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METALLURGICAL CORPORATION OF CHINA LTD. *

中國冶金科工股份有限公司

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

(Stock Code: 1618)

2019 THIRD QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The following is the 2019 third quarterly report of Metallurgical Corporation of China Ltd.* and its subsidiaries. The financial reports therein are prepared in accordance with the PRC GAAP and have not been audited.

By order of the Board
Metallurgical Corporation of China Ltd.*
Zeng Gang
Joint Company Secretary

Beijing, the PRC
30 October 2019

As at the date of the announcement, the Board of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; four independent non-executive directors: Mr. Zhou Jichang, Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung Peter; and one non-executive director: Mr. Lin Jinzhen.

* *For identification purpose only*

DEFINITIONS

"Company, MCC"	Metallurgical Corporation of China Ltd.*
"Controlling Shareholder, CMGC"	China Metallurgical Group Corporation*
"China Minmetals"	China Minmetals Corporation
"Board"	the board of directors of Metallurgical Corporation of China Ltd.*
"Supervisory Committee"	the supervisory committee of Metallurgical Corporation of China Ltd.*
"Reporting Period"	1 July 2019 to 30 September 2019

I. IMPORTANT NOTICE

1.1 The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management members warrant that this quarterly report is true, accurate and complete; and there are no false representations, misleading statements or material omissions contained herein, and they severally and jointly accept legal responsibility for this quarterly report.

1.2 All of the Directors of the Company attended the eighth meeting of the third session of the Board convened from 29 to 30 October 2019 and considered the quarterly report.

1.3 Guo Wenqing, the Chairman and legal representative of the Company, Zou Hongying, the Vice President and Chief Accountant of the Company, and Fan Wanzhu, the Deputy Chief Accountant and the Head of the Planning and Finance Department warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The third quarterly report of the Company is unaudited.

1.5 Unless otherwise specified, all the amounts in this report are denominated in RMB.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Data

Unit: RMB'000

	At the end of the Reporting Period	At the end of last year	Change from the end of last year *(%)*
Total assets	**457,220,528**	438,915,843	4.17
Net assets attributable to shareholders of the Company	**94,231,648**	83,943,362	12.26

	From the beginning of this year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the same period of last year (January to September)	Change from the same period last year *(%)*
Net cash flows from operating activities	**-10,634,670**	-7,305,722	N/A

	From the beginning of this year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the same period of last year (January to September)	Change from the same period last year *(%)*
Operating income	**228,084,956**	181,201,407	25.87
Net profit attributable to shareholders of the Company	**4,034,802**	3,765,524	7.15
Net profit attributable to shareholders of the Company after deduction of non-recurring profit and loss	**3,724,088**	3,692,409	0.86
Return on net assets (weighted average) *(%)*	**5.83**	5.80	Increased by 0.03 percentage point
Basic earnings per share *(RMB/share)*	**0.19**	0.18	5.56
Diluted earnings per share *(RMB/share)*	**N/A**	N/A	N/A

Non-recurring profit and loss items and their amounts

☑ Applicable ☐ Not applicable

Unit: RMB'000

Items	**Amount for the Reporting Period (July to September)**	Amount from the beginning of this year to the end of the Reporting Period (January to September)
Profit and loss from disposal of non-current assets	**5,843**	26,403
Tax refund or exemption in relation to documents of unauthorized approval or without formal approval or being incidental in nature	**0**	0
Government subsidies recorded under current profit and loss (excluding those closely related to the normal business operations of the Company, in compliance with requirements of the national policies and entitled continuously to a fixed amount or fixed quantity under the standard of the State)	**72,015**	247,249
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	**0**	0
Profit arising from investment cost for acquisition of subsidiaries, associates and joint ventures less than the revenue generated from their identifiable net assets of the invested entity at fair value at the time of acquisition	**0**	0
Profit/loss of non-monetary assets swap	**0**	0
Profit/loss from entrusted investment or assets management	**0**	0
Provision for impairment of assets due to force majeure such as natural disasters	**0**	0
Profit/loss from debt restructuring	**0**	0

Items	**Amount for the Reporting Period (July to September)**	Amount from the beginning of this year to the end of the Reporting Period (January to September)
Corporate restructuring expenses, i.e. expenses on employee placement, integration costs, etc.	**0**	0
Profit/loss from the excess of the fair value of a transaction of unfair consideration	**0**	0
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger	**0**	0
Profit/loss from contingencies irrelevant to the normal business operations of the Company	**0**	0
Apart from effective hedging business relating to the normal business operations of the Company, profit/loss from change in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment	**4,898**	43,164
Write back of the provision for impairment of accounts receivable and contract assets that are individually tested for impairment	**0**	0
Profit/loss from the external entrusted loans	**0**	0
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement	**0**	0
Effect of one-off adjustment to current profit/loss in accordance with laws and regulations on taxation and accounting, etc.	**0**	0
Income of entrustment fees from entrusted operations	**0**	0
Non-operating income and expenses other than the above items	**46,747**	72,346

Items	Amount for the Reporting Period (July to September)	Amount from the beginning of this year to the end of the Reporting Period (January to September)
Other profit and loss items falling within the meaning of non-recurring profit and loss	**0**	147
Impact on minority shareholders' interests (after taxation)	**-4,276**	-26,757
Impact on income tax	**-9,106**	-51,838
Total	**116,121**	310,714

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

Unit: Share

Total number of shareholders *(accounts)* 420,159

Particulars about the shareholding of top ten shareholders

Name of shareholders (full name)	Number of shares held at the end of the Reporting Period	Percentage *(%)*	Number of shares held subject to selling restrictions	Pledge or moratorium		Nature of shareholders
				Status of shares	Amount	
China Metallurgical Group Corporation (中國冶金科工集團有限公司)(2)	11,507,036,400	55.53	0	None	0	State-owned legal person
HKSCC Nominees Limited (香港中央結算(代理人)有限公司)(3)	2,841,455,101	13.71	0	None	0	Other
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	620,195,642	2.99	0	None	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	167,839,532	0.81	0	None	0	Other

Name of shareholders (full name)	Number of shares held at the end of the Reporting Period	Percentage	Number of shares held subject to selling restrictions	Pledge or moratorium		Nature of shareholders
				Status of shares	Amount	
		(%)				
Bank of China Ltd. – Harvest CSI State-Owned Enterprises Innovation-driven Index ETF Securities Investment Fund (中國銀行股份有限公司－嘉實中證央企創新驅動交易型開放式指數證券投資基金)	114,813,600	0.55	0	None	0	Other
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	90,087,800	0.43	0	None	0	State-owned legal person
Zhang Jingchun (張景春)	74,765,002	0.36	0	None	0	Domestic natural person
Bosera Fund – Agricultural Bank of China – Bosera China Securities and Financial Assets Management Program (博時基金－農業銀行－博時中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
EFund – Agricultural Bank of China – EFund China Securities and Financial Assets Management Program (易方達基金－農業銀行－易方達中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
Da Cheng Fund – Agricultural Bank of China – Da Cheng China Securities and Financial Assets Management Program (大成基金－農業銀行－大成中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
Harvest Fund – Agricultural Bank of China – Harvest China Securities and Financial Assets Management Program (嘉實基金－農業銀行－嘉實中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other

Name of shareholders (full name)	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to selling restrictions	Pledge or moratorium		Nature of shareholders
				Status of shares	Amount	
GF Fund – Agricultural Bank of China – GF China Securities and Financial Assets Management Program (廣發基金－農業銀行－廣發中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
Zhong Ou Fund – Agricultural Bank of China – Zhong Ou China Securities and Financial Assets Management Program (中歐基金－農業銀行－中歐中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
China AMC Fund – Agricultural Bank of China – China AMC China Securities and Financial Assets Management Program (華夏基金－農業銀行－華夏中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities and Financial Assets Management Program (銀華基金－農業銀行－銀華中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
China Southern Fund – Agricultural Bank of China – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse China Securities and Financial Assets Management Program (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	63,516,600	0.31	0	None	0	Other

Particulars about the shareholding of top ten holders of shares not subject to selling restrictions

Name of shareholders	Number of tradable shares held not subject to selling restrictions	Types and number of shares	
		Types of shares	Number of shares
China Metallurgical Group Corporation (中國冶金科工集團有限公司)[2]	11,507,036,400	RMB-denominated ordinary shares	11,507,036,400
HKSCC Nominees Limited (香港中央結算(代理人)有限公司)[3]	2,841,455,101	Overseas-listed foreign shares	2,841,455,101
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	620,195,642	RMB-denominated ordinary shares	620,195,642
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	167,839,532	RMB-denominated ordinary shares	167,839,532
Bank of China Ltd. – Harvest CSI State-Owned Enterprises Innovation-driven Index ETF Securities Investment Fund (中國銀行股份有限公司－嘉實中證央企創新驅動交易型開放式指數證券投資基金)	114,813,600	RMB-denominated ordinary shares	114,813,600
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	90,087,800	RMB-denominated ordinary shares	90,087,800
Zhang Jingchun (張景春)	74,765,002	RMB-denominated ordinary shares	74,765,002
Bosera Fund – Agricultural Bank of China – Bosera China Securities and Financial Assets Management Program (博時基金－農業銀行－博時中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
EFund – Agricultural Bank of China – EFund China Securities and Financial Assets Management Program (易方達基金－農業銀行－易方達中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Da Cheng Fund – Agricultural Bank of China – Da Cheng China Securities and Financial Assets Management Program (大成基金－農業銀行－大成中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Harvest Fund – Agricultural Bank of China – Harvest China Securities and Financial Assets Management Program (嘉實基金－農業銀行－嘉實中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
GF Fund – Agricultural Bank of China – GF China Securities and Financial Assets Management Program (廣發基金－農業銀行－廣發中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600

Name of shareholders	Number of tradable shares held not subject to selling restrictions	Types and number of shares	
		Types of shares	Number of shares
Zhong Ou Fund – Agricultural Bank of China – Zhong Ou China Securities and Financial Assets Management Program (中歐基金－農業銀行－中歐中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
China AMC Fund – Agricultural Bank of China – China AMC China Securities and Financial Assets Management Program (華夏基金－農業銀行－華夏中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities and Financial Assets Management Program (銀華基金－農業銀行－銀華中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
China Southern Fund – Agricultural Bank of China – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse China Securities and Financial Assets Management Program (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600

Explanations on the connections or parties acting in concert among the aforesaid shareholders	The Company is not aware of the existence of any connections or parties acting in concert among the aforesaid shareholders
Explanations on shareholders of preference shares with resumed voting rights and their shareholdings	N/A

Note (1): The figures shown in the table are originated from the register of shareholders of the Company as at 30 September 2019.

Note (2): In September 2019, CMGC subscribed State-Owned Enterprises Innovation-driven ETF Fund with the shares it held in MCC, and therefore, the shareholding ratio of CMGC decreased from 56.18% to 55.53%.

Note (3): The H shares held by HKSCC Nominees Limited are those held on behalf of their beneficial owners.

2.3 Total number of holders of preference shares and particulars about the shareholding of the top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions as at the end of the Reporting Period

☐ Applicable ☑ Not applicable

III. SIGNIFICANT EVENTS

3.1 Particulars and reasons of material changes in major accounting items and financial indicators of the Company

☑ Applicable ☐ Not applicable

Unit: RMB'000

Items	At the end of the Reporting Period	At the end of last year	Percentage of change	Reason for change
Financing receivables	**4,196,521**	2,072,511	102.48%	Increase in bank acceptance bills receivable of the Company
Other current assets	**2,566,285**	1,924,819	33.33%	Increase in debit balance of value-added tax payable during the Reporting Period by the Company
Construction in progress	**4,789,576**	3,379,971	41.70%	Increase in construction in progress of the Company
Other equity instruments	**23,924,290**	15,924,290	50.24%	Issuance of equity instruments by the Company

Items	From the beginning of this year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the same period of last year (January to September)	Percentage of change	Reason for change
R&D expenses	**5,958,449**	3,081,359	93.37%	Increase in R&D investment by the Company
Credit impairment losses	**-3,247,717**	-1,877,330	73.00%	Primarily for the increase in provision for impairment of accounts receivable and contractual assets based on normal business development
Impairment losses of assets	**-504,218**	-1,058,278	-52.35%	Primarily for the transfer of the Three Supplies and One Property Management required by national policy for the provision for impairment of assets during the same period of last year
Net cash flows from investment activities	**-10,634,670**	-7,305,722	45.57%	Primarily for the increase in construction cost and labour payment for the normal commencement of the projects
Net cash flow from investment activities	**-5,194,451**	-9,505,068	-45.35%	Primarily due to stringent control of the scale of external investment by the Company, leading to the year-on-year decrease in the cash paid for investment

3.2 Explanations and analysis of the progress of significant events and their impact and solution

☑ Applicable ☐ Not applicable

New contracts entered into during the Reporting Period

In the first three quarters of 2019, the Company entered into new contracts with an aggregate amount of RMB534,700 million, representing an increase of 18.8% as compared with same period last year. In particular, newly signed engineering contracts amounted to RMB508,250 million.

3.3 Performance of undertakings during the Reporting Period

☑ Applicable ☐ Not applicable

Undertaking background	Type of undertaking	Undertaking party	Details of the undertaking	Date and duration of undertaking	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reason in details	If not performed timely, specify further plans
Undertakings in relation to the initial public offering	Solution of horizontal competition	CMGC	CMGC, the Controlling Shareholder of MCC, undertook to avoid being engaged in or taking part in any business which may compete horizontally with the principal business of MCC.	5 December 2008	No	Yes	–	–
Undertakings in relation to the strategic restructuring	Solution and prevention of horizontal competition	China Minmetals	1. In respect of businesses carried out by China Minmetals and other companies controlled by it which overlap with those of MCC, China Minmetals will, according to its actual situations and the characteristics and development trend of the industry in which it operates, actively adopt different methods such as entrusted management, asset restructuring, equity swap and business adjustment to reduce the business overlap between both parties as much as possible. 2. Upon completion of the acquisition, China Minmetals and other companies controlled by it will not, in whatever form, directly or indirectly, engage in new businesses that are in competition with those of MCC, nor establish new holding subsidiaries engaged in the businesses that are identical or similar to those of MCC, which would constitute substantial horizontal competition with MCC. China Minmetals will supervise its controlled companies and adopt certain measures when necessary.	17 February 2016	No	Yes	–	–

Undertaking background	Type of undertaking	Undertaking party	Details of the undertaking	Date and duration of undertaking	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reason in details	If not performed timely, specify further plans
			3. Subject to the above principles 1 and 2 and upon completion of the acquisition, if the products or services to be operated by the unlisted subsidiaries controlled by or other unlisted related enterprises of China Minmetals are likely to compete with the main products or services of MCC, China Minmetals agrees that MCC shall have a pre-emptive right to acquire the assets in relation to these products or services or 100% equity interests held by China Minmetals in the subsidiaries. MCC shall have the sole discretion to determine when to request China Minmetals to sell the abovementioned competing businesses to it. 4. China Minmetals will abstain from voting as required at the Board meeting or general meeting at which MCC reviews whether its new businesses constitute horizontal competition with China Minmetals and whether to exercise the above option right and pre-emptive right. 5. China Minmetals undertook to strictly comply with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, the Articles of Associations and other rules and regulations of MCC, and equally exercise the shareholder's rights and perform the shareholder's obligations as other shareholders do. It also undertook not to take advantage of its position as the substantial shareholder to seek illegal profits nor impair the legal interests of MCC and other shareholders. The above undertakings continue to be valid, cannot be altered and are irrevocable during the period when China Minmetals has control over or can have greater influence on MCC. If China Minmetals violates the above undertakings, it shall bear all losses suffered by MCC arising therefrom.					

Undertaking background	Type of undertaking	Undertaking party	Details of the undertaking	Date and duration of undertaking	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reason in details	If not performed timely, specify further plans
Undertakings in relation to the corporate bonds	Others	MCC	During the duration of Renewable Corporate Bonds (First Tranche) for 2017 under the Public Issuance, Renewable Corporate Bonds (Second Tranche) for 2017 under the Public Issuance, Renewable Corporate Bonds (Third Tranche) for 2017 under the Public Issuance, Renewable Corporate Bonds (Fourth Tranche) for 2017 under the Public Issuance by Metallurgical Corporation of China Ltd.* (collectively, "**2017 Renewable Corporate Bonds**"), if the Company does not expect to pay the principal and interest on such bonds on time or fails to pay the principal and interest on time at the maturity date of such bonds, at least the following measures will be taken: (1) no distribution of profits to the ordinary shareholders; (2) no reduction in registered capital.	From the issuance date of 2017 Renewable Corporate Bonds to the maturity date of such bonds	Yes	Yes	–	–
			During the duration of Corporate Bonds (First Tranche) for 2017 under the Public Issuance by Metallurgical Corporation of China Ltd.* ("**2017 Corporate Bonds**"), if the Company does not expect to pay the principal and interest for this tranche of bonds on time or fails to pay the principal and interests on time at the maturity date of this tranche of bonds, at least the following measures will be taken: (1) no distribution of profits to the ordinary shareholders; (2) no reduction in registered capital.	25 October 2017 to 25 October 2022	Yes	Yes	–	–
			During the duration of Corporate Bonds (First Tranche) for 2018 under the Public Issuance by Metallurgical Corporation of China Ltd.* ("**2018 Corporate Bonds**"), if the Company does not expect to pay the principal and interest for this tranche of bonds on time or fails to pay the principal and interest on time at the maturity date of this tranche of bonds, at least the following measures will be taken: (1) no distribution of profits to the ordinary shareholders; (2) no reduction in registered capital.	8 May 2018 to 8 May 2023	Yes	Yes	–	–

Undertaking background	Type of undertaking	Undertaking party	Details of the undertaking	Date and duration of undertaking	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reason in details	If not performed timely, specify further plans
			The funds raised from 2017 Renewable Corporate Bonds, 2017 Corporate Bonds and 2018 Corporate Bonds are used only for production and operating activities of enterprises that comply with national laws, regulations and policies. Such raised funds will be used strictly in accordance with the agreed purpose mentioned in the prospectus. Such funds will not be used by others and will not be used as non-production expenditures and real estate business. A practical and effective monitoring mechanism and isolation mechanism for raised funds will be established.	The issuance dates of 2017 Renewable Corporate Bonds, 2017 Corporate Bonds and 2018 Corporate Bonds	No	Yes	–	–

3.4 Warning and explanation on the forecast of any possible loss in accumulated net profit from the beginning of the year to the end of next reporting period or any material changes compared to the corresponding period of last year

☐ Applicable ☑ Not applicable

Company name **Metallurgical Corporation of China Ltd.***
Legal representative **Guo Wenqing**
Date 30 October 2019

IV. APPENDICES

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2019

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	**37,385,686**	44,477,302
Clearing settlement funds	**0**	0
Placement to banks and other financial institutions	**0**	0
Held-for-trading financial assets	**831,284**	1,124,150
Financial assets at fair value through profit/loss during the period	**0**	0
Derivative financial assets	**0**	2,365
Bills receivable	**15,655,765**	18,363,632
Accounts receivable	**68,943,118**	66,958,297
Financing receivables	**4,196,521**	2,072,511
Prepayments	**25,136,241**	20,285,773
Premium receivable	**0**	0
Reinsurance accounts receivable	**0**	0
Provision for reinsurance contract receivable	**0**	0
Other receivables	**60,131,598**	56,385,242
Including: Interests receivable	**94,436**	5,579
Dividends receivable	**123,118**	150,105
Financial assets held under resale agreements	**0**	0
Inventories	**57,233,204**	57,608,321
Contract assets	**77,222,445**	66,719,549
Assets classified as held-for-sale	**0**	0
Non-current assets due within one year	**2,755,512**	3,498,610
Other current assets	**2,566,285**	1,924,819
Total current assets	**352,057,659**	339,420,571

Items	**30 September 2019**	31 December 2018
Non-current assets:		
Loans and advances granted	**0**	0
Debt investment	**0**	0
Available-for-sale financial assets	**0**	0
Other debt investment	**0**	0
Held-to-maturity investments	**0**	0
Long-term receivables	**23,695,660**	21,620,682
Long-term equity investment	**16,684,992**	13,854,855
Other equity instrument investment	**1,807,224**	1,867,964
Other non-current financial assets	**4,376,514**	4,214,624
Investment properties	**5,971,833**	5,392,133
Fixed assets	**26,092,413**	27,370,040
Construction in progress	**4,789,576**	3,379,971
Productive biological assets	**0**	0
Oil and gas assets	**0**	0
Right-to-use assets	**505,492**	0
Intangible assets	**15,352,023**	16,133,729
Development expenses	**6,522**	0
Goodwill	**163,096**	163,179
Long-term deferred expenses	**237,500**	269,670
Deferred income tax assets	**5,369,645**	5,152,432
Other non-current assets	**110,379**	75,993
Total non-current assets	**105,162,869**	99,495,272
Total assets	**457,220,528**	438,915,843

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	**52,248,925**	47,973,564
Borrowings from central bank	**0**	0
Borrowing funds	**0**	0
Held-for-trading financial liabilities	**0**	0
Financial liabilities at fair value through profit/loss during the period	**0**	0
Derivative financial liabilities	**6,200**	496
Bills payable	**31,048,876**	27,751,007
Accounts payable	**113,565,660**	113,260,891
Payment received in advance	**351,019**	191,783
Funds from sales of financial assets with repurchase agreement	**0**	0
Absorbed deposits and interbank deposits	**0**	0
Funds arising from acting trading of securities	**0**	0
Funds arising from acting underwriting of securities	**0**	0
Salaries payable	**2,144,998**	1,958,161
Taxes payable	**3,281,763**	3,794,064
Other payables	**25,247,753**	23,553,227
Including: Interests payable	**31,905**	164,662
Dividends payable	**728,689**	1,233,385
Commission and fees payable	**0**	0
Reinsurance accounts payable	**0**	0
Contract liabilities	**56,085,732**	58,918,293
Liabilities held-for-sale	**0**	0
Non-current liabilities due within one year	**17,873,831**	14,772,502
Other current liabilities	**5,018,700**	4,811,859
Total current liabilities	**306,873,457**	296,985,847

Items	**30 September 2019**	31 December 2018
Non-current liabilities:		
Provision for insurance contract	**0**	0
Long-term borrowings	**27,898,101**	23,793,236
Debentures payable	**1,660,000**	8,512,091
Including: Preference shares	**0**	0
Perpetual bonds	**0**	0
Lease liabilities	**344,190**	0
Long-term payables	**911,088**	1,180,520
Long-term staff remuneration payable	**3,422,382**	3,496,853
Estimated liabilities	**776,773**	861,739
Deferred income	**1,298,905**	1,290,126
Deferred income tax liabilities	**159,656**	111,387
Other non-current liabilities	**65,361**	14,600
Total non-current liabilities	**36,536,456**	39,260,552
Total liabilities	**343,409,913**	336,246,399
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	**20,723,619**	20,723,619
Other equity instruments	**23,924,290**	15,924,290
Including: Preference shares	**0**	0
Perpetual bonds	**23,924,290**	15,924,290
Capital reserve	**22,474,570**	22,492,676
Less: Treasury stock	**0**	0
Other comprehensive income	**-366,242**	-212,142
Special reserve	**12,550**	12,550
Surplus reserve	**1,455,419**	1,455,419
Provision for general risk	**0**	0
Undistributed profit	**26,007,442**	23,546,950
Total owners' equity (or shareholders' equity) attributable to the Company	**94,231,648**	83,943,362
Minority interest	**19,578,967**	18,726,082
Total owners' equity (or shareholders' equity)	**113,810,615**	102,669,444
Total liabilities and owners' equity (or shareholders' equity)	**457,220,528**	438,915,843

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Guo Wenqing	**Zou Hongying**	**Fan Wanzhu**

Balance sheet of the Company

30 September 2019

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	**957,642**	2,523,125
Held-for-trading financial assets	**0**	0
Financial assets at fair value through profit/loss during the period	**0**	0
Derivative financial assets	**0**	0
Bills receivable	**0**	0
Accounts receivable	**64,536**	318,972
Financing receivables	**0**	0
Prepayments	**409,681**	421,651
Other receivables	**41,169,382**	37,484,465
Including: Interests receivable	**3,812,095**	2,604,730
Dividends receivable	**899,423**	957,127
Inventories	**962**	998
Contract assets	**1,785,553**	1,039,354
Assets classified as held-for-sale	**0**	0
Non-current assets due within one year	**1,860,707**	1,357,037
Other current assets	**0**	0
Total current assets	**46,248,463**	43,145,602
Non-current assets:		
Debt investment	**0**	0
Available-for-sale financial assets	**0**	0
Other debt investment	**0**	0
Held-to-maturity investments	**0**	0

Items	30 September 2019	31 December 2018
Long-term receivables	**518,382**	1,723,980
Long-term equity investment	**88,666,105**	87,862,027
Other equity instrument investment	**249**	212
Other non-current financial assets	**0**	0
Investment properties	**0**	0
Fixed assets	**11,303**	12,755
Construction in progress	**0**	0
Productive biological assets	**0**	0
Oil and gas assets	**0**	0
Right-to-use assets	**45,831**	0
Intangible assets	**7,357**	8,777
Development expenses	**0**	0
Goodwill	**0**	0
Long-term deferred expenses	**0**	0
Deferred income tax assets	**0**	0
Other non-current assets	**0**	0
Total non-current assets	**89,249,227**	89,607,751
Total assets	**135,497,690**	132,753,353
Current liabilities:		
Short-term borrowings	**31,280,805**	28,364,963
Held-for-trading financial liabilities	**0**	0
Financial liabilities at fair value through profit/loss during the period	**0**	0
Derivative financial liabilities	**0**	0
Bills payable	**0**	0
Accounts payable	**1,715,299**	941,091
Payment received in advance	**0**	0
Salaries payable	**16,800**	13,276
Taxes payable	**41,868**	57,306
Other payables	**7,143,135**	14,060,124
Including: Interests payable	**213,417**	32,892
Dividends payable	**96,558**	687,630
Contract liabilities	**1,062,475**	1,068,383
Liabilities held-for-sale	**0**	0
Non-current liabilities due within one year	**1,931,932**	2,074,231
Other current liabilities	**0**	0
Total current liabilities	**43,192,314**	46,579,374

Items	**30 September 2019**	31 December 2018
Non-current liabilities:		
Long-term borrowings	**5,900,000**	5,875,000
Debentures payable	**1,660,000**	1,660,000
Including: Preference shares	**0**	0
Perpetual bonds	**0**	0
Lease liabilities	**26,195**	0
Long-term payables	**378,980**	300,000
Long-term employee benefits payable	**16,169**	17,915
Estimated liabilities	**122,851**	128,054
Deferred income	**4,411**	4,411
Deferred income tax liabilities	**0**	0
Other non-current liabilities	**0**	0
Total non-current liabilities	**8,108,606**	7,985,380
Total liabilities	**51,300,920**	54,564,754
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	**20,723,619**	20,723,619
Other equity instruments	**23,924,290**	15,924,290
Including: Preference shares	**0**	0
Perpetual bonds	**23,924,290**	15,924,290
Capital reserve	**38,001,042**	38,001,042
Less: Treasury stock	**0**	0
Other comprehensive income	**646**	609
Special reserve	**12,550**	12,550
Surplus reserve	**1,455,419**	1,455,419
Undistributed profit	**79,204**	2,071,070
Total owners' equity (or shareholders' equity)	**84,196,770**	78,188,599
Total liabilities and owners' equity (or shareholders' equity)	**135,497,690**	132,753,353

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Guo Wenqing	**Zou Hongying**	**Fan Wanzhu**

Consolidated Income Statement
January to September 2019

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	For the first three quarters of 2019 (January to September)	For the first three quarters of 2018 (January to September)
I. Total operating revenue	**69,067,577**	55,088,834	**228,084,956**	181,201,407
Including: Operating revenue	**69,067,577**	55,088,834	**228,084,956**	181,201,407
Interest income	**0**	0	**0**	0
Insurance premiums earned	**0**	0	**0**	0
Income from fees and commissions	**0**	0	**0**	0
II. Total operating costs	**64,656,787**	53,125,767	**217,950,984**	172,499,599
Including: Operating costs	**59,184,404**	48,195,228	**200,707,896**	158,836,327
Interest expenditure	**0**	0	**0**	0
Fee and commission expenses	**0**	0	**0**	0
Surrender expenditure	**0**	0	**0**	0
Net expenditure for compensation payment	**0**	0	**0**	0
Net provision for insurance contract liabilities	**0**	0	**0**	0
Expenditures for insurance policy dividend	**0**	0	**0**	0
Reinsurance costs	**0**	0	**0**	0
Taxes and levies	**442,741**	335,573	**1,633,879**	1,526,271
Selling expenses	**431,882**	482,149	**1,462,850**	1,312,634
Administrative expenses	**1,871,537**	1,670,381	**6,019,511**	5,497,340
R&D expenses	**2,241,632**	1,633,492	**5,958,449**	3,081,359
Finance costs	**484,591**	808,944	**2,168,399**	2,245,668
Including: Interest expenses	**1,040,182**	976,389	**3,426,240**	2,930,318
Interest income	**648,060**	603,197	**1,797,581**	1,612,693

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**For the first three quarters of 2019 (January to September)**	For the first three quarters of 2018 (January to September)
Add: Other gains	**35,414**	92,568	**111,511**	165,508
Investment income (losses are represented by "-")	**63,775**	22,827	**-134,562**	85,535
Including: Gain from investment in associates and joint ventures	**-19,594**	23,159	**-60,647**	-13,151
Income from derecognition of financial assets at amortised cost	**9,690**	-53,085	**-240,294**	-81,526
Exchange gains (losses are represented by "-")	**0**	0	**0**	0
Net gain from exposure hedging (losses are represented by "-")	**0**	0	**0**	0
Gain from changes in fair value (losses are represented by "-")	**-3,171**	-6,079	**-6,882**	2,110
Credit impairment losses (losses are represented by "-")	**-2,483,197**	-838,320	**-3,247,717**	-1,877,330
Impairment losses of assets (losses are represented by "-")	**-475,248**	-87,532	**-504,218**	-1,058,278
Gain from disposal of assets (losses are represented by "-")	**5,843**	7,053	**26,403**	43,997
III. Operating profit (losses are represented by "-")	**1,554,206**	1,153,584	**6,378,507**	6,063,350
Add: Non-operating income	**68,309**	77,606	**171,568**	281,394
Less: Non-operating expenses	**15,704**	13,898	**61,075**	463,804
IV. Total profit (total loss is represented by "-")	**1,606,811**	1,217,292	**6,489,000**	5,880,940
Less: Income tax expenses	**456,549**	204,883	**1,560,480**	1,369,563

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**For the first three quarters of 2019 (January to September)**	For the first three quarters of 2018 (January to September)
V. Net profit (net loss is represented by "-")	**1,150,262**	1,012,409	**4,928,520**	4,511,377
(I) Classified by continuity of operation				
1. Net profit from continuing operations (net loss is represented by "-")	**1,150,262**	1,012,409	**4,928,520**	4,511,377
2. Net profit from discontinued operations (net loss is represented by "-")	**0**	0	**0**	0
(II) Classified according to the ownership				
1. Net profit attributable to the shareholders of the Company (net loss is represented by "-")	**877,920**	858,327	**4,034,802**	3,765,524
2. Gains/losses on minority shareholders' equity (net loss is represented by "-")	**272,342**	154,082	**893,718**	745,853
VI. Net amount of other comprehensive income after tax	**-89,192**	440	**-91,788**	-171,115
Net amount of other comprehensive income after tax attributable to owners of the Company	**-97,102**	-13,596	**-99,023**	-177,451
(I) Other comprehensive income which cannot be reclassified into profit and loss	**-20,147**	-41,149	**-720**	-245,056
1. Recalculation of the change of the benefit plan	**2,782**	13	**3,192**	-120,158
2. Other comprehensive income that cannot be reclassified into profit and loss under the equity method	**0**	0	**0**	0
3. Change in fair value of other equity instrument investment	**-22,929**	-41,162	**-3,912**	-124,898
4. Change in fair value of corporate credit risk	**0**	0	**0**	0

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**For the first three quarters of 2019 (January to September)**	For the first three quarters of 2018 (January to September)
(II) Other comprehensive income to be reclassified into profit and loss	**-76,955**	27,553	**-98,303**	67,605
1. Other comprehensive income which can be reclassified into profit and loss under the equity method	**0**	0	**-27**	20
2. Change in fair value of other debt investment	**44,723**	0	**1,388**	0
3. Profit or loss from change in fair value of available-for-sale financial assets	**0**	0	**0**	0
4. Amount of financial assets which can be reclassified into other comprehensive income	**0**	0	**0**	0
5. Profit or loss from held-to-maturity investments reclassified as available-for-sale financial assets	**0**	0	**0**	0
6. Provision for credit impairment of other debt investment	**0**	0	**0**	0
7. Cash flow hedging reserve (the effective portion of cash flow hedging profit and loss)	**0**	0	**0**	0
8. Translation difference of foreign currency financial statement	**-121,678**	27,553	**-99,664**	67,585
9. Others	**0**	0	**0**	0
Net amount of other comprehensive income after tax attributable to minority shareholders	**7,910**	14,036	**7,235**	6,336

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**For the first three quarters of 2019 (January to September)**	For the first three quarters of 2018 (January to September)
VII. Total comprehensive income	**1,061,070**	1,012,849	**4,836,732**	4,340,262
Total comprehensive income attributable to owners of the Company	**780,818**	844,731	**3,935,779**	3,588,073
Total comprehensive income attributable to minority interests	**280,252**	168,118	**900,953**	752,189
VIII. Earnings per share:				
(1) Basic earnings per share *(RMB/share)*	**0.06**	0.06	**0.19**	0.18
(2) Diluted earnings per share *(RMB/share)*	**N/A**	N/A	**N/A**	N/A

For merger of enterprises under common control during the period, net profit realized by the merged party before consolidation amounted to RMB0, and the net profit realized by the merged party for the previous period was RMB0.

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Guo Wenqing	**Zou Hongying**	**Fan Wanzhu**

Income Statement of the Company
January to September 2019

Prepared by: Metallurgical Corporation of China Ltd.

Unit: RMB'000, unaudited

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
I. Total operating revenue	**743,813**	1,170,063	**3,008,691**	3,244,802
Less: Operating costs	**745,896**	1,154,424	**2,963,617**	3,130,591
Taxes and levies	**283**	769	**1,283**	2,326
Selling expenses	**0**	0	**0**	0
Administrative expenses	**38,686**	42,263	**121,551**	115,013
R&D expenses	**0**	0	**0**	0
Finance costs	**189,932**	377,147	**383,869**	725,032
Including: Interest expenses	**508,880**	488,025	**1,527,272**	1,320,877
Interest income	**418,751**	391,461	**1,231,539**	1,136,038
Add: Other gains	**0**	0	**0**	0
Investment income (losses are represented by "-")	**1**	17,267	**1,621**	14,173
Including: Gain from investment in associates and joint ventures	**1**	2,883	**1,621**	-211
Income from derecognisation of financial assets at amortised cost	**0**	0	**0**	0
Net gain from exposure hedging (losses are represented by "-")	**0**	0	**0**	0
Gain from changes in fair value (losses are represented by "-")	**0**	0	**0**	0
Credit loss impairment (losses are represented by "-")	**118,382**	0	**116,376**	-1,158
Impairment losses of assets (losses are represented by "-")	**0**	0	**0**	0
Gain from disposal of assets (losses are represented by "-")	**0**	0	**-38**	2

Items	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
II. Operating profit (losses are represented by "-")	**-112,601**	-387,273	**-343,670**	-715,143
Add: Non-operating income	**0**	0	**661**	6
Less: Non-operating expenses	**3**	113,608	**760**	113,630
III. Total profit (total loss is represented by "-")	**-112,604**	-500,881	**-343,769**	-828,767
Less: Income tax expenses	**3,889**	2,102	**18,709**	8,374
IV. Net profit (net loss is represented by "-")	**-116,493**	-502,983	**-362,478**	-837,141
(1) Net profit from continuing operations (net loss is represented by "-")	**-116,493**	-502,983	**-362,478**	-837,141
(2) Net profit from discontinued operations (net loss is represented by "-")	**0**	0	**0**	0
V. Net amount of other comprehensive income after tax	**1**	0	**37**	-640
(I) Other comprehensive income which cannot be reclassified into profit and loss	**1**	0	**37**	-640
1. Recalculation of the change of the benefit plan	**0**	0	**1**	-640
2. Other comprehensive income that cannot be reclassified into profit and loss under the equity method	**0**	0	**0**	0
3. Change in fair value of other equity instrument investment	**1**	0	**36**	0
4. Change in fair value of corporate credit risk	**0**	0	**0**	0
(II) Other comprehensive income to be reclassified into profit and loss	**0**	0	**0**	0
1. Other comprehensive income that can be reclassified into profit and loss under the equity method	**0**	0	**0**	0
2. Change in fair value of other debt investment	**0**	0	**0**	0

Items	**Third quarter of 2019 (July to September)**	Third quarter of 2018 (July to September)	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
3. Profit or loss from change in fair value of available-for-sale financial assets	**0**	0	**0**	0
4. Amount of financial assets reclassified into other comprehensive income	**0**	0	**0**	0
5. Profit or loss from held-to-maturity investments reclassified as available-for-sale financial assets	**0**	0	**0**	0
6. Provision for credit impairment of other debt investment	**0**	0	**0**	0
7. Cash flow hedging reserve (the effective portion of cash flow hedging profit and loss)	**0**	0	**0**	0
8. Translation difference of foreign currency financial statement	**0**	0	**0**	0
9. Others	**0**	0	**0**	0
VI. Total comprehensive income	**-116,492**	-502,983	**-362,441**	-837,781
VII. Earnings per share:	**0**	0	**0**	0
(1) Basic earnings per share *(RMB/share)*	**N/A**	N/A	**N/A**	N/A
(2) Diluted earnings per share *(RMB/share)*	**N/A**	N/A	**N/A**	N/A

Legal Representative: **Guo Wenqing**

Person in charge of Accounting: **Zou Hongying**

Head of Accounting Department: **Fan Wanzhu**

Consolidated Cash Flow Statements
January to September 2019

Prepared by: Metallurgical Corporation of China Ltd.

Unit: RMB'000, unaudited

Items	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	**211,511,953**	180,035,056
Net increase in deposits from customers and other peer financial institutions	**0**	0
Net increase in borrowings from central bank	**0**	0
Net increase in borrowings from other financial institutions	**0**	0
Cash premiums received from original insurance contracts	**0**	0
Net cash received from reinsurance business	**0**	0
Net increase in deposits and investments from policyholders	**0**	0
Cash received from interest, handling charges and commission	**0**	0
Net increase in borrowings from banks and other financial institutions	**0**	0
Net increase in repurchase business capital	**0**	0
Net cash received from acting trading of securities	**0**	0
Tax rebate received	**547,805**	714,664
Other cash received relating to operating activities	**3,036,036**	1,970,815
Sub-total of cash inflow from operating activities	**215,095,794**	182,720,535

Items	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
Cash paid for purchasing goods and receiving services	**193,772,253**	159,034,917
Net increase in loans and advances to customers	**0**	0
Net increase in deposits with central bank and other peer financial institutions	**0**	0
Original insurance contract claims paid	**0**	0
Net increase in placement to banks and other financial institutions	**0**	0
Cash paid for interest, handling charges and commissions	**0**	0
Policyholder dividend paid	**0**	0
Cash paid to and on behalf of employees	**14,466,607**	13,514,520
Taxes and surcharges paid	**7,748,665**	7,870,023
Other cash paid relating to operating activities	**9,742,939**	9,606,797
Sub-total of cash outflow from operating activities	**225,730,464**	190,026,257
Net cash flow from operating activities	**-10,634,670**	-7,305,722
II. Cash flows from investing activities:		
Cash received from disposal of investments	**1,677,819**	40,840
Cash received from return on investments	**271,887**	74,303
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**188,217**	92,448
Net cash received from disposal of subsidiaries and other business entities	**101,149**	41,452
Other cash received relating to investing activities	**803,946**	1,488,742
Sub-total of cash inflow from investing activities	**3,043,018**	1,737,785
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**1,596,619**	3,073,422
Cash paid for investment	**3,131,287**	5,151,031
Net increase in pledged loans	**0**	0
Net cash paid for acquisition of subsidiaries and other business entities	**0**	0
Other cash paid relating to investing activities	**3,509,563**	3,018,400
Sub-total of cash outflow from investing activities	**8,237,469**	11,242,853
Net cash flows from investing activities	**-5,194,451**	-9,505,068

Items	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
III. Cash flows from financing activities:		
Cash received from investments	**8,499,028**	3,299,355
Including: Cash received by subsidiaries from minority shareholder's investment	**499,028**	3,299,355
Cash received from borrowings	**103,211,487**	103,023,130
Other cash received relating to financing activities	**793,830**	0
Sub-total of cash inflow from financing activities	**112,504,345**	106,322,485
Cash paid for repayment of liabilities	**98,710,385**	86,728,568
Cash paid for dividend, profit distribution or interest repayment	**4,935,124**	5,994,072
Including: Dividend and profit paid by subsidiaries to minority shareholders	**348,877**	199,010
Other cash paid relating to financing activities	**0**	2,509,179
Sub-total of cash outflow from financing activities	**103,645,509**	95,231,819
Net cash flows from financing activities	**8,858,836**	11,090,666
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate	**355,439**	-43,093
V. Net increase in cash and cash equivalents	**-6,614,846**	-5,763,217
Add: Balance of cash and cash equivalents at the beginning of the period	**33,468,063**	36,464,133
VI. Balance of cash and cash equivalents at the end of the period	**26,853,217**	30,700,916

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Guo Wenqing	**Zou Hongying**	**Fan Wanzhu**

Cash Flow Statements of the Company

January to September 2019

Prepared by: Metallurgical Corporation of China Ltd.

Unit: RMB'000, unaudited

Items	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	**1,570,864**	1,263,798
Tax rebate received	**637**	0
Other cash received relating to operating activities	**1,264,855**	911,150
Sub-total of cash inflow from operating activities	**2,836,356**	2,174,948
Cash paid for purchasing goods and receiving services	**1,352,420**	1,730,651
Cash paid to and on behalf of employees	**66,559**	62,934
Taxes and surcharges paid	**55,650**	60,075
Other cash paid relating to operating activities	**897,734**	1,197,445
Sub-total of cash outflow from operating activities	**2,372,363**	3,051,105
Net cash flow from operating activities	**463,993**	-876,157
II. Cash flows from investing activities:		
Cash received from disposal of investments	**0**	0
Cash received from return on investments	**59,964**	490,870
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**0**	25
Net cash received from disposal of subsidiaries and other business entities	**0**	0
Other cash received relating to investing activities	**11,330,570**	10,841,781
Sub-total of cash inflow from investing activities	**11,390,534**	11,332,676

Items	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**968**	2,389
Cash paid for investment	**805,440**	1,228,313
Net cash paid for acquisition of subsidiaries and other business entities	**0**	0
Other cash paid relating to investing activities	**15,627,665**	15,180,251
Sub-total of cash outflow from investing activities	**16,434,073**	16,410,953
Net cash flows from investing activities	**-5,043,539**	-5,078,277
III. Cash flows from financing activities:		
Cash received from investments	**0**	0
Cash received from borrowings	**61,156,249**	64,087,629
Other cash received relating to financing activities	**14,300,000**	0
Sub-total of cash inflow from financing activities	**75,456,249**	64,087,629
Cash paid for repayment of liabilities	**58,819,270**	52,240,854
Cash paid for dividend, profit distribution or interest repayment	**3,736,291**	2,970,833
Other cash paid relating to financing activities	**9,922,375**	6,388,671
Sub-total of cash outflow from financing activities	**72,477,936**	61,600,358
Net cash flows from financing activities	**2,978,313**	2,487,271
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate	**35,750**	8,591
V. Net increase in cash and cash equivalents	**-1,565,483**	-3,458,572
Add: Balance of cash and cash equivalents at the beginning of the period	**2,523,125**	4,648,065
VI. Balance of cash and cash equivalents at the end of the period	**957,642**	1,189,493

Legal Representative:	*Person in charge of Accounting:*	*Head of Accounting Department:*
Guo Wenqing	**Zou Hongying**	**Fan Wanzhu**

4.2 Particulars on adjustment to relevant items in the financial statements as at the beginning of the year according to initial application of new financial instrument standards, new income standards and new lease standards

☑ Applicable ☐ Not applicable

Consolidated Balance Sheet

Unit: RMB'000

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	44,477,302	44,477,302	0
Clearing settlement funds	0	0	0
Placement to banks and other financial institutions	0	0	0
Financial assets held for trading	1,124,150	1,124,150	0
Financial assets at fair value through profit or loss	0	0	0
Derivative financial assets	2,365	2,365	0
Bills receivable	18,363,632	18,363,632	0
Accounts receivable	66,958,297	66,958,297	0
Receivables financing	2,072,511	2,072,511	0
Prepayments	20,285,773	20,274,617	-11,156
Premium receivable	0	0	0
Reinsurance accounts receivable	0	0	0
Provision for reinsurance contract	0	0	0
Other receivables	56,385,242	56,385,242	0
Including: Interests receivable	5,579	5,579	0
Dividends receivable	150,105	150,105	0
Financial assets held under resale agreements	0	0	0
Inventories	57,608,321	57,608,321	0
Contract assets	66,719,549	66,719,549	0
Assets classified as held-for-sale	0	0	0
Non-current assets due within one year	3,498,610	3,498,610	0
Other current assets	1,924,819	1,924,819	0
Total current assets	339,420,571	339,409,415	-11,156

Items	31 December 2018	1 January 2019	Adjustment
Non-current assets:			
Loans and advances granted	0	0	0
Debt investment	0	0	0
Available-for-sale financial assets	0	0	0
Other debt investment	0	0	0
Held-to-maturity investments	0	0	0
Long-term receivables	21,620,682	21,620,682	0
Long-term equity investments	13,854,855	13,854,855	0
Investments in other equity instruments	1,867,964	1,867,964	0
Other non-current financial assets	4,214,624	4,214,624	0
Investment properties	5,392,133	5,392,133	0
Fixed assets	27,370,040	27,238,417	-131,623
Construction in progress	3,379,971	3,379,971	0
Productive biological assets	0	0	0
Oil and gas assets	0	0	0
Right-to-use assets	0	333,065	333,065
Intangible assets	16,133,729	16,133,729	0
Development expenses	0	0	0
Goodwill	163,179	163,179	0
Long-term prepayments	269,670	242,933	-26,737
Deferred tax assets	5,152,432	5,152,432	0
Other non-current assets	75,993	75,993	0
Total non-current assets	99,495,272	99,669,977	174,705
Total assets	438,915,843	439,079,392	163,549

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	47,973,564	47,973,564	0
Borrowings from central bank	0	0	0
Borrowing funds	0	0	0
Held-for-trading financial liabilities	0	0	0
Financial liabilities at fair value through profit or loss	0	0	0
Derivative financial liabilities	496	496	0
Bills payable	27,751,007	27,751,007	0
Accounts payable	113,260,891	113,260,891	0
Receipts in advance	191,783	191,783	0
Funds from sales of financial assets with repurchase agreement	0	0	0
Absorbed deposits and interbank deposits	0	0	0
Funds arising from acting trading of securities	0	0	0
Funds arising from acting underwriting of securities	0	0	0
Employee benefits payable	1,958,161	1,958,161	0
Taxes payable	3,794,064	3,794,064	0
Other payables	23,553,227	23,553,227	0
Including: Interests payable	164,662	164,662	0
Dividends payable	1,233,385	1,233,385	0
Commission and fees payable	0	0	0
Reinsurance accounts payable	0	0	0
Contract liabilities	58,918,293	58,918,293	0
Liabilities held-for-sale	0	0	0
Non-current liabilities due within one year	14,772,502	14,817,681	45,179
Other current liabilities	4,811,859	4,811,859	0
Total current liabilities	296,985,847	297,031,026	45,179
Non-current liabilities:			
Provision for insurance contract	0	0	0
Long-term borrowings	23,793,236	23,793,236	0
Bonds payable	8,512,091	8,512,091	0
Including: Preference shares	0	0	0
Perpetual bond	0	0	0
Lease liabilities	0	202,207	202,207
Long-term payables	1,180,520	1,096,683	-83,837
Long-term employee benefits payable	3,496,853	3,496,853	0
Estimated liabilities	861,739	861,739	0
Deferred income	1,290,126	1,290,126	0
Deferred tax liabilities	111,387	111,387	0
Other non-current liabilities	14,600	14,600	0
Total non-current liabilities	39,260,552	39,378,922	118,370
Total liabilities	336,246,399	336,409,948	163,549

Items	31 December 2018	1 January 2019	Adjustment
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	20,723,619	20,723,619	0
Other equity instruments	15,924,290	15,924,290	0
Including: Preference shares	0	0	0
Perpetual bond	15,924,290	15,924,290	0
Capital reserve	22,492,676	22,492,676	0
Less: Treasury stock	0	0	0
Other comprehensive income	-212,142	-212,142	0
Special reserve	12,550	12,550	0
Surplus reserve	1,455,419	1,455,419	0
Provision for general risk	0	0	0
Retained earnings	23,546,950	23,546,950	0
Total owners' equity attributable to the Company (or shareholders' equity)	83,943,362	83,943,362	0
Non-controlling interests	18,726,082	18,726,082	0
Total owners' equity (or shareholders' equity)	102,669,444	102,669,444	0
Total liabilities and owners' equity (or shareholders' equity)	438,915,843	439,079,392	163,549

Explanation on the adjustment of each item:

☑ Applicable ☐ Not applicable

On 7 December 2018, the Ministry of Finance promulgated the revised "Accounting Standards for Business Enterprises No. 21 –Leasing" (Cai Kuai [2018] No. 35) (the "**New Lease Standards**"). The New Lease Standards were implemented by companies that are listed on both domestic and overseas stock markets, and those that are listed on overseas stock markets and adopt the International Financial Reporting Standards or Accounting Standards for Business Enterprises for statement preparation from 1 January 2019.

The Group implemented the New Lease Standards on 1 January 2019. As shown in the above table, the Group adjusted the amount of items in the financial statements on 1 January 2019 based on the cumulative impact of the initial application of the New Lease Standards, and did not adjust the information for the comparable period.

Balance Sheet of the Company

Unit: RMB'000

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balances	2,523,125	2,523,125	0
Financial assets held-for-trading	0	0	0
Financial assets at fair value through profit or loss	0	0	0
Derivative financial assets	0	0	0
Bills receivable	0	0	0
Accounts receivable	318,972	318,972	0
Receivables financing	0	0	0
Prepayments	421,651	421,651	0
Other receivables	37,484,465	37,484,465	0
Including: Interests receivable	2,604,730	2,604,730	0
Dividends receivable	957,127	957,127	0
Inventories	998	998	0
Contract assets	1,039,354	1,039,354	0
Assets classified as held-for-sale	0	0	0
Non-current assets due within one year	1,357,037	1,357,037	0
Other current assets	0	0	0
Total current assets	43,145,602	43,145,602	0

Items	31 December 2018	1 January 2019	Adjustment
Non-current assets:			
Debt investment	0	0	0
Available-for-sale financial assets	0	0	0
Other debt investment	0	0	0
Held-to-maturity investments	0	0	0
Long-term receivables	1,723,980	1,723,980	0
Long-term equity investments	87,862,027	87,862,027	0
Investments in other equity instruments	212	212	0
Other non-current financial assets	0	0	0
Investment properties	0	0	0
Fixed assets	12,755	12,755	0
Construction in progress	0	0	0
Productive biological assets	0	0	0
Oil and gas assets	0	0	0
Right-to-use assets	0	783	783
Intangible assets	8,777	8,777	0
Development expenses	0	0	0
Goodwill	0	0	0
Long-term prepayments	0	0	0
Deferred tax assets	0	0	0
Other non-current assets	0	0	0
Total non-current assets	89,607,751	89,608,534	783
Total assets	132,753,353	132,754,136	783

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	28,364,963	28,364,963	0
Held-for-trading financial liabilities	0	0	0
Financial liabilities at fair value through profit or loss	0	0	0
Derivative financial liabilities	0	0	0
Bills payable	0	0	0
Accounts payable	941,091	941,091	0
Receipts in advance	0	0	0
Contract liabilities	1,068,383	1,068,383	0
Employee benefits payable	13,276	13,276	0
Taxes payable	57,306	57,306	0
Other payables	14,060,124	14,060,124	0
Including: Interests payable	32,892	32,892	0
Dividends payable	687,630	687,630	0
Liabilities held-for-sale	0	0	0
Non-current liabilities due within one year	2,074,231	2,074,765	534
Other current liabilities	0	0	0
Total current liabilities	46,579,374	46,579,908	534
Non-current liabilities:			
Long-term borrowings	5,875,000	5,875,000	0
Bonds payable	1,660,000	1,660,000	0
Including: Preference shares	0	0	0
Perpetual bond	0	0	0
Lease liabilities	0	249	249
Long-term payables	300,000	300,000	0
Long-term employee benefits payable	17,915	17,915	0
Estimated liabilities	128,054	128,054	0
Deferred income	4,411	4,411	0
Deferred tax liabilities	0	0	0
Other non-current liabilities	0	0	0
Total non-current liabilities	7,985,380	7,985,629	249
Total liabilities	54,564,754	54,565,537	783

Items	31 December 2018	1 January 2019	Adjustment
Owners' equity (or shareholders' equity):			
Paid-up capital (or share capital)	20,723,619	20,723,619	0
Other equity instruments	15,924,290	15,924,290	0
Including: Preference shares	0	0	0
Perpetual bond	15,924,290	15,924,290	0
Capital reserve	38,001,042	38,001,042	0
Less: Treasury stock	0	0	0
Other comprehensive income	609	609	0
Special reserve	12,550	12,550	0
Surplus reserve	1,455,419	1,455,419	0
Undistributed profit	2,071,070	2,071,070	0
Total owners' equity (or shareholders' equity)	78,188,599	78,188,599	0
Total liabilities and owners' equity (or shareholders' equity)	132,753,353	132,754,136	783

Explanation on the adjustment of each item:

☐ Applicable ☑ Not applicable

4.3 Particulars on retroactive adjustment to comparative data in the previous period according to initial application of new financial instrument standards and new lease standards

☐ Applicable ☑ Not applicable

4.4 Audit Report

☐ Applicable ☑ Not applicable