

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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

**(Stock Code: 00323)**

**INSIDE INFORMATION/  
OVERSEAS REGULATORY ANNOUNCEMENT  
2020 THIRD 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.

**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 All directors attended the Board to review the quarterly report.
- 1.3 Mr. Ding Yi, the person-in-charge of the Company; Mr. Wang Qiangmin, 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 in the Board of the Company.

## 2. GENERAL INFORMATION OF THE COMPANY

### 2.1 Major accounting data

*Unit: Yuan, Currency: RMB*

	<b>As at the end of the reporting period</b>	<b>As at the end of previous year</b>	<b>Increase/ decrease at the end of the reporting period as compared with the end of the previous year (%)</b>
Total assets	79,918,062,283	86,322,043,538	-7.42
Net assets attributable to equity holders	27,889,557,915	26,933,162,065	3.55

  

	<b>From the beginning of the year to the end of the reporting period (January – September)</b>	<b>From the beginning of previous year to the end of the reporting period of the previous year (January – September)</b>	<b>Increase/ decrease as compared with the same period of the previous year (%)</b>
Net cash flows from operating activities	2,452,623,858	1,636,717,072	49.85

	<b>From the beginning of the year to the end of the reporting period (January – September)</b>	<b>From the beginning of previous year to the end of the reporting period of the previous year (January – September)</b>	<b>Increase/ decrease as compared with the same period of the previous year (%)</b>
Revenue	58,210,752,305	57,581,479,809	1.09
Net profit attributable to equity holders of the Company	1,557,252,024	1,464,511,185	6.33
Net profit excluding non- recurring gains or losses attributable to equity holders of the Company	1,440,869,631	1,452,959,100	-0.83
Return on net assets (weighted average)(%)	5.68	5.28	Increased by 0.40 percentage points
Basic earnings per share (RMB/share)	0.2022	0.1902	6.31
Diluted earnings per share (RMB/share)	0.2022	0.1902	6.31

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

*Unit: Yuan, Currency: RMB*

<b>Item</b>	<b>Amount for the reporting period (July – September)</b>	<b>Amount from the beginning of this year to the end of the reporting period (January – September)</b>
Gains/losses from disposal of non-current assets	-3,131,707	-65,291,325
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)	17,640,914	309,555,011
Employee termination benefits	-55,385,834	-108,580,241
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	-55,062,807	42,603,253
Non-operating income and expenses other than the above items	1,459,243	1,715,522
Impact of non-controlling interests (after tax)	-1,783,357	-2,746,900
Impact of income tax	-33,726,177	-60,872,927
<b>Total</b>	<b><u>-129,989,725</u></b>	<b><u>116,382,393</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*) 200,937

Name of shareholder (Full name)	Number of shareholding at the end of the reporting period	Shareholdings of the top ten shareholders					Type of shareholders
		Percentage	Number of shares under restricted condition for sales (%)	Number of pledged or frozen shares		Status	
Magang (Group) Holding Company Limited	3,506,467,456	45.535	–	Nil	–		State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited ( <i>Note</i> )	1,717,391,050	22.302	–	Unknown	Unknown		Unknown
Magang Group Investment Co., Ltd.	158,282,159	2.055	–	Nil	–		State-owned legal person
Central Huijin Investment Ltd.	142,155,000	1.846	–	Unknown	Unknown		State-owned legal person
Hong Kong Securities Clearing Company Limited	81,536,067	1.059	–	Unknown	Unknown		Unknown
China Merchants Bank Ltd. – SSE Dividend ETF	54,149,704	0.703	–	Unknown	Unknown		Unknown
Li Huanyun	25,383,900	0.330	–	Unknown	Unknown		Unknown
China Merchants Bank Co., Ltd. – Bosera CSI State-Owned Enterprises Innovation-driven ETF	20,392,700	0.265	–	Unknown	Unknown		Unknown
Zhang Wu	19,600,000	0.255	–	Unknown	Unknown		Unknown
Li Xiaozhong	16,679,455	0.217	–	Unknown	Unknown		Unknown

### 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 Company Limited	3,506,467,456	RMB-denominated ordinary shares	3,506,467,456
Hong Kong Securities Clearing Company (Nominees) Limited	1,717,391,050	Overseas-listed shares	1,717,391,050
Magang Group Investment Co., Ltd.	158,282,159	RMB-denominated ordinary shares	158,282,159
Central Huijin Investment Ltd.	142,155,000	RMB-denominated ordinary shares	142,155,000
Hong Kong Securities Clearing Company Limited	81,536,067	RMB-denominated ordinary shares	81,536,067
China Merchants Bank Ltd. – SSE Dividend ETF	54,149,704	RMB-denominated ordinary shares	54,149,704
Li Huanyun	25,383,900	RMB-denominated ordinary shares	25,383,900
China Merchants Bank Co., Ltd. – Bosera CSI State-Owned Enterprises Innovation-driven ETF	20,392,700	RMB-denominated ordinary shares	20,392,700
Zhang Wu	19,600,000	RMB-denominated ordinary shares	19,600,000
Li Xiaozhong	16,679,455	RMB-denominated ordinary shares	16,679,455
Notes on the above shareholders' affiliated relation or concerted action	Magang Group Investment Ltd. (“ <b>Magang Investment</b> ”) is a wholly-owned subsidiary of Magang (Group) Holding Company Limited (“ <b>Magang Group</b> ”). In addition, China Merchants Bank Ltd. – SSE Dividend ETF and China Merchants Bank Co., Ltd.– Bosera CSI State-Owned Enterprises Innovation-driven ETF were managed by the same manager. In addition, 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 1,717,391,050 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..

### 3. SIGNIFICANT MATTERS

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

From January to September this year, the GDP of China grew by 0.7% year on year, and the economic operation continued to recover steadily. The monthly cumulative economic growth rate turned negative to positive for the first time during the year. The market vitality was enhanced and the overall social situation was stable. The iron and steel industry effectively responded to COVID-19, promoting the resumption of work and production in an orderly manner. Driven by the demand, crude steel production continued to grow, steel prices continued to rise and iron ore price remained high. From January to September, the national production of pig iron, crude steel and steel were 665 million tonnes, 782 million tonnes and 964 million tonnes, respectively, representing a year-on-year increase of 3.80%, 4.47% and 5.63%, respectively. Of which from July to September, the national production of pig iron, crude steel and steel were 232 million tonnes, 283 million tonnes and 358 million tonnes, respectively, representing a year-on-year increase of 11.54%, 10.55% and 11.18%, respectively. The average value of the domestic steel price index was 102.46 points from January to September, representing a year-on-year decrease of 5.79%. Of which the average of index from July to September was 105.43 points, representing a year-on-year increase of 3.68%. The average value of China iron ore price index was 363.64 points from January to September, representing a year-on-year increase of 8.36%. Of which the average of index from July to September was 420.05 points, representing a year-on-year increase of 26.96%.

During the reporting period, the Company and its subsidiaries (the “**Group**”) highlighted the performance orientation of “surpassing yourself, leading the industry, pursuing excellence”, continued to deepen the comprehensive benchmarking to identify areas for improvement. Giving full play to the synergies with China Baowu, shoring up and strengthening the weakness, there was a continue enhancement on the technical and economic indicator such as, the utilization factor of blast furnace, utilization factor of converter furnace, iron-to-steel ratio and comprehensive energy consumption. From January to September, the Group produced 13.87 million tonnes of pig iron, 15.49 million tonnes of crude steel and 14.63 million tonnes of steel products in total, representing a year-on-year increase of 3.18%, 5.88% and 5.94% respectively, of which the Company produced 10.88 million tonnes of pig iron, 12.05 million tonnes of crude steel and 11.00 million tonnes of steel products, representing a year-on-year increase of 4.29%, 6.63% and 6.28%, respectively. This is mainly due to implementation of management and technical support projects by the Company and the continuous improvement of production technical indicators. Under the PRC Accounting Standards,

the Group's revenue amounted to approximately RMB58,211 million, representing a year-on-year increase of 1.09% from January to September, which was mainly due to the year-on-year increase in sales volume of steel products of the Company for the period. Net profit attributable to the equity holders of the Company amounted to approximately RMB1,557 million, representing a year-on-year increase of 6.33%, which was mainly due to the enhancement on the technical and economic indicator, decrease in cost and the increase in the gross profit of steel products of the Company for the 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) Cash and cash equivalents decreased by 35.33% as compared with the end of the previous year, mainly due to the decrease in deposits from the Group and its member absorbed by Magang Group Finance Co., Ltd. ("**Finance Company**"), a controlled subsidiary during the current period.
- (2) Receivables financing decreased by 34.71% as compared with the end of the previous year, mainly due to the increase in the endorsement of note by the Company during the current period, resulting in the decrease in notes held as compared with the end of the previous year.
- (3) Financial assets purchased under agreements to resell decreased by 43.41% as compared with the end of the previous year, mainly due to the decrease in the reverse repurchase business of the bonds of the Finance Company during the current period.
- (4) Construction in progress increased by 63.35% as compared with the end of the previous year, mainly due to the increased input in various construction of projects such as the Eco-upgrades and Intelligent Transformation of The Raw Material Factory Project of the Company during the current period.
- (5) Deposits and balances from banks and other financial institutions was nil as compared with RMB400 million at the end of the previous year, mainly due to the decrease of interbank borrowings by Finance Company in the current period.
- (6) Financial liabilities held for trading increased by 2,085.34% 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.



- (7) Bills payable decreased by 55.55% as compared with the end of the previous year, mainly due to the increase in the transfer of external endorsements of bills receivable by the Company in the current period and the decrease in demand for new bills to be issued.
- (8) Non-current liabilities due within one year increased by 48.90% compared with the end of the previous year, mainly due to the reclassification of long-term loans due within one year to this account.
- (9) Special reserve increased by 40.82% as compared with the end of the previous year, mainly due to the increase in the safety fund and the special reserves for joint venture.

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 104.12% as compared to the same period last year, mainly due to increased investment in scientific research by the Company and more new products developed in the current period, which resulted in the increase in relevant expenses (including fuel and power expenses) as compared with the same period of last year.
- (2) Other revenue decreased by 41.38% as compared to the same period last year, mainly due to the decrease in government grants related to production operations received by the Company during the current period as compared with the same period last year.
- (3) Investment income decreased by 34.63% as compared with the same period of last year, mainly due to the decrease in profit of associates and joint ventures from the same period last of year as affected by the COVID-19 pandemic and other factors in the current period.
- (4) Loss on changes in fair value amounted to RMB26 million as compared with a gain of RMB19 million for the same period last year mainly due to the change in fair value of forward foreign exchange contracts held by the Company as a loss in the current period, and a gain in the previous period.
- (5) Credit impairment losses amounted to RMB5 million as compared with a loss of RMB50 million for the same period last year, mainly due to the decrease in bad debt provision based on the expected credit loss model as compared with the same period of last year.

- (6) Asset impairment losses amounted to RMB75 million as compared with the same period of last year of RMB242 million, mainly due to the decrease in the Company's inventory impairment and provision for impairment of fixed assets made by MG-Valdunes, a subsidiary of the Company during the current period as compared with the same period of last year.
- (7) Loss on disposal of assets amounted to RMB65 million as compared with the loss of RMB41 million of the same period of last year, mainly due to the increase in demolition of scrapped assets for construction of new projects during the period as compared with the same period of last year.
- (8) Net cash inflow from operating activities amounted to RMB2,453 million as compared with net inflow of RMB1,637 million for the same period last year, mainly due to the increase in steel sales volume in the current period as compared with the same period last year and the corresponding increase in cash received from the sales of goods by the Company; at the same time, as compared to the same period in the last year, the endorsement of the Company's notes increased and the cash payment decreased. Excluding the effect of the Finance Company, net cash inflow from operating activities for the period was RMB5,740 million.
- (9) Net cash outflow from investing activities amounted RMB4,057 million, as compared with a net outflow of RMB1,176 million in the same period last year, mainly due to the increase in investment in construction projects such as the purchase of property and the transformation of production lines in the current period as compared with the same period last year..
- (10) Net cash inflows from financing activities amounted to RMB1,540 million, as compared with a net outflow of RMB4,465 million in the same period last year, mainly due to the decrease in dividends paid by the Company for the current period as compared to the same period in the previous year and a slight increase in corporate borrowings as compared to the same period last year.

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

- (1) In 2015, the Controlling Shareholder, Magang Group, undertook to further acquire A shares of the Company for not less than RMB409 million at an appropriate price through Magang Investment, its wholly-owned subsidiary, in a way complying 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.

From 7 April 2020 to 13 July 2020, Magang Group, through Magang Investment, further held 158,282,159 A shares of the Company in total, accounting for 2.055% of the total share capital of the Company with a total amount of RMB409,617,740.89. Magang Group has performed its holding commitment in full.

- (2) 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.

### **3.1 Undertakings not fully performed during the Reporting Period**

Applicable       Not applicable

### **3.2 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*

30 October 2020  
Maanshan City, Anhui Province, the PRC

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

## 4. APPENDIX

### 4.1 Financial Statement

Maanshan Iron & Steel Company Limited

#### *Consolidated Statement of Financial Position*

*30 September 2020*

	<i>Unit: RMB</i>	
ASSETS	30 September 2020 Unaudited	31 December 2019 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	<b>6,155,224,671</b>	9,517,313,695
Trading financial assets	<b>2,051,939,548</b>	2,126,112,194
Trade receivables	<b>1,246,237,326</b>	1,092,930,122
Financing receivables	<b>7,246,796,034</b>	11,098,699,421
Prepayments	<b>1,087,702,649</b>	981,443,575
Other receivables	<b>177,059,083</b>	156,291,851
Inventories	<b>10,615,129,778</b>	10,947,850,219
Financial assets purchased under agreements to resell	<b>1,341,187,627</b>	2,369,966,754
Loans and advances to customers	<b>4,433,248,917</b>	4,256,415,190
Other current assets	<b>3,538,790,276</b>	3,975,034,798
Total current assets	<b>37,893,315,909</b>	46,522,057,819
<b>NON-CURRENT ASSETS:</b>		
Long term equity investments	<b>3,730,744,893</b>	3,546,219,668
Other equity instruments investments	<b>276,883,222</b>	278,576,509
Investment properties	<b>63,108,450</b>	64,697,688
Property, plant and equipment	<b>30,095,038,806</b>	30,045,743,674
Construction in progress	<b>5,324,773,766</b>	3,259,704,984
Right-to-use assets	<b>401,361,064</b>	418,879,903
Intangible assets	<b>1,945,044,242</b>	1,973,126,962
Deferred tax assets	<b>187,791,931</b>	213,036,331
Total non-current assets	<b>42,024,746,374</b>	39,799,985,719
<b>TOTAL ASSETS</b>	<b>79,918,062,283</b>	<b>86,322,043,538</b>

**Consolidated Statement of Financial Position (Continued)**

30 September 2020

*Unit: RMB*

<b>Liabilities and Shareholders' Equity</b>	<b>30 September 2020 Unaudited</b>	<b>31 December 2019 Audited</b>
<b>CURRENT LIABILITIES:</b>		
Deposits and balances from banks and other financial institutions	–	400,031,889
Customer deposits	<b>7,783,494,091</b>	10,964,896,002
Repurchase agreements	<b>978,283,750</b>	1,386,580,448
Short-term loans	<b>12,032,941,293</b>	12,880,053,159
Held for trading financial liabilities	<b>49,361,349</b>	2,258,750
Notes accounts payables	<b>3,250,914,518</b>	7,313,729,148
Trade accounts payables	<b>7,407,270,904</b>	6,130,327,006
Contract liabilities	<b>4,332,540,045</b>	3,765,254,551
Payroll and employee benefits payable	<b>516,515,616</b>	691,976,938
Taxes payable	<b>577,501,848</b>	547,209,418
Other payables	<b>3,737,204,991</b>	4,294,496,279
Non-current liabilities due within one year	<b>2,497,078,043</b>	1,677,068,898
Accrued liabilities	<b>25,870,183</b>	22,664,675
<b>Total current liabilities</b>	<b><u>43,188,976,631</u></b>	<b><u>50,076,547,161</u></b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	<b>3,026,872,868</b>	3,468,200,000
Lease liabilities	<b>397,656,231</b>	411,432,835
Long-term employee benefits payable	<b>93,237,344</b>	101,327,703
Deferred revenue	<b>1,367,929,589</b>	1,402,283,687
Deferred tax	<b>20,217,332</b>	21,500,325
<b>Total non-current liabilities</b>	<b><u>4,905,913,364</u></b>	<b><u>5,404,744,550</u></b>
<b>Total liabilities</b>	<b><u><u>48,094,889,995</u></u></b>	<b><u><u>55,481,291,711</u></u></b>

**Consolidated Statement of Financial Position (Continued)**

30 September 2020

*Unit: RMB*

<b>Liabilities and Shareholders' Equity</b>	<b>30 September 2020 Unaudited</b>	<b>31 December 2019 Audited</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	<b>7,700,681,186</b>	7,700,681,186
Capital reserve	<b>8,353,499,761</b>	8,353,499,761
Other comprehensive income	<b>(99,047,807)</b>	(99,760,804)
Special reserve	<b>49,969,500</b>	35,484,176
Surplus reserve	<b>4,651,252,494</b>	4,651,252,494
General reserve	<b>325,786,322</b>	325,786,322
Retained earnings	<b><u>6,907,416,459</u></b>	<u>5,966,218,930</u>
Equity attributable to owners of the Parent Company	<b>27,889,557,915</b>	26,933,162,065
Non-controlling interests	<b><u>3,933,614,373</u></b>	<u>3,907,589,762</u>
Total shareholders' equity	<b><u>31,823,172,288</u></b>	<u>30,840,751,827</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u><u>79,918,062,283</u></u></b>	<b><u><u>86,322,043,538</u></u></b>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Wang Qiangmin**

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

**Statement of Financial Position of Parent Company**  
**30 September 2020**

*Unit: RMB*

<b>ASSETS</b>	<b>30 September 2020 Unaudited</b>	31 December 2019 Audited
<b>CURRENT ASSETS:</b>		
Cash and bank balances	<b>2,070,252,523</b>	3,187,001,428
Trading financial assets	–	3,573,580
Trade receivables	<b>2,881,136,547</b>	3,154,416,565
Financing receivables	<b>4,994,149,835</b>	9,796,502,361
Prepayments	<b>632,412,910</b>	693,109,995
Other receivables	<b>110,867,611</b>	94,415,995
Inventories	<b>6,687,460,714</b>	6,633,161,943
Other current assets	<b>272,152,842</b>	354,016,165
Total current assets	<b>17,648,432,982</b>	23,916,198,032
<b>NON-CURRENT ASSETS:</b>		
Long term equity investments	<b>11,740,320,338</b>	11,477,691,872
Other equity instruments investments	<b>273,808,311</b>	275,508,859
Investment properties	<b>62,919,254</b>	64,570,817
Property, plant and equipment	<b>22,805,446,877</b>	22,357,559,485
Construction in progress	<b>4,442,081,128</b>	2,770,963,397
Right-to-use assets	<b>353,903,813</b>	368,857,495
Intangible assets	<b>1,079,074,406</b>	1,088,324,048
Deferred tax assets	<b>102,359,138</b>	125,314,560
Total non-current assets	<b>40,859,913,265</b>	38,528,790,533
<b>TOTAL ASSETS</b>	<b>58,508,346,247</b>	62,444,988,565

**Statement of Financial Position of Parent Company (Continued)**  
**30 September 2020**

*Unit: RMB*

<b>Liabilities and Shareholders' Equity</b>	<b>30 September 2020 Unaudited</b>	31 December 2019 Audited
<b>CURRENT LIABILITIES:</b>		
Short-term loans	<b>12,615,572,904</b>	10,776,844,475
Held for trading financial liabilities	<b>49,361,349</b>	2,258,750
Notes accounts payables	<b>588,784,014</b>	5,085,093,096
Trade accounts payables	<b>7,447,315,916</b>	7,478,411,251
Contract liabilities	<b>2,646,713,243</b>	2,455,027,803
Payroll and employee benefits payable	<b>378,190,476</b>	540,612,797
Taxes payable	<b>323,542,280</b>	232,319,349
Other payables	<b>3,076,107,801</b>	3,793,893,919
Non-current liabilities due within one year	<b><u>3,193,085,940</u></b>	<u>3,612,706,920</u>
Total current liabilities	<b><u>30,318,673,923</u></b>	<u>33,977,168,360</u>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term loans	<b>3,026,872,868</b>	4,098,200,000
Lease liabilities	<b>352,269,361</b>	363,877,690
Long-term employee benefits payable	<b>64,223,807</b>	71,919,779
Deferred revenue	<b><u>717,630,196</u></b>	<u>736,754,692</u>
Total non-current liabilities	<b><u>4,160,996,232</u></b>	<u>5,270,752,161</u>
Total liabilities	<b><u>34,479,670,155</u></b>	<u>39,247,920,521</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	<b>7,700,681,186</b>	7,700,681,186
Capital reserve	<b>8,358,017,477</b>	8,358,017,477
Other comprehensive income	<b>20,920,928</b>	22,196,339
Special reserve	<b>30,450,170</b>	13,711,365
Surplus reserve	<b>3,814,465,907</b>	3,814,465,907
Retained earnings	<b><u>4,104,140,424</u></b>	<u>3,287,995,770</u>
Total shareholders' equity	<b><u>24,028,676,092</u></b>	<u>23,197,068,044</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u><u>58,508,346,247</u></u></b>	<u><u>62,444,988,565</u></u>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Wang Qiangmin**

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



**Consolidated Profit or Loss Statement**  
**January – September 2020**

*Unit: RMB*

	July– September 2020 Unaudited	January– September 2020 Unaudited	July– September 2019 Unaudited	January– September 2019 Unaudited
Revenue	20,781,716,751	58,210,752,305	20,554,785,988	57,581,479,809
Less: Cost of sales	18,673,314,753	52,876,344,925	18,880,903,729	52,553,328,334
Taxes and surcharges	123,535,129	389,536,252	139,054,782	420,253,772
Selling expenses	205,813,405	736,253,270	254,525,282	686,038,714
General and administrative expenses	283,191,332	975,855,628	474,048,353	1,185,383,457
R&D expenses	510,694,628	1,147,090,830	207,426,589	561,962,294
Financial expenses	123,347,779	414,110,694	180,846,836	570,853,767
including: interest expense	112,050,853	447,223,092	184,426,580	599,932,198
interest income	8,441,325	35,081,242	14,416,967	66,267,429
Add: Other income	17,749,023	59,379,480	52,857,176	101,291,510
Investment income	163,532,156	395,491,726	194,128,528	605,021,547
including: share of profits of associates and joint ventures	120,138,070	283,742,900	143,206,388	454,911,895
gain from derecognition of financial assets measured at amortised cost	18,685,031	52,433,668	14,012,766	52,290,258
Gain/(loss) on the changes in fair value	(55,062,807)	(25,751,487)	(7,246,318)	19,034,384
Credit impairment losses (loss shall be stated as “-”)	2,716,140	(5,313,961)	(5,873,169)	(49,850,411)
Asset impairment losses (loss shall be stated as “-”)	(1,570,921)	(74,699,901)	(218,743)	(241,994,353)
Gains/(loss) on disposal of assets	(3,131,707)	(65,291,325)	(39,777,604)	(40,714,519)

**Consolidated Profit or Loss Statement (Continued)**  
**January – September 2020**

*Unit: RMB*

	July- September 2020 Unaudited	January- September 2020 Unaudited	July- September 2019 Unaudited	January- September 2019 Unaudited
Operating profit	986,051,609	1,955,375,238	611,850,287	1,996,447,629
Add: Non-operating income	1,898,909	256,075,459	3,297,488	277,603,941
Less: Non-operating expenses	<u>1,275,339</u>	<u>4,184,406</u>	<u>3,428,020</u>	<u>5,038,143</u>
Profit before tax	986,675,179	2,207,266,291	611,719,755	2,269,013,427
Less: Income tax expense	<u>127,742,738</u>	<u>350,709,464</u>	<u>144,133,206</u>	<u>383,747,177</u>
Net profit	<u><u>858,932,441</u></u>	<u><u>1,856,556,827</u></u>	<u><u>467,586,549</u></u>	<u><u>1,885,266,250</u></u>
Categorized by operation continuity				
Net profit from continuing operations	<u><u>858,932,441</u></u>	<u><u>1,856,556,827</u></u>	<u><u>467,586,549</u></u>	<u><u>1,885,266,250</u></u>
Net profit from discontinued operations	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Categorized by ownership				
Net profit attributable to owners of the parent	<u><u>744,909,513</u></u>	<u><u>1,557,252,024</u></u>	<u><u>319,851,174</u></u>	<u><u>1,464,511,185</u></u>
Net profit attributable to non-controlling interests	<u><u>114,022,928</u></u>	<u><u>299,304,803</u></u>	<u><u>147,735,375</u></u>	<u><u>420,755,065</u></u>

**Consolidated Profit or Loss Statement (Continued)**  
**January – September 2020**

*Unit: RMB*

	July- September 2020 Unaudited	January- September 2020 Unaudited	July- September 2019 Unaudited	January- September 2019 Unaudited
Other comprehensive income, net of tax	(9,197,425)	712,997	3,591,204	1,411,743
Other comprehensive income attributable to owners of the parent, net of tax	(9,197,425)	712,997	3,591,204	1,411,743
Other comprehensive income that could not be reclassified to profit or loss	–	(1,269,965)	–	1,158,600
Changes in fair value of other equity instruments investments	–	(1,269,965)	–	1,158,600
Other comprehensive income to be reclassified to profit or loss	(9,197,425)	1,982,962	3,591,204	253,143
Fair value changes of available-for-sale financial assets	–	–	–	665,713
Exchange differences on translation of foreign operation	(9,197,425)	1,982,962	3,591,204	(412,570)
Other comprehensive income attributable to non-controlling interests, net of tax	–	–	–	–
<b>Total comprehensive income</b>	<b><u>849,735,016</u></b>	<b><u>1,857,269,824</u></b>	<b><u>471,177,753</u></b>	<b><u>1,886,677,993</u></b>
Attributable to:				
Owners of the parent	<b><u>735,712,088</u></b>	<b><u>1,557,965,021</u></b>	<b><u>323,442,378</u></b>	<b><u>1,465,922,928</u></b>
Non-controlling interests	<b><u>114,022,928</u></b>	<b><u>299,304,803</u></b>	<b><u>147,735,375</u></b>	<b><u>420,755,065</u></b>
Earnings per share :				
Basic earnings per share	<b><u>9.67 cent</u></b>	<b><u>20.22 cent</u></b>	<b><u>4.16 cent</u></b>	<b><u>19.02 cent</u></b>
Diluted earnings per share	<b><u>9.67 cent</u></b>	<b><u>20.22 cent</u></b>	<b><u>4.16 cent</u></b>	<b><u>19.02 cent</u></b>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Wang Qiangmin**

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

**Statement of Profit or Loss of Parent Company**  
**January – September 2020**

*Unit: RMB*

	July – September 2020 Unaudited	January – September 2020 Unaudited	July – September 2019 Unaudited	January – September 2019 Unaudited
Revenue	16,969,034,012	47,983,586,971	16,703,909,034	46,833,276,382
Less: Cost of sales	15,677,678,260	44,927,202,559	15,958,599,432	44,141,035,726
Taxes and surcharges	91,266,614	293,054,115	100,059,684	307,239,412
Selling expenses	70,216,860	271,480,964	115,446,829	296,870,992
General and administrative expenses	170,379,216	620,201,366	373,633,725	882,427,364
R&D expenses	407,775,246	907,917,301	161,432,511	466,746,963
Financial expenses	128,570,619	453,584,093	145,288,092	474,522,854
including: interest expense	139,964,153	486,037,879	140,165,397	499,152,392
interest income	7,616,734	35,435,094	14,384,944	68,397,936
Add: Other income	13,613,120	38,345,975	44,936,318	83,389,173
Investment income	112,978,280	801,928,441	144,741,302	1,292,262,247
including: share of profits of associates and joint ventures	122,368,344	283,742,900	143,206,389	444,718,541
Gain/(loss) on the changes in fair value	(48,693,147)	(48,294,298)	(9,060,314)	3,432,933
Credit impairment losses (loss shall be stated as “-”)	–	(3,643,894)	–	16,643,156
Asset impairment losses (loss shall be stated as “-”)	–	(56,423,169)	–	(726,383,165)
Gain/(loss) from disposal of assets	5,675,821	(34,279,970)	1,263,127	1,071,960
Operating profit	506,721,271	1,207,779,658	31,329,194	934,849,375
Add: Non-operating income	220,343	250,396,401	2,754,380	179,009,875
Less: Non-operating expenses	805,275	2,596,350	446,375	517,925
Profit before tax	506,136,339	1,455,579,709	33,637,199	1,113,341,325
Less: Income tax expense	–	23,380,560	–	25,331,463

**Statement of Profit or Loss of Parent Company (Continued)**  
**January – September 2020**

*Unit: RMB*

	July – September 2020 Unaudited	January – September 2020 Unaudited	July – September 2019 Unaudited	January – September 2019 Unaudited
Net profit	<u>506,136,339</u>	<u>1,432,199,149</u>	<u>33,637,199</u>	<u>1,088,009,862</u>
Including: Net profit from continuing operations	<u>506,136,339</u>	<u>1,432,199,149</u>	<u>33,637,199</u>	<u>1,088,009,862</u>
Other comprehensive income, net of tax	<u>–</u>	<u>(1,275,411)</u>	<u>–</u>	<u>1,824,313</u>
Other comprehensive income that could not be reclassified to profit or loss	<u>–</u>	<u>(1,275,411)</u>	<u>–</u>	<u>1,158,600</u>
Changes in fair value of other equity instruments investments	<u>–</u>	<u>(1,275,411)</u>	<u>–</u>	<u>1,158,600</u>
Other comprehensive income that will be reclassified to profit or loss	<u>–</u>	<u>–</u>	<u>–</u>	<u>665,713</u>
Other comprehensive income under the equity method that can be reclassified to profit or loss	<u>–</u>	<u>–</u>	<u>–</u>	<u>665,713</u>
Total comprehensive income	<u>506,136,339</u>	<u>1,430,923,738</u>	<u>33,637,199</u>	<u>1,089,834,175</u>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Wang Qiangmin**

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

***Consolidated Statement of Cash Flow***  
*January – September 2020*

*Unit: RMB*

	<b>January – September 2020 Unaudited</b>	January – September 2019 Unaudited
I. Cash flow from operating activities		
Cash received from sale of goods and rendering services	<b>67,065,846,666</b>	60,447,771,472
Net decrease in deposits in central bank	–	208,011,275
Cash received for interest charges, fees and commissions	<b>197,109,738</b>	279,949,957
Tax refunds received	<b>507,600</b>	20,049,286
Net decrease in repurchase agreements of financial assets	<b>1,028,779,127</b>	2,233,721,721
Net increase in financial assets purchased/ disposed under agreements to resell	–	291,929,307
Cash received relating to other operating activities	<b>675,983,236</b>	402,816,759
	<u><b>68,968,226,367</b></u>	<u>63,884,249,777</u>
Sub-total of cash inflows		
Cash paid for purchase of goods and services	<b>(57,183,789,425)</b>	(52,414,145,413)
Cash paid to and on behalf of employees	<b>(3,232,001,774)</b>	(3,643,408,969)
Taxes and surcharges paid	<b>(1,377,550,234)</b>	(2,563,929,639)
Increase in deposits in central bank	<b>(149,783,269)</b>	–
Net decrease in repurchase agreements of financial assets	<b>(408,296,698)</b>	–
Net decrease in customer deposits and deposits from banks	<b>(3,581,433,800)</b>	(1,560,932,771)
Net increase in loans and advances to customers	<b>(176,833,726)</b>	(1,444,450,942)
Cash paid for interest charges, fees and commissions	<b>(125,943,614)</b>	(131,185,150)
Cash paid relating to other operating activities	<b>(279,969,969)</b>	(489,479,821)
	<u><b>(66,515,602,509)</b></u>	<u>(62,247,532,705)</u>
Sub-total of cash outflows		
Net cash flows from operating activities	<u><b>2,452,623,858</b></u>	<u>1,636,717,072</u>

***Consolidated Statement of Cash Flow (Continued)***  
*January – September 2020*

	<b>January – September 2020 Unaudited</b>	<i>Unit: RMB</i> January – September 2019 Unaudited
II. Cash flows from investing activities		
Cash received from disposal of investments	<b>17,253,287,215</b>	39,008,007,824
Cash received from investment income	<b>100,295,318</b>	339,450,109
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	<b>176,086,596</b>	25,631,355
Cash received relating to other investing activities	<b>17,529,669,129</b>	39,373,089,288
Purchases of property, plant and equipment, intangible assets and other non-current assets	<b>(4,854,005,624)</b>	(2,097,700,780)
Cash paid for investments	<b>(16,620,647,754)</b>	(38,410,557,115)
Cash paid relating to other investing activities	<b>(112,177,918)</b>	(40,515,624)
Sub-total of cash outflow	<b>(21,586,831,296)</b>	(40,548,773,519)
Net cash flows used in investing activities	<b>(4,057,162,167)</b>	(1,175,684,231)
III. Cash flows from financing activities:		
Cash received from borrowings	<b>14,253,759,358</b>	13,537,832,671
Cash received relating to other financing activities	<b>102,230,000</b>	3,471,463
Cash received from investors Including: capital injection from a subsidiary's non-controlling interests	<b>13,125,000</b>	58,375,000
Sub-total of cash inflows	<b>14,369,114,358</b>	13,599,679,134

***Consolidated Statement of Cash Flow (Continued)***  
*January – September 2020*

*Unit: RMB*

	<b>January – September 2020 Unaudited</b>	January – September 2019 Unaudited
Repayment of borrowings	<b>(14,543,088,873)</b>	(14,463,046,499)
Cash paid for the distribution of dividend or profits and for interest expenses	<b>(1,347,429,808)</b>	(3,503,609,900)
Including: dividends paid to non- controlling interests by subsidiaries	<b>(283,635,590)</b>	(533,932,888)
Cash paid relating to other financing activities	<b>(18,937,361)</b>	(97,801,880)
Sub-total of cash outflows	<b>(15,909,456,042)</b>	(18,064,458,279)
Net cash flows used in financing activities	<b>(1,540,341,684)</b>	(4,464,779,145)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<b>(31,973,761)</b>	(20,717,055)
V. Net increase/(decrease) in cash and cash equivalents	<b>(3,176,853,754)</b>	(4,024,463,359)
Add: cash and cash equivalents at the beginning of the period	<b>7,239,650,634</b>	6,934,175,776
VI. Cash and cash equivalents at the end of the period	<b>4,062,796,880</b>	2,909,712,417

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Wang Qiangmin**

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



***Statement of Cash Flow of the Parent Company***  
*January – September 2020*

*Unit: RMB*

	<b>January – September 2020 Unaudited</b>	January – September 2019 Unaudited
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering service	<b>56,788,222,317</b>	48,861,874,771
Tax refunds received	–	20,049,286
Cash received relating to other operating activities	<b>764,387,074</b>	296,401,175
	<hr/>	<hr/>
Sub-total of cash inflows	<b>57,552,609,391</b>	49,178,325,232
Cash paid for purchase of goods and services	<b>(50,482,398,904)</b>	(43,530,039,125)
Cash paid to or on behalf of employees	<b>(2,711,302,613)</b>	(3,024,938,254)
Taxes and surcharges paid	<b>(646,015,146)</b>	(1,182,386,072)
Cash paid relating to other operating activities	<b>(164,658,366)</b>	(506,011,174)
	<hr/>	<hr/>
Sub-total of cash outflows	<b>(54,004,375,029)</b>	(48,243,374,625)
Net cash flows from operating activities	<b>3,548,234,362</b>	934,950,607
II. Cash flows from investing activities:		
Cash received from disposal of investments	<b>5,878,340</b>	–
Cash received from investment income	<b>724,374,371</b>	1,048,523,774
Proceeds from disposal of items of property, plant and equipment, intangible assets and other non-current assets	<b>161,398,429</b>	16,703,314
Cash received relating to other investing activities	–	10,324,000
	<hr/>	<hr/>
Sub-total of cash inflows	<b>891,651,140</b>	1,075,551,088

***Statement of Cash Flow of the Parent Company (Continued)***  
*January – September 2020*

	<i>Unit: RMB</i>	
	<b>January – September 2020 Unaudited</b>	<b>January – September 2019 Unaudited</b>
Purchase of property, plant and equipment, intangible assets and other non-current assets	<b>(4,334,248,257)</b>	(2,283,229,525)
Cash paid for investments	<b>(1,592,800)</b>	(543,647,850)
Net cash paid for acquisition of a subsidiary and other operating units	<b>(74,375,000)</b>	(93,125,000)
Cash paid relating to other investing activities	<b><u>(112,177,918)</u></b>	<u>(40,515,624)</u>
Sub-total of cash outflows	<b><u>(4,522,393,975)</u></b>	<u>(2,960,517,999)</u>
Net cash flows used in investing activities	<b><u>(3,630,742,835)</u></b>	<u>(1,884,966,911)</u>
III. Cash flows from financing activities:		
Cash received from borrowings	<b>12,972,264,779</b>	9,653,992,621
Cash received relating to other financing activities	<b><u>94,420,000</u></b>	<u>49,404,372</u>
Sub-total of cash inflows	<b><u>13,066,684,779</u></b>	<u>9,703,396,993</u>
Repayment of borrowings	<b>(12,439,433,051)</b>	(9,101,593,778)
Cash paid for the distribution of dividend or profits and for interest expenses	<b>(1,113,976,867)</b>	(2,873,019,286)
Cash paid relating to other financing activities	<b><u>(15,561,763)</u></b>	<u>(11,850,264)</u>
Sub-total of cash outflows	<b><u>(13,568,971,681)</u></b>	<u>(11,986,463,328)</u>
Net cash flows used in financing activities	<b><u>(502,286,902)</u></b>	<u>(2,283,066,335)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<b><u>(46,439,839)</u></b>	<u>(86,697,761)</u>

***Statement of Cash Flow of the Parent Company (Continued)***  
*January – September 2020*

*Unit: RMB*

	<b>January – September 2020 Unaudited</b>	January – September 2019 Unaudited
V. Net increase/(decrease) in cash and cash equivalents	<u>(631,235,214)</u>	<u>(3,319,780,400)</u>
Add: cash and cash equivalents at the beginning of the period	<u>2,652,770,395</u>	<u>5,825,154,899</u>
VI. Cash and cash equivalents at the end of the period	<u><b>2,021,535,181</b></u>	<u><b>2,505,374,499</b></u>

*Legal representative:*  
**Ding Yi**

*Chief Accountant:*  
**Wang Qiangmin**

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