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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)

2023 FIRST 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 the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The following is the 2023 first quarterly report of Metallurgical Corporation of China Ltd.* and its subsidiaries. The financial reports therein are prepared in accordance with the Chinese Accounting Standards for Business Enterprises and are unaudited.

By order of the Board
Metallurgical Corporation of China Ltd.*
Wang Zhen
Joint Company Secretary

Beijing, the PRC
27 April 2023

As at the date of this announcement, the Board of the Company comprises executive directors: Mr. Chen Jianguang and Mr. Zhang Mengxing; non-executive directors: Mr. Lang Jia and Mr. Yan Aizhong (employee representative director); and independent non-executive directors: Mr. Zhou Jichang, Mr. Liu Li and Mr. Ng, Kar Ling Johnny.

* *For identification purpose only*

IMPORTANT NOTICE

1. The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this quarterly report, and they severally and jointly accept legal responsibility for the truthfulness, accuracy and completeness of its contents.
2. The person in charge of the Company, the person in charge of accounting operations and the Head of Accounting Department of the Company have declared that they warrant the truthfulness, accuracy and completeness of the financial information contained in this quarterly report.
3. Whether the Company's first quarterly report has been audited
 Yes No
4. Unless otherwise specified, all the amounts in this report are denominated in RMB.

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: RMB'000

Item	During the Reporting Period	Increase/decrease during the Reporting Period as compared to the corresponding period of the previous year (%)
Operating revenue	144,452,637	22.39
Net profit attributable to shareholders of the listed Company	3,371,860	25.77
Net profit attributable to shareholders of the listed Company after deducting non-recurring profits and losses	3,284,546	27.23
Net cash flow generated from operating activities	-21,557,680	N/A
Basic earnings per share (<i>RMB/share</i>)	0.15	25.00
Diluted earnings per share (<i>RMB/share</i>)	0.15	25.00
Weighted average return on net assets (%)	3.38	Increased by 0.51 percentage point
	At the end of the Reporting Period	At the end of the previous year
		Increase/decrease at the end of the Reporting Period as compared with the end of the previous year (%)
Total assets	636,185,289	585,384,390 8.68
Owners' equity attributable to shareholders of the listed Company	142,216,407	121,108,334 17.43

(II) Non-recurring profit or loss items and their amounts

Unit: RMB'000

Item	Amount for the Reporting Period
Profit or loss from disposal of non-current assets	15,841
Government subsidies recorded under current profit or loss (excluding those closely related to the normal business operations of the Company, in compliance with requirements of the national policies and granted continuously in a fixed amount or fixed quantity under the standards of the State)	73,180
Profit or loss from debt restructuring	3,118
Profit or loss from the changes in fair values of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from the disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging transactions under the Company's normal operating business	(3,252)
Other non-operating income or expenses other than the above items	21,887
Less: Impact on income tax	(12,597)
Impact on minority shareholders' interests (after tax)	(10,863)
Total	87,314

Explanations on defining non-recurring profit or loss items as recurring profit or loss items as illustrated in the Explanatory Announcement on Information Disclosure by Companies Offering Their Securities No. 1 – Non-recurring Profit or Loss

Applicable Not applicable

(III) Changes in major accounting data and financial indicators with reasons

Applicable Not applicable

II. INFORMATION OF THE SHAREHOLDERS

(I) Total number of ordinary shareholders and shareholders of preference shares with restored voting rights and shareholding of the top ten shareholders ⁽¹⁾

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	367,563	Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	N/A
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Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen Status of shares	Amount
China Metallurgical Group Corporation (中國冶金科工集團有限公司)	State-owned legal person	10,190,955,300	49.18	0	Nil	0
HKSCC Nominees Limited (香港中央結算(代理人)有限公司) ⁽²⁾	Others	2,842,123,951	13.71	0	Nil	0
PetroChina Company Limited (中國石油天然氣集團有限公司)	State-owned legal person	1,227,760,000	5.92	0	Nil	0
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	State-owned legal person	589,038,427	2.84	0	Nil	0
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	Others	582,607,869	2.81	0	Nil	0
Bank of Communications Co., Ltd – GF China Securities Trading – Index Securities Investment Open-ended Fund (交通銀行股份有限公司 – 廣發中證基建工程交易型開放式指數證券投資基金)	Others	63,895,100	0.31	0	Nil	0
Bosera Funds - Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
EFund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0

Shareholding of the top 10 shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen Status of shares	Amount
Da Cheng Fund – Agricultural Bank – DaCheng 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)	Others	63,516,600	0.31	0	Nil	0
Harvest Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
GF Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
Zhong Ou Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
China AMC Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
Yinhua Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
China Southern Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0
ICBC Credit Suisse Fund – Agricultural Bank – 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)	Others	63,516,600	0.31	0	Nil	0

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)	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⁾	2,842,092,951	Overseas-listed foreign shares	2,842,092,951
PetroChina Company Limited (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)	589,038,427	RMB-denominated ordinary shares	589,038,427
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	582,607,869	RMB-denominated ordinary shares	582,607,869
Bank of Communications Co., Ltd. – GF China Securities Trading – Index Securities Investment Open-ended Fund (交通銀行股份有限公司 – 廣發中證基建工程交易型開放式指數證券投資基金)	63,895,100	RMB-denominated ordinary shares	63,895,100
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program (博時基金 – 農業銀行 – 博時中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
EFund – Agricultural Bank – 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 – DaCheng 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 – 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 – 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 – 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

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 AMC Fund – Agricultural Bank – 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 – Yinhua China Securities and Financial Assets Management Program (銀華基金－農業銀行－銀華中證金融資產管理計劃)	63,516,600	RMB-denominated ordinary shares	63,516,600
China Southern Fund – Agricultural Bank – 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 – 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 relationships or concerted action among the aforesaid shareholders	The Company is not aware of any relationships or concerted action among the aforesaid shareholders		
Explanations on the top ten shareholders and top ten shareholders not subject to selling restrictions involved in margin trading, securities lending and refinancing businesses (if any)	Not Applicable		

Note (1): Figures in the table were extracted from the Company's register of shareholders as at 31 March 2023.

Note (2): The H shares held by HKSCC Nominees Limited are held on behalf of various beneficial owners.

III. OTHER REMINDERS

Other important information about the Company's operation during the Reporting Period that investors need to be reminded of

Applicable Not applicable

The Company signed new contracts with a cumulative value of RMB325.809 billion in the first quarter of 2023, representing an increase of 2.10% as compared with the corresponding period of last year. Among them, the value of newly signed engineering contracts was RMB314.573 billion.

IV. QUARTERLY FINANCIAL REPORT

(I) Auditor's opinion

Applicable Not applicable

(II) Financial statements

CONSOLIDATED BALANCE SHEET 31 March 2023

Prepared by: METALLURGICAL CORPORATION OF CHINA LTD.*

Unit: RMB'000, unaudited

Items	31 March 2023	31 December 2022
Current Assets:		
Cash and bank balances	58,041,983	45,485,413
Financial assets held for trading	3,647	178,026
Derivative financial assets	1,413	–
Bills receivable	4,427,363	5,127,425
Accounts receivable	103,165,386	93,439,673
Receivable financing	9,883,388	10,346,388
Prepayments	38,123,394	36,352,532
Other receivables	48,891,945	48,071,717
Of which: Interest receivables	13,583	11,614
Dividends receivables	79,845	142,428
Inventories	86,189,818	79,948,631
Contract assets	126,085,706	106,826,600
Non-current assets due within one year	3,683,367	4,896,108
Other current assets	9,077,163	7,533,147
Total Current Assets	487,574,573	438,205,660

Items	31 March 2023	31 December 2022
Non-current Assets:		
Long-term receivables	37,211,399	35,841,643
Long-term equity investments	33,082,144	31,863,695
Investments in other equity instruments	1,060,755	939,925
Other non-current financial assets	3,917,928	4,477,895
Investment properties	7,843,741	7,871,895
Fixed assets	24,984,568	25,411,113
Construction in progress	4,140,314	4,077,347
Right-of-use assets	765,648	860,236
Intangible assets	22,104,204	22,026,293
Goodwill	54,315	54,315
Long-term prepayments	439,617	396,200
Deferred tax assets	6,449,733	6,260,115
Other non-current assets	6,556,350	7,098,058
Total Non-current Assets	<u>148,610,716</u>	<u>147,178,730</u>
Total Assets	<u>636,185,289</u>	<u>585,384,390</u>
Current Liabilities:		
Short-term borrowings	39,852,946	20,192,878
Derivative financial liabilities	201,121	200,670
Bills payable	37,266,395	37,186,380
Accounts payable	200,976,179	187,160,134
Receipts in advance	104,069	92,382
Contract liabilities	73,287,338	74,016,212
Employee benefits payable	2,285,867	2,254,726
Taxes payable	4,626,719	5,525,953
Other payables	27,393,689	28,228,858
Of which: Interest payable	12,659	11,139
Dividends payable	655,860	452,635
Non-current liabilities due within one year	9,478,860	11,981,744
Other current liabilities	16,402,624	19,004,712
Total Current Liabilities	<u>411,875,807</u>	<u>385,844,649</u>

Items	31 March 2023	31 December 2022
Non-current Liabilities:		
Long-term borrowings	36,249,603	28,840,673
Bonds payable	3,300,000	1,300,000
Lease liabilities	560,380	569,000
Long-term payables	1,257,288	615,009
Long-term employee benefits payable	3,496,548	3,506,754
Provisions	994,734	1,081,743
Deferred income	1,084,524	1,078,553
Deferred tax liabilities	202,943	178,523
Other non-current liabilities	460,361	460,361
	<hr/>	<hr/>
Total Non-current Liabilities	47,606,381	37,630,616
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities	459,482,188	423,475,265
	<hr/> <hr/>	<hr/> <hr/>
Shareholders' Equity:		
Share capital	20,723,619	20,723,619
Other equity instruments	46,500,000	28,500,000
Including: Perpetual bond	46,500,000	28,500,000
Capital reserve	22,588,477	22,601,592
Other comprehensive income	1,025,780	1,084,471
Special reserve	119,813	119,813
Surplus reserve	2,976,424	2,976,424
Retained earnings	48,282,294	45,102,415
Total shareholders' equity attributable to shareholders of the Company	142,216,407	121,108,334
Non-controlling interests	34,486,694	40,800,791
	<hr/>	<hr/>
Total Shareholders' Equity	176,703,101	161,909,125
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Shareholders' Equity	636,185,289	585,384,390
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Person in charge of accounting

Chairman:
Chen Jianguang

operations:
Zou Hongying

Head of Accounting Department:
Fan Wanzhu

CONSOLIDATED INCOME STATEMENT
From January to March 2023

Prepared by: METALLURGICAL CORPORATION OF CHINA LTD.*

Unit: RMB'000, unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total operating revenue	144,452,637	118,026,827
Including: Operating revenue	144,452,637	118,026,827
II. Total operating costs	138,012,335	112,295,501
Including: Operating costs	130,807,721	105,628,217
Taxes and levies	468,004	364,346
Selling expenses	657,851	593,738
Administrative expenses	3,072,038	2,778,663
Research and development expenses	2,814,669	2,627,098
Financial expenses	192,052	303,439
Including: Interest expenses	280,438	471,046
Interest income	357,905	410,002
Add: Other income	74,866	55,160
Investment income	(314,981)	(184,458)
Including: Income from investments in associates and joint ventures	9,398	102,931
Income from derecognition of financial assets at amortised cost	(235,564)	(215,855)
(Losses)/gains from changes in fair values	(3,252)	8,073
Credit impairment losses	(532,059)	(503,905)
Asset impairment losses	(379,525)	(344,310)
Gains on disposal of assets	15,841	7,291
III. Operating profit	5,301,192	4,769,177
Add: Non-operating income	50,160	44,134
Less: Non-operating expenses	20,564	20,294
IV. Total profit	5,330,788	4,793,017
Less: Income tax expenses	941,906	999,492

Items	First quarter of 2023	First quarter of 2022
V. Net profit	4,388,882	3,793,525
(I) Net profit classified by operating continuity		
Net profit from continuing operations	4,388,882	3,793,525
(II) Net profit classified by ownership		
1. Net profit attributable to shareholders of the Company	3,371,860	2,681,072
2. Profit or loss attributable to minority shareholders	1,017,022	1,112,453
VI. Other comprehensive income, net of tax	(79,761)	18,801
(I) Other comprehensive income attributable to owners of the Company, net of tax	(58,691)	13,229
1. Items that will not be reclassified into profit or loss	12,115	15,220
(1) Changes in re-measurement of defined benefit obligations	713	15,220
(2) Changes in fair values of other equity instrument investments	11,402	–
2. Items that may be reclassified into profit or loss	(70,806)	(1,991)
(1) Changes in fair value of receivable financing	16,022	29,629
(2) Currency translation differences	(86,828)	(31,620)
(II) Other comprehensive income attributable to minority shareholders, net of tax	(21,070)	5,572

Items	First quarter of 2023	First quarter of 2022
VII. Total comprehensive income	4,309,121	3,812,326
(I) Total comprehensive income attributable to shareholders of the Company	3,313,169	2,694,301
(II) Total comprehensive income attributable to minority shareholders	995,952	1,118,025
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.15	0.12
(II) Diluted earnings per share (<i>RMB/share</i>)	0.15	0.12

If a merger occurs between businesses under common control during the period, the pre-merger net profit realized by the target is recognized as RMB0, and the net profit realized by the target for the previous period was recognized as RMB0.

<i>Chairman:</i>	<i>Person in charge of accounting operations:</i>	<i>Head of Accounting Department:</i>
Chen Jianguang	Zou Hongying	Fan Wanzhu

CONSOLIDATED CASH FLOW STATEMENT
From January to March 2023

Prepared by: METALLURGICAL CORPORATION OF CHINA LTD.*

Unit: RMB'000, unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	120,067,294	119,315,813
Receipts of tax refunds	111,352	131,284
Other cash receipts relating to operating activities	<u>9,222,696</u>	<u>8,409,485</u>
Sub-total of cash inflows from operating activities	<u><u>129,401,342</u></u>	<u><u>127,856,582</u></u>
Cash payments for goods purchased and services received	127,662,591	122,902,572
Cash payments to and on behalf of employees	7,789,400	7,653,631
Payments of various types of taxes	3,048,283	2,970,066
Other cash payments relating to operating activities	<u>12,458,748</u>	<u>8,872,589</u>
Sub-total of cash outflows from operating activities	<u><u>150,959,022</u></u>	<u><u>142,398,858</u></u>
Net cash flows from operating activities	<u><u>(21,557,680)</u></u>	<u><u>(14,542,276)</u></u>

Items	First quarter of 2023	First quarter of 2022
II. Cash Flows from Investing Activities:		
Cash receipts from realisation of investments	271,623	29,232
Cash receipts from investment income	66,632	45,391
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	12,927	254,485
Net cash receipts from disposal of subsidiaries and other business entities	63,558	–
Other cash receipts relating to investing activities	332,208	26,465
	<u>746,948</u>	<u>355,573</u>
Sub-total of cash inflows from investing activities	<u>746,948</u>	<u>355,573</u>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	640,560	511,407
Cash payments to acquire investments	1,448,942	1,816,633
Net cash payments for acquiring subsidiaries and other business entities	2,576	–
Other cash payments relating to investing activities	–	186,787
	<u>2,092,078</u>	<u>2,514,827</u>
Sub-total of cash outflows from investing activities	<u>2,092,078</u>	<u>2,514,827</u>
Net cash flows from investing activities	<u>(1,345,130)</u>	<u>(2,159,254)</u>
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	18,000,000	31,222
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries	–	31,222
Cash receipts from borrowings	76,869,687	48,654,295
Other cash received relating to financing activities	2,000	1,796,188
	<u>94,871,687</u>	<u>50,481,705</u>
Sub-total of cash inflows from financing activities	<u>94,871,687</u>	<u>50,481,705</u>

Items	First quarter of 2023	First quarter of 2022
Cash repayments of borrowings	50,644,727	18,901,444
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,290,118	1,241,263
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries	186,912	7,449
Other cash payments relating to financing activities	7,186,889	138,228
Sub-total of cash outflows from financing activities	<u>59,121,734</u>	<u>20,280,935</u>
Net cash flows from financing activities	<u>35,749,953</u>	<u>30,200,770</u>
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	105,615	(8,651)
V. Net Increase in Cash and Cash Equivalents	12,952,758	13,490,589
Add: Balance of cash and cash equivalents at the beginning of the period	33,468,217	31,216,824
VI. Balance of Cash and Cash Equivalents at the End of the Period	<u>46,420,975</u>	<u>44,707,413</u>

	<i>Person in charge of accounting</i>	
<i>Chairman:</i>	<i>operations:</i>	<i>Head of Accounting Department:</i>
Chen Jianguang	Zou Hongying	Fan Wanzhu

THE COMPANY'S BALANCE SHEET
31 March 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	31 March 2023	31 December 2022
Current Assets:		
Cash and bank balances	6,816,968	4,562,014
Financial assets held for trading	1,574	–
Accounts receivable	484,888	390,950
Prepayments	240,717	241,723
Other receivables	75,426,260	69,564,542
Of which: Interest receivables	8,660,582	8,180,222
Dividends receivables	3,537,361	3,621,605
Inventories	877	877
Contract assets	975,702	829,494
Non-current assets due within one year	2,037	2,037
Total Current Assets	83,949,023	75,591,637
Non-current Assets:		
Long-term equity investments	241,531	241,531
Other equity instrument investments	97,956,834	97,969,791
Other non-current financial assets	687	687
Fixed assets	17,563	18,393
Right-of-use assets	35,369	40,474
Intangible assets	2,178	2,416
Other non-current assets	391,112	431,393
Total Non-current Assets	98,645,274	98,704,685
Total Assets	182,594,297	174,296,322

Items	31 March 2023	31 December 2022
Current Liabilities:		
Short-term borrowings	13,329,810	8,540,913
Derivative financial liabilities	181,231	166,454
Accounts payable	2,135,189	1,851,774
Contract liabilities	515,051	519,069
Employee benefits payable	16,314	17,278
Taxes payable	42,190	56,526
Other payables	31,455,726	46,269,575
Of which: Interest payable	373,928	247,270
Dividends payable	269,908	117,676
Non-current liabilities due within one year	20,455,321	20,498,188
Total Current Liabilities	68,130,832	77,919,777
Non-current Liabilities:		
Long-term borrowings	–	439,080
Lease liabilities	14,812	19,819
Long-term payables	439,080	–
Long-term employee benefits payable	54,341	56,406
Deferred income	3,598	3,598
Total Non-current Liabilities	511,831	518,903
Total Liabilities	68,642,663	78,438,680

Items	31 March 2023	31 December 2022
Shareholders' Equity:		
Share capital	20,723,619	20,723,619
Other equity instruments	46,500,000	28,500,000
Including: Perpetual bonds	46,500,000	28,500,000
Capital reserve	37,894,014	37,907,129
Other comprehensive income	(4,125)	(4,125)
Special reserve	12,550	12,550
Surplus reserve	2,976,424	2,976,424
Retained earnings	5,849,152	5,742,045
	<u>113,951,634</u>	<u>95,857,642</u>
Total Shareholders' Equity	<u>113,951,634</u>	<u>95,857,642</u>
Total Liabilities and Shareholders' Equity	<u>182,594,297</u>	<u>174,296,322</u>

Chairman:
Chen Jianguang

*Person in charge of
accounting operations:*
Zou Hongying

*Head of Accounting
Department:*
Fan Wanzhu

THE COMPANY'S INCOME STATEMENT
From January to March 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total operating revenue	237,854	444,805
Less: Operating costs	237,399	378,074
Taxes and levies	1,503	571
Administrative expenses	44,149	43,672
Financial expenses	(104,734)	14,927
Including: Interest expenses	616,882	570,095
Interest income	684,974	537,043
Add: Other income	662	1,217
Investment income	252,092	51,985
Including: Gains from		
investments in		
associates and		
joint ventures	–	51,985
(Losses)/gains from changes in		
fair values	(13,202)	8,985
Credit impairment losses	–	(13,055)
II. Operating profit	299,089	56,693
Add: Non-operating income	–	90
Less: Non-operating expenses	2	2
III. Total profit	299,087	56,781
Less: Income tax expenses	–	–
IV. Net profit	299,087	56,781
Net profit from continuing operations	299,087	56,781
V. Other comprehensive income, net of income tax	–	–
VI. Total comprehensive income	299,087	56,781

Chairman:
Chen Jianguang

*Person in charge of
accounting operations:*
Zou Hongying

*Head of Accounting
Department:*
Fan Wanzhu

THE COMPANY'S CASH FLOW STATEMENT
From January to March 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	315,361	424,273
Other cash receipts relating to operating activities	71,512	517,063
Sub-total of cash inflows from operating activities	386,873	941,336
Cash payments for goods purchased and services received	244,370	386,046
Cash payments to and on behalf of employees	46,502	44,069
Payments of various types of taxes	9,520	8,146
Other cash payments relating to operating activities	176,072	311,133
Sub-total of cash outflows from operating activities	476,464	749,394
Net cash flows from operating activities	(89,591)	191,942
II. Cash Flows from Investing Activities:		
Cash receipts from investment income	309,244	71,767
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	62,098	–
Other cash receipts relating to investing activities	5,528,945	1,523,836
Sub-total of cash inflows from investing activities	5,900,287	1,595,603

Items	First quarter of 2023	First quarter of 2022
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	–	210
Cash payments to acquire investments	50,000	–
Other cash payments relating to investing activities	10,451,820	6,650,000
Sub-total of cash outflows from investing activities	<u>10,501,820</u>	<u>6,650,210</u>
Net cash flows from investing activities	<u>(4,601,533)</u>	<u>(5,054,607)</u>
III. Cash Flows from Financing Activities:		
Cash receipts from borrowings	48,389,183	23,651,159
Other cash receipts relating to financing activities	104,778,252	46,181,289
Sub-total of cash inflows from financing activities	<u>153,167,435</u>	<u>69,832,448</u>
Cash repayments of borrowings	43,580,583	13,626,697
Cash payments for distribution of dividends or profits or settlement of interest expenses	199,443	533,415
Other cash payments relating to financing activities	102,440,513	48,396,047
Sub-total of cash outflows from financing activities	<u>146,220,539</u>	<u>62,556,159</u>
Net cash flows from financing activities	<u>6,946,896</u>	<u>7,276,289</u>

Items	First quarter of 2023	First quarter of 2022
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(817)	(1,527)
V. Net Decrease in Cash and Cash Equivalents	2,254,955	2,412,097
Add: Opening balance of cash and cash equivalents	4,551,152	5,006,514
VI. Closing Balance of Cash and Cash Equivalents	<u>6,806,107</u>	<u>7,418,611</u>

<i>Chairman:</i>	<i>Person in charge of accounting operations:</i>	<i>Head of Accounting Department:</i>
Chen Jianguang	Zou Hongying	Fan Wanzhu

(III) Adjustments to the financial statements at the beginning of the year since which new accounting standards or interpretations are applied for the first time from 2023

Applicable Not applicable

Reasons for adjustments to the financial statements at the beginning of the year

On 30 November 2022, the Ministry of Finance issued the Circular on Releasing the Interpretation No. 16 of Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) (“Interpretation No. 16”), which stated that with effect from 1 January 2023, the accounting treatment provisions from which initial recognition is exempt are not applicable to the deferred tax related to assets and liabilities generated from a transaction. Based on the cumulative effect of first adoption of the Interpretation No. 16, the Company adjusted the amount of relevant items of the consolidated financial statements as at 1 January 2023, with information of the comparative period adjusted at the same time.

CONSOLIDATED BALANCE SHEET

Unit: RMB'000

Items	31 December 2022	1 January 2023	Adjustments
Current Assets:			
Cash and bank balances	45,485,413	45,485,413	–
Financial assets held for trading	178,026	178,026	–
Bills receivable	5,127,425	5,127,425	–
Accounts receivable	93,439,673	93,439,673	–
Receivable financing	10,346,388	10,346,388	–
Prepayments	36,352,532	36,352,532	–
Other receivables	48,071,717	48,071,717	–
Of which: Interest receivables	11,614	11,614	–
Dividends receivables	142,428	142,428	–
Inventories	79,948,631	79,948,631	–
Contract assets	106,826,600	106,826,600	–
Non-current assets due within one year	4,896,108	4,896,108	–
Other current assets	7,533,147	7,533,147	–
Total Current Assets	438,205,660	438,205,660	–
Non-current Assets:			
Long-term receivables	35,841,643	35,841,643	–
Long-term equity investments	31,863,695	31,863,695	–
Investments in other equity instruments	939,925	939,925	–
Other non-current financial assets	4,477,895	4,477,895	–
Investment properties	7,871,895	7,871,895	–
Fixed assets	25,411,113	25,411,113	–
Construction in progress	4,077,347	4,077,347	–
Right-of-use assets	860,236	860,236	–
Intangible assets	22,026,293	22,026,293	–
Goodwill	54,315	54,315	–
Long-term prepayments	396,200	396,200	–
Deferred tax assets	6,260,115	6,268,552	8,437
Other non-current assets	7,098,058	7,098,058	–
Total Non-current Assets	147,178,730	147,187,167	8,437
Total Assets	585,384,390	585,392,827	8,437

Items	31 December 2022	1 January 2023	Adjustments
Current Liabilities:			
Short-term borrowings	20,192,878	20,192,878	–
Derivative financial liabilities	200,670	200,670	–
Bills payable	37,186,380	37,186,380	–
Accounts payable	187,160,134	187,160,134	–
Receipts in advance	92,382	92,382	–
Contract liabilities	74,016,212	74,016,212	–
Employee benefits payable	2,254,726	2,254,726	–
Taxes payable	5,525,953	5,525,953	–
Other payables	28,228,858	28,228,858	–
Of which: Interest payable	11,139	11,139	–
Dividends payable	452,635	452,635	–
Non-current liabilities due within one year	11,981,744	11,981,744	–
Other current liabilities	19,004,712	19,004,712	–
Total Current Liabilities	385,844,649	385,844,649	–
Non-current Liabilities:			
Long-term borrowings	28,840,673	28,840,673	–
Bonds payable	1,300,000	1,300,000	–
Lease liabilities	569,000	569,000	–
Long-term payables	615,009	615,009	–
Long-term employee benefits payable	3,506,754	3,506,754	–
Provisions	1,081,743	1,081,743	–
Deferred income	1,078,553	1,078,553	–
Deferred tax liabilities	178,523	178,523	–
Other non-current liabilities	460,361	460,361	–
Total Non-current Liabilities	37,630,616	37,630,616	–
Total Liabilities	423,475,265	423,475,265	–

Items	31 December 2022	1 January 2023	Adjustments
Shareholders' Equity:			
Share capital	20,723,619	20,723,619	–
Other equity instruments	28,500,000	28,500,000	–
Including: Perpetual bond	28,500,000	28,500,000	–
Capital reserve	22,601,592	22,601,592	–
Other comprehensive income	1,084,471	1,084,471	–
Special reserve	119,813	119,813	–
Surplus reserve	2,976,424	2,976,424	–
Retained earnings	45,102,415	45,110,342	7,927
Total shareholders' equity attributable to shareholders of the Company	121,108,334	121,116,261	7,927
Non-controlling interests	40,800,791	40,801,301	510
Total Shareholders' Equity	161,909,125	161,917,562	8,437
Total Liabilities and Shareholders' Equity	585,384,390	585,392,827	8,437

Major adjustments to the consolidated income statement of the comparative period are set out below:

Items	First quarter of 2022 (Before the change of the accounting policy)	Adjustment	First quarter of 2022 (After the change of the accounting policy)
Income tax expenses	999,492	(1,241)	998,251
Net profit attributable to shareholders of the Company	2,681,072	1,397	2,682,469
Profit or loss attributable to minority shareholders	1,112,453	(156)	1,112,297

Notice is hereby given.

The Board of Directors of Metallurgical Corporation of China Ltd.*
27 April 2023