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(A joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 00323)

INSIDE INFORMATION/ OVERSEAS REGULATORY ANNOUNCEMENT 2019 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICES

1.1 The board of directors (the "Board"), the Supervisory Committee, the Directors, the Supervisors and Senior Management of Maanshan Iron & Steel Company Limited (the "Company") warrant that there are no false representations or misleading statements contained in, or material omissions from this report; and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.

1.2 Except for Mr. Qian Haifan and Mr. Ren Tianbao, who, due to other official duties, have appointed Mr. Ding Yi, the chairman of the board of directors, to attend and exercise their voting rights to express their opinions on behalf of them, all other directors attended the Board meeting.

1.3 Mr. Ding Yi, the person-in-charge of the Company, Mr. Qian Haifan, the person overseeing accounting operations; and Mr. Xing Qunli, the person-in-charge of the Accounting Department, make representations in respect of the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The financial statements contained in this first quarterly report have not been audited, but have been considered and approved by the Audit Committee in the Board of the Company.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data

Unit: RMB

	As at the end of the reporting period	As at the end of previous year	Increase/decrease at the end of the
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			reporting period as compared with the end of the previous year (%)
Total assets	76,361,754,023	76,871,999,293	-0.66
Net assets attributable to equity holders	28,230,941,232	28,173,623,272	0.20
	From the beginning of the year to the end of the reporting period	From the beginning of previous year to the end of the reporting period of the previous year	Increase/decrease as compared with the same period of the previous year (%)
Net cash flows from operating activities	-2,289,422,589	633,496,091	-461.39
	From the beginning of the year to the end of the reporting period	From the beginning of previous year to the end of the reporting period of the previous year	Increase/decrease as compared with the same period of the previous year (%)
Revenue	17,717,438,947	18,307,871,529	-3.23
Net profit attributable to equity holders of the Company	83,745,946	1,417,961,086	-94.09
Net profit excluding non-recurring gains or losses attributable to equity holders of the Company	55,940,412	894,603,238	-93.75
Return on net assets (weighted average) (%)	0.30	5.76	Decreased by 5.46 percentage points
Basic earnings per share (RMB/share)	0.01	0.18	-94.44
Diluted earnings per share (RMB/share)	0.01	0.18	-94.44

Items and amount of non-recurring gains or losses

Unit: RMB

Item	Amount for the reporting period
Profit/losses from disposal of non-current assets	-437,536
Government subsidies included in the current profit and loss, except for government subsidies that are closely related to the company's normal business operations and that are in compliance with national policies and are subject to constant or fixed amount of certain standards.	95,885,000
In addition to effective hedging business related to normal operations of the Company, changes in fair value of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities held, as well as the return on investment generated from the disposal of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities	-33,276,948
Non-operating income and expenses other than the above items	802,268
Other items of non-recurring gains or losses	11,649,336
Employee termination benefits	-487,798
Impact of non-controlling shareholders interests (after tax)	-21,502,065
Impact of income tax	-24,826,722
Total	27,805,535

2.2 Total number of shareholders and table of shareholdings of the top ten shareholders and the top ten public shareholders (or shareholders without selling restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders		216,511				
Shareholdings of the top ten shareholders						
Name of shareholder (Full name)	Number of shareholding at the end of the reporting period	Percenta ge (%)	Number of shares under restricted condition for sales	Number of pledged or frozen shares		Type of shareholders
				Status	Volume	
Magang (Group) Holding Co., Limited	3,506,467,456	45.54	–	N/A	-	State-owned shareholder
Hong Kong Securities Clearing Company Nominees Limited	1,716,618,800	22.29	–	Unknown	Unknown	Offshore shareholder
Hong Kong Securities Clearing Company Nominees Limited	290,630,667	3.77	–	Unknown	Unknown	Offshore shareholder
Central Huijin Investment Ltd.	142,155,000	1.85	–	Unknown	Unknown	State-owneds hareholder

Agricultural Bank of China Co., Ltd. - China Securities 500 Open Index Securities Investment Fund	30,475,149	0.40	—	Unknown	Unknown	Unknown
Beijing Haoqing Wealth Investment Management Co., Ltd. - Haoqing No. 8 Investment Fund.	28,653,912	0.37	—	Unknown	Unknown	Unknown
Tibet Futongda Investment Co., Ltd.	25,610,600	0.33	—	Unknown	Unknown	Unknown
Li Xiaozhong	16,759,455	0.22	—	Unknown	Unknown	Unknown
Sheng Jun	11,861,822	0.15	—	Unknown	Unknown	Unknown
Huixin Trust Co., Ltd.	10,563,900	0.14	—	Unknown	Unknown	Unknown
Shareholding of top ten shareholders without selling restrictions						
Name of shareholder	Number of shares without selling restrictions	Type and number of shares				
		Type	Number			
Magang (Group) Holding Co., Limited	3,506,467,456	RMB-denominated ordinary shares	3,506,467,456			
Hong Kong Securities Clearing Company Nominees Limited	1,716,618,800	Overseas-listed shares	1,716,618,800			
Hong Kong Securities Clearing Company Nominees Limited	290,630,667	RMB-denominated ordinary shares	290,630,667			
Central Huijin Investment Ltd.	142,155,000	RMB-denominated ordinary shares	142,155,000			
Agricultural Bank of China Co., Ltd. - China Securities 500 Open Index Securities Investment Fund	30,475,149	RMB-denominated ordinary shares	30,475,149			
Beijing Haoqing Wealth Investment Management Co., Ltd. - Haoqing No. 8 Investment Fund.	28,653,912	RMB-denominated ordinary shares	28,653,912			
Tibet Futongda Investment Co., Ltd.	25,610,600	RMB-denominated ordinary shares	25,610,600			
Li Xiaozhong	16,759,455	RMB-denominated ordinary shares	16,759,455			
Sheng Jun	11,861,822	RMB-denominated ordinary shares	11,861,822			
Huixin Trust Co., Ltd.	10,563,900	RMB-denominated ordinary shares	10,563,900			

Notes on the above shareholders' affiliated relation or concerted action	Magang (Group) Holding Co., Limited has no affiliated relation with any of the other foregoing shareholders, nor is it a person acting in concerted action; however, it is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concerted action.
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2.3 As of the end of the reporting period, the company has no preferred shares.

3. SIGNIFICANT MATTERS

3.1 The main changes in the company's major accounting statements, financial indicators and reasons

The first quarter of 2019 witnessed a growth of 6.4% in China's GDP, representing a year-on-year decrease of 0.4 percentage point. The national economy maintained at a reasonable level, with a notable downturn trend in the challenging steel industry. From January to March, the steel production in China amounted to 269 million tonnes, representing a year-on-year increase of 10.8%. The steel price fluctuated in a small range with a slow upward trend, following a plummet in last November due to combined effects of various factors including the increase in steel production and the change in volume of steel used in certain steel-consuming industries. From January to March, the average value of the domestic steel price index was 108.14 points, representing a year-on-year decrease of 4.75%. The price of iron ore substantially increased as affected by the collapse of one of Vale's dam in Brazil, and the average of price indices of iron ore in China for January to March was 290.02 points, representing a year-on-year increase of 11.93%. As the profitability of steel companies was severely squeezed, the operating results of the Company's recorded a sharp year-on-year decrease.

During the reporting period, the Company and its subsidiaries (the "Group") produced an aggregate of 4.16 million tonnes of pig iron, 4.53 million tonnes of crude steel and 4.21 million tonnes of steel products, representing year-on-year decrease of 11.49%、10.47% and 11.92% respectively (of which the Company produced 3.23 million tonnes of pig iron, 3.52 million tonnes of crude steel and 3.22 million tonnes of steel products, representing year-on-year decrease of 12.70%、11.78% and 12.26% respectively). This was mainly due to the Company's permanent shut-down of two 420m³ blast furnaces in April 2018, the permanent shut-down of two 40-tonne converters in October 2018, and overhaul of a 2,500m³ blast furnace in January to February. According to the PRC Accounting Standards, the Group's operating revenue amounted to approximately RMB17,717 million, representing a year-on-year decrease of 3.23%, which was mainly due to the decrease in steel production of the Company during the reporting period. Net profit attributable to shareholders of the Company was RMB84 million, representing a year-on-year decrease of 94.09%, which was mainly due to the decrease in gross profit of the Company's steel products and the increasing price of raw materials such as iron ore, resulting in the fall in steel price during the reporting period as compared with the same period last year.

Items with more than 30% changes as compared to the end of last year in the consolidated financial statements and the reasons for such changes:

- (1) Cash and bank balances decreased by 30.08% as compared with the end of last year, mainly due to the company's use of cash to reduce the discounted bills in the current period, and its increase of appropriately using cash payment at the same time.
- (2) Notes receivable and accounts receivable increased by 67.58% as compared with the end of last year, which was mainly due to the decrease in endorsement and discount of notes receivable during the current

period and the increase in notes receivable held as compared with the end of last year.

- (3) Prepayments increased by 47.48% as compared to the end of last year, mainly due to increase in prepayments for purchasing raw materials and projects.
- (4) Financial assets purchased under agreement to resell decreased by 87.53% as compared to the end of last year, mainly due to a decrease in reverse repurchase business by the Finance Company.
- (5) Loans and advances to customers increased by 32.49% as compared to the end of last year, mainly due to an increase in the loan amount given by the Finance Company to its member units other than the Group.
- (6) The borrowing capital decreased by 44.47% compared with the end of last year, mainly due to the decrease of loans from other banks by the Finance Company during the reporting period.
- (7) Financial assets sold for repurchase decreased by 41.84% compared with the end of last year, mainly due to the decrease of capital of pledge equities to other financial institutions by the Finance Company during the reporting period.
- (8) Trading financial liabilities increased by 427.17% as compared with the end of last year, mainly due to the change in fair value of forward foreign exchange contracts held by the Company during the current period.
- (9) Payroll and employee benefits payable decreased by 36.57% as compared with the end of last year, mainly because the performance-based bonus which was provided at the end of last year was paid during the current period.
- (10) The taxes and charges payable decreased by 64.61% as compared to the end of last year, mainly because the Company and its subsidiary Anhui Changjiang Iron paid various taxes and fees which were due but unpaid as at the end of last year during the current period.
- (11) Non-current liabilities due within one year decreased by 52.93% as compared with the end of last year, mainly due to the repayment of long-term borrowings due within one year during the current period.

Items with more than 30% changes as compared to the same period of last year in the consolidated financial statements and the reasons for such changes:

- (1) R&D expenses increased by 78.20% compared with the same period of last year, mainly due to the Company's increased investment in scientific research, expansion of product development types, incurrence of related equipment depreciation expenses and increase in material costs as compared with the same period of last year.
- (2) Financial expenses decreased by 45.91% as compared with the same period of last year, mainly due to the increase in the Company's interest income as compared with the same period of last year and more interest provided by the Company for medium-term notes and short-term bonds held during the same period of last year.
- (3) Impairment loss decreased by 94.92% as compared to the same period of last year, mainly due to the decrease in inventory impairment provided by the subsidiaries for the current period as compared with the same period of last year.
- (4) Credit impairment losses amounted to RMB-1,186,971 as compared with RMB823,699 in the same period of last year, which was mainly due to the subsidiaries' recovery of part of the financial assets during the current period for which impairment losses had been provided, as compared with the provision of impairment losses in the same period of last year.
- (5) Other income decreased by 35.44% as compared to the same period last year, mainly due to the decrease of government grants related to operating activities received by subsidiaries during the reporting period as compared to the same period of last year.
- (6) Investment income decreased by 40.37% as compared to the same period of last year, mainly due to disposal of a subsidiary, Masteel (Shanghai) Industry & Trade Co., Ltd. during the same period of last

year.

- (7) Gain from disposal of assets was RMB-437,536 as compared RMB47,548,990 in the same period of last year, which was mainly due to the gains recognised from the disposal of certain retired assets by Ma Steel (Hefei), a subsidiary of the Company during the same period of last year.
- (8) Non-operating income was RMB97,353,992 as compared with RMB167,746 in the same period of last year, mainly because Ma Steel (Hefei), a subsidiary of the Company, received government subsidies for capacity reduction.
- (9) Income taxes expense decreased by 49.53% as compared to the same period of last year, mainly due to decreased profitability of part of the subsidiaries during the reporting period as compared to the same period of last year.
- (10) Net profit attributable to owners of the parent company decreased by 94.09% as compared with the same period of last year, mainly due to the fall in steel price during the current period, the increase in price of some raw materials and consumables and the decrease in gross profit of steel products compared with the same period of last year.
- (11) Net profit/loss attributable to non-controlling interests decreased by 60.03% as compared to the same period of last year, mainly due to decreased profits of the non-wholly-owned subsidiaries during the reporting period as compared to the same period of last year.
- (12) Net cash outflow from operating activities was RMB2,289,422,589 as compared with a net inflow of RMB633,496,091 in the same period of last year, mainly due to the drop in steel prices during the current period as compared with the same period of the previous year, coupled with the increase in cash outflow because the payment method stipulated in most of the Company's procurement contracts for the period was by cash.
- (13) Net cash outflow from investment activities was RMB413,130,903 as compared with a net inflow of RMB 553,851,845 in the same period of last year, mainly due to the increase in cash paid for purchases of property, plant and equipment, intangible assets and other non-current assets as compared with the same period of last year, coupled with the decrease in cash received from investment income as compared with the same period of last year.
- (14) The net cash outflows from financing activities amounted to RMB198,994,952, compared with a cash outflows of RMB1,138,864,193 in the last year, which was mainly because the net difference between the Company's borrowings and its debts repayment was a net cash inflow, as compared with a net outflow in the same period of last year.

3.2 Analysis on progress, impacts and solutions of significant matters

By a letter sent to the Company dated 24 July 2015, Magang (Group) Holding Co., Ltd. ("Magang Group"), the controlling shareholder stated its plan to further acquire A Shares of the Company of not less than RMB409 million at an appropriate price through Magang Group Investment Company Limited, its wholly-owned subsidiary, in compliance with the applicable laws and regulations, and undertook that the shares acquired would not be sold within six months after the completion of the further acquisition plan. Details are set out in the "Announcement on Intended Increase in Shareholding of the Company's A Shares by the Controlling Shareholder" published by the Company on 25 July 2015. The link is as follows: <http://www.sse.com.cn> ; <http://www.hkexnews.hk> .

As a result of the influence coming from the industry, the production and operation of Magang Group were recovering. However, the operating costs of enterprises may increase due to supply-side reforms and environmentally-friendly production pressures, which may lead to financial strains. In addition, Magang Group aims at developing diversified businesses and vigorously developing the non-steel industries, which requires substantial amounts of capital. Up to now, it has not raised sufficient funds to finance the acquisition, and

therefore, the aforesaid acquisition plan has not been formally implemented yet. Magang Group will strive to raise fund in the premise to ensure manufacturing operation as well as steady fund operation, implement the further acquisition plan in compliance with the laws and regulations and strictly carry out its disclosure obligations.

3.3 No commitments not fulfilled within the reporting period

3.4 The warning and explanation for the forecast of the possible aggregate net profits from the beginning of the year to the end of the next reporting period becoming a loss or significant changes over the corresponding period last year.

In the first half of 2018, the Group's net profit attributable to shareholders of the parent company was approximately RMB3,429 million; in the first quarter of 2019, the Group's net profit attributable to shareholders of the parent company was approximately RMB84 million. At present, although steel price has rebounded slightly, the prices of main raw materials and consumables are still at a high level, thus the Group faces high pressure in production and operations. Therefore, the Company expects that the accumulated net profit for the period from the beginning of the year to the end of the next reporting period may be significantly decreased as compared with the same period of last year.

By order of the Board
Maanshan Iron & Steel Company Limited
Ding Yi
Chairman

25 April 2019

Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include:

Executive Directors: Ding Yi, Qian Haifan, Zhang Wenyang

Non-executive Directors: Ren Tianbao

Independent Non-executive Directors: Zhang Chunxia, Zhu Shaofang, Wang Xianzhu

4. Appendix

4.1 Financial Statement

Audit type: Unaudited

Prepared by: Maanshan Iron & Steel Company Limited

Consolidated Statement of Financial Position

31 March 2019

Unit: RMB

ASSETS	31 March 2019	31 December 2018
	Unaudited	Audited
CURRENT ASSETS		
Cash and bank balances	6,826,439,703	9,762,844,718
Financial assets held for trading	2,055,647,452	2,084,414,075
Notes and trade receivable	10,208,908,220	6,091,882,823
Prepayments	1,050,530,574	712,340,548
Other receivables	173,074,343	147,965,534
Inventories	10,393,118,697	11,053,918,748
Financial assets purchased under agreements to resell	303,377,193	2,432,279,109
Loans and advances to customers	3,769,733,236	2,845,298,103
Non-current assets due within one year	102,090,825	101,201,184
Other current assets	3,175,188,057	3,173,122,975
Total current assets	38,058,108,300	38,405,267,817
NON-CURRENT ASSETS		
Long-term equity investments	2,954,075,943	2,809,063,381
Other equity instruments investments	263,122,364	263,122,364
Investment properties	56,466,586	55,804,755
Property, plant and equipment	31,300,969,027	31,545,176,835
Construction in progress	1,589,823,523	1,662,672,077
Intangible assets	1,873,581,304	1,855,265,330
Deferred tax assets	265,606,976	275,626,734
Total non-current assets	38,303,645,723	38,466,731,476
TOTAL ASSETS	76,361,754,023	76,871,999,293
CURRENT LIABILITIES		
Deposits and balances from banks and other financial institutions	500,000,000	900,366,111
Customer deposits	4,961,279,515	4,915,309,311
Repurchase agreements	659,435,014	1,133,772,377
Short-term loans	11,819,794,221	10,917,293,181

Financial liabilities held for trading	42,240,428	8,012,670
Notes and trade payable	11,673,070,003	10,342,007,979
Advances from customers	3,522,801,108	3,572,594,400
Payroll and employee benefits payable	357,492,424	563,642,908
Taxes payable	469,044,771	1,325,517,987
Other payables	3,169,940,461	3,530,746,914
Non-current liabilities due within one year	692,362,060	1,470,868,462
Contingent liabilities	28,768,911	29,997,521
Other current liabilities	1,039,833,654	1,026,897,260
 Total current liabilities	 38,936,062,570	 39,737,027,081
NON-CURRENT LIABILITIES		
Long-term loans	3,723,448,780	3,596,387,552
Long-term employee benefits payable	156,364,400	157,371,474
Deferred revenue	1,378,083,474	1,364,795,555
Deferred tax liabilities	24,041,617	24,066,311
 Total non-current liabilities	 5,281,938,271	 5,142,620,892
 Total liabilities	 44,218,000,841	 44,879,647,973
SHAREHOLDERS' EQUITY		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,352,287,192	8,352,287,192
Other comprehensive income	(136,383,135)	(112,702,163)
Special reserve	28,290,108	31,037,123
Surplus reserve	4,571,901,256	4,571,901,256
General reserve	224,841,404	224,841,404
Retained earning	7,489,323,221	7,405,577,274
Equity attributable to owners of the parent	28,230,941,232	28,173,623,272
 Non-controlling interests	 3,912,811,950	 3,818,728,048
 Total shareholders' equity	 32,143,753,182	 31,992,351,320
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 76,361,754,023	 76,871,999,293

Legal representative:	Person-in-charge of accounting operations:	Person-in-charge of the Accounting Department:
Ding Yi	Qian Haifan	Xing Qunli

Statement of Financial Position of the Parent Company

31 March 2019

Unit: RMB

	31 March 2019	31 December 2018
	Unaudited	Audited
CURRENT ASSETS		
Cash and bank balances	3,844,427,474	5,993,538,669
Notes and trade receivable	10,308,035,885	7,153,302,308
Prepayments	1,189,042,785	997,856,384
Other receivables	90,931,837	63,844,132
Inventories	6,976,595,512	7,108,599,357
Other current assets	272,152,842	272,152,842
Total current assets	22,681,186,335	21,589,293,692
NON-CURRENT ASSETS		
Long-term equity investments	10,384,410,379	10,146,271,956
Other equity instruments investments	263,122,364	263,122,364
Investment properties	55,179,083	55,593,723
Property, plant and equipment	23,717,759,005	23,828,190,594
Construction in progress	1,339,182,205	1,382,508,379
Intangible assets	979,561,053	987,387,010
Deferred tax assets	192,801,687	192,801,687
Total non-current assets	36,932,015,776	36,855,875,713
TOTAL ASSETS	59,613,202,111	58,445,169,405
CURRENT LIABILITIES		
Short-term loans	7,755,871,730	6,570,000,000
Financial liabilities held for trading	42,240,428	8,012,670
Notes and trade payable	12,439,254,454	11,311,058,229
Advances from customers	2,503,475,019	2,382,469,502
Payroll and employee benefits payable	271,419,239	428,093,317
Taxes payable	240,732,981	479,009,037
Other payables	2,676,753,598	2,967,729,141
Non-current liabilities due within one year	1,344,558,560	1,345,513,152
Other current liabilities	1,039,698,629	1,026,897,260

Total current liabilities	28,314,004,638	26,518,782,308
NON-CURRENT LIABILITIES		
Long-term loans	5,768,448,780	6,296,387,552
Deferred revenue	715,037,488	721,934,242
Long-term employee benefits payable	130,803,630	130,803,630
Total non-current liabilities	6,614,289,898	7,149,125,424
Total liabilities	34,928,294,536	33,667,907,732
SHAREHOLDERS' EQUITY		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,358,017,477	8,358,017,477
Other comprehensive income	12,906,467	12,906,467
Special reserve	9,496,082	9,496,082
Surplus reserve	3,735,114,669	3,735,114,669
Retained earning	4,868,691,694	4,961,045,792
Total shareholders' equity	24,684,907,575	24,777,261,673
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	59,613,202,111	58,445,169,405

Legal representative: Person-in-charge of accounting Person-in-charge of the Accounting Department:
Ding Yi operations: Qian Haifan Xing Qunli

Consolidated Income Statement
For the three months ended 31 March 2019

Unit: RMB

	For the three months ended 31 March 2019	For the three months ended 31 March 2018
	Unaudited	Unaudited
Revenue	17,717,438,947	18,307,871,529
Less: Cost of sales	16,741,979,608	15,860,725,885
Taxes and surcharges	139,960,931	180,075,213
Selling expenses	206,422,722	196,519,063
General and administrative expenses	390,400,467	317,609,443
Research and development expenses	136,835,720	76,788,278
Financial expenses	135,933,575	251,329,625
including: interest expense	138,073,269	235,140,582
interest income	33,993,082	9,785,952
Impairment losses	138,172	2,720,304
Credit impairment losses	(1,186,971)	823,699
Add: Other income	11,649,336	18,045,327
Investment income	202,762,129	340,031,022
Including: share of profits of associates and joint ventures	145,671,092	129,403,114
Changes in fair value (Gains/Losses)	(33,276,948)	(46,082,086)
Gains on disposal of assets	(437,536)	47,548,990
Operating profit	147,651,704	1,780,823,272
Add: Non-operating income	97,353,992	167,746
Less: Non-operating expenses	666,723	730,319
Profit before tax	244,338,973	1,780,260,699
Less: Income tax expense	75,839,987	150,265,870
Net profit	168,498,986	1,629,994,829
Classified by continuity of operations		
Net profit from continuing operations	168,498,986	1,629,994,829
Net profit from discontinued operations	-	-
Classified by ownership of equity		
Net profit attributable to owners of the parent	83,745,946	1,417,961,086
Non-controlling interests	84,753,040	212,033,743
Other net comprehensive income, net of tax	(23,680,972)	(10,353,324)

Other comprehensive income attributable to owners of the parent, net of tax to owners of the parent, net of tax	(23,680,972)	(10,353,324)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(23,680,972)	(10,353,324)
Exchange differences on translation of foreign operations	(23,680,972)	(10,353,324)
Other comprehensive income attributable	-	-
Total comprehensive income	144,818,014	1,619,641,505
Including: Total comprehensive income attributable to shareholders of the parent	60,064,974	1,407,607,762
Total comprehensive income attributable to non-controlling interests	84,753,040	212,033,743
Earnings per share:		
Basic earnings per share	0.01	0.18
Diluted earnings per share	0.01	0.18
Legal representative: Ding Yi	Person-in-charge of accounting operations: Qian Haifan	Person-in-charge of the Accounting Department: Xing Qunli

Income Statement of the Parent Company
For the three months ended 31 March 2019

Unit: RMB

	For the three months ended 31 March 2019	For the three months ended 31 March 2018
Revenue	14,127,570,371	16,116,157,900
Less: Cost of sales	13,610,304,873	14,364,060,513
Taxes and surcharges	98,615,535	128,714,520
Selling expenses	73,019,640	79,393,666
General and administrative expenses	293,013,059	232,006,440

Research and development expenses	126,210,368	73,831,421
Financial expenses	138,056,391	198,317,686
including: interest expense	162,296,512	210,845,914
interest income	28,604,858	15,604,338
Asset impairment loss	-	-
Credit Impairment losses	-	-
Add: Other income	8,246,849	13,142,301
Investment income	145,013,422	120,417,275
Including: share of profits of associates and joint ventures	145,013,422	129,403,114
Changes in fair value (Losses)/Gains	(34,227,758)	(45,760,762)
Gains on disposal of assets	(153,470)	16,818,144
Operating (Loss)/Profit	(92,770,452)	1,144,450,612
Add: Non-operating income	440,229	26,400
Less: Non-operating expenses	23,875	38,065
(Losses)/Profit before tax	(92,354,098)	1,144,438,947
Less: Income tax expense	-	-
Net (Loss) /Profit	(92,354,098)	1,144,438,947
Including: Net profit from continuing operations	(92,354,098)	1,144,438,947
Net profit from discontinued	-	-
Other net comprehensive income, net of tax	-	-
Total comprehensive income	(92,354,098)	1,144,438,947
Legal representative: Ding Yi	Person-in-charge of accounting operations: Qian Haifan	Person-in-charge of the Accounting Department: Xing Qunli

Consolidated Statement of Cash Flows
For the three months ended 31 March 2019

Unit: RMB

	For the three months ended 31 March 2019	For the three months ended 31 March 2018
	Unaudited	Unaudited
I. Cash flow from operating activities:		
Cash received from sale of goods and	16,229,703,260	17,764,251,349
Tax refunds received	20,049,286	-
Net decrease in deposits in central bank	256,699,008	186,286,192
Net decrease in financial assets purchased	2,128,901,915	1,007,683,000
Cash received for interest charges, fees and		
commissions	50,046,895	43,009,281
Cash received relating to other operating		
activities	139,406,241	13,392,120
Sub-total of cash inflows	18,841,035,501	19,014,621,942
Cash paid for purchase of goods and services	(16,357,468,605)	(14,362,683,362)
Cash paid to and on behalf of employees	(1,532,694,912)	(1,336,004,621)
Taxes and surcharges paid	(1,388,185,713)	(1,895,348,650)
Net decrease in repurchase agreements of		
financial assets	(474,461,752)	(108,844,706)
Net decrease in deposits and deposits from		
banks and other financial institutions	(354,395,907)	(101,268,795)
Net increase in Loans and advances to customers	(924,435,133)	(444,145,457)
Cash paid in the payment of interests, fees		
and commissions	(29,435,488)	(19,644,193)
Cash paid relating to other operating		
activities	(53,276,073)	(113,186,067)
Sub-total of cash outflows	(21,114,229,194)	(18,381,125,851)
Net cash flows from operating activities	(2,289,422,589)	633,496,091
II. Cash flows from investing activities		
Cash received from return of investment	10,225,134,000	15,026,507,130
Cash received from investments	57,814,983	289,217,380
Proceeds from disposal of items of property,		
plant and equipment, intangible assets and other		
non-current assets	461,677	47,581,849
Net cash from decrease in restricted use of	-	154,672,431
Cash received relating to other investing	-	93,102,943
Sub-total of cash inflows	10,283,510,660	15,611,081,733

Purchase of property, plant and equipment,intangible assets and other non-current assets	(651,138,203)	(249,017,194)
Cash paid for investment	(10,045,503,360)	(14,808,212,694)
Sub-total of cash outflows	(10,696,641,563)	(15,057,229,888)
Net cash flows used in investing activities	(413,130,903)	553,851,845

III. Cash flows from financing activities

Cash received from borrowings	3,692,177,429	3,355,930,342
Sub-total of cash inflows	3,692,177,429	3,355,930,342
Repayment of borrowings	(3,434,839,222)	(4,323,611,812)
Cash paid for distribution of dividends or profits and for interest expenses	(58,343,255)	(171,182,723)
Including: dividends paid to non-controlling interests by subsidiaries	-	(3,029,857)
Sub-total of cash outflows	(3,493,182,477)	(4,494,794,535)
Net cash flows from financing activities	198,994,952	(1,138,864,193)

IV. Effect of foreign exchange rate changes on cash and cash equivalents	(97,590,209)	(34,276,403)
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V. Net increase in cash and cash equivalents	(2,601,148,749)	14,207,340
Add: Cash and cash equivalents at the beginning of the period	6,934,175,776	3,323,932,010

VI. Cash and cash equivalents at the end of the period	4,333,027,027	3,338,139,350
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Legal representative: Person-in-charge of accounting Person-in-charge of the Accounting
Ding Yi operations: Qian Haifan Department: Xing Qunli

Statement of Cash Flows of the Parent Company

For the three months ended 31 March 2019

Unit: RMB

For the three months ended	For the three months ended
31 March 2019	31 March 2018
Unaudited	Unaudited

I. Cash flows from operating activities:

Cash received from sale of goods and rendering service	13,246,637,279	15,606,575,480
Tax refunds received	20,049,286	-
Cash received relating to other operating activities	29,045,088	16,345,399
Sub-total of cash inflows	13,295,731,653	15,622,920,879
Cash paid for purchase of goods and services	(13,182,724,688)	(11,865,980,916)
Cash paid to or on behalf of employees	(1,223,408,555)	(1,146,394,394)
Taxes and surcharges paid	(555,691,859)	(1,230,824,491)
Cash paid relating to other operating activities	(91,096,003)	(14,810,445)
Sub-total of cash outflows	(15,052,921,105)	(14,258,010,246)
Net cash flows from/(used in) operating	(1,757,189,452)	1,364,910,633

II. Cash flows from investing activities:

Cash received from return of investment	-	10,600,114
Cash received from investments	1,350,094	105,748,128
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	308,206	16,851,003
Net cash from decrease in restricted use of monetary funds	-	230,568,583
Cash received relating to other investing	-	93,102,943
Sub-total of cash inflows	1,658,300	456,870,771

Purchase of property, plant and equipment, intangible assets and other non-current assets	(666,503,415)	(525,620,678)
Cash paid for investments	(93,125,000)	(12,731,594)
Sub-total of cash outflows	(759,628,415)	(538,352,272)
Net cash flows used in investing activities	(757,970,115)	(81,481,501)

III. Cash flows from financing activities:

Cash received from borrowings	2,405,871,730	1,714,795,530
Sub-total of cash inflows	2,405,871,730	1,714,795,530
Repayment of borrowings	(1,742,611,024)	(3,381,662,524)
Cash paid for the distribution of dividend or profits and for interest expenses	(157,461,223)	(158,610,723)
Cash paid relating to other financing activities	(88,447,584)	-
Sub-total of cash outflows	(1,988,519,831)	(3,540,273,247)
Net cash flows from financing activities	417,351,899	(1,825,477,717)
IV. Effect of foreign exchange rate changes on	(137,395,432)	(53,358,330)
V. Net increase in cash and cash equivalents	(2,235,203,100)	(595,406,915)
Add: Cash and cash equivalents at the	5,825,154,899	3,797,103,115
VI. Cash and cash equivalents at the end of the	3,589,951,799	3,201,696,200
Legal representative: Person-in-charge of accounting Ding Yi operations: Qian Haifan		Person-in-charge of the Accounting Department: Xing Qunli

4.2 Adjustments to relevant financial statements at the beginning of the first implementation year of the New Financial Instruments Standards, the New Income Standards and the New Leasing Standards

The Group has implemented the New Financial Instruments Standards and the New Revenue Standards since 1 January 2018. In 2019, the Group's leasing business was evaluated in accordance with the new leasing criteria. According to the evaluation results, the items related to the financial statements at the beginning of this year were not adjusted.

4.3 Explanation of pre-adjustment comparative data of first implementation of the New Financial Instruments Standards and New Leasing Standards

Applicable Not Applicable

4.4 This report has not been audited.