



**Bengang Steel Plates Co., Ltd.**

**The 3rd Quarterly Report 2016**

**October 2016**

## **I. Important Statement**

The Board of Directors and the directors of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Zhao Zhongmin, The Company Leader, Mr. Han Ge, Chief financial officer and the Mr.Wang Shaoyu, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in the report.

## II. Main financial data and changes of shareholders

### I. Main accounting data and financial Index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

Yes  No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (RMB)	48,399,792,782.49	44,461,643,345.33	8.86%	
Net assets attributable to the shareholders of the listed company (RMB)	12,511,169,665.15	11,934,100,372.02	4.84%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (RMB)	7,352,413,667.74	46.51%	19,981,998,237.09	-6.47%
Net profit attributable to the shareholders of the listed company (RMB)	392,077,397.20	1,016.87%	574,615,573.52	252.28%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	380,239,871.89	983.36%	544,756,078.48	288.06%
Cash flow generated by business operation, net (RMB)	--	--	3,646,623,428.76	360.45%
Basic earning per share(RMB/Share)	0.13	1,200.00%	0.18	260.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.13	1,200.00%	0.18	260.00%
Weighted average income/asset ratio (%)	3.21%	2.98%	4.72%	3.66%

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	4,490,126.73	
Government subsidy recognized in current gain and	24,933,000.00	

loss(excluding those closely related to the Company's business and granted under the state's policies)		
Gain/loss from commissioned investment or assets	569,498.63	
Gain/loss from debt reorganization	8,631,844.34	
Other non-business income and expenditures other than the above	1,270,530.97	
Less: Influenced amount of income tax	9,973,750.17	
Influence on minority shareholders' equity (after tax)	61,755.46	
Total	29,859,495.04	--

If the company defines those items to recurring gain/loss items, which were defined by "Regulations of Information Disclosure of PLCs, Explanation No.1 - Non-recurring gain/loss" as non-recurring gain/loss, please provide reason here.

Applicable  Not applicable

None of non-recurring gain/loss items recognized as recurring gain/loss items as defined by the Information Disclosure Explanatory Announcement No.1 – Non-recurring gain/loss in the report period.

## II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

### 1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	74,128	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Benxi Steel (Group) Ltd.	State-owned legal person	77.80%	2,442,316,069		Pledged	404,000,000
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.26%	8,157,311			
Zhou Jie	Domestic natural person shares	0.23%	7,332,801			
Ruan Shouguo	Domestic natural person shares	0.16%	5,082,200			
Zhan	Domestic natural	0.15%	4,660,515			

Changcheng	person shares					
VANGUARD TOTAL INTERNATION AL STOCK INDEX FUND	Overseas legal person	0.15%	4,606,141			
CITIGROUP GLOBAL MARKETS LIMITED	Overseas legal person	0.14%	4,237,147			
Haitong International Securities Company Limited-Account Client	Overseas legal person	0.10%	3,286,109			
GUOTAI JUNAN SECURITIES(H ONGKONG) LIMITED	Overseas legal person	0.10%	3,080,304			
Agricultural Bank of China—Rich countries in the reform of state-owned enterprise reform index securities investment fund	Other	0.09%	2,847,400			

## Shares held by the Top 10 Shareholders of Non-restricted shares

Shareholders' Names	Number of the non-restricted shares held	Share type	
		Share type	Quantity
Benxi Steel (Group) Ltd.	2,442,316,069	RMB common shares	2,442,316,069
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	8,157,311	Foreign shares placed in domestic exchange	8,157,311
Zhou Jie	7,332,801	Foreign shares placed in	7,332,801

		domestic exchange	
Ruan Shouguo	5,082,200	RMB common shares	5,082,200
Zhan Changcheng	4,660,515	Foreign shares placed in domestic exchange	4,660,515
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,606,141	Foreign shares placed in domestic exchange	4,606,141
CITIGROUP GLOBAL MARKETS LIMITED	4,237,147	Foreign shares placed in domestic exchange	4,237,147
Haitong International Securities Company Limited-Account Client	3,286,109	Foreign shares placed in domestic exchange	3,286,109
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,080,304	Foreign shares placed in domestic exchange	3,080,304
Agricultural Bank of China—Rich countries in the reform of state-owned enterprise reform index securities investment fund	2,847,400	RMB common shares	2,847,400
Notes to relationship or “action in concert” among the top ten shareholders.	It is unknown to the Company whether there is any related connection or ‘Action in Concert’ as described by Rules of Information Disclosing Regarding Changing of Shareholding Status of Listed Companies existing among the above shareholders.		
Note to the top 10 common stockholders involved in margin financing & securities lending(if any)	None		

Whether there was any repurchasing deal made between any of the top 10 shareholders and top 10 holders of unrestricted shares in the report period

Yes  No

There was not any repurchasing deal made between any of the top 10 shareholders and top 10 holders of unrestricted shares in the report period

**2 Total of shareholders and top-10 preferential shareholders at end of the report period**

□ Applicable √Not applicable

**III. Significant Issues****I. Particulars and causations of material change in major accounting items and indices**

√Applicable □Not applicable

\* Items changed by over 30% comparing with that of at the end of 2015 in the consolidated accounts, and causations

<b>I. Items in the balance sheet</b>	<b>Changed by</b>	<b>Causation of change</b>
Monetary Fund	72%	Due to the increase of the company current reserves
Available for sale financial assets	44%	Mainly due to the current shares of Bengang Baojin (Shenyang) Automotive New Materials Technology Co., Ltd. due.
Construction in process	33%	Mainly due to the unsettled construction in progress increased
Construction material	87%	Mainly due to unrequited increase in construction materials
Deferred tax assets	-48%	Mainly due to the Company's profit for the current period makes up the loss
Account payable	35%	Mainly due to increase in current period payables
Advance Payments	37%	Mainly due to the current steel prices, advance receipts increased
Non-current liabilities due within one year	-50%	Mainly due to current non-current liabilities due within one year are due for repayment
Long-term borrowings	229%	Mainly due to long-term borrowings were added in the current period
Special reserves	624%	Mainly due to the current period to pay the safe use fee decreased
Undistributed profit	45%	Mainly due to profit for the period increased

\* Items changed by over 30% comparing with that of Jan - Sept 2015 in the consolidated accounts, and causations

<b>II. Items under income statement</b>	<b>Changed by</b>	<b>Causation of change</b>
Operational tax and surcharges	37%	Mainly due to the current value added tax payable
Asset impairment loss	-104%	Mainly due to the current steel prices, did not mention the provision for inventory decline
Investment gains	-92%	Mainly due to current purchase of financial products decreased

Non-operational expenses	-99%	Mainly due to loss of non-current assets decreased during the period
Income tax expense	46769%	Mainly due to this period to achieve profitability, make up losses
Minor shareholders' equity	283%	Mainly due to the profit of the holding company increased
<b>III. Items under cash flow statement</b>	<b>Changed by</b>	<b>Causation of change</b>
Tax returned	-47%	Mainly due to the amount of export tax rebate received in this period decreased
Cash received from investment retrieving	-83%	Mainly due to current purchase of financial products decreased
Cash received as investment profit	-92%	Mainly due to current purchase of financial products decreased
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	-33%	Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets
Cash paid for purchasing or construction of fixed assets, intangible assets, and other long-term assets	-49%	Mainly due to cash paid for acquisition and construction of fixed assets decreased
Cash paid as investment	-67%	Mainly due to current purchase of financial products decreased

## II. Progress of Significant Events, their Influences and Analytical Notice on the Solutions

Applicable  Not applicable

## III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Applicable  Not applicable

Non-existence

## IV. Prospect on business performance of 2016

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable  Not applicable

## V. Securities investment

Applicable  Not applicable

Non-existence



**VI. Investment in derivatives**

√Applicable □ Not applicable

In RMB'0000

Name	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased during the reporting period	Amount sold during the reporting period	Amount of reserve for devaluation of withdrawing (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the company at period-end	Actual gains/losses in period
Bengang Bancai	The company	No	Hot rolled futures	1,214.04	June 30, 2016	August 15, 2016	1,214.04	1,204.79	1,219.35		0	0.00%	14.56
Total				1,214.04	--	--	1,214.04	1,204.79	1,219.35		0	0.00%	14.56
Capital resource				Self-owned capital									
Lawsuits (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				May 27, 2016									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				May 27, 2016									
Venture analysis and explanation on control measures for derivatives holding in Period (including but not limited to market risk, liquidity risk, credit risks, operational risk and legal risk etc.)				Adjust the rolling stock is hedging, the use of rolling line surplus capacity, while in the spread of the cost of the spread of futures-based tool to lock the way the price of rolling profits. The Company formulated the Measures for the Administration of Futures of Bengang Steel Plates Co., Ltd. and the Detailed Rules for the Implementation of Futures Business of Bengang Steel Plate Co., Ltd., and carried out full assessment and market control on the risks of futures investment and positions. 1. Business scale control in the procurement and sales targets within 20%. 2. The maximum margin for hedging of the Company was RMB 200 million. 3. To develop futures trading program, the program of possible legal risks, operational risk, market risk, a full assessment and the development of effective control measures.									
Particular about the changes of market price or product's fair value of invested				The fair value is determined in order to be active in the market.									

derivatives in Period; as for analysis of the fair value of derivatives, disclosed specific treatment methods and relevant hypothesis and parameter setting	
Explanation on major changes on specific principle of accounting policy and accounting calculation for derivatives in Period, by comparing with last period	No significant change occurred.
Specific opinions from independent directs on derivative investment and risk controlling	In order to develop the futures business, the Company formulated the Measures for the Administration of Futures of Bengang Steel Plate Co., Ltd., and clarified the relevant systems and business operation modes such as the organizational structure, business processes, risk control and other relevant laws and regulations. The relevant provisions, to carry out futures business. Is conducive to the company to reduce operational risks, to adapt to the fierce market competition, to achieve transition across development. The maximum amount and trading variety of futures trading margin determined by the Company is reasonable and does not affect the normal production and operation of the Company and does not harm the interests of the Company and all shareholders.

#### **VII. Registration form of such Activities as Reception, Research, Communication, Interview in the Reporting Period**

Applicable  Not applicable

Not applicable

#### **VIII. Outward Guarantee against the Regulations**

Applicable  Not applicable

Not applicable

#### **IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties**

Applicable  Not applicable

Non-existence

## **IV. Financial Statement**

### **I. Financial statement**

#### **1. Consolidated balance sheet**

Prepared by: Bengang Steel Plate Co., Ltd.

In RMB

Items	At the end of term	Beginning of term
Current asset:		

Monetary fund	8,837,200,495.24	5,140,480,509.97
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	1,982,687,604.81	2,449,682,561.16
Account receivable	396,484,752.46	488,584,624.72
Prepayments	587,671,911.37	569,851,950.69
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	2,757,392.36	3,524,615.12
Dividend receivable		
Other account receivable	130,796,204.04	151,668,877.26
Repurchasing of financial assets		
Inventories	9,173,967,475.70	8,601,734,442.42
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	496,400,218.03	431,360,541.21
Total of current assets	21,607,966,054.01	17,836,888,122.55
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	29,271,278.63	20,271,278.63
Expired investment in possess		
Long-term receivable		
Long term share equity investment		
Property investment		
Fixed assets	18,677,831,035.77	20,046,254,726.74
Construction in progress	7,482,466,195.81	5,646,624,293.27
Engineering material	7,783,368.08	4,152,880.79
Fixed asset disposal		

Production physical assets		
Gas & petrol		
Intangible assets	261,066,619.69	265,520,912.57
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	333,408,230.50	641,931,130.78
Other non-current asset		
Total of non-current assets	26,791,826,728.48	26,624,755,222.78
Total of assets	48,399,792,782.49	44,461,643,345.33
Current liabilities		
Short-term loans	17,996,104,679.48	18,139,885,596.60
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	1,649,373,536.92	2,110,511,950.79
Account payable	6,750,098,621.14	5,015,900,664.47
Advance payment	2,491,601,797.55	1,815,443,452.05
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	43,663,359.32	36,455,143.76
Tax payable	34,996,724.63	45,194,528.35
Interest payable	51,966,411.45	70,958,686.96
Dividend payable		
Other account payable	400,908,041.06	444,734,704.90
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	716,529,894.11	1,434,004,649.14

Other current liability		
Total of current liability	30,135,243,065.66	29,113,089,377.02
Non-current liabilities:		
Long-term loan	3,314,345,410.90	1,005,919,974.09
Bond payable	1,493,242,002.32	1,490,352,572.75
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income	397,755,000.00	413,188,000.00
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	5,205,342,413.22	2,909,460,546.84
Total of liability	35,340,585,478.88	32,022,549,923.86
Owners' equity		
Share capital	3,136,000,000.00	3,136,000,000.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	9,114,845,542.05	9,114,845,542.05
Less: Shares in stock		
Other comprehensive income		
Special reserves	2,847,091.66	393,372.05
Surplus reserves	961,105,529.85	961,105,529.85
Common risk provision		
Undistributed profit	-703,628,498.41	-1,278,244,071.93
Total of owner's equity belong to the parent company	12,511,169,665.15	11,934,100,372.02
Minority shareholders' equity	548,037,638.46	504,993,049.45
Total of owners' equity	13,059,207,303.61	12,439,093,421.47
Total of liabilities and owners' equity	48,399,792,782.49	44,461,643,345.33

Legal representative: Zhao Zhongmin CFO: Han Ge Accounting Manager: Wang Shaoyu

**2.Parent Company Balance Sheet**

In RMB

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	8,625,268,737.20	4,921,089,319.57
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	1,811,291,700.84	2,298,691,410.40
Account receivable	351,150,711.09	449,193,422.02
Prepayments	561,344,559.89	549,553,039.03
Interest receivable	2,757,392.36	3,524,615.12
Dividend receivable		
Other account receivable	183,445,270.70	229,428,159.94
Inventories	7,832,812,091.48	7,452,873,949.34
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	454,211,823.73	387,259,423.54
Total of current assets	19,822,282,287.29	16,291,613,338.96
Non-current assets:		
Disposable financial asset	27,303,673.00	18,303,673.00
Expired investment in possess		
Long-term receivable		
Long term share equity investment	1,700,981,902.16	1,700,981,902.16
Property investment		
Fixed assets	16,065,400,027.42	17,179,043,906.45
Construction in progress	7,475,756,417.87	5,646,077,292.11
Engineering material	4,134,137.31	4,134,138.91
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	156,214,986.86	158,694,589.82

R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	253,920,925.18	562,072,018.42
Other non-current asset		
Total of non-current assets	25,683,712,069.80	25,269,307,520.87
Total of assets	45,505,994,357.09	41,560,920,859.83
Current liabilities		
Short-term loans	16,513,375,400.00	16,798,213,600.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	1,549,373,536.92	1,651,808,822.92
Account payable	7,363,633,771.16	5,263,012,477.37
Advance payment	2,169,330,643.26	1,957,484,054.73
Employees' wage payable	43,208,135.74	34,194,188.88
Tax payable	20,228,840.93	9,986,022.56
Interest payable	50,722,321.13	70,113,698.63
Dividend payable		
Other account payable	330,404,702.20	324,906,037.82
Classified as held for sale debt		
Non-current liability due in 1 year	716,529,894.11	1,434,004,649.14
Other current liability		
Total of current liability	28,756,807,245.45	27,543,723,552.05
Non-current liabilities:		
Long-term loan	3,314,345,410.90	1,005,919,974.09
Bond payable	1,493,242,002.32	1,490,352,572.75
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable to employees		
Special payable		
Expected liabilities		
Deferred income	397,755,000.00	413,188,000.00

Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	5,205,342,413.22	2,909,460,546.84
Total of liability	33,962,149,658.67	30,453,184,098.89
Owners' equity		
Share capital	3,136,000,000.00	3,136,000,000.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	8,694,693,859.93	8,694,693,859.93
Less: Shares in stock		
Other comprehensive income		
Special reserves	2,847,091.66	393,372.05
Surplus reserves	961,105,529.85	961,105,529.85
Undistributed profit	-1,250,801,783.02	-1,684,456,000.89
Total of owners' equity	11,543,844,698.42	11,107,736,760.94
Total of liabilities and owners' equity	45,505,994,357.09	41,560,920,859.83

### 3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	7,352,413,667.74	5,018,448,900.24
Incl: Business income	7,352,413,667.74	5,018,448,900.24
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	6,782,057,523.51	4,999,089,186.11
Incl: Business cost	6,125,972,410.63	3,985,783,772.69
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		



Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	27,088,709.48	7,762,405.33
Sales expense	219,452,625.67	249,532,039.19
Administrative expense	200,432,767.91	191,518,290.30
Financial expenses	209,946,899.42	553,412,238.77
Asset impairment loss	-835,889.60	11,080,439.83
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	569,498.63	642,273.97
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	570,925,642.86	20,001,988.10
Add: Non-business income	15,234,307.48	12,553,902.85
Incl: Gains from disposal of non-current assets	2,475,142.83	4,227,427.11
Less: Non business expenses		93,793.74
Incl: Loss from disposal of non-current assets		93,793.74
IV. Total profit (“-”for loss)	586,159,950.34	32,462,097.21
Less: Income tax expenses	174,795,525.68	3,090,980.55
V. Net profit (“-”for net loss)	411,364,424.66	29,371,116.66
Net profit attributable to the owners of parent company	392,077,397.20	35,104,914.65
Minority shareholders' equity	19,287,027.46	-5,733,797.99
VI. Net after-tax of Other comprehensive income		
Net after-tax of other comprehensive income attribut able to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1. Re-measurement of defined benefit pl		

ans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	411,364,424.66	29,371,116.66
Total comprehensive income attributable to the owner of the parent company	392,077,397.20	35,104,914.65
Total comprehensive income attributable minority shareholders	19,287,027.46	-5,733,797.99
VIII. Earnings per share		
(I) Basic earnings per share	0.13	0.01
(II) Diluted earnings per share	0.13	0.01

If there are entities merged under common control, their net profit realized before the merger were totaled to RMB\*\*\*. While it was RMB\*\*\* previous period.

Legal representative: Zhao Zhongmin CFO: Han Ge Accounting Manager: Wang Shaoyu

## 4. Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	7,541,752,295.18	5,727,345,071.98
Less: Business cost	6,506,196,116.23	4,747,476,098.85
Business tax and surcharge	24,375,185.52	31,262.08
Sales expense	155,519,980.97	213,430,476.87
Administrative expense	185,740,284.28	177,809,001.92
Financial expenses	195,326,877.96	534,681,668.91
Asset impairment loss	-368,932.75	9,186,144.81
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	569,498.63	642,273.97
Incl: investment gains from affiliates		
II. Operational profit (“-”for loss)	475,532,281.60	45,372,692.51
Add : Non-operational income	15,117,388.95	12,437,296.73
Including: Income from disposal of non-current assets	2,406,422.22	4,227,427.11
Less: Non business expenses		8,686.75
Incl: Loss from disposal of non-current assets		8,686.75
III. Total profit (“-”for loss)	490,649,670.55	57,801,302.49
Less: Income tax expenses	170,060,434.17	-78,683.79
IV. Net profit (“-”for net loss)	320,589,236.38	57,879,986.28
V. Net of profit of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1. Re-measurement of defined benefit plans of changes in net debt or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
( II )		

Other comprehensive income that will be reclassified into profit or loss.		
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Gains and losses from changes in fair value available for sale financial assets		
3. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4. The effective portion of cash flow hedges and losses		
5. Translation differences in currency financial statements		
6. Other		
VI. Total comprehensive income	320,589,236.38	57,879,986.28
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

### 5. Consolidated Income statement between the beginning of the year and end of the report period

Items	In RMB	
	Amount in this period	Amount in last period
I. Total operating income	19,981,998,237.09	21,363,364,061.42
Including: Operating income	19,981,998,237.09	21,363,364,061.42
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	19,089,375,328.26	21,229,584,863.99
Including: Operating cost	17,040,154,712.67	18,887,333,123.26
Interest expense		
Commission charge and commission expense		
Insurance discharge		

payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	53,421,604.24	38,872,932.66
Sales expense	649,513,688.81	727,881,318.33
Administrative expense	552,387,486.39	569,109,337.75
Financial expenses	796,614,724.61	944,811,866.14
Asset impairment loss	-2,716,888.46	61,576,285.85
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	569,498.63	7,226,589.08
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	893,192,407.46	141,005,786.51
Add: Non-business income	39,430,977.03	54,776,907.31
Incl: Gains from disposal of non-current assets	4,595,601.72	7,155,188.26
Less: Non business expenses	105,474.99	20,755,118.94
Incl: Loss from disposal of non-current assets	105,474.99	20,755,118.94
IV.Total profit (“-”for loss)	932,517,909.50	175,027,574.88
Less: Income tax expenses	314,857,746.97	671,775.63
V. Net profit (“-”for net loss)	617,660,162.53	174,355,799.25
Net profit attributable to the owners of parent company	574,615,573.52	163,112,050.91
Minority shareholders' equity	43,044,589.01	11,243,748.34
VI. Net after-tax of Other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of the parent company.		

(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	617,660,162.53	174,355,799.25
Total comprehensive income attributable to the owner of the parent company	574,615,573.52	163,112,050.91
Total comprehensive income attributable minority shareholders	43,044,589.01	11,243,748.34
VIII. Earnings per share		
(I) Basic earnings per share	0.18	0.05
(II) Diluted earnings per share	0.18	0.05

If there are entities merged under common control, their net profit realized before the merger were totaled to RMB\*\*\*. While it was

RMB\*\*\* previous period.

**6.Income Statement of the Parent Between the Beginning of the Year and End of the Report Period**

In RMB

Items	Amount in this period	Amount in last period
I. Business income	20,727,140,742.37	22,946,968,744.42
Less: Business cost	18,236,082,900.44	20,822,808,789.04
Business tax and surcharge	39,015,159.45	25,377,987.04
Sales expense	507,779,490.30	602,563,831.95
Administrative expense	507,214,377.27	525,469,968.99
Financial expenses	750,350,717.43	881,677,591.95
Asset impairment loss	-2,249,931.61	39,545,707.32
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	14,282,827.08	7,226,589.08
Incl: investment gains from affiliates		
II. Operational profit	703,230,856.17	56,751,457.21
Add: Non-business income	38,679,929.93	52,028,094.80
Incl: Gains from disposal of non-current assets	4,456,927.98	5,442,429.49
Less: Non business expenses	105,474.99	20,670,011.95
Incl: Loss from disposal of non-current assets	105,474.99	20,670,011.95
III. Total profit	741,805,311.11	88,109,540.06
Less: Income tax expenses	308,151,093.24	-13,971,400.19
IV. Net profit	433,654,217.87	102,080,940.25
V. Net after-tax of Other comprehensive income		
Net after –tax of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit pl		

ans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other	433,654,217.87	102,080,940.25
V. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

## 7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	16,580,702,769.37	16,266,245,235.29
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		



Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	353,037,007.15	662,521,114.16
Other cash received from business operation	84,677,742.77	91,668,231.59
Sub-total of cash inflow	17,018,417,519.29	17,020,434,581.04
Cash paid for purchasing of merchandise and services	11,511,671,889.04	16,366,576,026.70
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	1,247,371,996.56	1,382,466,323.65
Taxes paid	273,035,353.99	304,290,794.39
Other cash paid for business activities	339,714,850.94	367,215,382.23
Sub-total of cash outflow from business activities	13,371,794,090.53	18,420,548,526.97
Cash flow generated by business operation, net	3,646,623,428.76	-1,400,113,945.93
II. Cash flow generated by investing		
Cash received from investment retrieving	300,000,000.00	1,747,000,000.00
Cash received as investment gains	569,498.63	7,226,589.08
Net cash retrieved from disposal of	4,296,555.00	6,407,771.07

fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	304,866,053.63	1,760,634,360.15
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,016,048,866.75	1,976,666,364.11
Cash paid as investment	572,000,000.00	1,747,000,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	1,588,048,866.75	3,723,666,364.11
Net cash flow generated by investment	-1,283,182,813.12	-1,963,032,003.96
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	12,925,514,125.63	10,227,293,035.82
Cash received from bond placing		
Other financing –related cash received	210,000,000.00	
Sub-total of cash inflow from financing activities	13,135,514,125.63	10,227,293,035.82
Cash to repay debts	11,692,619,787.29	11,714,835,352.66
Cash paid as dividend, profit, or interests	737,477,171.35	1,031,281,578.31
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	12,430,096,958.64	12,746,116,930.97
Net cash flow generated by financing	705,417,166.99	-2,518,823,895.15

IV. Influence of exchange rate alternation on cash and cash equivalents	39,845,240.81	49,806,775.81
V.Net increase of cash and cash equivalents	3,108,703,023.44	-5,832,163,069.23
Add: balance of cash and cash equivalents at the beginning of term	4,612,782,772.98	9,327,034,030.07
VI ..Balance of cash and cash equivalents at the end of term	7,721,485,796.42	3,494,870,960.84

## 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	17,325,991,437.46	17,125,620,967.15
Tax returned	343,392,974.16	580,257,065.94
Other cash received from business operation	76,149,013.82	84,989,052.66
Sub-total of cash inflow	17,745,533,425.44	17,790,867,085.75
Cash paid for purchasing of merchandise and services	12,379,218,031.50	18,818,738,975.87
Cash paid to staffs or paid for staffs	1,181,632,960.47	1,314,515,875.18
Taxes paid	146,872,420.32	164,895,584.21
Other cash paid for business activities	295,590,912.91	304,105,155.51
Sub-total of cash outflow from business activities	14,003,314,325.20	20,602,255,590.77
Cash flow generated by business operation, net	3,742,219,100.24	-2,811,388,505.02
II.Cash flow generated by investing		
Cash received from investment retrieving	300,000,000.00	1,747,000,000.00
Cash received as investment gains	569,498.63	7,226,589.08
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,107,574.00	6,367,771.07
Net cash received from disposal of subsidiaries or other operational units		

Other investment-related cash received		
Sub-total of cash inflow due to investment activities	304,677,072.63	1,760,594,360.15
Cash paid for construction of fixed assets, intangible assets and other long-term assets	996,101,897.66	1,959,576,291.15
Cash paid as investment	572,000,000.00	1,747,000,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	1,568,101,897.66	3,706,576,291.15
Net cash flow generated by investment	-1,263,424,825.03	-1,945,981,931.00
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	11,862,514,125.63	9,644,293,035.82
Cash received from bond placing		
Other financing –related ash received	210,000,000.00	
Sub-total of cash inflow from financing activities	12,072,514,125.63	9,644,293,035.82
Cash to repay debts	10,841,064,067.53	9,792,163,833.61
Cash paid as dividend, profit, or interests	691,202,152.71	967,566,960.75
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	11,532,266,220.24	10,759,730,794.36
Net cash flow generated by financing	540,247,905.39	-1,115,437,758.54
IV. Influence of exchange rate alternation on cash and cash equivalents	39,834,229.35	49,792,024.32
V.Net increase of cash and cash equivalents	3,058,876,409.95	-5,823,016,170.24
Add: balance of cash and cash equivalents at the beginning of term	4,489,630,951.08	9,090,466,146.15
VI ..Balance of cash and cash equivalents at the end of term	7,548,507,361.03	3,267,449,975.91

## **II. Auditors' Report**

If the 3rd quarterly report been audited

Yes  No

The 3rd quarterly report has not been audited.