

CHANGCHAI COMPANY, LIMITED

THIRD QUARTERLY REPORT 2021

Changchai Company, Limited (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.
2. The Company’s legal representative, General Manager, and head of the financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are true, accurate and complete.
3. Indicate whether the financial statements in this Report have been audited by an independent auditor.
 Yes No
4. Matters with modified audit opinions given by the auditor
 Applicable Not applicable

I Key Financial Information

(I) Key Accounting Data and Financial Indicators

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

	Q3 2021	YoY change (%)	Q1-Q3 2021	YoY change (%)
Operating revenue (RMB)	484,183,670.58	-17.15%	1,981,354,126.38	13.10%
Net profit attributable to the listed company’s shareholders (RMB)	-23,478,352.18	—	105,710,713.42	171.37%
Net profit attributable to the listed company’s shareholders before	-9,073,885.20	—	18,086,529.38	-37.25%

exceptional items (RMB)				
Net cash generated from/used in operating activities (RMB)	—	—	-316,185,740.11	—
Basic earnings per share (RMB/share)	-0.0333	—	0.1734	149.86%
Diluted earnings per share (RMB/share)	-0.0333	—	0.1734	149.86%
Weighted average return on equity (%)	-0.75%	-1.29%	4.54%	2.68%
	30 September 2021	31 December 2020	Change (%)	
Total assets (RMB)	4,862,324,921.69	3,952,954,464.45	23.00%	
Equity attributable to the listed company's shareholders (RMB)	3,122,661,074.22	2,273,349,347.02	37.36%	

Total share capital up to the former trading date before the disclosure:

Total share capital up to the former trading date before the disclosure (share)	705,692,507
---	-------------

Fully diluted EPS calculated by the newest share capital:

Dividend on preferred shares paid (RMB)	0.00
Interest on perpetual bonds paid (RMB)	0.00
Fully diluted EPS calculated by the newest share capital (RMB/share)	0.1498

(II) Exceptional Gains and Losses

√ Applicable □ Not applicable

Unit: RMB

Item	Q3 2021	Q1-Q3 2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	757,900.36	6,459.16	
Government grants through profit or loss (exclusive of government grants continuously given in the Company's ordinary course of business at fixed quotas or amounts as per the government's policies and standards)	360,000.00	766,454.70	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the	-20,805,528.66	102,081,339.45	For Q1-Q3 2021, the fair value of stocks in Jiangsu Liance Electromechanical Technology Co., Ltd. and Kailong High Technology Co., Ltd. held by the Company's

effective portion of hedges that arise in the Company's ordinary course of business)			wholly-owned subsidiary Changzhou Horizon Investment Co., Ltd. and equity in Jiangsu Horizon New Energy Technology Co., Ltd. held by the Company increased. For Q3, gain or loss on fair value changes decreased due to the decline in stock price.
Non-operating income and expense other than the above	270,234.72	787,110.59	
Income tax refund	0.00	6,307,493.08	
Less: Income tax effects	-5,013,436.60	22,319,882.62	
Non-controlling interests effects (net of tax)	510.00	4,790.32	
Total	-14,404,466.98	87,624,184.04	--

Other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases in the Reporting Period.

(III) Changes in Key Financial Statement Line Items and Explanation of why

Applicable Not applicable

1. Consolidated Balance Sheet Items

Item	30 September 2021 (RMB)	31 December 2020 (RMB)	Change (%)	Explanation of why
Held-for-trading financial assets	321,347,440.00	11,500,272.00	2694.26%	Investments in wealth management instruments with idle funds out of the amount raised in a private placement
Notes receivable	346,652,281.02	600,140,938.05	-42.24%	Discounting and collection upon maturity of bank acceptance notes held by the Company
Accounts receivable	1,033,370,187.93	397,154,016.49	160.19%	The Company properly allowed customers' buying on credit for more markets and multi-cylinder diesel engine customers are mainly supporting companies of main engine, which are usually given longer payment days.
Other receivables	4,002,431.93	6,212,062.80	-35.57%	Decrease in imprest cash, security deposits and other receivables, as well as provisional payments

Other non-current financial assets	234,801,290.76	98,732,938.63	137.81%	Increase in gains on changes in the fair value of shares held by the Company's wholly-owned subsidiary Changzhou Horizon Investment Co., Ltd. in Liance Technology, Kailong High Tech, etc., as well as of equity interests held by the Company in Jiangsu Horizon New Energy Technology Co., Ltd.
Construction progress	117,018,095.85	66,502,432.41	75.96%	Wholly-owned subsidiary Changchai Machinery being under construction
Other non-current assets	63,853,284.81	19,971,006.56	219.73%	Increase in prepayments of Changchai Machinery for construction and engineering services
Short-term borrowings	12,000,000.00	22,000,000.00	-45.45%	Repayment of some short-term borrowings by the Company and its subsidiary
Employee benefits payable	14,007,846.80	50,127,161.47	-72.06%	Salaries and bonuses accrued last year were paid in the Reporting Period
Deferred income tax liabilities	124,661,259.24	80,671,598.82	54.53%	Increase in the fair value of financial assets
Capital reserves	640,676,218.40	164,328,665.43	289.87%	Inclusion of share premium upon the completion of a private placement

2. Consolidated Income Statement Items for Q1~Q3

Item	Q1~Q3 2021 (RMB)	Q1~Q3 2020 (RMB)	Change (%)	Explanation of why
Finance costs	823,688.31	7,051,835.86	-88.32%	Exchange gains and losses resulted from exchange rate fluctuations and increase in interest income
Other income	766,454.70	5,695,097.89	-86.54%	Decrease in government grants received by the Company
Return on investment	8,663,940.64	5,503,903.85	57.41%	Increase in dividends received by the Company from the Bank of Jiangsu
Income tax expense	23,705,272.54	5,108,476.05	364.04%	Increase in gains on changes in fair value
Credit impairment losses	-13,804,149.22	-7,335,779.05	—	Allowances for doubtful accounts receivable established based on aging
Asset impairment losses	-7,356,415.78	-17,398,507.67	—	Decrease in losses on the impairment of assets such as inventories
Net profit attributable to shareholders of the Company as the parent	105,710,713.42	38,953,778.68	171.37%	Increase in sales revenue, as well as increase in gains on changes in the fair value of shares held by the Company's wholly-owned subsidiary Changzhou Horizon Investment Co., Ltd. in Liance Technology, Kailong High Tech, etc., as well as of equity interests held by the Company in Jiangsu Horizon New Energy Technology Co., Ltd.

3. Consolidated Cash Flow Statement Items for Q1~Q3

Item	Q1~Q3 2021	Q1~Q3 2020	Change (%)	Explanation of why
------	------------	------------	------------	--------------------

	(RMB)	(RMB)		
Net cash generated from/used in operating activities	-316,185,740.11	17,685,800.21	—	The Company properly allowed customers' buying on credit for more markets
Net cash generated from/used in investing activities	-427,869,678.24	-104,621,999.67	—	Large investments in construction in progress of Changchai Machinery, and investments of the Company and its subsidiaries in wealth management instruments with idle funds
Net cash generated from/used in financing activities	612,388,654.75	-2,280,722.28	—	Receipt of funds raised in a private placement

II Shareholder Information

(I) Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders	51,043	Number of preference shareholders with resumed voting rights (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge, marked or frozen	
					Status	Shares
Changzhou Investment Group Co., Ltd.	State-owned corporation	32.26%	227,663,417	56,818,181		
Nuode Fund-Huazhang Tiandi Media Investment Co., Ltd.-Nuode Fund Pujiang No.64 Single Asset Management Plan	Other	1.61%	11,363,636	11,363,636		
China National Gold Group Asset Management Co., Ltd.	State-owned corporation	1.51%	10,681,818	10,681,818		
Chen Beiwen	Domestic individual	1.03%	7,272,727	7,272,727		
Enjoy(Ningbo)Ass	Other	0.97%	6,818,181	6,818,181		

et Management L.P.-Enjoy Yingshanhong No.9 Private Securities Investment Fund						
Changzhou Transportation Construction Investment Development Co., Ltd.	State-owned corporation	0.67%	4,745,454	4,545,454		
Yao Jianquan	Domestic individual	0.64%	4,545,454	4,545,454		
Sun Meichun	Domestic individual	0.64%	4,545,454	4,545,454		
Jiangxi Jintou Industrial Development Co., Ltd.	Domestic non-state-o wned corporation	0.64%	4,545,454	4,545,454		
Minmetals Securities Co., Ltd.	Domestic non-state-o wned corporation	0.64%	4,545,454	4,545,454		

Top 10 unrestricted shareholders

Name of shareholder	Unrestricted ordinary shares held	Shares by class	
		Class	Shares
Chen Jian	3,492,700	RMB-denominate d ordinary share	3,492,700
KGI ASIA LIMITED	3,101,695	Domestically listed foreign share	3,101,695
Li Suinan	1,548,100	Domestically listed foreign share	1,548,100
Huang Guoliang	1,528,891	Domestically listed foreign share	1,528,891
Wang Zefeng	1,386,747	RMB-denominate d ordinary share	1,386,747
Lu Zhang	1,337,012	Domestically listed foreign share	1,337,012
Tao Xiaofang	1,240,000	RMB-denominate	1,240,000

		d ordinary share	
Xue Hong	1,240,000	Domestically listed foreign share	1,240,000
Chen Xiaojing	1,195,800	RMB-denominated ordinary share	1,195,800
Zhang Baoshan	1,150,000	RMB-denominated ordinary share	1,150,000
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is among the top 10 public shareholders and the top 10 unrestricted public shareholders any related parties or acting-in-concert parties as defined in the Administrative Measures for Information Regarding Shareholding Alteration.		
Top 10 shareholders engaged in securities margin trading (if any)	Chen Jian, Wang Zefeng and Chen Xiaojing respectively held 1,966,800, 1,386,747 and 1,194,000 shares in the Company through their credit accounts.		

III Other Significant Events

√ Applicable □ Not applicable

1. Non-public offering of shares

On 9 April 2020, the 24th meeting of the 8th board of directors of the Company discussed and approved the Non-public Offering Plan of the Company for 2020. The Company intended to make non-public issuance of domestic common shares listed in RMB to specific objects, and this matter was approved by the controlling shareholder Changzhou Investment Group Co., Ltd. and was reviewed and adopted in the meeting of shareholders of 2019. On 18 September 2020, the temporary meeting of the board of directors of the Company discussed and approved the relevant revision matters concerning non-public issuance of shares, the Company supplemented and improved the foresaid plan according to the relevant revision matters, and prepared the Non-public Offering Plan of the Company for 2020 (Revision Version), which was discussed and approved in the second temporary meeting of shareholders in 2020.

On 17 December 2020, the Company received the Reply concerning the Approval of the Non-public Offering of Shares of Changchai Company, Limited (ZJXK [2020] No. 3374) from the China Securities Regulatory Commission, which approved the non-public offering of up to 168,412,297 shares of the Company. The Company's offered 144,318,181 RMB ordinary shares (A shares) in a non-public manner. The issuing price was RMB4.40 per share, total amount raised was RMB634,999,936.40, and the net amount raised was RMB622,499,996.40. The new shares issued in a non-public manner were listed on the Shenzhen Stock Exchange on 5 July 2021. For details, please refer to the Report on Non-public Offering by Changchai Company, Limited and Listing Bulletin disclosed by the Company on www.cninfo.com.cn on 1 July 2021. The Company has completed the capital registration, industrial and commercial registration of changes, and revision of articles of association.

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by Changchai Company, Limited

30 September 2021

Unit: RMB

Item	30 September 2021	31 December 2020
Current assets:		
Monetary assets	672,734,056.90	760,728,222.85
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	321,347,440.00	11,500,272.00
Derivative financial assets		
Notes receivable	346,652,281.02	600,140,938.05
Accounts receivable	1,033,370,187.93	397,154,016.49
Receivables financing		
Prepayments	10,885,260.69	9,357,840.75
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	4,002,431.93	6,212,062.80
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	589,150,932.87	606,680,340.55
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	19,625,671.20	27,299,362.72
Total current assets	2,997,768,262.54	2,419,073,056.21
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments	829,767,691.82	685,137,950.87
Other non-current financial assets	234,801,290.76	98,732,938.63
Investment property	44,583,070.43	46,239,326.03

Fixed assets	415,214,477.96	454,181,555.68
Construction in progress	117,018,095.85	66,502,432.41
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	155,021,871.48	158,870,631.71
Development costs		
Goodwill		
Long-term prepaid expense	65,002.89	13,693.20
Deferred income tax assets	4,231,873.15	4,231,873.15
Other non-current assets	63,853,284.81	19,971,006.56
Total non-current assets	1,864,556,659.15	1,533,881,408.24
Total assets	4,862,324,921.69	3,952,954,464.45
Current liabilities:		
Short-term borrowings	12,000,000.00	22,000,000.00
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	656,796,159.50	595,346,000.00
Accounts payable	587,456,913.85	612,757,392.46
Advances from customers		661,612.17
Contract liabilities	37,772,926.63	35,944,517.15
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	14,007,846.80	50,127,161.47
Taxes and levies payable	4,044,397.46	2,869,485.41
Other payables	235,066,490.82	197,545,076.08
Including: Interest payable		
Dividends payable	3,891,433.83	3,891,433.83
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities	6,106,039.32	5,233,947.12
Total current liabilities	1,553,250,774.38	1,522,485,191.86
Non-current liabilities:		

Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	42,179,737.60	56,949,737.60
Deferred income tax liabilities	124,661,259.24	80,671,598.82
Other non-current liabilities		
Total non-current liabilities	166,840,996.84	137,621,336.42
Total liabilities	1,720,091,771.22	1,660,106,528.28
Owners' equity:		
Share capital	705,692,507.00	561,374,326.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	640,676,218.40	164,328,665.43
Less: Treasury stock		
Other comprehensive income	548,418,038.05	425,482,758.24
Specific reserve	18,812,986.55	18,812,986.55
Surplus reserves	325,451,531.14	325,451,531.14
General reserve		
Retained earnings	883,609,793.08	777,899,079.66
Total equity attributable to owners of the Company as the parent	3,122,661,074.22	2,273,349,347.02
Non-controlling interests	19,572,076.25	19,498,589.15
Total owners' equity	3,142,233,150.47	2,292,847,936.17
Total liabilities and owners' equity	4,862,324,921.69	3,952,954,464.45

Legal representative: Shi Xinkun

General Manager: Zhang Xin

Head of the accounting department: Jiang He

2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2021	Q1~Q3 2020
1. Revenues	1,981,354,126.38	1,751,860,265.23
Including: Operating revenue	1,981,354,126.38	1,751,860,265.23
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	1,942,537,176.98	1,694,490,647.57
Including: Cost of sales	1,709,842,352.28	1,468,409,717.46
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	9,599,626.55	9,673,762.22
Selling expense	97,211,507.42	102,089,329.05
Administrative expense	69,073,749.70	57,818,820.36
R&D expense	55,986,252.72	49,447,182.62
Finance costs	823,688.31	7,051,835.86
Including: Interest expense	5,806,935.93	5,384,379.68
Interest income	7,246,601.53	4,563,438.25
Add: Other income	766,454.70	5,695,097.89
Return on investment (“-” for loss)	8,663,940.64	5,503,903.85
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	101,609,123.57	
Credit impairment loss (“-” for loss)	-13,804,149.22	-7,335,779.05
Asset impairment loss (“-” for loss)	-7,356,415.78	-17,398,507.67
Asset disposal income (“-” for loss)	6,459.16	181,780.55
3. Operating profit (“-” for loss)	128,702,362.47	44,016,113.23
Add: Non-operating income	1,268,521.68	628,068.52
Less: Non-operating expense	481,411.09	424,278.65
4. Gross profit (“-” for loss)	129,489,473.06	44,219,903.10
Less: Income tax expense	23,705,272.54	5,108,476.05

5. Net profit (“-” for net loss)	105,784,200.52	39,111,427.05
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	105,784,200.52	39,111,427.05
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	105,710,713.42	38,953,778.68
5.2.1 Net profit attributable to non-controlling interests	73,487.10	157,648.37
6. Other comprehensive income, net of tax	122,935,279.81	22,732,693.67
Attributable to owners of the Company as the parent	122,935,279.81	22,732,693.67
6.1 Items that will not be reclassified to profit or loss	122,935,279.81	22,732,693.67
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	122,935,279.81	22,732,693.67
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss		
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	228,719,480.33	61,844,120.72
Attributable to owners of the Company as the parent	228,645,993.23	61,686,472.35
Attributable to non-controlling interests	73,487.10	157,648.37
8. Earnings per share		
8.1 Basic earnings per share	0.1734	0.0694
8.2 Diluted earnings per share	0.1734	0.0694

Legal representative: Shi Xinkun

General Manager: Zhang Xin

Head of the accounting department: Jiang He

3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2021	Q1~Q3 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,631,589,730.09	1,611,643,141.67
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	33,014,359.71	21,886,374.72
Cash generated from other operating activities	10,218,300.82	11,604,073.90
Subtotal of cash generated from operating activities	1,674,822,390.62	1,645,133,590.29
Payments for commodities and services	1,610,525,132.37	1,284,823,979.81
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	253,758,615.93	220,889,699.06
Taxes and levies paid	31,954,409.88	32,562,156.11
Cash used in other operating activities	94,769,972.55	89,171,955.10
Subtotal of cash used in operating activities	1,991,008,130.73	1,627,447,790.08
Net cash generated from/used in operating activities	-316,185,740.11	17,685,800.21
2. Cash flows from investing activities:		
Proceeds from disinvestment	28,222,100.00	29,773,443.16
Return on investment	8,762,954.14	5,503,903.85
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	815,419.17	108,370.88
Net proceeds from the disposal of subsidiaries and other		

business units		
Cash generated from other investing activities		97,150.00
Subtotal of cash generated from investing activities	37,800,473.31	35,482,867.89
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	120,898,051.55	114,151,611.40
Payments for investments	344,772,100.00	25,022,956.16
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		930,300.00
Subtotal of cash used in investing activities	465,670,151.55	140,104,867.56
Net cash generated from/used in investing activities	-427,869,678.24	-104,621,999.67
3. Cash flows from financing activities:		
Capital contributions received	634,999,996.40	
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	7,000,000.00	20,000,000.00
Cash generated from other financing activities	1,391,000.00	
Subtotal of cash generated from financing activities	643,390,996.40	20,000,000.00
Repayment of borrowings	17,000,000.00	20,000,000.00
Interest and dividends paid	1,307,343.28	2,280,722.28
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	12,694,998.37	
Subtotal of cash used in financing activities	31,002,341.65	22,280,722.28
Net cash generated from/used in financing activities	612,388,654.75	-2,280,722.28
4. Effect of foreign exchange rates changes on cash and cash equivalents		-401,452.02
5. Net increase in cash and cash equivalents	-131,666,763.60	-89,618,373.76
Add: Cash and cash equivalents, beginning of the period	629,939,540.50	545,959,998.20
6. Cash and cash equivalents, end of the period	498,272,776.90	456,341,624.44

Legal representative: Shi Xinkun

General Manager: Zhang Xin

Head of the accounting department: Jiang He

(II) Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of the New Standards Governing Leases from 2021

Applicable Not applicable

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of the New Standards Governing Leases from 2021

Applicable Not applicable

(III) Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

The Board of Directors
Changchai Company, Limited
29 October 2021