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北京金隅集團股份有限公司

BBMG Corporation*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2009)

FIRST QUARTERLY REPORT FOR 2018

This announcement is made in accordance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions about inside information (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of BBMG Corporation* 北京金隅集團股份有限公司 (the “**Company**”) is pleased to announce the results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 31 March 2018 (the “**Reporting Period**”).

During the Reporting Period, the Group recorded operating revenue of approximately RMB9,939.3 million, with net loss attributable to owners of the parent company amounting to approximately RMB212.6 million and basic loss per share RMB0.02.

All financial information set out in this quarterly report is unaudited and prepared in accordance with Accounting Standards for Business Enterprises of the PRC.

The contents of this report are consistent with the announcement published on the Shanghai Stock Exchange. This announcement is published simultaneously domestically and overseas.

I. IMPORTANT NOTICE

- 1.1 The Board, the supervisory board, the directors, the supervisors and the senior management of the Company guarantee that the contents of this quarterly report are true, accurate and complete and that there are no false representations, misleading statements or material omissions in this quarterly report, for which they shall assume joint and several liabilities.

1.2 All directors of the Company attended the Board meeting for reviewing this quarterly report.

1.3 Jiang Deyi, the Chairman of the Company, Chen Guogao, the Chief Accountant and Hu Juan, the head of the Accounting Department (Accounting Supervisor), guarantee that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 The financial statements contained in the first quarterly report of the Company have not been audited.

II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDING OF THE COMPANY

2.1 Major financial data

Unit and Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Change (as compared with the end of the previous year) (%)
Total assets	235,304,616,675.30	233,191,401,515.03	0.91
Net assets attributable to the shareholders of the Company	50,784,778,782.21	51,141,753,852.51	-0.70
	From the beginning of the year to the end of the Reporting Period (January – March)	From the beginning of the previous year to the end of the corresponding period of the previous year (January – March)	Year-on-year change (%)
Net cash flows from operating activities	-3,767,899,777.79	-7,945,676,578.93	52.58
	From the beginning of the year to the end of the Reporting Period (January – March)	From the beginning of the previous year to the end of the corresponding period of the previous year (January – March)	Year-on-year change (%)
Operating revenue	9,939,344,514.22	11,338,722,980.02	-12.34
Net profit attributable to the shareholders of the Company	-212,606,749.03	440,588,271.85	-148.26
Net profit attributable to the shareholders of the Company after deducting non-recurring profit and loss	-231,125,501.06	396,175,302.21	-158.34
Weighted average return on net assets (%)	-0.42	0.99	Decrease by 1.41 percentage point

Basic earnings per share (RMB/share)	-0.02	0.04	-150.00
Diluted earnings per share (RMB/share)	-0.02	0.04	-150.00

Non-recurring profit and loss items and amounts:

√ Applicable Not applicable

Unit and Currency: RMB

Item	Amount for the Reporting Period	Explanation
Profit and loss from disposal of non-current assets	13,579,904.58	
Tax rebate or tax concessions with unauthorised approval or without official approval documents or on an occasional basis		
Government grants recognised through profit or loss for the period (excluding those closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or quantity)	29,145,547.8	
Capital occupancy fee from non-financial enterprises recognized through profit or loss for the period		
Gain arising from investment costs for acquisition of subsidiaries, associates and joint ventures being less than the fair value of the share of the identifiable net assets of the investee entitled at the time of acquisition		
Profit or loss from exchange of non-monetary assets		
Gains or losses from discretionary investment or asset management		
Provision for impairment of assets due to force majeure such as natural disaster		
Profit or loss from debt restructuring	11,636,810.21	
Corporate restructuring expenses, such as expenses on employee placement, integration costs, etc.		
Profit or loss arising from the excess of the unfair consideration over the fair value of a transaction		
Net profit or loss for the period of subsidiaries formed by business combination under common control from the beginning of the period to the date of combination		
Profit or loss from contingencies irrelevant to the normal operations of the Company		

Profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than effective hedging business relating to the normal operations of the Company	-1,393,359.43	
Write back of the provision for impairment of receivables that are individually tested for impairment		
Gains or losses from external entrusted loans		
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement		
Effects on profit or loss for the period of one-off adjustment to profit or loss for the period in accordance with laws and regulations on taxation and accounting, etc.		
Entrustment fees income from entrusted operations		
Other non-operating income and expenses other than the foregoing items	-10,643,352.92	
Other profit and loss items falling within the meaning of nonrecurring profit and loss		
Effect of minority interests (after tax)	-13,225,410.65	
Effect of income tax	-10,581,387.56	
Total	18,518,752.03	

2.2 Total number of shareholders, shareholding of the top ten shareholders and the top ten shareholders of tradable shares (or not subject to lock-up restrictions) as at the end of the Reporting Period

Unit : Share

Total number of shareholders					217,473		
Shareholding of top ten shareholders							
Name of shareholder (Full name)	Shareholding as at the end of the Reporting Period	Pro- portion (%)	Number of shares subject to lock-up restrictions	Shares pledged or frozen		Nature of shareholders	
				Status of shares	Number of shares		
Beijing State-owned Capital Operation and Management Center	4,797,357,572	44.9285	188,679,244	Nil	0	State-owned legal person	
HKSCC Nominees Limited	2,338,764,870	21.9031	0	Nil	0	Overseas legal person	
China Securities Finance Corporation Limited	523,181,508	4.8997	0	Nil	0	Not known	

China Materials Limited	National Company	459,940,000	4.3075	0	Nil	0	State-owned legal person
Winfirst Group Limited	Investment Company	75,140,000	0.7037	0	Pledged		Domestic non-state-owned legal person
Central Management Ltd.	Huijin Asset	66,564,000	0.6234	0	Nil	0	State-owned legal person
Guangfa Company Customer Transaction Securities Account	Securities Limited Credit Guarantee	62,423,483	0.5846	0	Nil	0	Others
Beijing Equity Fund (Limited Partnership)	Jingguofa Investment (Limited Partnership)	59,044,200	0.5530	0	Nil	0	Others
CITIC Company Customer Transaction Securities Account	Securities Limited Credit Guarantee	39,668,993	0.3715	0	Nil	0	Others
Huatai Company Customer Transaction Securities Account	Securities Limited Credit Guarantee	30,704,531	0.2876	0	Nil	0	Others

Shareholding of top ten shareholders of shares not subject to lock-up restrictions			
Name of shareholder	Number of tradable shares held not subject to lock-up restrictions	Type and number of shares	
		Type	Number
Beijing State-owned Capital Operation and Management Center	4,608,678,328	RMB-denominated ordinary shares	4,608,678,328
HKSCC Nominees Limited	2,338,764,870	Foreign shares listed overseas	2,338,764,870
China Securities Finance Corporation Limited	523,181,508	RMB-denominated ordinary shares	523,181,508
China National Materials Company Limited	459,940,000	RMB-denominated ordinary shares	459,940,000
Winfirst Investment Group Company Limited	75,140,000	RMB-denominated ordinary shares	75,140,000
Central Huijin Asset Management Ltd.	66,564,000	RMB-denominated ordinary shares	66,564,000
Guangfa Securities Company Limited Customer Credit Transaction Guarantee Securities Account	62,423,483	RMB-denominated ordinary shares	62,423,483
Beijing Jingguofa Equity Investment Fund (Limited Partnership)	59,044,200	RMB-denominated ordinary shares	59,044,200
CITIC Securities Company Limited Customer Credit Transaction Guarantee Securities Account	39,668,993	RMB-denominated ordinary shares	39,668,993
Huatai Securities Company Limited Customer Credit Transaction Guarantee Securities Account	30,704,531	RMB-denominated ordinary shares	30,704,531
Explanations on the related party relationship or parties acting in concert among the abovementioned shareholders	Beijing State-owned Capital Operation and Management Center and Beijing Jingguofa Equity Investment Fund (Limited Partnership) are parties acting in concert		

2.3 Total number of preferred shareholders, shareholding of the top ten preferred shareholders and the top ten preferred shareholders not subject to lock-up restrictions as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statement items and financial indicators of the Company and the reasons thereof

√ Applicable Not applicable

Prepayments	Increased by 37.7% as compared with that at the beginning of the Reporting Period, mainly attributable to the increase in the prepayments for goods and construction payments by the Company during the Reporting Period.
Interests receivable	Increased by 88.5% as compared with that at the beginning of the Reporting Period, mainly attributable to the accrual for interests by the Company during the Reporting Period.
Dividends receivable	Decreased by 69.5% as compared with that at the beginning of the Reporting Period, mainly due to the dividends received by the Company during the Reporting Period.
Other receivables	Increased by 48.1% as compared with that at the beginning of the Reporting Period, mainly attributable to the year-on-year increase in the current accounts with other entities and the payments on behalf made by the Company during the Reporting Period.
Available-for-sale financial assets	Increased by 43.3% as compared with that at the beginning of the Reporting Period, mainly attributable to the purchase of wealth management products by the Company during the Reporting Period.
Wages payable	Decreased by 40% as compared with that at the beginning of the Reporting Period, mainly due to the payment of annual performance incentives of last year by the Company during the Reporting Period.
Taxes payable	Decreased by 45.9% as compared with that at the beginning of the Reporting Period, mainly due to the payment of income tax by the Company during the Reporting Period.
Dividends payable	Increased by 87.6% as compared with that at the beginning of the Reporting Period, mainly attributable to the accrual for the interests of perpetual bonds by the Company during the Reporting Period.
Short-term financing bonds payable	Increased by 116.6% as compared with that at the beginning of the Reporting Period, mainly attributable to the issuance of the short-term financing bonds by the Company during the Reporting Period.
Business tax and surcharges	Decreased by 44.3% as compared with that of the corresponding period of the previous year, mainly due to the year-on-year decrease in the profit recognition by the property development enterprises of the Company during the Reporting Period.
Asset impairment losses	Decreased by 494.5% as compared with that of the corresponding period of the previous year, mainly due to the year-on-year decrease in the provision for bad debts by the Company during the Reporting Period.
Gains from changes in fair value	Decreased by 102.7% as compared with that of the corresponding period of the previous year, mainly due to the disposal of shares by the Company at the same period.
Investment gains	Decreased by 54.6% as compared with that of the corresponding period of the previous year, mainly due to the disposal of subsidiaries by the Company at the same period.

Other gains	Increased by 45.4% as compared with that of the corresponding period of the previous year, mainly due to the year-on-year increase in refunds of VAT of cement companies by the Company during the Reporting Period.
Non-operating income	Decreased by 44.3% as compared with that of the corresponding period of the previous year, mainly due to the disposal of properties by the Company at the same period.
Net cash inflows from operating activities	Decreased by 51.9% as compared with that of the corresponding period of the previous year, mainly attributable to the year-on-year decrease in the payment for acquisition of lands by the Company during the Reporting Period.
Net cash flows from investing activities	Increased by 503.8% as compared with that of the corresponding period of the previous year, mainly attributable to the increase in purchase of wealth management products by the Company during the Reporting Period.

Change in accounting policies

(I) Content of change in accounting policies

The accounting policies adopted in the preparation of the financial information are in line with those adopted in the financial statements for 2017, except the followings:

The Notice of the Ministry of Finance on the Revision and Issuance of the “Accounting Standards for Business Enterprises No. 14 – Income” (hereinafter referred to as “**Accounting Standards No.14 (Amendment)**”) (Cai Hui [2017] No. 22) requires enterprises that are both listed domestic and overseas, and enterprises that are listed overseas with adoption of the International Financial Reporting Standards or the Accounting Standards for Business Enterprises for preparation of financial statements to adopt the new Accounting Standards, with effect from 1 January 2018. As the Company is an enterprise that is both listed domestic and overseas, the Company and its subsidiaries (collectively, the “**Group**”) have applied this standard on 1 January 2018.

Pursuant to the requirements of the Notice of the Ministry of Finance concerning the Issuance of Amendments to “the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”, the Notice of the Ministry of Finance concerning the Issuance of Amendments to “the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets” (Cai Hui [2017] No. 8), the Notice of the Ministry of Finance concerning the Issuance of Amendments to “the Accounting Standards for Business Enterprises No. 24 – Hedging” (Cai Hui [2017] No. 9), the Notice of the Ministry of Finance concerning the Issuance of Amendments to “the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments” (Cai Hui [2017] No. 14) (the abovementioned standards are collectively referred to as “New Financial Instrument Standards” below), the Group has applied the abovementioned accounting standards on 1 January 2018.

(II) Impact of change in accounting policies on the opening balance of the statements of the Group

1. The Group has implemented the “Accounting Standards for Business Enterprises No. 14 – Income” (Cai Hui [2017] No. 22) on 1 January 2018. Pursuant to the requirements of the standard, the enterprises that apply the standard for the first time shall, based on the cumulative effect of initial application of the standard, adjust the opening balance of retained profits and other relevant project amounts in the financial statements during the year of initial application of the standard, and shall not adjust the information of the

comparative period. The enterprises can only perform adjustment to the cumulative effect of contracts that have not been completed on the date of initial application. The Group has adopted the following accounting policies for income, with the impact on the financial statements upon application of the new income standards that is set out in Table 1.

For contracts with the time interval between payments from customers and ownership transfer of promised goods or services more than a year, the transaction prices of the contracts are adjusted due to the impact on inclusion of significant financing component.

Where the incremental costs incurred from obtaining contracts are expected to be recoverable, they will be capitalised as the costs of contracts, and amortised upon recognition of the income from relevant contracts. However, for contracts with the amortisation term of assets not more than a year, the incremental costs could be included in the profit or loss for the current period when they are incurred. Incremental costs mean the costs (such as sales commission) that will not be incurred if an enterprise fails to obtain a contract.

For contracts with variable considerations, the enterprises shall, based on the expected values or the most likely amounts, determine the best estimate of the variable considerations. However, the transaction prices that include the variable considerations shall not exceed the amounts that are most unlikely to have significant reversal for accumulated recognised income when the relevant uncertainties are eliminated. In assessing whether it is most unlikely to have the significant reversal for the accumulated recognised income, the enterprises shall consider the possibility and its proportion of income reversal at the same time.

2. The Group has applied the New Financial Instrument Standards on 1 January 2018 and has adopted the following accounting policies for financial assets, with the impact on the financial statements upon application of the new standards for recognition and measurement of financial instruments that is set out in Table 1.

The Group revised the proportion of provision for bad debt of accounts receivable and other receivables based on expected credit loss. The rate of the expected loss represents the level of possible credit loss within the duration of financial assets of the Group, which is determined with reference to the experience analysis of historical information, and the adjustment assessment on the impact of current and future economic positions and characteristics of credit risk on historical information. The rate is regularly reviewed and updated based on the economic environment and accumulation of experience information.

The Group holds the shares of Yatai Group, which have been accounted for as “Financial Assets at fair value through other comprehensive income” on 1 January 2018 from “Available-for-sale financial assets” under the original standards, and its accounting treatment is identical to the current accounting treatment of the Group.

3. The major impact of the abovementioned change in accounting policies on the opening balance of the current financial statements is as follows:

Table 1: The impact of the change in accounting policies on the opening balance of the statements of the Company for 2018
1 January 2018

Item	Before the change in accounting policies	Change in accounting policies		After the change in accounting policies
	Opening balance /Amount for the current year	Impact on income	Impact on financial instruments	Opening balance /Amount for the current year
Retained earnings	22,758,176,658.95	-25,713,232.16	4,619,304.23	22,737,082,731.02
Minority Interests	18,754,962,137.58	-41,063,734.20	82,256,335.02	18,796,154,738.40
Inventory	98,649,716,753.63	847,288,905.71		99,497,005,659.34
Receipts in advance	27,340,492,780.84	911,001,502.14		28,251,494,282.98
Accounts receivable	7,686,182,058.93	100,978,170.99		7,585,203,887.94
Contract assets		102,779,248.45		102,779,248.45
Provision for impairment of assets	4,787,598,974.13		114,414,407.93	4,673,184,566.20
Deferred income tax assets	2,952,009,690.68	47,953,800.90	-27,538,768.68	2,972,424,722.90
Deferred income tax liabilities	4,473,726,257.58	25,694,812.11		4,499,421,069.69
Accrued liabilities	464,935,400.17	27,124,436.19		492,059,836.36

Note: Contract assets are accounted for in inventory.

3.2 Analysis and explanation on the development of significant events, and impacts and solutions thereof

Applicable Not applicable

Summary and type of the matter	Index for enquiry
As a result of changes in both internal and external environments, the Company agreed that Jidong Cement shall make adjustment to the restructuring plan of “Subscription of Shares Issued by Jidong Cement with the Relevant Assets of the Cement and Other Businesses”, which shall be changed into the plan of “the formation of a joint venture by converting part of the Company’s equity interests in cement enterprises into capital contribution, and	For details, please refer to the following announcements disclosed through the designated media for disclosure of information, such as China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of the Shanghai Stock Exchange (www.sse.com.cn): 1. The Announcement of BBMG Corporation on

converting part of Jidong Cement's equity interests in cement enterprises and assets into capital contribution". Meanwhile, the Company entrusted Jidong Cement to manage all the rights other than the ownership and the income right of the equity interests of remaining cement companies held by it and promised that the remaining cement enterprises shall make injection to Jidong Cement or the joint venture in the future three years.

On 7 February 2018, the Company convened the twenty-sixth meeting of the fourth session of the Board. It is agreed that the Company shall convert part of its equity interests in cement enterprises, and Jidong Cement shall convert part of its equity interests and assets in cement enterprises into capital contribution for the establishment of the joint venture, which shall be controlled by Jidong Cement.

On 26 February 2018, Beijing SASAC approved the valuation results of the assets contributed by the Company and Jidong Cement in relation to the establishment of the joint venture, and the valuation results of the assets were in line with those as set out in the relevant resolutions considered and passed by the Board of the Company and the relevant agreements signed by the Company.

On 28 February 2018, Jidong Cement convened the 2018 first extraordinary general meeting, which approved the implementation of the transaction.

On 28 March 2018, the Company received the approval from the Hong Kong Stock Exchange for the transaction, which agreed that the Company shall conduct the transaction.

On 29 March 2018, the Company convened the 2018 first extraordinary general meeting, which approved the implementation of the transaction.

On 30 March 2018, Jidong Cement received from China Securities Regulatory Commission the Notice of Administrative Approval for Application Acceptance, which was of the opinion that all the materials submitted by Jidong Cement for the material assets restructuring administrative approval application were complete and thus decided to accept the administrative approval application.

Progress of the Matters in relation to the Subscription of Shares Issued by Tangshan Jidong Cement Co., Ltd. with the Relevant Assets of Cement and Other Businesses and the Announcement on the Matters in relation to the Injection of the Relevant Assets of the Company's Cement and Other Businesses to Tangshan Jidong Cement Co., Ltd. (Lin 2017-106) disclosed by the Company on 29 December 2019;

2. The Announcement of BBMG Corporation on the Progress of the Matters in relation to the Injection of the Relevant Assets of the Company's Cement and Other Businesses to Tangshan Jidong Cement Co., Ltd. (Lin 2018-011) disclosed by the Company on 8 February 2018;

3. The Announcement of BBMG Corporation on the Progress of the Matters in relation to the Injection of the Relevant Assets of the Company's Cement and Other Businesses to Tangshan Jidong Cement Co., Ltd. (Lin 2018-015) disclosed by the Company on 27 February 2018;

4. The Announcement of BBMG Corporation on the Progress of the Matters in relation to the Injection of the Relevant Assets of the Company's Cement and Other Businesses to Tangshan Jidong Cement Co., Ltd. (Lin 2018-016) disclosed by the Company on 1 March 2018;

5. The Announcement of BBMG Corporation on the Progress of the Matters in relation to the Injection of the Relevant Assets of the Company's Cement and Other Businesses to Tangshan Jidong Cement Co., Ltd. (Lin 2018-026) disclosed by the Company on 29 March 2018;

6. The Announcement of BBMG Corporation on the 2018 First Extraordinary General Meeting Resolutions (Lin 2018-035) disclosed by the Company on 30 March 2018;

7. The Announcement of BBMG Corporation on the Progress of the Matters in relation to the Injection of the Relevant Assets of the Company's Cement and Other Businesses to Tangshan Jidong Cement Co., Ltd. (Lin 2018-036) disclosed by the Company on 31 March 2018.

3.3 Fulfillment of undertakings by the Company and shareholders with shareholding of 5% or more

Applicable Not applicable

3.4 Warnings and explanations of forecasted loss or significant changes to the accumulated net profits from the beginning of the year to the end of the next reporting period or as compared with the corresponding period of the previous year

Applicable Not applicable

By order of the Board
BBMG Corporation*
Jiang Deyi
Chairman

Beijing, the PRC, 25 April 2018

As at the date of this announcement, the executive directors of the Company are Jiang Deyi, Zeng Jin, Wu Dong and Zheng Baojin; the non-executive directors of the Company are Guo Yanming and Yu Zhongfu; and the independent non-executive directors of the Company are Wang Guangjin, Tian Lihui, Tang Jun and Ngai Wai Fung.

** English translation denotes for identification purposes only*

APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

As at 31 March 2018

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Closing balance as at the end of the Reporting Period	Opening balance as at the beginning of the Reporting Period
Current Assets:		
Cash and bank balances	16,831,737,828.34	17,903,847,144.72
Settlement reserves	0.00	0.00
Loans to banks or other financial institutions	0.00	0.00
Financial assets at fair value through profit or loss	44,413,212.17	46,226,108.99
Derivative financial assets	0.00	0.00
Bills receivable	6,495,100,049.51	8,181,663,835.79
Accounts receivable	7,321,112,635.14	7,699,618,295.88
Advances to suppliers	2,467,967,882.09	1,792,354,290.47
Premiums receivable	0.00	0.00
Reinsurance accounts receivable	0.00	0.00
Reinsurance contract reserve receivable	0.00	0.00
Interests receivable	2,420,808.42	1,284,128.69
Dividends receivable	3,071,700.00	10,071,936.52
Other receivables	8,707,063,014.00	5,879,068,734.08
Purchase and sell-back of financial assets	0.00	0.00
Inventories	100,530,370,621.92	99,599,784,907.79
Assets classified as held for sale	0.00	0.00
Non-current assets due within one year	0.00	0.00
Other current assets	3,469,059,154.70	3,438,847,412.19
Total current assets	145,872,316,906.29	144,552,766,795.12
Non-current assets:		
Loans and advances	0.00	0.00
Available-for-sale financial assets	4,151,447,447.40	2,897,887,864.39
Held-to-maturity investments	1,000,000.00	0.00
Long-term receivables	491,115,860.01	485,377,872.64
Long-term equity investments	2,180,734,819.07	2,174,939,257.51
Investment properties	15,440,453,467.02	15,440,453,467.02
Fixed assets	45,181,280,700.19	45,895,321,483.24
Construction in progress	3,116,774,659.45	2,871,490,458.74
Construction materials	106,905,142.66	109,571,966.37
Disposal of fixed assets	0.00	0.00
Productive biological assets	0.00	0.00

Oil and gas assets	0.00	0.00
Intangible assets	10,868,503,250.96	10,857,085,997.78
Development expenses	0.00	0.00
Goodwill	2,740,287,649.80	2,740,287,649.80
Long-term prepaid expenses	1,135,108,818.92	1,134,362,027.11
Deferred income tax assets	3,013,818,566.18	2,972,424,722.90
Other non-current assets	1,004,869,387.35	1,059,431,952.41
Total non-current assets	89,432,299,769.01	88,638,634,719.91
Total assets	235,304,616,675.30	233,191,401,515.03
Current liabilities:		
Short-term loans	35,931,542,805.29	34,375,200,000.00
Borrowings from central bank	0.00	0.00
Deposits from customers and inter-bank deposits	0.00	0.00
Loans from banks and other financial institutions	0.00	0.00
Financial liabilities at fair value through profit or loss	0.00	0.00
Derivative financial liabilities	0.00	0.00
Bills payable	1,324,348,270.75	1,457,987,393.20
Accounts payable	12,931,903,771.90	15,747,091,122.08
Receipts in advance	30,287,623,790.02	28,251,494,282.98
Financial assets sold for repurchase	0.00	0.00
Fees and commissions payable	0.00	0.00
Payroll payable	219,456,414.35	365,587,130.76
Tax payable	956,625,463.53	1,769,260,167.61
Interests payable	708,076,125.57	858,108,769.82
Dividends payable	358,002,892.03	190,801,504.66
Other payables	7,836,777,449.01	8,026,337,535.37
Short-term financing bonds payable	6,000,000,000.00	2,769,698,081.12
Reinsurance accounts payable	0.00	0.00
Insurance contract reserve payable	0.00	0.00
Amount paid for agency securities trading	0.00	0.00
Amount paid for agency securities underwriting	0.00	0.00
Liabilities classified as held for sale	0.00	0.00
Non-current liabilities due within one year	10,893,622,429.47	11,491,439,775.59
Other current liabilities	6,207,234,806.47	6,042,357,010.03
Total current liabilities	113,655,214,218.39	111,345,362,773.22

Non-current liabilities:		
Long-term loans	26,841,980,000.00	25,671,030,000.00
Bonds payable	17,458,224,229.85	18,154,840,828.51
Including: Premium	0.00	0.00
Perpetual	0.00	0.00
Long-term payables	755,137,818.61	920,769,354.18
Long-term payroll payable	653,790,498.74	654,032,290.50
Specific payables	0.00	0.00
Provisions	485,665,132.29	492,059,836.36
Deferred income	846,546,146.42	855,519,940.14
Deferred income tax liabilities	4,845,707,299.87	4,499,421,069.69
Other non-current liabilities	660,456,831.52	660,456,831.52
Total non-current liabilities	52,547,507,957.30	51,908,130,150.90
Total liabilities	166,202,722,175.69	163,253,492,924.12
Owners' equity:		
Share capital	10,677,771,134.00	10,677,771,134.00
Other equity instruments	9,972,000,000.00	9,972,000,000.00
Including: Premium	0.00	0.00
Perpetual	9,972,000,000.00	9,972,000,000.00
Capital reserve	5,819,898,586.74	5,820,202,037.98
Less: Treasury shares	0.00	0.00
Other comprehensive income	239,930,927.98	254,210,159.32
Specific reserve	9,559,567.72	12,989,928.59
Surplus reserve	1,368,019,010.35	1,368,019,010.35
General risk provision	299,478,851.25	299,478,851.25
Retained earnings	22,398,120,704.17	22,737,082,731.02
Total equity attributable to owners of the parent company	50,784,778,782.21	51,141,753,852.51
Minority interests	18,317,115,717.40	18,796,154,738.40
Total owners' equity	69,101,894,499.61	69,937,908,590.91
Total liabilities and owners' equity	235,304,616,675.30	233,191,401,515.03

Legal Representative: Jiang Deyi
Chief Accountant: Chen Guogao
Head of the Accounting Department: Hu Juan

Balance Sheet of the Parent Company

As at 31 March 2018

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Closing balance as at the end of the Reporting Period	Opening balance as at the beginning of the Reporting Period
Current Assets:		
Cash and bank balances	7,579,901,146.73	6,259,648,184.09
Financial assets at fair value through profit or loss	0.00	0.00
Derivative financial assets	0.00	0.00
Bills receivable	0.00	0.00
Accounts receivable	124,246.17	124,246.15
Advances to suppliers	0.00	0.00
Interests receivable	1,474,872,644.49	1,106,889,669.23
Dividends receivable	1,580,546,879.99	1,582,172,059.85
Other receivables	58,188,178,668.40	53,735,739,340.08
Inventories	0.00	0.00
Assets classified as held for sale	0.00	0.00
Non-current assets due within one year	0.00	0.00
Other current assets	7,856,371.32	7,511,032.83
Total current assets	68,831,479,957.10	62,692,084,532.23
Non-current assets:		
Available-for-sale financial assets	200,000.00	200,000.00
Held-to-maturity investments	0.00	0.00
Long-term receivables	0.00	0.00
Long-term equity investments	34,728,951,647.01	34,720,818,298.28
Investment properties	10,164,795,183.02	10,164,795,183.02
Fixed assets	1,213,094,391.69	1,230,783,437.66
Construction in progress	0.00	0.00
Construction materials	0.00	0.00
Disposal of fixed assets	0.00	0.00
Productive biological assets	0.00	0.00
Oil and gas assets	0.00	0.00
Intangible assets	411,257,000.55	414,752,345.13
Development expenses	0.00	0.00
Goodwill	0.00	0.00
Long-term prepaid expenses	0.00	0.00
Deferred income tax assets	168,663,517.96	168,663,517.96
Other non-current assets	0.00	0.00
Total non-current assets	46,686,961,740.23	46,700,012,782.05
Total assets	115,518,441,697.33	109,392,097,314.28

Current liabilities:		
Short-term loans	22,101,550,000.00	20,841,550,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	0.00	0.00
Bills payable	0.00	0.00
Accounts payable	25,462,384.48	25,462,384.48
Receipts in advance	147,595,886.46	118,748,027.30
Payroll payable	85,430.15	14,420,033.15
Tax payable	81,108,842.94	54,341,168.83
Interests payable	268,625,884.13	677,805,693.89
Dividends payable	594,246,740.18	142,270,606.35
Other payables	4,836,150,210.04	4,807,302,630.21
Liabilities classified as held for sale	0.00	0.00
Short-term financing bonds payable	6,000,000,000.00	2,000,000,000.00
Non-current liabilities due within one year	6,640,000,000.00	7,500,000,000.00
Other current liabilities	0.00	0.00
Total current liabilities	40,694,825,378.38	36,181,900,544.21
Non-current liabilities:		
Long-term loans	16,179,470,000.00	13,724,470,000.00
Bonds payable	15,259,370,555.70	15,956,825,637.00
Including: Premium	0.00	0.00
Perpetual	0.00	0.00
Long-term payables	0.00	0.00
Long-term payroll payable	363,073,483.45	363,073,483.46
Specific payables	0.00	0.00
Provisions	0.00	0.00
Deferred income	0.00	0.00
Deferred income tax liabilities	2,081,544,558.97	2,081,544,558.97
Other non-current liabilities	717,233.77	717,233.77
Total non-current liabilities	33,884,175,831.89	32,126,630,913.20
Total liabilities	74,579,001,210.27	68,308,531,457.41

Owners' equity		
Share capital	10,677,771,134.00	10,677,771,134.00
Other equity instruments	9,972,000,000.00	9,972,000,000.00
Including: Premium	0.00	0.00
Perpetual	9,972,000,000.00	9,972,000,000.00
Capital reserve	6,674,854,902.82	6,674,854,902.82
Less: Treasury shares	0.00	0.00
Other comprehensive income	82,198,530.79	82,198,530.79
Specific reserve	0.00	0.00
Surplus reserve	1,368,019,010.35	1,368,019,010.35
Retained earnings	12,164,596,909.10	12,308,722,278.91
Total owners' equity	40,939,440,487.06	41,083,565,856.87
Total liabilities and owners 'equity	115,518,441,697.33	109,392,097,314.28

Legal Representative: Jiang Deyi

Chief Accountant: Chen Guogao

Head of the Accounting Department: Hu Juan

Consolidated Income Statement

January to March 2018

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Total operating revenue	9,939,344,514.22	11,338,722,980.02
Including: Operating revenue	9,939,344,514.22	11,338,722,980.02
Interest income	0.00	0.00
Premiums earned	0.00	0.00
Fees and commissions income	0.00	0.00
II. Total operating costs	10,737,803,957.30	11,384,269,600.95
Including: Operating costs	7,726,279,876.40	8,343,404,507.71
Interest expenses	0.00	0.00
Fees and commissions expenses	0.00	0.00
Surrenders	0.00	0.00
Net compensation expenses	0.00	0.00
Net insurance contract reserves	0.00	0.00
Insurance policy dividend expenses	0.00	0.00
Reinsurance expenses	0.00	0.00
Business tax and surcharges	259,252,542.14	465,576,152.58
Selling expenses	511,444,324.97	504,513,428.01
Administrative expenses	1,687,702,596.38	1,420,877,256.11
Finance costs	641,060,925.95	627,609,191.64
Asset impairment losses	-87,936,308.54	22,289,064.90
Add: Gains from changes in fair value (“-” indicating loss)	-1,393,359.43	51,013,905.30
Investment gains (“-” indicating loss)	60,703,357.71	133,768,418.50
Including: Share of profits of associates and joint ventures	5,795,561.56	-39,489,782.22
Gains on disposal of assets (“-” indicating loss)	13,504,938.98	10,267,122.10
Foreign exchange gains (“-” indicating loss)	0.00	0.00
Other gains	65,599,541.62	45,115,388.95
III. Operating profit (“-” indicating loss)	-660,044,964.20	194,618,213.92
Add: Non-operating income	42,913,986.37	76,990,918.81
Less: Non-operating expenses	34,450,835.83	10,312,566.71
IV. Total profit (“-” indicating total loss)	-651,581,813.66	261,296,566.02
Less: Income tax expenses	-13,118,429.74	201,309,010.05
V. Net profit (“-” indicating net loss)	-638,463,383.92	59,987,555.97
(1) Classification according to continuing operations		
1. Net profits from continuing operations (“-” indicating net loss)	-638,463,383.92	59,987,555.97

2. Net profits from discontinued operations (“-” indicating net loss)	0.00	0.00
(2) Classification according to attributable interests		
1. Profits or loss for minority interests	-425,856,634.89	-380,600,715.88
2. Net profits attributable to shareholders of the Company	-212,606,749.03	440,588,271.85
VI. Other comprehensive income (net of tax)	-19,412,626.64	13,980,551.66
Other comprehensive income (net of tax) attributable to shareholders of the parent company	11,205,755.89	8,054,521.37
(1) Other comprehensive income that will not be reclassified into profit or loss subsequently	29,061,622.00	0.00
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plans	29,061,622.00	0.00
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method	0.00	0.00
(2) Other comprehensive income that will be reclassified to profit or loss subsequently	-17,855,866.11	8,054,521.37
1.Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method	-1,102,557.87	0.00
2.Gains or losses arising from changes in fair value of available-for-sale financial assets	-2,367,703.03	7,242,925.92
3.Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets	0.00	0.00
4.Effective portion of cash flow adjusted for hedging gains or losses	0.00	0.00
5.Exchange differences on foreign currency translation	-4,191,243.47	811,595.45
6.Others	-10,194,361.74	
Other comprehensive income (net of tax) attributable to minority interests	-30,618,382.53	5,926,030.29
VII. Total comprehensive income	-657,876,010.56	68,042,077.34
Total comprehensive income attributable to the owners of the parent company	-201,400,993.14	442,716,762.93
Total comprehensive income attributable to minority interests	-456,475,017.42	-374,674,685.59

VIII. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.02	0.04
(2) Diluted earnings per share (RMB/share)	-0.02	0.04

For business combinations under common control occurred during this period, the net profit of the party being acquired realised before combination is RMB0, that of the previous period was RMB 0.

Legal Representative: Jiang Deyi

Chief Accountant: Chen Guogao

Head of the Accounting Department: Hu Juan

Income Statement of the Parent Company

January to March 2018

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Total operating revenue	248,823,783.62	239,957,193.43
Less: Operating revenue	17,936,655.21	15,018,732.36
Business tax and surcharges	30,112,563.02	1,442,646.95
Selling expenses	3,094,187.56	7,523,323.40
Administrative expenses	27,421,394.19	27,818,981.73
Finance costs	198,156,652.16	294,991,107.90
Asset impairment losses	0.00	0.00
Add: Gains from changes in fair value (“-” indicating loss)	0.00	0.00
Investment gains (“-” indicating loss)	8,133,348.74	-22,890,459.67
Including: Share of profits of associates and joint ventures	8,133,348.74	-22,890,459.67
Gains on disposal of assets (“-” indicating loss)	0.00	0.00
Other gains	0.00	0.00
II. Operating profit (“-” indicating loss)	-19,764,319.78	-129,728,058.58
Add: Non-operating income	2,056,724.57	1,880,973.15
Less: Non-operating expenses	62,496.82	0.00
III. Total profit (“-” indicating total loss)	-17,770,092.03	-127,847,085.43
Less: Income tax expenses	0.00	0.00
IV. Net profit (“-” indicating net loss)	-17,770,092.03	-127,847,085.43
(1) Net profit from continuing operations (“-” indicating net loss)	-17,770,092.03	-127,847,085.43
(2) Net profit from discontinued operations (“-” indicating net loss)	0.00	0.00

V. Other comprehensive income (net of tax)	28,590,242.00	0.00
(1) Other comprehensive income that will not be reclassified into profit or loss subsequently	28,590,242.00	0.00
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plans	28,590,242.00	0.00
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method	0.00	0.00
(2) Other comprehensive income that will be reclassified to profit or loss subsequently	0.00	0.00
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method	0.00	0.00
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	0.00	0.00
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets	0.00	0.00
4. Effective portion of cash flow adjusted for hedging gains or losses	0.00	0.00
5. Exchange differences on foreign currency translation	0.00	0.00
6. Others	0.00	0.00
VI. Total comprehensive income	10,820,149.97	-127,847,085.43
VII. Earnings per share:		
(1) Basic earnings per share (RMB/share)		
(2) Diluted earnings per share (RMB/share)		

Legal Representative: Jiang Deyi
Chief Accountant: Chen Guogao
Head of the Accounting Department: Hu Juan

Consolidated Statement of Cash Flows

January to March 2018

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	11,734,285,570.95	10,700,410,702.82
Net increase in deposits from customers and inter-bank deposits	0.00	0.00
Net increase in borrowings from central bank	0.00	0.00
Net decrease in deposits in central bank	47,783,282.04	459,301,503.31
Net increase in loans from other financial institutions	0.00	0.00
Cash received as premiums of original insurance contracts	0.00	0.00
Net cash received from reinsurance business	0.00	0.00
Net increase in policy holder deposits and investment	0.00	0.00
Net increase in disposal of financial assets at fair value through profit or loss	0.00	0.00
Cash received from interests, fees and commissions	0.00	0.00
Net increase in loans from banks and other financial institutions	0.00	0.00
Net increase in capital from repurchase business	0.00	0.00
Refund of taxes and levies	48,668,985.65	74,220,622.29
Cash received from other operating activities	1,053,241,222.61	2,045,346,517.09
Subtotal of cash inflows from operating activities	12,883,979,061.25	13,279,279,345.51

Cash paid for purchasing goods and receiving services	7,573,937,556.97	16,701,046,696.96
Net increase in customers' loans and advances	0.00	0.00
Net increase in deposits in central bank and inter-bank deposits	0.00	0.00
Cash paid for compensation payout under original insurance contracts	0.00	0.00
Cash paid for interests, fees and commissions	0.00	0.00
Cash paid for policy dividends	0.00	0.00
Cash paid to and for the benefit of employees	1,512,474,421.02	1,448,817,209.47
Taxes and levies paid	1,488,895,303.36	1,823,588,073.33
Cash paid for other operating activities	6,133,566,865.72	1,251,503,944.68
Subtotal of cash outflows from operating activities	16,708,874,147.07	21,224,955,924.44
Net cash flows arising from operating activities	-3,824,895,085.82	-7,945,676,578.93
II. Cash flows from investing activities:		
Cash received from redemption of investments	0.00	127,278,929.21
Cash received from return on investments	120,496,394.53	0.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	29,705,146.88	213,029,260.79
Net cash received from disposal of subsidiaries and other business entities	0.00	636,620,000.00
Cash received from other investing activities	313,099,104.76	0.00
Subtotal of cash inflows from investing activities	463,300,646.17	976,928,190.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	504,992,327.96	280,285,531.95
Cash paid for investments	39,819,668.00	60,741,392.81
Net increase in pledged loans	0.00	0.00
Net cash paid for acquisition of subsidiaries and other business entities	0.00	0.00
Cash paid for other investing activities	1,514,238,837.24	0.00
Subtotal of cash outflows from investing activities	2,059,050,833.20	341,026,924.76
Net cash flows arising from investing activities	-1,595,750,187.03	635,901,265.24

III. Cash flows from financing activities:		
Cash received from capital contributions	0.00	1,450,000.00
Including: Cash received by subsidiaries from investments of minority interests	0.00	1,450,000.00
Cash received from borrowings	15,258,840,000.00	9,775,343,000.00
Cash received from issuance of bonds	6,500,000,000.00	6,000,000,000.00
Cash received from other financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	21,758,840,000.00	15,776,793,000.00
Cash paid for debts settlement	10,363,550,000.00	10,339,641,928.59
Cash paid for the distribution of dividends, profits or interest payments	1,234,076,090.07	1,139,374,747.45
Including: Dividends and profits paid by subsidiaries to minority interests	2,058,000.00	2,000,000.00
Cash paid for other financing activities	5,854,446,804.03	656,046,900.69
Subtotal of cash outflows from financing activities	17,452,072,894.10	12,135,063,576.73
Net cash flows arising from financing activities	4,306,767,105.90	3,641,729,423.27
IV. Effects of exchange rate fluctuations on cash and cash equivalents	-1,818,351.89	1,841,597.95
V. Net increase in cash and cash equivalents	-1,115,696,518.84	-3,666,204,292.47
Add: Opening balance of cash and cash equivalents	12,971,082,111.50	18,110,782,535.76
VI. Closing balance of cash and cash equivalents	11,855,385,592.66	14,444,578,243.29

Legal Representative: Jiang Deyi
Chief Accountant: Chen Guogao
Head of the Accounting Department: Hu Juan

Statement of Cash Flows of the Parent Company
January to March 2018

Prepared by : BBMG Corporation

Unit and Currency: RMB, Unaudited

Item	Amount for the Reporting Period	Amount for the corresponding period of the previous year
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	276,686,604.57	260,995,585.92
Refund of taxes and levies	0.00	0.00
Cash received from other operating activities	9,914,151,973.07	9,201,085,420.05
Subtotal of cash inflows from operating activities	10,190,838,577.64	9,462,081,005.97
Cash paid for purchasing goods and receiving services	2,194,674.89	1,309,532.17
Cash paid to and for the benefit of employees	19,954,236.37	22,710,806.90
Cash paid for various taxes	29,368,383.40	26,276,282.92
Cash paid to other operating activities	14,199,273,696.96	14,343,345,477.59
Subtotal of cash outflows from operating activities	14,250,790,991.62	14,393,642,099.58
Net cash flows arising from operating activities	-4,059,952,413.98	-4,931,561,093.61
II. Cash flows from investing activities:		
Cash received from redemption of investments	0.00	0.00
Cash received from return on investments	0.00	19,796,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0.00	0.00
Net cash received from disposal of subsidiaries and other business entities	0.00	0.00
Cash received from other investing activities	0.00	0.00
Subtotal of cash inflows from investing activities	0.00	0.00

Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	38,550.00	680,973.00
Cash paid for investments	0.00	0.00
Net cash paid for acquisition of subsidiaries and other business entities	0.00	0.00
Cash paid for other investing activities	0.00	0.00
Subtotal of cash outflows from investing activities	38,550.00	680,973.00
Net cash flows arising from investing activities	-38,550.00	-680,973.00
III. Cash flows from financing activities:		
Cash received from capital contributions	0.00	0.00
Cash received from borrowings	10,281,000,000.00	3,131,000,000.00
Cash received from issuance of bonds	6,500,000,000.00	6,000,000,000.00
Cash received from other financing activities	0.00	0.00
Subtotal of cash inflows from financing activities	16,781,000,000.00	9,131,000,000.00
Cash paid for debts settlement	6,126,000,000.00	4,755,000,000.00
Cash paid for the distribution of dividends, profits or interest payments	824,538,583.51	784,335,081.76
Cash paid for other financing activities	4,500,000,000.00	0.00
Subtotal of cash outflows from financing activities	11,450,538,583.51	5,539,335,081.76
Net cash flows arising from financing activities	5,330,461,416.49	3,591,664,918.24
IV. Effects of exchange rate fluctuations on cash and cash equivalents	4,545.40	0.00
V. Net increase in cash and cash equivalents	1,270,474,997.91	-1,340,577,148.37
Add: Opening balance of cash and cash equivalents	6,259,648,184.09	6,904,762,685.08
VI. Closing balance of cash and cash equivalents	7,530,123,182.00	5,564,185,536.71

Legal Representative: Jiang Deyi
Chief Accountant: Chen Guogao
Head of the Accounting Department: Hu Juan

4.2 Audit Report

Applicable Not applicable