

Company code: 605066

Company abbreviation: Tianzheng Electric

Zhejiang Tianzheng Electric Co., Ltd.
2020 Third Quarterly Report

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1. Important Notes

1.1 The board of directors, the board of supervisors and the directors, supervisors and senior management personnel of the company guarantee that the content of the quarterly report is true, accurate and complete,

There are no false records, misleading statements or major omissions, and bear individual and joint legal responsibilities.

1.2 All directors of the company attended the board of directors to review the quarterly report.

1.3 Gao Tianle, the person in charge of the company, Wang Yong, the person in charge of accounting work, and Huang Yuan, the person in charge of the accounting department (accounting supervisor)

The truthfulness, accuracy and completeness of the financial statements in the quarterly report.

1.4 The third quarterly report of the Company is unaudited.

2. Basic information of the company

2.1 Main Financial Data

Unit: Currency: RMB

	end of the reporting period	end of last year	The end of the reporting period increased from the end of the previous year reduce(%)
Total assets	3,118,900,817.98	2,061,362,314.60	51.30
attributable to listed companies net worth of shareholders	1,667,618,464.43	827,165,855.91	101.61
	From the beginning of the year to the end of the reporting period (January-September)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September)	Year-on-year increase or decrease (%)
arising from business activities net cash flow	-18,219,597.72	3,426,618.61	-632
	From the beginning of the year to the end of the reporting period (January-September)	From the beginning of the previous year to the end of the reporting period of the previous year (January-September)	Year-on-year increase or decrease (%)
Operating income 1,783,356,158.81 Attributable to listed companies		1,629,641,960.97	9.43
180,099,589.64		133,990,897.55	34.41

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net profit of shareholders			
Attributable to listed companies			
Shareholder's deduction	162,758,162.56	111,850,222.93	45.51
Net profit from recurring profit and loss			
Run			
weighted average net worth	18.18	19.75	A decrease of 1.57 percentage points
rate of return(%)			
basic earnings per share	0.53	0.41	31.27
(RMB/share)			
Diluted earnings per share	0.53	0.41	31.27
(yuan/share)			

Non-recurring profit and loss items and amounts

☑Applicable ☐Not applicable

Unit: Currency: RMB

project	Current Amount (July-September)	Amount from the beginning of the year to the end of the reporting period (January-September)	illustrate
Unauthorized approval of gains and losses on	-153,223.63	-413,940.96	
disposal of non-current assets, or no formal approval quasi-documents, or incidental taxes return, rebate			
Government included in current profit and loss subsidy, but normal business relationship with the company business is closely related to National policy, in accordance with a Standard quota or quantitative holding Continued government subsidies except outside	23,822,283.48	27,308,125.30	
Included in the current profit and loss Funds received by financial firms Occupancy fee	372,911.88	1,000,423.45	
Enterprises acquire subsidiaries and associates Investments in companies and joint ventures The cost of capital is less than the acquisition of the investment should enjoy the investee Fair value of identifiable net assets Value generated income			
Exchange losses on non-monetary assets beneficial			
Entrust others to invest or manage Profit and loss of assets			

Profits and losses from various asset impairment provisions made due to force majeure factors, such as natural			
disasters, debt restructuring, and			
corporate restructuring expenses, such as employee placement expenses, integration costs, and other transactions			
where the transaction price is obviously unjustified. The net profit and loss for the current period from the beginning			
of the period to the merger date of the subsidiary arising from the business combination under the control The			
profit and loss arising from the contingent events unrelated to the normal operation of the company			
Except for the effective hedging business related to the normal operation of the company, the financial assets held for trading Gains and losses from changes in fair value arising from derivatives, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative			
financial liabilities and other debt investments are separately deducted. Receivables tested for value, and			
contract asset impairment reserves are transferred back to external entrusted			
loans. Profits and losses obtained from external entrusted loans are subsequently measured. The effect of one-time adjustment of profit and loss			
on current profit and loss Custody fee income obtained from entrusted operation			

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other than the above			
Other non-recurring losses of	-91,470.62	-7,576,118.45	Mainly due to the loss of work stoppage due to the epidemic
non-operating income and expenses			
Profit and loss items defined by profit			
Amount of influence of minority shareholders' equity (after tax)			
Total income tax	-3,611,184.67	-2,977,062.26	
impact	20,339,316.44	17,341,427.08	

2.2 Total number of shareholders, top ten shareholders, top ten tradable shareholders (or shareholders not subject to selling restrictions) as at the end of the reporting period

Unit: share

Total number of shareholders (households)		30,710						
Shareholdings of the top ten shareholders								
Shareholder name (full name)	Number of shares held at the end of the period quantity	Proportion (%)	hold limited sale Conditional number of shares quantity	Pledge or freeze situation		nature of shareholders		
				Number of shares	status			
Tianzheng Group Co., Ltd.	99,146,960	24.72	99,146,960	None	0	non-state-owned legal person		
Gao Tianle	66,730,620	16.64	66,730,620	None	0	Domestic natural persons		
Shanghai Fuding Investment Management Partnership (Limited Partnership) Partner - Shanghai Fudingyi equity investment fund Partnership (Limited Partnership)	10,560,000	2.63	10,560,000	None	0	non-state-owned legal person		
Kou Guangzhi	8,120,000	2.02	7,920,000	No	7,920,000	No	0	Domestic natural persons
Yang Hong	7,920,000	1.98	6,600,000	No	5,983,340	No	0	Domestic natural persons
Chen Ping	6,600,000	1.65					0	Domestic natural persons
Chen Caiwei	5,983,340	1.49					0	Domestic natural persons
Jiaying Feijun Yongping Equity Investment Management Partnership (Limited Partnership) - Ning Bo Yongjia Investment Management Co., Ltd. Partnership (Limited Partnership)	5,280,000	1.32	5,280,000	None			0	non-state-owned legal person
Gao Xiao	4,950,440	1.23	4,950,440	None	4,879,160		0	Domestic natural persons
Hu Zhongsheng	4,879,160	1.22	None	Shareholdings of the top			0	Domestic natural persons
ten shareholders not subject to selling restrictions								
Shareholder name	Number of tradable shares held without selling restrictions quantity	Type and quantity of shares						
		Class	quantity					
Yue Weihua	627,313	RMB ordinary shares	390,800	627,313				
Min Zhongli		RMB ordinary shares		390,800				

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Xie Shu	336,383 RMB ordinary shares	230,440 RMB	336,383
Jiang Minghuo	ordinary shares	212,100 RMB ordinary shares	230,440
Shu Zhengfu	206,900 RMB ordinary shares	200,000 RMB	212,100
Song	ordinary shares	193,076 RMB ordinary shares	206,900
Chengliang	179,200 RMB ordinary shares	168,640 Among	200,000
Kou Guangzhi	the top ten shareholders of RMB ordinary		193,076
He Xiyang Fan	shares, Gao Tianle and Gao Xiao are father		179,200
Longwen He Zhongxiao	and son and act in concert ; Kou Guangzhi		168,640
Affiliate relationship or unanimous relationship of the above-mentioned shareholders	<p>Department</p> <p>Brother of Yang Hong's spouse; Gao Tianle holds a 63.05% stake in Tianzheng Group Co., Ltd.</p> <p>Chairman of Tianzheng Group, the actual controller of Tianzheng Group; Chen Caiwei holds 2.19% of Tianzheng Group Equity, and serve as director and deputy general manager of Tianzheng Group; Hu Zhongsheng holds 1.63% of Tianzheng Group , and served as a director of Tianzheng Group. Apart from this, there is no other relationship between the top ten shareholders associates or constitute persons acting in concert. The company does not know whether there is any relationship between the above-mentioned other shareholders affiliation or concerted action.</p>		
Description of Action			
Preferred shareholders with restored voting rights and the description of the number of shares held			

2.3 Total number of preferred shareholders as at the end of the reporting period, top ten preferred shareholders, and top ten preferred shareholders with unrestricted shares held by shareholders

Status table

ÿApplicable ÿNot applicable

3. Important matters

3.1 Major changes in the company's major accounting statement items and financial indicators and the reasons

ÿApplicable ÿNot applicable

Unit: Currency: RMB

Balance sheet items at the end of the reporting period	end of last year	Increase rate (%)	Main reasons for change	
Money funds	935,997,817.45	381,789,745.44	145.16%	Mainly the company's initial stock offering Raise funds
accounts receivable	1,018,931,565.07	637,507,356.64	59.83%	Mainly due to the increase in sales revenue in the third quarter Longer and faster, according to the company's credit policy Accounts receivable increased at the end of the third quarter
Prepayments	8,874,255.95	3,330,499.19	166.45%	Mainly due to the growth of agency direct sales business Quickly increase the prepaid service fee
Other receivables	13,545,449.72	6,524,828.80	107.60%	The main department is the reserve fund and personal temporary support It needs to be recovered at the end of the year, so the previous year The amount at the end of the period is smaller

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Construction in progress	9,227,951.30	6,939,147.50	32.98% is mainly	due to the construction investment of fundraising projects
Long-term prepaid expenses	8,277,066.08	4,994,209.45	65.73%	The main department is Tianzheng University in Jiaxing Park Repair fee increase
short-term loan	70,000,000.00	130,000,000.00	-46.15%	Mainly due to the decrease in bank working capital loans few
advance payment		2,947,052.46	-100%	According to the new income standard, the enterprise has received or Consideration receivable from the customer should be transferred to the customer Reclassify obligations of goods to contracts Liability, corresponding VAT is transferred to payable Tax - output tax to be transferred
contract liabilities	3,124,325.79		not applicable	According to the new income standard, the enterprise has received or Consideration receivable from the customer should be transferred to the customer Reclassify obligations of goods to contracts debt
Taxes payable	31,250,001.20	20,466,840.97	52.69%	Mainly due to the increase in total profit increase in income tax
Other payables	29,544,944.73	22,307,653.18	32.44%	Increase in main external processing fees
capital reserve	655,626,535.70	66,273,516.82	889.27%	IPO share premium
Income statement items from the beginning of the year to the same period of the previous year in the reporting period			Increase rate (%)	Main reasons for change
Operating income	1,783,356,158.81	1,629,641,960.97	9.43%	Mainly in electric power bidding, communication, Sales growth to customers in new energy and other industries faster
Financial expenses	880,016.52	6,921,060.94	-87.28%	Mainly due to the decrease in bank loans
other income	28,434,971.07	16,614,256.46	71.15%	Mainly three-year financial support government subsidy Increase in aid projects
investment income		-720,640.00	not applicable	Mainly the forward foreign exchange contracts of the previous year Influence
change in fair value		-487,680.00	not applicable	Mainly the forward foreign exchange contracts of the previous year The impact of changes in fair value
Credit impairment loss - 22,093,257.11		-37,163,102.08	-40.55%	Mainly due to the longer period at the end of the same period of the previous year The amount of bills receivable is relatively large, and the accrual The amount of credit impairment is large.
Asset disposal income	-2,667.43	29,938.97	-108.91%	Fewer sales of fixed assets in the current period

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Non-operating income	228,386.21	3,092,674.58	-92.62%	Mainly not related to day-to-day business activities reduction in government subsidies
Operating expenses	8,082,060.15	1,814,346.13	345.45% Mainly due to the loss of work stoppage due to the epidemic	
net profit	180,099,589.64	133,990,897.55	34.41%	Mainly revenue growth, credit impairment Reduced losses and increased financial subsidies
Deduct non-recurring gains and losses net profit after	162,758,162.56	111,850,222.93	45.51%	Mainly revenue growth, credit impairment loss reduction
Cash flow statement items from the beginning of the year to the same period of the previous year in the reporting period			Increase rate (%)	Main reasons for change
arising from business activities net cash flow	-18,219,597.72	3,426,618.62	-631.71%	Mainly to support an appropriate increase in sales Inventory increases supplier payments
arising from investment activities net cash flow	-382,017,661.52	-19,421,320.84	Not applicable	Mainly for cash management of raised funds
generated by the fundraiser net cash flow	602,401,553.58	-67,909,056.59	not applicable	Mainly due to the receipt of initial public offerings Tickets to raise funds
exchange rate change Gold and Cash Equivalents influence of things	-1,906.74		Not applicable due to changes in foreign exchange rates for export business	

3.2 Analysis and description of the progress of important matters, their impact and solutions

☑Applicable ☐Not applicable

3.3 Commitments overdue but not fulfilled during the reporting period

☑Applicable ☐Not applicable

3.4 It is predicted that the accumulated net profit from the beginning of the year to the end of the next reporting period may be a loss or there may be a significant change compared with the same period of the previous year.

indication and reason

☑Applicable ☐Not applicable

Company Name	Zhejiang Tianzheng Electric Co., Ltd. <small>manage</small>
Legal representative	Gao Tianle
Date	October 27, 2020

4. Appendix

4.1 Financial Statements

Consolidated Balance Sheet

September 30, 2020

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

project	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	935,997,817.45	381,789,745.44
settlement reserve		
Loan funds		
Tradable financial assets		
Derivative financial assets		
Notes Receivable	57,959,225.30	60,909,631.05
Accounts	1,018,931,565.07	637,507,356.64
Receivable Financing	253,251,364.97	213,103,435.03
Advance Payments	8,874,255.95	3,330,499.19
Premium Receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	13,545,449.72	6,524,828.80
Including: Interest receivable	209,805.56	
and dividend receivable		
Repurchase of resale financial assets		
Inventory	263,021,058.29	217,148,615.27
contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	47,031,600.33	39,215,486.02
Total current assets	2,598,612,337.08	1,559,529,597.44
Non-current assets:		
Disbursement of loans and advances		
Debt investment		
Other debt investments		
Long-term receivables		
long-term equity investment		
Investment in other equity instruments		
Other non-current financial assets		

investment real estate		
Fixed assets	318,753,946.58	325,754,303.34
Construction in	9,227,951.30	6,939,147.50
progress productive biological assets		
oil and gas asset		
right-of-use asset		
Intangible asset	115,978,800.97	108,413,916.77
development expenditure		
goodwill		
Long-term deferred	8,277,066.08	4,994,209.45
expenses Deferred tax	42,178,789.07	34,292,868.13
assets Other non-current assets	25,871,926.90	21,438,271.97
Total non-current assets	520,288,480.90	501,832,717.16
Total assets Current	3,118,900,817.98	2,061,362,314.60
liabilities:		
short-term	70,000,000.00	130,000,000.00
borrowing from the central bank		
borrowed funds		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills Payable	20,908,681.04	
Accounts Payable	1,020,517,688.69	810,267,113.21
Advance Receipts		2,947,052.46
Contract	3,124,325.79	
Liabilities Sales Repurchase Financial Assets		
Deposits and deposits		
Agent for buying and selling securities		
Agent underwriting securities		
Employee benefits	71,184,782.21	81,305,231.55
payable Taxes payable	31,250,001.20	20,466,840.97
Other payables Including:	29,544,944.73	22,307,653.18
Interest payable and dividend	274,934.55	187,088.60
payable		
Fees and commissions		
Reinsurance Accounts Payable		
held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	186,332,085.68	152,397,125.33
Total current liabilities	1,432,862,509.34	1,219,691,016.70
Non-current liabilities:		
Insurance contract reserve		
Long term loan		

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Bonds payable		
Of which: preferred stock		
perpetual bond		
lease liability		
Long-term payables		
Long-term employee compensation payable		
Estimated	18,332,511.74	14,406,109.37
liabilities	87,332.47	99,332.62
Deferred income Deferred tax liabilities		
Other non-current liabilities		
Total non-current	18,419,844.21	14,505,441.99
liabilities Total	1,451,282,353.55	1,234,196,458.69
liabilities Owner's equity (or shareholders' equity):		
Paid-in capital (or share capital)	401,000,000.00	330,000,000.00
Other equity instruments		
Of which: preferred stock		
perpetual bond		
Less capital	655,626,535.70	66,273,516.82
reserve: treasury shares		
Other comprehensive income		
Special reserves		
Surplus	81,778,758.78	81,778,758.78
reserve general risk reserve		
Undistributed profits	529,213,169.95	349,113,580.31
are attributable to the parent company's owners' equity (or shareholders' rights profit) total	1,667,618,464.43	827,165,855.91
minority interests		
Total owner's equity (or shareholders' equity)	1,667,618,464.43	827,165,855.91
Total liabilities and owners' equity (or shareholders' equity)	3,118,900,817.98	2,061,362,314.60

Legal representative: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Parent company balance

sheet September 30, 2020

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

project	September 30, 2020	December 31, 2019
Current Assets:		
Monetary funds	818,012,769.89	366,302,988.98
for trading financial assets		
Derivative financial assets		
bill receivable	57,959,225.30	60,909,631.05

Accounts	993,401,236.10	621,972,458.59
Receivable Accounts	253,251,364.97	213,103,435.03
Receivable Financing	8,703,005.95	3,330,499.19
Advances Other Receivables	83,399,087.25	91,496,913.66
Including: Interest Receivable	174,055.56	
Dividends Receivable		
Inventory	206,891,726.75	160,741,292.10
contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current	44,648,330.05	35,999,558.78
assets Total	2,466,266,746.26	1,553,856,777.38
non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	180,000,000.00	80,000,000.00
Other equity instrument investment		
Other non-current financial assets		
investment real estate		
Fixed assets	158,339,295.26	159,839,495.23
Construction in	8,769,636.77	995,964.20
progress productive biological assets		
oil and gas asset		
right-of-use asset		
Intangible asset	81,239,055.24	72,989,180.41
development expenditure		
goodwill		
Long-term deferred	1,416,992.53	3,476,454.51
expenses Deferred tax	41,371,657.12	33,613,830.31
assets Other non-current assets	24,196,426.90	18,961,341.97
Total non-current assets	495,333,063.82	369,876,266.63
Total assets Current	2,961,599,810.08	1,923,733,044.01
liabilities:		
Held-for-trading	70,000,000.00	120,000,000.00
financial liabilities for short-term borrowings		
Derivative financial liabilities		
Notes payable	20,908,681.04	
Accounts payable	901,375,056.75	709,207,653.91
Accounts payable		2,947,052.46
in advance Contract	3,124,325.79	
liabilities Employee benefits payable	64,939,796.83	72,950,875.48

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Taxes payable	27,007,860.82	17,765,991.24
Other payables	28,911,405.27	20,439,650.13
Including: Interest payable	274,934.55	163,088.60
and dividend payable		
held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	186,332,085.68	152,397,125.33
Total current liabilities	1,302,599,212.18	1,095,708,348.55
Non-current liabilities:		
Long term loan		
Bonds payable		
Of which: preferred stock		
perpetual bond		
lease liability		
Long-term payables		
Long-term employee compensation payable		
Estimated	18,332,511.74	14,406,109.37
liabilities	87,332.47	99,332.62
Deferred income Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	18,419,844.21	14,505,441.99
Total liabilities	1,321,019,056.39	1,110,213,790.54
Owner's equity (or shareholders' equity): Paid-		
in capital (or share capital) Other equity	401,000,000.00	330,000,000.00
instruments		
Of which: preferred stock		
perpetual bond		
Less capital	669,358,125.42	80,005,106.54
reserve: treasury shares		
Other comprehensive income		
Special reserves		
Surplus	92,633,205.46	92,633,205.46
reserve	477,589,422.81	310,880,941.47
undistributed profit owner's equity (or	1,640,580,753.69	813,519,253.47
shareholders' equity) total liabilities and owner's equity (or shareholders' equity)	2,961,599,810.08	1,923,733,044.01

Legal representative: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Consolidated Income Statement

January-September 2020

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

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project	Q3 2020 Degrees (July-September)	Q3 2019 (July-September)	The first three quarters of 2020 (January-September)	The first three quarters of 2019 (January-September)
I. Total operating income 726,863,665.51 Including:		559,406,954.49 1,783,356,158.81	1,629,641,960.97	
operating income 726,863,665.51 Interest income		559,406,954.49 1,783,356,158.81	1,629,641,960.97	
Premium earned				
Fees and Commissions income				
2. Total operating cost 643,098,171.75 Including: operating		509,091,287.42 1,572,285,524.26	1,454,316,114.18	
cost 514,263,832.19 Interest expense		398,826,248.52 1,259,331,787.84	1,140,169,108.58	
Fees and Commissions expenditure				
Surrender				
Net payout				
Withdrawal of insurance liability net reserves				
dividend payment policy				
Reinsurance costs				
Taxes and surcharges 3,808,264.95 Selling		3,328,553.60	10,188,963.12	10,305,046.77
expenses Administrative expenses and	66,778,569.77	55,646,698.46	158,959,926.02	154,654,521.63
development expenses Financial expenses	32,107,093.50	29,885,488.41	78,097,710.45	81,129,788.64
-844,740.90 Including: Interest	24,899,348.29	19,497,378.29	64,827,120.31	61,136,587.62
Interest income 1,711,095.66 Plus: Other income		1,906,920.14	880,016.52	6,921,060.94
		2,656,493.85	3,292,398.92	9,269,941.91
		783,139.37	2,690,945.93	2,025,410.00
	24,342,444.56	7,232,312.96	28,434,971.07	16,614,256.46
investment income (loss Fill in with "-")				-720,640.00
Of which: for associates investments in businesses and joint ventures income				
amortized Financial assets measured at cost Terminate recognition of income				
Exchange gains (losses Fill in with "-")				
net exposure hedge Profits (losses are filled with "-") List)				
Changes in fair value Gains (losses are marked with "-")				-487,680.00

fill in)				
credit impairment loss (Losses are listed with "-")	-5,127,745.12	-13,978,192.62	-22,093,257.11	-37,163,102.08
Asset impairment loss (Losses are listed with "-")	-1,114,842.41	-579,102.11	-2,895,342.03	-2,526,031.13
Income from asset disposal (Losses are listed with "-") 3.	491.20	14,853.85	-2,667.43	29,938.97
Operating profit (losses are listed with "-") Fill in with "-")	101,865,841.99	43,005,539.15	214,514,339.05	151,072,589.01
Plus: non-operating	51,911.81	551,151.27	228,386.21	3,092,674.58
income minus: non-	275,357.26	859,542.29	8,082,060.15	1,814,346.13
operating expenses IV. Total profit (total loss The amount should be filled in with "-")	101,642,396.54	42,697,148.13	206,660,665.11	152,350,917.46
Less: Income tax expense 13,403,510.46	13,403,510.46	5,043,051.76	26,561,075.47	18,360,019.91
V. Net profit (net loss equal to Fill in with "-") (1)	88,238,886.08	37,654,096.37	180,099,589.64	133,990,897.55
Classification by business continuity				
1. Net profit from continuing operations Profit (net loss is marked with "-" fill in)	88,238,886.08	37,654,096.37	180,099,589.64	133,990,897.55
2. Termination of operating net profit Profit (net loss is marked with "-" fill in)				
(2) Classification by ownership				
1. Attributable to the parent company Shareholders' net profit (net loss Fill in with "-")	88,238,886.08	37,654,096.37	180,099,589.64	133,990,897.55
2. Minority shareholder profit and loss (The net loss is filled with "-" List)				
6. Tax on other comprehensive income net after				
(1) Attributable to the parent company Other comprehensive income of the owner net after tax				
1. Cannot be reclassified into Other comprehensive income in profit or loss				
(1) Re-measurement design Changes in defined benefit plan				
(2) Not under the equity method Other comprehensive that can be transferred to profit or loss income				
(3) Other equity workers				

Changes in fair value of investments				
(4) Enterprise's own trustworthiness				
Changes in fair value at risk				
2. Reclassify into loss				
other comprehensive income				
(1) Under the equity method, it is possible to				
Other comprehensive income transferred to profit or loss				
beneficial				
(2) Other debt investment				
Changes in fair value of capital				
(3) Heavy financial assets				
Classified in other comprehensive income				
amount of benefit				
(4) Other debt investment				
credit impairment provision				
(5) Cash flow set				
reserve				
(6) Foreign currency financial statements				
table translation difference				
(7) Others				
(2) Attributable to minority shares				
East's other comprehensive income				
net after tax				
7. Total comprehensive income	88,238,886.08	37,654,096.37	180,099,589.64	133,990,897.55
(1) Attributable to the parent company				
Total comprehensive income of owners	88,238,886.08	37,654,096.37	180,099,589.64	133,990,897.55
(2) Attributable to minority shares				
Total Comprehensive Income of East				
8. Earnings per share:				
(1) Basic earnings per share	0.26	0.11	0.53	0.41
(yuan/share)				
(2) Diluted earnings per share	0.26	0.11	0.53	0.41
(yuan/share)				

If a business combination under the same control occurs in the current period, the net profit realized by the merged party before the merger is: RMB 0, and the merged party in the previous period realized

The net profit is: 0 yuan. Legal

representative: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Parent company's income

statement from January to September 2020

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

project	Q3 2020	Q3 2019	The first three quarters of 2020	The first three quarters of 2019
	(July-September)	(July-September)	(January-September)	(January-September)
I. Operating income	698,507,701.21	543,298,346.58	1,706,599,719.17	1,624,493,322.91
Less: operating costs	502,530,902.38	398,254,165.56	1,231,519,505.72	1,176,718,102.92
Taxes and Additional	2,924,076.94	2,358,063.56	7,557,582.28	7,762,914.37
Sales Expenses	66,462,753.51	54,384,699.87	154,977,157.60	151,430,021.40
Administrative	25,229,063.53	23,464,444.26	61,072,579.19	63,153,206.77
Expenses R&D	23,523,571.48	18,895,623.82	59,352,813.51	60,080,983.60
Expenses Financial	-792,677.78	1,473,151.83	922,175.72	5,906,557.95
Expenses Including: Interest	939,434.48	2,216,056.34	3,275,628.09	8,246,362.73
Expenses Interest	1,627,513.45	768,341.74	2,610,286.03	1,989,542.46
Income Plus: Other Income	24,151,055.94	7,154,552.53	27,257,475.13	16,461,696.03
investment income (loss Fill in with "-")				-720,640.00
Of which: for associates investment income from businesses and joint ventures beneficial				
amortized Termination of financial assets for this measurement Recognize income				
Net exposure hedging gain (Losses are listed with "-")				
change in fair value Profits (losses are filled with "-" List)				-487,680.00
credit impairment loss (Losses are listed with "-")	-5,011,634.99	-13,496,979.33	-21,409,606.74	-36,654,017.63
Asset impairment loss (Losses are listed with "-") Income	-541,696.17	48,106.27	-2,003,255.25	-1,489,120.36
from asset disposal (Losses are listed with "-")	491.20	14,853.85	-2,667.43	29,938.97
2. Operating profit (loss Fill in with "-") Plus:	97,228,227.13	38,188,731.00	195,039,850.86	136,581,712.91
non-operating income	51,911.81	551,151.27	227,880.12	3,076,680.49
minus: non-operating	272,539.21	781,664.67	6,307,084.77	1,620,798.89
expenses 3. Total profit (total loss Fill in with "-") Less:	97,007,599.73	37,958,217.60	188,960,646.21	138,037,594.51
Income tax expenses	12,219,020.34	3,650,624.34	22,252,164.87	14,517,913.26
IV. Net profit (net loss equals to Fill in with "-") (1) Net	84,788,579.39	34,307,593.26	166,708,481.34	123,519,681.25
profit from continuing operations Profit (net loss is filled with "-")	84,788,579.39	34,307,593.26	166,708,481.34	123,519,681.25

List)				
(2) Net profit from discontinued operations Profit (net loss is filled with "-")				
List)				
V. After-tax other comprehensive income net				
(1) Cannot be reclassified into Other comprehensive income in profit or loss				
1. Re-metering settings are subject to Changes in benefit plan				
2. It cannot be transferred under the equity method Other comprehensive income in profit or loss				
3. Investment in other equity instruments Changes in fair value of capital				
4. Enterprise's own credit wind change in fair value of insurance				
(2) Reclassification into loss other comprehensive income				
1. Can be reversed under the equity method other comprehensive income				
2. Other debt investment companies change in fair value				
3. Reclassification of financial assets Amount included in other comprehensive income				
Forehead				
4. Other debt investment letters provision for impairment				
5. Cash flow hedge reserves prepare				
6. Foreign currency financial statement discount Calculate the difference				
7. Others				
6. Total comprehensive income	84,788,579.39	34,307,593.26	166,708,481.34	123,519,681.25
7. Earnings per share:				
(1) Basic earnings per share (yuan/share)	0.25	0.10	0.49	0.37
(2) Diluted earnings per share (yuan/share)	0.25	0.10	0.49	0.37

Legal representative: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Consolidated Statement of Cash

Flows January-September 2020

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

project	The first three quarters of 2020	The first three quarters of 2019 (January-September) (January-September)
1. Cash flow from operating activities:		
Net increase in cash customer deposits and interbank deposits received from sales of goods and rendering of labor services	1,142,245,019.39	1,104,393,054.87
Net increase in borrowing from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance operations		
Net increase in policyholders' savings and investment funds		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from agents buying and selling securities		
Refund of taxes and fees	1,504,622.22	58,870.83
received Net increase in cash inflows from other operating activities cash inflows related to operating activities	87,362,178.51	112,237,904.38
activities Purchase of goods, receipt of labor services, and cash customer loans and advances	1,231,111,820.12	1,216,689,830.08
Net increase in deposits with central banks and interbanks	649,669,317.13	616,797,423.73
Cash to pay the original insurance contract compensation		
Net increase in borrowed funds		
Cash for interest, fees and commissions		
Cash to pay policy dividends		
Subtotal of various taxes and fees paid to employees and cash paid for employees and other cash outflows from operating activities	292,480,531.07	258,670,169.75
related to operating activities Net cash flows from operating activities II. Cash flows from investing activities:	119,877,697.98	113,187,826.06
Cash back on investment	187,303,871.66	224,607,791.92
Cash received from investment income		
Disposal of fixed assets, intangible assets and other long-term assets net cash recovered	1,249,331,417.84	1,213,263,211.46
Disposal of cash received by subsidiaries and other business units net amount	-18,219,597.72	3,426,618.62
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	142,305.49	219,148.89
Purchase and construction of fixed assets, intangible assets and other long-term assets cash paid	31,675,922.01	18,780,457.73

Cash Investment		
Net increase in mortgage loans		
Obtain cash paid by subsidiaries and other business units net amount		
Payment of other cash related to investing	350,484,045.00	860,012.00
activities Subtotal of cash outflows from	382,159,967.01	19,640,469.73
investing activities Net cash flows from	-382,017,661.52	-19,421,320.84
investing activities 3. Cash flows from financing activities:		
Cash received from absorbing investments	673,212,452.83	
Including: Received by subsidiaries from minority shareholders' investments cash		
Cash received from borrowings	60,000,000.00	190,000,000.00
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	733,212,452.83	190,000,000.00
Cash paid for repayment of debts	120,000,000.00	245,210,560.00
Distribution of dividends, profits or cash paid for interest payments	3,043,664.30	9,625,383.40
Including: dividends paid by subsidiaries to minority shareholders, profit		
Subtotal of cash outflows from other financing activities related to cash financing activities	7,767,234.95	3,073,113.19
Net cash flow from financing activities	602,401,553.58	-67,909,056.59
IV. Impact of exchange rate changes on cash and cash equivalents V. Net increase in cash and cash equivalents	-1,906.74	
Add: Beginning balance of cash and cash equivalents	202,162,387.60	-83,903,758.81
VI. Balance of cash and cash equivalents at the end of the period	376,504,094.52	277,517,485.96
	578,666,482.12	193,613,727.15

Legal representative: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

Parent company cash flow statement

from January to September 2020

Prepared by: Zhejiang Tianzheng Electric Co., Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

project	The first three quarters of 2020 The first three quarters of 2019 (January-September)	
	Amount (January-September)	
1. Cash flow from operating activities:		
Cash received from sales of goods and provision of labor services Refund of taxes and fees received	1,065,765,427.05	1,120,176,770.70
from other cash related to operating activities Cash	827,372.35	
inflow from operating activities subtotal for	189,935,422.10	350,781,541.70
purchase of goods, receipt of labor services paid in cash to employees and cash paid for employees	1,256,528,221.50	1,470,958,312.40
Taxes and other cash payments related to operating activities	664,193,078.98	723,418,842.81
	253,004,894.57	228,584,941.38
	104,872,417.50	97,950,849.60
	272,043,887.23	377,844,171.88

Subtotal of cash outflows from	1,294,114,278.28	1,427,798,805.67
operating activities Net cash flows from operating activities	-37,586,056.78	43,159,506.73
2. Cash flow from investing activities:		
Cash back on investment		
Cash received from investment income		
Disposal of fixed assets, intangible assets and other long-term assets net cash recovered	165,593.11	219,148.89
Disposal of cash received by subsidiaries and other business units net amount		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	165,593.11	219,148.89
Purchase and construction of fixed assets, intangible assets and other long-term assets cash paid for property	24,871,812.50	17,080,459.68
investment cash paid for		
Obtain cash paid by subsidiaries and other business units Net	100,000,000.00	
amount paid for other cash related to investing activities Subtotal of cash outflow from	320,484,045.00	860,012.00
investing activities Net cash flow from	-445,190,264.39	-17,721,322.79
investing activities 3. Cash flow from financing activities:		
Absorbing cash received from	673,212,452.83	
investments to obtain cash received	60,000,000.00	150,000,000.00
from borrowings Cash received from other financing activities		
Subtotal of cash inflows from financing activities	733,212,452.83	150,000,000.00
Cash payments for debt repayment	110,000,000.00	245,210,560.00
distributions Dividends, profits or cash payments for interest	3,002,893.47	8,601,804.22
payments Other cash payments related to financing activities	7,767,234.95	3,073,113.19
Cash outflows from financing activities Subtotal Net cash flows from financing activities	120,770,128.42	256,885,477.41
	612,442,324.41	-106,885,477.41
IV. Impact of exchange rate changes on cash and cash equivalents V. Net increase in cash and cash equivalents	-1,906.74	
	129,664,096.50	-81,447,293.47
Add: Beginning balance of cash and cash equivalents	361,017,338.06	266,141,719.00
VI. Balance of cash and cash equivalents at the end of the period	490,681,434.56	184,694,425.53

Legal representative: Gao Tianle

Person in charge of accounting work: Wang Yong

Person in charge of accounting department: Huang Yuan

4.2 The first implementation of the new revenue standard from 2020 and the adjustment of the financial statements at the beginning of the year for the first implementation of the new lease standard

☑Applicable ☐Not applicable

Consolidated Balance Sheet

Unit: Currency: RMB

project	December 31, 2019 Adjusted	January 1, 2020	
Current Assets:			

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Monetary funds	381,789,745.44	381,789,745.44	
settlement reserve			
Loan funds			
Tradable financial assets			
Derivative financial assets			
Notes Receivable	60,909,631.05	60,909,631.05	
Accounts	637,507,356.64	637,507,356.64	
Receivable Financing	213,103,435.03	213,103,435.03	
Advance Payments	3,330,499.19	3,330,499.19	
Premium Receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	6,524,828.80	6,524,828.80	
Including: Interest receivable			
Dividends receivable			
Repurchase of resale financial assets			
Inventory	217,148,615.27	217,148,615.27	
contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	39,215,486.02	39,215,486.02	
Total non-current	1,559,529,597.44	1,559,529,597.44	
assets:			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables			
long-term equity investment			
Investment in other equity instruments			
Other non-current financial assets			
investment real estate			
Fixed assets	325,754,303.34	325,754,303.34	
Construction in	6,939,147.50	6,939,147.50	
progress productive biological assets			
oil and gas asset			
right-of-use asset			
Intangible asset	108,413,916.77	108,413,916.77	
development expenditure			
goodwill			
Long-term deferred	4,994,209.45	4,994,209.45	
expenses Deferred tax	34,292,868.13	34,292,868.13	
assets Other non-current assets	21,438,271.97	21,438,271.97	

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Total non-current assets	501,832,717.16	501,832,717.16	
Total assets Current	2,061,362,314.60	2,061,362,314.60	
liabilities:			
short-term	130,000,000.00	130,000,000.00	
borrowing from the central bank			
borrowed funds			
Held-for-trading financial liabilities			
Derivative financial liabilities			
bills payable			
Accounts	810,267,113.21	810,267,113.21	
payable in	2,947,052.46		-2,947,052.46
advance Contract		2,608,011.03	2,608,011.03
liabilities Financial assets sold under repurchase			
Deposits and deposits			
Agent for buying and selling securities			
Agent underwriting securities			
Employee benefits	81,305,231.55		
payable Taxes payable	20,466,840.97	20,805,882.40	339,041.43
Other payables Including:	22,307,653.18	22,307,653.18	
Interest payable and dividend	187,088.60	187,088.60	
payable			
Fees and commissions			
Reinsurance Accounts Payable			
held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	152,397,125.33	152,397,125.33	
Total current liabilities	1,219,691,016.70	1,219,691,016.70	
Non-current liabilities:			
Insurance contract reserve			
Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
lease liability			
Long-term payables			
Long-term employee compensation payable			
Estimated	14,406,109.37	14,406,109.37	
liabilities	99,332.62	99,332.62	
Deferred income Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	14,505,441.99	14,505,441.99	
Total liabilities	1,234,196,458.69	1,234,196,458.69	

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Owner's Equity (or Shareholders' Equity):			
Paid-in capital (or share capital)	330,000,000.00	330,000,000.00	
Other equity instruments			
Of which: preferred stock			
perpetual bond			
Less capital	66,273,516.82	66,273,516.82	
reserve: treasury shares			
Other comprehensive income			
Special reserves			
Surplus	81,778,758.78	81,778,758.78	
reserve general risk reserve			
Undistributed profits	349,113,580.31	349,113,580.31	
attributable to the parent company's owner's equity (or Shareholders' Equity) Total	827,165,855.91	827,165,855.91	
Minority Shareholders' Equity			
Total owners' equity (or shareholders' equity)	827,165,855.91	827,165,855.91	
Liabilities and owners' equity (or shareholders' equity)	2,061,362,314.60	2,061,362,314.60	

Explanation of the adjustment of each item in total:

•Applicable •Not applicable

In 2017, the Ministry of Finance revised and promulgated Accounting Standards for Business Enterprises No. 14 - Revenue (Cai Kuai [2017] No. 22). The company will implement the above new revenue standards from January 1, 2020.

2,947,052.46 yuan in advance received from customers due to the transfer of goods in 2019, according to the new income standard, will not be included in the advance payment.

The tax-included portion of RMB 2,608,011.03 is included in the accounting of contract liabilities, and the tax amount of RMB 339,041.43 is included in the tax payable - to be written off Tax account accounting.

Parent Company Balance Sheet

Unit: Currency: RMB

project	December 31, 2019	January 1, 2020	adjustment
Current Assets:			
Monetary funds	366,302,988.98	366,302,988.98	
for trading financial assets			
Derivative financial assets			
Notes Receivable	60,909,631.05	60,909,631.05	
Accounts	621,972,458.59	621,972,458.59	
Receivable Accounts	213,103,435.03	213,103,435.03	
Receivable Financing	3,330,499.19	3,330,499.19	
Advances Other	91,496,913.66	91,496,913.66	
Receivables Including: Interest Receivable			
Dividends receivable			
Inventory	160,741,292.10	160,741,292.10	
contract assets			
Assets held for sale			

Non-current assets due within one year			
Other current	35,999,558.78	35,999,558.78	
assets Total non-	1,553,856,777.38	1,553,856,777.38	
current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	80,000,000.00	80,000,000.00	
Other equity instrument investment			
Other non-current financial assets			
investment real estate			
Fixed assets	159,839,495.23	159,839,495.23	
Construction in	995,964.20	995,964.20	
progress productive biological assets			
oil and gas asset			
right-of-use asset			
Intangible asset	72,989,180.41	72,989,180.41	
development expenditure			
goodwill			
Long-term deferred	3,476,454.51	3,476,454.51	
expenses Deferred tax	33,613,830.31	33,613,830.31	
assets Other non-current assets	18,961,341.97	18,961,341.97	
Total non-current assets	369,876,266.63	369,876,266.63	
Total Assets	1,923,733,044.01	1,923,733,044.01	
Current Liabilities:			
Held-for-trading	120,000,000.00	120,000,000.00	
financial liabilities for short-term borrowings			
Derivative financial liabilities			
bills payable			
Accounts	709,207,653.91	709,207,653.91	
payable in	2,947,052.46		-2,947,052.46
advance		2,608,011.03	2,608,011.03
Contract liabilities	72,950,875.48	72,950,875.48	
	17,765,991.24	18,105,032.67	339,041.43
	20,439,650.13	20,439,650.13	
	163,088.60	163,088.60	
held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	152,397,125.33	152,397,125.33	
Total current liabilities	1,095,708,348.55	1,095,708,348.55	
Non-current liabilities:			

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Long term loan			
Bonds payable			
Of which: preferred stock			
perpetual bond			
lease liability			
Long-term payables			
Long-term employee compensation payable			
Estimated	14,406,109.37	14,406,109.37	
liabilities	99,332.62	99,332.62	
Deferred income Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	14,505,441.99	14,505,441.99	
Total liabilities Owner's	1,110,213,790.54	1,110,213,790.54	
equity (or shareholders' equity):			
Paid-in capital (or share capital)	330,000,000.00	330,000,000.00	
Other equity instruments			
Of which: preferred stock			
perpetual bond			
Less capital	80,005,106.54	80,005,106.54	
reserve: treasury shares			
Other comprehensive income			
Special reserves			
Undistributed	92,633,205.46	92,633,205.46	
profit of surplus reserve	310,880,941.47	310,880,941.47	
Owner's Equity (or Shareholders' Equity)	813,519,253.47	813,519,253.47	
total			
Liabilities and Owner's Equity (or Shares)	1,923,733,044.01	1,923,733,044.01	
Explanation of the			

adjustment of each item in total:

☐Applicable ☐Not applicable

In 2017, the Ministry of Finance revised and promulgated Accounting Standards for Business Enterprises No. 14 - Revenue (Cai Kuai [2017] No. 22),

The company will implement the above new revenue standards from January 1, 2020.

2,947,052.46 yuan in advance received from customers due to the transfer of goods in 2019, according to the new income standard, will not be included in the advance payment.

The tax-included portion of RMB 2,608,011.03 is included in the accounting of contract liabilities, and the tax amount of RMB 339,041.43 is included in the tax payable - to be written off

Tax account accounting.

4.3 Explanation on retrospective adjustment of previous comparative data when the new revenue standard and new lease standard are implemented for the first time since 2020

☐Applicable ☐Not applicable

4.4 Audit report

☐Applicable ☐Not applicable

