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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)

## 2020 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 2020 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 2020

*As at the date of this announcement, the Board comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Mengxing; four independent non-executive directors: Mr. Zhou Jichang, Mr. Yu Hailong, Mr. Ren Xudong and Mr. Ng, Kar Ling Johnny; and one non-executive director: Mr. Yan Aizhong.*

* *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 2020 to 30 September 2020 |

## 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 22nd meeting of the third session of the Board convened on 30 October 2020 and considered this 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 | **500,383,948** | 458,506,213 | 9.13 |
| Net assets attributable to shareholders of the Company | **90,061,919** | 97,949,725 | -8.05 |

| | **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 of last year *(%)* |
|---|---|---|---|
| Net cash flows from operating activities | **1,154,638** | -10,634,670 | 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 of last year *(%)* |
|---|---|---|---|
| Operating income | **267,973,080** | 228,084,956 | 17.49 |
| Net profit attributable to shareholders of the Company | **4,607,358** | 4,034,802 | 14.19 |
| Net profit attributable to shareholders of the Company after deduction of non-recurring profit and loss | **4,203,482** | 3,724,088 | 12.87 |
| Return on net assets (weighted average) *(%)* | **5.59** | 5.83 | Decreased by 0.24 percentage point |
| Basic earnings per share *(RMB/share)* | **0.19** | 0.19 | – |
| 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) |
|---|---|---|
| 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 | **34,372** | 52,952 |
| Non-operating income and expenses other than the above items | **36,901** | 134,246 |
| Impact on minority shareholders' interests (after taxation) | **-7,246** | -35,375 |
| Impact on income tax | **-23,533** | -93,067 |
| **Total** | **92,576** | 403,876 |

## 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[1]

*Unit: Share*

Total number of shareholders *(accounts)* 387,151

### 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: Status of shares | Pledge or moratorium: Amount | Nature of shareholders |
|---|---|---|---|---|---|---|
| China Metallurgical Group Corporation (中國冶金科工集團有限公司) | 10,190,955,300 | 49.18 | 0 | None | 0 | State-owned legal person |
| HKSCC Nominees Limited (香港中央結算(代理人)有限公司)[2] | 2,841,237,051 | 13.71 | 0 | None | 0 | Other |
| China National Petroleum Corporation (中國石油天然氣集團有限公司) | 1,227,760,000 | 5.92 | 0 | None | 0 | State-owned legal person |
| 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) | 228,847,485 | 0.93 | 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 | 0.58 | 0 | None | 0 | State-owned legal person |
| Zhang Jingchun (張景春) | 76,843,188 | 0.37 | 0 | None | 0 | Domestic natural person |

| 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 Status of shares | Amount | Nature of shareholders |
|---|---|---|---|---|---|---|
| China Merchants Bank Co., Ltd. – Bosera China Securities Central Enterprise Innovation-driven Transactional Open Index Securities Investment Fund (招商銀行股份有限公司－博時中證央企創新驅動交易型開放式指數證券投資基金) | 72,614,778 | 0.35 | 0 | None | 0 | Other |
| 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 Status of shares | Amount | Nature of shareholders |
|---|---|---|---|---|---|---|
| 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 | Types and number of shares: Number of shares |
|---|---|---|---|
| China Metallurgical Group Corporation (中國冶金科工集團有限公司) | 10,190,955,300 | RMB-denominated ordinary shares | 10,190,955,300 |
| HKSCC Nominees Limited (香港中央結算(代理人)有限公司)(2) | 2,841,237,051 | Overseas-listed foreign shares | 2,841,237,051 |
| China National Petroleum Corporation (中國石油天然氣集團有限公司) | 1,227,760,000 | RMB-denominated ordinary shares | 1,227,760,000 |
| 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) | 228,847,485 | RMB-denominated ordinary shares | 228,847,485 |
| 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) | 76,843,188 | RMB-denominated ordinary shares | 76,843,188 |
| China Merchants Bank Co., Ltd. – Bosera China Securities Central Enterprise Innovation-driven Transactional Open Index Securities Investment Fund (招商銀行股份有限公司－博時中證央企創新驅動交易型開放式指數證券投資基金) | 72,614,778 | RMB-denominated ordinary shares | 72,614,778 |
| 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 |

| Name of shareholders | Number of tradable shares held not subject to selling restrictions | Types and number of shares | |
|---|---|---|---|
| | | Types of shares | Number of shares |
| 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 |
| 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 |

| 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 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 connected party relationships or acting in concert relationships among the aforesaid shareholders | The Company is not aware of the existence of any connected party relationships or acting in concert relationships 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 2020.

*Note (2):* 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 |
|---|---|---|---|---|
| Held-for-trading financial assets | **1,256,213** | 2,162,432 | -41.91% | Decrease in held-for-trading equity instruments of the Company |
| Prepayments | **32,117,252** | 24,705,845 | 30.00% | Increase in the prepayment for subcontracting by the Company |
| Other current liabilities | **12,565,411** | 5,856,396 | 114.56% | Increase in issuance of short-term bond by the Company |
| Minority interests | **36,129,266** | 18,955,783 | 90.60% | Increase in absorption of investment from minority shareholder's of 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 |
|---|---|---|---|---|
| Minority interests | **1,287,589** | 893,718 | 44.07% | Increase in net profit attributable to minority shareholders |
| Net cash flow from operating activities | **1,154,638** | -10,634,670 | N/A | Mainly due to the increase in the payment received for the normal progress of the engineering projects |

## 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 2020, the Company entered into new contracts with an aggregate amount of RMB700,920 million, representing an increase of 31.1% as compared with same period last year. In particular, newly signed engineering contracts amounted to RMB675,910 million.

## 3.3 Performance of undertakings by the Company and shareholders holding more than 5% of the shares during the Reporting Period

✓ Applicable ☐ Not applicable

| Background of undertaking | Type of undertaking | Undertaking party | Details of 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 reasons in details | If not performed timely, specify further plans |
|---|---|---|---|---|---|---|---|---|
| Undertakings in relation to the initial public offering | Solution to and prevention 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 to and prevention of horizontal competition | China Minmetals | 1. In respect of businesses carried out by China Minmetals and other controlled companies 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 adopts different methods such as entrusted management, asset restructuring, equity swap and business adjustment to minimize the business overlap between the two parties.<br>2. Upon the completion of the acquisition, China Minmetals and other controlled companies will not, in whatever form, directly or indirectly, engage in the businesses competing with MCC, and will not establish controlling subsidiaries who engage in the same or similar businesses that will constitute substantial horizontal competition with MCC. China Minmetals will supervise its controlled companies and adopt certain measures when necessary. | 17 February 2016 | No | Yes | – | – |

| Background of undertaking | Type of undertaking | Undertaking party | Details of 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 reasons in details | If not performed timely, specify further plans |
|---|---|---|---|---|---|---|---|---|
| | | | 3. Subject to the above principles 1 and 2 and upon the completion of the acquisition, if the products or services that will 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 will agree that MCC shall be entitled to preferentially acquire the assets in relation to these products or services or 100% equity of China Minmetals in the subsidiaries. MCC shall be entitled to determine the time to request China Minmetals to sell the abovementioned competing businesses at its discretion.<br><br>4. China Minmetals will abstain from voting 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 rights.<br><br>5. China Minmetals undertook that it will strictly comply with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and the Articles of Associations and other rules and regulations of MCC, and equally exercise the shareholder's rights and perform the shareholder's obligations. It also undertook not to take advantage of its privileged positions as the substantial shareholder nor impair the legal interests of MCC or other shareholders. The commitments continue to be valid, cannot be altered and is irrevocable during the period in which China Minmetals has control over MCC or there is relatively material impact. If there is any breach of the above commitments, China Minmetals shall undertake all losses to MCC. | | | | | |

| Background of undertaking | Type of undertaking | Undertaking party | Details of 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 reasons in details | If not performed timely, specify further plans |
|---|---|---|---|---|---|---|---|---|
| Undertakings in relation to the corporate bonds | Others | MCC | During the renewable period 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 renewable period 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 | – | – |
| | | | The funds raised from 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 Corporate Bonds and 2018 Corporate Bonds | Yes | Yes | – | – |

## 3.4 Warning and description of a forecast recording a loss-making aggregate net profit from the beginning of the year to the end of next reporting period or recording a substantial year-on-year change

☐ Applicable ☑ Not applicable

Company name **Metallurgical Corporation of China Ltd.***
Legal representative **Guo Wenqing**
Date 30 October 2020

## IV. APPENDIX

### 4.1 FINANCIAL STATEMENTS

**Consolidated Balance Sheet**
*30 September 2020*

Prepared by: Metallurgical Corporation of China Ltd.*

*Unit: RMB'000, unaudited*

| Item | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Current Assets:** | | |
| Cash and bank balances | **44,229,988** | 43,677,662 |
| Financial assets held for trading | **1,256,213** | 2,162,432 |
| Derivative financial assets | **9,480** | 401 |
| Bills receivable | **10,068,497** | 7,918,027 |
| Accounts receivable | **74,522,061** | 66,026,606 |
| Receivable financing | **9,147,962** | 7,855,940 |
| Prepayments | **32,117,252** | 24,705,845 |
| Other receivables | **57,117,301** | 57,290,123 |
| Inventories | **60,099,687** | 60,636,905 |
| Contract assets | **90,490,005** | 72,800,575 |
| Non-current assets due within one year | **1,801,208** | 2,078,913 |
| Other current assets | **2,371,752** | 2,282,530 |
| **Total Current Assets** | **383,231,406** | 347,435,959 |

| Item | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **Non-current Assets:** | | |
| Long-term receivables | **26,902,252** | 24,326,794 |
| Long-term equity investments | **23,918,792** | 21,834,366 |
| Investments in other equity instruments | **1,898,586** | 1,871,747 |
| Other non-current financial assets | **4,403,958** | 4,171,068 |
| Investment properties | **6,310,501** | 5,763,796 |
| Fixed assets | **24,632,916** | 26,121,239 |
| Construction in progress | **5,127,363** | 4,426,518 |
| Right-of-use assets | **448,705** | 540,522 |
| Intangible assets | **16,751,103** | 15,796,873 |
| Goodwill | **161,512** | 161,523 |
| Long-term prepayments | **281,257** | 265,900 |
| Deferred tax assets | **6,082,589** | 5,618,595 |
| Other non-current assets | **233,008** | 171,313 |
| **Total Non-current Assets** | **117,152,542** | 111,070,254 |
| **Total assets** | **500,383,948** | 458,506,213 |
| **Current Liabilities:** | | |
| Short-term borrowings | **42,996,483** | 40,476,556 |
| Derivative financial liabilities | **–** | 4,230 |
| Bills payable | **34,233,501** | 31,487,132 |
| Accounts payable | **137,451,064** | 115,855,013 |
| Receipts in advance | **507,662** | 245,284 |
| Contract liabilities | **68,671,920** | 64,595,970 |
| Employee benefits payable | **2,352,370** | 2,037,994 |
| Taxes payable | **3,618,305** | 3,461,760 |
| Other payables | **26,087,961** | 26,219,786 |
| Non-current liabilities due within one year | **5,365,743** | 15,683,416 |
| Other current liabilities | **12,565,411** | 5,856,396 |
| **Total Current Liabilities** | **333,850,420** | 305,923,537 |

| Item | 30 September 2020 | 31 December 2019 |
| --- | --- | --- |
| **Non-current Liabilities:** | | |
| Long-term borrowings | **32,454,833** | 27,219,615 |
| Bonds payable | **790,000** | 1,660,000 |
| Lease liabilities | **319,620** | 302,054 |
| Long-term payables | **1,221,346** | 892,993 |
| Long-term employee benefits payable | **3,108,341** | 3,115,993 |
| Provisions | **719,068** | 817,931 |
| Deferred income | **1,600,978** | 1,582,297 |
| Deferred tax liabilities | **112,940** | 71,685 |
| Other non-current liabilities | **15,217** | 14,600 |
| **Total Non-current Liabilities** | **40,342,343** | 35,677,168 |
| **Total Liabilities** | **374,192,763** | 341,600,705 |
| **Owners' equity (or Shareholders' equity):** | | |
| Paid-in capital (or Share capital) | **20,723,619** | 20,723,619 |
| Other equity instruments | **16,000,000** | 25,924,290 |
| Including: Perpetual bond | **16,000,000** | 25,924,290 |
| Capital reserve | **22,404,260** | 22,476,448 |
| Other comprehensive income | **-306,182** | -59,618 |
| Special reserve | **12,550** | 12,550 |
| Surplus reserve | **1,748,938** | 1,748,938 |
| Retained earnings | **29,478,734** | 27,123,498 |
| Total owners' equity (or shareholders' equity) attributable to shareholders of the parent Company | **90,061,919** | 97,949,725 |
| Non-controlling interests | **36,129,266** | 18,955,783 |
| **Total owners' equity (or shareholders' equity)** | **126,191,185** | 116,905,508 |
| **Total liabilities and owners' equity (or shareholders' equity)** | **500,383,948** | 458,506,213 |

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

**Balance Sheet of the Parent Company**
*30 September 2020*

Prepared by: Metallurgical Corporation of China Ltd.*

*Unit: RMB'000, unaudited*

| Item | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Current Assets:** | | |
| Cash and bank balances | **1,792,648** | 2,467,897 |
| Bills receivable | **2,000** | – |
| Accounts receivable | **93,984** | 98,899 |
| Prepayments | **1,960,198** | 1,219,616 |
| Other receivables | **45,257,836** | 43,712,605 |
| Inventories | **1,219** | 1,058 |
| Contract assets | **1,245,850** | 1,296,461 |
| Non-current assets due within one year | **1,846,177** | 1,866,177 |
| **Total Current Assets** | **52,199,912** | 50,662,713 |
| **Non-current Assets:** | | |
| Long-term receivables | **172,684** | 487,590 |
| Long-term equity investments | **92,630,912** | 89,754,018 |
| Investments in other equity instruments | **393** | 248 |
| Fixed assets | **11,094** | 11,746 |
| Right-of-use assets | **26,569** | 40,479 |
| Intangible assets | **5,575** | 6,906 |
| **Total Non-current Assets** | **92,847,227** | 90,300,987 |
| **Total assets** | **145,047,139** | 140,963,700 |

| Item | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Current Liabilities:** | | |
| Short-term borrowings | **27,207,087** | 28,199,649 |
| Accounts payable | **1,323,254** | 1,554,946 |
| Contract liabilities | **2,684,240** | 2,220,884 |
| Employee benefits payable | **15,438** | 14,674 |
| Taxes payable | **35,363** | 54,801 |
| Other payables | **14,687,694** | 15,573,592 |
| Non-current liabilities due within one year | **1,820,414** | 442,732 |
| Other current liabilities | **6,051,886** | – |
| **Total Current Liabilities** | **53,825,376** | 48,061,278 |
| **Non-current Liabilities:** | | |
| Long-term borrowings | **1,584,878** | 2,750,000 |
| Bonds payable | **790,000** | 1,660,000 |
| Lease liabilities | **10,837** | 19,868 |
| Long-term payable | **12,565,570** | – |
| Long-term employee benefits payable | **10,628** | 16,893 |
| Provisions | **109,344** | 118,921 |
| Deferred income | **3,598** | 4,411 |
| **Total Non-current Liabilities** | **15,074,855** | 4,570,093 |
| **Total liabilities** | **68,900,231** | 52,631,371 |

| Item | **30 September 2020** | 31 December 2019 |
|---|---|---|
| **Owners' equity (or Shareholders' equity):** | | |
| Paid-in capital (or Share capital) | **20,723,619** | 20,723,619 |
| Other equity instruments | **16,000,000** | 25,924,290 |
| Including: Perpetual bond | **16,000,000** | 25,924,290 |
| Capital reserve | **37,925,332** | 38,001,042 |
| Other comprehensive income | **848** | 984 |
| Special reserve | **12,550** | 12,550 |
| Surplus reserve | **1,748,938** | 1,748,938 |
| Retained earnings | **-264,379** | 1,920,906 |
| **Total owners' equity (or shareholders' equity)** | **76,146,908** | 88,332,329 |
| **Total liabilities and owners' equity (or shareholders' equity)** | **145,047,139** | 140,963,700 |

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

**Consolidated Income Statement**
*January to September 2020*

Prepared by: Metallurgical Corporation of China Ltd.*

*Unit: RMB'000, unaudited*

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|---|---|
| **I. Total operating revenue** | **87,407,887** | 69,067,577 | **267,973,080** | 228,084,956 |
| Including: Operating revenue | **87,407,887** | 69,067,577 | **267,973,080** | 228,084,956 |
| **II. Total operating costs** | **84,475,503** | 64,656,787 | **256,998,460** | 217,950,984 |
| Including: Operating costs | **77,851,709** | 59,184,404 | **239,006,496** | 200,707,896 |
| Taxes and levies | **333,777** | 442,741 | **1,295,016** | 1,633,879 |
| Selling expenses | **520,812** | 431,882 | **1,492,205** | 1,462,850 |
| Administrative expenses | **1,976,057** | 1,871,537 | **6,048,798** | 6,019,511 |
| R&D expenses | **3,200,809** | 2,241,632 | **7,328,743** | 5,958,449 |
| Finance costs | **592,339** | 484,591 | **1,827,202** | 2,168,399 |
| Including: Interest expenses | **708,358** | 1,040,182 | **2,640,555** | 3,426,240 |
| Interest income | **656,798** | 648,060 | **1,623,928** | 1,797,581 |
| Add: Other gains | **71,651** | 35,414 | **200,224** | 111,511 |
| Investment income (losses are represented by "-") | **4,262** | 63,775 | **-518,162** | -134,562 |
| Including: Gain from investment in associates and joint ventures | **70,964** | -19,594 | **23,883** | -60,647 |
| Income from derecognition of financial assets at amortised cost | **-51,302** | 9,690 | **-406,042** | -240,294 |
| Gain from changes in fair value (losses are represented by "-") | **39,515** | -3,171 | **50,938** | -6,882 |
| Credit impairment losses (losses are represented by "-") | **-839,383** | -2,483,197 | **-2,681,235** | -3,247,717 |
| Impairment losses of assets (losses are represented by "-") | **-30,239** | -475,248 | **-539,324** | -504,218 |
| Gain from disposal of assets (losses are represented by "-") | **743** | 5,843 | **14,550** | 26,403 |

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|---|---|
| **III. Operating profit (losses are represented by "-")** | **2,178,933** | 1,554,206 | **7,501,611** | 6,378,507 |
| Add: Non-operating income | **112,441** | 68,309 | **349,500** | 171,568 |
| Less: Non-operating expenses | **46,931** | 15,704 | **103,283** | 61,075 |
| **IV. Total profit (total loss is represented by "-")** | **2,244,443** | 1,606,811 | **7,747,828** | 6,489,000 |
| Less: Income tax expenses | **626,062** | 456,549 | **1,852,881** | 1,560,480 |
| **V. Net profit (net loss is represented by "-")** | **1,618,381** | 1,150,262 | **5,894,947** | 4,928,520 |
| (I) Classified by continuity of operation | | | | |
| 1. Net profit from continuing operations (net loss is represented by "-") | **1,618,381** | 1,150,262 | **5,894,947** | 4,928,520 |
| 2. Net profit from discontinued operations (net loss is represented by "-") | **–** | – | **–** | – |
| (II) Classified according to the ownership | | | | |
| 1. Net profit attributable to the shareholders of the parent Company (net loss is represented by "-") | **1,015,433** | 877,920 | **4,607,358** | 4,034,802 |
| 2. Gains/losses on minority shareholders' equity (net loss is represented by "-") | **602,948** | 272,342 | **1,287,589** | 893,718 |
| **VI. Other comprehensive income net of income tax** | **-369,502** | -89,192 | **-280,602** | -91,788 |
| (I) Net amount of other comprehensive income after tax attributable to owners of the parent Company | **-313,937** | -97,102 | **-268,281** | -99,023 |
| 1. Other comprehensive income that will not be reclassified to profit or loss | **11,388** | -20,147 | **-63,959** | -720 |
| (1) Re-measurement of defined benefit obligations | **-7,690** | 2,782 | **-54,576** | 3,192 |
| (2) Changes in fair value of investments in other equity instruments | **19,078** | -22,929 | **-9,383** | -3,912 |

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|---|---|
| 2. Other comprehensive income that will be reclassified to profit or loss | **-325,325** | -76,955 | **-204,322** | -98,303 |
| (1) Other comprehensive income that can be reclassified to profit or loss under the equity method | **–** | – | **–** | -27 |
| (2) Changes in fair value of other debt investments | **–** | 44,723 | **–** | 1,388 |
| (3) Changes of fair value of receivables financing | **1,944** | – | **6,834** | – |
| (4) Exchange differences on translating foreign currency statements in foreign currencies | **-327,269** | -121,678 | **-211,156** | -99,664 |
| (II) Other comprehensive income attributable to non-controlling interests, net of income tax | **-55,565** | 7,910 | **-12,321** | 7,235 |
| **VII. Total comprehensive income** | **1,248,879** | 1,061,070 | **5,614,345** | 4,836,732 |
| (I) Total comprehensive income attributable to shareholders of the parent Company | **701,496** | 780,818 | **4,339,077** | 3,935,779 |
| (II) Total comprehensive income attributable to non-controlling interests | **547,383** | 280,252 | **1,275,268** | 900,953 |
| **VIII. Earnings per share:** | | | | |
| (1) Basic earnings per share *(RMB/share)* | **0.05** | 0.06 | **0.19** | 0.19 |
| (2) Diluted earnings per share *(RMB/share)* | **N/A** | N/A | **N/A** | N/A |

For merger of enterprises under common control during the Reporting 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 Parent Company

*January to September 2020*

Prepared by: Metallurgical Corporation of China Ltd.*

*Unit: RMB'000, unaudited*

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|---|---|
| **I. Total operating revenue** | **373,144** | 743,813 | **1,520,780** | 3,008,691 |
| Less: Operating costs | **367,625** | 745,896 | **1,497,803** | 2,963,617 |
| Taxes and levies | **96** | 283 | **2,637** | 1,283 |
| Administrative expenses | **34,947** | 38,686 | **105,750** | 121,551 |
| Finance expenses | **-87,754** | 189,932 | **-115,182** | 383,869 |
| Less: Interest expenses | **465,097** | 508,880 | **1,293,058** | 1,527,272 |
| Interest income | **449,288** | 418,751 | **1,356,072** | 1,231,539 |
| Add: Other gains | **464** | – | **950** | – |
| Investment income (losses are represented by "-") | **–** | 1 | **17,814** | 1,621 |
| Including: Gain from investment in associates and joint ventures | **–** | 1 | **17,814** | 1,621 |
| Credit impairment losses (losses are represented by "-") | **1** | 118,382 | **-2,635** | 116,376 |
| Gain from disposal of assets (losses are represented by "-")) | **–** | – | **–** | -38 |
| **II. Operating profit (losses are represented by "-")** | **58,695** | -112,601 | **45,901** | -343,670 |
| Add: Non-operating income | **1** | – | **367** | 661 |
| Less: Non-operating expenses | **2** | 3 | **22** | 760 |
| **III. Total profit (total loss is represented by "-")** | **58,694** | -112,604 | **46,246** | -343,769 |
| Less: Income tax expenses | **–** | 3,889 | **1,126** | 18,709 |
| **IV. Net profit (net loss is represented by "-")** | **58,694** | -116,493 | **45,120** | -362,478 |
| (I) Net profit from continuing operations (net loss is represented by "-") | **58,694** | -116,493 | **45,120** | -362,478 |
| (II) Net profit from discontinued operations (net loss is represented by "-") | **–** | – | **–** | – |

| Items | **Third quarter of 2020 (July to September)** | Third quarter of 2019 (July to September) | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|---|---|
| **V. Other comprehensive income, net of income tax** | **–** | 1 | **-136** | 37 |
| (I) Other comprehensive income which cannot be reclassified into profit and loss | **–** | 1 | **-136** | 37 |
| 1. Re-measurement of defined benefit obligations | **–** | – | **-282** | 1 |
| 2. Changes in fair value of investments in other equity instruments | **–** | 1 | **146** | 36 |
| **VI. Total comprehensive income** | **58,694** | -116,492 | **44,984** | -362,441 |
| **VII. Earnings per share:** | | | | |
| (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 2020*

Prepared by: Metallurgical Corporation of China Ltd.*

*Unit: RMB'000, unaudited*

| Items | | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|---|
| **I.** | **Cash flows from operating activities:** | | |
| | Cash received from selling goods and rendering services | **262,476,451** | 211,511,953 |
| | Tax rebate received | **317,969** | 547,805 |
| | Other cash received relating to operating activities | **4,288,240** | 3,036,036 |
| | Sub-total of cash inflow from operating activities | **267,082,660** | 215,095,794 |
| | Cash paid for purchasing goods and receiving services | **231,476,582** | 193,772,253 |
| | Cash paid to and on behalf of employees | **14,628,579** | 14,466,607 |
| | Taxes and surcharges paid | **6,790,946** | 7,748,665 |
| | Other cash paid relating to operating activities | **13,031,915** | 9,742,939 |
| | Sub-total of cash outflow from operating activities | **265,928,022** | 225,730,464 |
| | Net cash flow from operating activities | **1,154,638** | -10,634,670 |

| Items | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|
| **II. Cash flows from investing activities:** | | |
| Cash received from disposal of investments | **2,378,545** | 1,677,819 |
| Cash received from return on investments | **188,729** | 271,887 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | **22,172** | 188,217 |
| Net cash received from disposal of subsidiaries and other business entities | **–** | 101,149 |
| Other cash received relating to investing activities | **1,886,409** | 803,946 |
| Sub-total of cash inflow from investing activities | **4,475,855** | 3,043,018 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | **2,519,879** | 1,596,619 |
| Cash paid for investment | **3,424,534** | 3,131,287 |
| Other cash paid relating to investing activities | **4,081,061** | 3,509,563 |
| Sub-total of cash outflow from investing activities | **10,025,474** | 8,237,469 |
| Net cash flows from investing activities | **-5,549,619** | -5,194,451 |
| **III. Cash flows from financing activities:** | | |
| Cash received from investments | **20,150,905** | 8,499,028 |
| Including: Cash received by subsidiaries from minority shareholder's investment | **17,150,905** | 499,028 |
| Cash received from borrowings | **88,592,044** | 103,211,487 |
| Other cash received relating to financing activities | **1,247,129** | 793,830 |
| Sub-total of cash inflow from financing activities | **109,990,078** | 112,504,345 |

| Items | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|
| Cash paid for repayment of liabilities | **85,801,640** | 98,710,385 |
| Cash paid for dividend, profit distribution or interest repayment | **4,844,611** | 4,935,124 |
| Including: Dividend and profit paid by subsidiaries to minority shareholders | **1,091,754** | 348,877 |
| Other cash paid relating to financing activities | **13,115,867** | – |
| Sub-total of cash outflow from financing activities | **103,762,118** | 103,645,509 |
| Net cash flows from financing activities | **6,227,960** | 8,858,836 |
| **IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate** | **-38,840** | 355,439 |
| **V. Net increase in cash and cash equivalents** | **1,794,139** | -6,614,846 |
| Add: Balance of cash and cash equivalents at the beginning of the period | **31,814,900** | 33,468,063 |
| **VI. Balance of cash and cash equivalents at the end of the period** | **33,609,039** | 26,853,217 |

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

**Cash Flow Statements of the Parent Company**
*January to September 2020*

Prepared by: Metallurgical Corporation of China Ltd.*

*Unit: RMB'000, unaudited*

| Items | For the first three quarters of 2020 (January to September) | For the first three quarters of 2019 (January to September) |
|---|---|---|
| **I. Cash flows from operating activities:** | | |
| Cash received from selling goods and rendering services | **1,727,852** | 1,570,864 |
| Tax rebate received | **–** | 637 |
| Other cash received relating to operating activities | **467,138** | 1,264,855 |
| Sub-total of cash inflow from operating activities | **2,194,990** | 2,836,356 |
| Cash paid for purchasing goods and receiving services | **1,811,141** | 1,352,420 |
| Cash paid to and on behalf of employees | **70,887** | 66,559 |
| Taxes and surcharges paid | **60,903** | 55,650 |
| Other cash paid relating to operating activities | **785,433** | 897,734 |
| Sub-total of cash outflow from operating activities | **2,728,364** | 2,372,363 |
| Net cash flow from operating activities | **-533,374** | 463,993 |

| Items | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|
| **II. Cash flows from investing activities:** | | |
| Cash received from return on investments | **332,916** | 59,964 |
| Other cash received relating to investing activities | **7,048,915** | 11,330,570 |
| Sub-total of cash inflow from investing activities | **7,381,831** | 11,390,534 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | **566** | 968 |
| Cash paid for investment | **2,865,110** | 805,440 |
| Other cash paid relating to investing activities | **10,153,111** | 15,627,665 |
| Sub-total of cash outflow from investing activities | **13,018,787** | 16,434,073 |
| Net cash flows from investing activities | **-5,636,956** | -5,043,539 |
| **III. Cash flows from financing activities:** | | |
| Cash received from borrowings | **67,969,609** | 61,156,249 |
| Other cash received relating to financing activities | **5,858,993** | 14,300,000 |
| Sub-total of cash inflow from financing activities | **73,828,602** | 75,456,249 |
| Cash paid for repayment of liabilities | **49,302,459** | 58,819,270 |
| Cash paid for dividend, profit distribution or interest repayment | **3,670,003** | 3,736,291 |
| Cash paid relating to financing activities | **15,500,000** | 9,922,375 |
| Sub-total of cash outflow from financing activities | **68,472,462** | 72,477,936 |
| Net cash flows from financing activities | **5,356,140** | 2,978,313 |

| Items | **For the first three quarters of 2020 (January to September)** | For the first three quarters of 2019 (January to September) |
|---|---|---|
| **IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate** | **-13,591** | 35,750 |
| **V. Net increase in cash and cash equivalents** | **-827,781** | -1,565,483 |
| Add: Balance of cash and cash equivalents at the beginning of the period | **2,456,387** | 2,523,125 |
| **VI. Balance of cash and cash equivalents at the end of the period** | **1,628,606** | 957,642 |

*Legal Representative:*
**Guo Wenqing**

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

*Head of Accounting Department:*
**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 income standards and new lease standards since 2020

☐ 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 since 2020

☐ Applicable ☑ Not applicable

## 4.4 Audit Report

☐ Applicable ☑ Not applicable