



Bengang Steel Plates Co., Ltd.

Third Quarter Report 2018

October 2018

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, Gao Lie, the principal in charge of the accounting, and Zhao Zhonghua, Chief of Accounting Affairs, make the pledge for the authenticity, accuracy and integrity of the attached financial statements.

II. Company Profile

I. Summary of Accounting data and Financial index

Whether the Company makes retroactive adjustment or restatement of the accounting data of the previous year

☐ Yes ☒ No

	At the end of the current period	At the end of previous year	Increase or decrease in this reporting period over the previous year	
Total assets (RMB)	59,738,861,908.85	62,998,143,513.02	-5.17%	
Net assets attributable to shareholders of the listed company (RMB)	18,931,762,047.50	14,315,588,729.00	32.25%	
	This reporting period	Increase or decrease compared to the same period of the previous year	From the beginning of the year to the end of the current period	Compare to the same period of the previous year
Operating income (RMB)	13,313,390,671.44	38.10%	36,754,638,048.58	20.99%
Net profit attributable to the shareholders of the listed company (RMB)	68,230,224.01	-91.58%	825,182,211.60	-38.16%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	51,745,834.17	-93.56%	776,668,790.16	-40.83%
Net Cash flow generated by business operation (RMB)	--	--	6,933,467,399.98	269.00%
Basic earnings per share(RMB/Share)	0.02	-92.31%	0.21	-51.16%
Diluted gains per share(RMB/Share)	0.02	-92.31%	0.21	-51.16%
Weighted average net assets yield (%)	0.36%	-5.82%	4.96%	-5.01%

Items and amount of non-recurring profit and loss

☒ Applicable ☐ Not applicable

Unit: RMB

Items	From the beginning of the year to the end of the current period	Notes
Profit or loss from disposal of non-current assets (including the write-off part for which assets impairment provision is made)	-848,283.58	
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)	63,413,797.03	
Profit or loss from debt restructuring	945,892.23	
Other non-operating revenue and expenditure other than above items	1,347,426.82	
Less: Impact of income tax	16,214,708.13	
Impact of minority interests (after tax)	130,702.93	
Total	48,513,421.44	--

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.

II. Total Number of Shareholders and Shareholding of top 10 shareholders

1. Total number of common shareholders, preferred shareholders whose voting rights restored, and shareholding of top 10 shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period	62,373	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	Nature of	Proportion of	Quantity of	Amount of	Number of share pledged/frozen

shareholder	shareholder	shares held	shares	restricted shares held	State of share	Quantity
Benxi Steel & Iron (Group) Co., Ltd.	State-owned legal person	60.78%	2,355,409,263		Pledged	1,523,095,133
					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 Targeted Additional Shares Issuance No. 10 Asset Management Plan	Others	4.77%	184,842,883	184,842,883		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.21%	8,157,311			
Chen Jinhong	Domestic natural person	0.19%	7,264,500			

Lyu Ruijun	Domestic natural person	0.13%	5,188,800			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.12%	4,606,141			
Agricultural bank of China - China Securities 500 Trading Open Index Securities Investment Fund	Others	0.10%	4,060,900			
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.	2,355,409,263	Common shares in RMB	2,355,409,263			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	8,157,311	Foreign shares placed in domestic exchange	8,157,311			
Chen Jinhong	7,264,500	Common shares in RMB	7,264,500			
Lyu Ruijun	5,188,800	Foreign shares placed in domestic exchange	5,188,800			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,606,141	Foreign shares placed in domestic exchange	4,606,141			
Agricultural bank of China - China Securities 500 Trading Open Index Securities Investment Fund	4,060,900	Common shares in RMB	4,060,900			
Yu Xiaofan	4,002,707	Foreign shares placed in domestic exchange	4,002,707			

Xu Hekun	3,738,800	Foreign shares placed in domestic exchange	3,738,800
Haitong International Securities Company Limited-Account Client	3,211,109	Foreign shares placed in domestic exchange	3,211,109
Sui Yu	3,203,700	Common shares in RMB	3,203,700
Related-parties or acting-in-concert parties among the above-mentioned shareholders	It is unknown to the Company whether there is any related connection or action-in-concert parties among the top 10 un-restricted shareholders.		
Shareholders among the top 10 participating in securities margin trading (if any)	Benxi Steel & Iron (Group) Co., Ltd. holds 2,105,409,263 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 2,355,409,263 shares. Sui Yu holds 3,203,700 shares of the company through an investor's credit securities account.		

Whether top 10 common shareholders and top 10 un-restricted common shareholders have a buy-back agreement dealing in reporting period

☐ Yes ☒ No

Top 10 common shareholders and top 10 un-restricted common shareholders had no buy-back agreement dealing in reporting period.

2. Total Number of Preferred Shareholders and Shareholding of Top 10 Preferred Shareholders

☐ Applicable ☒ Not applicable

III. Important Events

I. Major Changes in Financial Data and Financial Index And Reason

√ Applicable □ Not applicable

- Items and reasons for the changes of more than 30% compared with the beginning of the year in the consolidated statement

1. Statement of Financial Position	Increase / Decrease	Reasons
Notes receivable and Accounts receivable	-32%	Due to the increase of payment of notes receivable in the current period
Other current assets	-73%	Due to the reduction of short-term banking products at the end of this period
Tax payable	-31%	Due to the decrease of VAT payable at the end of this period
Non-current liabilities due within one year	-61%	Due to the decrease in long-term loans due within one year
Other current liabilities	142%	Due to the increase of accrued output VAT in the current period
Long-term loans	173%	Due to the increase of long-term loans in the current period
Capital reserves	35%	Due to the premium of targeted additional shares issuance
Special reserves	3584%	Due to the decrease of payment of safety production cost
Undistributed profits	57%	Due to the increase of net profit

- Items and reasons for the changes of more than 30% compared to January to September 2017 in the consolidated statement

2. Statement of comprehensive income	Increase / Decrease	Reasons
Taxes and surcharges	31%	Due to the increase of VAT payable and surcharges
Financial expenses	224%	Due to the change of net exchange loss
Asset impairment loss	-39%	Due to the increase of the price of products and the decrease of reversal of stock provision
Other income	176%	Due to the increase of deferred income of government subsidies

Asset disposal income	-68%	Due to the decrease of disposal income on fixed assets
Non-operating income	-70%	Due to the decrease of gains on debt restructuring
Non-operating expenses	-77%	Due to the decrease of disposal loss on fixed assets
Income tax expenses	-95%	Due to the decrease of deferred income tax
Net profit attribute to owners of the company	-38%	Due to the increase of exchange loss
Profit or loss of non-controlling shareholders	-94%	Due to the decrease of profit of holding subsidiaries
3. Statement of cash flows	Increase / Decrease	Reasons
Cash paid for all types of taxes	39%	Due to the increase of VAT and other taxes paid in the period
Net cash flows generated from operating activities	269%	Due to the increase of cash flows from operating activities in the period
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	33%	Due to the increase of payment of acquisition of fixed assets, intangible assets in the period
Cash paid for investment	-100%	Due to the decrease of purchase of banking products
Cash repayments of borrowings	109%	Due to the increase of cash on repayment of borrowings
Cash payments for distribution of dividends, profit or interest	36%	Due to the increase of cash payments for distribution of dividends, profit or interest in the period
Net cash flow generated by financing activities	-223%	Due to the increase of repayment of financing
Net increase of cash and cash equivalents	231%	Due to net cash flows from operating activities increased in the period

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

☐ Applicable ☒ Not applicable

III. The Under-Fulfillment Commitments by the End of the Period Made by Actual Controller, Acquirer, Director, Supervisor, Senior Management Personnel and other Related Parties.

☐ Applicable ☒ Not applicable

There was no under-fulfillment commitment by the end of the period made by actual controller, acquirer, director, supervisor, senior

management personnel and other related parties.

IV. Forecast towards Operating Performance of 2018

Warning and reason for that forecast of the cumulative net profit from the beginning of the year to the end of the next reporting period might be a loss or due to significant change compared to the previous year

☐ Applicable ☒ Not applicable

V. Investment in Securities

☐ Applicable ☒ Not applicable

There is no investment in securities during the reporting period.

VI. Entrusted Financial Management

☐ Applicable ☒ Not applicable

There is no entrusted financial management in the reporting period.

VII. Investment in Derivatives

☐ Applicable ☒ Not applicable

There is no investment in derivatives during the reporting period.

VIII. Registration form of Activities such as Research, Communication, Interview in this Reporting Period

☐ Applicable ☒ Not applicable

There is no activity such as research, communication, interview in the reporting period.

IX. Violation of Regulations in Provision of External Guaranty

☐ Applicable ☒ Not applicable

There is no violation of regulations in provision of external guaranty during the reporting period.

X. Illustrations of Non-Operating Occupation of Funds by the Controlling Shareholder and Related Parties

☐ Applicable ☒ Not applicable

There is no non-operating occupation of funds by the controlling shareholder and related parties

IV. Financial Statements

I. Financial Statements

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Prepared by: Bengang Steel Plates Co., Ltd.

30 September 2018

Unit: RMB

Items	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	15,498,765,186.18	17,037,713,410.49
Settlement provisions		
Capital lent		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	3,130,334,790.84	4,575,031,627.26
Including: Notes receivable	2,350,933,803.35	3,846,433,700.87
Accounts receivable	779,400,987.49	728,597,926.39
Prepayments	1,406,069,971.25	1,280,689,094.33
Premium receivable		
Reinsurance accounts receivable		
Receivable deposit for reinsurance contract		
Other receivables	287,146,572.24	308,825,505.84
Redemptory financial assets for sale		
Inventories	12,409,729,513.29	11,209,898,096.16
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	216,187,634.74	809,322,127.79
Total current assets	32,948,233,668.54	35,221,479,861.87
Non-current assets:		
Loan and advances issued		

Available-for-sale financial assets	4,088,980.00	3,888,980.00
Held-to-maturity investment		
Long-term receivables		
Long-term equity investments	2,284,192.80	2,726,009.03
Investment properties		
Fixed assets	22,182,758,920.58	23,852,067,166.10
Construction in progress	3,090,822,270.04	2,396,143,330.06
Productive biological assets		
Oil and gas assets		
Intangible assets	279,704,283.74	253,884,881.48
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	193,233,744.15	200,618,461.36
Other non-current assets	1,037,735,849.00	1,067,334,823.12
Total non-current assets	26,790,628,240.31	27,776,663,651.15
Total assets	59,738,861,908.85	62,998,143,513.02
Current Liabilities:		
Short-term loans	15,927,954,800.00	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		
Derivative financial liabilities		
Notes payable and accounts payable	11,072,129,300.90	15,392,258,341.04
Advance from customers	4,065,912,701.96	3,308,567,598.05
Financial assets sold for repurchase		
Handling charges and commission payable		
Employee benefits payable	47,185,107.04	43,722,537.58
Current tax liabilities	60,186,024.80	87,807,128.50
Other payables	579,206,918.70	661,129,220.33
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	1,469,056,325.69	3,811,540,590.84
Other current liabilities	67,740,181.61	27,979,093.21
Total current liabilities	33,289,371,360.70	45,332,108,409.55
Non-current liabilities:		
Long-term loans	6,672,883,171.25	2,444,185,630.28
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income	310,345,502.97	372,785,000.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	6,983,228,674.22	2,816,970,630.28
Total liabilities	40,272,600,034.92	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	17,498,893.01	475,046.75
Surplus reserves	961,105,529.85	961,105,529.85
General risk reserve		
Undistributed profits	1,734,576,245.35	1,103,162,610.35

Total equity attributable to equity holders of the parent company	18,931,762,047.50	14,315,588,729.00
Non-controlling interests	534,499,826.43	533,475,744.19
Total shareholder's equity	19,466,261,873.93	14,849,064,473.19
Total liabilities and shareholder's equity	59,738,861,908.85	62,998,143,513.02

Legal Representative: Wang Shu

Person in charge of accounting: Gao Lie

Accounting Dept. Leader: Zhao Zhonghua

2. BALANCE SHEET OF THE PARENT COMPANY

Unit: RMB

Items	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	14,801,259,079.79	16,717,913,081.42
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	3,274,255,601.50	3,997,543,586.41
Including: Notes receivable	2,797,038,562.18	3,515,361,992.96
Accounts receivable	477,217,039.32	482,181,593.45
Prepayments	1,406,069,971.25	1,280,354,579.87
Other receivables	384,513,943.10	395,240,485.68
Inventories	10,538,876,842.62	9,228,860,225.75
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	184,195,100.99	682,211,823.73
Total current assets	30,589,170,539.25	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	2,016,281,902.16	1,756,981,902.16
Investment properties		
Fixed assets	20,212,485,741.91	21,621,369,452.27
Construction in progress	3,080,337,507.28	2,387,667,263.65

Productive biological assets		
Oil and gas assets		
Intangible assets	149,602,712.28	152,082,315.24
Development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	92,805,204.12	100,189,921.33
Other non-current assets	1,037,735,849.00	1,037,735,849.00
Total non-current assets	26,593,137,896.75	27,059,915,683.65
Total assets	57,182,308,436.00	59,362,039,466.51
Current Liabilities:		
Short-term loans	14,505,914,800.00	20,499,694,500.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	11,865,206,245.70	15,051,433,056.31
Advance from customers	3,824,220,027.48	3,217,423,443.14
Employee benefits payable	46,779,359.79	42,380,713.02
Current tax liabilities	50,133,972.30	66,903,531.67
Other payables	383,345,713.12	422,286,065.92
Liabilities held for sale		
Non-current liabilities due within one year	1,469,056,325.69	3,811,540,590.84
Other current liabilities	67,740,181.61	27,979,093.21
Total current liabilities	32,212,396,625.69	43,139,640,994.11
Non-current liabilities:		
Long-term loans	6,672,883,171.25	2,444,185,630.28
Bonds payable		
Including: Preferred stock		
Perpetual bond		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income	310,345,502.97	372,785,000.00
Deferred tax liabilities		

Other non-current liabilities		
Total non-current liabilities	6,983,228,674.22	2,816,970,630.28
Total liabilities	39,195,625,299.91	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	13,707,699.40	276,727.96
Surplus reserves	961,105,529.85	961,105,529.85
Undistributed profits	1,213,440,209.67	613,351,724.38
Total shareholder's equity	17,986,683,136.09	13,405,427,842.12
Total liabilities and shareholder's equity	57,182,308,436.00	59,362,039,466.51

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE CURRENT REPORTING PERIOD

Unit: RMB

Items	The Current Period	The Previous Period
1. Total operating income	13,313,390,671.44	9,640,672,901.66
Including: Operating income	13,313,390,671.44	9,640,672,901.66
Interest income		
Premium earned		
Income from handling charges and commission		
2. Total operating cost	13,262,549,953.80	8,643,165,739.54
Including: Operating cost	11,807,011,528.70	8,007,060,516.58
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	65,070,725.45	32,838,776.98
Selling and distribution expenses	277,192,418.87	268,471,511.83
General and administrative expenses	194,084,503.86	183,859,058.32
Research and development expenses	744,560.38	1,168,392.15
Financial expenses	925,267,736.70	151,946,049.78
Including: Interest expenses	341,799,842.63	352,335,836.37
Interest income	47,196,277.02	38,214,461.38
Asset impairment loss	-6,821,520.16	-2,178,566.10
Add: Other income	22,139,558.33	7,946,400.00
Income on investment ("-" for loss)		
Including: Income from associates and joint ventures		
Gains from the change in fair value ("-" for loss)		
Exchange Income ("-" for loss)		
Asset disposal gains ("-" for loss)	284,086.70	476,301.60
3. Operating profit ("-" for loss)	73,264,362.67	1,005,929,863.72
Add: Non-operating income	160,456.93	4,648,042.92
Less: Non-operating expenses	581,084.33	3,888,870.11
4. Total profit ("-" for loss)	72,843,735.27	1,006,689,036.53
Less: Income tax expenses	5,182,120.12	194,797,871.77
5. Net Profit ("-" for loss)	67,661,615.15	811,891,164.76
Net profit from continuing operation ("-" for loss)		
Net profit from discontinued operation ("-" for loss)		
Attributable to: Owners of parent	68,230,224.01	810,662,349.27

company		
Non-controlling shareholders	-568,608.86	1,228,815.49
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 re-measuring 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 re-measuring 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	67,661,615.15	811,891,164.76
Total comprehensive income attributable to owners of parent company	68,230,224.01	810,662,349.27
Total comprehensive income attributable to non-controlling shareholders	-568,608.86	1,228,815.49
8. Earnings per share:		
1) Basic earnings per share	0.02	0.26
2) Diluted earnings per share	0.02	0.26

The current business combination under common control, the net profits of the combined party before achieved: Yuan, net profit of previous period of the combined party realized: Yuan.

Legal Representative: Wang Shu

Person in charge of accounting: Gao Lie

Accounting Dept. Leader: Zhao Zhonghua

4. INCOME STATEMENT OF THE PARENT COMPANY DURING THE CURRENT REPORTING PERIOD

Unit: RMB

Items	The Current Period	The Previous Period
1. Operating income	12,985,694,384.88	9,431,303,159.07
Less: Operating cost	11,617,944,541.11	7,944,761,205.42
Taxes and surcharges	57,126,440.52	24,005,387.31
Selling and distribution expenses	175,224,699.33	182,143,490.01
General and administrative expenses	181,799,889.96	171,833,139.29
Research and development expense	744,560.38	1,168,392.15
Financial expenses	912,638,828.57	136,168,153.13
Including: Interest expenses	326,523,217.57	336,060,319.84
Interest income	45,650,825.86	37,359,001.61
Asset impairment loss	-6,821,520.16	-2,177,456.19
Add: Other income	22,139,558.33	7,946,400.00
Income on investment		
Including: Income from associates and joint ventures		

Gains from the change in fair value ("-" for loss)		
Asset disposal gains ("-" for loss)	284,086.70	476,301.60
2. Operating profit ("-" for loss)	69,460,590.20	981,823,549.55
Add: Non-operating income	125,720.44	4,525,197.68
Less: Non-operating expenses	575,548.65	3,888,870.11
3. Total profit ("-" for loss)	69,010,761.99	982,459,877.12
Less: Income tax expenses	1,705,380.04	187,447,328.04
4. Net Profit ("-" for loss)	67,305,381.95	795,012,549.08
Net profit from continuing operation ("-" for loss)	67,305,381.95	795,012,549.08
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 re-measuring 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 re-measuring 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	67,305,381.95	795,012,549.08
7. Earnings per share:		
1) Basic earnings per share		
2) Diluted earnings per share		

5. CONSOLIDATED STATEMENT OF INCOME STATEMENT FROM THE BEGINNING OF THE YEAR TO THE END OF THE CURRENT REPORTING PERIOD

Unit: RMB

Items	The Current Period	The Previous Period
1. Total operating income	36,754,638,048.58	30,377,159,805.40
Including: Operating income	36,754,638,048.58	30,377,159,805.40
Interest income		
Premium earned		
Income from handling charges and commission		
2. Total operating cost	35,980,536,279.10	28,752,295,499.49
Including: Operating cost	32,611,218,949.68	26,697,726,482.69
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	218,378,101.09	166,595,508.05

Selling and distribution expenses	791,230,427.82	856,104,219.26
General and administrative expenses	655,926,928.42	541,175,527.36
Research and development expenses	3,215,201.91	2,803,328.19
Financial expenses	1,728,306,153.98	533,459,454.58
Including: Interest expenses	916,801,457.83	783,517,850.44
Interest income	108,801,680.36	74,986,530.45
Asset impairment loss	-27,739,483.80	-45,569,020.64
Add: Other income	63,413,797.03	22,993,400.00
Income on investment ("-" for loss)	3,493,150.68	3,294,593.14
Including: Income from associates and joint ventures		
Gains from the change in fair value ("-" for loss)		
Exchange Income ("-" for loss)		
Asset disposal gains ("-" for loss)	1,109,667.33	3,491,595.60
6. Operating profit ("-" for loss)	842,118,384.52	1,654,643,894.65
Add: Non-operating income	2,298,854.73	7,600,237.50
Less: Non-operating expenses	1,963,486.59	8,482,290.41
7. Total profit ("-" for loss)	842,453,752.66	1,653,761,841.74
Less: Income tax expenses	16,818,346.16	311,902,932.93
8. Net Profit ("-" for loss)	825,635,406.50	1,341,858,908.81
Net profit from continuing operation ("-" for loss)		
Net profit from discontinued operation ("-" for loss)		
Attributable to: Owners of parent company	825,182,211.60	1,334,298,002.84
Non-controlling shareholders	453,194.90	7,560,905.97
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 re-measuring 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 re-measuring 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	825,635,406.50	1,341,858,908.81
Total comprehensive income attributable to owners of parent company	825,182,211.60	1,334,298,002.84

Total comprehensive income attributable to non-controlling shareholders	453,194.90	7,560,905.97
8. Earnings per share:		
1) Basic earnings per share	0.21	0.43
2) Diluted earnings per share	0.21	0.43

The current business combination under common control, the net profits of the combined party before achieved: Yuan, net profit of previous period of the combined party realized: Yuan.

6. STATEMENT OF COMPREHENSIVE INCOME OF THE PARENT COMPANY FROM THE BEGGING OF THE YEAR TO THE END OF THE CURRENT REPORTING PERIOD

Unit: RMB

Items	The Current Period	The Previous Period
1. Operating income	36,668,559,494.02	30,628,819,938.27
Less: Operating cost	33,019,136,503.31	27,427,737,279.74
Taxes and surcharges	192,669,833.48	140,788,803.31
Selling and distribution expenses	440,779,566.79	555,662,676.40
General and administrative expenses	619,992,907.29	506,568,479.27
Research and development expense	3,215,201.91	2,803,328.19
Financial expenses	1,687,162,319.17	486,344,038.55
Including: Interest expenses	870,205,608.54	733,104,694.96
Interest income	103,955,252.77	71,262,161.56
Asset impairment loss	-27,739,483.80	-45,567,910.73
Add: Other income	63,413,797.03	22,993,400.00
Income on investment	3,493,150.68	105,369,227.90
Including: Income from associates and joint ventures		
Gains from the change in fair value ("-" for loss)		
Asset disposal gains ("-" for loss)	1,109,667.33	3,491,595.60
2. Operating profit ("-" for loss)	801,359,260.91	1,686,337,467.04
Add: Non-operating income	1,840,469.10	6,739,985.54

Less: Non-operating expenses	1,957,950.91	8,482,290.41
3. Total profit ("-" for loss)	801,241,779.10	1,684,595,162.17
Less: Income tax expenses	7,384,717.21	287,755,865.14
4. Net Profit ("-" for loss)	793,857,061.89	1,396,839,297.03
Net profit from continuing operation ("-" for loss)	793,857,061.89	1,396,839,297.03
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 re-measuring 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 re-measuring 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	793,857,061.89	1,396,839,297.03
7. Earnings per share:		
3) Basic earnings per share		
4) Diluted earnings per share		

7. CONSOLIDATED STATEMENT OF CASH FLOWS FROM THE BEGGINING OF THE YEAR TO THE END OF THE CURRENT PERIOD

Unit: RMB

Items	The Current Period	The Previous Period
1.Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	26,188,229,365.29	21,053,946,910.03
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	284,799,886.80	247,722,320.84
Other cash received relating to operating activities	83,617,244.68	93,241,794.79
Subtotal of cash inflow received from	26,556,646,496.77	21,394,911,025.66

operation activities		
Cash paid for goods and services	17,207,337,978.80	23,277,409,481.43
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	1,438,947,941.23	1,372,504,441.92
Cash paid for all types of taxes	618,124,974.18	443,361,163.06
Other cash paid relating to operating activities	358,768,202.58	407,069,210.36
Subtotal of cash outflow received from operation activities	19,623,179,096.79	25,500,344,296.77
Net cash flows generated from operating activities	6,933,467,399.98	-4,105,433,271.11
2. Cash flows from investing activities:		
Cash received from return on investments	500,000,000.00	424,000,000.00
Cash received from distribution of dividends or profit	3,493,150.68	3,294,593.14
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	427,294,593.14
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,261,912,086.54	947,149,945.24
Cash paid for acquisition of		380,000,000.00

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	1,261,912,086.54	1,327,149,945.24
The net cash flow generated by investment activities	-758,418,935.86	-899,855,352.10
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	21,592,058,293.24	19,545,352,799.54
Cash received from bond issuance		
Other proceeds relating to financing activities		
Subtotal cash inflow received from financing activities	25,557,858,281.43	19,545,352,799.54
Cash repayments of borrowings	29,751,998,311.55	14,264,079,011.29
Cash payments for distribution of dividends, profit or interest expenses	1,220,039,424.07	895,675,683.07
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	30,972,037,735.62	15,159,754,694.36
The net cash flow generated by financing activities	-5,414,179,454.19	4,385,598,105.18
4. Effect of foreign exchange rate changes on cash and cash equivalents	173,516,701.33	-92,924,890.05
5. Net increase in cash and cash equivalents	934,385,711.26	-712,615,408.08
Add: Cash and cash equivalents at	12,317,576,778.93	12,273,574,488.67

the beginning of the period		
6. Cash and cash equivalents at the ending of the period	13,251,962,490.19	11,560,959,080.59

8. CASH FLOW STATEMENT OF THE PARENT COMPANY FROM THE BEGINNING OF THE YEAR TO THE END OF THE CURRENT PERIOD

Unit: RMB

Items	The Current Period	The Previous Period
1. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	25,652,120,540.51	20,467,726,400.98
Tax rebate received	119,119,395.04	172,271,080.18
Other cash received relating to operating activities	80,682,696.51	87,160,373.20
Subtotal of cash inflow received from operation activities	25,851,922,632.06	20,727,157,854.36
Cash paid for goods and services	17,009,484,822.48	23,052,858,946.77
Cash paid to and on behalf of employees	1,372,731,925.30	1,304,133,489.37
Cash paid for all types of taxes	528,120,047.39	363,002,738.78
Other cash paid relating to operating activities	322,705,026.46	344,550,652.82
Subtotal of cash outflow received from operation activities	19,233,041,821.63	25,064,545,827.74
Net cash flows generated from operating activities	6,618,880,810.43	-4,337,387,973.38
2. Cash flows from investing activities:		
Cash received from return on investments	500,000,000.00	424,000,000.00
Cash received from distribution of dividends or profit	3,493,150.68	105,369,227.90
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	529,369,227.90
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,241,365,059.32	930,544,967.24
Cash paid for acquisition of investments	259,300,000.00	380,000,000.00
Net cash received from subsidiary and other operating unit		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	1,500,665,059.32	1,310,544,967.24
The net cash flow generated by investment activities	-997,171,908.64	-781,175,739.34
3. Cash flows from financing activities:		
Proceeds from investment	3,965,799,988.19	
Proceeds from borrowings	20,515,395,400.00	18,182,352,799.54
Cash received from bond issuance		
Other proceeds relating to financing activities		
Subtotal cash inflow received from financing activities	24,481,195,388.19	18,182,352,799.54
Cash repayments of borrowings	28,587,442,043.95	13,159,153,564.72
Cash payments for distribution of dividends, profit or interest expenses	1,176,598,972.79	701,660,667.03
Other cash payments relating to financing activities		
Subtotal of cash outflows from financing activities	29,764,041,016.74	13,860,814,231.75
The net cash flow generated by financing activities	-5,282,845,628.55	4,321,538,567.79
4. Effect of foreign exchange rate changes on cash and cash equivalents	173,504,704.68	-92,971,403.22
5. Net increase in cash and cash equivalents	512,367,977.92	-889,996,548.15
Add: Cash and cash equivalents at	12,152,285,550.21	11,876,536,613.66

the beginning of the period		
6. Cash and cash equivalents at the ending of the period	12,664,653,528.13	10,986,540,065.51

II. Audit report

Whether the third quarter report is audited

☐ Yes ☒ No

The third quarter report is not audited.