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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 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 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 third 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
26 October 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 purposes 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 third 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	For the Reporting Period	Increase/decrease for the Reporting Period as compared to the corresponding period of the previous year (%)	From the beginning of the year to the end of the Reporting Period	Increase/decrease
				from the beginning of the year to the end of the Reporting Period as compared to the corresponding period of the previous year (%)
Operating revenue	132,866,048	23.20	467,324,908	17.70
Net profit attributable to shareholders of the listed Company	966,297	14.99	8,183,833	21.94
Net profit attributable to shareholders of the listed Company after deducting non-recurring profits and losses	967,881	-1.81	7,949,007	20.36
Net cash flow generated from operating activities	N/A	N/A	(22,476,964)	N/A
Basic earnings per share (<i>RMB/share</i>)	0.05	25.00	0.31	10.71
Diluted earnings per share (<i>RMB/share</i>)	0.05	25.00	0.31	10.71
Weighted average return on net assets (%)	0.99	Increased by 0.04 percentage point	6.74	Increased by 0.12 percentage point
				Increase/decrease at the end of the Reporting Period as compared with the end of the previous year (%)
Total assets		At the end of the Reporting Period	At the end of the previous year	
		676,391,175	585,384,390	15.55
Net assets attributable to shareholders of the listed Company		146,982,438	121,108,334	21.36

Note: “Reporting Period” refers to the period of three months from the beginning of this quarter to the end of this quarter, and the same applies below.

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

Unit: RMB'000

Item	Amount for the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period
Profit or loss from disposal of non-current assets	17,304	51,263
Government grants recognized as current profit or loss (except for the government grants that are closely related to the normal operating business of the Company and received in a certain amount or fixed quantity in accordance with the state's regulations)	139,557	355,262
Capital utilization fees received from non-financial enterprises and recorded under current profit or loss	-	76,832
Profit or loss from debt restructuring	(1,838)	1,047
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	(133,120)	(459,284)
Reversal of impairment provisions for accounts receivable and contract assets that are individually tested for impairment	7	367,731
Other non-operating income or expenses other than the above items	20,124	(41,898)
Profit or loss on disposal of long-term equity investment	9,786	93,586
Less: Impact on income tax	22,950	119,756
Impact on non-controlling interests (after tax)	30,454	89,957
Total	(1,584)	234,826

Explanations of 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 preferred shareholders 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	333,954	Total number of preferred shareholders with restored voting rights as at the end of the Reporting Period (if any)	0
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Shareholding of the top ten 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	2,842,310,951	13.72	0	Nil	0
China National Petroleum Corporation (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
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	Others	657,445,478	3.17	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

Shareholding of the top ten 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
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	74,792,557	0.36	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
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

Shareholding of the top ten 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
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

Shareholding of the top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares held subject to selling restrictions	Status of shares	Pledged, marked or frozen Amount
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	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⁾	2,842,310,951	Overseas-listed foreign shares	2,842,310,951
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
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	657,445,478	RMB-denominated ordinary shares	657,445,478
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
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)	74,792,557	RMB-denominated ordinary shares	74,792,557
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

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
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
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

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
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 of 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 of 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 of 30 September 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 should be brought to the attention of investors

Applicable Not Applicable

The Company signed new contracts with a cumulative value of RMB981.93 billion in the first three quarters of 2023, representing an increase of 5.0% as compared with the corresponding period of last year. Among them, the value of newly signed overseas contracts amounted to RMB32.82 billion, representing an increase of 32.6% as compared with the corresponding period of last year.

IV. QUARTERLY FINANCIAL REPORT

(I) Auditor's opinion

Applicable Not applicable

(II) Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	30 September 2023	31 December 2022
Current Assets:		
Cash and bank balances	52,891,839	45,485,413
Financial assets held for trading	2,045	178,026
Bills receivable	5,578,373	5,127,425
Accounts receivable	121,819,755	93,439,673
Receivable financing	11,204,053	10,346,388
Accounts receivable financing	31,531,876	36,352,532
Other receivables	47,533,306	48,071,717
Of which: Interest receivables	73,244	11,614
Dividends receivables	67,347	142,428
Inventories	86,717,805	79,948,631
Contract assets	141,173,692	106,826,600
Non-current assets due within one year	4,541,627	4,896,108
Other current assets	10,598,804	7,533,147
Total Current Assets	513,593,175	438,205,660

Items	30 September 2023	31 December 2022
Non-current Assets:		
Long-term receivables	45,850,598	35,841,643
Long-term equity investments	34,674,949	31,863,695
Investments in other equity instruments	892,432	939,925
Other non-current financial assets	4,010,323	4,477,895
Investment properties	7,993,651	7,871,895
Fixed assets	24,500,453	25,411,113
Construction in progress	4,673,116	4,077,347
Right-of-use assets	749,565	860,236
Intangible assets	22,804,260	22,026,293
Goodwill	54,315	54,315
Long-term prepayments	420,555	396,200
Deferred tax assets	6,681,908	6,260,115
Other non-current assets	9,491,875	7,098,058
	<hr/>	<hr/>
Total Non-current Assets	162,798,000	147,178,730
	<hr/> <hr/>	<hr/> <hr/>
Total Assets	676,391,175	585,384,390
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Current Liabilities:		
Short-term borrowings	45,949,851	20,192,878
Derivative financial liabilities	620,613	200,670
Bills payable	33,238,941	37,186,380
Accounts payable	234,663,201	187,160,134
Receipts in advance	113,072	92,382
Contract liabilities	67,805,054	74,016,212
Employee benefits payable	2,646,361	2,254,726
Taxes payable	4,882,538	5,525,953
Other payables	31,328,547	28,228,858
Of which: Interest payable	13,016	11,139
Dividends payable	1,393,776	452,635
Non-current liabilities due within one year	6,774,426	11,981,744
Other current liabilities	27,820,473	19,004,712
	<hr/>	<hr/>
Total Current Liabilities	455,843,077	385,844,649
	<hr/> <hr/>	<hr/> <hr/>

Items	30 September 2023	31 December 2022
Non-current Liabilities:		
Long-term borrowings	36,922,529	28,840,673
Bonds payable	3,300,000	1,300,000
Lease liabilities	536,503	569,000
Long-term payables	1,261,354	615,009
Long-term employee benefits payable	3,497,669	3,506,754
Provisions	958,538	1,081,743
Deferred income	1,082,662	1,078,553
Deferred tax liabilities	201,991	178,523
Other non-current liabilities	445,466	460,361
	<hr/>	<hr/>
Total Non-current Liabilities	48,206,712	37,630,616
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities	504,049,789	423,475,265
	<hr/> <hr/>	<hr/> <hr/>
Shareholders' equity:		
Share capital	20,723,619	20,723,619
Other equity instruments	48,900,000	28,500,000
Including: Perpetual bonds	48,900,000	28,500,000
Capital reserve	22,590,060	22,601,592
Other comprehensive income	1,179,259	1,084,471
Special reserve	776,586	119,813
Surplus reserve	2,976,424	2,976,424
Retained earnings	49,836,490	45,102,415
Total shareholders' equity attributable to shareholders of the Company	146,982,438	121,108,334
Non-controlling interests	25,358,948	40,800,791
	<hr/>	<hr/>
Total shareholders' equity	172,341,386	161,909,125
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and shareholders' equity	676,391,175	585,384,390
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Chairman:
Chen Jianguang

*Person in charge of
accounting operations:*
Zou Hongying

*Head of Accounting
Department:*
Fan Wanzhu

CONSOLIDATED INCOME STATEMENT

From January to September 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Total operating revenue	467,324,908	397,043,921
Including: Operating revenue	467,324,908	397,043,921
II. Total operating costs	449,733,836	381,062,900
Including: Operating costs	424,218,743	358,868,240
Taxes and levies	1,363,048	1,501,995
Selling expenses	2,014,786	1,756,424
Administrative expenses	8,083,562	7,286,245
Research and development expenses	13,537,157	11,693,764
Financial expenses	516,540	(43,768)
Including: Interest expenses	1,644,837	1,729,929
Interest income	988,614	1,982,489
Add: Other gains	292,631	255,233
Investment losses	(805,497)	(1,174,243)
Including: Gains/losses from investments in associates and joint ventures	136,858	(99,589)
Losses from derecognition of financial assets at amortised cost	(859,015)	(745,561)
Losses from changes in fair values	(458,638)	(415,610)
Impairment losses of credit	(2,451,117)	(2,424,001)
Impairment losses of assets	(1,563,052)	(1,559,143)
Gains on disposal of assets	51,264	229,742

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
III. Operating profit	12,656,663	10,892,999
Add: Non-operating income	186,828	154,989
Less: Non-operating expenses	157,746	131,554
IV. Total profit	12,685,745	10,916,434
Less: Income tax expenses	2,186,384	1,973,054
V. Net profit	10,499,361	8,943,380
(I) Net profit classified by operating continuity		
Net profit from continuing operation	10,499,361	8,943,380
(II) Net profit classified by ownership		
1. Net profit attributable to shareholders of the Company	8,183,833	6,711,397
2. Profit or loss attributable to minority shareholders	2,315,528	2,231,983
VI. Other comprehensive income, net of tax	152,281	983,724
(I) Other comprehensive income attributable to shareholders of the Company, net of tax	94,360	855,353
1. Items that will not be reclassified into profit or loss	(15,873)	(76,862)
(1) Changes in re-measurement of defined benefit obligations	(49,464)	(72,308)
(2) Other comprehensive income that will not be reclassified into profit or loss under equity method	(8)	(12)
(3) Changes in fair values of other equity instrument investments	33,599	(4,542)
2. Items that may be reclassified into profit or loss	110,233	932,215
(1) Other comprehensive income that may be reclassified into profit or loss under equity method	(74)	(26,352)
(2) Changes in fair value of accounts receivable financing	(489)	26,758
(3) Currency translation differences	110,796	931,809
(II) Other comprehensive income attributable to minority shareholders, net of tax	57,921	128,371

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
VII. Total comprehensive income	10,651,642	9,927,104
(I) Total comprehensive income attributable to shareholders of the Company	8,278,193	7,566,750
(II) Total comprehensive income attributable to minority shareholders	2,373,449	2,360,354
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.31	0.28
(II) Diluted earnings per share (<i>RMB/share</i>)	0.31	0.28

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

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

From January to September 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	348,322,059	361,068,239
Receipts of tax refunds	689,661	1,418,074
Other cash receipts relating to operating activities	11,250,335	30,537,527
Sub-total of cash inflows from operating activities	360,262,055	393,023,840
Cash payments for goods purchased and services received	334,743,768	328,615,052
Cash payments to and on behalf of employees	19,821,088	20,398,520
Payments of various types of taxes	8,435,424	8,361,469
Other cash payments relating to operating activities	19,738,739	37,218,363
Sub-total of cash outflows from operating activities	382,739,019	394,593,404
Net cash flows from operating activities	(22,476,964)	(1,569,564)

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
II. Cash Flows from Investing Activities:		
Cash receipts from realisation of investments	464,698	166,256
Cash receipts from investment income	179,603	139,273
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	48,288	264,261
Net cash receipts from disposal of subsidiaries and other business units	–	7,969
Other cash receipts relating to investing activities	661,780	5,854,278
Sub-total of cash inflows from investing activities	<u>1,354,369</u>	<u>6,432,037</u>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,623,722	1,821,536
Cash payments to acquire investments	3,038,243	4,265,658
Net cash payments for acquiring subsidiaries and other business entities	2,241	–
Other cash payments relating to investing activities	57,167	3,818,122
Sub-total of cash outflows from investing activities	<u>4,721,373</u>	<u>9,905,316</u>
Net cash flows from investing activities	<u>(3,367,004)</u>	<u>(3,473,279)</u>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	23,400,490	34,590
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries	490	34,590
Cash receipts from borrowings	160,088,294	92,461,034
Other cash received relating to financing activities	634,637	755,099
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	184,123,421	93,250,723
	<hr/> <hr/>	<hr/> <hr/>
Cash repayments of borrowings	124,303,273	63,491,573
Cash payments for distribution of dividends or profits or settlement of interest expenses	5,873,483	6,050,426
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries	992,956	2,421,412
Other cash payments relating to financing activities	21,128,595	4,732,514
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	151,305,351	74,274,513
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from financing activities	32,818,070	18,976,210
	<hr/> <hr/>	<hr/> <hr/>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	463,002	628,248
V. Net Increase in Cash and Cash Equivalents	7,437,104	14,561,615
Add: Opening balance of cash and cash equivalents	33,468,217	31,216,824
VI. Closing Balance of Cash and Cash Equivalents	<u>40,905,321</u>	<u>45,778,439</u>

Chairman:
Chen Jianguang

*Person in charge of
accounting operations:*
Zou Hongying

*Head of Accounting
Department:*
Fan Wanzhu

THE COMPANY'S BALANCE SHEET

30 September 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	30 September 2023	31 December 2022
Current Assets:		
Cash and bank balances	2,224,551	4,562,014
Accounts receivable	479,426	390,950
Prepayments	238,360	241,723
Other receivables	78,171,730	69,564,542
Of which: Interest receivables	7,339,648	8,180,222
Dividends receivables	3,537,361	3,621,605
Inventories	968	877
Contract assets	1,189,541	829,494
Non-current assets due within one year	2,037	2,037
Total Current Assets	82,306,613	75,591,637
Non-current Assets:		
Long-term receivables	241,531	241,531
Long-term equity investments	96,525,503	97,969,791
Other equity instrument investments	695	687
Fixed assets	16,790	18,393
Right-of-use assets	25,983	40,474
Intangible assets	3,374	2,416
Other non-current assets	390,679	431,393
Total Non-current Assets	97,204,555	98,704,685
Total Assets	179,511,168	174,296,322

Items	30 September 2023	31 December 2022
Current Liabilities:		
Short-term borrowings	15,714,548	8,540,913
Derivative financial liabilities	586,186	166,454
Accounts payable	1,818,508	1,851,774
Contract liabilities	739,487	519,069
Employee benefits payable	15,849	17,278
Taxes payable	51,849	56,526
Other payables	33,176,147	46,269,575
Of which: Interest payable	368,594	247,270
Dividends payable	1,135,814	117,676
Non-current liabilities due within one year	7,658,159	20,498,188
Other current liabilities	6,000,000	–
Total Current Liabilities	65,760,733	77,919,777
Non-current Liabilities:		
Long-term borrowings	439,080	439,080
Lease liabilities	5,223	19,819
Long-term employee benefits payable	57,107	56,406
Deferred income	3,598	3,598
Total Non-current Liabilities	505,008	518,903
Total Liabilities	66,265,741	78,438,680

Items	30 September 2023	31 December 2022
Shareholders' Equity:		
Share capital	20,723,619	20,723,619
Other equity instruments	48,900,000	28,500,000
Including: Perpetual bonds	48,900,000	28,500,000
Capital reserve	37,888,131	37,907,129
Other comprehensive income	(5,892)	(4,125)
Special reserve	12,550	12,550
Surplus reserve	2,976,424	2,976,424
Retained earnings	2,750,595	5,742,045
	<u>113,245,427</u>	<u>95,857,642</u>
Total Shareholders' Equity	<u>113,245,427</u>	<u>95,857,642</u>
Total Liabilities and Shareholders' Equity	<u>179,511,168</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 September 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Total operating revenue	699,429	1,226,201
Less: Operating costs	614,527	1,141,749
Taxes and levies	4,737	2,602
Administrative expenses	157,729	128,325
Financial expenses	(639,685)	470,459
Including: Interest expenses	1,665,498	1,959,225
Interest income	1,860,419	1,958,703
Add: Other income	662	1,886
Investment income	340,611	1,607,589
Including: Losses/gains from investments in associates and joint ventures	(649)	11,873
Losses from changes in fair values	(419,732)	(379,502)
Credit impairment losses	(3,216)	(162,908)
Reversal of asset impairment losses	(2,285)	3,672
II. Operating profit	478,161	553,803
Add: Non-operating income	–	90
Less: Non-operating expenses	44	16
III. Total profit	478,117	553,877
Less: Income tax expenses	6,815	6,197
IV. Net profit	471,302	547,680
Net profit from continuing operations	471,302	547,680

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
V. Other comprehensive income, net of income tax	(1,767)	(6,207)
(I) Items that will not be reclassified to profit or loss	(1,767)	(1,931)
1. Changes in re-measurement of defined benefit obligations	(1,775)	(1,938)
2. Changes in fair values of investments in other equity instruments	8	7
(II) Items that will be reclassified to profit or loss	–	(4,276)
Other comprehensive income that may be reclassified to profit or loss under equity method	–	(4,276)
VI. Total comprehensive income	<u>469,535</u>	<u>541,473</u>

<i>Chairman:</i> Chen Jianguang	<i>Person in charge of accounting operations:</i> Zou Hongying	<i>Head of Accounting Department:</i> Fan Wanzhu
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THE COMPANY'S CASH FLOW STATEMENT

From January to September 2023

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	1,000,707	806,207
Receipts of tax refunds	–	1,886
Other cash receipts relating to operating activities	977,890	1,038,229
Sub-total of cash inflows from operating activities	<u>1,978,597</u>	<u>1,846,322</u>
Cash payments for goods purchased and services received	986,579	776,645
Cash payments to and on behalf of employees	125,938	111,900
Payments of various types of taxes	48,586	38,074
Other cash payments relating to operating activities	861,613	688,770
Sub-total of cash outflows from operating activities	<u>2,022,716</u>	<u>1,615,389</u>
Net cash flows from operating activities	<u>(44,119)</u>	<u>230,933</u>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
II. Cash Flows from Investing		
Activities:		
Cash receipts from realisation of investments	2,687,500	–
Cash receipts from investment income	401,375	1,422,862
Net cash receipts from disposal of subsidiaries and other business units	28,764	–
Other cash receipts relating to investing activities	<u>16,666,219</u>	<u>8,585,173</u>
Sub-total of cash inflows from investing activities	<u>19,783,858</u>	<u>10,008,035</u>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	3,796	5,226
Cash payments to acquire investments	1,249,824	100,000
Other cash payments relating to investing activities	<u>23,359,414</u>	<u>18,611,464</u>
Sub-total of cash outflows from investing activities	<u>24,613,034</u>	<u>18,716,690</u>
Net cash flows from investing activities	<u>(4,829,176)</u>	<u>(8,708,655)</u>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	23,400,000	–
Cash receipts from borrowings	108,165,381	40,575,824
Other cash receipts relating to financing activities	<u>264,259,006</u>	<u>241,907,148</u>
Sub-total of cash inflows from financing activities	<u>395,824,387</u>	<u>282,482,972</u>
Cash repayments of borrowings	95,233,223	34,818,974
Cash payments for distribution of dividends or profits or settlement of interest expenses	2,819,153	2,922,439
Other cash payments relating to financing activities	<u>295,269,903</u>	<u>238,816,149</u>
Sub-total of cash outflows from financing activities	<u>393,322,279</u>	<u>276,557,562</u>
Net cash flows from financing activities	<u>2,502,108</u>	<u>5,925,410</u>

Items	First three quarters of 2023 (January to September)	First three quarters of 2022 (January to September)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	33,725	54,460
V. Net Increase in Cash and Cash Equivalents	(2,337,462)	(2,497,852)
Add: Opening balance of cash and cash equivalents	4,551,152	5,006,514
VI. Closing Balance of Cash and Cash Equivalents	<u>2,213,690</u>	<u>2,508,662</u>

<i>Chairman:</i> Chen Jianguang	<i>Person in charge of accounting operations:</i> Zou Hongying	<i>Head of Accounting Department:</i> Fan Wanzhu
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(III) Adjustments to financial statements at the beginning of the year in which the new accounting standards or interpretations of accounting standards were implemented for the first time since 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 the 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 for 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	–

Items	31 December 2022	1 January 2023	Adjustments
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	<u>147,178,730</u>	<u>147,187,167</u>	<u>8,437</u>
Total Assets	<u>585,384,390</u>	<u>585,392,827</u>	<u>8,437</u>
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	<u>385,844,649</u>	<u>385,844,649</u>	<u>–</u>

Items	31 December 2022	1 January 2023	Adjustments
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	–
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:

Unit: RMB'000

Items	First three quarters of 2022 (Before the change of the accounting policy) (January to September)	Adjustment	First three quarters of 2022 (After the change of the accounting policy) (January to September)
Income tax expenses	1,973,054	(2,013)	1,971,041
Net profit attributable to shareholders of the Company	6,711,397	1,799	6,713,196
Profit or loss attributable to minority shareholders	2,231,983	214	2,232,197

Notice is hereby given.

The Board of Directors of Metallurgical Corporation of China Ltd.*
26 October 2023