

Bengang Steel Plates Co., Ltd.
Report for the First Quarter of 2018

April 2018

Chapter I Important Notice

The Board of Directors, the Supervisory Committee and the Directors, members of the Supervisory Committee and senior management of the Company guarantee that there are no misrepresentations or misleading statements, or material omission in this report, and individually and collectively accept full responsibility for the authenticity, accuracy and integrity of the information contained in this report.

All the members of the Board of Directors attended the board meeting on which this report was examined.

Wang Shu, Chairman of the Company, Han Ge, the principal in charge of the accounting, and Wang Shaoyu, Chief of Accounting Affairs, make the pledge for the authenticity, accuracy and integrity of the attached financial statements.

II Basic Information of the Company

1 Summary of accounting data and financial index

Whether the Company make retroactive adjustment or restatement of the accounting data of the previous years

Yes No

	Jan.-Mar. 2018	Jan.-Mar. 2017	Changes (+/-)
Operating income (RMB)	11,641,518,226.15	11,132,407,692.65	4.57%
Net profit attributable to the shareholders of the listed company (RMB)	350,629,492.24	302,653,287.07	15.85%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	347,300,210.06	295,684,784.12	17.46%
Net Cash flows generated by business operation (RMB)	-8,871,507,868.81	-3,422,732,831.24	208.17%
Basic earnings per share(RMB/Share)	0.090	0.097	-7.22%
Diluted earnings per share(RMB/Share)	0.090	0.097	-7.22%
Weighted average net assets yield (%)	2.13%	2.30%	-0.17%
	31 Mar. 2018	31 Mar. 2017	Changes (+/-)
Gross assets (RMB)	56,754,968,274.94	62,998,143,513.02	-9.91%
Net assets attributable to shareholders of the listed company (RMB)	18,640,829,795.37	14,315,588,729.00	30.21%

Items and Amount of the non-recurring gains and losses

Applicable Not applicable

Unit: Yuan

Items	Jan.-Mar. 2018	Notes
Profit or loss from investment or assets entrusted to others	3,493,150.68	
Profit or loss from debt restructuring	945,892.23	
Less: Impact of income tax	1,109,760.73	
Total	3,329,282.18	--

For the Company's non-recurring profit and loss items as defined in "the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Profits and Losses" and its non-recurring profit and loss items as illustrated in "the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Profits and Losses" which have been defined as recurring profits and losses, it is necessary to explain the reason.

Applicable Not applicable

None of Non-recurring profit and loss items recognized as recurring profit and loss items as defined by "the Explanatory

Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Profits and Losses” in the report period.

2 Number of total shareholders and shareholdings by Top 10 shareholders at the end of the period.

(1) Number of holders of ordinary shares and preferred shares with restored voting right and Top 10 shareholders

Unit: Share

Name of the shareholder	Nature of shareholder	Proportion of shares held	Quantity of shares	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Quantity
Total number of common shareholders at the end of the reporting period			68,592	The total number of preferred shareholders whose voting rights has been restored at end of the reporting period (if any)		0
Shareholding by Top 10 shareholders						
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	58.95%	2,284,411,202		Pledged	1,483,095,133
					Frozen	45,000,000
Liaoning Provincial Transportation Investment Group Co., Ltd.	State-owned legal person	4.77%	184,842,883	184,842,883		
CCB Principal Asset Management – ICBC – CR Trust – CR Trust ·Xing Sheng No. 5 Collective Fund Trust Plan	Others	4.77%	184,842,883	184,842,883		
Bei Xin Rui Feng Fund – China Merchants Bank – Bei Xin Rui Feng Fund Feng Qing No. 229 Asset Management Plan	Others	4.77%	184,842,883	184,842,883		
China Life AMP Fund– ICBC – China Life AMP – Hua Xin Trust	Others	4.77%	184,842,883	184,842,883		

Targeted Additional Shares Issuance No. 10 Asset Management Plan						
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.21%	8,157,311			
Chen Jinhong	Domestic natural person	0.17%	6,517,700			
Lyu Ruijun	Domestic natural person	0.13%	5,123,100			
FIRST TRUST EMERGING MARKETS SMALL CAP ALPHADDEX FUND	Overseas legal person	0.13%	4,871,043			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.12%	4,606,141			
Shareholding of top 10 shareholders of unrestricted shares						
Name of the shareholder	Number of non-restricted common shares held at the period-end	Category of shares				
		Category of shares	Quantity			
Benxi Steel & Iron (Group) Co., Ltd.	2,284,411,202	Common shares in RMB	2,284,411,202			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	8,157,311	Foreign shares placed in domestic exchange	8,157,311			
Chen Jinhong	6,517,700	Foreign shares placed in domestic exchange	6,517,700			
Lyu Ruijun	5,123,100	Foreign shares placed in domestic exchange	5,123,100			

FIRST TRUST EMERGING MARKETS SMALL CAP ALPHADEX FUND	4,871,043	Foreign shares placed in domestic exchange	4,871,043
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,606,141	Foreign shares placed in domestic exchange	4,606,141
Yu Xiaofan	4,002,707	Foreign shares placed in domestic exchange	4,002,707
Liu Hongqing	3,490,000	Common shares in RMB	3,490,000
Wu Zhanglin	3,395,200	Common shares in RMB	3,395,200
Haitong International Securities Company Limited-Account Client	3,161,109	Foreign shares placed in domestic exchange	3,161,109
Related-parties or acting-in-concert parties among the above-mentioned shareholders	Benxi Steel & Iron (Group) Co., Ltd., the holding shareholder, has no relationship with any of the other shareholders among the top 10 shareholders, neither being regarded as action-in-concert parties by the Information Disclosure Regulations for Change of Shareholding in listed companies. The Company is not aware of any relationship among the other shareholders, neither being regarded as action-in-concert parties by the Information Disclosure Regulations for Change of Shareholding in listed companies. The Company is not aware of any relationship among the top 10 shareholders, neither being regarded as action-in-concert parties by the Information Disclosure Regulations for Change of Shareholding in listed companies.		
Shareholders among the top 10 participating in Securities lending and borrowing business (if any)	Benxi Steel & Iron (Group) Co., Ltd. holds 2,034,411,202 shares of the company through an ordinary securities account, and holds 250,000,000 shares through the investor's credit securities account, therefore, it holds a total of 2,284,411,202 shares. Liu Hongqing holds 3,490,000 shares of the company through an investor's credit securities account, and Wu Zhanglin holds 3,395,200 shares of the company through an investor's credit securities account.		

Whether top ten common shareholders or top ten common shareholders with unrestricted shares carried out any buy-back agreement dealing in the reporting period.

Yes No

Top ten common shareholders or top ten common shareholders with unrestricted shares did not carry out buy-back agreement dealing in the reporting period. .

(2) Number of total preferred shareholders and preferred shares hold by Top 10 preferred shareholders

Applicable Not applicable

III Important Events

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

√ Applicable □ Not applicable

- Significant changes and reasons in major accounting data, financial indicators which changed over 30% compared to the consolidated financial statement at the end of 2017

1. Financial Position Statement items	Increase / Decrease	Reasons
Cash at bank and on hand	-35%	Due to repayment of the arrears in the current period
Other current assets	-72%	Due to the redeem of financial products
Construction in progress	-37%	Due to the increase of construction materials usage
Notes payable	-67%	Due to the increase of the solution pay of notes payable at maturity
Advance from customers	-31%	Due to the decrease of production
Tax payable	-73%	Due to the decrease of tax payable at the end of this period
Interests payable	-69%	Due to the decrease of provision of corporate bond interest
Capital reserves	35%	Due to premium of targeted additional shares issuance
Special reserves	1447%	Due to the decrease of payment of safety production cost
Undistributed profits	32%	Due to the increase of net profit

- Significant changes and reasons in major accounting data, financial indicators which changed over 30% compared to the consolidated financial statement of the first quarter of 2017

2. Income Statement items	Increase / Decrease	Reasons
General and administrative expenses	38%	Due to the increase of employee benefits and repair costs
Financial expenses	-133%	Due to the increase of exchange gains
Income on investment	60%	Due to the increase of income on financial products
Non-operating income	-83%	Due to the reclassification of government subsidy into other income
Non-operating expenses	-100%	Due to non-occurrence of disposal of fixed assets

Income tax expenses	-90%	Due to the decrease of deferred income tax
Profit or loss of non-controlling shareholders	-88%	Due to the decrease of profit of holding subsidiaries

3. Cash flow items	Increase / Decrease	Reasons
Tax rebate received	80%	Due to the increase of tax rebate received
Cash paid for goods and services	61%	Due to the increase of repayment of the arrears in the current period
Subtotal of cash outflows from operating activities	57%	Due to the increase of repayment of the arrears in the current period
Net cash flows generated from operating activities	159%	Due to the increase of repayment of the arrears in the current period
Cash received from return on investments	214%	Due to the increase of redeem of financial products
Cash received from distribution of dividends or profit	60%	Due to the increase of income on financial products
Proceeds from investment	100%	Due to the investment received from targeted additional shares issuance
Cash repayments of borrowings	61%	Due to the increase of repayment of bank loans
The net cash flow generated by financing activities	63%	Due to the investment received from targeted additional shares issuance

2 Progress and influence of significant events, as well as the analysis and explanation on solutions

Applicable Not applicable

3 Commitments not finished and is overdue in the reporting period by actual controller, shareholders, related parties, acquirer, and other commitments parties.

Applicable Not applicable

There is no commitments not finished and is overdue in the reporting period by actual controller, shareholders, related parties, acquirer, and other commitments parties.

4 Forecast of operating results for Jan. 2018-June 2018

Warning of possible loss or considerable change of the accumulated net profit made during the period-start until the end of the next reporting period according to predictions as well as any explanations for these reasons:

Applicable Not applicable

5 Securities investment

Applicable Not applicable

There is no securities investments in the reporting period.

6 Investment in Derivatives

Applicable Not applicable

There is no investment in derivatives in the reporting period.

7 Particulars about researches, visits and interviews received in this reporting period

Applicable Not applicable

There is no researches, visits and interviews received in the reporting period.

8 Illegal Guarantee

Applicable Not applicable

There was no illegal guarantee during the reporting period.

9 Particulars about the non-operating occupation of funds by the controlling shareholder

Applicable Not applicable

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

IV Financial Statements

1 Financial Statements

(1) Consolidated Statement of Financial Position

Prepared by: Bengang Steel Plates Co., Ltd.

As at 31 March 2018

Unit: Yuan

Items	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	11,093,558,097.39	17,037,713,410.49
Settlement provisions		
Capital lent		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	3,843,305,009.16	3,846,433,700.87
Accounts receivable	759,164,807.27	728,597,926.39
Prepayments	1,180,446,504.01	1,280,689,094.33
Premium receivable		
Reinsurance accounts receivable		
Receivable deposit for reinsurance contract		
Interests receivable	16,293,285.16	18,448,520.50
Dividends receivable		
Other receivables	296,536,545.14	290,376,985.34
Redemptory financial assets for sale		
Inventories	11,849,685,609.68	11,209,898,096.16
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	223,617,780.92	809,322,127.79
Total current assets	29,262,607,638.73	35,221,479,861.87

Non-current assets:		
Loan and advances issued		
Available-for-sale financial assets	3,888,980.00	3,888,980.00
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	2,726,009.03	2,726,009.03
Investment properties		
Fixed assets	23,423,813,190.26	23,852,067,166.10
Construction in progress	2,512,650,530.63	2,391,584,410.46
Construction materials	2,880,287.12	4,558,919.60
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	283,074,289.92	253,884,881.48
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	195,992,526.13	200,618,461.36
Other non-current assets	1,067,334,823.12	1,067,334,823.12
Total non-current assets	27,492,360,636.21	27,776,663,651.15
Total assets	56,754,968,274.94	62,998,143,513.02
Current Liabilities:		
Short-term loans	20,988,248,400.00	21,999,103,900.00
Loan from central bank		
Absorbed deposit and interbank deposit		
Loan from other financial institutions		
Financial liabilities at fair value through profit or loss		
Advance from customers		
Notes payable	3,742,684,341.50	11,494,589,827.27
Accounts payable	3,750,475,693.36	3,897,668,513.77
Advance from customers	2,267,165,181.31	3,308,567,598.05
Financial assets sold for		

repurchase		
Handling charges and commission payable		
Employee benefits payable	36,205,319.16	43,722,537.58
Current tax liabilities	23,604,657.69	87,807,128.50
Interests payable	26,252,770.25	84,139,288.02
Dividends payable		
Other payables	540,233,649.65	576,989,932.31
Reinsurance accounts payable		
Provision for insurance contract		
Receipt from vicariously traded securities		
Receipt from vicariously underwriting securities		
Liabilities held for sale		
Non-current liabilities due within one year	3,710,868,973.54	3,811,540,590.84
Other current liabilities	23,574,344.57	27,979,093.21
Total current liabilities	35,109,313,331.03	45,332,108,409.55
Non-current liabilities:		
Long-term loans	2,098,295,484.06	2,444,185,630.28
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Special accounts payable		
Estimated liabilities		
Deferred income	372,601,561.30	372,785,000.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	2,470,897,045.36	2,816,970,630.28
Total liabilities	37,580,210,376.39	48,149,079,039.83
Shareholders' equity:		

Share capital	3,875,371,532.00	3,136,000,000.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital reserves	12,343,209,847.29	9,114,845,542.05
Less: treasury shares		
Other comprehensive income		
Special reserves	7,350,783.64	475,046.75
Surplus reserves	961,105,529.85	961,105,529.85
General risk reserve		
Undistributed profits	1,453,792,102.59	1,103,162,610.35
Total equity attributable to equity holders of the parent company	18,640,829,795.37	14,315,588,729.00
Non-controlling interests	533,928,103.18	533,475,744.19
Total shareholder's equity	19,174,757,898.55	14,849,064,473.19
Total liabilities and shareholder's equity	56,754,968,274.94	62,998,143,513.02

Legal Representative: Wang Shu

Person in charge of accounting: Han Ge

Accounting Dept

Leader: Wang Shaoyu

(2) Balance sheet of Parent Company

Unit: Yuan

Items	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	10,479,896,112.30	16,717,913,081.42
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	3,575,837,787.96	3,515,361,992.96
Accounts receivable	520,075,140.22	482,181,593.45
Prepayments	1,180,446,504.01	1,280,354,579.87
Interests receivable	16,293,285.16	18,377,036.96
Dividends receivable		
Other receivables	398,937,446.74	376,863,448.72
Inventories	9,571,138,419.47	9,228,860,225.75

Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	223,617,780.92	682,211,823.73
Total current assets	25,966,242,476.78	32,302,123,782.86
Non-current assets:		
Available-for-sale financial assets	3,888,980.00	3,888,980.00
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	1,930,481,902.16	1,756,981,902.16
Investment properties		
Fixed assets	21,303,700,826.29	21,621,369,452.27
Construction in progress	2,495,900,067.44	2,383,533,130.37
Construction materials	2,455,500.80	4,134,133.28
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	151,255,780.92	152,082,315.24
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	95,563,986.10	100,189,921.33
Other non-current assets	1,037,735,849.00	1,037,735,849.00
Total non-current assets	27,020,982,892.71	27,059,915,683.65
Total assets	52,987,225,369.49	59,362,039,466.51
Current Liabilities:		
Short-term loans	19,405,839,000.00	20,499,694,500.00
Financial liabilities at fair value through profit or loss		
Advance from customers		
Notes payable	3,214,532,767.20	10,866,669,546.93
Accounts payable	3,901,242,450.32	4,184,763,509.38
Advance from customers	2,087,038,774.20	3,217,423,443.14
Employee benefits payable	35,842,167.15	42,380,713.02
Current tax liabilities	3,476,856.86	66,903,531.67

Interests payable	17,450,000.00	79,074,426.27
Dividends payable		
Other payables	399,948,764.62	343,211,639.65
Liabilities held for sale		
Non-current liabilities due within one year	3,710,868,973.54	3,811,540,590.84
Other current liabilities	23,574,344.57	27,979,093.21
Total current liabilities	32,799,814,098.46	43,139,640,994.11
Non-current liabilities:		
Long-term loans	2,098,295,484.06	2,444,185,630.28
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Special accounts payable		
Estimated liabilities		
Deferred income	372,601,561.30	372,785,000.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	2,470,897,045.36	2,816,970,630.28
Total liabilities	35,270,711,143.82	45,956,611,624.39
Shareholders' equity:		
Share capital	3,875,371,532.00	3,136,000,000.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital reserves	11,923,058,165.17	8,694,693,859.93
Less: treasury shares		
Other comprehensive income		
Special reserves	5,953,580.47	276,727.96
Surplus reserves	961,105,529.85	961,105,529.85
Undistributed profits	951,025,418.18	613,351,724.38
Total shareholder's equity	17,716,514,225.67	13,405,427,842.12

Total liabilities and shareholder's equity	52,987,225,369.49	59,362,039,466.51
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(3) Consolidated Statement of Comprehensive Income

Unit: Yuan

Items	Jan.-Mar.2018	Jan.-Mar.2017
1. Total operating income	11,641,518,226.15	11,132,407,692.65
Including: Operating income	11,641,518,226.15	11,132,407,692.65
Interest income		
Premium earned		
Income from handling charges and commission		
2. Total operating cost	11,292,484,306.53	10,738,188,697.63
Including: Operating cost	10,774,961,797.37	9,930,127,676.02
Interest cost		
Expenditure for handling charges and commission		
Surrender value		
Net expenditure for compensation		
Net provision for insurance contract appropriated		
Bonus payment for policy		
Reinsurance premium		
Taxes and surcharges	93,231,022.33	77,416,977.43
Selling and distribution expenses	270,705,255.98	309,701,590.37
General and administrative expenses	236,415,300.35	171,564,522.91
Financial expenses	-82,829,069.50	249,377,930.90
Asset impairment loss		
Add: Gains from the change in fair value ("-" for loss)		
Income on investment ("-" for loss)	3,493,150.68	2,186,117.80
Including: Income from associates and joint ventures		

Exchange gain ("-" for loss)		
Assets disposal gains ("-" for loss)		
Other income	6,463,438.70	
3 Operating profit ("-" for loss)	358,990,509.00	396,405,112.82
Add: Non-operating income	1,585,742.03	9,446,503.65
Less: Non-operating expenses		2,338,387.11
4 Total profit ("-" for total loss)	360,576,251.03	403,513,229.36
Less: Income tax expenses	9,494,399.80	97,028,442.48
5 Net Profit ("-" for net loss)	351,081,851.23	306,484,786.88
Net profit from continuing operation ("-" for loss)	351,081,851.23	306,484,786.88
Net profit from discontinued operation ("-" for loss)		
Attributable to: Owners of parent company	350,629,492.24	302,653,287.07
Non-controlling shareholders	452,358.99	3,831,499.81
6. Other comprehensive income after tax		
Other comprehensive income attributable to owners of parent company after tax		
1) Other comprehensive income unable to be reclassified into profit and loss afterwards		
1.Change of net liabilities or net assets through remeasuring defined benefit plan		
2.Share of other comprehensive income of investee not to be classified into profit or loss afterwards under equity method		
2) Other comprehensive income to be reclassified into profit and loss afterwards		
1.Share of other comprehensive income of investee to be classified into profit or loss afterwards under equity method		
2. Gains and losses on		

remeasuring available-for-sale financial assets		
3.Gains and losses resulting from reclassification of held-to maturity investment to financial assets held-for sale		
4.Effective portion of gains or losses from cash flow hedging		
5. Gains and losses resulting from translating the foreign currency financial statements		
6.Others		
Other comprehensive income attributable to non-controlling shareholders after tax		
7. Total comprehensive income	351,081,851.23	306,484,786.88
Total comprehensive income attributable to owners of parent company	350,629,492.24	302,653,287.07
Total comprehensive income attributable to non-controlling shareholders	452,358.99	3,831,499.81
8. Earnings per share:		
(1) Basic earnings per share	0.090	0.097
(2) Diluted earnings per share	0.090	0.097

Legal Representative: Wang Shu

Person in charge of accounting: Han Ge

Accounting Dept

Leader: Wang Shaoyu

(4) Income Statement of the Parent Company

Unit: Yuan

Items	Jan.-Mar. 2018	Jan.-Mar. 2017
1 Operating income	11,808,077,059.64	11,398,661,706.90
Less: Operating cost	11,117,984,591.44	10,366,737,537.66
Taxes and surcharges	86,278,192.35	70,478,527.46
Selling and distribution expenses	145,350,744.25	200,688,771.46
General and administrative	224,716,557.40	160,222,229.54

expenses		
Financial expenses	-97,141,152.03	231,289,051.43
Asset impairment loss		
Add: Gains from the change in fair value ("-" for loss)		
Income on investment ("-" for loss)	3,493,150.68	2,186,117.80
Including: Income from associates and joint ventures		
Assets disposal gains ("-" for loss)		
Other income	6,463,438.70	
2 Operating profit ("-" for loss)	340,844,715.61	371,431,707.15
Add: Non-operating income	1,454,913.42	8,796,284.46
Less: Non-operating expenses		2,338,387.11
3 Total profit ("-" for total loss)	342,299,629.03	377,889,604.50
Less: Income tax expenses	4,625,935.23	87,971,810.96
4 Net Profit ("-" for net loss)	337,673,693.80	289,917,793.54
Net profit from continuing operation ("-" for loss)	337,673,693.80	289,917,793.54
Net profit from discontinued operation ("-" for loss)		
5 Other comprehensive income after tax		
1) Other comprehensive income unable to be reclassified into profit and loss afterwards		
1.Change of net liabilities or net assets through remeasuring defined benefit plan		
2.Share of other comprehensive income of investee not to be classified into profit or loss afterwards under equity method		
2) Other comprehensive income to be reclassified into profit and loss afterwards		
1.Share of other comprehensive income of investee to be classified into profit or loss afterwards		

under equity method		
2 Gains and losses on remeasuring available-for-sale financial assets		
3. Gains and losses resulting from reclassification of held-to maturity investment to financial assets held-for sale		
4. Effective portion of gains or losses from cash flow hedging		
5. Gains and losses resulting from translating the foreign currency financial statements		
6. Others		
6 Total comprehensive income	337,673,693.80	289,917,793.54
7 Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

(5) Consolidated Statement of Cash Flows

Unit: Yuan

Items	Jan.-Mar. 2018	Jan.-Mar. 2017
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	7,731,797,062.14	7,100,739,711.79
Net increase of customers' deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of loans from other financial institutions		
Cash received for premium of original insurance contract		
Net cash received for reinsurance business		
Net increase of deposit and investment of the insured		

Net increase of Financial assets at fair value through profit or loss		
Cash from receiving interest, handling charge and commission		
Net increase of loans from other financial institutions		
Net increase of fund for buy-back business		
Tax rebate received	72,002,572.86	40,096,198.40
Other cash received relating to operating activities	60,576,344.20	69,675,649.95
Subtotal of cash inflow received from operation activities	7,864,375,979.20	7,210,511,560.14
Cash paid for goods and services	15,907,402,800.35	9,858,638,834.91
Net increase of customer's loan and advances		
Net increase of deposit in central bank and interbank deposit		
Cash for payment of compensation for original insurance contract		
Cash for payment of interest, handling charge and commission		
Cash for payment of policy bonus		
Cash paid to and on behalf of employees	481,878,788.59	453,316,467.11
Cash paid for all types of taxes	322,300,081.76	296,159,456.20
Other cash paid relating to operating activities	24,302,177.31	25,129,633.16
Subtotal of cash outflow received from operation activities	16,735,883,848.01	10,633,244,391.38
Net cash flows generated from operating activities	-8,871,507,868.81	-3,422,732,831.24
2. Cash flows from investing activities:		
Cash received from return on investments	500,000,000.00	159,000,000.00
Cash received from distribution of	3,493,150.68	2,186,117.80

dividends or profit		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiary and other operating units		
Other cash paid relating to investing activities		
Subtotal of cash inflow received from investing activities	503,493,150.68	161,186,117.80
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	367,847,024.60	486,764,678.93
Cash paid for acquisition of investments		
Net increase of mortgage loan		
Net cash received from subsidiary and other operating unit		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	367,847,024.60	486,764,678.93
The net cash flow generated by investment activities	135,646,126.08	-325,578,561.13
3. Cash flows from financing activities:		
Proceeds from investment	3,965,799,988.19	
Including: Proceeds from investment of non-controlling shareholders of subsidiary		
Proceeds from borrowings	6,576,220,000.00	6,602,518,658.09
Cash received from bond issuance		
Other proceeds relating to financing activities		
Subtotal cash inflow received from financing activities	10,542,019,988.19	6,602,518,658.09
Cash repayments of borrowings	6,452,965,440.62	3,997,546,531.91
Cash payments for distribution of	292,806,531.43	282,352,521.52

dividends, profit or interest expenses		
Including: Cash paid to non-controlling shareholders as dividend and profit by subsidiaries		
Other cash payments relating to financing activities		
Subtotal of cash outflows from financing activities	6,745,771,972.05	4,279,899,053.43
The net cash flow generated by financing activities	3,796,248,016.14	2,322,619,604.66
4. Effect of foreign exchange rate changes on cash and cash equivalents	-6,488,117.13	-8,665,398.73
5. Net increase in cash and cash equivalents	-4,946,101,843.72	-1,434,357,186.44
Add: Cash and cash equivalents at the beginning of the period	12,317,576,778.93	12,273,574,488.67
6. Cash and cash equivalents at the ending of the period	7,371,474,935.21	10,839,217,302.23

(6) Cash Flow Statement of Parent Company

Unit: Yuan

Items	Jan.-Mar. 2018	Jan.-Mar. 2017
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	7,332,137,869.58	7,138,918,917.92
Tax rebate received	135,442.49	4,990,848.26
Other cash received relating to operating activities	42,405,069.68	50,953,435.38
Subtotal of cash inflow received from operation activities	7,374,678,381.75	7,194,863,201.56
Cash paid for goods and services	15,657,723,198.78	9,605,833,537.74
Cash paid to and on behalf of employees	456,027,325.34	429,807,971.99
Cash paid for all types of taxes	289,677,174.70	271,085,915.47
Other cash paid relating to operating activities	20,458,086.55	20,753,329.17
Subtotal of cash outflow received from	16,423,885,785.37	10,327,480,754.37

operation activities		
Net cash flows generated from operating activities	-9,049,207,403.62	-3,132,617,552.81
2. Cash flows from investing activities:		
Cash received from return on investments	500,000,000.00	159,000,000.00
Cash received from distribution of dividends or profit	3,493,150.68	2,186,117.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiary and other operating units		
Other cash paid relating to investing activities		
Subtotal of cash inflow received from investing activities	503,493,150.68	161,186,117.80
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	366,691,846.42	474,766,092.93
Cash paid for acquisition of investments	173,500,000.00	
Net cash received from subsidiary and other operating unit		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	540,191,846.42	474,766,092.93
The net cash flow generated by investment activities	-36,698,695.74	-313,579,975.13
3. Cash flows from financing activities:		
Proceeds from investment	3,965,799,988.19	
Proceeds from borrowings	6,053,220,000.00	5,978,931,200.00
Cash received from bond issuance		
Other proceeds relating to financing activities		

Subtotal cash inflow received from financing activities	10,019,019,988.19	5,978,931,200.00
Cash repayments of borrowings	6,012,965,440.62	3,743,326,531.91
Cash payments for distribution of dividends, profit or interest expenses	279,903,047.33	267,274,159.52
Other cash payments relating to financing activities		
Subtotal of cash outflows from financing activities	6,292,868,487.95	4,010,600,691.43
The net cash flow generated by financing activities	3,726,151,500.24	1,968,330,508.57
4. Effect of foreign exchange rate changes on cash and cash equivalents	-6,484,800.97	-8,663,163.83
5. Net increase in cash and cash equivalents	-5,366,239,400.09	-1,486,530,183.20
Add: Cash and cash equivalents at the beginning of the period	12,152,285,550.21	11,876,536,613.66
6. Cash and cash equivalents at the ending of the period	6,786,046,150.12	10,390,006,430.46

2 Auditors' report

Whether First quarter report has been audited by a CPAs firm.

Yes No

The First quarter report has not been audited by a CPAs firm.