

Tunghsu Optoelectronic Technology Co., Ltd.

The First Quarterly Report 2018

April 2018

I. Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

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

Mr. Li Zhaoting, The Company leader, Mr.Huang Jinliang, Chief financial officer and the Mr.Gao Feipeng, the person in charge of the accounting department (the person in charge of the accounting)declare: the financial report carried in this report is authentic and completed

II. Basic information about the company

I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes No

	This period	Same period of last year	Changes of this period over same period of last year
Operating income (Yuan)	4,665,751,599.66	2,258,246,760.26	106.61%
Net profit attributable to the shareholders of the listed company (Yuan)	424,438,428.17	387,022,905.51	9.67%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	391,216,324.81	352,582,887.68	10.94%
Cash flow generated by business operation, net (Yuan)	-1,127,140,487.84	-631,749,226.89	78.42%
Basic earning per share(Yuan/Share)	0.07	0.08	-12.50%
Diluted gains per share(Yuan/Share)	0.07	0.08	-12.50%
Weighted average return on equity (%)	1.36%	1.65%	-0.29%
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Gross assets (Yuan)	68,797,790,162.38	67,683,329,226.91	1.65%
Net assets attributable to the shareholders of the listed company (Yuan)	31,347,238,217.51	30,922,796,455.46	1.37%

Items and amount of non-current gains and losses

√ Applicable □ Not applicable

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)	-66,422.43	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	24,134,382.69	
Gain/loss on entrusting others with investment or asset management	13,923,452.07	
Income from custodian charge obtained from entrusted operation	353,773.59	
Other non-operating income and expenditure beside for the above items	-392,760.69	
Less: Influenced amount of income tax	5,102,168.74	
Amount of influence of minority interests (After tax)	-371,846.87	
Total	33,222,103.36	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

□ 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

Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing				
					Status of the shares	Quantity			
Total number of common shareholders at the period-end							361,666(including 344,320shareholders holding A shares and 17,346 shareholders holding B shares)	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									
Tunghsu Group Co., Ltd.	Domestic Non-State-owned legal person	15.97%	915,064,091	791,889,488	Pledge	799,643,042			
Shijiazhuang Baoshi Electronic Group Co., Ltd.	Domestic Non-State-owned legal person	5.80%	332,382,171		Pledge	153,520,000			
Shanghai Huimao Enterprise Management Co., Ltd.	Domestic Non-State-owned legal person	4.58%	262,626,262	262,626,262	Pledge	80,240,722			
China Fund Management Co., Ltd.—Huaxia Bank—TTCO Trust Co., Ltd.—TTCO Trust Co., Ltd.—Shunjing No.5 Single capital trust	Other	2.54%	145,759,116						
Ping An Securities Co., Ltd.	Domestic Non-State-owned legal person	2.16%	123,975,516						
Minsheng Royal Fund Management Co., Ltd—Ping An Bank-Daye Trust Zengli 2 single Fund Trust	Other	1.70%	97,192,224	97,192,224					
Tunghsu Optoelectronic Technology Co., Ltd.—The first ESOP	Other	1.27%	72,639,296	72,639,296					
Beixin Ruifeng Fund—China Merchants Bank—Daye Trust—Daye Trust Profit increase 3 single fund plan	Other	1.08%	62,095,032	62,095,032					

Shenzhen Taianer Information Technology Co., Ltd.	Domestic Non-State-owned legal person	1.07%	61,165,682		Pledge	61,165,682
Wanhe Securities—China Merchants Bank—Wanhe Securities Haihe No.1 Ensemble Asset Management Plan	Other	0.96%	55,246,500			
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			
Shijiazhuang Baoshi Electronic Group Co., Ltd.	332,382,171	RMB Common shares	332,382,171			
China Fund Management Co., Ltd.—Huaxia Bank—TTCO Trust Co., Ltd.—TTCO Trust Co., Ltd.—Shunjing No.5 Single capital trust	145,759,116	RMB Common shares	145,759,116			
Ping An Securities Co., Ltd.	123,975,516	RMB Common shares	123,975,516			
Tunghsu Group Co., Ltd.	123,174,603	RMB Common shares	123,174,603			
Shenzhen Taianer Information Technology Co., Ltd.	61,165,682	RMB Common shares	61,165,682			
Wanhe Securities—China Merchants Bank—Wanhe Securities and No.1 Collective asset management plan	55,246,500	RMB Common shares	55,246,500			
Nuoan Fund—Xingye Securities—Nanjing Shuangan Assets Management Co., Ltd.	55,246,487	RMB Common shares	55,246,487			
Zhonghai Trust Co., Ltd.—Zhonghai Trust—Tunghsu Optoelectronic Employees' Shareholding Plan Collecting Fund Trust	52,555,280	RMB Common shares	52,555,280			
China Life AMP Asset Management Co., Ltd.—Bohai Bank—Minsheng Trust—China Minsheng Trust Zhicheng 192 Tunghsu Optoelectronic Private Placement Co., Ltd. Trust Plan	48,619,336	RMB Common shares	48,619,336			
Minsheng Royal Fund Management Co., Ltd.-Ping An Bank-Ping An Trust-Ping An Wealth* Huitai No.163 Single Fund Trust	47,492,649	RMB Common shares	47,492,649			
Explanation on shareholders participating in the margin trading business	Among the shareholders , Tunghsu Group and Baoshi Group have relationship and constitute persons taking concerted action. The company does not know whether there is relationship between other shareholders or whether they are persons taking concerted action defined in Administrative Measures Relating to Acquisitions of Listed Companies.					
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Not applicable					

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a

buy-back agreement dealing in reporting period.

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable Not applicable

III Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable Not applicable

Financial index	This period (Yuan)	End of last year(Yuan)	Increase/decrease	Main reason for change
Prepayments	3,049,617,087.31	2,020,261,446.90	50.95%	Mainly due to the increase in stocking for the current period
Interest receivable	74,589,209.00	49,456,785.29	50.82%	Mainly due to the increase in interest on fixed deposits of financial companies that have not yet reached their interest rates
Other current assets	1,255,274,789.65	2,485,890,689.74	-49.50%	Mainly due to redemption of wealth management funds during the period
Employees' wage payable	136,459,148.88	207,448,043.86	-34.22%	Mainly due to payment of employee compensation
Interest payable	174,873,853.51	106,119,769.42	64.79%	Mainly due to the accrual of interest on medium-term notes and corporate bonds, not yet due to interest payments
Financial index	This period (Yuan)	Same period of last year (Yuan)	Increase/decrease	Main reason for change
Business income	4,665,751,599.66	2,258,246,760.26	106.61%	Mainly due to business growth
Business cost	3,701,043,731.71	1,549,342,252.05	138.88%	Mainly due to the increase in operating costs caused by the increase in operating costs
Sales expense	54,191,909.17	19,972,538.52	171.33%	Mainly due to business growth
Administrative expense	180,127,732.95	109,001,741.46	65.25%	Mainly due to business growth

II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

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

The company has no commitments completed in period and those without completed till end of the period from actual controller, shareholders, related parties, purchaser and companies.

IV. Prediction of Business performance for January- June 2018

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable Not applicable

V. Investment in securities

Applicable Not applicable

No securities investment in period.

VI. Investments in derivatives

Applicable Not applicable

There is no derivative investment during the report period.

VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Applicable Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

VIII. External guarantee get out of line

Applicable Not applicable

The Company has no external guarantee get out of the line in the Period

IX. Controlling shareholder and its related parties occupying non-business capital of the listed company

Applicable Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

Prepared by: Tunghsu Optoelectronic Technology Co., Ltd.

March 31, 2018

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Cash and bank balances	26,853,831,093.47	27,371,178,417.85
Settlement provision		
Outgoing call loan		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	620,777,520.39	538,128,584.84
Account receivable	9,741,127,833.79	7,912,616,302.75
Advance payments	3,049,617,087.31	2,020,261,446.90
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	74,589,209.00	49,456,785.29
Dividend receivable		
Other account receivable	1,294,474,087.16	1,044,888,336.32
Securities purchased under agreements to resell		
Inventories	4,452,380,928.16	4,890,519,146.03
Held-for-sale assets	182,004,435.58	213,034,435.58
Current portion of non-current assets		
Other current asset	1,255,274,789.65	2,485,890,689.74
Total of current assets	47,524,076,984.51	46,525,974,145.30
Non-current assets:		

Loans and advances		
Available-for-sale financial assets	112,100,056.00	100,000,056.00
Held-to-maturity investments		
Long-term receivable	142,897,616.66	143,988,866.91
Long term share equity investment	2,140,525,030.19	2,130,640,158.90
Property investment	57,922,288.46	58,229,439.86
Fixed assets	10,861,784,326.88	11,091,555,183.08
Construction in progress	3,423,127,872.34	3,253,114,879.80
Engineering material		
Fixed assets pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	996,942,451.53	976,481,259.03
Research and Development Expenditures	18,918,168.61	15,397,704.97
Goodwill	2,728,154,973.65	2,587,678,140.99
Long-term prepaid expenses	25,830,090.01	26,538,304.02
Deferred income tax	466,297,448.57	469,313,252.72
Other non-current asset	299,212,854.97	304,417,835.33
Total of non-current assets	21,273,713,177.87	21,157,355,081.61
Total of assets	68,797,790,162.38	67,683,329,226.91
Current liabilities		
Short-term bank loan facilities	6,296,534,557.77	5,712,826,382.20
Borrowings from central bank		
Deposits and placements from other financial institutions		
Placement from banks and other financial institution		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable	1,311,918,356.77	1,063,897,679.89
Account payable	4,419,998,716.38	4,602,026,192.66
Advances from customers	2,049,847,993.47	1,655,128,026.63
Securities sold under agreement to		

repurchase		
Fees and commissions payable		
Payroll payable	136,459,148.88	207,448,043.86
Taxes and surcharges payable	265,615,457.25	294,699,104.59
Interest payable	174,873,853.51	106,119,769.42
Dividend payable		35,000,000.00
Other payable	1,835,360,998.98	1,763,117,468.05
Reinsurance amounts payable		
Provision of insurance contract		
Securities brokering		
Securities underwriting		
Held-for-sale liabilities		
Current portion of non-current liabilities	5,087,163,477.91	5,009,292,363.77
Other current liability	221,701,490.93	227,155,178.97
Total of current liability	21,799,474,051.85	20,676,710,210.04
Non-current liabilities:		
Long-term bank loan facilities	4,539,636,812.95	4,784,726,250.77
Bond payable	5,667,436,541.30	5,665,126,090.52
Including: preferred stock		
Perpetual capital securities		
Long-term payable	3,123,511,902.76	3,276,308,254.44
Long-term employee benefits payable		
Grants payable		
Provisions	154,819,387.47	156,421,713.31
Deferred income	470,320,280.57	506,635,206.44
Deferred tax liabilities	59,410,647.09	60,149,328.74
Other non-current liabilities	500,000,000.00	500,000,000.00
Total non-current liabilities	14,515,135,572.14	14,949,366,844.22
Total of liability	36,314,609,623.99	35,626,077,054.26
Equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		

Reserves	21,792,405,220.42	21,792,405,220.42
Less: treasury shares	4,422,320.00	4,422,320.00
Other comprehensive income	-1,184.57	-4,518.45
Specialized reserve	1,983,921.21	1,983,921.21
Surplus reserves	224,133,824.86	224,133,824.86
General risk reserve		
Retained earnings	3,602,888,637.59	3,178,450,209.42
Equity contributable to parent company	31,347,238,217.51	30,922,796,455.46
Minority interests	1,135,942,320.88	1,134,455,717.19
Total equity	32,483,180,538.39	32,057,252,172.65
Total liabilities and equity	68,797,790,162.38	67,683,329,226.91

Legal Representative: Li Zhaoting Person in charge of accounting: Huang Jinliang Accounting Dept Leader: Gao Feipeng

2.Parent Company Balance Sheet

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Cash and bank balances	11,228,106,003.29	11,224,359,236.39
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	1,400,000.00	200,000.00
Account receivable	76,911,262.59	23,837,262.59
Advance payments	19,358,200.58	16,902,375.19
Interest receivable	60,313,445.52	41,868,921.15
Dividend receivable		665,000,000.00
Other receivable	6,561,355,525.52	4,790,712,672.70
Inventories	506,472,115.72	509,283,364.38
Held-for-sale assets		
Current portion of non-current assets		
Other current asset	148,973.38	1,220,148,973.38
Total of current assets	18,454,065,526.60	18,492,312,805.78
Non-current assets:		
Available-for-sale financial assets	100,000,056.00	100,000,056.00

Held-to-maturity investments		
Long-term receivable		
Long term share equity investment	23,301,289,768.46	23,020,364,897.17
Property investment		
Fixed assets	43,533,241.45	44,669,881.93
Construction in progress		
Engineering material		
Fixed assets pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	9,600,167.75	9,687,094.58
Research and Development Expenditures		
Goodwill		
Long-term prepaid expenses		
Deferred income tax	58,105,970.47	58,105,970.47
Other non-current asset	1,381,400.00	1,381,400.00
Total of non-current assets	23,513,910,604.13	23,234,209,300.15
Total of assets	41,967,976,130.73	41,726,522,105.93
Current liabilities		
Short-term bank loan facilities	2,710,000,000.00	2,760,000,000.00
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable		
Account payable	44,053,411.92	15,219,920.86
Advances from customers	419,657.90	421,587.90
Payroll payable	4,064,929.33	4,061,413.48
Tax payable	28,937,936.68	28,150,779.48
Interest payable	145,417,224.18	79,827,566.10
Dividend payable		
Other payable	718,139,742.06	423,790,359.27
Held-for-sale liabilities		
Current portion of non-current liabilities	2,847,399,999.96	2,769,233,333.30
Other current liability		

Total of current liability	6,498,432,902.03	6,080,704,960.39
Non-current liabilities:		
Long-term bank loan facilities	1,410,450,000.00	1,512,500,000.00
Bond payable	5,667,436,541.30	5,665,126,090.52
Including: preferred stock		
Perpetual capital securities		
Long-term payable		
Long-term employee benefits payable		
Grants payable		
Provisions		
Deferred income		
Deferred income tax		
Other non-current liabilities		
Total of Non-current liabilities	7,077,886,541.30	7,177,626,090.52
Total of liability	13,576,319,443.33	13,258,331,050.91
Equity		
Share capital	5,730,250,118.00	5,730,250,118.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Reserves	21,861,207,672.90	21,861,207,672.90
Less: treasury shares	4,422,320.00	4,422,320.00
Other comprehensive income		
Specialized reserve		
Surplus reserves	205,144,600.53	205,144,600.53
Retained earnings	599,476,615.97	676,010,983.59
Total equity	28,391,656,687.40	28,468,191,055.02
Total liabilities and equity	41,967,976,130.73	41,726,522,105.93

3.Consolidated Income statement

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	4,665,751,599.66	2,258,246,760.26
Incl: Business income	4,665,751,599.66	2,258,246,760.26

Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	4,168,497,915.18	1,872,573,112.67
Incl: Business cost	3,701,043,731.71	1,549,342,252.05
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	19,932,031.85	16,751,045.37
Sales expense	54,191,909.17	19,972,538.52
Administrative expense	180,127,732.95	109,001,741.46
Financial expenses	192,286,755.19	178,704,471.61
Asset impairment loss	20,915,754.31	-1,198,936.34
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	23,809,013.93	-1,038,942.03
Incl: investment gains from affiliates	9,885,561.86	-1,038,942.03
Gains from currency exchange (“-”for loss)		
Assets disposal income		
Other income	21,426,201.51	
III. Operational profit (“-”for loss)	542,488,899.92	384,634,705.56
Add : Non-operational income	3,878,016.34	145,661,764.29
Less: Non business expenses	1,629,018.28	377,487.88
IV.Total profit(“-”for loss)	544,737,897.98	529,918,981.97
Less: Income tax expenses	112,692,841.43	104,817,557.05
V. Net profit	432,045,056.55	425,101,424.92
1.Net continuing operating profit	432,045,056.55	425,101,424.92
2.Termination of operating net profit		
Net profit attributable to the owners of parent company	424,438,428.17	387,022,905.51

Minority shareholders' equity	7,606,628.38	38,078,519.41
VI. Other comprehensive income	6,061.60	
Net of profit of other comprehensive income attributable to owners of the parent company.	3,333.88	
(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.	3,333.88	
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	3,333.88	
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	2,727.72	
VII. Total comprehensive income	432,051,118.15	425,101,424.92
Total comprehensive income attributable to the owner of the parent company	424,441,762.05	387,022,905.51
Total comprehensive income	7,609,356.10	38,078,519.41

attributable minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	0.07	0.08
(II)Diluted earnings per share	0.07	0.08

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

Legal Representative: Li Zhaoting Person in charge of accounting: Huang Jinliang Accounting Dept Leader: Gao Feipeng

4. Income statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	50,573,688.01	29,487,874.98
Incl : Business cost	35,399,563.01	23,208,786.32
Business tax and surcharge	1,031,055.02	475,331.94
Sales expense		
Administrative expense	7,699,680.84	13,924,710.85
Financial expenses	106,787,141.95	123,855,490.95
Asset impairment loss		
Add : Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	23,809,013.93	-1,039,567.77
Incl: investment gains from affiliates	9,885,561.86	-1,039,567.77
Assets disposal income		
Other income		
II. Operational profit (“-”for loss)	-76,534,738.88	-133,016,012.85
Add : Non-operational income	371.41	5,943.00
Less : Non business expenses	0.15	
III.Total profit(“-”for loss)	-76,534,367.62	-133,010,069.85

Less : Income tax expenses		
IV. Net profit (“-”for net loss)	-76,534,367.62	-133,010,069.85
1.Net continuing operating profit	-76,534,367.62	-133,010,069.85
2.Termination of operating net profit		
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	-76,534,367.62	-133,010,069.85
VII. Earnings per share :		
(I) Basic earnings per share		

(II) Diluted earnings per share		
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5. Consolidated Cash flow statement

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	4,593,763,600.26	3,100,458,034.70
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 trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	28,636,072.03	104,894,730.99
Other cash received from business operation	601,255,423.20	354,695,742.55
Sub-total of cash inflow	5,223,655,095.49	3,560,048,508.24
Cash paid for purchasing of merchandise and services	5,048,823,748.05	2,746,683,176.93
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	345,765,367.69	146,931,934.49
Taxes paid	261,937,423.95	251,845,789.60
Other cash paid for business activities	694,269,043.64	1,046,336,834.11
Sub-total of cash outflow from business activities	6,350,795,583.33	4,191,797,735.13
Cash flow generated by business operation, net	-1,127,140,487.84	-631,749,226.89
II.Cash flow generated by investing		
Cash received from investment retrieving	1,200,000,000.00	
Cash received as investment gains	13,923,452.07	
Net cash retrieved from disposal of 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	8,227.27	
Sub-total of cash inflow due to investment activities	1,213,931,679.34	
Cash paid for construction of fixed assets, intangible assets and other long-term assets	153,828,342.83	517,377,927.30
Cash paid as investment	52,099,996.00	420,800,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		-108,530.20
Other cash paid for investment activities	260,000,000.00	7,400.00
Sub-total of cash outflow due to investment activities	465,928,338.83	938,076,797.10
Net cash flow generated by investment	748,003,340.51	-938,076,797.10
III.Cash flow generated by financing		
Cash received as investment	2,000,000.00	102,000,000.00
Incl: Cash received as investment from		102,000,000.00

minor shareholders		
Cash received as loans	1,164,206,756.55	1,096,719,662.01
Cash received from bond placing		
Other financing –related ash received	103,648,950.73	67,096,096.38
Sub-total of cash inflow from financing activities	1,269,855,707.28	1,265,815,758.39
Cash to repay debts	723,884,505.43	1,232,470,416.67
Cash paid as dividend, profit, or interests	244,301,221.30	247,964,797.32
Incl: Dividend and profit paid by subsidiaries to minor shareholders		30,000,000.00
Other cash paid for financing activities	477,612,499.98	104,743,598.29
Sub-total of cash outflow due to financing activities	1,445,798,226.71	1,585,178,812.28
Net cash flow generated by financing	-175,942,519.43	-319,363,053.89
IV. Influence of exchange rate alternation on cash and cash equivalents	4,861,325.08	16,372,881.01
V.Net increase of cash and cash equivalents	-550,218,341.68	-1,872,816,196.87
Add: balance of cash and cash equivalents at the beginning of term	25,372,409,408.02	25,349,672,556.55
VI ..Balance of cash and cash equivalents at the end of term	24,822,191,066.34	23,476,856,359.68

6. Cash Flow Statement of the Parent Company

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	5,521,970.00	2,107,000.00
Tax returned		
Other cash received from business operation	239,806,134.59	57,349,385.06
Sub-total of cash inflow	245,328,104.59	59,456,385.06
Cash paid for purchasing of merchandise and services	834,370.85	7,381,636.42

Cash paid to staffs or paid for staffs	10,318,166.57	3,499,302.53
Taxes paid	1,579,682.56	4,656,775.49
Other cash paid for business activities	230,107,073.24	2,158,426,007.88
Sub-total of cash outflow from business activities	242,839,293.22	2,173,963,722.32
Cash flow generated by business operation, net	2,488,811.37	-2,114,507,337.26
II.Cash flow generated by investing		
Cash received from investment retrieving	1,220,000,000.00	
Cash received as investment gains	678,923,452.07	570,000,000.00
Net cash retrieved from disposal of 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	1,898,923,452.07	570,000,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	271,040,000.00	4,167,900,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	5,720,200,000.00	
Sub-total of cash outflow due to investment activities	5,991,240,000.00	4,167,900,000.00
Net cash flow generated by investment	-4,092,316,547.93	-3,597,900,000.00
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	350,000,000.00	869,666,666.66
Cash received from bond placing		
Other financing –related cash received	4,263,448,809.94	
Sub-total of cash inflow from financing activities	4,613,448,809.94	869,666,666.66

Cash to repay debts	423,883,333.34	702,050,000.00
Cash paid as dividend, profit, or interests	95,990,973.14	87,863,786.81
Other cash paid for financing activities		22,835,849.49
Sub-total of cash outflow due to financing activities	519,874,306.48	812,749,636.30
Net cash flow generated by financing	4,093,574,503.46	56,917,030.36
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	3,746,766.90	-5,655,490,306.90
Add: balance of cash and cash equivalents at the beginning of term	11,224,359,236.39	16,951,756,537.76
VI ..Balance of cash and cash equivalents at the end of term	11,228,106,003.29	11,296,266,230.86

II. Auditor' report

Is the First Quarterly Report be audited?

Yes No

The First Quarterly report is not audited.

Tunghsu Optoelectronic Technology Co., Ltd.

Board Chairman: Li Zhaoting

Issue day approved by the Board of Directors: April 25,2018