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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  
2021 FIRST QUARTERLY REPORT**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**I. IMPORTANT NOTICE**

- 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 All directors attended the Board to review the quarterly report.
- 1.3 Mr. Ding Yi, the person-in-charge of the Company; Mr. Mao Zhanhong, 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 first quarterly report have not been audited, but have been reviewed by the Audit Committee in the Board of the Company.

## II. GENERAL INFORMATION OF THE COMPANY

### 2.1 Major financial data

	<i>Unit: Yuan    Currency: RMB</i>		
	<b>As at the end of the reporting period</b>	As at the end of previous year	Increase/decrease as at the end of the reporting period as compared with the end of previous year (%)
Total assets	<b>86,528,205,734</b>	80,711,141,782	7.21
Net assets attributable to equity holders	<b>29,872,032,893</b>	28,386,124,992	5.23
	<b>From the beginning of the year to the end of the reporting period</b>	From the beginning of previous year to the end of the reporting period of the previous year	Increase/decrease as compared with the same period of the previous year (%)
Net cash flows from operating activities	<b>2,193,893,473</b>	-3,126,708,674	-
	<b>From the beginning of the year to the end of the reporting period</b>	From the beginning of previous year to the end of the reporting period of the previous year	Increase/decrease as compared with the same period of the previous year (%)
Revenue	<b>23,885,240,150</b>	16,206,269,481	47.38
Net profit attributable to equity holders of the Company	<b>1,510,864,636</b>	377,406,202	299.83
Net profit excluding nonrecurring gains or losses attributable to equity holders of the Company	<b>1,436,242,797</b>	355,877,294	303.58
Return on net assets ( <i>weighted average</i> ) (%)	<b>5.19</b>	1.39	Increased by 3.80 percentage points
Basic earnings per share ( <i>RMB/share</i> )	<b>0.1962</b>	0.0490	300.41
Diluted earnings per share ( <i>RMB/share</i> )	<b>0.1962</b>	0.0490	300.41

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

*Unit: Yuan Currency: RMB*

<b>Items</b>	<b>Amount for the period</b>
Gains/losses from disposal of non-current assets	<b>-8,523,933</b>
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)	<b>19,271,508</b>
Employee termination benefits	<b>23,328,049</b>
Gains or losses arising from fair value changes of held-for- trading financial assets, derivative financial assets, held- for-trading financial liabilities and derivative financial liabilities, and investment income on disposal of held- for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments other than the hedging business that is related to the normal business of the Company	<b>38,994,775</b>
Non-operating income and expenses other than the above items	<b>16,519,024</b>
Impact of non-controlling interests (after tax)	<b>1,583,156</b>
Impact of income tax	<b>-16,550,740</b>
<b>Total</b>	<b><u><u>74,621,839</u></u></b>

**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*) 177,397

**Shareholding 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	Status	Number of pledged or frozen shares Volume	Type of shareholders
Magang (Group) Holding Company Limited	3,506,467,456	45.535	-	Nil	-	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited	1,717,299,800	22.301	-	Unknown	Unknown	Unknown
Hong Kong Securities Clearing Company Limited	260,456,829	3.382	-	Unknown	Unknown	Unknown
Magang Group Investment Co., Ltd.	158,282,159	2.055	-	Nil	-	State-owned legal person
Central Huijin Asset Management Limited	142,155,000	1.846	-	Unknown	Unknown	Unknown
China Merchants Bank Ltd. – SSE Dividend ETF	115,099,204	1.495	-	Unknown	Unknown	Unknown
Zhang Wu	27,000,000	0.351	-	Unknown	Unknown	Unknown
Abu Dhabi Investment Authority	17,678,459	0.230	-	Unknown	Unknown	Unknown
Wang Jianrong	13,100,000	0.170	-	Unknown	Unknown	Unknown
Industrial and Commercial Bank of China Limited – Wells Fargo dividend enhanced index fund	12,944,300	0.168	-	Unknown	Unknown	Unknown

## Shareholding of the top ten holders of shares not subject to lock-up

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Magang (Group) Holding Company Limited	3,506,467,456	RMB-denominated ordinary shares	3,506,467,456
Hong Kong Securities Clearing Company (Nominees) Limited	1,717,299,800	Overseas-listed shares	1,717,299,800
Hong Kong Securities Clearing Company Limited	260,456,829	RMB-denominated ordinary shares	260,456,829
Magang Group Investment Co., Ltd.	158,282,159	RMB-denominated ordinary shares	158,282,159
Central Huijin Asset Management Limited	142,155,000	RMB-denominated ordinary shares	142,155,000
China Merchants Bank Ltd. – SSE Dividend ETF	115,099,204	RMB-denominated ordinary shares	115,099,204
Zhang Wu	27,000,000	RMB-denominated ordinary shares	27,000,000
Abu Dhabi Investment Authority	17,678,459	RMB-denominated ordinary shares	17,678,459
Wang Jianrong	13,100,000	RMB-denominated ordinary shares	13,100,000
Industrial and Commercial Bank of China Limited – Wells Fargo dividend enhanced index fund	12,944,300	RMB-denominated ordinary shares	12,944,300

Notes on the above shareholders' affiliated relation or concerted action

Magang Group Investment Company Limited is a wholly-owned subsidiary of Magang (Group) Holding Co., Limited, and is a person acting in concert. In addition, Magang (Group) Holding Co., Limited has no connected relationship 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.

*Note :* Hong Kong Securities Clearing Company (Nominees) Limited held 1,717,299,800 H Shares of the Company, which were held on behalf of its customers. Baosteel Hong Kong Investment held 896,387,958 H Shares of the Company, which is the wholly-owned subsidiary of China Baowu Steel Group (“China Baowu”), the controlling shareholder of Magang (Group) Holding Co., Ltd..

### III. SIGNIFICANT MATTERS

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

In the first quarter of 2021, the domestic economy continued to recover steadily, with a generally good start. GDP increased by 18.3% year-on-year (a decrease of 6.8% in the same period last year), an increase of 10.3% over the same period in 2019, and an average annual growth of 5.0% in two years; an increase of 0.6% compared with the previous quarter. The production and sales of the iron and steel industry boomed, and the efficiency of steel enterprises improved significantly. From January to March, the Country produced 221 million tonnes of pig iron, 271 million tonnes of crude steel and 329 million tonnes of steel products, representing year-on-year increase of 8.0%, 15.6% and 22.5%, respectively. The price of iron ore continued to fluctuate at a high level. The average of price indices of iron ore in China from January to March was 593.13 points, representing a year-on-year increase of 81.92%. Affected by the increase in the price of imported iron ore, the increase in domestic industrial production and investment demand, the price of steel rose. The average of price indices of steel in China from January to March was 128.47 points, representing a year-on-year increase of 26.33%. (Data Sources: National Bureau of Statistics, China Iron & Steel Association)

During the reporting period, the Company and its subsidiaries (the “**Group**”) took “lean and efficient, striving for the first place” as the work theme, through conducting comprehensive benchmarking to pursuit ultimate efficiency and improve manufacturing capabilities; seizing market opportunities and strengthening the coordination of production and marketing, optimizing the product structure and focusing on the high-end market to increase the gross profit margin of main products. From January to March, the Group produced an aggregate of 4.63 million tonnes of pig iron, which was basically the same year-on-year. It produced 5.51 million tonnes of crude steel and 5.17 million tonnes of steel products, representing year-on-year increase of 8.25% and 7.04% (of which the Company produced 3.71 million tonnes of pig iron and 4.41 million tons of crude steel and 4.01 million tons of steel products, representing year-on-year increase of 1.64%, 11.08% and 10.77% respectively), mainly due to the Company’s strengthening of coordination of the whole process, optimizing production organisation, decreasing iron-to-steel ratio and improving production efficiency. According to the PRC Accounting Standards, the

Group's operating revenue amounted to approximately RMB23,885 million, representing a year-on-year increase of 47.38%, which was mainly due to the increase in sales and price of the steel products of the Group during the reporting period; the net profit attributable to shareholders of the Company was approximately RMB1,511 million, representing a year-on-year increase of 299.83%, which was mainly due to the increase in gross profit and sales volume of the steel products of the Group during the reporting period.

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

- (1) Financial assets purchased under agreements to resell was nil as compared with RMB1,341 million at the end of the previous year, mainly due to the decrease in the reverse repurchase business of the bonds of the Magang Group Finance Co., Ltd. ("**Finance Company**"), a controlled subsidiary during the current period.
- (2) The investment in other debentures was RMB21 million as compared with nil at the end of the previous year, mainly due to the purchase of non-held-to-maturity policy-based financial bonds of the Finance Company during the current period.
- (3) Deposits and balances from banks and other financial institutions was RMB200 as compared with nil at the end of the previous year, mainly due to the increase of interbank borrowings by Finance Company in the current period.
- (4) Financial liabilities held for trading was RMB57 million, decreased by RMB39 million as compared with the end of the previous year, mainly due to changes in the fair value of forward foreign exchange contracts held by the Company during the current period.
- (5) Payroll and employee benefits payable decreased by 47.57% as compared with the end of the previous year, mainly due to the benefits of senior management and year-end bonus for employees that had been accrued but not paid at the end of the previous year were paid during the current period.
- (6) Other comprehensive income was RMB-45 million as compared with RMB-22 million at the end of the previous year, mainly due to the depreciation of the accounting currency of some overseas subsidiaries relative to RMB during the current 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) Revenue increased by 47.38% year-on-year, mainly due to the year-on-year increase in steel prices and sales volume.
- (2) Cost of sales increased by 41.68% year-on-year, mainly due to the year-on-year increase in steel sales volume and the prices of bulk raw materials and fuels.
- (3) General and administrative expenses decreased by 59.89% year-on-year, mainly due to the year-on-year decrease in expenses due to management changes and personnel structural adjustments, and the decrease in the total compensation for human resources optimization of the Company.
- (4) R&D expenses increased by 169.93% year-on-year, mainly due to increased investment in scientific research by the Company and the development of new products increased year-on-year, which resulted in the increase in relevant expenses (including fuel and power expenses).
- (5) Financial expenses increased by 66.31% year-on-year, mainly due to the losses of foreign currency debt exchange of the Company, the bill discount interest expenses increased significantly as compared with the previous year, and the interest income decreased year-on-year during the current period.
- (6) Investment income increased by 58.84% year-on-year, mainly due to the low profits of associates and joint ventures as affected by the COVID-19 pandemic and other factors for the same period last year, while the economic situation in the current period was better, and the profits of associates and joint ventures increased year-on-year.
- (7) Gains on the changes in fair value increased by 94% year-on-year, mainly due to the relatively large gains from changes in fair value of forward foreign exchange contracts held by the Company during the current period.
- (8) Credit impairment losses was a gain of RMB14 million as compared with a loss of RMB8 million for the same period last year, mainly due to the return of certain provisions for impairment of credit assets by Finance Company in accordance with policy regulations and actual conditions during the current period.



- (9) Asset impairment losses was a gain of RMB630,000 as compared with a gain of RMB200,000 for the same period last year, mainly due to the year-on-year increase in the reversal of inventory impairment by subsidiaries during the current period.
- (10) Non-operating income was RMB21 million, a year-on-year increase of 532.66%, mainly due to the year-on-year increase in income from disposal of scrapped fixed assets during the current period.
- (11) Non-operating expenses were RMB5 million, a year-on-year increase of RMB4 million (413.18%), mainly due to the year-on-year increase in litigation-related payments during the current period.
- (12) Income tax expense was RMB219 million, a year-on-year increase of 212.41%, mainly due to the increase in the total profit of the Company and the increase in income tax withdrawn during the current period.
- (13) Operating profit, profit before tax, net profit and net profit attributable to owners of the parent increased by 266.22%, 267.72, 276.62% and 299.83% respectively year-on-year, mainly due to the increase in gross profit and sales volume of steel products.
- (14) Non-controlling interests were RMB130 million, a year-on-year increase of RMB72 million, mainly due to the year-on-year increase in the profitability of certain non-wholly-owned subsidiaries during the current period.
- (15) Net cash inflow from operating activities amounted to RMB2,194 million as compared with net outflow of RMB3,127 million for the same period last year, mainly due to the increase in monetary funds of Magang (Group) Holding Company Limited and its subsidiaries absorbed by the Finance Company during the current period. Excluding the effect of the Finance Company, net cash inflow from operating activities for the current period was a net outflow of RMB471 million as compared with a net outflow of RMB961 million in the same period last year, mainly due to the increase in inventories during the current period.
- (16) Net cash outflow from investing activities amounted to RMB2,452 million, as compared with a net outflow of RMB1,075 million in the same period last year, mainly due to the increase in the investment in construction in progress and the cash paid for investment by Finance Company during the current period.

(17) Net cash inflows from financing activities amounted to RMB463 million, as compared with a net inflow of RMB2,792 million in the same period last year, mainly due to the year-on-year increase in repayment of loans by the Company during the current period.

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

During the period when applying to CSRC for redemption for cash offer acquisition of the A shares of the Company in 2019, China Baowu issued the “Commitment Letter on Avoiding Horizontal Competition”, “Commitment Letter on Regulating and Reducing Related Party Transactions” and “Commitment Letter on Ensuring the Independence of the Listed Company”, details of which were published in the 2019 annual report at the website of Shanghai Stock Exchange or the reply to the Receipt of CSRC Notice of the First Feedback on the Review of Administrative Item of China Baowu.

During the reporting period, China Baowu didn’t violate the commitments.

### **3.3 Undertakings not fully performed 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**

In the first half of 2020, net profit attributable to owners of the parent of the Group was approximately RMB812 million; in the first quarter of 2021, net profit attributable to owners of the parent of the Group was approximately RMB1,511 million. At present, the domestic economy continues to recover steadily, and the steel industry as a whole may operate steadily. Therefore, the Company expects a possible substantial increase in aggregate net profits from the beginning of the year to the end of the next reporting period over the same period last year.

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

28 April 2021  
Maanshan City, Anhui Province, the PRC

*As at the date of this announcement, the directors of the Company include executive directors Ding Yi and Ren Tianbao; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.*

## IV. APPENDIX

### 4.1 Financial Statement

Maanshan Iron & Steel Company Limited

#### *Consolidated Statement of Financial Position*

31 March 2021

*Unit: RMB*

ASSETS	31 March 2021 Unaudited	31 December 2020 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	5,877,725,805	5,346,108,774
Trading financial assets	2,259,265,327	2,028,957,057
Trade receivables	1,354,047,560	1,043,606,041
Financing receivables	8,298,083,673	7,072,160,166
Prepayments	736,750,802	755,340,403
Other receivables	370,956,052	426,386,362
Inventories	13,997,969,101	10,900,294,231
Financial assets purchased under agreements to resell	–	1,346,725,440
Loans and advances to customers	4,679,919,581	4,636,066,439
Other current assets	4,485,236,291	3,981,226,262
<b>Total current assets</b>	<b>42,059,954,192</b>	<b>37,536,871,175</b>
<b>NON-CURRENT ASSETS:</b>		
Other debt investments	21,161,408	–
Long term equity investments	4,090,820,373	3,694,172,463
Other equity instruments investments	390,798,231	390,798,231
Investment properties	62,089,975	62,504,615
Property, plant and equipment	29,414,621,386	29,564,588,450
Construction in progress	7,880,104,080	6,980,279,959
Right-to-use assets	389,226,454	394,472,380
Intangible assets	1,966,034,762	1,881,124,406
Deferred tax assets	250,026,075	202,888,795
Other non-current assets	3,368,798	3,441,308
<b>Total non-current assets</b>	<b>44,468,251,542</b>	<b>43,174,270,607</b>
<b>TOTAL ASSETS</b>	<b>86,528,205,734</b>	<b>80,711,141,782</b>

***Consolidated Statement of Financial Position (Continued)***  
***31 March 2021***

*Unit: RMB*

<b>Liabilities and Shareholders' Equity</b>	<b>31 March 31 December 2021 Unaudited</b>	31 December 2020 Audited
<b>CURRENT LIABILITIES:</b>		
Deposits and balances from banks and other financial institutions	<b>200,000,000</b>	–
Customer deposits	<b>8,395,861,479</b>	6,620,132,197
Repurchase agreements	<b>172,039,506</b>	198,480,944
Short-term loans	<b>13,135,030,347</b>	12,584,935,187
Held for trading financial liabilities	<b>57,278,015</b>	95,968,940
Notes accounts payables	<b>3,760,748,766</b>	3,297,446,207
Trade accounts payables	<b>8,036,028,205</b>	7,612,476,174
Contract liabilities	<b>4,251,654,554</b>	4,377,105,559
Payroll and employee benefits payable	<b>288,049,875</b>	549,348,136
Taxes payable	<b>625,093,568</b>	569,759,727
Other payables	<b>5,047,646,103</b>	4,123,490,248
Non-current liabilities due within one year	<b>2,916,086,826</b>	2,572,092,845
Accrued liabilities	<b>25,913,673</b>	26,968,253
Other current liabilities	<b>552,715,092</b>	569,023,723
Total current liabilities	<b>47,464,146,009</b>	43,197,228,140
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	<b>3,335,778,972</b>	3,536,364,338
Lease liabilities	<b>389,628,923</b>	394,983,673
Long-term employee benefits payable	<b>81,821,093</b>	79,496,046
Deferred revenue	<b>1,005,239,909</b>	872,949,281
Deferred tax	<b>18,934,339</b>	18,934,339
Total non-current liabilities	<b>4,831,403,236</b>	4,902,727,677
Total liabilities	<b>52,295,549,245</b>	48,099,955,817

***Consolidated Statement of Financial Position (Continued)***  
*31 March 2021*

*Unit: RMB*

<b>Liabilities and Shareholders' Equity</b>	<b>31 March 31 December 2021 Unaudited</b>	31 December 2020 Audited
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	<b>7,700,681,186</b>	7,700,681,186
Capital reserve	<b>8,361,457,903</b>	8,361,457,903
Other comprehensive income	<b>(44,853,287)</b>	(23,151,783)
Special reserve	<b>34,040,383</b>	37,295,614
Surplus reserve	<b>4,687,127,180</b>	4,687,127,180
General reserve	<b>248,156,969</b>	248,156,969
Retained earnings	<b>8,885,422,559</b>	7,374,557,923
Equity attributable to owners of the Parent Company	<b><u>29,872,032,893</u></b>	<u>28,386,124,992</u>
Non-controlling interests	<b><u>4,360,623,596</u></b>	<u>4,225,060,973</u>
Total shareholders' equity	<b><u>34,232,656,489</u></b>	<u>32,611,185,965</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u><u>86,528,205,734</u></u></b>	<u><u>80,711,141,782</u></u>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Mao Zhanhong**

*Head of Accounting:*  
**Xing Qunli**

**Statement of Financial Position of Parent Company**  
**31 March 2021**

*Unit: RMB*

<b>ASSETS</b>	<b>31 March 2021 Unaudited</b>	31 December 2020 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	<b>2,155,324,548</b>	2,296,089,258
Trading financial assets	<b>12,464,300</b>	11,640,010
Trade receivables	<b>2,985,980,744</b>	2,355,816,934
Financing receivables	<b>5,882,512,555</b>	4,959,472,316
Prepayments	<b>458,127,236</b>	349,980,035
Other receivables	<b>323,221,249</b>	371,032,767
Inventories	<b>8,489,485,442</b>	7,272,793,836
Other current assets	<b>151,354,714</b>	359,808,604
Total current assets	<b><u>20,458,470,788</u></b>	<u>17,976,633,760</u>
<b>NON-CURRENT ASSETS:</b>		
Long term equity investments	<b>12,159,800,690</b>	11,761,010,351
Other equity instruments investments	<b>304,681,987</b>	304,681,987
Investment properties	<b>62,089,975</b>	62,504,615
Property, plant and equipment	<b>22,544,229,295</b>	22,530,651,256
Construction in progress	<b>6,201,011,223</b>	5,554,453,327
Right-to-use assets	<b>343,934,691</b>	348,919,252
Intangible assets	<b>1,114,422,996</b>	1,123,273,009
Deferred tax assets	<b>104,388,391</b>	104,388,391
Total non-current assets	<b><u>42,834,559,248</u></b>	<u>41,789,882,188</u>
<b>TOTAL ASSETS</b>	<b><u><u>63,293,030,036</u></u></b>	<u><u>59,766,515,948</u></u>

**Statement of Financial Position of Parent Company (Continued)**  
**31 March 2021**

*Unit: RMB*

<b>Liabilities and Shareholders' Equity</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>CURRENT LIABILITIES:</b>		
Short-term loans	13,652,536,313	12,518,307,366
Held for trading financial liabilities	57,278,015	95,968,940
Notes accounts payables	927,120,932	692,285,784
Trade accounts payables	7,985,944,597	7,591,202,079
Contract liabilities	2,588,624,265	2,953,248,445
Payroll and employee benefits payable	189,680,980	325,256,459
Taxes payable	381,624,923	285,290,128
Other payables	4,804,180,161	3,726,054,061
Non-current liabilities due within one year	2,913,413,175	2,849,362,390
Other current liabilities	336,521,154	383,922,298
	<u>33,836,924,515</u>	<u>31,420,897,950</u>
Total current liabilities		
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	3,335,778,972	3,536,364,338
Lease liabilities	345,479,954	350,464,514
Long-term employee benefits payable	52,563,465	52,563,465
Deferred revenue	755,553,681	720,633,372
	<u>4,489,376,072</u>	<u>4,660,025,689</u>
Total non-current liabilities		
Total liabilities	<u>38,326,300,587</u>	<u>36,080,923,639</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,365,975,619	8,365,975,619
Other comprehensive income	98,879,489	98,879,489
Special reserve	15,187,813	15,187,813
Surplus reserve	3,850,340,593	3,850,340,593
Retained earnings	4,935,664,749	3,654,527,609
	<u>24,966,729,449</u>	<u>23,685,592,309</u>
Total shareholders' equity		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>63,293,030,036</u></b>	<b><u>59,766,515,948</u></b>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Mao Zhanhong**

*Head of Accounting:*  
**Xing Qunli**

***Consolidated Profit or Loss Statement***  
***January – March 2021***

	<i>Unit: RMB</i>	
	January to March 2021 Unaudited	January to March 2020 Unaudited
Revenue	23,885,240,150	16,206,269,481
Less: Cost of sales	20,953,791,660	14,790,034,586
Taxes and surcharges	147,542,536	117,099,594
Selling expenses	263,574,458	233,172,348
General and administrative expenses	140,961,539	351,434,167
R&D expenses	548,891,049	203,344,111
Financial expenses	243,118,263	146,183,609
including: interest expense	147,029,695	146,022,046
interest income	6,623,468	14,931,962
Add: Other income	19,271,508	15,145,833
Investment income	192,008,122	120,884,538
including: share of profits of associates and joint ventures	151,216,071	85,936,435
gain from derecognition of financial assets		
measured at amortised cost	–	20,667,084
Gain on the changes in fair value	38,994,776	20,099,906
Credit impairment losses (loss shall be stated as“-”)	13,627,524	(8,039,470)
Asset impairment losses (loss shall be stated as“-”)	626,100	203,891
(loss) /Gains on disposal of assets	(8,523,933)	(9,942,948)
Operating profit	1,843,364,742	503,352,816
Add: Non-operating income	21,294,391	3,365,867
Less: Non-operating expenses	4,775,367	930,545
Profit before tax	1,859,883,766	505,788,138
Less: Income tax expense	218,962,740	70,087,397
Net profit	1,640,921,026	435,700,741



**Consolidated Profit or Loss Statement (Continued)**

January – March 2021

*Unit: RMB*

	January to March 2021 Unaudited	January to March 2020 Unaudited
Categorized by operation continuity		
Net profit from continuing operations	<u>1,640,921,026</u>	<u>435,700,741</u>
Net profit from discontinued operations	<u>-</u>	<u>-</u>
Categorized by ownership		
Net profit attributable to owners of the parent	<u>1,510,864,636</u>	<u>377,406,202</u>
Profit or loss attributable to non-controlling interests	<u>130,056,390</u>	<u>58,294,539</u>
Other comprehensive income, net of tax	(21,701,504)	(19,900,737)
Other comprehensive income attributable to owners of the parent, net of tax	(21,701,504)	(19,900,737)
Other comprehensive income to be reclassified to profit or loss	(21,701,504)	(19,900,737)
Exchange differences on translation of foreign operation	<u>(21,701,504)</u>	<u>(19,900,737)</u>
Other comprehensive income attributable to non-controlling interests, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income	<u>1,619,219,522</u>	<u>415,800,004</u>
Attributable to: Owners of the parent	<u>1,489,163,132</u>	<u>357,505,465</u>
Non-controlling interests	<u>130,056,390</u>	<u>58,294,539</u>
Earnings per share :		
Basic earnings per share	<u>0.20</u>	<u>0.05</u>
Diluted earnings per share	<u>0.20</u>	<u>0.05</u>

*Legal representative:*  
**Ding Yi**

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***Statement of Profit or Loss of Parent Company***  
*January – March 2021*

*Unit: RMB*

	<b>January – March 2021 Unaudited</b>	January – March 2020 Unaudited
Revenue	<b>21,596,994,787</b>	15,357,773,743
Less: Cost of sales	<b>19,534,748,555</b>	14,528,300,866
Taxes and surcharges	<b>108,513,575</b>	85,139,945
Selling expenses	<b>130,047,643</b>	76,123,137
General and administrative expenses	<b>93,763,451</b>	221,257,664
R&D expenses	<b>344,325,833</b>	165,052,986
Financial expenses	<b>216,306,783</b>	163,103,043
including: interest expense	<b>133,659,252</b>	167,345,708
interest income	<b>3,757,206</b>	13,741,311
Add: Other income	<b>11,918,503</b>	11,400,135
Investment income	<b>165,402,283</b>	87,262,067
including: share of profits of associates and joint ventures	<b>151,216,071</b>	85,936,435
Gain on the changes in fair value	<b>39,510,795</b>	6,504,703
Credit impairment losses (loss shall be stated as“-”)	<b>1,000,000</b>	–
Asset impairment losses (loss shall be stated as“-”)	–	–
Gain from disposal of assets	–	129,654

***Statement of Profit or Loss of Parent Company (Continued)***  
*January – March 2021*

*Unit: RMB*

	<b>January – March 2021 Unaudited</b>	January – March 2020 Unaudited
Operating profit	<b>1,387,120,528</b>	224,092,661
Add: Non-operating income	<b>19,226,508</b>	1,988,044
Less: Non-operating expenses	<b><u>4,411,768</u></b>	<u>299,184</u>
Profit before tax	<b>1,401,935,268</b>	225,781,521
Less: Income tax expense	<b><u>120,798,128</u></b>	<u>–</u>
Net profit	<b><u><u>1,281,137,140</u></u></b>	<u><u>225,781,521</u></u>
Including: Net profit from continuing operations	<b><u><u>1,281,137,140</u></u></b>	<u><u>225,781,521</u></u>
Net profit from discontinued operations	<b><u><u>–</u></u></b>	<u><u>–</u></u>
Other comprehensive income, net of tax	<b><u>–</u></b>	<u>–</u>
Total comprehensive income	<b><u><u>1,281,137,140</u></u></b>	<u><u>225,781,521</u></u>

*Legal representative:*  
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**Consolidated Statement of Cash Flow**  
**January – March 2021**

*Unit: RMB*

	January – March 2021 Unaudited	January – March 2020 Unaudited
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering services	25,411,653,123	17,562,293,684
Tax refunds received	–	5,047,433
Net decrease in deposits in central bank	61,650,588	–
Net decrease in loans and advances to customers	–	670,470,820
Net decrease in repurchase agreements of business funds	1,346,725,440	1,826,209,264
Cash received for interest charges, fees and commissions	59,348,458	66,662,423
Net increase in deposits from customers and interbank	1,975,729,282	–
Cash received relating to other operating activities	106,066,669	125,318,884
Sub-total of cash inflows	<u>28,961,173,560</u>	<u>20,256,002,508</u>
Cash paid for purchase of goods and services	(24,296,299,850)	(16,709,380,234)
Cash paid to and on behalf of employees	(1,373,776,066)	(1,343,039,895)
Taxes and surcharges paid	(606,934,424)	(579,431,622)
Net decrease in repurchase agreements of financial assets	(26,441,438)	(990,587,164)
Net decrease in deposits from customers and interbank	–	(3,457,492,446)
Net increase in deposits in central bank	–	(213,882,421)
Net increase in loans and advances to customers	(43,853,141)	–
Cash paid for interest charges, fees and commissions	(39,387,247)	(45,653,250)
Cash paid relating to other operating activities	(380,587,921)	(43,244,150)
Sub-total of cash outflows	<u>(26,767,280,087)</u>	<u>(23,382,711,182)</u>
Net cash flows from operating activities	<u>2,193,893,473</u>	<u>(3,126,708,674)</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	6,746,435,917	6,202,381,880
Cash received from investment income	191,492,102	120,884,538
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	19,229,080	45,556,515
Sub-total of cash inflows	<u>6,957,157,099</u>	<u>6,368,822,933</u>
Purchases of property, plant and equipment, intangible assets and other non-current assets	(1,444,731,339)	(1,157,455,179)
Cash paid for investments	(7,964,774,259)	(6,286,108,785)
Sub-total of cash outflows	<u>(9,409,505,598)</u>	<u>(7,443,563,964)</u>
Net cash flows from investing activities	<u>(2,452,348,499)</u>	<u>(1,074,741,031)</u>

***Consolidated Statement of Cash Flow (Continued)***  
***January – March 2021***

*Unit: RMB*

	January – March 2021 Unaudited	January – March 2020 Unaudited
III. Cash flows from financing activities:		
Cash received from borrowings	<u>8,811,533,704</u>	<u>6,810,127,847</u>
Sub-total of cash inflows	<u>8,811,533,704</u>	<u>6,810,127,847</u>
Repayment of borrowings	<u>(8,173,837,827)</u>	<u>(3,863,921,827)</u>
Cash paid for the distribution of dividend or profits and for interest expenses	<u>(174,563,252)</u>	<u>(154,242,723)</u>
Sub-total of cash outflows	<u>(8,348,401,079)</u>	<u>(4,018,164,550)</u>
Net cash flows from financing activities	<u>463,132,625</u>	<u>2,791,963,297</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>(15,874,302)</u>	<u>(13,182,369)</u>
V. Net increase/(decrease) in cash and cash equivalents	<u>188,803,297</u>	<u>(1,422,668,777)</u>
Add: cash and cash equivalents at the beginning of the period	<u>3,123,596,841</u>	<u>7,239,650,634</u>
VI. Cash and cash equivalents at the end of the period	<u>3,312,400,138</u>	<u>5,816,981,857</u>

*Legal representative:*  
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***Statement of Cash Flow of the Parent Company***  
***January – March 2021***

	<i>Unit: RMB</i>	
	January – March 2021 Unaudited	January – March 2020 Unaudited
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering service	22,536,784,230	16,595,771,483
Tax refunds received	5,047,433	20,049,286
Cash received relating to other operating activities	4,617,224	266,529,287
	<u>22,541,401,454</u>	<u>16,867,348,203</u>
Sub-total of cash inflows		
Cash paid for purchase of goods and services	(20,837,209,975)	(16,586,465,776)
Cash paid to or on behalf of employees	(1,156,013,352)	(1,217,325,651)
Taxes and surcharges paid	(260,523,862)	(256,645,734)
Cash paid relating to other operating activities	(123,015,408)	(27,735,644)
	<u>(22,376,762,597)</u>	<u>(18,088,172,805)</u>
Sub-total of cash outflows		
Net cash flows from operating activities	<u>164,638,857</u>	<u>(1,220,824,602)</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	27,476,540	2,381,880
Cash received from investment income	14,266,540	87,262,067
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non- current assets	19,221,508	45,686,169
	<u>60,964,588</u>	<u>135,330,116</u>
Sub-total of cash inflows		
Purchase of property, plant and equipment, intangible assets and other non-current assets	(1,090,424,980)	(1,141,362,948)
Cash paid for investments	(275,135,556)	(85,936,435)
Sub-total of cash outflows	<u>(1,365,560,536)</u>	<u>(1,227,299,383)</u>
Net cash flows from investing activities	<u>(1,304,595,948)</u>	<u>(1,091,969,267)</u>

***Statement of Cash Flow of the Parent Company (Continued)***  
***January – March 2021***

*Unit: RMB*

	<b>January – March 2021 Unaudited</b>	January – March 2020 Unaudited
III. Cash flows from financing activities:		
Cash received from borrowings	<u>6,651,850,345</u>	<u>5,632,501,555</u>
Sub-total of cash inflows	<u>6,651,850,345</u>	<u>5,632,501,555</u>
Repayment of borrowings	(5,709,963,878)	(2,908,805,972)
Cash paid for the distribution of dividend or profits and for interest expenses	(150,391,745)	(173,247,837)
Cash paid relating to other financing activities	<u>(4,984,561)</u>	<u>–</u>
Sub-total of cash outflows	<u>(5,865,340,184)</u>	<u>(3,082,053,809)</u>
Net cash flows from financing activities	<u>786,510,161</u>	<u>2,550,447,746</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>73,634,836</u>	<u>14,412,217</u>
V. Net (decrease)/increase in cash and cash equivalents	<u>(279,812,094)</u>	<u>252,066,094</u>
Add: cash and cash equivalents at the beginning of the period	<u>2,160,679,437</u>	<u>2,652,770,395</u>
VI. Cash and cash equivalents at the end of the period	<u><u>1,880,867,343</u></u>	<u><u>2,904,836,489</u></u>

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