

Lomon Billions Group Co., Ltd

2020 Q3 Report



龍蟠百利源

Lomon Billions

OCT 2020

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Section I: Important Notes

The board of directors, board of supervisors, directors, supervisors and senior officers warrant that the contents of the Annual Report are true, accurate and complete and do not contain false records, misleading statements or major omissions, for which they will assume the several and joint legal liabilities.

XU Gang, Chairman, SHEN Qingfei, Chief Financial Officer, and Guo Liangpo, head of the accounting organization (accounting supervisor) declare that the financial statements in the Annual Report are true, accurate and complete.

Section II: Basic Information

I、Major Accounting Data and Financial Indicators

Does the Company need to retroactively adjust or restate previous year's accounting data

Yes No

	Sep 30 2020	Dec 31 2019	Increase/Decrease in the current year when compared with last year	
Total assets (RMB)	30,846,934,350.47	25,942,781,551.31	18.90%	
Net profit attributable to shareholders of the Listed Company (RMB)	14,073,077,496.07	13,870,935,212.22	1.46%	
	Reporting period	Increase/Decrease compared to Q3 2019	Jan -Sep 2020	Increase/Decrease from Jan-Sep 2020 compared to last year
Operating revenue (RMB)	3,572,816,923.72	22.79%	9,898,310,015.59	19.67%
Net profit attributable to shareholders of the Listed Company (RMB)	656,833,903.61	-17.52%	1,949,734,253.11	-5.62%
Net profit attributable to shareholders of the Listed Company net of non-recurring gains and losses (RMB)	642,895,250.10	-16.77%	1,925,097,133.14	-3.50%
Net cash flows from operating activities (RMB)	117,557,942.90	-7.26%	1,198,575,772.11	20.67%
Basic earnings per share (RMB/share)	0.32	-20.00%	0.96	-7.69%
Diluted earnings per share (RMB/share)	0.32	-20.00%	0.96	-7.69%
Weighted average return on equity	4.21%	-20.11%	13.10%	-16.56%

Items and Amount of Non-recurring Profit and Loss

√ Applicable Not applicable

Unit: RMB

Item	The beginning of the year to the end of the reporting period	Comments
Gains and losses on disposal of non-current assets (including the written off portion of the provision for impairment of assets)	-25,226,739.69	
Government grants included in current profit and loss (closely related to business activities, except for government grants enjoyed by quota or fixed amount in accordance with national uniform standard)	94,994,657.13	
Capital occupation fee charged to non-financial enterprises and recorded into current profits and losses	1,266,584.01	
Profit and loss of debt restructuring	18,101,344.71	
Except for effective hedging business related to normal operation of the Company, profits and losses on the changes in fair value of financial assets and financial liabilities held for trading, and investment income earned from disposal of financial assets, financial liabilities held for trading and financial assets available for sale	15,711,231.83	
Carry out impairment test separately of the receivable, contract assets impairment provision back	519,000.00	
Other non-operating incomes and expenses other than those mentioned above	3,786,112.33	
Less: Amount income tax affected	9,507,606.50	
Amount of minority equity affected (After-tax)	902,984.38	
Total	24,637,119.97	--

II、Total number of common shareholders and top ten shareholders at the end of reporting period

1、Total number of common shares and the number of preferred shareholders whose voting rights have been restored and the shareholding status of the top 10 shareholders

unit: per share

Total number of common shareholders at the end of the reporting period		46626	The number of preferred shareholders whose voting rights have been restored (if any)		0	
Top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Number of restricted shares held	Pledge or freezing	
					Status of shares	Amounts of shares
XU Gang	Domestic natural person	20.50%	416,642,402	312,481,801	pledged	226,792,000
TAN Ruiqing	Domestic natural person	11.47%	233,166,105	186,199,497	pledged	39,000,000
LI Ling	Domestic natural person	8.14%	165,444,166			
FAN Xianguo	Domestic natural person	4.36%	88,582,677	88,582,677		
Hong Kong Central Clearing Company Limited	Foreign legal person	3.84%	78,080,473			
Henan Yintai Investment Co., Ltd.	Non-state-owned legal person at home	3.00%	61,000,072			
WANG Zelong	Domestic natural person	2.73%	55,492,350			
Chen Kaiqiong	Domestic natural person	1.48%	30,000,000			
The second phase of ESOP of Lomon Billions Group	Other	1.40%	28,468,717			
China Great Wall Asset Management Co. LTD	State-owned legal person	1.26%	25,666,706			
Shareholding of top 10 unrestricted shareholders						
Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Class of share				
		Class of share	Shares			
Li Ling	165,444,166	Common shares in RMB	165,444,166			
Xu Gang	104,160,601	Common shares in RMB	104,160,601			
Hong Kong Central Clearing Company Limited	78,080,473	Common shares in RMB	78,080,473			

Henan Yintai Investment Co., Ltd.	61,000,072	Common shares in RMB	61,000,072
Wang Zelong	55,492,350	Common shares in RMB	55,492,350
Tan Ruiqing	46,966,608	Common shares in RMB	46,966,608
Chen Kaiqiong	30,000,000	Common shares in RMB	30,000,000
The second phase of ESOP of Lomon Billions Group	28,468,717	Common shares in RMB	28,468,717
China Great Wall Asset Management Co., Ltd.	25,666,706	Common shares in RMB	25,666,706
Yuxin Xylose Development Co. LTD	38,668,613	Common shares in RMB	38,668,613
Description of the relationship or concerted action between the top 10 shareholders of unrestricted tradable shares and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	Among the top ten shareholders of the Company, TAN Ruiqing, Actual Controller of Henan Yintai Investment Co., Ltd. and Tangyin County Yuxin Xylose Development Co., Ltd., and XU Gang, signed the Concerted Action Agreement on Mar. 3, 2010 which expired and was terminated on Jul. 15, 2014; Chen Kaiqiong is Li Ling's mother. Except for the above, the Company is not aware of whether there is any relationship between other shareholders or whether it is a person acting in concert as stipulated in <i>Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies</i> .		
Description of participation by the top 10 common shareholders in margin financing and securities lending business (if any) (see Note 4)	None		

Whether the top 10 common shareholders and the top 10 unrestricted common shareholders of the Company agreed to carry out repurchase transactions during the reporting period

Yes No

2、The total number of preferred shareholders and the shareholding status of the top 10 preferred shareholders

Yes No

Section III: Important Matters

I、Changes of main financial data and indicators in reporting period and the reasons

√ Yes □ No

1. Balance Sheet

Items	End of reporting period	Beginning of reporting period	+/- (%)	Reasons
Cash and cash equivalent	5,004,931,888.90	2,640,651,165.38	89.53%	Caused by increased other cash and cash equivalent.
Receivables financing	519,337,800.76	334,530,263.20	55.24%	Mainly due to the increase in the ending balance of bank acceptance drafts receivable.
Advance payment	900,720,140.57	486,893,907.83	84.99%	Mainly caused by bidding the assets of Jinchuan Group.
Long term receivables	176,393,802.96	299,519,834.57	-41.11%	Mainly caused by the collection of leasing funds and interest by financial subsidiaries
Other current assets	475,412,140.29	111,397,079.43	326.77%	Mainly caused by the data of new subsidiary of Xinli was incorporated to the group and tax to be deducted is created.
Long term equity investment	69,557,891.95	11,625,909.94	498.30%	Mainly caused by the data of new subsidiary of Xinli was incorporated to the group .
Construction in progress	2,204,136,616.43	1,654,194,308.22	33.25%	Mainly caused by the increase of investment in renovation and expansion projects of upgrading and converting of Panxi titanium concentrate of 500,000 tons into titanium chloride.
Long term unamortized expenses	114,848,516.09	59,219,259.45	93.94%	Mainly caused by the increase of long-term prepaid items.
Notes payable	4,686,456,557.24	2,406,738,099.45	94.72%	Mainly due to the end of the outstanding bank acceptance bill balance increase.
Payroll payable	141,081,357.05	202,303,040.00	-30.26%	Mainly due to the payment of staff remuneration in this period.
Non-current liabilities due within one year	333,778,338.00	141,832,464.00	135.33%	Mainly caused by increase of long term borrowings due within one year.
Long term borrowing	4,148,162,220.76	2,752,332,976.56	50.71%	Caused by adjusting the structure of loan and long term borrowings increased.
Special reserve	47,565,311.17	34,002,890.35	39.89%	Mainly caused by the increase of safety production cost in this period.

2. Income statement

Items	End of reporting period	Beginning of reporting period	+/- (%)	Reasons
Operating cost	6,093,759,411.32	4,686,055,599.01	30.04%	Caused by sales increasing.
Sales expenses	464,147,433.92	326,673,278.73	42.08%	The main reason is that the increase in production and sales leads to the increase in freight and miscellaneous expenses.
Interest expenses	187,029,972.91	142,191,306.91	31.53%	Mainly due to the increase in current borrowing interest.
Interest income	83,436,736.68	45,949,735.66	81.58%	Caused by increasing interest of capital.
Other income	113,096,001.84	85,504,102.50	32.27%	Caused by the increase in government subsidies received.
Investment income	-64,891,662.14	5,155,964.98	-1358.57%	Mainly due to the current discount expense listed in the investment income account.
Credit impairment loss	714,625.39	-38,565,949.25	-101.85%	Mainly due to the reduction of the expected credit losses of current accounts receivable.
income from disposal of assets	-15,078,735.50	-6,653,506.49	126.63%	Mainly due to the increase in the disposal of assets.
Non business income	16,998,643.22	3,050,204.80	457.30%	Caused by receiving payment from settling the historical legacy of subsidiary -Xinli.
Non business expenses	21,113,065.89	14,077,150.59	49.98%	Caused by increasing of donation.

3. Cash flow statement

Items	End of reporting period	Beginning of reporting period	+/- (%)	Reasons
Net cash flow from financing activities	510,526,159.91	-145,969,155.97	-449.75%	Mainly due to the increase in the margin used for financing in the current period
The effect of exchange rate movements on cash	-11,905,585.83	15,571,694.74	-176.46%	This is mainly due to the increased impact of exchange rate movements on cash during the current period.

II、 Progress in important issues and analysis of its influence and solution

Implementation progress of share repurchase

yes no

Progress of the implementation of the centralized bidding method to reduce the share repurchase

yes no

III、 Commitments that are fulfilled during the reporting period and not fulfilled at the end of the reporting period by actual controllers, shareholders, affiliates or acquirers of the Company, the Company and other relevant parties

yes no

IV、 Financial assets investment

yes no

V、 Progress of the funded investment project

yes no

VI、 Estimation of 2020 annual performance

yes no

VII、 Major Contract for daily operations

yes no

VIII、 Entrust finance

yes no

Section IV: Financial report

I、Financial report

1、Consolidated Balance Sheet

30th Sep 2020

unit: RMB

Items	30 th Sep 2020	31 st Dec 2019
Current asset:		
Cash and cash equivalent	5,004,931,888.90	2,640,651,165.38
Deposit reservation for balance		
Lendings		
Tradable financial assets		
Financial assets measured at fair value and recorded in the current profit and loss		
Derivative financial asset		
Notes receivables	31,254,755.26	37,358,180.56
Accounts receivables	1,842,669,024.68	1,604,917,925.44
Receivables financing	519,337,800.76	334,530,263.20
Advances to suppliers	900,720,140.57	486,893,907.83
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	32,951,919.57	45,216,280.73
Thereinto: Interests receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventory	2,888,680,186.76	2,223,433,795.02
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	507,300,295.29	469,787,900.07
TOTAL CURRENT ASSETS	11,727,846,011.79	7,842,789,418.23
Non-current assets:		
Loans and advances	339,025,082.01	278,114,569.45

creditors' investment		
Available-for-sale financial assets		
Other creditors' investment		
Held-to-maturity investment		
long-term receivables	176,393,802.96	299,519,834.57
Long-term equity investment	934,096,354.76	940,594,769.26
Other equity instruments investment	466,093.40	466,093.40
Other noncurrent financial assets		
Investment properties	55,940,913.15	58,837,297.83
Fixed assets	7,478,338,759.01	6,810,838,758.77
Construction in progress	2,204,136,616.43	1,654,194,308.22
Bearer biological assets		
Oil and gas assets		
Intangible assets	1,502,413,324.94	1,552,024,834.44
Development costs		
Goodwill	5,636,985,265.15	5,636,985,265.15
Long-term prepaid expenses	114,848,516.09	59,219,259.45
Deferred tax assets	244,815,648.31	230,053,129.74
Other non-current assets	431,627,962.47	579,144,012.80
Fixed assets		
TOTAL NON-CURRENT ASSETS	19,119,088,338.68	18,099,992,133.08
TOTAL ASSETS	30,846,934,350.47	25,942,781,551.31
Current liabilities:		
Short-term borrowings	3,646,311,535.49	2,867,356,101.03
Borrowings from central bank		
Loans from other financial institutions		
Tradable financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	4,686,456,557.24	2,406,738,099.45
Accounts payable	1,946,985,260.71	2,012,151,921.33
Account collected in advance		129,906,556.59
Contract liability	269,698,977.16	
Financial assets sold for repurchase		

Deposits from customers and interbank	22,000,000.00	
Payment for trading securities by agency		
Payment for underwriting securities by agency		
Payroll payable	141,081,357.05	202,303,040.00
Tax payable	177,476,985.07	202,223,224.02
Other payables	444,919,536.29	427,070,838.33
Thereinto: Interests payable		264,896.50
Dividends payable		17,600,000.00
Service charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	333,778,338.00	141,832,464.00
Other current liability		
TOTAL CURRENT LIABILITIES	11,646,708,547.01	8,389,582,244.75
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	4,148,162,220.76	2,752,332,976.56
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Lease liability		
Long-term payable	121,787,022.26	164,609,892.00
Long-term employee payroll payable		
Estimated liabilities	50,911,499.19	47,780,891.68
Deferred income	269,026,212.20	281,987,533.35
Deferred income tax liabilities	219,285,313.82	234,547,657.57
Other non-current liabilities		
TOTAL NON-CURRENT LIABILITIES	4,809,172,268.23	3,481,258,951.16
Total liabilities	16,455,880,815.24	11,870,841,195.91
Owner's equity:		
Capital stock	2,032,020,889.00	2,032,020,889.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		

Capital surplus	9,559,861,741.88	9,484,824,798.92
Less: treasury stock		663,155,409.81
Other comprehensive income	-1,987,472.04	5,385,060.90
Special reserve	47,565,311.17	34,002,890.35
Surplus reserve	650,571,671.61	650,571,671.61
General risk provisions	6,113,341.37	6,113,341.37
Undistributed profits	1,778,932,013.08	1,658,016,560.07
Total equity attributable to equity owners of the Parent Company	14,073,077,496.07	13,870,935,212.22
Minority interests	317,976,039.16	201,005,143.18
Total owner's equity	14,391,053,535.23	14,071,940,355.40
Total liabilities and owners' equity	30,846,934,350.47	25,942,781,551.31

Legal representative: XU Gang Principal in charge of accounting: SHEN Qingfei Head of accounting department: Guo Liangpo

2、Balance Sheet of Parent Company

unit: RMB

Items	30 th Sep 2020	31 th Dec 2019
Current assets:		
Cash at bank and on hand	3,225,410,035.70	1,848,090,465.38
Financial assets at fair value through profit or loss		
Derivative financial assets		
Current assets:		
Notes receivable	57,000,000.00	0.00
Accounts receivable	678,242,622.53	781,730,892.85
Accounts receivable financing	123,876,974.39	111,275,591.39
Prepayments	117,295,948.28	42,101,067.27
Other receivables	1,446,046,440.50	954,386,496.37
Thereinto: Interests receivable		
Dividends receivable		
Inventories	457,286,485.16	463,431,570.54
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	3,239,041.19	14,048,858.34
TOTAL CURRENT ASSETS	6,108,397,547.75	4,215,064,942.14
Non-current assets:		

Creditors' investment		
Available-for-sale financial assets		
Other creditors' investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	14,603,739,159.46	14,078,474,714.36
Other equity instruments investment		
Other non-current financial assets		
Investment property	48,372,837.48	50,653,797.05
Fixed assets	1,495,533,525.73	1,423,204,645.28
Construction in progress	883,404,338.74	346,773,426.31
Productive biological asset		
Oil and gas assets		
Right-of-use asset		
Intangible assets	185,470,198.90	197,408,879.25
Development expenditure		
Goodwill		
Long-term unamortized expenses	95,647.71	
Deferred income tax assets	23,353,417.80	25,888,288.06
Other non-current assets	70,983,776.25	348,661,593.41
total non-current assets	17,310,952,902.07	16,471,065,343.72
Total assets	23,419,350,449.82	20,686,130,285.86
Current liabilities:		
Short-term borrowings	1,918,502,760.00	1,281,831,460.00
Tradable financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	2,671,986,206.00	1,919,595,931.29
Accounts payable	641,061,568.36	580,290,101.88
Account collected in advance		
Contract liability	28,748,168.69	
Employee payroll payable	19,896,171.88	50,802,521.67
Taxes payable	14,024,235.30	22,084,365.01
Other payables	2,351,228,558.35	2,744,008,054.50

Thereinto: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	162,754,971.00	45,136,248.00
Other current liabilities		
TOTAL CURRENT LIABILITIES	7,808,202,639.58	6,658,321,508.17
Non-current liabilities		
Long-term borrowings	2,907,438,046.00	1,788,396,599.11
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Leasing liability		
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	2,204,166.84	4,183,493.24
Deferred tax liabilities		
Other non-current liabilities	2,909,642,212.84	1,792,580,092.35
TOTAL NON-CURRENT LIABILITIES	10,717,844,852.42	8,450,901,600.52
Total liabilities		
Owner's equity:		
Capital stock	2,032,020,889.00	2,032,020,889.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital surplus	9,552,202,658.13	9,477,165,715.26
Less: treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	650,571,671.61	650,571,671.61
Undistributed profits	466,710,378.66	75,470,409.47
Total owner's equity	12,701,505,597.40	12,235,228,685.34
Total liabilities and owners' equity	23,419,350,449.82	20,686,130,285.86

3、Consolidated Income Statement of reporting period

unit: RMB

Item	Current accrual	Amount incurred in last period
I. Revenue	3,588,446,982.34	2,933,584,876.72
Including: Operating revenue	3,572,816,923.72	2,909,646,085.78
Interest income	14,784,318.54	22,999,914.19
Earned premium		
Handling charges and commission income	845,740.08	938,876.75
II. Total costs	2,832,990,612.16	2,012,596,070.25
Including: Cost of sales	2,342,224,732.03	1,606,021,505.65
Interest expense		12,500.00
Service charges and commission expenditure	8,173.88	1,803.84
Sales tax and additions	36,263,788.65	35,422,420.68
Selling and distribution expenses	146,286,646.46	102,162,595.59
General and administrative expenses	126,787,694.04	120,564,804.53
R&D costs	147,400,703.09	112,748,268.24
Financial expenses	34,018,874.01	35,662,171.72
Thereinto: Interest expense	64,291,184.34	48,929,782.54
Interest income	30,385,773.96	19,899,206.40
Add: Other income	26,491,158.03	37,367,855.61
Add: Income from investments(Fill in with “-” for loss)	-3,801,343.61	2,293,780.10
Including: Share of profit of associates and joint ventures	530,594.40	185,691.47
Income from changes in fair value (indicate loss with “-”)		4,037,893.15
Credit impairment loss(indicate loss with “-”)	17,839,329.30	-15,441,710.48
Assets impairment loss(indicate loss with “-”)		
Income from asset disposal (indicate loss with “-”)	-9,681,829.81	-1,035,838.24
III. Operating profit (minus: loss)	786,303,684.09	948,210,786.61
Add: Non-operating income	9,104,065.55	1,352,448.95
Less: Non-operating expenses	3,560,532.24	9,441,469.05
IV. Total profit (minus: total loss)	791,847,217.40	940,121,766.51
Less: Income tax expenses	127,572,925.44	135,857,851.37
V. Net profit (minus: net loss)	664,274,291.96	804,263,915.14
(1) Classified by continuous operation		
1. Net profit from continuing operations (Fill in with “-” for net loss)	664,274,291.96	804,263,915.14

2. Net profit from terminating operations (Fill in with “-” for net loss)		
(2) Classified by ownership		
1. Net profit attributable to the owner of the parent company	656,833,903.61	796,331,265.60
2. Minority shareholder gains and losses	7,440,388.35	7,932,649.54
VI、 Other comprehensive income, net of tax	-10,833,894.51	5,940,499.75
Other comprehensive income attributable to owners of the parent company, net of tax	-10,833,894.51	5,940,499.75
(1) Other comprehensive income that cannot be reclassified to profit or loss		
(II) Other comprehensive income that will be reclassified to profit or loss	-10,833,894.51	5,940,499.75
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provisions for credit impairment of other credit investments		
7. Cash flow hedge reserve		
8. Translation difference in foreign currency financial statements	-10,833,894.51	5,940,499.75
9. Other		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	653,440,397.45	810,204,414.89
Attributable to equity owners of the Parent Company	646,000,009.10	802,271,765.35
Total comprehensive income attributable to minority shareholders	7,440,388.35	7,932,649.54
VIII. Earnings per share:		
(I) Basic income per share	0.32	0.40
(II) Diluted income per share	0.32	0.40

Legal representative: XU Gang Principal in charge of accounting: SHEN Qingfei Head of accounting department: Guo Liangpo

4、Income Statement of Parent company in reporting period

Unit: RMB

Items	Current accrual	Amount incurred in last period
I. Operating income	957,296,195.66	609,487,015.25
Less: Operating cost	763,144,642.29	430,536,341.63
Sales tax and additions	6,642,578.83	6,495,818.39
Selling and distribution expenses	28,046,206.91	20,922,188.70
General and administrative expenses	49,704,937.77	50,914,892.76
R&D costs	33,707,465.86	20,051,957.57
Financial expenses	-21,428,238.53	16,509,824.63
Thereinto: Interest expense	41,603,191.09	28,357,589.73
Interest income	35,653,656.77	18,875,931.54
Add: Other income	575,618.48	701,853.96
Income from investments(Fill in with “-” for loss)	-2,445,215.98	116,840,224.66
Including: Share of profit of associates and joint ventures	530,594.40	185,691.47
Income from changes in fair value (indicate loss with “-”)		4,037,893.15
Credit impairment loss(indicate loss with “-”)	4,245,926.35	11,477,408.03
Assets impairment loss(indicate loss with “-”)		
Income from asset disposal (indicate loss with “-”)	-7,604,951.71	601,694.08
II. Operating profit (Fill in with “-” for loss)	92,249,979.67	197,715,065.45
Add: Non-operating income	-9,726.70	28,155.74
Less: Non-operating expenses	10,000.00	425,000.00
III. Total profits (Fill in with “-” for total loss)	92,230,252.97	197,318,221.19
Less: Income tax expenses	13,921,699.14	12,427,765.33
IV. Net profit (Fill in with “-” for net loss)	78,308,553.83	184,890,455.86
(1) Net profit from continuing operations (Fill in with “-” for net loss)	78,308,553.83	184,890,455.86
(2) Net profit from operation termination(Fill in with “-” for net loss)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes in re-measurement and setting of benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		

(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
Other comprehensive income		
2. Changes in fair value of available-for-sale financial assets		
3. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of gains or losses on hedging instruments in a cash flow hedge		
5. Translation differences on translation of foreign currency financial statements		
VI、 Total comprehensive income	78,308,553.83	184,890,455.86
VII、 Earnings per share:		
(1) Basic earnings per share:		
(2) Diluted earnings per share:		

5、 Consolidated income statement from beginning of 2019 to end of reporting period

unit: RMB

Items	Current accrual	Amount incurred in last period
I. Revenue	9,941,117,636.79	8,317,609,714.78
Including: Operating revenue	9,898,310,015.59	8,271,327,708.58
Interest income	40,257,822.36	43,500,537.44
Earned premium		
Service charges and commission income	2,549,798.84	2,781,468.76
II、 Total operating cost	7,616,354,433.94	5,951,473,956.95
including: operating cost	6,093,759,411.32	4,686,055,599.01
Interest expense	388,888.88	23,500.00
Handling charges and commission expenditure	15,269.23	6,171.83
Sales tax and additions	102,293,412.78	94,781,440.22
Selling and distribution expenses	464,147,433.92	326,673,278.73
General and administrative expenses	391,147,363.04	328,901,758.47
R&D costs	436,772,356.02	361,740,864.06
Financial expenses	127,830,298.75	153,291,344.63
Thereinto: Interest expense	187,029,972.91	142,191,306.91
Interest income	83,436,736.68	45,949,735.66
Add: Other income	113,096,001.84	85,504,102.50

Add: Income from investments(Fill in with “-” for loss)	-64,891,662.14	5,155,964.98
Including: Share of profit of associates and joint ventures	-6,498,414.50	395,969.08
Income from changes in fair value (indicate loss with “-”)		16,877,797.24
Credit impairment loss(indicate loss with “-”)	714,625.39	-38,565,949.25
Assets impairment loss(indicate loss with “-”)		
Income from asset disposal (indicate loss with “-”)	-15,078,735.50	-6,653,506.49
III. Operating profit (minus: loss)	2,358,603,432.44	2,428,454,166.81
Add: Non-operating income	16,998,643.22	3,050,204.80
Less: Non-operating expenses	21,113,065.89	14,077,150.59
IV. Total profit (minus: total loss)	2,354,489,009.77	2,417,427,221.02
Less: Income tax expenses	378,756,957.50	332,540,584.73
V. Net profit (minus: net loss)		
(1) Classified by continuous operation	1,975,732,052.27	2,084,886,636.29
1. Net profit from continuing operations (Fill in with “-” for net loss)		
2. Net profit from terminating operations (Fill in with “-” for net loss)		
(2) Classified by ownership		
1. Net profit attributable to the owner of the parent company	1,949,734,253.11	2,065,905,535.63
2. Minority shareholder gains and losses	25,997,799.16	18,981,100.66
VI. Other comprehensive income, net of tax	-7,372,532.94	6,154,242.50
Net of tax from other comprehensive income attributable to owners of the parent company	-7,372,532.94	6,154,242.50
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. changes in re-measurement and setting of benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified to profit or loss	-7,372,532.94	6,154,242.50
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provisions for credit impairment of other credit investments		
7. Cash flow hedge reserve		

8. Translation difference in foreign currency financial statements	-7,372,532.94	6,154,242.50
9. Other		
Net of tax from other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,968,359,519.33	2,091,040,878.79
Attributable to equity owners of the Parent Company	1,942,361,720.17	2,072,059,778.13
Total comprehensive income attributable to minority shareholders	25,997,799.16	18,981,100.66
VIII. Earnings per share:		
(I) Basic income per share	0.96	1.04
(II) Diluted income per share	0.96	1.04

Legal representative: XU Gang Principal in charge of accounting: SHEN Qingfei Head of accounting department: Guo Liangpo

6、Income statement of Parent company from beginning of 2020 to end of reporting period

unit: RMB

Item	Current accrual	Amount incurred in last period
I. Operating income	2,941,038,207.75	1,911,949,162.32
Less: Operating cost	2,214,653,054.53	1,352,350,823.67
Sales tax and additions	18,373,025.88	15,936,463.12
Selling and distribution expenses	90,050,303.03	64,166,391.54
General and administrative expenses	129,439,211.34	117,049,872.00
R&D costs	125,984,521.38	77,017,361.50
Financial expenses	8,504,267.59	40,338,116.08
Thereinto: Interest expense	115,191,520.64	80,024,432.25
Interest income	95,863,337.17	44,006,571.57
Add: Other income	6,577,384.69	2,105,561.88
Income from investments(Fill in with “-” for loss)	1,912,111,649.54	1,407,013,820.12
Including: Share of profit of associates and joint ventures	-6,498,414.50	395,969.08
Income from changes in fair value (indicate loss with “-”)		16,877,797.24
Credit impairment loss(indicate loss with “-”)	9,375,058.81	9,163,332.76
Assets impairment loss(indicate loss with “-”)		
Income from asset disposal (indicate loss with “-”)	-11,452,598.07	-130,379.72
II. Operating profit (Fill in with “-” for loss)	2,270,645,318.97	1,680,120,266.69
Add: Non-operating income	115,703.30	41,236.12
Less: Non-operating expenses	2,108,429.47	541,928.00

III. Total profits (Fill in with “-” for total loss)	2,268,652,592.80	1,679,619,574.81
Less: Income tax expenses	48,593,823.51	37,762,727.87
IV. Net profit (Fill in with “-” for net loss)	2,220,058,769.29	1,641,856,846.94
(I) Net profit from continuing operations (Fill in with “-” for net loss)	2,220,058,769.29	1,641,856,846.94
(II) Net profit from terminating operations (Fill in with “-” for net loss)		
V. Net of tax from other comprehensive income		
(I) Other comprehensive income that can not be reclassified to profit or loss		
1. Changes in re-measurement and setting of benefit plans		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Changes in fair value of available-for-sale financial assets		
4. The amount of financial assets reclassified into other comprehensive income		
5. Profits or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provisions for credit impairment of other credit investments		
7. Cash flow hedge reserve		
8. Translation difference in foreign currency financial statements		
9. Other		
VI. Total comprehensive income	2,220,058,769.29	1,641,856,846.94
VI. Earnings per share:		
(I) Basic income per share		
(II) Diluted income per share		

7、Consolidated cash flow statement from beginning of 2020 to end of reporting period

unit: RMB

Items	Current accrual	Amount incurred in last period
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	8,775,865,153.25	7,648,684,094.06
Net increase in deposits from clients and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		22,000,000.00

Cash for interest, fees and commissions	42,896,224.31	47,421,615.82
Net increase in borrowing funds		
Net increase in repurchase funds		
Net cash received for buying and selling securities		
Refund of tax	53,869,029.59	
Other cash received relating to operating activities	459,064,872.64	378,303,062.34
Subtotal of cash inflow from operating activities	9,331,695,279.79	8,096,408,772.22
Cash payment for goods and services	5,557,180,382.95	3,549,476,957.15
Net increase in customer loans and advances	-26,322,333.98	19,108,255.43
Net increase in central bank and interbank deposits		
Cash payment for the original insurance contract		
Net increase in lending funds		
Cash to pay interest, fees and commissions	-954,564.89	36,989.95
Cash to pay insurance dividends		
Cash paid to and for employees	723,394,677.30	597,125,315.02
Tax payments	1,041,865,300.89	950,132,729.67
Cash Payment related to other business activities	837,956,045.41	1,987,221,443.83
Subtotal of cash outflow from operating activities	8,133,119,507.68	7,103,101,691.05
Net cash flow from operating activities	1,198,575,772.11	993,307,081.17
II、Cash flow from investment activities:		
Cash received form return of investment	100,000,000.00	3,375,780,741.00
Cash received on investment income	52,316.99	21,331,137.92
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	11,082,640.00	11,180,150.00
Net cash received by dispose of subsidiaries and other business units		
Cash received related to other investment activities	400,000.00	
Subtotal of cash inflow from investment activities	111,534,956.99	3,408,292,028.92
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	768,486,815.84	544,780,685.49
Cash paid for investments	116,035,686.00	3,265,705,823.00
Net increase in pledged loans		
Obtain net cash paid by subsidiaries and other business units	-273,298.62	248,110,929.54
Cash paid related to other investment activities	260,000,000.00	161,501,594.00
Subtotal of cash outflow from investment activities	1,144,249,203.22	4,220,099,032.03
Net cash flow from investment activities	-1,032,714,246.23	-811,807,003.11

III、Cash flow from fundraising activities:		
Cash received by investors	90,000,000.00	
Including: Subsidiaries receive cash from minority investors		
Cash received from the loan	5,139,957,000.00	5,606,681,516.12
Cash received related to other financial activities	1,866,491,645.21	1,273,731,200.41
Subtotal of cash inflow from financing activities	7,096,448,645.21	6,880,412,716.53
Cash Payment for debt	2,911,862,976.00	5,163,573,955.47
Cash to distribute dividends, profits, or interest payments	2,054,747,770.63	1,539,518,721.92
Including: dividends and profits paid by subsidiaries to minority shareholders		
Cash paid related to other financial activities	1,619,311,738.67	323,289,195.11
Subtotal of Cash outflow from financing activities	6,585,922,485.30	7,026,381,872.50
Net cash flow from financing activities	510,526,159.91	-145,969,155.97
IV、The effect of exchange rate changes on cash and cash equivalents	-11,905,585.83	15,571,694.74
V、Net increase in cash and cash equivalents	664,482,099.96	51,102,616.83
plus: Beginning balance of cash and cash equivalents	1,055,135,459.37	1,495,540,791.23
VI、Ending balance of cash and cash equivalents	1,719,617,559.33	1,546,643,408.06

8、Cash flow statement of Parent company from beginning of 2020 to end of reporting period

unit: RMB

Items	Current accrual	Amount incurred in last period
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	2,109,470,304.50	1,819,630,212.23
Refund received of taxes and surcharges		
Cash received relating to other operating activities	286,032,495.30	153,437,898.66
Sub-total of cash inflows	2,395,502,799.80	1,973,068,110.89
Cash paid to purchase goods and accepting services	2,789,147,526.13	1,745,739,644.84
Cash paid to and on behalf of employees	187,697,341.77	164,131,665.56
Payments of taxes and surcharges	129,742,716.36	73,856,145.61
Cash paid related to other operating activities	250,890,393.04	1,353,392,505.18
Sub-total of cash outflows	3,357,477,977.30	3,337,119,961.19
Net cash flows from operating activities	-961,975,177.50	-1,364,051,850.30
II. Cash flows from investing activities:		
Recover cash received from investments	100,000,000.00	3,196,580,741.00

Cash received for obtaining investment income	1,950,052,316.99	1,406,881,195.12
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business entities		
Cash received related to other investing activities		
Sub-total of cash inflows from investment	2,050,052,316.99	4,603,461,936.12
Cash paid to acquire fixed assets, intangible assets and other long-term assets	154,739,911.01	63,569,374.90
Cash paid to acquire investments	567,823,000.00	3,068,705,823.00
Net cash paid to acquire subsidiaries and other business units	724,714.94	248,706,000.30
Cash paid relating to other investing activities	210,000,000.00	
Sub-total of cash outflows	933,287,625.95	3,380,981,198.20
Net cash flows from investing activities	1,116,764,691.04	1,222,480,737.92
III. Cash flows from financing activities		
Cash received from capital contributions		
Cash received from borrowing	2,822,997,200.00	2,964,911,300.00
Cash received relating to other financing activities	8,350,366,539.56	8,167,414,833.79
Sub-total of cash inflows	11,173,363,739.56	11,132,326,133.79
Cash repayments for debt	974,010,760.00	3,257,636,948.00
Cash paid for interest and distribution of dividends or profit	1,949,137,010.18	1,456,245,894.71
Cash payments relating to other financing activities	7,898,826,785.70	6,347,810,620.06
Sub-total of cash outflows	10,821,974,555.88	11,061,693,462.77
Net cash flows from financing activities	351,389,183.68	70,632,671.02
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-3,003,066.93	6,915,467.91
V. Net increase in cash and cash equivalents	503,175,630.29	-64,022,973.45
Add: Cash and cash equivalents at beginning of year	539,607,648.92	892,957,316.39
VI. Cash and cash equivalents at end of period	1,042,783,279.21	828,934,342.94

II、Statement of adjustment of financial statements

1、Financial report are adjusted according to New accounting standards of financial instruments、new revenue standards and new lease standards which are implemented since 2019.

√ yes no

Consolidated balance sheet

Unit: RMB

Items	31 st Dec 2019	1 st Jan 2020	Amount adjusted
Current assets :			
Cash and cash equivalents	2,640,651,165.38	2,640,651,165.38	
Deposit Reservation for Balance			
Lendings			
Tradable financial assets			
Financial assets measured at fair value and recorded in the current profit and loss			
Derivative financial assets			
Notes receivable	37,358,180.56	37,358,180.56	
Accounts receivable	1,604,917,925.44	1,604,917,925.44	
Accounts receivable financing	334,530,263.20	334,530,263.20	
Advance payment	486,893,907.83	486,893,907.83	
Other receivable	45,216,280.73	45,216,280.73	
Including: interests receivable			
Inventory	2,223,433,795.02	2,223,433,795.02	
Other current assets	469,787,900.07	469,787,900.07	
Total Current assets	7,842,789,418.23	7,842,789,418.23	
Non-current assets :			
Loans and advances issued	278,114,569.45	278,114,569.45	
Long term receivable	299,519,834.57	299,519,834.57	
Long term equity investment	940,594,769.26	940,594,769.26	
Investment in other equity instruments	466,093.40	466,093.40	
Investment property	58,837,297.83	58,837,297.83	
Fixed assets	6,810,838,758.77	6,810,838,758.77	
Construction in progress	1,654,194,308.22	1,654,194,308.22	
Intangible assets	1,552,024,834.44	1,552,024,834.44	
Goodwill	5,636,985,265.15	5,636,985,265.15	
Long-term unamortized expenses	59,219,259.45	59,219,259.45	
Deferred income tax assets	230,053,129.74	230,053,129.74	
Other non-current assets	579,144,012.80	579,144,012.80	
Total non-current assets	18,099,992,133.08	18,099,992,133.08	
Total assets	25,942,781,551.31	25,942,781,551.31	

Current liability :			
Short term borrowings	2,867,356,101.03	2,867,356,101.03	
Notes payable	2,406,738,099.45	2,406,738,099.45	
Accounts payable	2,012,151,921.33	2,012,151,921.33	
Account collected in advance	129,906,556.59		
Contract liability		129,906,556.59	
Payroll payable	202,303,040.00	202,303,040.00	
Tax payable	202,223,224.02	202,223,224.02	
Other payables	427,070,838.33	427,070,838.33	
Including: Interest payable	264,896.50	264,896.50	
Dividend payable	17,600,000.00	17,600,000.00	
Current liability due within one year	141,832,464.00	141,832,464.00	
Total Current liability	8,389,582,244.75	8,389,582,244.75	
Non-Current liability :			
Long term borrowings	2,752,332,976.56	2,752,332,976.56	
Long term payables	164,609,892.00	164,609,892.00	
Estimated liabilities	47,780,891.68	47,780,891.68	
Deferred income	281,987,533.35	281,987,533.35	
Deferred income tax liabilities	234,547,657.57	234,547,657.57	
Total non-Current liability	3,481,258,951.16	3,481,258,951.16	
Total liabilities	11,870,841,195.91	11,870,841,195.91	
Owner's equity:			
Capital stock	2,032,020,889.00	2,032,020,889.00	
Capital surplus	9,484,824,798.92	9,484,824,798.92	
Less: treasury stock			
Other comprehensive income	5,385,060.90	5,385,060.90	
Special reserve	34,002,890.35	34,002,890.35	
Surplus reserve	650,571,671.61	650,571,671.61	
General risk provision	6,113,341.37	6,113,341.37	
Undistributed profit	1,658,016,560.07	1,658,016,560.07	
Total Owner's equity contributed to Parent company	13,870,935,212.22	13,870,935,212.22	
Minority equity	201,005,143.18	201,005,143.18	
Total Owner's equity	14,071,940,355.40	14,071,940,355.40	
Total liability and Owner's equity	25,942,781,551.31	25,942,781,551.31	

Description on adjustments

According to new financial instrument standards, the classification of financial assets that were originally recorded in the fair value measurement and whose changes were recorded in the current profit and loss remains unchanged, in the financial statements are presented as Tradable financial assets.

Balance sheet of parent company

Unit: RMB

Items	31 st Dec 2019	1 st Jan 2020	Amount adjusted
Current assets :			
Cash and cash equivalents	1,848,090,465.38	1,848,090,465.38	
Tradable financial assets			
Derivative financial assets			
Accounts receivable	781,730,892.85	781,730,892.85	
Accounts receivable financing	111,275,591.39	111,275,591.39	
Advance payment	42,101,067.27	42,101,067.27	
Other receivable	954,386,496.37	954,386,496.37	
Inventory	463,431,570.54	463,431,570.54	
Other current assets	14,048,858.34	14,048,858.34	
Total of current assets	4,215,064,942.14	4,215,064,942.14	
Non-current assets :			
Long term equity investment	14,078,474,714.36	14,078,474,714.36	
Investment property	50,653,797.05	50,653,797.05	
Fixed assets	1,423,204,645.28	1,423,204,645.28	
Construction in progress	346,773,426.31	346,773,426.31	
Intangible assets	197,408,879.25	197,408,879.25	
Long-term unamortized expenses			
Deferred income tax assets	25,888,288.06	25,888,288.06	
Other non-current assets	348,661,593.41	348,661,593.41	
Total of non-current assets	16,471,065,343.72	16,471,065,343.72	
Total assets	20,686,130,285.86	20,686,130,285.86	
Current liability :			
Short term borrowings	1,281,831,460.00	1,281,831,460.00	
Notes payable	1,919,595,931.29	1,919,595,931.29	
Accounts payable	580,290,101.88	580,290,101.88	
Account collected in advance	14,572,825.82		

Contract liability		14,572,825.82	
Payroll payable	50,802,521.67	50,802,521.67	
Tax payable	22,084,365.01	22,084,365.01	
Other payables	2,744,008,054.50	2,744,008,054.50	
Current liability due within one year	45,136,248.00	45,136,248.00	
Total Current liability	6,658,321,508.17	6,658,321,508.17	
Non-Current liability :			
Long term borrowings	1,788,396,599.11	1,788,396,599.11	
Deferred income	4,183,493.24	4,183,493.24	
Deferred income tax liabilities			
Total Non-Current liability	1,792,580,092.35	1,792,580,092.35	
Total liabilities	8,450,901,600.52	8,450,901,600.52	
Owner's equity:			
Capital stock	2,032,020,889.00	2,032,020,889.00	
Capital surplus	9,477,165,715.26	9,477,165,715.26	
Less: treasury stock			
Surplus reserves	650,571,671.61	650,571,671.61	
Undistributed profit	75,470,409.47	75,470,409.47	
Total Owner's equity	12,235,228,685.34	12,235,228,685.34	
Total liabilities and owner's equity	20,686,130,285.86	20,686,130,285.86	

Description of adjustments

According to new financial instrument standards, the classification of financial assets that were originally recorded in the fair value measurement and whose changes were recorded in the current profit and loss remains unchanged, in the financial statements are presented as Tradable financial assets.

2、Implementation of the new financial instruments standards or the new lease standards retroactively adjusted prior comparative data statement since 2019

yes no

III、Audit report

Is the Q3 report audited?

yes no

Lomon Billions Group Co., Ltd

Chairman: Xu Gang

30th Oct 2020