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

(Stock Code: 00323)

## INSIDE INFORMATION/ OVERSEAS REGULATORY ANNOUNCEMENT 2018 THIRD QUARTERLY REPORT

**This announcement is made pursuant to Rule 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.**

### 1. IMPORTANT NOTICES

1.1 The board of directors (the “**Board**”), the supervisory committee, the directors, the supervisors and senior management of Maanshan Iron & Steel Company Limited (the “**Company**”) warrant that there are no false representations or misleading statements contained in, or material omissions, from this report; and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.

1.2 The particulars of the absent directors

Name(s) of absent director(s)	Duty of absent director(s)	Explanation for being absent	Name of authorized representative
Qian Haifan	Director	Other business engagements	Ding Yi
Zhang Wenyang	Director	Other business engagements	Ding Yi

1.3 Mr. Ding Yi, the person-in-charge of the Company; Mr. Qian Haifan, the person overseeing accounting operations; and Mr. Xing Qunli, the person-in-charge of the Accounting Department, make representations in respect of the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The financial statements contained in this third quarterly report have not been audited, but have been considered and approved by the Audit Committee.

### 2. GENERAL INFORMATION OF THE COMPANY

2.1 Major accounting data

Unit: Yuan, Currency: RMB

	As at the end of the reporting period	As at the end of previous year	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
Total assets	74,160,201,272	72,191,589,979	2.73
Net assets attributable to equity holders	28,210,895,687	23,895,739,812	18.06

	From the beginning of the year to the end of the reporting period (January – September)	From the beginning of previous year to the end of the reporting period of the previous year (January – September)	Increase/decrease as compared with the same period of the previous year (%)
Net cash flows from operating activities	8,007,717,333	2,682,348,804	198.53
	From the beginning of the year to the end of the reporting period (January – September)	From the beginning of previous year to the end of the reporting period of the previous year (January – September)	Increase/decrease as compared with the same period of the previous year (%)
Revenue	63,116,578,687	52,864,840,498	19.39
Net profit attributable to equity holders of the Company	5,583,446,438	2,739,863,801	103.79
Net profit excluding non-recurring gains or losses attributable to equity holders of the Company	5,176,626,148	2,636,058,869	96.38
Return on net assets (weighted average) (%)	21.03	12.96	Increased by 8.07 percentage points
Basic earnings per share (RMB/share)	0.7250	0.3558	103.77
Diluted earnings per share (RMB/share)	0.7250	0.3558	103.77

#### Items and amount of non-recurring gains or losses

Unit: Yuan, Currency: RMB

Item	Amount for the reporting period (July – September)	Amount from the beginning of this year to the end of the reporting period (January – September)
Gains/losses from disposal of non-current assets	16,023,322	68,626,748
Government subsidies recognized in current gains/losses (excluding those having close relationship with the Company's normal business, conforming to the national policies and regulations and enjoying ongoing fixed amount or quantity according to certain standard)	-	93,314,943
Government grants related to the Company's normal business	71,656,890	115,808,999
Employee termination benefits	-24,706,806	-78,559,225
In addition to effective hedging business related to normal operations of the Company, changes in fair value of trading financial assets and trading financial liabilities held, as well as the return on investment generated from the disposal of trading financial assets, trading liabilities and available-for-sale financial assets	-17,756,892	-26,717,357
Investment income – others	-	261,956,733
Reversal of provision for trade receivables assessed for impairment individually	-	487,578
Non-operating income and expenses other than the above items	119,172	511,457
Impact of non-controlling interests (after tax)	-2,943,332	-13,249,718
Impact of income tax	-7,427,234	-15,359,868
Total	34,965,120	406,820,290

#### 2.2 Total number of shareholders and table of shareholdings of the top ten shareholders and the top ten public shareholders (or shareholders without selling restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders (accounts)		212,130				
Shareholdings of the top ten shareholders						
Name of shareholder (Full name)	Number of shareholding at the end of the reporting period	Percentage (%)	Number of shares under restricted condition for sales	Number of pledged or frozen shares		Type of shareholders
				Status	Volume	
Magang (Group) Holding Co., Limited	3,506,467,456	45.54	-	N/A	0	State-owned legal person

Hong Kong Securities Clearing Company Nominees Limited	1,716,446,900	22.29	-	Unknown	Unknown	Foreign legal person
Hong Kong Securities Clearing Company Limited	250,087,611	3.25	-	Unknown	Unknown	Foreign legal person
Central Huijin Investment Ltd.	142,155,000	1.85	-	Unknown	Unknown	State-owned legal person
China Merchants Bank Co., Ltd. – Everbright Pramerica Competitive Advantageous Allocation Balanced Fund	35,000,000	0.45	-	Unknown	Unknown	Others
Beijing Haoqing Wealth Investment Management Co., Ltd. – Haoqing No. 8 Investment Fund	28,653,912	0.37	-	Unknown	Unknown	Others
Agricultural Bank of China Co., Ltd. – China Securities 500 Open Index Securities Investment Fund	26,633,549	0.35	-	Unknown	Unknown	Others
Mo Jianrong (莫劍榮)	18,159,900	0.24	-	Unknown	Unknown	Domestic natural person
Industrial and Commercial Bank of China Limited – Everbright Pramerica Made in China 2025 Flexible Allocation Balanced Fund	17,500,000	0.23	-	Unknown	Unknown	Others
Li Xiaozhong (李曉忠)	17,059,455	0.22	-	Unknown	Unknown	Domestic natural person
Shareholding of top ten shareholders without selling restrictions						
Name of shareholder	Number of shares without selling restrictions	Type and number of shares				
		Type	Number			
Magang (Group) Holding Co., Limited	3,506,467,456	RMB-denominated ordinary shares	3,506,467,456			
Hong Kong Securities Clearing Company Nominees Limited	1,716,446,900	Overseas-listed shares	1,716,446,900			
Hong Kong Securities Clearing Company Limited	250,087,611	RMB-denominated ordinary shares	250,087,611			
Central Huijin Investment Ltd.	142,155,000	RMB-denominated ordinary shares	142,155,000			
China Merchants Bank Co., Ltd. – Everbright Pramerica Competitive Advantageous Allocation Balanced Fund	35,000,000	RMB-denominated ordinary shares	35,000,000			
Beijing Haoqing Wealth Investment Management Co., Ltd. – Haoqing No. 8 Investment Fund	28,653,912	RMB-denominated ordinary shares	28,653,912			
Agricultural Bank of China Co., Ltd. – china Securities 500 Open Index Securities Investment Fund	26,633,549	RMB-denominated ordinary shares	26,633,549			
Mo Jianrong (莫劍榮)	18,159,900	RMB-denominated ordinary shares	18,159,900			
Industrial and Commercial Bank of China Limited – Everbright Pramerica Made in China 2025 Flexible Allocation Balanced Fund	17,500,000	RMB-denominated ordinary shares	17,500,000			
Li Xiaozhong (李曉忠)	17,059,455	RMB-denominated ordinary shares	17,059,455			
Notes on the above shareholders' affiliated relation or concerted action	Magang (Group) Holding Co., Limited has no affiliated relation with any of the other foregoing shareholders, nor is it a person acting in concerted action; however, it is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concerted action.					

2.3 Total number of preferred shareholders and table of shareholdings of the top ten preferred shareholders and the top ten preferred shareholders (or shareholders without selling restrictions) as at the end of the reporting period

Applicable  Not Applicable

### 3. SIGNIFICANT MATTERS

#### 3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

During the reporting period, China's GDP was expected to grow by 6.7% year-on-year, representing a slightly decelerated growth rate. The demand for steel products in the domestic market was generally stable. Due to various factors such as environmental protection policies in the PRC, steel prices rose rapidly in July and August, but fell slightly in September. In late September, the domestic steel price index was 121.64, representing year-on-year growth of 6.87%. From July to September, the average value of the domestic steel price index was 120.10, representing year-on-year growth of 7.84%. The range of fluctuations was smaller than that for the same period last year. The prices for both iron ore and coking coal rose and stayed at a high level generally.

During the period from July to September, the Company and its subsidiaries (the "Group") produced 4.70 million tonnes of pig iron, 5.13 million tonnes of crude steel and 4.90 million tonnes of steel products in total, representing a year-on-year increase of 9.56%, 8.69% and 11.87% respectively. During the period from January to September, the Group produced 13.87 million tonnes of pig iron, 15.12 million tonnes of crude steel and 14.42 million tonnes of steel products in total, representing a year-on-year increase of 1.98%, 2.93% and 4.42% respectively. According to the PRC Accounting Standards, the Group's operating revenue amounted to RMB63,117 million. Net profit attributable to shareholders of the Company was RMB5,583 million.

In the fourth quarter, the Company will devise a plan meticulously, organize production flexibly and carry out production vigorously in line with market and policy conditions, striving to strike a dynamic balance. On the one hand, it will continue to increase the order fulfillment rate and customer satisfaction by ensuring that the key production lines are operating steadily and smoothly. On the other hand, it will continue to proceed with brand building and lean operation, and further enhance market awareness, quality awareness, brand awareness, safety awareness and environmental awareness among all employees so as to continuously enhance its overall competitiveness and risk resistance capability.

Items with more than 30% changes at the end of the reporting period as compared to the end of last year in the consolidated financial statements, and the reasons for such changes:

- (1) Cash and bank balances increased by 44.25% as compared to the end of last year mainly due to the increase in operating cash inflows while the Company was making a profit during the reporting period.
- (2) Prepayments increased by 35.17% as compared to the end of last year mainly due to the increase in prepayments paid for the purchase of raw materials and fuels and others during the reporting period.
- (3) Financial assets purchased under agreements to resell increased by 62.11% as compared to the end of last year mainly due to the increase in the reverse repurchase business of the subsidiary Magang Group Finance Co., Ltd. (the "Finance Company") during the reporting period.
- (4) Loans and advances to customers increased by 38.89% as compared to the end of last year mainly due to the increase in the amount of bills discounted by the Finance Company for the external members of the Group during the reporting period.
- (5) The assets held for sale were zero as compared to RMB73,454,334 at the end of last year mainly due to the sale of the assets involving the industrial site of the subsidiary Ma Steel (Hefei) Iron & Steel Co., Ltd., and the sale of assets by means of quotations during the reporting period.
- (6) Construction in progress increased by 79.91% as compared to the end of last year mainly due to the increase in the progress of completion of various projects of the Company such as the deep processing of special steel wires and rods as well as the upgrading of section steels in the long product division during the reporting period.

- (7) Deposits and balances from banks and other financial institutions decreased by 50% as compared to the end of last year mainly due to the decrease in the loans of the Finance Company from interbank borrowings during the reporting period.
- (8) Short-term loan increased by 123.23% as compared to the end of last year mainly due to the increase in short-term borrowings of the Company and the increase in the financing of short-term letters of credit of the subsidiary Masteel (Hong Kong) Co., Ltd. during the reporting period.
- (9) Taxes payable decreased by 50.97% as compared to the end of last year mainly due to the Company's payment of the unpaid taxes and fees during the reporting period, which were payable at the end of last year.
- (10) Other payables increased by 77.24% as compared to the end of last year mainly due to the increase in the amount of the Company's payables to the forfeiting business during the reporting period.
- (11) Non-current liabilities due within one year decreased by 67.17% as compared to the end of last year mainly due to the Company's repayment of mature medium-term notes during the reporting period.
- (12) Other current liabilities decreased by 67.10% as compared to the end of last year mainly due to the redemption of the RMB2 billion one-year short-term financing bills which were issued by the Company last year and became mature during the reporting period.
- (13) Long-term loans decreased by 47.43% as compared to the end of last year mainly because the Company's long-term borrowings were about to become due within one year and were reclassified as non-current liabilities due within one year during the reporting period.
- (14) Long-term payables were zero as compared to RMB210,000,000 at the end of last year mainly because the interest-free borrowings borrowed by Ma Steel (Hefei) Plates Co., Ltd, a subsidiary of the Company, from Hefei Industrial Investment Holding Co., Ltd. during the reporting period were about to become due within one year and were reclassified as non-current liabilities due within one year.
- (15) Retained earnings increased by 108.22% as compared to the end of last year mainly due to the profit of the Group during the reporting period.

Items with more than 30% changes from the beginning of the year to the end of the reporting period as compared to the same period last year in the consolidated financial statements, and the reasons for such changes:

- (1) R&D expenses increased by 349.91% as compared to the same period last year mainly because the Company stepped up the research and development of new technologies and new products this year to support its transformation and upgrade with technologies, and undertook a number of national key R&D programmes as well as major provincial science and technology projects this year.
- (2) Impairment losses decreased by 46.56% as compared to the same period last year mainly due to the decrease in the provision set for inventory depreciation as compared to that for last year as a result of the relatively stable price of steel products during the reporting period as compared to the same period last year.
- (3) Credit impairment loss was RMB22,334,942 as compared to zero for the same period last year mainly because the impairment loss of financial assets was accounted for under this subject as a result of the implementation of the new accounting standards for financial instrument this year.
- (4) Investment income increased by 54.40% as compared to same period last year mainly due to the income from the disposal of the subsidiary Maanshan Iron & Steel Company Limited (Shanghai) Trade Co., Ltd. during the reporting period, and the increase in the net profit of the associates and joint ventures entitled to the Company as compared to the same period last year.

- (5) Gains on changes in fair value were RMB-26,717,357 as compared with RMB-949,791 for the same period last year mainly due to the floating loss from the Company's open futures products during the reporting period.
- (6) Gain from disposal of non-current assets was RMB68,626,748 as compared to RMB-43,059,387 for the same period last year mainly due to the increase in revenue recognized following the disposal of some of the land by the Company and the disposal of some of the scrapped assets by the subsidiary Ma Steel (Hefei) Iron & Steel Co., Ltd. during the reporting period.
- (7) Non-operating income increased by 36.60% as compared to the same period last year mainly due to the increase in the awards and subsidies received by the Company for overcapacity reduction projects during the reporting period as compared to the same period last year.
- (8) Non-operating expenses decreased by 37.34% as compared to the same period last year mainly due to the decrease in the compensations for contract quality paid by the Company during the reporting period as compared to the same period last year.
- (9) Net profit attributable to owners of the parent company increased by 103.79% as compared to the same period last year mainly due to the rise in the gross profit of steel products during the reporting period as compared to the same period last year.
- (10) Profit or loss attributable to non-controlling interests increased by 38.67% as compared to the same period last year mainly due to the increase in the profit of non-wholly owned subsidiaries during the reporting period as compared to the same period last year.
- (11) Net cash inflow from operating activities was RMB8,007,717,333, representing an increase of 198.53% as compared to the same period last year, mainly due to the increase in cash received from sales of goods and provision of labour services during the reporting period as compared to the same period last year.
- (12) Net cash outflow from investment activities was RMB2,334,614,597, representing an increase of 28.82% as compared to the same period last year, mainly due to the increase in cash paid by the Finance Company for investment during the reporting period as compared to the same period last year.
- (13) Net cash outflow from financing activities was RMB5,361,672,773, representing an increase of 146.38% as compared to the same period last year, mainly due to the Company's redemption of mature medium-term notes and payment of cash dividends during the reporting period.

In addition to the above changes, changes in various items such as financial assets held for trading, financial assets measured at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets, debt instruments investments, other equity instruments investments, financial liabilities measured at fair value through profit or loss and credit impairment losses were mainly due to changes in the accounting methods for relevant subjects as a result of the implementation of new accounting standards for financial instruments during the reporting period.

### 3.2 Progress in significant matters as well as explanation of an analysis of the impact of and solutions to such significant matters

By a letter sent to the Company dated 24 July 2015, the controlling shareholder stated its plan to further acquire A Shares of the Company of not less than RMB409 million at an appropriate price through its wholly-owned subsidiary in compliance with the applicable laws and regulations, and undertook that the shares acquired would not be sold within six months after the completion of the plan for increasing the shareholding. For details, please refer to the "Announcement on Intended Increase in Shareholding of the Company's A Shares by the Controlling Shareholder" published on 25 July 2015. Please refer to the following websites: <http://www.sse.com.cn>; <http://www.hkexnews.hk>.

Production and operation of Magang (Group) Holding Co., Ltd. (the "Parent Company") improved from January to September 2017. However, due to the deepening of deleveraging in the industry, the Parent

Company stepped up deleveraging in 2018, and the funding was relatively tight as a result. Moreover, it responded proactively to the call for deepening the reform of state-owned enterprises by vigorously developing the non-steel industry so that it had a greater demand for funds. It has not yet raised sufficient funds to be used for increasing shareholding. Provided that the funds are circulated normally for ensuring production and operation, it will proactively strive to raise funds and implement its plan for increasing shareholding in compliance with the laws and regulations, and strictly fulfill its obligations for information disclosure.

3.3 Commitments not fulfilled during the reporting period

Applicable  Not Applicable

3.4 The warning about and explanation for the forecast of a possible loss in aggregate net profits from the beginning of the year to the end of the next reporting period, or of significant changes in such profits over the same period last year.

Applicable  Not Applicable

By order of the Board  
Maanshan Iron & Steel Company Limited  
Ding Yi  
Chairman

*As at the date of this announcement, the directors of the Company include:*

*Executive Directors: Ding Yi, Qian Haifan, Zhang Wenyang*

*Non-executive Directors: Ren Tianbao*

*Independent Non-executive Directors: Zhang Chunxia, Zhu Shaofang, Wang Xianzhu*

## 4. APPENDIX

### 4.1 Financial Statement

Maanshan Iron & Steel Company Limited  
Consolidated Statement of Financial Position  
30 September 2018

Unit: RMB (unaudited)

ASSETS	30 September 2018 Unaudited	31 December 2017 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	7,181,138,165	4,978,352,093
Financial assets measured at fair value through profit or loss	-	1,546,139,404
Trading financial assets	1,999,265,714	-
Notes and trade receivables	7,934,607,762	9,341,614,275
including: Notes receivables	6,853,093,989	8,375,166,683
Trade receivables	1,081,513,773	966,447,592
Prepayments	1,014,899,200	750,818,831
Other receivables	337,270,150	285,228,074
Including: Interest receivable	7,904,436	6,390,787
Dividends receivable	-	-
Inventories	11,822,651,426	11,445,747,808
Financial assets purchased under agreements to resell	1,952,777,602	1,204,603,000
Loans and advances to customers	1,737,935,138	1,251,315,253
Assets held for sale	-	73,454,334
Held-to-maturity investments	-	305,228,376
Debt investment	1,041,014,717	-
Other current assets	<u>906,052,612</u>	<u>916,037,331</u>
Total current assets	<u>35,927,612,486</u>	<u>32,098,538,779</u>
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial investments	-	1,111,168,160
Held-to-maturity investments	-	100,854,230
Long term equity investments	1,961,798,055	1,525,225,202
Other equity instruments investments	143,120,746	-
Investment properties	57,295,864	57,508,684
Property, plant and equipment	30,402,249,123	33,130,499,862
Construction in progress	3,249,006,243	1,805,955,609
Intangible assets	1,892,768,172	1,883,604,173
Deferred tax assets	<u>526,350,583</u>	<u>478,235,280</u>
Total non-current assets	<u>38,232,588,786</u>	<u>40,093,051,200</u>
<b>TOTAL ASSETS</b>	<u><u>74,160,201,272</u></u>	<u><u>72,191,589,979</u></u>
<b>CURRENT LIABILITIES:</b>		



Deposits and balances from banks and other financial institutions	100,000,000	200,000,000
Customer deposits	3,385,469,634	2,947,639,610
Repurchase agreements	277,541,500	308,100,956
Short-term loans	10,336,098,934	4,630,303,694
Financial liabilities measured at fair value through profit or loss	-	10,498,810
Notes and trade accounts payables	10,291,999,715	11,778,382,830
Advances from customers	4,492,361,087	3,842,903,332
Payroll and employee benefits payable	614,885,609	654,822,505
Taxes payable	658,450,602	1,342,836,597
Other payables	4,172,725,930	2,354,327,866
including: Interest payable	124,369,971	121,108,052
Dividends payable	36,012,733	9,050,620
Non-current liabilities due within one year	1,618,338,582	4,928,758,378
Accrued liabilities	34,519,038	38,537,369
Other current liabilities	<u>1,013,664,384</u>	<u>3,081,026,301</u>
Total current liabilities	<u>36,996,055,015</u>	<u>36,118,138,248</u>
NON-CURRENT LIABILITIES:		
Long-term loans	3,667,332,812	6,975,958,634
Long-term payables	-	210,000,000
Long-term employee benefits payable	164,841,377	160,896,586
Deferred revenue	1,432,683,028	1,462,490,533
Deferred tax liabilities	<u>26,002,988</u>	<u>26,841,665</u>
Total non-current liabilities	<u>5,290,860,205</u>	<u>8,836,187,418</u>
Total liabilities	<u>42,286,915,220</u>	<u>44,954,325,666</u>
SHAREHOLDERS' EQUITY		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,352,287,192	8,352,287,192
Other comprehensive income	(103,119,247)	(124,156,060)
Special reserve	34,127,230	31,929,722
Surplus reserve	4,448,864,325	4,100,007,341
General reserve	191,546,668	191,546,668
Retained earnings	<u>7,586,508,333</u>	<u>3,643,443,763</u>
Equity attributable to owners of the Parent Company	<u>28,210,895,687</u>	<u>23,895,739,812</u>
Non-controlling interests	<u>3,662,390,365</u>	<u>3,341,524,501</u>
Total shareholders' equity	<u>31,873,286,052</u>	<u>27,237,264,313</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>74,160,201,272</u>	<u>72,191,589,979</u>

Legal representative: Ding Yi

Chief Accountant: Qian Haifan

Head of Accounting: Xing Qunli

Statement of Financial Position of Parent Company  
30 September 2018

ASSETS	30 September 2018 Unaudited	31 December 2017 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	5,025,258,946	4,169,232,422
Financial assets measured at fair value through profit or loss	-	62,721,800
Trading financial assets	42,956,090	-
Notes and trade receivables	8,154,031,161	10,170,482,595
including: Notes receivables	5,676,492,479	8,065,941,428
Trade receivables	2,477,538,682	2,104,541,167
Prepayments	839,352,184	600,539,572
Other receivables	281,773,530	188,725,018
including: Interest receivable	-	-
Dividends receivable	68,600,000	-
Inventories	7,771,170,135	7,740,789,448
Other current assets	<u>276,351,457</u>	<u>294,632,327</u>
Total current assets	<u>22,390,893,503</u>	<u>23,227,123,182</u>
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial assets	-	126,722,160
Long-term equity investments	9,793,746,496	8,830,290,112
Other equity instruments investments	143,120,746	-
Investment properties	70,276,281	71,554,652
Property, plant and equipment	22,689,301,485	25,089,628,791
Construction in progress	2,539,769,431	1,356,492,361
Intangible assets	969,667,088	904,435,151
Deferred tax assets	<u>443,002,514</u>	<u>438,445,874</u>
Total non-current assets	<u>36,648,884,041</u>	<u>36,817,569,101</u>
<b>TOTAL ASSETS</b>	<u><b>59,039,777,544</b></u>	<u><b>60,044,692,283</b></u>
<b>CURRENT LIABILITIES:</b>		
Short-term loans	6,740,000,000	3,226,709,122
Financial liabilities measured at fair value through profit or loss	-	10,498,810
Notes and accounts payables	9,922,653,066	10,050,245,456
Advances from customers	2,843,055,630	2,626,167,696
Payroll and employee benefits payable	475,707,216	502,689,195
Taxes payable	235,608,723	795,312,565
Other payables	3,262,034,404	1,871,957,462
including: Interest payable	46,950,867	96,579,964
Dividends payable	6,612,733	6,569,410
Non-current liabilities due within one year	1,740,630,912	5,928,758,378
Other current liabilities	<u>1,013,664,384</u>	<u>3,081,026,301</u>
Total current liabilities	<u>26,233,354,335</u>	<u>28,093,364,985</u>

NON-CURRENT LIABILITIES:

Long-term loans	6,427,277,312	9,461,264,824
Long-term employee benefits payable	136,054,823	132,641,692
Deferred revenue	784,184,021	730,152,350
Total non-current liabilities	<u>7,347,516,156</u>	<u>10,324,058,866</u>
Total liabilities	<u>33,580,870,491</u>	<u>38,417,423,851</u>

SHAREHOLDERS' EQUITY:

Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,358,017,477	8,358,017,477
Other comprehensive income	11,526,065	-
Special reserve	9,719,477	7,637,529
Surplus reserve	3,598,807,709	3,249,950,725
Retained earnings	<u>5,780,155,139</u>	<u>2,310,981,515</u>
Total shareholders' equity	<u>25,458,907,053</u>	<u>21,627,268,432</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>59,039,777,544</u>	<u>60,044,692,283</u>

Legal representative: Ding Yi      Chief Accountant: Qian Haifan      Head of Accounting: Xing Qunli

Consolidated Profit or Loss Statement  
For the 9 months ended 30 September 2018

	July - September 2018	January - September 2018	July - September 2017	January - September 2017
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	23,053,537,244	63,116,578,687	17,677,260,858	52,864,840,498
Less: Cost of sales	19,455,791,931	53,458,142,658	15,246,534,242	46,555,154,382
Taxes and surcharges	233,686,793	633,505,089	232,271,637	554,872,156
Selling expenses	224,767,228	689,862,554	214,665,999	626,822,136
General and administrative expenses	331,083,092	1,029,669,085	283,016,227	936,441,787
R&D expenses	74,870,695	456,662,563	84,907,838	101,501,248
Financial expenses	232,064,887	806,850,214	252,103,859	780,311,241
including: interest expense	208,747,789	685,123,495	198,084,175	673,783,315
interest income	(11,668,533)	(29,158,729)	(8,702,587)	(25,710,401)
Impairment losses	(81,139)	57,869,219	626,503	108,293,760
Credit impairment losses	(323,452)	22,334,942	-	-
Add: Other income	71,656,890	115,808,999	53,593,686	137,157,062
Investment income	259,998,750	820,776,357	244,960,208	531,588,225
including: share of profits of associates and joint ventures	191,411,657	490,232,531	137,676,834	378,773,427
Gain/ (loss) on the changes in fair value	(17,756,892)	(26,717,357)	(15,098,133)	(949,791)
Gain/(loss) from disposal of non-current assets	<u>16,023,322</u>	<u>68,626,748</u>	<u>(152,275)</u>	<u>(43,059,387)</u>
Operating profit	2,831,599,279	6,940,177,110	1,646,438,039	3,826,179,897
Add: Non-operating income	2,991,909	99,614,171	3,025,041	72,924,157
Less: Non-operating expenses	<u>2,872,738</u>	<u>5,787,772</u>	<u>1,649,023</u>	<u>9,237,028</u>

Profit before tax	2,831,718,450	7,034,003,509	1,647,814,057	3,889,867,026
Less: Income tax expense	<u>298,330,061</u>	<u>644,369,837</u>	<u>230,717,994</u>	<u>568,637,165</u>
Net profit	<u>2,533,388,389</u>	<u>6,389,633,672</u>	<u>1,417,096,063</u>	<u>3,321,229,861</u>
Categorized by operation continuity				
Net profit from continuing operations	<u>2,533,388,389</u>	<u>6,389,633,672</u>	<u>1,417,096,063</u>	<u>3,321,229,861</u>
Net profit from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Categorized by ownership				
Net profit attributable to owners of the parent	<u>2,154,927,505</u>	<u>5,583,446,438</u>	<u>1,096,467,287</u>	<u>2,739,863,801</u>
Net profit attributable to non-controlling interests	<u>378,460,884</u>	<u>806,187,234</u>	<u>320,628,776</u>	<u>581,366,060</u>
Other comprehensive income, net of tax	17,735,501	(11,323,685)	(1,526,740)	7,007,296
Other comprehensive income attributable to owners of the parent, net of tax	17,735,501	(11,323,685)	(1,165,555)	7,874,886
Other comprehensive income that could not be reclassified to profit or loss	-	(15,964,250)	-	-
Changes in fair value of other equity instruments investments	-	(15,964,250)	-	-
Other comprehensive income to be reclassified to profit or loss	17,735,501	4,640,565	(1,165,555)	7,874,886
Fair value changes of available-for-sale financial assets	-	-	294,849	(485,921)
Exchange differences on translation of foreign operation	<u>17,735,501</u>	<u>4,640,565</u>	<u>(1,460,404)</u>	<u>8,360,807</u>
Other comprehensive income attributable to non-controlling interests, net of tax	-	-	<u>(361,185)</u>	<u>(867,590)</u>
Total comprehensive income	<u>2,551,123,890</u>	<u>6,378,309,987</u>	<u>1,415,569,323</u>	<u>3,328,237,157</u>
Attributable to:				
Owners of the parent	<u>2,172,663,006</u>	<u>5,572,122,753</u>	<u>1,095,301,732</u>	<u>2,747,738,687</u>
Non-controlling interests	<u>378,460,884</u>	<u>806,187,234</u>	<u>320,267,591</u>	<u>580,498,470</u>
Earnings per share:				
Basic earnings per share	<u>27.98cent</u>	<u>72.50cent</u>	<u>14.24cent</u>	<u>35.58cent</u>
Diluted earnings per share	<u>27.98cent</u>	<u>72.50cent</u>	<u>14.24cent</u>	<u>35.58cent</u>

Legal representative: Ding Yi

Chief Accountant: Qian Haifan

Head of Accounting: Xing Qunli

Statement of Profit or Loss of Parent Company  
For the nine months ended 30 September 2018

	July - September 2018	January – Septe mber 2018	July - September 2017	January – Septem ber 2017
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	17,781,045,193	51,473,303,803	14,006,102,853	43,192,734,305
Less: Cost of sales	15,765,930,482	45,332,595,854	12,722,814,466	39,585,735,682
Taxes and surcharges	161,449,862	467,449,485	140,335,523	377,938,841
Selling expenses	90,462,288	310,649,690	91,563,181	277,757,944
General and administrative expenses	228,119,169	706,153,076	180,487,793	590,697,090
R&D expenses	72,176,563	447,950,478	81,071,856	97,665,266
Financial expenses	192,457,948	689,256,205	267,248,069	792,268,001
including: interest expense	178,428,349	594,042,203	792,268,001	721,063,602
interest income	(13,796,499)	(45,582,075)	(14,886,169)	(40,347,246)
Impairment losses	-	53,372,164	-	94,777,557
Credit impairment losses	-	3,062,918	-	-
Add: Other income	<u>63,709,034</u>	<u>96,712,494</u>	<u>25,163,410</u>	<u>101,177,965</u>
Investment income	283,277,470	1,215,257,841	215,430,877	513,404,500
including: share of profits of associates and joint ventures	191,411,656	489,574,862	137,676,834	378,773,427
Gain/(loss) on the changes in fair value	(19,230,160)	(29,211,300)	(1,515,998)	(3,789,546)
Gain/(loss) from disposal of non-current assets	<u>3,140,759</u>	<u>259,919,889</u>	<u>(280,892)</u>	<u>(43,571,942)</u>
Operating profit	1,601,345,984	5,005,492,857	761,379,362	1,943,114,901
Add: Non-operating income	567,544	96,692,299	116,249	69,221,613
Less: Non-operating expenses	<u>1,840,359</u>	<u>2,852,223</u>	<u>281,049</u>	<u>7,440,707</u>
Profit before tax	1,600,073,169	5,099,332,933	761,214,562	2,004,895,807
Less: Income tax expense	<u>-</u>	<u>10,689,929</u>	<u>-</u>	<u>5,382,066</u>
Net profit	<u>1,600,073,169</u>	<u>5,088,643,004</u>	<u>761,214,562</u>	<u>1,999,513,741</u>
Categorized by operation continuity				
Net profit from continuing operations	<u>1,600,073,169</u>	<u>5,088,643,004</u>	<u>761,214,562</u>	<u>1,999,513,741</u>
Net profit from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income, net of tax	<u>-</u>	<u>(15,964,250)</u>	<u>-</u>	<u>-</u>
Other comprehensive income that could not be reclassified to profit or loss	-	(15,964,250)	-	-
Changes in fair value of other equity instruments investments	<u>-</u>	<u>(15,964,250)</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>1,600,073,169</u>	<u>5,072,678,754</u>	<u>761,214,562</u>	<u>1,999,513,741</u>

Legal representative: Ding Yi

Chief Accountant: Qian Haifan

Head of Accounting: Xing Qunli

Consolidated Statement of Cash Flow  
For the nine months ended 30 September 2018

For the 9 months ended 30 September  
2018  
Unaudited

2017  
Unaudited

I. Cash flow from operating activities:

Cash received from sale of goods and rendering service	66,594,946,420	55,571,282,395
Net increase in customer deposits and deposits from banks	337,830,024	-
Net decrease in deposits in central bank	-	8,270,668
Cash received for interest charges, fees and commissions	162,796,951	78,227,565
Tax refunds received	4,191,303	-
Net decrease in loans and advances to customers	-	261,956,967
Cash received relating to other operating activities	<u>145,059,989</u>	<u>97,341,231</u>
Sub-total of cash inflows	<u>67,244,824,687</u>	<u>56,017,078,826</u>
Cash paid for purchase of goods and services	(49,526,658,406)	(45,616,961,784)
Cash paid to and on behalf of employees	(3,675,261,411)	(3,056,955,748)
Taxes and surcharges paid	(4,187,365,353)	(2,855,124,096)
Increase in deposits in central bank	(154,065,474)	-
Net decrease in repurchase agreements of financial assets	(30,559,456)	(536,565,698)
Net increase in financial assets purchased under agreements to resell	(748,174,602)	(378,019,200)
Net decrease in customer deposits and deposits from banks	-	(411,044,723)
Net increase in loans and advances to customers	(486,619,884)	-
Cash paid for interest charges, fees and commissions	(61,930,616)	(46,717,729)
Cash paid relating to other operating activities	<u>(366,472,152)</u>	<u>(433,341,044)</u>
Sub-total of cash outflows	<u>(59,237,107,354)</u>	<u>(53,334,730,022)</u>
<b>Net cash flows from operating activities</b>	<u><b>8,007,717,333</b></u>	<u><b>2,682,348,804</b></u>

II. Cash flows from investing activities:

Cash received from disposal of investments	38,730,147,142	30,576,754,109
Cash received from investment income	517,979,438	254,490,825
Net cash from acquisition of subsidiaries and other operating units	-	115,777,566
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	226,723,189	3,016,413
Net cash from disposal of subsidiaries and other operating units	-	4,854,451
Cash received relating to other investing activities	<u>93,102,943</u>	<u>60,309,006</u>
Sub-total of cash inflows	<u>39,567,952,712</u>	<u>31,015,202,370</u>

Purchases of property, plant and equipment, intangible assets and other non-current assets	(1,468,171,561)	(966,260,470)
Cash paid for investments	(40,434,358,060)	(31,530,992,005)
Net cash from increase in restricted use of monetary funds	-	(26,186,831)
Net increase in held-to-maturity investments	-	(304,076,591)
Net cash from disposal of subsidiaries and other operating units	<u>(37,688)</u>	<u>-</u>
Sub-total of cash outflows	<u>(41,902,567,309)</u>	<u>(32,827,515,897)</u>
<b>Net cash flows used in investing activities</b>	<u>(2,334,614,597)</u>	<u>(1,812,313,527)</u>
III. Cash flows from financing activities:		
Cash received from borrowings	11,658,123,225	20,596,886,707
Proceeds from issuing short-term bonds	1,000,000,000	-
Cash received relating to other financing activities	-	210,000,000
Cash received from investors	-	91,470,000
Including: capital injection from a subsidiary's non-controlling interests	<u>-</u>	<u>91,470,000</u>
Sub-total of cash inflows	<u>12,658,123,225</u>	<u>20,898,356,707</u>
Repayment of borrowings	(15,599,214,867)	(22,466,128,031)
Cash paid for the distribution of dividend or profits and for interest expenses	(2,420,581,131)	(608,427,368)
Including: dividends paid to non-controlling interests by subsidiaries	<u>(448,090,972)</u>	<u>(28,271,210)</u>
Sub-total of cash outflows	<u>(18,019,795,998)</u>	<u>(23,074,555,399)</u>
<b>Net cash flows used in financing activities</b>	<u>(5,361,672,773)</u>	<u>(2,176,198,692)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>65,063,124</u>	<u>2,040,068</u>
V. Net increase/(decrease) in cash and cash equivalents	<u>376,493,087</u>	<u>(1,304,123,347)</u>
Add: cash and cash equivalents at the beginning of the period	<u>2,940,502,015</u>	<u>3,834,247,326</u>
VI. Cash and cash equivalents at the end of the period	<u>3,316,995,102</u>	<u>2,530,123,979</u>

Legal representative: Ding Yi

Chief Accountant: Qian Haifan

Head of Accounting: Xing Qunli

Statement of Cash Flow of the Parent Company  
For the nine months ended 30 September 2018

For the 9 months ended 30 September  
2018

Unaudited

2017

Unaudited

I. Cash flows from operating activities:

Cash received from sale of goods and rendering service	53,442,600,133	44,454,941,556
Cash received relating to other operating activities	<u>184,472,364</u>	<u>112,891,324</u>
Sub-total of cash inflows	<u>53,627,072,497</u>	<u>44,567,832,880</u>
Cash paid for purchase of goods and services	(38,766,265,999)	(38,518,411,956)
Cash paid to or on behalf of employees	(3,198,692,361)	(2,528,402,030)
Taxes and surcharges paid	(2,532,957,050)	(1,575,727,197)
Cash paid relating to other operating activities	<u>(72,081,476)</u>	<u>(431,430,497)</u>
Sub-total of cash outflows	<u>(44,569,996,886)</u>	<u>(43,053,971,680)</u>
<b>Net cash flows from/(used in) operating activities</b>	<u>9,057,075,611</u>	<u>1,513,861,200</u>

II. Cash flows from investing activities:

Cash received from disposal of investments	83,411,271	-
Cash received from investment income	989,168,620	267,098,587
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	361,103,360	2,852,683
Net cash from decrease in restricted use of monetary funds		86,602,762
Net cash from disposal of subsidiaries and other operating units	-	8,696,084
Cash received relating to other investing activities	<u>93,102,943</u>	<u>24,329,909</u>
Sub-total of cash inflows	<u>1,526,786,194</u>	<u>389,580,025</u>
Purchase of property, plant and equipment, intangible assets and other non-current assets	(1,457,896,682)	(716,755,858)
Cash paid for investments	(1,892,978,171)	(1,182,238,998)
Net cash paid for acquisition of a subsidiary and other operating units	(338,055,240)	-
Sub-total of cash outflows	<u>(3,688,930,093)</u>	<u>(1,898,994,856)</u>
<b>Net cash flows used in investing activities</b>	<u>(2,162,143,899)</u>	<u>(1,509,414,831)</u>

III. Cash flows from financing activities:

Proceeds from issuing short-term bonds	1,000,000,000	-
Cash received from borrowings	<u>10,914,795,530</u>	<u>15,803,822,917</u>
Sub-total of cash inflows	<u>11,914,795,530</u>	<u>15,803,822,917</u>
Repayment of borrowings	(17,651,460,893)	(15,768,184,214)



Cash paid for the distribution of dividend or profits and for interest expenses	<u>(2,112,050,483)</u>	<u>(735,001,886)</u>
Sub-total of cash outflows	<u>(19,763,511,376)</u>	<u>(16,503,186,100)</u>
<b>Net cash flows used in financing activities</b>	<u>(7,848,715,846)</u>	<u>(699,363,183)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>129,805,822</u>	<u>(136,278,910)</u>
V. Net increase/(decrease) in cash and cash equivalents	<u>(823,978,312)</u>	<u>(831,195,724)</u>
Add: cash and cash equivalents at the beginning of the period	<u>3,798,992,422</u>	<u>3,366,317,512</u>
VI. Cash and cash equivalents at the end of the period	<u><u>2,975,014,110</u></u>	<u><u>2,535,121,788</u></u>

Legal representative: Ding Yi

Chief Accountant: Qian Haifan

Head of Accounting: Xing Qunli