

**BOE**

# **FIRST QUARTER REPORT 2018**

**April 2018**

**京东方科技集团股份有限公司**  
**BOE TECHNOLOGY GROUP CO., LTD.**

## Part I Important Notes

**The Board of Directors (or the “Board”), the Supervisory Board as well as the Directors, Supervisors and senior management of BOE Technology Group Co., Ltd. (inclusive of its consolidated subsidiaries, the “Company”; exclusive of its subsidiaries, the “Parent Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions in this Report.**

**All the Company’s Directors have attended the Board meeting for the review of this Report.**

**Mr. Wang Dongsheng, the Company’s legal representative, Mr. Chen Yanshun, President of the Execution Committee (Chief Executive Officer) of the Company, Ms. Sun Yun, the Company’s Chief Financial Officer, and Ms. Yang Xiaoping, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.**

## Part II Key Corporate Information

### I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

Item	January-March 2018	January-March 2017	Change
Sales revenue (RMB)	21,566,813,037.00	21,854,974,362.00	-1.32%
Net income attributable to shareholders of the listed company (RMB)	2,018,692,554.00	2,413,015,650.00	-16.34%
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)	973,191,629.00	2,301,442,129.00	-57.71%
Net cash flows from operating activities (RMB)	7,198,088,816.00	6,216,049,821.00	15.80%
Basic earnings per share (RMB/share)	0.058	0.069	-15.94%
Diluted earnings per share (RMB/share)	0.058	0.069	-15.94%
Weighted average return on equity (%)	2.35%	3.02%	-0.67%
Item	March 31, 2018	December 31, 2017	Change
Total assets (RMB)	262,729,417,350.00	256,108,741,849.00	2.59%
Equity attributable to shareholders of the listed company (RMB)	86,611,338,154.00	84,809,816,377.00	2.12%

Nonrecurring gains and losses:

Applicable  Not applicable

Unit: RMB

Item	January-March 2018	Note
Gains and losses on disposal of non-current assets (inclusive of offset allowance for asset impairments)	2,268,256.00	N/A
Tax rebates, reductions and exemptions with ultra vires approval or in lack of duly approved document	0.00	N/A
Government subsidies charged to current profit and loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards )	1,061,024,730.00	N/A
Capital occupation charges on non-financial enterprises that are charged to current gains and losses	0.00	N/A
Income equal to the amount by which investment costs for the Company to obtain	0.00	N/A

subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments		
Gains and losses on non-monetary asset swap	0.00	N/A
Gains and losses on investment or asset management entrustments to other entities	0.00	N/A
Allowance for asset impairments due to acts of God such as natural disasters	0.00	N/A
Gains and losses on debt restructuring	0.00	N/A
Restructuring costs in staff arrangement, integration, etc.	0.00	N/A
Gains and losses on over-fair value amount as a result of transactions with distinctly unfair prices	0.00	N/A
Current gains and losses on subsidiaries acquired through business mergers under same control from period-beginning to merger dates, net	0.00	N/A
Gains and losses on contingencies that do not arise in the Company's ordinary course of business	0.00	N/A
Gains and losses on changes in fair value of trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	93,646,189.00	N/A
Reversed portion of impairment allowance for accounts receivable which are tested individually for impairment	67,880.00	N/A
Gains and losses on loan entrustment	0.00	N/A
Gains and losses on fair value changes in investment property of which subsequent measurement is carried out using fair value method	0.00	N/A
Effects of all adjustments required by taxation, accounting and other applicable laws and regulations on current gains and losses	0.00	N/A
Income from charges on entrusted management	0.00	N/A
Non-operating income and expense other than above	7,239,099.00	N/A
Other gains and losses that meet definition of nonrecurring gain/loss	0.00	N/A
Less: Income tax effects	62,318,035.00	N/A
Non-controlling interests effects (net of tax)	49,577,969.00	N/A
Total	1,052,350,150.00	--

Explanation of why the Company classifies an item as a nonrecurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Nonrecurring Gains and Losses, or reclassifies any nonrecurring gain/loss item listed in the said explanatory announcement as a recurring gain/loss:

Applicable  Not applicable

No such cases for the Reporting Period.

## II Total Number of Shareholders and Top 10 Shareholders' Holdings at Period-End

### 1. Numbers of Common Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Common shareholders at period-end		1,313,406 (including 1,275,197 A-share holders and 38,209 B-share holders)				
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Restricted shares	Pledged or frozen shares	
					Status	Shares
Beijing State-owned Capital Operation and Management Center	State-owned juridical person	11.68%	4,063,333,333	0	N/A	0
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	State-owned juridical person	7.62%	2,653,000,041	0	N/A	0
Hefei Jianxiang Investment Co., Ltd.	State-owned juridical person	7.21%	2,510,142,953	0	N/A	0
Beijing Yizhuang Investment Holdings Limited	State-owned juridical person	3.57%	1,241,423,641	0	N/A	0
Beijing BOE Investment & Development Co., Ltd.	State-owned juridical person	2.36%	822,092,180	0	N/A	0
National Social Security Fund Portfolio 108	Other	1.27%	440,893,536	0	N/A	0
Hong Kong Securities Clearing Company Ltd.	Other	1.01%	350,950,718	0	N/A	0
Beijing Electronics Holding Co., Ltd.	On behalf of the government	0.79%	273,735,583	0	N/A	0
Central Huijin Asset Management Co., Ltd.	Other	0.71%	248,305,300	0	N/A	0
National Social Security Fund Portfolio 101	Other	0.69%	239,271,500	0	N/A	0
Top 10 non-restricted shareholders						
Name of shareholder	Non-restricted shares held at period-end			Type of shares		

		Type	Shares
Beijing State-owned Capital Operation and Management Center	4,063,333,333	RMB common stock	4,063,333,333
Chongqing Ezcapital Opto-electronics Industry Investment Co., Ltd.	2,653,000,041	RMB common stock	2,653,000,041
Hefei Jianxiang Investment Co., Ltd.	2,510,142,953	RMB common stock	2,510,142,953
Beijing Yizhuang Investment Holdings Limited	1,241,423,641	RMB common stock	1,241,423,641
Beijing BOE Investment & Development Co., Ltd.	822,092,180	RMB common stock	822,092,180
National Social Security Fund Portfolio 108	440,893,536	RMB common stock	440,893,536
Hong Kong Securities Clearing Company Ltd.	350,950,718	RMB common stock	350,950,718
Beijing Electronics Holding Co., Ltd.	273,735,583	RMB common stock	273,735,583
Central Huijin Asset Management Co., Ltd.	248,305,300	RMB common stock	248,305,300
National Social Security Fund Portfolio 101	239,271,500	RMB common stock	239,271,500
Related or acting-in-concert parties among shareholders above	<p>1. Beijing State-owned Capital Operation and Management Center held 100% equities of Beijing Electronics Holdings Co., Ltd.</p> <p>2. Beijing Electronics Holdings Co., Ltd. held 66.25% equities of Beijing BOE Investment &amp; Development Co., Ltd. and was its controlling shareholder.</p> <p>3. After the non-public issuing of BOE in 2014, Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Photoelectricity Investment Co., Ltd., by entering into Implementation Protocol of Voting Right respectively, agreed to maintain all of the shares held by them respectively unanimous with Beijing BOE Investment &amp; Development Co., Ltd. when executing the voting rights of the shareholders.</p> <p>4. After the non-public issuing of the Company in 2014, Beijing State-owned Capital Operation and Management Center handed over 70% of the shares directly held by it to Beijing Electronics Holdings Co., Ltd. for management through Stock Management Protocol, and Beijing Electronics Holdings Co., Ltd. gained the incidental shareholders' rights except for disposing right and usufruct of the shares, of which the rest 30% voting right maintained unanimous with Beijing Electronics Holdings Co., Ltd. through the agreement according to Implementation Protocol of Voting Right.</p> <p>5. Except for relationship among the above shareholders, the Company is not aware of whether the other top ten shareholders exist associated relationship or not, or they</p>		

	are persons acting in concert or not.
Shareholders conducting securities margin trading (if any)	N/A

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea  No

No such cases in the Reporting Period.

## 2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Selected Financial Statement Items and Explanation of why

Applicable  Not applicable

1. Intangible assets as of March 31, 2018 increased 70% compared to December 31, 2017, primarily driven by the business mergers during the Reporting Period (January-March 2018).
2. Goodwill as of March 31, 2018 increased 268% compared to December 31, 2017, primarily driven by the business mergers during the Reporting Period.
3. Short-term borrowings as of March 31, 2018 decreased 30% compared to December 31, 2017, primarily driven by the repayment of certain bank loans in the Reporting Period.
4. Interest payable as of March 31, 2018 decreased 82% compared to December 31, 2017, primarily driven by the payment of interest on bonds and loans during the Reporting Period.
5. Deferred income as of March 31, 2018 increased 264% compared to December 31, 2017, primarily because the debt forgiveness received during the Reporting Period was considered governmental subsidies associated with assets and was thus recognized in deferred income.
6. Deferred income tax liabilities as of March 31, 2018 increased 59% compared to December 31, 2017, primarily driven by the business mergers during the Reporting Period.
7. Asset impairment losses went down 54% during the Reporting Period (January-March 2018) compared to the same period of last year (January-March 2017), primarily driven by a decrease in the inventory valuation allowance recorded for the Reporting Period according to the lower of cost and net realizable value.
8. Investment income went up 1434% during the Reporting Period compared to the same period of last year, primarily driven by the increase in income from investments in bank's wealth management products during the Reporting Period.
9. Other income went up 700% during the Reporting Period compared to the same period of last year, primarily driven by the increase in governmental subsidies during the Reporting Period.

### II Progress, Influence and Solutions Associated with Significant Events

Applicable  Not applicable

1. The Company respectively published Pre-announcement on Reducing the Shares Held by Shareholders owning 5% or above Shares (No. 2017-061) and Pre-announcement on Reducing the Shares Held by Shareholders owning 5% or above Shares (No. 2017-062) on November 22, 2017 and November 25, 2017. The Company's shareholder Hefei Jianxiang Investment Co., Ltd. and Chongqing Capital Optoelectronics Industry Investment Co., Ltd. were expected to reduce their holding shares no more than 1.00% of the company's general capital by means of the centralized bidding within 3 months after 15 business days upon the disclosure of such announcements. Up to January 15, 2018 and January 19, 2018, the above shareholders completed their reducing of holding shares.
2. On June 17, 2017, the Company issued Announcement on Purchasing Shares of SES-imagotag (NO.: 2017-036), the Company proposed to assign its wholly-owned subsidiary on its behalf to purchase more than 50.01% shares of SES and consolidate SES's financial statements together with the joint-venture company SPV established by the Company and the investment platform designated by the SES management. Up to March 16, 2018, SPV purchased 10,789,186 shares from SES in total by means of block trading and comprehensive offer, occupying 79.94% of SES's issued and outstanding shares, paid the total consideration Euros 323,675,580. Please refer to Announcement on Completing the Purchase of SES-imagotag Shares (NO.: 2018-017) issued on March 17, 2018 for



detailed information.

3. BOE Technology (HK) Limited, one of the Company's wholly-owned subsidiaries, filed a lawsuit before the Beijing High People's Court over a disputed sales contract against LeTV Mobile Intelligent Information Technology (Beijing) Co., Ltd. (hereinafter referred to as "LeTV Mobile"), LeTV Holdings (Beijing) Co., Ltd., Le Sai Mobile Technology (Beijing) Co., Ltd. and Mr. JiaYueting for approximately USD 41.84 million in total. The court issued the Case Acceptance Notice and the Civil Ruling for property preservation respectively on July 6, 2017 and July 31, 2017. The jurisdiction objection put forward by LeTV Mobile was rejected by the court, and has instituted an appeal on the ruling of such jurisdiction objection to the Supreme People's Court. Now, the absolute decree of the Supreme People's Court is pending. As for relevant receivables of this lawsuit, the Company has made relevant bad debt provision according to accounting standard. This case is now waiting for the court's trial. Therefore, its effects on the Company are uncertain.

4. The public corporate bonds (Phase 1) of BOE Technology Group Co., Ltd. in 2016 issued to qualified investors by BOE from March 21 to March 22, 2016 reach one year on March 21, 2017. The interest shall be settled once a year within interest accrual period based on the regulations. On March 16, 2018, BOE disclosed "16BOE01" 2017 Announcement of Interest Settlement (No.: 2018-016), specifying that the interest of 10 bonds is RMB31.5 (tax included).

Summary of significant event	Disclosure date	Index to related announcement
<i>Announcement on Investment in Construction of Chongqing 6<sup>th</sup> Generation AMILED (flexible) Production Line and on Related Transactions</i>	03/09/2018	www.cninfo.com.cn
<i>Announcement on Investment in Construction of Production Line for Wuhan Gaoshidai TFT-LCD and Its Matching Projects</i>	03/09/2018	www.cninfo.com.cn
<i>Announcement on Investment in BOE (Suzhou) Industrial Park</i>	03/09/2018	www.cninfo.com.cn

### III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Operating Result Forecast for January-June 2018

Warning of a forecast loss on or a forecast significant year-over-year change in net income for January-June 2018, as well as explanation of why:

Applicable  Not applicable

## V Securities Investments

√ Applicable □ Not applicable

Variety of security	Symbol of security	Name of security	Initial investment cost (RMB)	Opening holding (share)	Opening holding percentage	Closing holding (share)	Closing holding percentage	Closing book value (RMB)	Gain/loss in Reporting Period (RMB)	Accounting title	Source
Stock	HK00903	TPV Technology	134,658,158.00	24,360,191	1.04%	24,360,191	1.04%	18,985,975.00	196,070.00	Available-for-sale financial asset	Self-owned funds
Stock	SH600658	Electronic Zone	90,160,428.00	9,819,493	1.69%	9,819,493	1.23%	93,285,184.00	0.00	Available-for-sale financial asset	Self-owned funds
Stock	HK01963	Bank of Chongqing	120,084,375.00	25,195,000	0.93%	25,195,000	0.81%	123,121,264.00	0.00	Available-for-sale financial asset	Self-owned funds
Funds	BLK	BlackRock Global Allocation Fund A2 USD	4,004,297.00	16,989	0.06%	16,989	0.06%	6,019,693.00	0.00	Available-for-sale financial asset	Self-owned funds
Stock	HK06066	China Securities	70,041,364.00	11,387,500	0.16%	11,387,500	0.16%	59,570,389.00	0.00	Available-for-sale financial asset	Self-owned funds
Stock	HK01518	New Century Healthcare	141,558,280.00	21,550,000	4.49%	21,550,000	4.40%	187,139,483.00	0.00	Available-for-sale financial asset	Self-owned funds
Domestic/overseas stock	HK00948	Z-Obee Holdings Ltd.	0.00	145,306	0.02%	145,306	0.02%	266,360.00	0.00	Available-for-sale financial asset	Self-owned funds
Other securities investments held at the period-end			0.00	0	--	0	--	0.00	0.00	--	--
Total			560,506,902.00	92,474,479	--	92,474,479	--	488,388,348.00	196,070.00	--	--

Disclosure date of announcement on Board's consent for securities investment	N/A
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)	N/A

## VI Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

## VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable  Not applicable

Date of visit	Way of visit	Type of visitor	About
01/10/2018	By one-on-one meeting	Institution	Main content discussed: 1. Performance of the Company and industrial situation; 2. Main operating information of the Company; 3. Technology and product innovation 4. Future strategic layout. See <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> for details.
01/15/2018	By one-on-one meeting	Institution	
01/16/2018	By one-on-one meeting	Institution	
01/17/2018	By one-on-one meeting	Institution	
01/19/2018	By phone	Institution	
01/22/2018	By one-on-one meeting	Institution	
01/24/2018	By one-on-one meeting	Institution	
01/25/2018	By one-on-one meeting	Institution	
03/01/2018	By one-on-one meeting	Institution	
03/07/2018	By one-on-one meeting	Institution	
03/08/2018	By one-on-one meeting	Institution	
03/09/2018	By one-on-one meeting	Institution	
03/12/2018	By one-on-one meeting	Institution	
03/13/2018	By one-on-one meeting	Institution	
03/14/2018	By one-on-one meeting	Institution	
03/15/2018	By one-on-one meeting	Institution	
03/16/2018	By one-on-one meeting	Institution	
03/20/2018	By one-on-one meeting	Institution	
03/21/2018	By one-on-one meeting	Institution	
03/22/2018	By one-on-one meeting	Institution	
03/23/2018	By phone	Institution	
03/26/2018	By phone	Institution	
03/29/2018	By phone	Institution	

## VIII Irregularities in Provision of Guarantees for External Parties

Applicable  Not applicable

No such cases in the Reporting Period.

## **IX Occupation of the Company's Money by Its Controlling Shareholder or Related Parties for Non-Operating Purposes**

Applicable  Not applicable

No such cases in the Reporting Period.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by BOE Technology Group Co., Ltd.

March 31, 2018

Unit: RMB

Item	March 31, 2018	December 31, 2017
Current assets:		
Monetary assets	54,077,391,428.00	57,128,659,576.00
Settlement reserve	0.00	0.00
Interbank loans granted	0.00	0.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	784,406,924.00	833,268,127.00
Accounts receivable	14,069,001,897.00	15,513,763,252.00
Prepayments	593,628,727.00	587,126,751.00
Premiums receivable	0.00	0.00
Reinsurance receivables	0.00	0.00
Receivable reinsurance contract reserve	0.00	0.00
Interest receivable	97,251,941.00	89,628,559.00
Dividends receivable	196,070.00	0.00
Other receivables	722,744,609.00	728,395,573.00
Financial assets purchased under resale agreements	0.00	0.00
Inventories	10,661,929,415.00	8,957,719,381.00
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets	25,416,682.00	17,303,152.00
Other current assets	15,183,231,091.00	15,924,433,978.00
Total current assets	96,215,198,784.00	99,780,298,349.00
Non-current assets:		
Loans and advances to customers	0.00	0.00
Available-for-sale financial assets	831,371,804.00	859,899,356.00

Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	7,644,759,426.00	6,928,854,415.00
Investment property	1,295,109,525.00	1,296,662,205.00
Property, plant and equipment	86,129,707,485.00	88,625,296,761.00
Construction in progress	60,573,097,541.00	50,761,250,426.00
Construction materials	0.00	0.00
Proceeds from disposal of property, plant and equipment	0.00	0.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	5,056,552,295.00	2,982,664,308.00
R&D expense	0.00	0.00
Goodwill	727,692,724.00	197,963,688.00
Long-term prepaid expense	364,417,263.00	379,829,430.00
Deferred income tax assets	170,520,725.00	106,255,657.00
Other non-current assets	3,720,989,778.00	4,189,767,254.00
Total non-current assets	166,514,218,566.00	156,328,443,500.00
Total assets	262,729,417,350.00	256,108,741,849.00
Current liabilities:		
Short-term borrowings	2,270,115,119.00	3,249,736,430.00
Borrowings from central bank	0.00	0.00
Customer deposits and deposits from banks and other financial institutions	0.00	0.00
Interbank loans obtained	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	684,344,606.00	543,798,835.00
Accounts payable	17,314,040,948.00	16,205,788,698.00
Advances from customers	849,194,477.00	781,324,522.00
Financial assets sold under repurchase agreements	0.00	0.00
Handling charges and commissions payable	0.00	0.00
Payroll payable	1,271,559,983.00	2,217,066,944.00
Taxes payable	889,451,222.00	775,621,146.00
Interest payable	149,746,018.00	847,955,186.00
Dividends payable	12,286,948.00	9,651,170.00

Other payables	14,153,985,996.00	15,264,806,774.00
Reinsurance payables	0.00	0.00
Insurance contract reserve	0.00	0.00
Payables for trading of securities	0.00	0.00
Payables for underwriting of securities	0.00	0.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities	10,923,746,679.00	9,109,708,511.00
Other current liabilities	1,045,504,719.00	730,709,590.00
Total current liabilities	49,563,976,715.00	49,736,167,806.00
Non-current liabilities:		
Long-term borrowings	78,426,221,039.00	78,973,633,010.00
Bonds payable	9,968,897,303.00	9,966,467,496.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Long-term payables	1,388,617,933.00	1,176,250,982.00
Long-term payroll payable	0.00	0.00
Specific payables	0.00	0.00
Provisions	16,501,552.00	16,457,010.00
Deferred income	8,239,382,253.00	2,261,955,307.00
Deferred income tax liabilities	894,221,715.00	563,302,910.00
Other non-current liabilities	7,829,151,387.00	9,130,244,495.00
Total non-current liabilities	106,762,993,182.00	102,088,311,210.00
Total liabilities	156,326,969,897.00	151,824,479,016.00
Owners' equity:		
Share capital	34,798,398,763.00	34,798,398,763.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserves	38,587,939,720.00	38,585,515,122.00
Less: Treasury shares	0.00	0.00
Other comprehensive income	229,889,143.00	150,602,933.00
Specific reserve	0.00	0.00
Surplus reserves	889,640,475.00	889,640,475.00
General reserve	0.00	0.00



Retained earnings	12,105,470,053.00	10,385,659,084.00
Total equity attributable to owners of Parent Company	86,611,338,154.00	84,809,816,377.00
Non-controlling interests	19,791,109,299.00	19,474,446,456.00
Total owners' equity	106,402,447,453.00	104,284,262,833.00
Total liabilities and owners' equity	262,729,417,350.00	256,108,741,849.00

Legal representative: Wang Dongsheng

Chief Financial Officer: Sun Yun

Head of the Company's Financial Department: Yang Xiaoping

## 2. Parent Company Balance Sheet

Unit: RMB

Item	March 31, 2018	December 31, 2017
Current assets:		
Monetary assets	4,414,016,786.00	2,990,801,501.00
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable	400,000,000.00	0.00
Accounts receivable	41,225,284.00	39,897,385.00
Prepayments	16,732,544.00	10,315,083.00
Interest receivable	0.00	0.00
Dividends receivable	10,600,217.00	10,404,147.00
Other receivables	1,512,928,189.00	1,824,727,573.00
Inventories	12,328,932.00	12,751,847.00
Assets classified as held for sale	0.00	0.00
Current portion of non-current assets	3,599,620,000.00	3,648,840,000.00
Other current assets	51,082,184.00	61,082,075.00
Total current assets	10,058,534,136.00	8,598,819,611.00
Non-current assets:		
Available-for-sale financial assets	130,959,190.00	149,269,107.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	127,111,004,569.00	121,193,680,391.00
Investment property	293,775,956.00	292,544,063.00
Property, plant and equipment	967,010,132.00	982,985,346.00

Construction in progress	276,796,169.00	274,400,649.00
Construction materials	0.00	0.00
Proceeds from disposal of property, plant and equipment	0.00	0.00
Productive living assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	506,102,389.00	530,490,988.00
R&D expense	0.00	0.00
Goodwill	0.00	0.00
Long-term prepaid expense	104,251,664.00	112,776,691.00
Deferred income tax assets	132,494,546.00	150,206,185.00
Other non-current assets	680,969,226.00	480,909,226.00
Total non-current assets	130,203,363,841.00	124,167,262,646.00
Total assets	140,261,897,977.00	132,766,082,257.00
Current liabilities:		
Short-term borrowings	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable	0.00	0.00
Accounts payable	20,310,060.00	50,152,503.00
Advances from customers	1,953,317,415.00	1,375,022,585.00
Payroll payable	110,334,751.00	283,000,193.00
Taxes payable	168,411,912.00	119,584,927.00
Interest payable	44,627,220.00	312,029,252.00
Dividends payable	6,451,171.00	6,451,170.00
Other payables	13,354,459,387.00	9,713,912,548.00
Liabilities directly associated with assets classified as held for sale	0.00	0.00
Current portion of non-current liabilities	4,092,620,000.00	4,031,840,000.00
Other current liabilities	0.00	0.00
Total current liabilities	19,750,531,916.00	15,891,993,178.00
Non-current liabilities:		
Long-term borrowings	20,660,000,000.00	23,943,000,000.00
Bonds payable	9,968,897,303.00	9,966,467,496.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00

Long-term payables	0.00	0.00
Long-term payroll payable	0.00	0.00
Specific payables	0.00	0.00
Provisions	0.00	0.00
Deferred income	6,197,294,120.00	130,652,127.00
Deferred income tax liabilities	0.00	0.00
Other non-current liabilities	7,600,000,000.00	7,600,000,000.00
Total non-current liabilities	44,426,191,423.00	41,640,119,623.00
Total liabilities	64,176,723,339.00	57,532,112,801.00
Owners' equity:		
Share capital	34,798,398,763.00	34,798,398,763.00
Other equity instruments	0.00	0.00
Including: Preferred shares	0.00	0.00
Perpetual bonds	0.00	0.00
Capital reserves	37,590,966,191.00	37,588,541,593.00
Less: Treasury shares	0.00	0.00
Other comprehensive income	176,534,059.00	192,097,489.00
Specific reserve	0.00	0.00
Surplus reserves	889,640,475.00	889,640,475.00
Retained earnings	2,629,635,150.00	1,765,291,136.00
Total owners' equity	76,085,174,638.00	75,233,969,456.00
Total liabilities and owners' equity	140,261,897,977.00	132,766,082,257.00

### 3. Consolidated Income Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Operating revenue	21,566,813,037.00	21,854,974,362.00
Including: Sales revenue	21,566,813,037.00	21,854,974,362.00
Interest revenue	0.00	0.00
Premium revenue	0.00	0.00
Handling charge and commission revenue	0.00	0.00
2. Cost of operating revenue	20,263,550,173.00	18,908,353,214.00
Including: Cost of sales	17,087,543,193.00	15,597,540,474.00
Interest expense	0.00	0.00

Handling charge and commission expense	0.00	0.00
Surrenders	0.00	0.00
Net claims paid	0.00	0.00
Net amount provided as insurance contract reserve	0.00	0.00
Expenditure on policy dividends	0.00	0.00
Reinsurance premium expense	0.00	0.00
Taxes and surtaxes	126,606,726.00	164,990,714.00
Selling expense	645,056,446.00	692,246,016.00
Administrative expense	1,810,493,873.00	1,502,882,338.00
Finance costs	374,634,713.00	478,912,917.00
Asset impairment losses	219,215,222.00	471,780,755.00
Add: Gains on changes in fair value (“-” for losses)	339,163.00	371,955.00
Investment income (“-” for loss)	83,598,808.00	5,451,144.00
Including: Share of profit or loss of joint ventures and associates	1,295,650.00	1,524,106.00
Foreign exchange gains (“-” for losses)	0.00	0.00
Asset disposal income (“-” for loss)	1,632,178.00	-124,730.00
Other income	969,676,260.00	121,205,532.00
3. Operating income (“-” for loss)	2,358,509,273.00	3,073,525,049.00
Add: Non-operating revenue	36,995,667.00	23,697,437.00
Less: Non-operating expense	6,417,967.00	17,861,453.00
4. Pretax income (“-” for loss)	2,389,086,973.00	3,079,361,033.00
Less: Income tax expense	452,265,009.00	474,494,165.00
5. Net income (“-” for net loss)	1,936,821,964.00	2,604,866,868.00
5.1 Net income from continuing operations (“-” for net loss)	1,936,821,964.00	2,604,866,868.00
5.2 Net income from discontinued operations (“-” for net loss)	0	0.00
Attributable to owners of Parent Company	2,018,692,554.00	2,413,015,650.00
Attributable to non-controlling interests	-81,870,590.00	191,851,218.00
6. Other comprehensive income, net of tax	26,569,758.00	22,533,903.00
Attributable to owners of Parent Company	79,286,210.00	29,780,126.00
6.1 Items that will not be reclassified to profit or loss	0.00	0.00
6.1.1 Changes in net liabilities or assets caused by re-measurements on defined benefit pension schemes	0.00	0.00
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method	0.00	0.00
6.2 Items that may subsequently be reclassified to profit or loss	79,286,210.00	29,780,126.00

6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	0.00	0.00
6.2.2 Gains/Losses on changes in fair value of available-for-sale financial assets	11,492,337.00	24,733,506.00
6.2.3 Gains/Losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
6.2.4 Effective gains/losses on cash flow hedges	0.00	0.00
6.2.5 Differences arising from translation of foreign currency-denominated financial statements	67,793,873.00	5,046,620.00
6.2.6 Other	0.00	0.00
Attributable to non-controlling interests	-52,716,452.00	-7,246,223.00
7. Total comprehensive income	1,963,391,722.00	2,627,400,771.00
Attributable to owners of Parent Company	2,097,978,764.00	2,442,795,776.00
Attributable to non-controlling interests	-134,587,042.00	184,604,995.00
8. Earnings per share		
8.1 Basic earnings per share	0.058	0.069
8.2 Diluted earnings per share	0.058	0.069

Where business mergers under the same control occurred in the current period, the net income achieved by the merged parties before the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Wang Dongsheng

Chief Financial Officer: Sun Yun

Head of the Company's Financial Department: Yang Xiaoping

#### 4. Parent Company Income Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Sales revenue	1,357,965,239.00	347,598,307.00
Less: Cost of sales	4,315,232.00	2,883,337.00
Taxes and surtaxes	11,104,418.00	480,962.00
Selling expense	289,489.00	653,041.00
Administrative expense	400,291,220.00	344,053,640.00
Finance costs	158,619,260.00	92,796,398.00
Asset impairment losses	0.00	0.00
Add: Gains on changes in fair value ("-" for losses)	0.00	0.00
Investment income ("-" for loss)	1,295,650.00	1,524,106.00
Including: Share of profit or loss of joint ventures and	1,295,650.00	1,524,106.00

associates		
Asset disposal income (“-” for loss)	0.00	-20,681.00
Other income	227,603,341.00	4,507,201.00
2. Operating income (“-” for loss)	1,012,244,611.00	-87,258,445.00
Add: Non-operating revenue	1,217,875.00	627,184.00
Less: Non-operating expense	314,221.00	45,207.00
3. Pretax income (“-” for loss)	1,013,148,265.00	-86,676,468.00
Less: Income tax expense	148,804,250.00	0.00
4. Net income (“-” for net loss)	864,344,015.00	-86,676,468.00
4.1 Net income from continuing operations (“-” for net loss)	864,344,015.00	-86,676,468.00
4.2 Net income from discontinued operations (“-” for net loss)	0.00	1.00
5. Other comprehensive income, net of tax	-15,563,430.00	19,844,191.00
5.1 Items that will not be reclassified to profit or loss	0.00	0.00
5.1.1 Changes in net liabilities or assets caused by re-measurements on defined benefit pension schemes	0.00	0.00
5.1.2 Share of other comprehensive income of investees that will not be reclassified into profit or loss under equity method	0.00	0.00
5.2 Items that may subsequently be reclassified to profit or loss	-15,563,430.00	19,844,191.00
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit or loss under equity method	0.00	0.00
5.2.2 Gains/Losses on changes in fair value of available-for-sale financial assets	-15,563,430.00	19,844,191.00
5.2.3 Gains/Losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets	0.00	0.00
5.2.4 Effective gains/losses on cash flow hedges	0.00	0.00
5.2.5 Differences arising from translation of foreign currency-denominated financial statements	0.00	0.00
5.2.6 Other	0.00	0.00
6. Total comprehensive income	848,780,585.00	-66,832,277.00
7. Earnings per share		
7.1 Basic earnings per share	0.0248	-0.0025
7.2 Diluted earnings per share	0.0248	-0.0025

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Cash generated by or used in operating activities:		

Proceeds from sale of commodities and rendering of services	23,118,428,990.00	22,790,725,860.00
Net increase in customer deposits and deposits from banks and other financial institutions	0.00	0.00
Net increase in loans from central bank	0.00	0.00
Net increase in loans from other financial institutions	0.00	0.00
Premiums received on original insurance contracts	0.00	0.00
Net proceeds from reinsurance	0.00	0.00
Net increase in deposits and investments of policy holders	0.00	0.00
Net increase in proceeds from disposal of financial assets at fair value through profit or loss	0.00	0.00
Interest, handling charges and commissions received	0.00	0.00
Net increase in interbank loans obtained	0.00	0.00
Net increase in proceeds from repurchase transactions	0.00	0.00
Tax rebates	1,805,270,382.00	2,002,200,439.00
Cash generated by other operating activities	2,205,347,118.00	242,538,036.00
Subtotal of cash generated by operating activities	27,129,046,490.00	25,035,464,335.00
Payments for commodities and services	13,690,161,934.00	13,472,279,930.00
Net increase in loans and advances to customers	0.00	0.00
Net increase in deposits in central bank and in interbank loans granted	0.00	0.00
Payments for claims on original insurance contracts	0.00	0.00
Interest, handling charges and commissions paid	0.00	0.00
Policy dividends paid	0.00	0.00
Cash paid to and for employees	2,994,748,596.00	2,215,299,698.00
Taxes paid	753,214,990.00	925,829,731.00
Cash used in other operating activities	2,492,832,154.00	2,206,005,155.00
Subtotal of cash used in operating activities	19,930,957,674.00	18,819,414,514.00
Net cash flows from operating activities	7,198,088,816.00	6,216,049,821.00
2. Cash generated by or used in investing activities:		
Proceeds from disinvestments	16,230,696,269.00	1,029,221,840.00
Investment income	130,869,955.00	5,684,907.00
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-lived assets	5,615,725.00	57,346,613.00
Net proceeds from disposal of subsidiaries or other business units	0.00	0.00
Cash generated by other investing activities	2,311,084,521.00	2,470,307,272.00
Subtotal of cash generated by investing activities	18,678,266,470.00	3,562,560,632.00

Payments for acquisition of property, plant and equipment, intangible assets and other long-lived assets	11,114,423,433.00	14,048,658,723.00
Payments for investments	19,209,443,548.00	4,742,577,876.00
Net increase in pledged loans granted	0.00	0.00
Net payments for acquisition of subsidiaries and other business units	0.00	0.00
Cash used in other investing activities	1,421,766,786.00	2,001,547,461.00
Subtotal of cash used in investing activities	31,745,633,767.00	20,792,784,060.00
Net cash flows from investing activities	-13,067,367,297.00	-17,230,223,428.00
3. Cash generated by or used in financing activities:		
Capital contributions received	10,800,000.00	2,003,250,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	10,800,000.00	2,003,250,000.00
Increase in borrowings obtained	11,080,692,010.00	7,178,610,681.00
Net proceeds from issuance of bonds	0.00	0.00
Cash generated by other financing activities	871,517,387.00	1,427,668,220.00
Subtotal of cash generated by financing activities	11,963,009,397.00	10,609,528,901.00
Repayment of borrowings	4,142,696,634.00	4,591,781,545.00
Payments for interest and dividends	1,613,157,999.00	876,562,888.00
Including: Dividends paid by subsidiaries to non-controlling interests	0.00	0.00
Cash used in other financing activities	466,162,322.00	445,895,738.00
Subtotal of cash used in financing activities	6,222,016,955.00	5,914,240,171.00
Net cash flows from financing activities	5,740,992,442.00	4,695,288,730.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	-597,677,611.00	-153,892,076.00
5. Net increase in cash and cash equivalents	-725,963,650.00	-6,472,776,953.00
Add: Cash and cash equivalents, beginning of the period	47,913,287,583.00	49,354,810,388.00
6. Cash and cash equivalents, end of the period	47,187,323,933.00	42,882,033,435.00

## 6. Parent Company Cash Flow Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Cash generated by or used in operating activities:		
Proceeds from sale of commodities and rendering of services	1,294,746,503.00	77,962,032.00
Tax rebates	0.00	0.00



Cash generated by other operating activities	657,722,589.00	180,589,466.00
Subtotal of cash generated by operating activities	1,952,469,092.00	258,551,498.00
Payments for commodities and services	127,644,428.00	2,334,829,824.00
Cash paid to and for employees	302,566,071.00	163,954,406.00
Taxes paid	161,742,076.00	101,967,995.00
Cash used in other operating activities	187,172,675.00	128,385,741.00
Subtotal of cash used in operating activities	779,125,250.00	2,729,137,966.00
Net cash flows from operating activities	1,173,343,842.00	-2,470,586,468.00
2. Cash generated by or used in investing activities:		
Proceeds from disinvestments	142,759,980.00	1,005,147,500.00
Investment income	0.00	278,000,000.00
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-lived assets	310.00	0.00
Net proceeds from disposal of subsidiaries or other business units	0.00	0.00
Cash generated by other investing activities	506,485,679.00	83,021.00
Subtotal of cash generated by investing activities	649,245,969.00	1,283,230,521.00
Payments for acquisition of property, plant and equipment, intangible assets and other long-lived assets	79,067,306.00	30,102,902.00
Payments for investments	5,928,800,200.00	5,059,100,000.00
Net payments for acquisition of subsidiaries and other business units	0.00	0.00
Cash used in other investing activities	0.00	700,009,544.00
Subtotal of cash used in investing activities	6,007,867,506.00	5,789,212,446.00
Net cash flows from investing activities	-5,358,621,537.00	-4,505,981,925.00
3. Cash generated by or used in financing activities:		
Capital contributions received	0.00	0.00
Increase in borrowings obtained	7,367,000,000.00	4,150,000,000.00
Net proceeds from issuance of bonds	0.00	0.00
Cash generated by other financing activities	0.00	0.00
Subtotal of cash generated by financing activities	7,367,000,000.00	4,150,000,000.00
Repayment of borrowings	1,340,000,000.00	51,270,607.00
Payments for interest and dividends	418,524,483.00	350,573,339.00
Cash used in other financing activities	0.00	147,525,210.00
Sub-total of cash used in financing activities	1,758,524,483.00	549,369,156.00
Net cash flows from financing activities	5,608,475,517.00	3,600,630,844.00

4. Effect of foreign exchange rate changes on cash and cash equivalents	17,463.00	-519,888.00
5. Net increase in cash and cash equivalents	1,423,215,285.00	-3,376,457,437.00
Add: Cash and cash equivalents, beginning of the period	2,990,801,501.00	7,548,700,412.00
6. Cash and cash equivalents, end of the period	4,414,016,786.00	4,172,242,975.00

## II Independent Auditor's Report

Indicate by tick mark whether the Q1 financial statements have been audited by an independent auditor.

Yes  No

The Q1 financial statements have not been audited by such an auditor.

Chairman of the Board (signature): \_\_\_\_\_  
Wang Dongsheng

Date of the Board's approval of this Report: April 23, 2018