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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)

**2018 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 2018 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.\***  
**Li Yuzhuo**  
*Joint Company Secretary*

Beijing, the PRC  
29 October 2018

*As at the date of the announcement, the Board of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; two non-executive directors: Mr. Jing Tianliang and Mr. Lin Jinzhen; and three independent non-executive directors: Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung Peter.*

\* For identification purposes only

## DEFINITION

“the Company, MCC”	Metallurgical Corporation of China Ltd.*
“Controlling Shareholder, MCC Group”	China Metallurgical Group 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 2018 to 30 September 2018

## 1. 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 responsibility for this quarterly report.
- 1.2 The Company convened the forty-fifth meeting of the second session of the Board on 29 October 2018. 5 out of 7 eligible directors attended the meeting. Jing Tianliang and Lin Jinzhen, both are directors, did not attend the meeting due to other business engagements and authorized Yu Hailong and Zhang Zhaoxiang, respectively, both are directors, in writing to attend the meeting and exercise the voting right on their behalf upon consideration of the resolutions.

Name of the absent director	Position of the absent director	Reason for the absence of the director	Name of the appointee
Jing Tianliang	Director	Due to other business engagements	Yu Hailong
Lin Jinzhen	Director	Due to other business engagements	Zhang Zhaoxiang

- 1.3 Guo Wenqing, the chairman and legal representative of the Company, Zou Hongying, the vice president and the general accountant of the Company, Fan Wanzhu, the deputy general accountant and the head of the Financial Planning 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 has not been audited.

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

## 2. BASIC COMPANY INFORMATION

### 2.1 Major financial information

*Unit: RMB'000*

	At the end of the Reporting Period	At the end of the previous year	Change from the end of the previous year (%)
Total assets	<b>449,977,491</b>	414,565,174	8.54
Net assets attributable to shareholders of the Company	<b>83,499,493</b>	82,499,829	1.21
	From the beginning of this year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the previous reporting period (January to September)	Change from the same period of the previous year (%)
Net cash flows from operating activities	<b>-7,305,722</b>	-14,077,850	N/A
	From the beginning of this year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the previous reporting period (January to September)	Change from the same period of the previous year (%)
Operating income	<b>181,201,407</b>	150,801,056	20.16
Net profit attributable to shareholders of the Company	<b>3,765,524</b>	3,548,886	6.10
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	<b>3,692,409</b>	3,308,890	11.59
Return on net assets (weighted average) (%)	<b>5.80</b>	5.26	Increased by 0.54 percentage point
Basic earnings per share (RMB/share)	<b>0.18</b>	0.16	12.50
Diluted earnings per share (RMB/share)	<b>N/A</b>	N/A	N/A

## Non-recurring profit or loss items and their amounts

☒ Applicable      ☐ Not applicable

*Unit: RMB'000*

Items	Amount for the period (July to September)	Amount for the period from the beginning of this year to the end of the Reporting Period (January to September)
Profit or loss from disposal of non-current assets	7,053	43,997
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 or loss (excluding those closely related to the normal business operation 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)	96,430	360,606
Fund possession cost paid by non-financial enterprises and recorded under current profit or 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	1,455
Profit or loss of non-monetary assets swap	0	0
Profit or loss from entrusted investment or assets management	0	0
Provision for impairment of assets due to force majeure i.e. natural disasters	0	0
Profit or loss from debt restructuring	0	0
Corporate restructuring expenses, i.e. expenses on employee placement, integration costs, etc.	0	0
Profit or loss from the excess of the fair value of a transaction of unfair consideration	0	0
Current net profit or loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger	0	0

Items	Amount for the period (July to September)	Amount for the period from the beginning of this year to the end of the Reporting Period (January to September)
Profit or loss from contingencies or irrelevant to the normal business operations of the Company	0	0
Profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, apart from hedging instruments relating to the normal business operations of the Company	-6,078	11,243
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	0	0
Profit or loss from the external entrusted loans	0	0
Profit or 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 or 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 or expenses other than the above items	39,410	-256,367
Other profit or loss items falling within the meaning of non-recurring profit or loss	0	15,263
Impact on minority shareholders' interests (after taxation)	-8,616	-34,383
Impact on income tax	9,498	-68,699
Total	<u>137,697</u>	<u>73,115</u>

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

Unit: Share

Total number of shareholders (*households*) 416,110

### Particulars about 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 with selling restrictions	Pledge or moratorium		Nature of shareholders
				Status of shares	Number	
China Metallurgical Group Corporation (中國冶金科工集團有限公司)	12,265,108,500	59.18	0	None	0	State-owned legal person
HKSCC Nominees Limited (香港中央結算(代理人)有限公司) <sup>(1)</sup>	2,841,479,000	13.71	0	None	0	Other
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	619,636,914	2.99	0	None	0	Other
Shenzhen Ping An Real Estate Investment Co., Ltd. (深圳市平安置業投資有限公司)	181,345,336	0.88	0	None	0	Other
Tianan Life Insurance Co., Ltd. – Traditional Products (天安人壽保險股份有限公司 – 傳統產品)	161,404,042	0.78	0	None	0	Other
Huatai Asset Management Company Ltd. – Strategic Investment Products (華泰資產管理有限公司 – 策略投資產品)	122,664,084	0.59	0	None	0	Other
Central Huijin Asset Management Ltd. (中央匯金資產管理有限公司)	90,087,800	0.43	0	None	0	State-owned legal person
HKSCC Limited (香港中央結算有限公司)	88,713,422	0.43	0	None	0	Other
Lion Fund – Industrial Securities – Nanjing Shuang'an Asset Management Co., Ltd. (諾安基金 – 興業證券 – 南京雙安資產管理有限公司)	80,700,661	0.39	0	None	0	Other
Zhang Jingchun (張景春)	80,569,500	0.39	0	Pledged	64,020,000	Domestic natural person

**Particulars about shareholding of top ten shareholders  
not subject to selling restrictions**

Name of Shareholder	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)	12,265,108,500	RMB-denominated ordinary shares	12,265,108,500
HKSCC Nominees Limited (香港中央結算 (代理人)有限公司) <sup>(1)</sup>	2,841,479,000	Overseas-listed foreign shares	2,841,479,000
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	619,636,914	RMB-denominated ordinary shares	619,636,914
Shenzhen Ping An Real Estate Investment Co., Ltd. (深圳市平安置業投資有限 公司)	181,345,336	RMB-denominated ordinary shares	181,345,336
Tianan Life Insurance Co., Ltd. - Traditional Products (天安人壽保險股份 有限公司 – 傳統產品)	161,404,042	RMB-denominated ordinary shares	161,404,042
Huatai Asset Management Company Ltd. – Strategic Investment Products (華泰資產 管理有限公司 – 策略投資產品)	122,664,084	RMB-denominated ordinary shares	122,664,084
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
HKSCC Limited (香港中央結算有限公司)	88,713,422	RMB-denominated ordinary shares	88,713,422
Lion Fund – Industrial Securities – Nanjing Shuang'an Asset Management Co., Ltd. (諾安基金 – 興業證券 – 南京雙安資產 管理有限公司)	80,700,661	RMB-denominated ordinary shares	80,700,661

Name of Shareholder	Number of tradable shares held not subject to selling restrictions	Types and number of shares	
		Types of shares	Number of shares
Zhang Jingchun (張景春)	80,569,500	RMB-denominated ordinary shares	80,569,500
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 the holders of preference shares whose voting rights have been restored and the number of shares held	N/A		

*Note (1):* The H Shares held by HKSCC Nominees Limited are those held on behalf of various equity owners.

The Company issued the RMB-denominated ordinary shares (A Shares) with a nominal value of RMB1 each by way of the non-public issuance to specific investors on 26 December 2016, and completed the procedures for the registration of trusteeship regarding the non-public issuance of A Shares on 6 January 2017, with the issuance number of 1,613,619,170 shares at the issue price of RMB3.86 per share. The total number of shares upon completion of the registration amounted to 20,723,619,170 shares and net proceeds from the issuance amounted to RMB6.173 billion. The shares subscribed by the aforesaid issue targets under the non-public issuance were listed for trading on 8 January 2018 (As 6 January 2018 was a non-trading day, the listing date was postponed to the first trading day thereafter). The number of restricted shares listed for trading amounted to 1,613,619,170 shares.



**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

**3. 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*

Item	Closing balance	Opening balance	Change	Reasons for change
Other receivables	<b>56,757,141</b>	41,399,402	37.1%	Mainly due to an increase in various types of deposits and advance payments paid by the Company for contracting projects
Long-term equity investments	<b>12,156,757</b>	8,916,066	36.3%	Mainly due to an increase in external equity investments by the Company
Investment properties	<b>5,977,181</b>	3,386,116	76.5%	Mainly due to an increase in investment housings and buildings held by the Company

**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***

For the first three quarters of 2018, newly signed contracts of the Company amounted to RMB449.9 billion in aggregate, representing an increase of 10.4% as compared with the same period of last year. In particular, newly signed engineering contracts amounted to RMB423.4 billion.

### 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 reasons in details	If not performed timely, specify further plans
Undertakings in relation to the initial public offering	Solution of horizontal competition	MCC Group	MCC Group, 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 non-public issuance	Others	MCC Group	Special Self-Inspection Report on the Real Estate Business for the Purpose of the Non-public Issuance of A Shares of Metallurgical Corporation of China Ltd. in 2015 disclosed MCC' s development of domestic commodity houses during the Reporting Period in a true, accurate and complete manner. If MCC acts in violation of laws and regulations, including leaving undisclosed lands unused and land speculating, property hoarding and driving up property prices by price-rigging, which lead to losses of MCC and investors, the undertaking party shall bear the relevant liabilities for compensation.	29 September 2015	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 reasons in details	If not performed timely, specify further plans
Undertakings in relation to the corporate bonds	Others	MCC	<p>If, during the existence of the Renewable Corporate Bonds (First Tranche) for 2017 under the Public Issuance, the Renewable Corporate Bonds (Second Tranche) for 2017 under the Public Issuance, the Renewable Corporate Bonds (Third Tranche) for 2017 under the Public Issuance, and the Renewable Corporate Bonds (Fourth Tranche) for 2017 under the Public Issuance by Metallurgical Corporation of China Ltd.* (collectively, the “2017 Renewable Corporate Bonds”), the Company does not expect to be able to pay the principal and interests of such bonds on time or fails to pay the principal and interests on time at the maturity date of such bonds, it shall adopt at least the following measures: (1) no distribution of profits to the holders of ordinary shares; (2) no reduction of registered capital.</p> <p>If, during the existence of the Corporate Bonds (First Tranche) for 2017 under the Public Issuance by Metallurgical Corporation of China Ltd.* (the “2017 Corporate Bonds”), the Company does not expect to be able to pay the principal and interests of 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, it shall adopt at least the following measures: (1) no distribution of profits to the holders of ordinary shares; (2) no reduction of registered capital.</p>	From the issuance date of the 2017 Renewable Corporate Bonds to the maturity date of such bonds	Yes	Yes	–	–
				25 October 2017 to 25 October 2022	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 reasons in details	If not performed timely, specify further plans
			If, during the existence of the Corporate Bonds (First Tranche) for 2018 under the Public Issuance by Metallurgical Corporation of China Ltd.* (the “2018 Corporate Bonds”), the Company does not expect to be able to pay the principal and interests of such bonds on time or fails to pay the principal and interests on time at the maturity date of such bonds, it shall adopt at least the following measures: (1) no distribution of profits to the holders of ordinary shares; (2) no reduction of registered capital.	8 May 2018 to 8 May 2023	Yes	Yes	–	–
			The proceeds from the 2017 Renewable Corporate Bonds, the 2017 Corporate Bonds and the 2018 Corporate Bonds are used only for the production and operating activities of enterprises that comply with the national laws, regulations and policies. Such proceeds shall be used strictly in accordance with the purposes specified in the prospectuses. No such proceeds shall be borrowed to others for use, nor shall it be used as non-production expenditures nor applied in real estate business. A practical and effective monitoring mechanism and isolation mechanism for proceeds will be established.	The issuance dates of the 2017 Renewable Corporate Bonds, the 2017 Corporate Bonds and the 2018 Corporate Bonds	No	Yes	–	–

**3.4 Warning and explanation in 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 29 October 2018

## IV. APPENDICES

### 4.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2018

Prepared by: Metallurgical Corporation of China Ltd.\*

*Unit: RMB'000, unaudited*

Item	Closing balance	Opening balance
<b>Current assets:</b>		
Cash and bank balances	40,339,583	43,593,622
Clearing settlement funds	0	0
Placements with banks and other financial institutions	0	0
Financial assets at fair value through profit or loss	0	151,451
Held-for-trading financial assets	1,503,780	0
Derivative financial assets	0	0
Bills receivable and accounts receivable	93,910,459	94,253,008
Including: Bills receivable	21,129,611	20,757,246
Accounts receivable	72,780,848	73,495,762
Prepayments	19,773,766	19,230,005
Premium receivable	0	0
Reinsurance accounts receivable	0	0
Reserves for reinsurance contract receivable	0	0
Other receivables	56,757,141	41,399,402
Including: Interests receivable	30,173	22,665
Dividends receivable	37,906	48,257
Financial assets held under resale agreements	0	0
Inventories	62,067,213	118,292,878
Contractual assets	72,901,502	0
Assets classified as held-for-sale	0	0
Non-current assets due within one year	2,679,449	2,171,927
Other current assets	4,182,427	3,236,652
<b>Total current assets</b>	<b>354,115,320</b>	<b>322,328,945</b>

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current assets:</b>		
Loans and advances	0	0
Available-for-sale financial assets	0	4,410,495
Investment in debts and equities	0	0
Other investments in debts and equities	0	0
Long-term receivables	21,221,390	23,541,178
Long-term equity investment	12,156,757	8,916,066
Investment in other equity instruments	1,951,018	0
Other non-current financial assets	3,569,061	0
Investment properties	5,977,181	3,386,116
Fixed assets	27,289,133	28,603,498
Construction in progress	3,444,778	2,891,030
Capitalized biological assets	0	0
Oil and gas assets	0	0
Intangible assets	14,869,644	15,419,183
Development expenses	0	0
Goodwill	163,354	164,282
Long-term deferred expenses	290,168	296,022
Deferred income tax assets	4,908,647	4,585,699
Other non-current assets	21,040	22,660
<b>Total non-current assets</b>	<b>95,862,171</b>	<b>92,236,229</b>
<b>Total assets</b>	<b>449,977,491</b>	<b>414,565,174</b>

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current liabilities:</b>		
Short-term borrowings	<b>51,532,395</b>	39,425,855
Borrowing from Central Bank	<b>0</b>	0
Absorbed deposits and interbank deposits	<b>0</b>	0
Borrowing funds	<b>0</b>	0
Held-for-trading financial liabilities	<b>0</b>	0
Derivative financial liabilities	<b>0</b>	0
Bills payable and accounts payable	<b>140,904,887</b>	139,831,143
Payments received in advance	<b>63,907</b>	43,861,424
Contractual liabilities	<b>56,356,802</b>	0
Funds from sales of financial assets with repurchasement agreement	<b>0</b>	0
Handling fee and commission payable	<b>0</b>	0
Staff remuneration payable	<b>2,115,621</b>	1,974,696
Taxes payable	<b>2,771,746</b>	3,428,721
Other payables	<b>26,695,685</b>	26,832,037
Including: Interests payable	<b>892,107</b>	551,884
Dividends payable	<b>845,945</b>	1,057,084
Reinsurance accounts payable	<b>0</b>	0
Provisions for insurance contracts	<b>0</b>	0
Funds arising from acting trading of securities	<b>0</b>	0
Funds arising from acting underwriting securities	<b>0</b>	0
Liabilities classified as held-for-sale	<b>0</b>	0
Non-current liabilities due within one year	<b>18,905,204</b>	18,423,908
Other current liabilities	<b>6,634,995</b>	6,357,400
<b>Total current liabilities</b>	<b>305,981,242</b>	280,135,184



Item	Closing balance	Opening balance
<b>Non-current liabilities:</b>		
Long-term loans	26,686,394	23,470,743
Debentures payable	8,526,214	7,086,675
Including: Preference shares	0	0
Perpetual bonds	0	0
Long-term payables	1,274,911	1,271,398
Long-term staff remuneration payable	3,591,995	3,554,213
Estimated liabilities	429,513	270,472
Deferred income	1,245,208	1,271,973
Deferred income tax liabilities	177,035	184,035
Other non-current liabilities	0	0
<b>Total non-current liabilities</b>	<b>41,931,270</b>	<b>37,109,509</b>
<b>Total liabilities</b>	<b>347,912,512</b>	<b>317,244,693</b>
<b>Owners' equity (or Shareholders' equity)</b>		
Paid-in capital (or share capital)	20,723,619	20,723,619
Other equity instruments	17,884,240	17,884,240
Including: Preference shares	0	0
Perpetual bonds	17,884,240	17,884,240
Capital reserve	22,527,253	22,527,667
Less: Treasury stock	0	0
Other comprehensive income	-255,750	5,218
Special reserve	12,550	12,550
Surplus reserve	1,338,615	1,338,615
General risk reserve	0	0
Undistributed profit	21,268,966	20,007,920
Total equity attributable to owners of the Company	83,499,493	82,499,829
Minority interest	18,565,486	14,820,652
<b>Total owners' equity (or Shareholders' equity)</b>	<b>102,064,979</b>	<b>97,320,481</b>
<b>Total liabilities and owners' equity (or Shareholders' equity)</b>	<b>449,977,491</b>	<b>414,565,174</b>

Legal representative:  
**Guo Wenqing**

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

Head of Accounting  
Department:  
**Fan Wanzhu**

**Balance Sheet of the Company***30 September 2018*

Prepared by: Metallurgical Corporation of China Ltd.\*

*Unit: RMB'000, unaudited*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current assets:</b>		
Cash and bank balances	<b>1,189,493</b>	4,658,892
Held-for-trading financial assets	<b>0</b>	0
Derivative financial assets	<b>0</b>	0
Bills receivable and accounts receivable	<b>1,091,550</b>	588,374
Including: Bills receivable	<b>0</b>	0
Accounts receivable	<b>1,091,550</b>	588,374
Prepayments	<b>628,397</b>	234,413
Other receivables	<b>37,479,813</b>	29,402,072
Including: Interests receivable	<b>2,772,797</b>	1,628,144
Dividends receivable	<b>690,459</b>	1,135,205
Inventories	<b>966</b>	421,130
Contractual assets	<b>469,068</b>	0
Assets classified as held-for-sale	<b>0</b>	0
Non-current assets due within one year	<b>1,277,037</b>	1,277,037
Other current assets	<b>23</b>	44
	<hr/>	<hr/>
<b>Total current assets</b>	<b>42,136,347</b>	36,581,962

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Non-current assets:</b>		
Available-for-sale financial assets	0	231
Investment in debts and equities	0	0
Other investments in debts and equities	0	0
Long-term receivables	4,325,333	4,150,983
Long-term equity investments	86,761,709	85,841,681
Investment in other equity instruments	231	0
Other non-current financial assets	0	0
Investment properties	0	0
Fixed assets	14,060	13,005
Construction in progress	0	0
Capitalized biological assets	0	0
Oil and gas assets	0	0
Intangible assets	8,488	10,113
Development expenses	0	0
Goodwill	0	0
Long-term prepaid expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	0	0
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>91,109,821</b>	<b>90,016,013</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>133,246,168</b>	<b>126,597,975</b>
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<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>Current liabilities:</b>		
Short-term borrowings	<b>28,580,760</b>	20,310,515
Held-for-trading financial liabilities	<b>0</b>	0
Derivative financial liabilities	<b>0</b>	0
Bills payable and accounts payable	<b>1,325,284</b>	865,246
Payments received in advance	<b>0</b>	948,899
Contractual liabilities	<b>1,085,701</b>	0
Staff remuneration payable	<b>11,370</b>	10,753
Taxes payable	<b>48,472</b>	58,010
Other payables	<b>12,505,770</b>	14,604,588
Including: Interests payable	<b>393,422</b>	242,298
Dividends payable	<b>655,991</b>	443,643
Liabilities classified as held-for-sale	<b>0</b>	0
Non-current liabilities due within one year	<b>3,982,671</b>	5,997,291
Other current liabilities	<b>0</b>	0
<b>Total current liabilities</b>	<b>47,540,028</b>	42,795,302
<b>Non-current liabilities:</b>		
Long-term loans	<b>5,300,000</b>	1,250,000
Debentures payable	<b>1,660,000</b>	570,000
Including: Preference shares	<b>0</b>	0
Perpetual bonds	<b>0</b>	0
Long-term payable	<b>300,000</b>	378,980
Long-term staff remuneration payable	<b>18,361</b>	18,366
Estimated liabilities	<b>0</b>	0
Deferred income	<b>4,411</b>	4,411
Deferred income tax liabilities	<b>0</b>	0
Other non-current liabilities	<b>0</b>	0
<b>Total non-current liabilities</b>	<b>7,282,772</b>	2,221,757
<b>Total liabilities</b>	<b>54,822,800</b>	45,017,059

Item	Closing balance	Opening balance
<b>Owners' equity (or Shareholders' equity):</b>		
Paid-in capital (or share capital)	20,723,619	20,723,619
Other equity instruments	17,884,240	17,884,240
Including: Preference shares	0	0
Perpetual bonds	17,884,240	17,884,240
Capital reserve	38,041,092	38,041,092
Less: Treasury stock	0	0
Other comprehensive income	78	718
Special reserve	12,550	12,550
Surplus reserve	1,338,615	1,338,615
Undistributed profit	423,174	3,580,082
	<hr/>	<hr/>
<b>Total owners' equity (or Shareholders' equity)</b>	<b>78,423,368</b>	<b>81,580,916</b>
	<hr/>	<hr/>
<b>Total liabilities and owners' equity (or Shareholders' equity)</b>	<b>133,246,168</b>	<b>126,597,975</b>
	<hr/> <hr/>	<hr/> <hr/>

<i>Legal representative:</i>	<i>Person in charge of Accounting:</i>	<i>Head of Accounting Department:</i>
<b>Guo Wenqing</b>	<b>Zou Hongying</b>	<b>Fan Wanzhu</b>

# Consolidated Income Statement

January to September 2018

Prepared by: Metallurgical Corporation of China Ltd.\*

Unit: RMB'000, unaudited

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>I. Total revenue from operations</b>	<b>55,088,834</b>	49,715,569	<b>181,201,407</b>	150,801,056
Including: Operating revenue	<b>55,088,834</b>	49,715,569	<b>181,201,407</b>	150,801,056
Interest income	0	0	0	0
Premium earned	0	0	0	0
Handling fee and commission income	0	0	0	0
<b>II. Total cost from operations</b>	<b>54,097,130</b>	48,441,973	<b>175,516,733</b>	145,793,083
Including: Operating cost	<b>48,195,228</b>	43,427,842	<b>158,836,327</b>	131,388,495
Interest expenses	0	0	0	0
Fees and commission expenses	0	0	0	0
Surrender payment	0	0	0	0
Net expenditure for compensation payments	0	0	0	0
Net provision for insurance deposits	0	0	0	0
Policyholder dividend expenses	0	0	0	0
Reinsurance costs	0	0	0	0
Taxes and surcharges	<b>335,573</b>	218,728	<b>1,526,271</b>	1,182,436
Selling expenses	<b>482,149</b>	410,814	<b>1,312,634</b>	1,250,173
Administrative expenses	<b>1,670,381</b>	1,571,473	<b>5,497,340</b>	5,045,179
Research and development expenses	<b>1,633,492</b>	1,191,658	<b>3,081,359</b>	2,347,356
Finance costs	<b>854,455</b>	879,871	<b>2,327,194</b>	2,476,468
Including: Interest expenses	<b>1,050,341</b>	776,680	<b>3,011,844</b>	2,456,684
Interest income	<b>603,197</b>	239,705	<b>1,612,693</b>	647,646
Asset impairment losses	<b>87,532</b>	741,587	<b>1,058,278</b>	2,102,976
Credit impairment losses	<b>838,320</b>	0	<b>1,877,330</b>	0

Item		Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
Add:	Other income	92,568	-51,769	165,508	0
	Investment income (losses are represented by “-”)	68,338	72,657	167,061	83,955
	Including: Gains from investment in associates and joint ventures	23,159	-19,606	-13,151	-89,741
	Gains on net exposure hedges (losses are represented by “-”)	0	0	0	0
	Gains from changes in fair value (losses are represented by “-”)	-6,079	4,661	2,110	15,341
	Gains on disposal of assets (losses are represented by “-”)	7,053	902	43,997	36,913
	Gains from foreign currencies exchange (losses are represented by “-”)	0	0	0	0
<b>III.</b>	<b>Operating profit (loss is presented by “-”)</b>	<b>1,153,584</b>	<b>1,300,047</b>	<b>6,063,350</b>	<b>5,144,182</b>
	Add: Non-operating income	77,606	120,607	281,394	329,161
	Less: Non-operating expenses	13,898	24,745	463,804	103,222
<b>IV.</b>	<b>Total profit (total loss is represented by “-”)</b>	<b>1,217,292</b>	<b>1,395,909</b>	<b>5,880,940</b>	<b>5,370,121</b>
	Less: Income tax expenses	204,883	267,920	1,369,563	1,324,277

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>V. Net profit (net loss is represented by “-”)</b>	<b>1,012,409</b>	1,127,989	<b>4,511,377</b>	4,045,844
(I) Classification according to the continuity of operation				
1. Net profit from continuing operations (net loss is represented by “-”)	<b>1,012,409</b>	1,127,989	<b>4,511,377</b>	4,045,844
2. Net profit from discontinued operations (net loss is represented by “-”)	<b>0</b>	0	<b>0</b>	0
(II) Attributable to				
1. Net profit attributable to owners of the parent company	<b>858,327</b>	874,210	<b>3,765,524</b>	3,548,886
2. Minority interests	<b>154,082</b>	253,779	<b>745,853</b>	496,958
<b>VI. Other net comprehensive income after tax</b>	<b>440</b>	33,342	<b>-171,115</b>	96,755
Other net comprehensive income after tax attributable to owners of the parent company	<b>-13,596</b>	51,685	<b>-177,451</b>	132,831
(1) Items of other comprehensive income which cannot be reclassified into profit or loss	<b>-41,149</b>	-2,056	<b>-245,056</b>	139,100
1. Recalculation of the change of the benefit plan	<b>13</b>	-2,056	<b>-120,158</b>	139,100
2. The amount of other comprehensive income which cannot be transferred to profit or loss under the equity method	<b>0</b>	0	<b>0</b>	0
3. Changes in fair value of investment in other equity instruments	<b>-41,162</b>	0	<b>-124,898</b>	0
4. Changes in fair value of inherent credit risk	<b>0</b>	0	<b>0</b>	0



Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
(2) Other comprehensive income to be reclassified into profit or loss	27,553	53,741	67,605	-6,269
1. The amount of other comprehensive income to be transferred to profit or loss under the equity method	0	-25	20	-129
2. Change in profit or loss in fair value of financial assets available-for-sale	0	15,719	0	8,709
3. Changes in fair value of other investments in debts and equities	0	0	0	0
4. The amount of financial assets reclassified into other comprehensive income	0	0	0	0
5. Credit impairment provision for other investments in debts and equities	0	0	0	0
6. Cash flow hedge reserve	0	-852	0	-852
7. Translation difference of foreign currency financial statement	27,553	38,899	67,585	-13,997
Other net comprehensive incomes after tax attributable to minority shareholders	14,036	-18,343	6,336	-36,076
<b>VII. Total comprehensive income</b>	<b>1,012,849</b>	<b>1,161,331</b>	<b>4,340,262</b>	<b>4,142,599</b>
Total comprehensive income attributable to owners of the parent company	844,731	925,895	3,588,073	3,681,717
Total comprehensive income attributable to minority interests	168,118	235,436	752,189	460,882
<b>VIII. Earnings per share</b>				
(1) Basic earnings per share (RMB/Share)	0.06	0.05	0.18	0.16
(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**

# Income Statement of the Company

January to September 2018

Prepared by: Metallurgical Corporation of China Ltd.\*

Unit: RMB'000, unaudited

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>I. Operating revenue</b>	<b>1,170,063</b>	940,984	<b>3,244,802</b>	2,654,387
Less: Operating cost	<b>1,154,424</b>	797,847	<b>3,130,591</b>	2,384,949
Taxes and surcharges	<b>769</b>	5,008	<b>2,326</b>	9,958
Selling expenses	<b>0</b>	0	<b>0</b>	0
Administrative expenses	<b>42,263</b>	44,836	<b>115,013</b>	121,087
Research and development expenses	<b>0</b>	0	<b>0</b>	0
Finance costs	<b>377,147</b>	-44,121	<b>725,032</b>	164,468
Including: Interest expenses	<b>488,025</b>	285,294	<b>1,320,877</b>	1,127,486
Interest income	<b>391,461</b>	310,004	<b>1,136,038</b>	934,304
Asset impairment losses	<b>0</b>	0	<b>0</b>	-23,370
Credit impairment losses	<b>0</b>	0	<b>1,158</b>	0
Add: Other income	<b>0</b>	0	<b>0</b>	0
Investment income				
(losses are represented by "-")	<b>17,267</b>	0	<b>14,173</b>	500,800
Including: Gains from investment in associates and joint ventures	<b>2,883</b>	0	<b>-211</b>	800
Gains on net exposure hedges (losses are represented by "-")	<b>0</b>	0	<b>0</b>	0
Gains from changes in fair value (losses are represented by "-")	<b>0</b>	0	<b>0</b>	0
Gains on disposal of assets (losses are represented by "-")	<b>0</b>	0	<b>2</b>	0

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>II. Operating profits</b>				
(losses are represented by “-”)	<b>-387,273</b>	137,414	<b>-715,143</b>	498,095
Add: Non-operating income	<b>0</b>	0	<b>6</b>	1,445
Less: Non-operating expenses	<b>113,608</b>	37	<b>113,630</b>	555
<b>III. Total profits</b>				
(total loss is represented by “-”)	<b>-500,881</b>	137,377	<b>-828,767</b>	498,985
Less: Income tax expenses	<b>2,102</b>	0	<b>8,374</b>	3,696
<b>IV. Net profit (net loss is represented by “-”)</b>	<b>-502,983</b>	137,377	<b>-837,141</b>	495,289
(1) Net profit from continuing operations (net loss is represented by “-”)	<b>-502,983</b>	137,377	<b>-837,141</b>	495,289
(2) Net profit from discontinued operations (net loss is represented by “-”)	<b>0</b>	0	<b>0</b>	0
<b>V. Other net comprehensive income after tax</b>	<b>0</b>	0	<b>-640</b>	732
(1) Items of other comprehensive income which cannot be reclassified into profit or loss	<b>0</b>	0	<b>-640</b>	732
1. Recalculation of the change of the benefit plan	<b>0</b>	0	<b>-640</b>	732
2. The amount of other comprehensive income which cannot be transferred to profit or loss under the equity method	<b>0</b>	0	<b>0</b>	0
3. Changes in fair value of investment in other equity instruments	<b>0</b>	0	<b>0</b>	0
4. Changes in fair value of inherent credit risk	<b>0</b>	0	<b>0</b>	0

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
(2) Other comprehensive income to be reclassified into profit or loss	0	0	0	0
1. The amount of other comprehensive income to be transferred to profit or loss under the equity method	0	0	0	0
2. Changes in fair value of other investments in debts and equities	0	0	0	0
3. The amount of financial assets reclassified into other comprehensive income	0	0	0	0
4. Credit impairment provision for other investments in debts and equities	0	0	0	0
5. Cash flow hedge reserve	0	0	0	0
6. Translation difference of foreign currency financial statement	0	0	0	0
<b>VI. Total comprehensive income</b>	<b>-502,983</b>	137,377	<b>-837,781</b>	496,021
<b>VII. Earnings per share:</b>				
(1) Basic earnings per share <i>(RMB/Share)</i>	N/A	N/A	N/A	N/A
(2) Diluted earnings per share <i>(RMB/Share)</i>	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 2018

Prepared by: Metallurgical Corporation of China Ltd.\*

Unit: RMB'000, unaudited

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	180,035,056	148,316,539
Net increase in deposits from customers and placements from banks and other financial institutions	0	0
Net increase in borrowings from central bank	0	0
Net increase in placements from other financial institutions	0	0
Cash received from premiums of original insurance contracts	0	0
Net cash received from reinsurance business	0	0
Net increase in deposits from policyholders and investments	0	0
Net increase in disposal of financial assets at fair value through profit or loss during the period	0	0
Cash received from interest, handling charges and commissions	0	0
Net increase in capital due to banks and other financial institutions	0	0
Net increase in repurchases business fund	0	0
Tax rebate received	714,664	266,715
Other cash received relating to operating activities	1,970,815	3,689,550
Sub-total of cash inflow from operating activities	182,720,535	152,272,804

<b>Item</b>	<b>Amount from the beginning of the year to the end of the Reporting Period (January to September)</b>	<b>Amount from the beginning of the previous year to the end of the Reporting Period (January to September)</b>
Cash paid for purchasing goods and receiving services	<b>159,034,917</b>	138,005,558
Net increase in loans and advances to customers	<b>0</b>	0
Net increase in placements with central bank and other financial institutions	<b>0</b>	0
Cash paid for claims on original insurance contracts	<b>0</b>	0
Cash payment for interest, handling charges and commissions	<b>0</b>	0
Cash payment for policyholder dividend	<b>0</b>	0
Cash paid to and on behalf of employees	<b>13,514,520</b>	11,737,219
Various taxes paid	<b>7,870,023</b>	8,406,442
Other cash paid relating to operating activities	<b>9,606,797</b>	8,201,435
Sub-total of cash outflow from operating activities	<b>190,026,257</b>	166,350,654
Net cash flow from operating activities	<b>-7,305,722</b>	-14,077,850

<b>Item</b>	<b>Amount from the beginning of the year to the end of the Reporting Period (January to September)</b>	<b>Amount from the beginning of the previous year to the end of the Reporting Period (January to September)</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	<b>40,840</b>	41,600
Cash received from return on investments	<b>74,303</b>	73,850
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	<b>92,448</b>	143,217
Net cash received from disposal of subsidiaries and other business entities	<b>41,452</b>	0
Other cash received relating to investing activities	<b>1,488,742</b>	237,107
	<hr/>	<hr/>
Sub-total of cash inflow from investing activities	<b>1,737,785</b>	495,774
	<hr/>	<hr/>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<b>3,073,422</b>	2,397,819
Cash paid for investment	<b>5,151,031</b>	3,776,342
Net increase in pledged loans	<b>0</b>	0
Net cash paid for acquisition of subsidiaries and other business entities	<b>0</b>	0
Other cash paid relating to investing activities	<b>3,018,400</b>	305,114
	<hr/>	<hr/>
Sub-total of cash outflow from investing activities	<b>11,242,853</b>	6,479,275
	<hr/>	<hr/>
Net cash flows from investing activities	<b>-9,505,068</b>	-5,983,501
	<hr/>	<hr/>

<b>Item</b>	<b>Amount from the beginning of the year to the end of the Reporting Period (January to September)</b>	<b>Amount from the beginning of the previous year to the end of the Reporting Period (January to September)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from investments	3,299,355	10,182,284
Including: Cash received by subsidiaries from minority shareholder's investment	3,299,355	2,182,994
Cash received from borrowings	103,023,130	75,810,924
Cash received from issue of bonds	0	0
Other cash received relating to financing activities	0	223,988
Sub-total of cash inflow from financing activities	106,322,485	86,217,196
Cash paid for repayment of liabilities	86,728,568	69,168,402
Cash paid for dividend, profit distribution or interest repayment	5,994,072	5,767,241
Including: Dividend and profit paid by subsidiaries to minority shareholders	199,010	340,879
Other cash paid relating to financing activities	2,509,179	361,500
Sub-total of cash outflow from financing activities	95,231,819	75,297,143
Net cash flows from financing activities	11,090,666	10,920,053
<b>IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate</b>	<b>-43,093</b>	<b>-109,665</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>-5,763,217</b>	<b>-9,250,963</b>
Add: Balance of cash and cash equivalents at the beginning of the period	36,464,133	38,711,911
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>30,700,916</b>	<b>29,460,948</b>

*Legal representative:*  
**Guo Wenqing**

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

*Head of Accounting  
Department:*  
**Fan Wanzhu**



## Cash Flow Statements of the Company

January to September 2018

Prepared by: Metallurgical Corporation of China Ltd.\*

*Unit: RMB'000, unaudited*

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>I. Cash flows from operating activities:</b>		
Cash received from selling goods and rendering services	1,263,798	1,447,919
Tax rebate received	0	1,526
Other cash received relating to operating activities	911,150	687,405
	<hr/>	<hr/>
Sub-total of cash inflow from operating activities	2,174,948	2,136,850
	<hr/>	<hr/>
Cash paid for purchasing goods and receiving services	1,730,651	936,129
Cash paid to and on behalf of employees	62,934	56,561
Various taxes paid	60,075	51,919
Other cash paid relating to operating activities	1,197,445	688,582
	<hr/>	<hr/>
Sub-total of cash outflow from operating activities	3,051,105	1,733,191
	<hr/>	<hr/>
Net cash flow from operating activities	-876,157	403,659

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	0	0
Cash received from return on investments	490,870	1,071,007
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	25	0
Net cash received from disposal of subsidiaries and other business entities	0	0
Other cash received relating to investing activities	10,841,781	7,311,670
	<hr/>	<hr/>
Sub-total of cash inflow from investing activities	11,332,676	8,382,677
	<hr/>	<hr/>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,389	1,544
Cash paid for investment	1,228,313	4,642,210
Net cash paid for acquisition of subsidiaries and other business entities	0	0
Other cash paid relating to investing activities	15,180,251	11,811,816
	<hr/>	<hr/>
Sub-total of cash outflow from investing activities	16,410,953	16,455,570
	<hr/>	<hr/>
Net cash flows from investing activities	-5,078,277	-8,072,893
	<hr/>	<hr/>

Item	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Amount from the beginning of the previous year to the end of the Reporting Period (January to September)
<b>III. Cash flows from financing activities:</b>		
Cash received from investments	0	7,999,290
Cash received from borrowings	64,087,629	22,729,810
Cash received from issue of bonds	0	0
Other cash received relating to financing activities	0	0
	<hr/>	<hr/>
Sub-total of cash inflow from financing activities	64,087,629	30,729,100
	<hr/>	<hr/>
Cash paid for repayment of liabilities	52,240,854	25,744,166
Cash paid for dividend, profit distribution or interest repayment	2,970,833	2,836,118
Other cash paid relating to financing activities	6,388,671	0
	<hr/>	<hr/>
Sub-total of cash outflow from financing activities	61,600,358	28,580,284
	<hr/>	<hr/>
Net cash flows from financing activities	2,487,271	2,148,816
	<hr/>	<hr/>
<b>IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate</b>	8,591	-9,976
	<hr/>	<hr/>
<b>V. Net increase in cash and cash equivalents</b>	-3,458,572	-5,530,394
Add: Balance of cash and cash equivalents at the beginning of the period	4,648,065	7,692,102
	<hr/>	<hr/>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	1,189,493	2,161,708
	<hr/>	<hr/>

*Legal representative:*  
**Guo Wenqing**

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

*Head of Accounting Department:*  
**Fan Wanzhu**

## 4.2 Audit Report

☐ Applicable      ☒ Not applicable