>		
Short-term borrowings	830,000,000.00	770,000,000.00
Accounts payable	63,298,221.15	34,960,859.00
Advance receipt		5,019,752.33

Contract liability	2,482,008.64	
Payroll	2,836,563.20	4,611,910.56
Tax payable	6,617,372.23	4,624,045.02
Other payables	1,904,344,767.83	1,109,464,926.75
including: Interest payable	1,191,006.25	1,261,159.72
Dividend payable		
Non-current liabilities due within one year	74,500,000.00	52,000,000.00
Total current liabilities	2,884,078,933.05	1,980,681,493.66
<b>Non-current liabilities:</b>		
Long-term borrowings	332,500,000.00	174,000,000.00
Deferred income	21,227,372.00	21,520,000.00
Deferred income tax liabilities		8,972.25
Total non-current liabilities	353,727,372.00	195,528,972.25
Total liabilities	3,237,806,305.05	2,176,210,465.91
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	922,059,896.00	922,304,396.00
Capital reserves	882,850,728.55	875,861,339.55
deduct: Treasury stock	45,695,815.00	70,688,750.00
Other comprehensive income	2,121,811.54	5,621,991.32
Surplus reserves	352,059,456.90	352,059,456.90
Undistributed profits	2,431,301,040.52	2,199,357,494.42
Total owners' equity (or shareholders' equity)	4,544,697,118.51	4,284,515,928.19
Total liabilities and owners' equity (or shareholders' equity)	7,782,503,423.56	6,460,726,394.10

## Consolidated Income Statement

### January-September, 2020

Liaoning Wellhope

CNY

Item	July-September, 2020	July-September, 2019	January- September, 2020	January- September, 2019
<b>1. Total operating revenue</b>	7,009,559,518.56	5,015,825,872.21	16,857,939,370.84	12,743,225,876.96
including: Operating revenue	7,009,559,518.56	5,015,825,872.21	16,857,939,370.84	12,743,225,876.96
<b>2. Total operating costs</b>	6,710,232,737.78	4,690,833,834.78	15,939,503,361.92	12,126,002,964.90
including: Operating costs	6,447,814,918.45	4,433,516,820.01	15,254,503,331.16	11,419,337,434.95
Taxes and surtaxes	8,210,090.54	6,525,828.70	22,030,685.72	19,224,556.04
Selling expenses	134,032,493.04	149,408,169.31	346,702,203.66	389,398,894.38
Administrative expenses	81,343,573.39	64,201,377.00	215,425,199.99	191,117,342.17
R&D expenses	21,444,562.90	17,202,763.02	52,389,481.21	47,224,108.89
Financial expenses	17,387,099.46	19,978,876.74	48,452,460.18	59,700,628.47
including: Interest expenses	18,446,341.53	19,456,681.91	56,352,179.63	59,668,390.61
Interest income	5,067,576.63	3,115,573.29	13,519,245.61	5,756,801.45
add: Other income	5,364,573.63	2,196,465.64	11,307,173.33	4,389,415.74
Income from investment	114,996,701.40	158,004,862.27	287,586,452.44	346,071,893.42
including: Income from investments in associated companies and joint ventures	112,070,338.40	151,912,887.19	283,370,112.74	338,108,829.04
Gain or loss from changes in fair value	-2,397,575.00	-705,710.00	-3,663,014.00	-874,910.00
Credit impairment loss	-20,807,051.35	-9,144,048.97	-44,982,365.28	-27,678,451.02
Assets impairment loss	-5,655,601.99	-5,140,167.72	-17,267,757.41	-5,409,240.15
Gain or loss from assets disposal	440,418.53	-520,708.86	1,987,707.93	-566,068.09
<b>3. Operating profit</b>	391,268,246.00	469,682,729.79	1,153,404,205.93	933,155,551.96

add: Non-operating income	3,134,298.57	2,484,261.96	11,539,843.27	18,299,191.94
deduct: Non-operating expenditure	4,848,405.61	2,590,380.06	13,645,780.19	20,913,066.65
<b>4. Pretax profit</b>	389,554,138.96	469,576,611.69	1,151,298,269.01	930,541,677.25
deduct: Income tax expenses	32,874,941.67	34,337,932.36	113,292,732.82	65,556,455.05
<b>5. Net profit</b>	356,679,197.29	435,238,679.33	1,038,005,536.19	864,985,222.20
Net profit from continuing operations	356,679,197.29	435,238,679.33	1,038,005,536.19	864,985,222.20
A. Net profit attributable to the shareholders of parent company	322,168,482.30	354,079,351.53	928,184,218.31	713,087,990.71
B. Non-controlling interests income	34,510,714.99	81,159,327.80	109,821,317.88	151,897,231.49
<b>6. Other comprehensive income, net of tax</b>	-8,770,987.84	5,964,430.88	-6,829,827.89	10,626,389.70
Attributable to owners of parent company	-7,889,082.75	5,874,088.31	-5,304,630.15	9,819,172.88
A. Other comprehensive income that can't be reclassified into gains or losses	69,802.46		1,221,140.18	
a. Other comprehensive income that can't be recorded into gains or losses under the equity method	67,457.78		67,457.78	
b. Changes in the fair value of other equity instrument investment	2,344.68		1,153,682.40	
B. Other comprehensive	-7,958,885.21	5,874,088.31	-6,525,770.33	9,819,172.88



income that will be reclassified into gains or losses				
a. Other comprehensive income that can be recorded into gains or losses under the equity method	-6,877,676.38	5,763,669.61	-4,612,517.30	8,832,574.54
b. Exchange differences on translation of foreign currency financial statements	-1,081,208.83	110,418.70	-1,913,253.03	986,598.34
Attributable to non-controlling interests	-881,905.09	90,342.57	-1,525,197.74	807,216.82
<b>7. Total comprehensive income</b>	347,908,209.45	441,203,110.21	1,031,175,708.30	875,611,611.90
Attributable to the owners of parent company	314,279,399.55	359,953,439.84	922,879,588.16	722,907,163.59
Attributable to non-controlling interests	33,628,809.90	81,249,670.37	108,296,120.14	152,704,448.31
<b>8. EPS</b>				
A. Basic earnings per share (CNY per share)	0.35	0.39	1.01	0.80
B. Diluted earnings per share (CNY per share)	0.35	0.39	1.01	0.80

## Income Statement of Parent Company

### January-September, 2020

CNY

Item	July-September, 2020	July-September, 2019	January- September, 2020	January- September, 2019
<b>1. Total operating revenue</b>	307,880,743.41	196,512,399.27	711,084,996.93	458,252,021.02
deduct: Operating costs	208,352,507.96	131,084,785.29	492,568,655.06	305,136,741.09
Taxes and surtaxes	327,434.93	367,562.19	1,056,489.44	1,180,372.80
Selling expenses	3,441,372.98	3,050,709.07	10,448,389.89	10,301,948.92
Administrative expenses	9,003,701.59	8,319,467.74	22,715,569.58	24,824,924.67
R&D expenses	8,681,135.78	4,946,284.85	17,889,490.25	15,250,620.64
Financial expenses	4,693,326.60	6,015,985.79	14,331,828.36	20,980,959.39
including: Interest expenses	13,870,026.43	14,418,872.89	41,388,041.31	43,531,437.16
Interest income	9,193,319.27	8,416,479.52	27,251,034.62	22,709,313.34
add: Other income	1,670,876.00	1,225,625.00	4,844,003.63	1,349,375.00
Income from investment	112,130,803.26	174,957,553.38	303,158,960.93	377,677,888.29
including: Income from investments in associated companies and joint ventures	108,589,240.10	152,387,386.72	273,466,826.96	338,066,397.52
Gain or loss from changes in fair value	-2,362,535.00	-135,780.00	-3,620,330.00	631,000.00
Credit impairment loss	402,360.53	2,992,205.06	-1,218,247.01	-390,164.84
Assets impairment loss				
Gain or loss from assets disposal	43,672.89	8,921.74	43,672.89	-22,077.70
<b>2. Operating profit</b>	185,266,441.25	221,776,129.52	455,282,634.79	459,822,474.26
add: Non-operating income	150,000.00	1,070.00	171,550.00	10,629,590.00
deduct: Non-operating expenditure	61,262.62	15,000.00	960,821.13	1,341,100.00
<b>3. Pretax profit</b>	185,355,178.63	221,762,199.52	454,493,363.66	469,110,964.26

deduct: Income tax expenses	9,032,240.70	6,886,203.87	19,740,650.44	11,221,850.01
<b>4. Net profit</b>	<b>176,322,937.93</b>	<b>214,875,995.65</b>	<b>434,752,713.22</b>	<b>457,889,114.25</b>
Net profit from continuing operations	176,322,937.93	214,875,995.65	434,752,713.22	457,889,114.25
<b>5. Other comprehensive income, net of tax</b>	<b>-6,877,676.38</b>	<b>5,763,669.61</b>	<b>-3,500,179.78</b>	<b>8,832,574.54</b>
A. Other comprehensive income that can't be reclassified into gains or losses				
B. Other comprehensive income that will be reclassified into gains or losses	-6,877,676.38	5,763,669.61	-3,500,179.78	8,832,574.54
a. Other comprehensive income that can be recorded into gains or losses under the equity method	-6,877,676.38	5,763,669.61	-3,500,179.78	8,832,574.54
<b>6. Total comprehensive income</b>	<b>169,445,261.55</b>	<b>220,639,665.26</b>	<b>431,252,533.44</b>	<b>466,721,688.79</b>

## Consolidated Statement of Cash Flow

### January-September, 2020

Liaoning Wellhope

CNY

Item	January-September, 2020	January-September, 2019
<b>1. Cash flow from operating activities</b>		
Cash received from selling commodities, providing labor services	17,201,538,383.47	12,867,947,661.38
Tax refunds	18,807,217.30	20,422,787.11
Cash received from other activities related to operating	58,321,428.74	56,208,041.93
Sub-total of cash inflow of operating activities	17,278,667,029.51	12,944,578,490.42
Cash paid for purchasing commodities and receiving labor services	15,681,645,713.87	11,276,295,939.90
Cash paid to and for employee	559,526,780.39	471,606,862.89
Tax payments	153,058,615.66	94,435,382.11
Cash paid for other activities related to operating	601,630,205.86	519,328,751.90
Sub-total of cash outflow of operating activities	16,995,861,315.78	12,361,666,936.80
Net cash flow from operating activities	282,805,713.73	582,911,553.62
<b>2. Cash flow from investing activities</b>		
Cash received from disinvestment	300,000,000.00	1,050,000.00
Cash received from return on investment	67,736,909.25	22,103,112.29
Net cash received from disposal of fixed assets, intangible assets and other long-lived assets	3,009,190.61	1,267,093.00
Net cash received from disposal of subsidiaries and other business units		194,529.44
Cash received from other activities related to investment	30,810,713.98	2,377,932.15
Sub-total of cash inflow of investing activities	401,556,813.84	26,992,666.88
Cash paid for acquiring and building fixed assets, intangible assets and other long-lived assets	699,428,222.05	384,826,859.83
Cash paid for investments	504,891,211.00	42,134,198.47
Net cash paid for acquiring subsidiaries and other business units	60,872,999.20	113,573,868.96

Cash paid for other activities related to investment		36,208,141.97
Sub-total of cash outflow of investing activities	1,265,192,432.25	576,743,069.23
Net cash flow from investing activities	-863,635,618.41	-549,750,402.35
<b>3. Cash flow from financing activities</b>		
Cash received from absorbing investments	147,070,000.00	850,192,738.50
including: Capital contributed by non-controlling interests to subsidiaries	147,070,000.00	80,415,000.00
Cash received from borrowings	1,902,929,477.57	1,204,498,455.68
Cash received from other activities related to financing		640,000.00
Sub-total of cash inflow of financing activities	2,049,999,477.57	2,055,331,194.18
Repayments of borrowings	1,383,904,257.25	1,205,540,041.67
Cash paid for dividend, profit, or paid for interest	278,602,342.79	227,218,147.63
including: Dividend or profit paid by subsidiaries to non-controlling interests	25,463,213.00	4,420,306.88
Cash paid for other activities related to financing	1,185,825.00	6,433,985.36
Sub-total of cash outflow of financing activities	1,663,692,425.04	1,439,192,174.66
Net cash flow from financing activities	386,307,052.53	616,139,019.52
<b>4. Effect of foreign exchange rate fluctuations on cash and cash equivalents</b>	-677,209.44	-3,773,741.25
<b>5. Net increase in cash and cash equivalents</b>	-195,200,061.59	645,526,429.54
add: Opening balance of cash and cash equivalents	1,508,390,481.68	889,204,873.97
<b>6. Closing balance of cash and cash equivalents</b>	1,313,190,420.09	1,534,731,303.51

### Cash Flow Statement of Parent Company January-September, 2020

CNY

Item	January-September, 2020	January-September, 2019
<b>1. Cash flow from operating activities</b>		
Cash received from selling commodities, providing labor services	695,162,478.63	436,047,078.54
Cash received from other activities related to operating	135,113,810.43	245,362,412.47
Sub-total of cash inflow of operating activities	830,276,289.06	681,409,491.01
Cash paid for purchasing commodities and receiving labor services	458,232,248.79	263,010,743.82
Cash paid to and for employee	25,710,430.67	21,895,620.99
Tax payments	24,172,101.25	15,974,070.95
Cash paid for other activities related to operating	52,009,974.97	401,130,039.95
Sub-total of cash outflow of operating activities	560,124,755.68	702,010,475.71
Net cash flow from operating activities	270,151,533.38	-20,600,984.70
<b>2. Cash flow from investing activities</b>		
Cash received from disinvestment	300,795,071.85	1,050,000.00
Cash received from return on investment	95,635,934.02	52,466,504.29
Net cash received from disposal of fixed assets, intangible assets and other long-lived assets	60,000.00	34,000.00
Net cash received from disposal of subsidiaries and other business units		4,000,001.00
Cash received from other activities related to investment	6,845,976.60	
Sub-total of cash inflow of investing activities	403,336,982.47	57,550,505.29
Cash paid for acquiring and building fixed assets, intangible assets and other long-lived assets	11,460,664.72	9,465,370.42
Cash paid for investments	873,471,211.00	127,573,378.79
Net cash paid for acquiring subsidiaries and other business units	8,543,248.66	
Cash paid for other activities related to investment	262,287,414.00	3,010,000.00
Sub-total of cash outflow of investing activities	1,155,762,538.38	140,048,749.21
Net cash flow from investing activities	-752,425,555.91	-82,498,243.92

<b>3. Cash flow from financing activities</b>		
Cash received from absorbing investments		769,777,738.50
Cash received from borrowings	1,180,000,000.00	770,000,000.00
Cash received from other activities related to financing	284,946,413.32	
Sub-total of cash inflow of financing activities	1,464,946,413.32	1,539,777,738.50
Repayments of borrowings	939,000,000.00	837,000,000.00
Cash paid for dividend, profit, or paid for interest	239,803,360.48	209,835,858.30
Cash paid for other activities related to financing	1,185,825.00	
Sub-total of cash outflow of financing activities	1,179,989,185.48	1,046,835,858.30
Net cash flow from financing activities	284,957,227.84	492,941,880.20
<b>4. Effect of foreign exchange rate fluctuations on cash and cash equivalents</b>	71.04	157.39
<b>5. Net increase in cash and cash equivalents</b>	-197,316,723.65	389,842,808.97
add: Opening balance of cash and cash equivalents	1,023,685,161.19	740,891,873.25
<b>6. Closing balance of cash and cash equivalents</b>	826,368,437.54	1,130,734,682.22

### III. Implementing the New Income Standards and Leasing Standards as of the Beginning of 2020, the Adjustment of some Items in the Financial Statements

#### Consolidated Balance Sheet

CNY

Item	December 31, 2019	January 1, 2020	Adjustment
<b>Current assets:</b>			
Monetary capital	1,554,781,324.13	1,554,781,324.13	
Trading financial assets	40,000,000.00	40,000,000.00	
Derivative financial assets	3,912,584.30	3,912,584.30	
Notes receivable	3,696,180.25	3,696,180.25	
Accounts receivable	362,060,802.38	362,060,802.38	
Prepayments	222,064,368.55	222,064,368.55	
Other receivables	85,600,811.75	85,600,811.75	
including: Interest receivable			
Dividend receivable	25,353,722.11	25,353,722.11	
Inventory	1,568,373,133.15	1,568,373,133.15	
Other current assets	121,711,175.93	121,711,175.93	
Total current assets	3,962,200,380.44	3,962,200,380.44	
<b>Non-current assets:</b>			
Long-term equity investment	2,070,047,882.51	2,070,047,882.51	
Other equity instrument investment	5,760,839.23	5,760,839.23	
Fixed assets	2,023,113,939.02	2,023,113,939.02	
Construction in progress	240,012,874.86	240,012,874.86	
Biological assets	94,826,312.88	94,826,312.88	
Intangible assets	245,564,167.39	245,564,167.39	
Goodwill	290,425.67	290,425.67	
Long-term prepaid expenses	134,504,217.80	134,504,217.80	
Deferred income tax assets	35,987,736.49	35,987,736.49	
Other non-current assets	337,463,267.56	337,463,267.56	
Total non-current assets	5,187,571,663.41	5,187,571,663.41	
Total assets	9,149,772,043.85	9,149,772,043.85	
<b>Current liabilities:</b>			
Short-term borrowings	1,050,878,205.81	1,050,878,205.81	
Accounts payable	659,216,483.84	659,216,483.84	
Advance receipt	209,529,248.68		-209,529,248.68
Contract liability		209,529,248.68	209,529,248.68
Payroll	62,549,364.12	62,549,364.12	



Tax payable	37,680,953.84	37,680,953.84	
Other payables	342,239,361.28	342,239,361.28	
including: Interest payable	1,528,201.39	1,528,201.39	
Dividend payable	1,434,027.14	1,434,027.14	
Non-current liabilities due within one year	70,593,717.62	70,593,717.62	
Other current liability			
Total current liabilities	2,432,687,335.19	2,432,687,335.19	
<b>Non-current liabilities:</b>			
Long-term borrowings	174,330,000.00	174,330,000.00	
Long-term payables	11,025,000.09	11,025,000.09	
Deferred income	31,841,250.00	31,841,250.00	
Deferred income tax liabilities	396,995.58	396,995.58	
Total non-current liabilities	217,593,245.67	217,593,245.67	
Total liabilities	2,650,280,580.86	2,650,280,580.86	
<b>Owners' equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)	922,304,396.00	922,304,396.00	
Capital reserve	882,723,066.29	882,723,066.29	
deduct: Treasury stock	70,688,750.00	70,688,750.00	
Other comprehensive income	6,122,835.30	6,122,835.30	
Surplus reserves	352,059,456.90	352,059,456.90	
Undistributed profits	3,605,618,553.05	3,605,618,553.05	
Total owners' equity attributable to the parent company	5,698,139,557.54	5,698,139,557.54	
Non-controlling interests	801,351,905.45	801,351,905.45	
Total owners' equity (or shareholders' equity)	6,499,491,462.99	6,499,491,462.99	
Total liabilities and owners' equity (or shareholders' equity)	9,149,772,043.85	9,149,772,043.85	

### Balance Sheet of Parent Company

CNY

Item	December 31, 2019	January 1, 2020	Adjustment
<b>Current assets:</b>			
Monetary capital	1,039,575,222.99	1,039,575,222.99	
Trading financial assets	40,000,000.00	40,000,000.00	
Derivative financial assets	2,285,934.30	2,285,934.30	
Accounts receivable	13,631,690.45	13,631,690.45	
Prepayments	7,560,408.95	7,560,408.95	
Other receivables	1,020,785,676.46	1,020,785,676.46	
including: Interest receivable			
Dividend receivable	33,977,209.35	33,977,209.35	
Inventory	49,839,754.57	49,839,754.57	
Total current assets	2,173,678,687.72	2,173,678,687.72	
<b>Non-current assets:</b>			
Long-term equity investment	4,117,315,830.10	4,117,315,830.10	
Other equity instrument investment	5,539,369.92	5,539,369.92	
Fixed assets	132,106,337.38	132,106,337.38	
Construction in progress	5,163,075.76	5,163,075.76	
Intangible assets	15,425,425.33	15,425,425.33	
Long-term prepaid expenses	797,929.30	797,929.30	
Deferred income tax assets	10,699,738.59	10,699,738.59	
Total non-current assets	4,287,047,706.38	4,287,047,706.38	
Total assets	6,460,726,394.10	6,460,726,394.10	
<b>Current liabilities:</b>			
Short-term borrowings	770,000,000.00	770,000,000.00	
Accounts payable	34,960,859.00	34,960,859.00	
Advance receipt	5,019,752.33		-5,019,752.33
Contract liability		5,019,752.33	5,019,752.33
Payroll	4,611,910.56	4,611,910.56	
Tax payable	4,624,045.02	4,624,045.02	
Other payables	1,109,464,926.75	1,109,464,926.75	
including: Interest payable	1,261,159.72	1,261,159.72	
Dividend payable			
Non-current liabilities due within one year	52,000,000.00	52,000,000.00	
Other current liability			
Total current liabilities	1,980,681,493.66	1,980,681,493.66	
<b>Non-current liabilities:</b>			
Long-term borrowings	174,000,000.00	174,000,000.00	

Deferred income	21,520,000.00	21,520,000.00	
Deferred income tax liabilities	8,972.25	8,972.25	
Total non-current liabilities	195,528,972.25	195,528,972.25	
Total liabilities	2,176,210,465.91	2,176,210,465.91	
<b>Owners' equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)	922,304,396.00	922,304,396.00	
Capital reserve	875,861,339.55	875,861,339.55	
deduct: Treasury stock	70,688,750.00	70,688,750.00	
Other comprehensive income	5,621,991.32	5,621,991.32	
Surplus reserves	352,059,456.90	352,059,456.90	
Undistributed profits	2,199,357,494.42	2,199,357,494.42	
Total owners' equity (or shareholders' equity)	4,284,515,928.19	4,284,515,928.19	
Total liabilities and owners' equity (or shareholders' equity)	6,460,726,394.10	6,460,726,394.10	