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上海大眾公用事業(集團)股份有限公司

Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1635)

2019 THIRD QUARTERLY REPORT

The board of directors (the “**Board**”) of Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the nine months ended September 30, 2019 (the “**Reporting Period**”), prepared in accordance with the PRC Accounting Standards for Business Enterprises. This announcement is made pursuant to Rule 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

By Order of the Board

Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

Yang Guoping

Chairman

Shanghai, the People's Republic of China

October 30, 2019

As at the date of this announcement, the executive directors of the Company are Mr. YANG Guoping, Mr. LIANG Jiawei, Ms. YU Min, Mr. ZHUANG Jianhao and Mr. YANG Weibiao; the non-executive directors are Mr. CHAN Wing Kin, Mr. LI Songhua and Mr. CHEUNG Yip Sang; and the independent non-executive directors are Mr. WANG Kaiguo, Mr. YAO Cho Fai Andrew, Mr. CHOW Siu Lui, Mr. WANG Hongxiang and Mr. LIU Zhengdong.

* For identification purposes only

I. IMPORTANT NOTICE

- 1.1 The Board and the supervisory committee of the Company together with the directors, supervisors and the senior management of the Company have confirmed that the contents in the quarterly report are true, accurate and complete and have no false representations, misleading statements or material omissions, and they individually and collectively accept legal responsibility for such contents.
- 1.2 All directors of the Company have attended the Board meeting and considered the quarterly report.
- 1.3 Yang Guoping as chairman of the Company, Jiang Yun as the person in charge of the accounting work, and Hu Jun as head of the accounting department (accounting officer), have confirmed the truthfulness, accuracy and completeness of the financial statements in the quarterly report.
- 1.4 The third quarterly report of the Company is unaudited.

II. GENERAL INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of last year	Increase/ decrease from the end of last year (%)
Total assets	22,805,086,389.18	21,592,362,814.96	5.62
Net assets attributable to shareholders of the listed company	7,901,210,186.86	7,459,681,430.71	5.92

	From the beginning of the year to the end of the Reporting Period (January-September)	From the beginning of last year to the end of the reporting period of last year (January-September)	Increase/decrease from the corresponding period of last year (%)
Net cash flow from operating activities	1,122,132,750.93	89,777,414.89	1,149.91
	From the beginning of the year to the end of the Reporting Period (January-September)	From the beginning of last year to the end of the reporting period of last year (January-September)	Increase/decrease from the corresponding period of last year (%)
Operating revenue	4,265,646,289.19	3,778,850,530.38	12.88
Net profit attributable to the shareholders of the listed company	326,598,065.80	334,682,532.07	-2.42
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit and loss	307,900,459.21	274,142,707.43	12.31
Weighted average return rate on net assets (%)	4.25	4.69	Decreased by 0.44 percentage point
Basic earnings per share (RMB per share)	0.1106	0.1134	-2.47
Diluted earnings per share (RMB per share)	0.1106	0.1134	-2.47

Non-recurring profit and loss items and amounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount during the current period (July-September)	From the beginning of the year to the end of the Reporting Period (January-September)	Note
Gain or loss on disposal of non-current assets	50,351.32	588,217.23	
Ultra vires approval, or no formal approval document, or incidental tax return and reduction			
Government grant as included in profit and loss of the current period, other than those closely relating to the normal business of the Company in comply with the prescribed national policies and subject to a fixed amount or quantity under certain standard	3,444,378.23	7,386,752.52	
Fund occupation expense collected from the non-financial enterprises calculated into the current profits and losses			
Gain arising from investment costs for acquisition of subsidiaries, associates and joint ventures being less than the fair value of the share of the identifiable net assets of the investee entitled at the time of acquisition			
Profit and loss from exchange of non-monetary assets			
Profit and loss from investment or asset management entrusted to other person			
Provision for impairment of assets due to force majeure factor, such as natural disasters			
Profit and loss from debt restructuring			
Enterprise restructuring expense, such as employee placement expenditure, integration expenses, etc.			
Profit or loss arising from the excess of the unfair consideration over the fair value of a transaction			
Current net profit or loss from the beginning of period to the combination date of the subsidiary company generated from enterprise combination under the same control			
Profit and loss generated from contingencies unrelated with normal operations of the Company			

Item	Amount during the current period (July-September)	From the beginning of the year to the end of the Reporting Period (January-September)	Note
Profit or loss from change in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment gains from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than effective hedging business relating to the normal operations of the Company	7,988,784.22	16,264,603.70	
Write back of the provision for impairment of receivables and contract assets that are individually tested for impairment			
Profit and loss from external entrusted loan			
Profit and loss from changes in the fair value of the investment properties subject to subsequent measurement in fair value model			
Effects on profit or loss for the current period from one-off adjustment to profit or loss for the current period in accordance with laws and regulations on taxation and accounting, etc.			
Entrustment fees from entrusted operation			
Other non-operating income and expenses other than the above	-3,527,993.85	-2,224,050.06	
Other profit and loss items conforming to definition of non-recurring profit and loss			
Effect of minority interests (after tax)	-1,249,022.76	-1,773,759.83	
Effect of income tax	562,926.78	-1,544,156.97	
Total	<u>7,269,423.94</u>	<u>18,697,606.59</u>	

2.2 Total number of shareholders and particulars of shareholdings of the top ten shareholders and the top ten shareholders with tradable shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period

Unit: Share

Total number of shareholders	218,290
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Particulars of shareholdings of top ten shareholders

Name of shareholder (Full name)	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares held with selling restrictions	Pledged or frozen		Nature of shareholders
			Status of shares	Number		
Hong Kong Securities Clearing Company Limited	533,533,000	18.07	0	Unknown	–	Overseas legal person
Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司)	495,143,859	16.77	0	Pledged	449,500,000	Domestic non-state owned legal person
Shanghai Gas (Group) Co., Ltd.* (上海燃氣(集團)有限公司)	153,832,735	5.21	0	Nil	0	State-owned legal person
Cai Zhishuang (蔡志雙)	16,230,235	0.55	0	Nil	0	Domestic natural person
Central Huijin Asset Management Co., Ltd.* (中央匯金資產管理有限責任公司)	11,370,700	0.39	0	Nil	0	State-owned legal person
Wen Na (溫娜)	9,526,134	0.32	0	Nil	0	Domestic natural person
Wang Weiyong (王維勇)	9,195,900	0.31	0	Nil	0	Domestic natural person
Ding Xiumin (丁秀敏)	7,930,700	0.27	0	Nil	0	Domestic natural person
Wu Jianchun (吳建春)	5,257,400	0.18	0	Nil	0	Domestic natural person
Jin Yong (金勇)	5,050,000	0.17	0	Nil	0	Domestic natural person

* For identification purposes only

Shareholding of the top ten shareholders not subject to selling restrictions

Name of shareholders	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type	Number
Hong Kong Securities Clearing Company Limited	533,533,000	Overseas listed foreign shares	533,533,000
Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司)	495,143,859	Ordinary shares denominated in RMB	495,143,859
Shanghai Gas (Group) Co., Ltd.* (上海燃氣(集團)有限公司)	153,832,735	Ordinary shares denominated in RMB	153,832,735
Cai Zhishuang (蔡志雙)	16,230,235	Ordinary shares denominated in RMB	16,230,235
Central Huijin Asset Management Co., Ltd.* (中央匯金資產管理有限責任公司)	11,370,700	Ordinary shares denominated in RMB	11,370,700
Wen Na (溫娜)	9,526,134	Ordinary shares denominated in RMB	9,526,134
Wang Weiyong (王維勇)	9,195,900	Ordinary shares denominated in RMB	9,195,900
Ding Xiumin (丁秀敏)	7,930,700	Ordinary shares denominated in RMB	7,930,700
Wu Jianchun (吳建春)	5,257,400	Ordinary shares denominated in RMB	5,257,400
Jin Yong (金勇)	5,050,000	Ordinary shares denominated in RMB	5,050,000
Explanations on the connected relationship or parties acting in concert among the above shareholders	The Company is not aware that any top 10 shareholders of tradable shares are connected with each other.		
Explanations on the preferred shareholders with voting rights restored and the shareholding	Not applicable.		

Note to particulars of shareholdings of shareholders: As at September 30, 2019, Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司) holds 61,016,000 H shares of the Company through Shanghai-Hong Kong Stock Connect. Such shares are registered under the name of HKSCC Nominees Limited. As at September 30, 2019, Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司) holds 556,159,859 shares of the Company (including 495,143,859 A shares and 61,016,000 H shares), representing approximately 18.84% of the total number of issued shares of the Company.

2.3 Total number of preferred shareholders and particulars of shareholdings of the top ten preferred shareholders and the top ten preferred shareholders not subject to selling restrictions as at the end of the Reporting Period

Applicable Not applicable

* For identification purposes only

III. SIGNIFICANT EVENTS

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

Applicable Not applicable

Changes of main items in balance sheet:

Unit: Yuan Currency: RMB

Item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of the total asset (%)	Amount as at the end of the previous period	Amount as at the end of the previous period as a percentage of the total asset (%)	Change in the amount as at the end of the current period over the amount as at the end of the previous period	Remark
					(%)	
Trading financial assets	910,513,332.58	3.99	189,946,422.56	0.88	379.35	Mainly due to the increase in financial assets
Bills receivables			400,000.00		-100.00	Representing the recovery of the Company's subsidiaries' bills receivables at maturity
Other receivables	69,001,018.13	0.30	34,656,489.99	0.16	99.10	Mainly due to the increase in advances
Non-current assets due within one year	1,399,851,741.97	6.14	935,964,001.07	4.33	49.56	Mainly due to the transfer-in of other debt investments due within one year and long-term receivables
Other debt investments	810.27	0.00	351,732,923.05	1.63	-100.00	Mainly due to the transfer of the other debt investments due within one year to "non-current assets due within one year"
Right-of-use asset	47,549,136.01	0.21			Not applicable	Pursuant to the new leasing standards, the comparative figures of the previous period are not adjusted
Long-term deferred expenses	3,705,151.11	0.02	5,784,128.53	0.03	-35.94	The decrease is mainly due to the decrease in the amortized amounts of the current period

Item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of the total asset (%)	Amount as at the end of the previous period	Amount as at the end of the previous period as a percentage of the total asset (%)	Change in the amount as at the end of the current period over the amount as at the end of the previous period (%)	Remark
Bills payable	13,035,600.00	0.06	6,535,000.00	0.03	99.47	Mainly due to the increase in the bills settlement amount of the Company's subsidiaries
Accounts payable	1,860,921,905.23	8.16	1,376,470,704.18	6.37	35.20	Mainly due to the increase in the gas payables of the Company's subsidiaries
Taxes payable	28,212,611.11	0.12	46,549,955.84	0.22	-39.39	Mainly represent relevant taxes and fees for the previous period paid in the current period
Other payables – Dividends payable	911,293.00	0.00	62,017,496.19	0.29	-98.53	Mainly represent accrued dividends of the Company's subsidiaries distributed in the current period
Non-current liabilities due within one year	2,079,607,589.55	9.12	1,126,279,244.90	5.22	84.64	Mainly due to the transfer-in of debentures payables due within one year and long-term borrowings
Long-term borrowings	1,212,417,426.23	5.32	1,753,936,228.63	8.12	-30.87	Mainly due to the transfer of the long-term borrowings due within one year to “non-current liabilities due within one year”
Lease liability	41,401,585.49	0.18			Not applicable	Pursuant to the new leasing standards, the comparative figures of the previous period are not adjusted

2. Changes of main items in profit or loss and cash flow:

Unit: Yuan Currency: RMB

Item	Reporting Period	Corresponding period of the previous year	Percentage change in the amount compared to corresponding period of the previous year (%)	Remarks
Financial expense – interest income	29,617,590.95	14,553,555.52	103.51	Mainly due to the higher interest income as compared with the corresponding period of the previous year resulting from the increase in time deposits
Income from changes in fair value	-11,397,789.67	41,351,750.27	-127.56	Mainly due to the fluctuation in fair value of financial assets
Loss of credit impairment	-8,544,102.01	-26,431,026.10	N/A	Mainly due to the decrease in receivables
Income from asset disposal	605,897.04	-3,474,798.39	N/A	Mainly due to the increase in the net income from fixed assets disposal as compared with the corresponding period of the previous year
Non-operating expenses	4,322,022.17	391,772.53	1,003.20	Mainly represent overdue payments incurred from the difference arising from the recognition of the business taxes of historical items
Net cash flow from operating activities	1,122,132,750.93	89,777,414.89	1,149.91	Mainly due to the increase in sewage treatment fees for the current period received by the Company's subsidiaries, as compared with the corresponding period of the previous year, and the decrease in gas payment for the current period of the Company's subsidiaries, compared with the corresponding period of the previous year
Net cash flow from investment activities	-749,783,139.09	-2,746,316,504.69	N/A	Mainly due to the decrease in the outbound investment projects as compared with the corresponding period of the previous year

Item	Reporting Period	Corresponding period of the previous year	Percentage change in the amount compared to corresponding period of the previous year (%)	Remarks
Net cash flow from financing activities	-171,711,416.25	173,777,761.25	-198.81	Mainly due to the Company's subsidiaries absorbing the capital increase of minority shareholders and the discharge of time deposit certificate pledge in the corresponding period of last year

3.2 Progress and impact of significant events and the analysis on solutions

Applicable Not applicable

- On September 16, 2019, the Company received the approval on the Public Offering of Corporate Bonds by Shanghai Dazhong Public Utilities (Group) Co., Ltd* to Qualified Investors (Zheng Jian Xu Ke [2019] No. 1632) (《關於核准上海大眾公用事業(集團)股份有限公司向合格投資者公開發行公司債券的批復》(證監許可【2019】1632號)) issued by the China Securities Regulatory Commission, which approved the public offering of corporate bonds by the Company to qualified investors with an aggregate nominal value of not exceeding RMB1.8 billion. During the Reporting Period, the 2019 public issue of corporate bonds (the first issue) of Shanghai Dazhong Public Utilities (Group) Co., Ltd* was completed on September 27, 2019. The final issue scale was RMB800 million, with a coupon interest rate of 3.60%.
- During the Reporting Period, the Company received a Notice of Acceptance of Registration (Zhong Shi Xie Zhu (2019) No. SCP347) (《接受註冊通知書》(中市協注(2019)SCP347號)) and a Notice of Acceptance of Registration (Zhong Shi Xie Zhu (2019) No. MTN548) (《接受註冊通知書》(中市協注(2019)MTN548號)) from National Association of Financial Market Institutional Investors, which decided to accept the registration of the Company's super&short-term commercial paper with the registered amount of RMB2.2 billion and the Company's mid-term notes with the registered amount of RMB2.3 billion. The Company will complete the issue work and fulfill the obligation of information disclosure within the valid period.

3. On June 28, 2019, the Company, Hangzhou Xiaoshan Environmental Group Co., Ltd.*(杭州蕭山環境集團有限公司) and other parties signed the Supplementary Agreement III to the Construction and Handover Contract in relation to Hangzhou Xiaoshan Qiantang Sewage Treatment Plant. According to the agreement, Hangzhou Xiaoshan Environmental Group Co., Ltd. designated its wholly-owned subsidiary Hangzhou Xiaoshan Sewage Treatment Co., Ltd.*(杭州蕭山污水處理有限公司) as the entity of accepting equity transfer. The transfer method of this Build and Transfer Project is that the Company transfers its equity interests in Hangzhou Xiaoshan Qiantang Sewage Treatment Co., Ltd.*(杭州蕭山錢塘污水處理有限公司) to Hangzhou Xiaoshan Sewage Treatment Co., Ltd.. Upon completion of the transfer, Hangzhou Xiaoshan Qiantang Sewage Treatment Co., Ltd. and its sole shareholder Hangzhou Xiaoshan Sewage Treatment Co., Ltd. shall take up and bear all the creditor's rights and liabilities of Hangzhou Xiaoshan Qiantang Sewage Treatment Co., Ltd. and continue to operate the same. The base date of the equity transfer is June 30, 2019. On September 29, 2019, the Company and Hangzhou Xiaoshan Sewage Treatment Co., Ltd. have completed the business registration procedures for the transfer of 90% equity of Hangzhou Xiaoshan Qiantang Sewage Treatment Co., Ltd.

3.3 Undertakings that were not yet performed during the Reporting Period

Applicable Not applicable

3.4 Warning on any potential loss in accumulated net profit for the period from the beginning of the year to the end of the next reporting period or any material changes in accumulated net profit as compared with the corresponding period of the previous year and the reason(s) thereof

Applicable Not applicable

Company name	Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
Legal representative	Yang Guoping
Date	October 30, 2019

* For identification purposes only

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet *September 30, 2019*

Prepared by: Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Audit Type: unaudited

Item	September 30, 2019	December 31, 2018
Current assets:		
Cash and bank balances	3,297,090,247.21	3,052,611,165.71
Settlement provisions		
Loans to banks and other financial institutions		
Tradable financial assets	910,513,332.58	189,946,422.56
Financial assets measured at fair value and recorded in current profits and losses		
Derivative financial assets		
Bills receivables		400,000.00
Accounts receivables	346,524,496.80	426,039,484.77
Receivables financing		
Prepayments	26,809,522.88	30,872,800.14
Premium receivables		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	69,001,018.13	34,656,489.99
Including: Interest receivable		
Dividend receivable		
Financial assets purchased with agreement to resale		
Inventories	274,610,474.07	355,897,829.46
Contract assets		
Assets held for sale		
Non-current assets due within one year	1,399,851,741.97	935,964,001.07
Other current assets	100,236,638.49	119,995,727.39
Total current assets	6,424,637,472.13	5,146,383,921.09

Item	September 30, 2019	December 31, 2018
Non-current assets:		
Loans and advances		
Lending investments		
Available-for-sale financial assets		
Other lending investments	810.27	351,732,923.05
Held-to-maturity investment		
Long-term receivables	1,305,333,412.61	1,577,087,860.03
Long-term equity investments	7,639,054,300.41	7,152,395,318.86
Investment in other equity instruments	98,351,125.22	90,117,157.99
Other non-current financial assets	1,212,145,455.74	1,276,405,433.28
Investment properties	58,906,822.81	60,554,054.11
Fixed assets	4,503,529,206.05	4,442,505,865.51
Construction-in-progress	433,244,298.40	410,989,322.60
Productive biological assets		
Oil and gas assets		
Right-of-use asset	47,549,136.01	
Intangible assets	1,018,084,676.04	1,022,822,959.15
Development expenses		
Goodwill	14,048,573.95	14,048,573.95
Long-term deferred expenses	3,705,151.11	5,784,128.53
Deferred income tax assets	41,889,050.05	35,494,711.34
Other non-current assets	4,606,898.38	6,040,585.47
Total non-current assets	16,380,448,917.05	16,445,978,893.87
Total assets	22,805,086,389.18	21,592,362,814.96

Item	September 30, 2019	December 31, 2018
Current liabilities:		
Short-term borrowings	2,462,096,356.32	2,182,764,826.28
Borrowings from the central bank		
Loans from other banks		
Trading financial liabilities		
Financial liabilities measured at fair value and recorded in current profits and losses		
Derivative financial liabilities		
Bills payable	13,035,600.00	6,535,000.00
Accounts payable	1,860,921,905.23	1,376,470,704.18
Receipts in advance	25,879,529.72	29,891,525.85
Contract liabilities	909,131,288.70	1,072,073,714.29
Funds from selling out and repurchasing financial assets		
Receipts of deposits and deposits from other banks		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Salaries payable	79,293,721.96	63,312,964.45
Taxes payable	28,212,611.11	46,549,955.84
Other payables	571,642,991.65	614,014,612.54
Including: Interests payable		
Dividends payable		
Fee and commission payable	911,293.00	62,017,496.19
Reinsurance accounts payables		
Liabilities held for sale		
Non-current liabilities due within one year	2,079,607,589.55	1,126,279,244.90
Other current liabilities	708,820.49	839,181.83
Total current liabilities	8,030,530,414.73	6,518,731,730.16

Item	September 30, 2019	December 31, 2018
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term borrowings	1,212,417,426.23	1,753,936,228.63
Debentures payables	2,481,646,118.86	2,779,470,233.01
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	41,401,585.49	
Long-term payables	238,753,977.99	249,915,834.20
Long-term salaries payable	38,255,500.00	37,034,000.00
Accrued liabilities	52,293,791.80	41,010,903.23
Deferred income	1,428,047,509.27	1,448,337,026.33
Deferred income tax liabilities	183,758,600.46	182,753,753.20
Other non-current liabilities		
Total non-current liabilities	5,676,574,510.10	6,492,457,978.60
Total liabilities	13,707,104,924.83	13,011,189,708.76
Shareholders' equity		
Share capital	2,952,434,675.00	2,952,434,675.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	1,295,054,741.21	1,207,241,863.96
Less: Inventory shares		
Other comprehensive income	485,345,062.84	598,987,018.43
Specific reserve	1,385,100.39	246,917.10
Surplus reserve	555,276,401.86	531,594,678.11
General risk reserve	159,859.94	158,951.82
Undistributed profits	2,611,554,345.62	2,169,017,326.29
Total equity interest attributable to the owner of the parent company	7,901,210,186.86	7,459,681,430.71
Minority interests	1,196,771,277.49	1,121,491,675.49
Total shareholders' equity	9,097,981,464.35	8,581,173,106.20
Total liabilities and shareholders' equity	22,805,086,389.18	21,592,362,814.96

Legal representative:

Yang Guoping

Person-in-charge of the accounting work:

Jiang Yun

Head of the accounting department:

Hu Jun

Balance Sheet of the Parent Company
September 30, 2019

Prepared by: Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Audit Type: unaudited

Item	September 30, 2019	December 31, 2018
Current assets:		
Cash and bank balances	2,002,556,416.81	1,931,468,693.34
Tradable financial assets	770,062,211.35	23,420.70
Financial assets measured at fair value and recorded in current profits and losses		
Derivative financial assets		
Bills receivable		
Accounts receivable		
Receivables financing		
Prepayments	121,780.02	125,740.21
Other receivables	731,599,236.62	917,245,208.33
Including: Interest receivable		
Dividends receivable		
Inventories		
Contract assets		
Assets held for sale		
Non-current assets due within one year	192,430.32	
Other current assets	15,490,161.47	11,858,444.58
Total current assets	3,520,022,236.59	2,860,721,507.16

Item	September 30, 2019	December 31, 2018
Non-current assets:		
Lending investments		
Available-for-sale financial assets		
Other lending investments		
Held-to-maturity investment		
Long-term receivables	118,318,037.84	
Long-term equity investments	9,718,934,886.46	9,454,613,371.23
Investment in other equity instruments		
Other non-current financial assets	66,064,975.90	68,597,549.76
Investment properties	38,645,384.38	39,657,895.54
Fixed assets	1,475,899.18	1,754,929.90
Construction-in-progress	146,804,735.28	87,030,945.79
Productive biological assets		
Oil and gas assets		
Right-of-use asset	10,942,858.64	
Intangible assets	6,745,032.22	6,586,918.32
Development expenses		
Goodwill		
Long-term deferred expenses		

Item	September 30, 2019	December 31, 2018
Deferred income tax assets		
Other non-current assets		
Total non-current assets	10,107,931,809.90	9,658,241,610.54
Total assets	13,627,954,046.49	12,518,963,117.70
Current liabilities:		
Short-term borrowings	1,812,240,347.11	1,617,072,744.82
Trading financial liabilities		
Financial liabilities measured at fair value and recorded in current profits and losses		
Derivative financial liabilities		
Bills payable		
Accounts payable		
Receipts in advance	357,142.87	
Contract liabilities		
Salaries payable	4,407,199.76	7,609,547.71
Taxes payable	757,605.15	1,374,878.44
Other payables	943,425,921.51	676,499,381.13
Including: Interests payable		
Dividends payable	911,293.00	911,293.00
Liabilities held for sale		
Non-current liabilities due within one year	1,338,702,387.55	270,961,402.50
Other current liabilities		
Total current liabilities	4,099,890,603.95	2,573,517,954.60

Item	September 30, 2019	December 31, 2018
Non-current liabilities:		
Long-term borrowings	762,800,000.00	960,400,000.00
Debentures payables	2,481,646,118.86	2,779,470,233.01
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	8,715,126.25	
Long-term payables	1,595,000.00	
Long-term salaries payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities	1,175,352.19	1,167,942.32
Other non-current liabilities		
Total non-current liabilities	3,255,931,597.30	3,741,038,175.33
Total liabilities	7,355,822,201.25	6,314,556,129.93
Shareholders' equity		
Share capital	2,952,434,675.00	2,952,434,675.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	1,336,916,213.96	1,249,834,602.13
Less: Inventory shares		
Other comprehensive income	546,421,427.23	599,427,102.98
Specific reserve		
Surplus reserve	555,276,401.86	531,594,678.11
Undistributed profits	881,083,127.19	871,115,929.55
Total shareholders' equity	6,272,131,845.24	6,204,406,987.77
Total liabilities and shareholders' equity	13,627,954,046.49	12,518,963,117.70

Legal representative:

Yang Guoping

*Person-in-charge of
the accounting work:*

Jiang Yun

*Head of the accounting
department:*

Hu Jun

Consolidated Income Statement

January to September 2019

Prepared by: Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Audit Type: unaudited

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
1. Total operating revenue	1,383,385,924.38	1,169,415,220.61	4,370,588,776.60	3,871,406,138.96
Including: Operating revenue	1,353,889,668.01	1,135,644,543.73	4,265,646,289.19	3,778,850,530.38
Interest income	29,496,256.37	33,770,676.88	104,942,487.41	92,555,608.58
Premiums earned				
Fees and commission income				
2. Total operating costs	1,322,583,009.93	1,142,119,479.51	4,267,926,596.97	3,835,846,691.59
Including: Operating costs	1,134,684,804.72	985,101,024.70	3,604,853,497.57	3,287,343,144.41
Interest expenses				
Fees and commission expense				
Surrender payment				
Net payment for insurance claim				
Net provisions for insurance liability				
Expenditure for insurance policy dividend				
Reinsurance costs				
Business tax and surcharges	6,417,474.29	8,297,478.73	23,373,436.42	25,125,242.14
Selling expenses	46,884,422.32	43,743,033.96	140,104,904.21	131,678,655.46
Administrative expenses	99,571,025.41	76,147,663.27	301,646,925.16	236,381,310.81
Research and development expenses			424,528.30	
Financial expenses	35,025,283.19	28,830,278.85	197,523,305.31	155,318,338.77
Including: Interest expense	88,648,709.02	100,239,170.19	269,223,549.06	248,485,333.28
Interest income	13,510,946.06	3,146,830.52	29,617,590.95	14,553,555.52

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
Add: Other income	2,448,196.47	2,059,394.25	8,920,747.40	7,178,781.57
Investment income (losses stated with “-”)	144,090,383.54	161,923,753.26	399,708,761.87	379,742,667.28
Including: Investment income from associates and joint ventures	65,591,617.96	135,904,232.46	265,173,707.55	265,761,263.71
Derecognition of income from financial assets at amortised cost				
Gains arising from exchange (losses stated with “-”)				
Gains arising from net exposure hedge (losses stated with “-”)				
Gains arising from changes in fair value (losses stated with “-”)	-10,002,014.35	46,307,924.01	-11,397,789.67	41,351,750.27
Credit impairment loss (losses stated with “-”)	-9,675,918.92	-9,949,903.56	-8,544,102.01	-26,431,026.10
Loss on asset impairment (losses stated with “-”)		374,038.69		563,412.07
Gains arising from asset disposal (losses stated with “-”)	68,031.13	-3,752,132.16	605,897.04	-3,474,798.39
3. Operating profit (losses stated with “-”)	187,731,592.32	224,258,815.59	491,955,694.26	434,490,234.07
Add: Non-operating income	3,527,410.49	6,808,278.18	7,917,772.11	9,314,781.73
Less: Non-operating expenses	3,620,404.34	-328,004.11	4,322,022.17	391,772.53
4. Total profit (total loss stated with “-”)	187,638,598.47	231,395,097.88	495,551,444.20	443,413,243.27
Less: Income tax expense	16,876,413.53	11,548,079.70	50,750,156.11	50,310,218.52
5. Net profit (net loss stated with “-”)	170,762,184.94	219,847,018.18	444,801,288.09	393,103,024.75
(1) Classified as operating continuity				
1. Net profit from continuing operation (net loss stated with “-”)	170,762,184.94	219,847,018.18	444,801,288.09	393,103,024.75
2. Net profit from discontinued operation (net loss stated with “-”)				
(2) Classified as asset ownership				
1. Net profit attributable to owners of the parent company (net loss stated with “-”)	120,626,386.18	208,617,748.12	326,598,065.80	334,682,532.07
2. Minority shareholders’ profit and loss (net loss stated with “-”)	50,135,798.76	11,229,270.06	118,203,222.29	58,420,492.68

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
6. Other comprehensive income after tax (net)	86,897,896.08	-242,411,686.47	186,957,218.06	-492,078,273.70
Other comprehensive income after tax attributable to owners of the parent company (net)	86,514,868.13	-243,595,752.55	186,349,845.04	-494,679,628.81
(1) Other comprehensive income that cannot be reclassified to profit and loss	-34,092,833.50	-5,247,470.01	17,684,899.00	-20,266,328.69
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans			-604,500.00	
2. Share of other comprehensive income of investee that cannot be reclassified to profit and loss under equity method	-24,725,450.78		12,075,220.14	
3. Change in fair value of investment in Other equity instruments	-9,367,382.72	-5,247,470.01	6,214,178.86	-20,266,328.69
4. Change in fair value of the company's own credit risk				
(2) Other comprehensive income that will be reclassified to profit and loss	120,607,701.63	-238,348,282.54	168,664,946.04	-474,413,300.12
1. Share of other comprehensive income of investee that will be reclassified to profit and loss under equity method	130,968,652.00	-228,048,684.63	162,744,650.12	-473,756,224.49
2. Changes in fair value of other debt investments				
3. Gains and losses from changes in fair value of available-for-sale financial assets	-14,602,640.80	-12,494,333.39	1,371,249.61	-5,723,872.75
4. Financial assets reclassified into other comprehensive income				
5. Held-to-maturity investments reclassified as gains or losses on available-for-sale financial assets				
6. Provision for credit impairment of other debt investments	19,196.00		284,561.76	

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
7. Cash flow hedging reserve (effective part of cash flow hedging profit and loss)				
8. Translation balance of foreign currency financial statements	4,222,494.43	2,194,735.48	4,264,484.55	5,066,797.12
9. Others				
Other comprehensive income after tax attributable to minority shareholders (net)	383,027.95	1,184,066.08	607,373.02	2,601,355.11
7. Total comprehensive income	257,660,081.02	-22,564,668.29	631,758,506.15	-98,975,248.95
Total comprehensive income attributable to owners of the parent company	207,141,254.31	-34,978,004.43	512,947,910.84	-159,997,096.74
Total comprehensive income attributable to minority shareholders	50,518,826.71	12,413,336.14	118,810,595.31	61,021,847.79
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.0409	0.0707	0.1106	0.1134
(2) Diluted earnings per share (RMB/share)	0.0409	0.0707	0.1106	0.1134

Legal representative:

Yang Guoping

*Person-in-charge of
the accounting work:*

Jiang Yun

*Head of the accounting
department:*

Hu Jun

Income Statement of the Parent Company
January to September 2019

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
3. Total profit (total loss stated with “-”)	178,208.18	100,289,971.55	-26,014,825.69	132,587,091.63
Less: Income tax expenses	5,134.09	-3,513.71	7,409.87	-32,215.79
4. Net profit (net loss stated with “-”)	173,074.09	100,293,485.26	-26,022,235.56	132,619,307.42
(1) Net profit from continuing operation (net loss stated with “-”)	173,074.09	100,293,485.26	-26,022,235.56	132,619,307.42
(2) Net profit from discontinued operation (net loss stated with “-”)				
5. Other comprehensive income after tax (net)	112,033,403.77	-210,734,159.79	171,269,833.18	-418,329,612.89
(1) Other comprehensive income which cannot be reclassified into profit or loss	-18,484,882.07		9,027,500.54	
1. Changes in net liabilities or net assets from the re-measurement of defined benefit plans				
2. Shares of other comprehensive income which cannot be reclassified to profit or loss of the investees under equity method	-18,484,882.07		9,027,500.54	
3. Change in fair value of investment in other equity instruments				
4. Change in fair value of the company’s own credit risk				
(2) Other comprehensive income which will be reclassified into profit or loss	130,518,285.84	-210,734,159.79	162,242,332.64	-418,329,612.89
1. Shares of other comprehensive income which can be reclassified to profit or loss of the investees under equity method	130,518,285.84	-210,734,159.79	162,242,332.64	-418,329,612.89
2. Changes in the fair value of other debt investments				
3. Gains and losses from changes in fair value of available-for-sale financial assets				

Item	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
4. Financial assets reclassified into other comprehensive income				
5. Held-to-maturity investments reclassified as gains or losses on available-for-sale financial assets				
6. Provision for credit impairment of other debt investments				
7. Cash flow hedging reserve (effective part of profit and loss of cash flow hedging)				
8. Translation balance of foreign currency financial statements				
9. Others				
6. Total comprehensive income	112,206,477.86	-110,440,674.53	145,247,597.62	-285,710,305.47
7. Earnings per share:				
(1) Basic earnings per share (<i>RMB/share</i>)				
(2) Diluted earnings per share (<i>RMB/share</i>)				

Legal representative:

Yang Guoping

*Person-in-charge of
the accounting work:*

Jiang Yun

*Head of the accounting
department:*

Hu Jun

Consolidated Statement of Cash Flows

January to September 2019

Prepared by: Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Audit Type: unaudited

Item	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	4,370,907,304.94	4,222,451,363.73
Net increase in customer and interbank deposits		
Net increase in borrowings from the central bank		
Net cash increase in placements from other financial institutions		
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment funds		
Cash received from interest, fees and commissions	105,438,621.66	107,222,146.33
Net increase in placements		
Net increase in cash received from repurchase business		
Net cash received by agents for trading in securities		
Refund of taxes and levies	1,632,612.94	1,627,436.21
Other cash received relating to operating activities	86,807,868.33	47,880,403.77
Sub-total of cash inflows from operating activities	4,564,786,407.87	4,379,181,350.04
Cash paid for purchase of goods and receipt of services	2,723,358,286.85	3,526,783,280.57
Net increase in customer loans and advances to customers		
Net increase in deposits in the central bank and interbank deposits		
Cash paid for compensation payments under original insurance contracts		
Net increase in the loans to banks and other financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	435,795,144.57	401,161,821.54
Payments of all types of taxes	116,152,618.63	166,874,951.70
Other cash paid relating to operating activities	167,347,606.89	194,583,881.34
Sub-total of cash outflows from operating activities	3,442,653,656.94	4,289,403,935.15
Net cash flows generated from operating activities	1,122,132,750.93	89,777,414.89

Item	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
2. Cash flows generated from investing activities:		
Cash received from return of investments	1,082,465,949.03	1,125,282,247.39
Cash received on investment income	273,301,314.80	253,471,776.14
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1,192,043.53	1,934,468.86
Net cash received from disposals of subsidiaries and other operating units		100,446,561.15
Other cash received relating to investing activities	83,658,770.11	101,581,690.10
Sub-total of cash inflows from investing activities	1,440,618,077.47	1,582,716,743.64
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	404,891,469.28	484,348,681.44
Cash paid for investment	1,740,140,690.90	2,686,562,202.28
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating units		1,158,122,364.61
Other cash paid relating to investing activities	45,369,056.38	
Sub-total of cash outflows from investing activities	2,190,401,216.56	4,329,033,248.33
Net cash flows generated from investing activities	-749,783,139.09	-2,746,316,504.69
3. Cash flows generated from financing activities:		
Cash received from investments		50,000,000.00
Including: Cash received from minority shareholders' equity investment in subsidiaries		50,000,000.00
Cash received from borrowings	3,112,793,466.87	6,262,987,872.83
Other cash received relating to financing activities	1,595,000.00	241,709,277.12
Sub-total of cash inflows from financing activities	3,114,388,466.87	6,554,697,149.95
Cash paid on repayment of debts	2,692,634,101.55	5,933,409,696.16
Cash paid for distribution of dividends and profit or interest expenses	582,717,280.67	443,727,014.42
Including: Dividends and profit paid to minority shareholders by subsidiaries	25,879,576.92	25,600,000.00
Other cash paid relating to financing activities	10,748,500.90	3,782,678.12
Sub-total of cash outflows from financing activities	3,286,099,883.12	6,380,919,388.70
Net cash flows generated from financing activities	-171,711,416.25	173,777,761.25

Item	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
4. Effect of foreign exchange rate changes on cash and cash equivalents	35,151,983.53	87,773,712.06
5. Net increase in cash and cash equivalents	235,790,179.12	-2,394,987,616.49
Add: Balance of cash and cash equivalents at the beginning of the period	3,015,139,151.46	4,912,842,842.20
6. Balance of cash and cash equivalents at the end of the period	3,250,929,330.58	2,517,855,225.71

Legal representative:

Yang Guoping

*Person-in-charge of
the accounting work:*

Jiang Yun

*Head of the accounting
department:*

Hu Jun

Statement of Cash Flows of the Parent Company
January to September 2019

Prepared by: Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

Unit: Yuan Currency: RMB Audit Type: unaudited

Item	The first three quarters of 2019 (January to September)	The first three quarters of 2018
1. Cash flow from operating activities:		
Cash received from sales of goods and rendering of services	4,776,686.73	4,572,711.33
Refund of tax and levies received		
Other cash received relating to operating activities	23,572,875.30	6,595,948.30
Sub-total of cash inflow from operating activities	28,349,562.03	11,168,659.63
Cash paid for purchase of goods and receipt of services	269,801.15	
Cash paid to and on behalf of employees	33,536,273.69	31,150,554.63
Cash paid for all types of taxes	959,423.77	3,308,211.10
Other cash paid relating to operating activities	31,932,927.16	27,065,027.59
Sub-total of cash outflow from operating activities	66,698,425.77	61,523,793.32
Net cash flow from operating activities	-38,348,863.74	-50,355,133.69
2. Cash flow from investing activities:		
Cash received from return of investments	573,376,967.86	308,137,891.18
Cash received from investment income	178,788,084.50	173,486,517.77
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating units		102,500,000.00
Other cash received relating to investing activities		
Sub-total of cash inflow from investing activities	752,165,052.36	584,124,408.95
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	63,800,451.38	36,667,155.59
Cash paid for investment	1,001,855,531.98	901,525,499.17
Net cash paid for acquisition of subsidiaries and other operating units		1,173,960,971.51
Other cash paid relating to investing activities		
Sub-total of cash outflow from investing activities	1,065,655,983.36	2,112,153,626.27
Net cash flow from investing activities	-313,490,931.00	-1,528,029,217.32

Item	The first three quarters of 2019 (January to September)	The first three quarters of 2018
3. Cash flow from financing activities:		
Cash received from investments		
Cash received from borrowings	2,675,000,000.00	4,543,000,000.00
Other cash received relating to financing activities	1,595,000.00	
Sub-total of cash inflow from financing activities	2,676,595,000.00	4,543,000,000.00
Cash paid for repayment of debts	1,875,100,000.00	4,709,300,000.00
Cash paid for distribution of dividends and profit or interest expense	405,094,412.75	346,805,986.28
Other cash paid relating to financing activities	7,752,914.26	3,687,500.00
Sub-total of cash outflow from financing activities	2,287,947,327.01	5,059,793,486.28
Net cash flow from financing activities	388,647,672.99	-516,793,486.28
4. Effect on cash and cash equivalents due to change in exchange rate	34,279,845.22	93,568,522.77
5. Net increase in cash and cash equivalents	71,087,723.47	-2,001,609,314.52
Add: Balance of cash and cash equivalents at the beginning of the period	1,931,468,693.34	3,612,712,887.98
6. Balance of cash and cash equivalents at the end of the period	2,002,556,416.81	1,611,103,573.46

Legal representative:

Yang Guoping

*Person-in-charge of
the accounting work:*

Jiang Yun

*Head of the accounting
department:*

Hu Jun

4.2 First implementation of new financial instrument standards, new income standards, new lease standards adjustment first implementation of financial statements at the beginning of the year related project

Applicable Not applicable

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Item	December 31, 2018	January 1, 2019	Adjusted figures
Current assets:			
Cash and bank balances	3,052,611,165.71	3,052,611,165.71	
Settlement provisions			
Loans to banks and other financial institutions			
Tradable financial assets	189,946,422.56	189,946,422.56	
Financial assets measured at fair value and recorded in current profits and losses			
Derivative financial assets			
Bills receivables	400,000.00	400,000.00	
Accounts receivables	426,039,484.77	426,039,484.77	
Receivables financing			
Prepayments	30,872,800.14	30,551,437.52	-321,362.62
Premium receivables			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	34,656,489.99	34,656,489.99	
Including: Interest receivable			
Dividend receivable			
Financial assets purchased with agreement to resale			
Inventories	355,897,829.46	355,897,829.46	
Contract assets			
Assets held for sale			
Non-current assets due within one year	935,964,001.07	935,964,001.07	
Other current assets	119,995,727.39	119,995,727.39	
Total current assets	5,146,383,921.09	5,146,062,558.47	-321,362.62

Item	December 31, 2018	January 1, 2019	Adjusted figures
Non-current assets:			
Loans and advances			
Lending investments			
Available-for-sale financial assets			
Other lending investments	351,732,923.05	351,732,923.05	
Held-to-maturity investment			
Long-term receivables	1,577,087,860.03	1,577,087,860.03	
Long-term equity investments	7,152,395,318.86	7,169,171,184.13	16,775,865.27
Investment in other equity instruments	90,117,157.99	90,117,157.99	
Other non-current financial assets	1,276,405,433.28	1,276,405,433.28	
Investment properties	60,554,054.11	60,554,054.11	
Fixed assets	4,442,505,865.51	4,442,505,865.51	
Construction-in-progress	410,989,322.60	410,989,322.60	
Productive biological assets			
Oil and gas assets			
Right-of-use asset		53,054,283.76	53,054,283.76
Intangible assets	1,022,822,959.15	1,022,822,959.15	
Development expenses			
Goodwill	14,048,573.95	14,048,573.95	
Long-term deferred expenses	5,784,128.53	5,784,128.53	
Deferred income tax assets	35,494,711.34	35,494,711.34	
Other non-current assets	6,040,585.47	6,040,585.47	
Total non-current assets	16,445,978,893.87	16,515,809,042.90	69,830,149.03
Total assets	21,592,362,814.96	21,661,871,601.37	69,508,786.41

Item	December 31, 2018	January 1, 2019	Adjusted figures
Current liabilities:			
Short-term borrowings	2,182,764,826.28	2,182,764,826.28	
Borrowings from the central bank			
Loans from other banks			
Trading financial liabilities			
Financial liabilities measured at fair value and recorded in current profits and losses			
Derivative financial liabilities			
Bills payable	6,535,000.00	6,535,000.00	
Accounts payable	1,376,470,704.18	1,376,470,704.18	
Receipts in advance	29,891,525.85	29,891,525.85	
Contract liabilities	1,072,073,714.29	1,072,073,714.29	
Funds from selling out and repurchasing financial assets			
Receipts of deposits and deposits from other banks			
Customer deposits for trading in securities			
Amounts due to issuer for securities underwriting			
Salaries payable	63,312,964.45	63,312,964.45	
Taxes payable	46,549,955.84	46,549,955.84	
Other payables	614,014,612.54	614,014,612.54	
Including: Interests payable			
Dividends payable	62,017,496.19	62,017,496.19	
Fee and commission payable			
Reinsurance accounts payables			
Liabilities held for sale			
Non-current liabilities due within one year	1,126,279,244.90	1,135,462,494.82	9,183,249.92
Other current liabilities	839,181.83	839,181.83	
Total current liabilities	6,518,731,730.16	6,527,914,980.08	9,183,249.92

Item	December 31, 2018	January 1, 2019	Adjusted figures
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	1,753,936,228.63	1,753,936,228.63	
Bonds payable	2,779,470,233.01	2,779,470,233.01	
Including: Preference shares			
Perpetual liabilities			
Lease liability		43,549,671.22	43,549,671.22
Long-term payables	249,915,834.20	249,915,834.20	
Long-term salaries payable	37,034,000.00	37,034,000.00	
Accrued liabilities	41,010,903.23	41,010,903.23	
Deferred income	1,448,337,026.33	1,448,337,026.33	
Deferred income tax liabilities	182,753,753.20	182,753,753.20	
Other non-current liabilities			
Total non-current liabilities	6,492,457,978.60	6,536,007,649.82	43,549,671.22
Total liabilities	13,011,189,708.76	13,063,922,629.90	52,732,921.14
Shareholders' equity			
Share capital	2,952,434,675.00	2,952,434,675.00	
Other equity instruments			
Including: Preference shares			
Perpetual liabilities			
Capital reserve	1,207,241,863.96	1,207,241,863.96	
Less: Inventory shares			
Other comprehensive income	598,987,018.43	298,995,217.80	-299,991,800.63
Specific reserve	246,917.10	246,917.10	
Surplus reserve	531,594,678.11	555,276,401.86	23,681,723.75
General risk reserve	158,951.82	158,951.82	
Undistributed profits	2,169,017,326.29	2,462,103,268.44	293,085,942.15
Total equity interests attributable to the owner of the parent company	7,459,681,430.71	7,476,457,295.98	16,775,865.27
Minority interests	1,121,491,675.49	1,121,491,675.49	
Total shareholders' equity	8,581,173,106.20	8,597,948,971.47	16,775,865.27
Total liabilities and shareholders' equity	21,592,362,814.96	21,661,871,601.37	69,508,786.41

Description of adjustment of each project:

Applicable Not applicable

1. Since January 1, 2019, the Company has implemented the Accounting Standards for Business Enterprises No. 21 - Leases (Finance and Accounting [2018] No. 35), and according to the transitional requirements, the information for the comparable period will not be adjusted and retained earnings at the beginning of the Reporting Period will be retrospectively adjusted based on the difference between the new lease standard and the original lease standard on the first day of implementation.

The adjustments on the operating leases before the first day of implementation by the Company as the lessee are as follows: an increase of RMB53,054,283.76 in the right-of-use assets, an increase of RMB43,549,671.22 in the lease liabilities, an increase of RMB9,183,249.92 in the non-current liabilities due within one year, and a decrease of RMB321,362.62 in the prepayments.

2. Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份有限公司), the Company's associate, has implemented the following standards as required for the first time since January 1, 2019: the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 - Hedging and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (as revised in 2017) and has adjusted its retained earnings and other comprehensive income at the beginning of 2019 according to the cumulative impact of retrospective adjustments.

The Company made adjustments according to the respective proportions of equity: long-term equity investment increased by RMB16,775,865.27; other comprehensive income attributable to the shareholders of the parent company decreased by RMB299,991,800.63; and retained earnings attributable to the shareholders of the Parent Company increased by RMB316,767,665.90.

* For identification purposes only

Balance Sheet of the Parent Company

Unit: Yuan Currency: RMB

Item	December 31, 2018	January 1, 2019	Adjusted figures
Current assets:			
Cash and bank balances	1,931,468,693.34	1,931,468,693.34	
Tradable financial assets	23,420.70	23,420.70	
Financial assets measured at fair value and recorded in current profits and losses			
Derivative financial assets			
Bills receivable			
Accounts receivable			
Receivables financing			
Prepayments	125,740.21	125,740.21	
Other receivables	917,245,208.33	917,245,208.33	
Including: Interest receivable			
Dividends receivable			
Inventories			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	11,858,444.58	11,858,444.58	
Total current assets	2,860,721,507.16	2,860,721,507.16	

Item	December 31, 2018	January 1, 2019	Adjusted figures
Non-current assets:			
Lending investments			
Available-for-sale financial assets			
Other lending investments			
Held-to-maturity investment			
Long-term receivables			
Long-term equity investments	9,454,613,371.23	9,467,155,099.75	12,541,728.52
Investment in other equity instruments			
Other non-current financial assets	68,597,549.76	68,597,549.76	
Investment properties	39,657,895.54	39,657,895.54	
Fixed assets	1,754,929.90	1,754,929.90	
Construction-in-progress	87,030,945.79	87,030,945.79	
Productive biological assets			
Oil and gas assets			
Right-of-use asset		12,873,951.29	12,873,951.29
Intangible assets	6,586,918.32	6,586,918.32	
Development expenses			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets			
Other non-current assets			
Total non-current assets	9,658,241,610.54	9,683,657,290.35	25,415,679.81
Total assets	12,518,963,117.70	12,544,378,797.51	25,415,679.81

Item	December 31, 2018	January 1, 2019	Adjusted figures
Current liabilities:			
Short-term borrowings	1,617,072,744.82	1,617,072,744.82	
Trading financial liabilities			
Financial liabilities measured at fair value and recorded in current profits and losses			
Derivative financial liabilities			
Bills payable			
Accounts payable			
Receipts in advance			
Contract assets			
Salaries payable	7,609,547.71	7,609,547.71	
Taxes payable	1,374,878.44	1,374,878.44	
Other payables	676,499,381.13	676,499,381.13	
Including: Interests payable			
Dividends payable	911,293.00	911,293.00	
Liabilities held for sale			
Non-current liabilities due within one year	270,961,402.50	273,292,680.91	2,331,278.41
Other current liabilities			
Total current liabilities	2,573,517,954.60	2,575,849,233.01	2,331,278.41
Non-current liabilities:			
Long-term borrowings	960,400,000.00	960,400,000.00	
Debentures payables	2,779,470,233.01	2,779,470,233.01	
Including: Preference shares			
Perpetual liabilities			
Lease liabilities		10,542,672.88	10,542,672.88
Long-term payables			
Long-term salaries payable			
Accrued liabilities			
Deferred income			
Deferred income tax liabilities	1,167,942.32	1,167,942.32	
Other non-current liabilities			
Total non-current liabilities	3,741,038,175.33	3,751,580,848.21	10,542,672.88
Total liabilities	6,314,556,129.93	6,327,430,081.22	12,873,951.29

Item	December 31, 2018	January 1, 2019	Adjusted figures
Shareholders' equity:			
Share capital	2,952,434,675.00	2,952,434,675.00	
Other equity instruments			
Including: Preference shares			
Perpetual liabilities			
Capital reserve	1,249,834,602.13	1,249,834,602.13	
Less: Inventory shares			
Other comprehensive income	599,427,102.98	375,151,594.05	-224,275,508.93
Specific reserve			
Surplus reserve	531,594,678.11	555,276,401.86	23,681,723.75
Undistributed profits	871,115,929.55	1,084,251,443.25	213,135,513.70
Total shareholders' equity	6,204,406,987.77	6,216,948,716.29	12,541,728.52
Total liabilities and shareholders' equity	12,518,963,117.70	12,544,378,797.51	25,415,679.81

Description of adjustment of each project:

Applicable Not applicable

1. Since January 1, 2019, the Parent Company has implemented the Accounting Standards for Business Enterprises No. 21 - Leases (Finance and Accounting [2018] No. 35), and according to the transitional requirements, the information for the comparable period will not be adjusted and retained earnings at the beginning of the reporting period will be retrospectively adjusted based on the difference between the new lease standard and the original lease standard on the first day of implementation.

The adjustments on the operating leases before the first day of implementation by the parent company as the lessee is as follows: an increase of RMB12,873,951.29 in the right-of-use assets, an increase of RMB10,542,672.88 in the lease liabilities, and an increase of RMB2,331,278.41 in the non-current liabilities due within one year.

2. Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份有限公司), the Parent Company's associate, has implemented the following standards as required for the first time since January 1, 2019: the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 - Hedging and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (as revised in 2017) and has adjusted its retained earnings and other comprehensive income at the beginning of 2019 according to the cumulative impact of retrospective adjustments.

The Company made adjustments according to the respective proportions of equity: long-term equity investment increased by RMB12,541,728.52; other comprehensive income decreased by RMB224,275,508.93; and retained earnings increased by RMB236,817,237.45.

4.3 The first implementation of the new financial instruments standards, the new lease standards retroactively adjust the previous comparative data

Applicable Not applicable

4.4 Audit Report

Applicable Not applicable

* For identification purposes only

V. USE OF PROCEEDS

On December 5, 2016, the Company completed its public offering of 478,940,000 H Shares (excluding over-allotment)(comprising 435,400,000 new H Shares offered by the Company and 43,540,000 H Shares sold by Shanghai Gas (Group) Co., Ltd.* (上海燃氣(集團)有限公司) and Wuxi Transportation Co., Ltd* (無錫客運有限公司) (collectively the “**Selling Shareholders**”). The offer price under the public offering was HK\$3.60 per H Share. The net proceeds (after deducting the underwriting fees and commissions, transaction levy and trading fee) received by the Company were approximately HK\$1,444.5 million. On January 9, 2017, the Company further completed its public offering of 54,703,000 additional H Shares (comprising 49,730,000 new H Shares issued and allotted by the Company and 4,973,000 H Shares sold by the Selling Shareholders) due to the partial exercise of the over-allotment options at the offer price of HK\$3.60 per H Share. Additional net proceeds (after deducting the underwriting fees and commissions, transaction levy and trading fee) of approximately HK\$175.0 million were received by the Company. Therefore, the total net proceeds received by the Company (after deducting the underwriting fees and commissions, transaction levy and trading fee) were approximately HK\$1,619.5 million (the “**Total Net Proceeds**”).

On March 29, 2019, the Board proposed to change the use of total proceeds (the “**Proposed Change**”) by merging pipeline gas supply business projects with wastewater treatment business projects. The Proposed Change to the use of proceeds shall enable the Company to deploy its financial resources more effectively. The Board believes that the Proposed Change will bring the Company more future business development opportunities and will be more adapting to the Company’s existing business needs. Further, it also will facilitate the Group’s continuous and rapid development and enhance the Group’s overall position in the market. The Proposed Change has been approved by the Shareholders at the annual general meeting of the Company convened on June 12, 2019. Please refer to the Company’s circular dated April 24, 2019 for details.

Save and except for disclosed above, there are no other changes in the use of net proceeds from the public offering of the Company.

* For identification purposes only

As of September 30, 2019, the proceeds from the public offering of the Company is used as follows:

Items	Percentage of net proceeds to be utilized for such item	The net proceeds (HK\$ million)	The amount of utilized for such item as of September 30, 2019 (HK\$ million)	Remaining net proceeds to be utilized for such item (HK\$ million)
(i) For investment in piped gas supply business, including the acquisition of equity interest in selected piped gas suppliers; and the expansion of the Group's wastewater treatment operations, including expansion and renovation of existing plants and potential acquisition of new plants or operations in connection with the Public-Private Partnership projects.	65%	1,052.7	80.95	990.4
(ii) For investment in other public utility businesses.	25%	404.9	-	404.9
(iii) For funding the Group's working capital and other general corporate purposes.	10%	143.25	-	143.25
Total	<u>100%</u>	<u>1,619.5</u>	<u>80.95</u>	<u>1,538.55</u>

As of September 30, 2019, all the remaining unutilized proceeds have been placed on the account of the Company for listing purpose and were intended to be utilized as the proposed allocation. The actual time for deployment will be subject to the market environment and the pace of the business development. The Company has been closely monitoring the market conditions and business development, and expected to utilize the unutilized proceeds by the end of 2020.