

Bengang Steel Plates Co., Ltd.
Report for the First Quarter of 2017

April 2017

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 due to change of the accounting policy and correction of accounting errors.

Yes No

	Jan.-Mar. 2017	Jan.-Mar. 2016	Changes (+/-)%
Operating income (RMB)	11,132,407,692.65	6,163,797,202.21	80.61%
Net profit attributable to the shareholders of the listed company (RMB)	302,653,287.07	41,106,090.36	636.27%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	295,684,784.12	36,347,865.03	713.49%
Net Cash flows generated by business operation (RMB)	-3,422,732,831.24	2,598,490,197.76	-231.72%
Basic earnings per share(RMB/Share)	0.097	0.013	646.15%
Diluted earnings per share(RMB/Share)	0.097	0.013	646.15%
Weighted average net assets yield (%)	2.30%	0.34%	1.96%
	31 Mar. 2017	31 Mar. 2016	Changes (+/-)%
Gross assets (RMB)	53,301,030,464.64	54,155,710,718.91	-1.58%
Net assets attributable to shareholders of the listed company (RMB)	13,023,751,737.36	12,715,354,551.15	2.43%

Items and Amount of the non-recurring gains and losses

Applicable Not applicable

Unit: Yuan

Items	Jan.-Mar. 2017	Notes
Profit or loss from disposal of non-current assets (including the write-off part for which assets impairment provision is made)	-2,338,387.11	
Details of government subsidies recorded into current profits and loss (except such government subsidy closely related to the Company's normal business operation, meeting the regulation of national policy and enjoyed constantly in certain quota or quantity according to a certain standard)	7,173,500.00	
Profit or loss from investment or assets entrusted to others	2,186,117.80	
Profit or loss from debt restructuring	506,210.42	

Other non-operating revenue and expenditure other than above items	1,766,793.23	
Less: Impact of income tax	2,323,558.59	
Impact of minority interests (after tax)	2,172.80	
Total	6,968,502.95	--

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

Total number of common shareholders at the end of the reporting period		59,029	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						
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
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	77.88%	2,442,316,069		Pledged	1,221,000,000
					Frozen	45,000,000
Bank of China - Fortis Haitong Earnings Growth Securities Investment Funds	Others	0.31%	9,610,837			
China Merchants Securities Co., Ltd.	Domestic Non State-owned legal person	0.28%	8,769,698			
Zhou Jie	Domestic natural	0.16%	4,900,000			

	person					
Zhan Changcheng	Domestic natural person	0.15%	4,660,515			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.15%	4,606,141			
CITIGROUP GLOBAL MARKETS LIMITED	Overseas legal person	0.14%	4,234,960			
Zhu Shoupeng	Domestic natural person	0.13%	4,216,112			
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	0.13%	4,073,673			
Chen Danzhen	Domestic natural person	0.11%	3,479,055			
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.	2,442,316,069	Common shares in RMB	2,442,316,069			
Bank of China - Fortis Haitong Earnings Growth Securities Investment Funds	9,610,837	Common shares in RMB	9,610,837			
China Merchants Securities Co., Ltd.	8,769,698	Common shares in RMB	8,769,698			
Zhou Jie	4,900,000	Foreign shares placed in domestic exchange	4,900,000			
Zhan Changcheng	4,660,515	Foreign shares placed in domestic exchange	4,660,515			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX	4,606,141	Foreign shares placed in	4,606,141			

FUND		domestic exchange	
CITIGROUP GLOBAL MARKETS LIMITED	4,234,960	Foreign shares placed in domestic exchange	4,234,960
Zhu Shoupeng	4,216,112	Common shares in RMB	4,216,112
Hong Kong Securities Clearing Co., Ltd.	4,073,673	Common shares in RMB	4,073,673
Chen Danzhen	3,479,055	Common shares in RMB	3,479,055
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)	None.		

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 2016

1. Financial Position Statement items	Increase/Decrease (%)	Reasons
Construction materials	-41%	Due to the increase of construction materials usage
Notes payable	-48%	Due to the increase of the solution pay of notes payable at maturity
Current tax liabilities	-35%	Due to the decrease of current tax liabilities at the end of this period
Interests payable	-72%	Due to the decrease of provision of corporate bond interest
Non-current liabilities due within one year	-52%	Due to the decrease of long-term loans due within one year
Special reserves	1541%	Due to the decrease of safety production cost
Undistributed profits	61%	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 2016

2. Income Statement items	Increase/Decrease (%)	Reasons
Operating income	81%	Due to the increase of product settlement price
Operating cost	84%	Due to the increase of procurement price of raw material
Tax and surcharges	1120%	Due to the reclassification of housing property tax, land use tax, vehicle and vessel use tax, and stamp tax from administration expenses to tax and surcharges
Sales expenses	52%	Due to the increase of expenses such as railway freight expense
Net profit attributable	636%	Due to the increase of product market price

to owners of parent company		
Profit or loss of non-controlling shareholders	-33%	Due to the decrease of profit of holding subsidiaries

3. Cash flow items	Increase/Decrease (%)	Reasons
Cash received from sale of goods or rendering of services	59%	Due to the increase of product market price
Tax rebate received	-77%	Due to the decrease of received tax rebate
Cash paid for goods and services	532%	Due to the increase of cash paid for goods and services
Cash paid for all types of taxes	273%	Due to the increase of all types of taxes such as value-added tax
Net cash flows generated from operating activities	-232%	Due to the increase of cash paid for goods and services
Cash paid for acquisition of investments	-100%	Due to the decrease of bank financial products purchased
The net cash flow generated by investment activities	-39%	Due to the decrease of bank financial products purchased
Cash proceeds from borrowings	81%	Due to the increase of bank loans
Cash repayments of borrowings	43%	Due to the increase of repayment of bank loans
The net cash flow generated by financing activities	285%	Due to the increase of net amount of financing added in this period

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. 2017-June 2017

Warning of possible loss or considerable YoY 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 2017

Unit: Yuan

Items	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	11,455,441,876.19	12,931,912,017.84
Settlement provisions		
Capital lent		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	2,497,510,577.11	2,030,681,138.03
Accounts receivable	641,281,179.62	623,865,427.25
Prepayments	610,352,843.76	493,839,659.44
Premium receivable		
Reinsurance accounts receivable		
Receivable deposit for reinsurance contract		
Interests receivable	4,478,818.85	4,208,818.85
Dividends receivable		
Other receivables	111,329,667.28	117,909,972.49
Redemptory financial assets for sale		
Inventories	10,816,743,441.94	9,782,173,936.74
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	365,478,907.17	513,398,815.83
Total current assets	26,502,617,311.92	26,497,989,786.47

Non-current assets:		
Loan and advances issued		
Available-for-sale financial assets	14,856,585.63	14,856,585.63
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments		
Investment properties		
Fixed assets	20,226,889,676.05	20,688,468,637.44
Construction in progress	5,905,632,265.82	6,210,673,674.11
Construction materials	4,558,924.40	7,783,370.29
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	258,346,257.74	259,837,410.93
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	388,129,443.08	476,101,254.04
Other non-current assets		
Total non-current assets	26,798,413,152.72	27,657,720,932.44
Total assets	53,301,030,464.64	54,155,710,718.91
Current Liabilities:		
Short-term loans	20,921,993,850.00	18,762,472,779.48
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	3,297,795,093.27	6,372,173,897.13
Accounts payable	4,886,222,700.68	5,680,244,661.52
Advance from customers	3,855,217,883.19	3,679,477,129.80
Financial assets sold for		

repurchase		
Handling charges and commission payable		
Employee benefits payable	23,265,721.27	24,063,493.70
Current tax liabilities	29,805,235.24	45,771,585.46
Interests payable	20,699,437.38	75,115,265.66
Dividends payable		
Other payables	459,276,462.39	460,009,213.78
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	211,958,044.05	437,669,535.66
Other current liabilities		
Total current liabilities	33,706,234,427.47	35,536,997,562.19
Non-current liabilities:		
Long-term loans	4,118,636,363.10	3,448,931,721.62
Bonds payable	1,495,944,084.71	1,494,825,782.32
Including: Preferred stock		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Special accounts payable		
Estimated liabilities		
Deferred income	403,225,500.00	410,399,000.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	6,017,805,947.81	5,354,156,503.94
Total liabilities	39,724,040,375.28	40,891,154,066.13
Shareholders' equity:		

Share capital	3,136,000,000.00	3,136,000,000.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital reserves	9,114,845,542.05	9,114,845,542.05
Less: treasury shares		
Other comprehensive income		
Special reserves	6,116,621.00	372,721.86
Surplus reserves	961,105,529.85	961,105,529.85
General risk reserve		
Undistributed profits	-194,315,955.54	-496,969,242.61
Total equity attributable to equity holders of the parent company	13,023,751,737.36	12,715,354,551.15
Non-controlling interests	553,238,352.00	549,202,101.63
Total shareholder's equity	13,576,990,089.36	13,264,556,652.78
Total liabilities and shareholder's equity	53,301,030,464.64	54,155,710,718.91

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	10,896,231,005.35	12,402,995,087.03
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	2,305,460,170.65	1,870,384,367.64
Accounts receivable	477,254,537.02	455,070,302.00
Prepayments	604,382,898.04	487,869,713.72
Interests receivable	4,478,818.85	4,208,818.85
Dividends receivable		
Other receivables	200,843,094.42	210,089,804.88
Inventories	8,899,422,322.64	8,308,291,029.07
Assets classified as held for sale		

Non-current assets due within one year		
Other current assets	271,779,132.40	431,675,085.33
Total current assets	23,659,851,979.37	24,170,584,208.52
Non-current assets:		
Available-for-sale financial assets	12,888,980.00	12,888,980.00
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	1,700,981,902.16	1,700,981,902.16
Investment properties		
Fixed assets	17,749,581,679.27	18,125,714,092.15
Construction in progress	5,885,150,018.22	6,196,524,880.06
Construction materials	4,134,138.08	4,134,139.52
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	154,561,918.21	155,388,452.53
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	290,724,794.06	378,696,605.02
Other non-current assets		
Total non-current assets	25,798,023,430.00	26,574,329,051.44
Total assets	49,457,875,409.37	50,744,913,259.96
Current Liabilities:		
Short-term loans	19,139,264,150.00	17,376,963,500.00
Financial liabilities at fair value through profit or loss		
Advance from customers		
Notes payable	2,997,795,093.27	5,768,523,196.16
Accounts payable	4,862,889,009.56	5,939,417,729.46
Advance from customers	3,813,635,878.06	3,671,944,099.35
Employee benefits payable	22,095,224.07	22,386,057.59
Current tax liabilities	15,950,617.91	28,902,954.65
Interests payable	11,947,321.13	70,109,821.13

Dividends payable		
Other payables	284,754,274.35	289,522,026.53
Liabilities held for sale		
Non-current liabilities due within one year	211,958,044.05	437,669,535.66
Other current liabilities		
Total current liabilities	31,360,289,612.40	33,605,438,920.53
Non-current liabilities:		
Long-term loans	4,118,636,363.10	3,448,931,721.62
Bonds payable	1,495,944,084.71	1,494,825,782.32
Including: Preferred stock		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Special accounts payable		
Estimated liabilities		
Deferred income	403,225,500.00	410,399,000.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	6,017,805,947.81	5,354,156,503.94
Total liabilities	37,378,095,560.21	38,959,595,424.47
Shareholders' equity:		
Share capital	3,136,000,000.00	3,136,000,000.00
Other equity instruments		
Including: Preferred stock		
Perpetual bond		
Capital reserves	8,694,693,859.93	8,694,693,859.93
Less: treasury shares		
Other comprehensive income		
Special reserves	4,774,956.02	230,735.89
Surplus reserves	961,105,529.85	961,105,529.85
Undistributed profits	-716,794,496.64	-1,006,712,290.18
Total shareholder's equity	12,079,779,849.16	11,785,317,835.49
Total liabilities and shareholder's equity	49,457,875,409.37	50,744,913,259.96

(3) Consolidated Statement of Comprehensive Income

Unit: Yuan

Items	2016	2015
1. Total operating income	11,132,407,692.65	6,163,797,202.21
Including: Operating income	11,132,407,692.65	6,163,797,202.21
Interest income		
Premium earned		
Income from handling charges and commission		
2. Total operating cost	10,738,188,697.63	6,009,165,031.97
Including: Operating cost	9,930,127,676.02	5,389,535,280.17
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	77,416,977.43	6,347,694.24
Selling and distribution expenses	309,701,590.37	203,842,519.34
General and administrative expenses	171,564,522.91	174,510,134.26
Financial expenses	249,377,930.90	234,929,403.96
Asset impairment loss		
Add: Gains from the change in fair value ("-" for loss)		
Income on investment ("-" for loss)	2,186,117.80	
Including: Income from associates and joint ventures		
Exchange gain ("-" for loss)		
3 Operating profit ("-" for loss)	396,405,112.82	154,632,170.24

Add: Non-operating income	9,446,503.65	6,384,914.32
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	2,338,387.11	
Including: Loss on disposal of non-current assets	2,338,387.11	
4 Total profit ("-" for total loss)	403,513,229.36	161,017,084.56
Less: Income tax expenses	97,028,442.48	114,182,659.41
5 Net Profit ("-" for net loss)	306,484,786.88	46,834,425.15
Attributable to: Owners of parent company	302,653,287.07	41,106,090.36
Non-controlling shareholders	3,831,499.81	5,728,334.79
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	306,484,786.88	46,834,425.15
Total comprehensive income attributable to owners of parent company	302,653,287.07	41,106,090.36
Total comprehensive income attributable to non-controlling shareholders	3,831,499.81	5,728,334.79
8. Earnings per share:		
(1) Basic earnings per share	0.097	0.013
(2) Diluted earnings per share	0.097	0.013

Legal Representative: Wang Shu

Person in charge of accounting: Han Ge

Accounting Dept Leader: Wang Shaoyu

(4) Income Statement of the Parent Company

Unit: 元

Items	2016	2015
1 Turnover	11,398,661,706.90	6,349,888,059.09
Less: Operating cost	10,366,737,537.66	5,686,530,851.21
Taxes and surcharges	70,478,527.46	2,581,022.77
Selling and distribution expenses	200,688,771.46	169,910,631.40
General and administrative expenses	160,222,229.54	159,071,749.26
Financial expenses	231,289,051.43	219,438,179.77
Asset impairment loss		
Add: Gains from the change in fair value ("- for loss)		

Income on investment ("-" for loss)	2,186,117.80	
Including: Income from associates and joint ventures		
2 Operating profit ("-" for loss)	371,431,707.15	112,355,624.68
Add: Non-operating income	8,796,284.46	6,277,884.59
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	2,338,387.11	
Including: Loss on disposal of non-current assets	2,338,387.11	
3 Total profit ("-" for total loss)	377,889,604.50	118,633,509.27
Less: Income tax expenses	87,971,810.96	108,445,193.70
4 Net Profit ("-" for net loss)	289,917,793.54	10,188,315.57
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	289,917,793.54	10,188,315.57
7 Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

(5) Consolidated Statement of Cash Flows

Unit: 元

Items	2016	2015
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	7,100,739,711.79	4,456,676,706.32
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	40,096,198.40	176,587,078.95
Other cash received relating to operating activities	69,675,649.95	72,962,648.74
Subtotal of cash inflow received from operation activities	7,210,511,560.14	4,706,226,434.01
Cash paid for goods and services	9,858,638,834.91	1,558,773,903.55
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	453,316,467.11	443,360,862.49
Cash paid for all types of taxes	296,159,456.20	79,482,630.79
Other cash paid relating to operating activities	25,129,633.16	26,118,839.42
Subtotal of cash outflow received from operation activities	10,633,244,391.38	2,107,736,236.25
Net cash flows generated from operating activities	-3,422,732,831.24	2,598,490,197.76
2. Cash flows from investing activities:		
Cash received from return on investments	159,000,000.00	
Cash received from distribution of dividends or profit	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	161,186,117.80	
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	486,764,678.93	495,775,437.02
Cash paid for acquisition of investments		41,000,000.00
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	486,764,678.93	536,775,437.02
The net cash flow generated by investment activities	-325,578,561.13	-536,775,437.02
3. Cash flows from financing activities:		
Proceeds from investment		
Including: Proceeds from investment of non-controlling shareholders of subsidiary		
Proceeds from borrowings	6,602,518,658.09	3,653,371,876.26
Cash received from bond issuance		
Other proceeds relating to financing activities		
Subtotal cash inflow received from financing activities	6,602,518,658.09	3,653,371,876.26
Cash repayments of borrowings	3,997,546,531.91	2,800,725,250.60
Cash payments for distribution of dividends, profit or interest expenses	282,352,521.52	249,369,421.96
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	4,279,899,053.43	3,050,094,672.56

financing activities		
The net cash flow generated by financing activities	2,322,619,604.66	603,277,203.70
4. Effect of foreign exchange rate changes on cash and cash equivalents	-8,665,398.73	-27,118,253.24
5. Net increase in cash and cash equivalents	-1,434,357,186.44	2,637,873,711.20
Add: Cash and cash equivalents at the beginning of the period	12,273,574,488.67	5,140,477,745.07
6. Cash and cash equivalents at the ending of the period	10,839,217,302.23	7,778,351,456.27

(6) Cash Flow Statement of Parent Company

Unit: yuan

Items	2016	2015
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	7,138,918,917.92	4,019,869,377.46
Tax rebate received	4,990,848.26	172,506,656.56
Other cash received relating to operating activities	50,953,435.38	57,059,087.68
Subtotal of cash inflow received from operation activities	7,194,863,201.56	4,249,435,121.70
Cash paid for goods and services	9,605,833,537.74	1,120,248,395.70
Cash paid to and on behalf of employees	429,807,971.99	419,087,334.46
Cash paid for all types of taxes	271,085,915.47	30,358,813.93
Other cash paid relating to operating activities	20,753,329.17	22,899,983.64
Subtotal of cash outflow received from operation activities	10,327,480,754.37	1,592,594,527.73
Net cash flows generated from operating activities	-3,132,617,552.81	2,656,840,593.97
2. Cash flows from investing activities:		
Cash received from return on investments	159,000,000.00	

Cash received from distribution of dividends or profit	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	161,186,117.80	
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	474,766,092.93	485,499,487.61
Cash paid for acquisition of investments		41,000,000.00
Net cash received from subsidiary and other operating unit		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	474,766,092.93	526,499,487.61
The net cash flow generated by investment activities	-313,579,975.13	-526,499,487.61
3. Cash flows from financing activities:		
Proceeds from investment		
Proceeds from borrowings	5,978,931,200.00	3,412,740,000.00
Cash received from bond issuance		
Other proceeds relating to financing activities		
Subtotal cash inflow received from financing activities	5,978,931,200.00	3,412,740,000.00
Cash repayments of borrowings	3,743,326,531.91	2,700,039,599.29
Cash payments for distribution of dividends, profit or interest expenses	267,274,159.52	234,110,903.61
Other cash payments relating to financing activities		

Subtotal of cash outflows from financing activities	4,010,600,691.43	2,934,150,502.90
The net cash flow generated by financing activities	1,968,330,508.57	478,589,497.10
4. Effect of foreign exchange rate changes on cash and cash equivalents	-8,663,163.83	-27,116,280.47
5. Net increase in cash and cash equivalents	-1,486,530,183.20	2,581,814,322.99
Add: Cash and cash equivalents at the beginning of the period	11,876,536,613.66	4,921,089,319.57
6. Cash and cash equivalents at the ending of the period	10,390,006,430.46	7,502,903,642.56

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.