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METALLURGICAL CORPORATION OF CHINA LTD. *

中國冶金科工股份有限公司

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

(Stock Code: 1618)

2017 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The following is the 2017 first quarterly report of Metallurgical Corporation of China Ltd.* and its subsidiaries. The financial reports therein are prepared in accordance with the PRC GAAP and have not been audited.

By order of the board of directors
Metallurgical Corporation of China Ltd.*
Li Yuzhuo
Joint Company Secretary

Beijing, the PRC
28 April 2017

As at the date of the announcement, the Board of the Company comprises two executive directors: Mr. Guo Wenqing and Mr. Zhang Zhaoxiang; two non-executive directors: Mr. Jing Tianliang and Mr. Lin Jinzhen; and three independent non-executive directors: Mr. Yu Hailong, Mr. Ren Xudong and Mr. Chan Ka Keung Peter.

* *For identification purpose only*

DEFINITIONS

“the Company, MCC”	Metallurgical Corporation of China Ltd.*
“Controlling Shareholder, MCC Group”	China Metallurgical Group Corporation*
“Board”	the board of directors of Metallurgical Corporation of China Ltd.*
“Supervisory Committee”	the supervisory committee of Metallurgical Corporation of China Ltd.*
“Reporting Period”	1 January 2017 to 31 March 2017

I. IMPORTANT NOTICE

- 1.1 The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management members warrant that this quarterly report is true, accurate and complete; and there are no false representations, misleading statements or material omissions contained herein, and they severally and jointly accept responsibility for this quarterly report.
- 1.2 All the directors of the Company attended the 30th meeting of the second session of the Board held on 28 April 2017.
- 1.3 Guo Wenqing, the Chairman and legal representative of the Company, Zou Hongying, a Vice President and Chief Accountant of the Company, and Fan Wanzhu, Deputy Chief Accountant and the Head of the Accounting and Finance Department warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The first quarterly report of the Company has not been audited.
- 1.5 Unless otherwise specified, all the amounts in this report are denominated in RMB.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Information

Unit: RMB'000

	At the end of the Reporting Period	At the end of last year	Change from the end of last year (%)
Total assets	388,802,342	377,491,604	3.00
Net assets attributable to shareholders of the Company	76,712,650	70,553,075	8.73
	From the beginning of this year to the end of the Reporting Period	From the beginning of last year to the end of the last reporting period	Change from the same period last year (%)
Net cash flows from operating activities	-16,853,505	-7,611,531	N/A
	From the beginning of this year to the end of the Reporting Period	From the beginning of last year to the end of the last reporting period	Change from the same period last year (%)
Operating income	44,180,003	42,574,606	3.77
Net profit attributable to shareholders of the Company	1,441,738	1,365,107	5.61
Net profit attributable to shareholders of the Company after deduction of non-recurring profit and loss	1,299,241	1,269,799	2.32
Return on net assets (weighted average)(%)	2.35	2.48	Decreased by 0.13 percentage point
Basic earnings per share (RMB/share)	0.07	0.07	0
Diluted earnings per share (RMB/share)	N/A	N/A	N/A

Non-recurring profit and loss items and their amounts

Applicable Not applicable

Unit: RMB'000

Items	Amount for the period	Remarks
Profit and loss from disposal of non-current assets	29,888	
Tax refund or exemption in relation to documents of unauthorized approval or without formal approval or being incidental in nature	0	
Government subsidies recorded under current profit and loss (excluding those closely related to the normal business operations of the Company, in compliance with requirements of the national policies and entitled continuously to a fixed amount or fixed quantity under the standard of the State)	193,644	
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss	0	
Profit arising from investment cost for acquisition of subsidiaries, associates and joint ventures less than the revenue generated from their identifiable net assets of the invested entity at fair value at the time of acquisition	0	
Profit/loss of non-monetary assets swap	0	
Profit/loss from entrusted investment or assets management	0	
Provision for impairment of assets due to force majeure i.e. natural disasters	0	
Profit/loss from debt restructuring	0	
Corporate restructuring expenses, i.e. expenses on employee placement, integration costs, etc.	0	
Profit/loss from the excess of the fair value of a transaction of unfair consideration	0	
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger	0	
Profit/loss from contingencies irrelevant to the normal business operations of the Company	0	

Items	Amount for the period	Remarks
Apart from hedging instruments relating to the normal business operations of the Company, profit/loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	7,550	
Write back of the provision for impairment of accounts receivable that is individually tested for impairment	0	
Profit/loss from the external entrusted loans	0	
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement	0	
Effect of one-off adjustment to current profit/loss in accordance with laws and regulations on taxation and accounting, etc.	0	
Income of entrustment fees from entrusted operations	0	
Non-operating income/expenses other than the above items	4,384	
Other profit and loss items falling within the meaning of non-recurring profit and loss	0	
Impact on minority shareholders' interests (after taxation)	-45,379	
Impact on income tax	-47,590	
	<hr/>	
Total	142,497	
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2.2 Total number of shareholders and the shareholding of the top ten shareholders and top ten holders of tradable shares (or shares not subject to selling restrictions) as at the end of the Reporting Period

Unit: Share

Total number of shareholders (*households*) 535,117

Particulars about shareholding of top ten shareholders

Name of shareholders (full name)	Shares held at the end of the period	Percentage (%)	Number of shares held with selling restrictions	Pledge or moratorium		Nature of shareholders
				Status of shares	Amount	
China Metallurgical Group Corporation (中國冶金科工集團有限公司)	12,265,108,500	59.18	0	None	0	State-owned legal person
HKSCC Nominees Limited (香港中央結算(代理人)有限公司) ^{Note}	2,842,477,000	13.71	0	None	0	Other
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	295,325,035	1.42	0	None	0	State-owned legal person
Huatai Asset Management Company Ltd. – Strategic Investment Products (華泰資產管理有限公司- 策略投資產品)	185,220,207	0.89	185,220,207	None	0	Other
Shenzhen Ping An Real Estate Investment Co., Ltd. (深圳市平安置業投資有限公司)	181,345,336	0.88	181,345,336	None	0	Other
Penghua Asset – China Merchants Bank – China Resources SZITIC Trust – China Resources Trust • Bohui No. 45 Collective Fund Trust (鵬華資產 – 招商銀行 – 華潤深國投信託 – 華潤信託 • 博蒼45號集合資金信託計劃)	161,580,310	0.78	161,580,310	None	0	Other
CCB Principal Asset – ICBC – Shaanxi International Trust – Shaanxi International Investment • Haitang No. 2 Directional Investment Collective Fund Trust (建信基金 – 工商銀行 – 陝西國際信託 – 陝國投 • 海棠2號定向投資集合資金信託計劃)	161,404,041	0.78	161,404,041	None	0	Other
Yunnan International Trust Co., Ltd. – Yunnan Trust – Huahao No. 1 Collective Fund Trust (雲南國際信託 有限公司 – 雲南信託 – 華浩1號集合資金信託計劃)	161,404,041	0.78	161,404,041	None	0	Other
Lion Fund – Industrial Securities – Nanjing Shuang'an Asset Management Co., Ltd. (諾安基金 – 興業證 券 – 南京雙安資產管理有限公司)	161,401,139	0.78	161,401,139	None	0	Other
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	90,087,800	0.43	0	None	0	State-owned legal person

Particulars about the shareholding of top ten holders of shares not subject to selling restrictions

Name of shareholders	Number of tradable shares not subject to selling restrictions	Types and number of shares	
		Types of shares	Number of shares
China Metallurgical Group Corporation (中國冶金科工集團有限公司)	12,265,108,500	RMB-denominated ordinary shares	12,265,108,500
HKSCC Nominees Limited (香港中央結算(代理人)有限公司)	2,842,477,000	Overseas-listed foreign shares	2,842,477,000
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	295,325,035	RMB-denominated ordinary shares	295,325,035
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	90,087,800	RMB-denominated ordinary shares	90,087,800
Fullgoal CSI State-owned Enterprises Reform Index Classified Securities Investment Fund (富國中證國有企業 改革指數分級證券投資基金)	44,732,670	RMB-denominated ordinary shares	44,732,670
Jin Xiaoqi (靳曉齊)	26,188,857	RMB-denominated ordinary shares	26,188,857
Hong Kong Securities Clearing Company Limited (香港中央結算有限公司)	19,363,932	RMB-denominated ordinary shares	19,363,932
Evergrande Life Insurance Company Limited – Comprehensive Portfolio B (恒大人壽保險有限公司–萬能組合B)	17,833,600	RMB-denominated ordinary shares	17,833,600
China Construction Bank – SSE 180 Trading Open-ended Index Securities Investment Fund (中國建設銀行–上證180交易型 開放式指數證券投資基金)	14,445,325	RMB-denominated ordinary shares	14,445,325
Huang Canliang (黃燦良)	14,005,160	RMB-denominated ordinary shares	14,005,160
Explanations on the connections or parties acting in concert among the aforesaid shareholders	The Company is not aware of the existence of any connections or parties acting in concert among the aforesaid shareholders		
Preferential shareholders with resumed voting rights and their shareholdings	Not Applicable		

Note: The H Shares held by HKSCC Nominees Limited are those held on behalf of their beneficial owners.

2.3 Total number of holders of preference shares and the shareholding of the top ten holders of preference shares and top ten holders of preference shares not subject to selling restrictions as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Particulars and reasons of material changes in major accounting items and financial indicators of the Company

Applicable Not applicable

Unit: RMB'000

Items	31 March 2017	31 December 2016	Change (%)	Reasons for changes
Prepayments	19,202,959	13,421,058	43.1%	Mainly due to an increase in prepayments for the operations of subsidiaries.
Other equity instruments	14,584,565	9,884,950	47.5%	Mainly due to an increase in perpetual bonds issued by the Company.

Item	First quarter of 2017	First quarter of 2016	Change (%)	Reasons for changes
Taxes and levies	338,010	958,680	-64.7%	Mainly due to the fact that the operating taxes and levies were no longer imposed on the Company upon the replacement of the business tax with the value-added tax.

3.2 Explanations and analysis of the progress of significant events and their impact and solution

Applicable Not applicable

3.2.1 New contracts entered into during the Reporting Period

In the first quarter of 2017, the Company entered into new contracts with an aggregate amount of RMB126,230 million, representing an increase of 12.0% as compared with same period last year. In particular, newly signed engineering contracts amounted to RMB116,950 million.

3.2.2 The non-public issuance of shares

Pursuant to the special mandate granted by the Shareholders at the 2016 First Extraordinary General Meeting, the 2016 First A Shareholders' Class Meeting and the 2016 First H Shareholders' Class Meeting, having received the "Approval in relation to the non-public issuance of Shares by Metallurgical Corporation of China Ltd." (Zheng Jian Xu Ke [2016] No.1794) issued by the China Securities Regulation Commission, the Company carried out the non-public issuance of 1,613,619,170 RMB-denominated ordinary shares (A Shares) with a nominal value of RMB1 each to specific investors on 26 December 2016. On 30 December 2016, the Company received the additional registered capital paid by specific investors in relation to the non-public issuance of A Shares, and the net proceeds amounted to RMB6,173,491,784.27. Deloitte Touche Tohmatsu CPA LLP verified the proceeds from the non-public issuance and issued the capital verification report of De Shi Bao (Yan) Zi (16) No. 1081. All formalities in relation to the stock registration had been fulfilled by 6 January 2017 (please see the relevant announcement of the Company dated 10 January 2017 for details).

3.2.3 The issuance of corporate bonds

During the Reporting Period, the Company issued 2017 Renewable Corporate Bonds (First Tranche) and 2017 Renewable Corporate Bonds (Second Tranche). Details of which are set out in the below table:

Unit: RMB hundred million

Name of bonds	Short name	Stock code	Issue date	Expiry date	Outstanding bonds	Interest rate	Method to pay principal and interests	Stock exchange
2017 Renewable Corporate Bonds (First Tranche)	17 MCC Y1	136987	28 February 2017 to 1 March 2017	Where the issuer opts to pay in full for bonds in a particular year of exercising renewal option under this issuance of this tranche of bonds, the value date (1 March) of such interest-bearing year shall be the payment date of the bonds (If it is a non-trading day, payment shall be made on the first following trading day, during which no additional interests shall be charged on such postponed period)	27	4.99%	The bonds shall bear interests on a yearly basis at single rate rather than compound rate and shall paid each year if the issuer does not exercise the right to postpone the payment of interests. At the end of each period, the issuer shall have the right to extend the term of this type of product for another period (i.e. another three years) or opt to pay in full such type of products upon expiry at the end of such period	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (Second Tranche)	17 MCC Y3	136972	10 March 2017 to 13 March 2017	Where the issuer opts to pay in full for bonds in a particular year of exercising renewal option under this issuance of this tranche of bonds, the value date (13 March) of such interest-bearing year shall be the payment date of the bonds (If it is a non-trading day, payment shall be made on the first following trading day, during which no additional interests shall be charged on such postponed period)	20	4.98%	The bonds shall bear interests on a yearly basis at single rate rather than compound rate and shall paid each year if the issuer does not exercise the right to postpone the payment of interests. At the end of each period, the issuer shall have the right to extend the term of this type of product for another period (i.e. another three years) or opt to pay in full such type of products upon expiry at the end of such period	Shanghai Stock Exchange

3.3 Performance of undertakings of the Company and shareholders with more than 5% of shareholding of the Company during the Reporting Period

Applicable Not applicable

Undertaking background	Type of undertaking	Undertaking party	Details of the undertaking	Date and duration of undertaking	Whether there is a time limit for performance	Whether it is strictly performed in a timely manner	If not performed timely, specify the reasons in details	If not performed timely, specify further plans
Undertakings in relation to the initial public offering	Solution to defects in property rights of lands	MCC Group and MCC	As considered and approved at the 2013 annual general meeting of the Company, the undertakings of Company and the Controlling Shareholder in relation to the application for the title certificates for defective properties were changed as follows: 1. With respect to a building with a gross floor area of 156.01 sq.m. and two land parcels with a total site area of 15,959.20 sq.m. in respect of which relevant certificates are expected to be applied successfully in future, the application period for such certificates shall be extended to 36 months upon approval of such matter by the general meeting of the Company. 2. The Company shall cease to apply any title certificates for 181 buildings and 11 land parcels, in respect of which relevant certificates cannot be successfully applied or the application for such certificates cannot be completed within a given period. ^{Note}	27 June 2014 to 26 June 2017	Yes	Yes	-	-
	Solution of horizontal competition	MCC Group	MCC Group, the controlling shareholder of MCC, undertook to avoid being engaged in or taking part in any business which may compete horizontally with the principal business of MCC.	5 December 2008	No	Yes	-	-
Undertakings in relation to the non-public offering	Others	MCC Group	Special Self-Inspection Report On the Real Estate Business for the Purpose of the Non-public Issuance of A Shares of Metallurgical Corporation of China Ltd. in 2015 disclosed MCC's development of domestic commodity houses during the Reporting Period, in a true, accurate and complete manner. If there is any undisclosed violation of laws and regulations in respect of the delay in developing acquired land, land speculation, hoarding of properties and driving up of property prices by price-rigging within the scope of the self-inspection of MCC, which cause losses to MCC and its investors, the undertaking parties will bear the corresponding liability for compensation.	29 September 2015	No	Yes	-	-

Note: For details, please refer to the relevant announcement of the Company disclosed on 28 March 2017.

3.4 Warning and explanation in the forecast of any possible loss in accumulated net profit from the beginning of the year to the end of next reporting period or any material changes compared to the corresponding period of last year

Applicable Not applicable

Company name **Metallurgical Corporation of China Ltd.***
 Legal representative **Guo Wenqing**
 Date **28 April 2017**

IV. APPENDICES

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2017

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Closing balance	Opening balance
Current Assets:		
Cash and bank balances	37,740,868	44,863,390
Financial assets at fair value through profit/loss during the period	1,103	1,044
Derivative financial assets	0	0
Bills receivable	16,552,660	16,026,955
Accounts receivable	70,584,191	69,544,642
Prepayments	19,202,959	13,421,058
Interests receivable	28,379	26,666
Dividends receivable	40,231	46,727
Other receivables	34,512,836	31,409,955
Inventories	128,350,886	122,191,095
Assets classified as held-for-sale	0	0
Non-current assets due within one year	3,363,440	3,745,636
Other current assets	1,811,695	1,497,368
Total current assets	312,189,248	302,774,536

Items	Closing balance	Opening balance
Non-current assets:		
Available-for-sale financial assets	2,863,039	2,665,570
Held-to-maturity investments	0	0
Long-term receivables	12,106,242	11,277,158
Long-term equity investment	6,398,924	5,163,485
Investment properties	2,454,915	2,486,596
Fixed assets	29,119,335	30,037,756
Construction in progress	3,939,783	3,653,172
Construction materials	67,591	69,074
Disposal of fixed assets	0	0
Intangible assets	14,733,440	14,416,860
Development expenses	0	0
Goodwill	165,871	173,058
Long-term deferred expenses	217,249	249,357
Deferred income tax assets	4,382,493	4,358,008
Other non-current assets	164,212	166,974
	<hr/>	<hr/>
Total non-current assets	76,613,094	74,717,068
	<hr/>	<hr/>
Total assets	388,802,342	377,491,604
	<hr/>	<hr/>
Current liabilities:		
Short-term borrowings	54,850,817	49,740,440
Financial liabilities at fair value through profit/loss during the period	0	0
Derivative financial liabilities	9,866	17,443
Bills payable	17,167,997	17,638,291
Accounts payable	108,772,510	111,999,308
Payment received in advance	31,616,366	33,161,350
Salaries payable	1,841,136	1,915,566
Taxes payable	3,135,079	3,110,767
Interests payable	445,405	493,527
Dividends payable	827,115	827,426
Other payables	18,080,010	18,681,125
Liabilities classified as held-for-sale	0	0
Non-current liabilities due within one year	14,639,411	14,440,253
Other current liabilities	3,779,416	3,997,881
	<hr/>	<hr/>
Total current liabilities	255,165,128	256,023,377
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Items	Closing balance	Opening balance
Non-current liabilities:		
Long-term borrowings	30,920,297	25,038,820
Debtures payable	6,654,000	6,654,000
Including: Preference shares	0	0
Perpetual bonds	0	0
Long-term payable	818,800	850,280
Long-term staff remuneration payable	3,537,217	3,646,673
Special payables	3,430	7,175
Estimated liabilities	632,507	568,876
Deferred income	1,269,402	1,382,299
Deferred income tax liabilities	277,993	212,401
Other non-current liabilities	0	0
	<hr/>	<hr/>
Total non-current liabilities	44,113,646	38,360,524
	<hr/>	<hr/>
Total liabilities	299,278,774	294,383,901
	<hr/>	<hr/>
Owners' equity		
Share capital	20,723,619	20,723,619
Other equity instruments	14,584,565	9,884,950
Including: Preference shares	0	0
Perpetual bonds	14,584,565	9,884,950
Capital reserve	22,440,297	22,438,344
Less: Treasury stock	0	0
Other comprehensive income	205,326	189,057
Special reserve	12,550	12,550
Surplus reserve	1,100,651	1,100,651
Undistributed profit	17,645,642	16,203,904
Total equity attributable to owners of the Company	76,712,650	70,553,075
Minority interest	12,810,918	12,554,628
	<hr/>	<hr/>
Total owners' equity	89,523,568	83,107,703
	<hr/>	<hr/>
Total liabilities and owners' equity	388,802,342	377,491,604
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<i>Legal representative:</i> Guo Wenqing	<i>Person in charge of Accounting:</i> Zou Hongying	<i>Head of Accounting Department:</i> Fan Wanzhu
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Balance sheet of the Company

31 March 2017

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Closing balance	Opening balance
Current Assets:		
Cash and bank balances	4,698,726	7,703,977
Financial assets at fair value through profit/loss during the period	0	0
Derivative financial assets	0	0
Bills receivable	0	0
Accounts receivable	611,513	823,423
Prepayments	208,651	161,552
Interest receivable	2,241,704	2,000,053
Dividends receivable	2,100,649	2,100,649
Other receivables	25,087,335	26,183,580
Inventories	386,105	299,065
Assets classified as held-for-sale	0	0
Non-current assets due within one year	2,037	1,577,037
Other current assets	0	0
Total current assets	35,336,720	40,849,336

Items	Closing balance	Opening balance
Non-current assets:		
Available-for-sale financial assets	231	231
Held-to-maturity investments	0	0
Long-term receivables	4,226,605	2,469,574
Long-term equity investment	80,144,012	79,317,111
Investment properties	0	0
Fixed assets	12,184	12,592
Construction in progress	9,913	8,518
Construction materials	0	0
Disposal of fixed assets	0	0
Intangible assets	10,871	9,597
Development expenses	0	0
Goodwill	0	0
Long-term deferred expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	0	0
	<hr/>	<hr/>
Total non-current assets	84,403,816	81,817,623
	<hr/>	<hr/>
Total assets	119,740,536	122,666,959
	<hr/>	<hr/>
Current liabilities:		
Short-term borrowings	26,526,603	27,514,934
Financial liabilities at fair value through profit/loss during the period	0	0
Derivative financial liabilities	0	0
Bills payable	0	0
Accounts payable	794,924	818,728
Payment received in advance	533,609	541,402
Salaries payable	9,712	8,974
Taxes payable	39,813	46,848
Interests payable	513,340	238,965
Dividends payable	168,633	168,633
Other payables	4,863,730	11,430,335
Liabilities classified as held-for-sale	0	0
Non-current liabilities due within one year	303,755	853,755
Other current liabilities	0	0
	<hr/>	<hr/>
Total current liabilities	33,754,119	41,622,574
	<hr/>	<hr/>

Items	Closing balance	Opening balance
Non-current liabilities:		
Long-term loans	5,352,741	5,016,690
Debtentures payable	2,704,000	2,704,000
Including: Preference shares	0	0
Perpetual bonds	0	0
Long-term payable	78,980	78,980
Long-term salaries payable	17,893	18,061
Special payables	0	0
Estimated liabilities	0	0
Deferred income	4,411	4,411
Deferred income tax liabilities	0	0
Other non-current liabilities	0	0
	<hr/>	<hr/>
Total non-current liabilities	8,158,025	7,822,142
	<hr/>	<hr/>
Total liabilities	41,912,144	49,444,716
	<hr/>	<hr/>
Owners' equity:		
Share capital	20,723,619	20,723,619
Other equity instruments	14,584,565	9,884,950
Including: Preference shares	0	0
Perpetual bonds	14,584,565	9,884,950
Capital reserve	38,041,092	38,041,092
Less: Treasury stock	0	0
Other comprehensive income	1,465	1,465
Special reserve	12,550	12,550
Surplus reserve	1,100,651	1,100,651
Undistributed profit	3,364,450	3,457,916
	<hr/>	<hr/>
Total owners' equity	77,828,392	73,222,243
	<hr/>	<hr/>
Total liabilities and owners' equity	119,740,536	122,666,959
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Legal representative:
Guo Wenqing

*Person in charge of
Accounting:*
Zou Hongying

*Head of Accounting
Department:*
Fan Wanzhu

Consolidated Income Statement

January to March 2017

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Amount for the period	Amount for the previous period
I. Total operating revenue	44,180,003	42,574,606
Including: Operating revenue	44,180,003	42,574,606
II. Total operating costs	42,432,529	41,191,603
Including: Operating costs	38,889,078	37,583,016
Taxes and levies	338,010	958,680
Selling expenses	403,231	286,334
Administrative expenses	2,206,195	2,034,006
Finance costs	568,562	542,948
Impairment losses of assets	27,453	-213,381
Add: Gain from changes in fair value (losses are represented by “-”)	7,550	4,250
Investment income (losses are represented by “-”)	23,706	358,015
Including: Gain from investment in associates and joint ventures	27,371	339,957
Exchange gains (losses are represented by “-”)	0	0
III. Operating profit (losses are represented by “-”)	1,778,730	1,745,268
Add: Non-operating income	250,392	142,717
Including: Profit from disposal of non-current assets	31,863	33,772
Less: Non-operating expenses	22,477	11,819
Including: Loss from disposal of non-current assets	1,975	2,954
IV. Total profit (total loss is represented by “-”)	2,006,645	1,876,166
Less: Income tax expenses	319,024	301,426
V. Net profit (net loss is represented by “-”)	1,687,621	1,574,740
Net profit attributable to owners of the Company	1,441,738	1,365,107
Minority interests	245,883	209,633

Items	Amount for the period	Amount for the previous period
VI. Other net comprehensive income after tax	33,629	-34,431
Other net comprehensive income after tax attributable to owners of the Company	16,269	-41,112
(1) Items of other comprehensive income which cannot be reclassified into profit and loss	-10,326	42,876
1. Recalculation of the change in net liabilities or net assets of the benefit plan	-10,326	42,876
2. The amount cannot be reclassified into other comprehensive income of profit and loss by the unit to be invested under the equity method	0	0
(2) Other comprehensive income to be reclassified into profit and loss	26,595	-83,988
1. The amount to be reclassified into other comprehensive income of profit and loss by the unit to be invested under the equity method	-128	0
2. Change in profit and loss in fair value of available-for-sale financial assets	13,834	-70,289
3. Held to maturity investments classified as profit and loss of financial asset available- for-sale	0	-5,365
4. The effective portion of cash flow hedging profit and loss	0	0
5. Translation difference of foreign currency financial statement	12,889	-8,334
6. Others	0	0
Other net comprehensive incomes after tax attributable to minority shareholders	17,360	6,681
VII. Other comprehensive income	1,721,250	1,540,309
Total comprehensive income attributable to owners of the Company	1,458,007	1,323,996
Total comprehensive income attributable to minority interests	263,243	216,313
VIII. Earnings per share:		
(1) Basic earnings per share (<i>RMB/Share</i>)	0.07	0.07
(2) Diluted earnings per share (<i>RMB/Share</i>)	N/A	N/A

Legal representative:
Guo Wenqing

Person in charge of
Accounting:
Zou Hongying

Head of Accounting
Department:
Fan Wanzhu

Income Statement of the Company

January to March 2017

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Amount for the period	Amount for the previous period
I. Operating revenue	190,627	439,788
Less: Operating costs	190,153	439,788
Taxes and levies	3,911	0
Selling expenses	0	0
Administrative expenses	31,047	26,143
Finance costs	57,902	-29,565
Impairment losses of assets	0	0
Add: Gains from changes in fair value (losses are represented by “-”)	0	0
Investment income (losses are represented by “-”)	0	-346
Including: Gains from investment in associates and joint ventures	0	0
II. Operating profits (losses are represented by “-”)	-92,386	3,076
Add: Non-operating income	3	5
Including: Profit from disposal of non-current assets	0	0
Less: Non-operating expenses	1	0
Including: Loss from disposal of non-current assets	0	0
III. Total profits (total loss is represented by “-”)	-92,384	3,081
Less: Income tax expenses	1,082	0
IV. Net profit (net loss is represented by “-”)	-93,466	3,081

Items	Amount for the period	Amount for the previous period
V. Other net comprehensive income after tax	0	0
(1) Items of other comprehensive income cannot be reclassified into profit and loss	0	0
1. Recalculation of the change in net liabilities or net assets of the benefit plan	0	0
2. The amount cannot be reclassified as other comprehensive income into profit and loss by the unit to be invested under the equity method	0	0
(2) Other comprehensive income to be reclassified into profit and loss	0	0
1. The amount to be reclassified into other comprehensive income of profit and loss by the unit to be invested under the equity method	0	0
2. Change in profit and loss in fair value of available-for-sale financial assets	0	0
3. Held-to-maturity investments classified as profit and loss of financial asset available-for-sale	0	0
4. The effective portion of cash flow hedging profit and loss	0	0
5. Translation difference of foreign currency financial statement	0	0
6. Others	0	0
VI. Total comprehensive income	<u>-93,466</u>	<u>3,081</u>

<i>Legal representative:</i> Guo Wenqing	<i>Person in charge of Accounting:</i> Zou Hongying	<i>Head of Accounting Department:</i> Fan Wanzhu
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Consolidated Cash Flow Statements

January to March 2017

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Amount for the period	Amount for the previous period
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	42,359,385	42,120,032
Tax rebate received	90,761	104,587
Other cash received relating to operating activities	814,934	675,130
Sub-total of cash inflow from operating activities	43,265,080	42,899,749
Cash paid for purchasing goods and receiving services	47,398,286	39,712,002
Cash paid to and on behalf of employees	4,020,227	3,887,203
Taxes and surcharges paid	2,934,048	2,847,778
Other cash paid relating to operating activities	5,766,024	4,064,297
Sub-total of cash outflow from operating activities	60,118,585	50,511,280
Net cash flow from operating activities	-16,853,505	-7,611,531
II. Cash flows from investing activities:		
Cash received from disposal of investments	0	702,554
Cash received from return on investments	11,699	19,345
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	27,724	14,412
Net cash received from disposal of subsidiaries and other business entities	0	143,000
Other cash received relating to investing activities	6,243	8,635
Sub-total of cash inflow from investing activities	45,666	887,946
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	787,447	369,084
Cash paid for investment	1,488,864	270,250
Net cash paid for acquisition of subsidiaries and other business entities	0	10,625
Other cash paid relating to investing activities	577,977	116,640
Sub-total of cash outflow from investing activities	2,854,288	766,599
Net cash flows from investing activities	-2,808,622	121,347

Items	Amount for the period	Amount for the previous period
III. Cash flows from financing activities:		
Cash received from investments	4,782,615	7,077
Including: Cash received by subsidiaries from minority shareholder's investment	4,782,615	0
Cash received from borrowings	25,645,455	26,442,537
Other cash received relating to financing activities	2,165,990	630,808
Sub-total of cash inflow from financing activities	32,594,060	27,080,422
Cash paid for repayment of liabilities	16,416,394	18,221,744
Cash paid for dividend, profit distribution or interest repayment	1,472,617	1,686,042
Including: Dividend and profit paid by subsidiaries to minority shareholders	0	3,052
Other cash paid relating to financing activities	0	0
Sub-total of cash outflow from financing activities	17,889,011	19,907,786
Net cash flows from financing activities	14,705,049	7,172,636
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate	545	28,534
V. Net increase in cash and cash equivalents	-4,956,533	-289,014
Add: Balance of cash and cash equivalents at the beginning of the period	38,711,911	28,736,378
VI. Balance of cash and cash equivalents at the end of the period	33,755,378	28,447,364

	<i>Person in charge of</i>	<i>Head of Accounting</i>
<i>Legal representative:</i>	<i>Accounting:</i>	<i>Department:</i>
Guo Wenqing	Zou Hongying	Fan Wanzhu

Cash Flow Statements of the Company

January to March 2017

Prepared by: Metallurgical Corporation of China Ltd.*

Unit: RMB'000, unaudited

Items	Amount for the period	Amount for the previous period
I. Cash flows from operating activities:		
Cash received from selling goods and rendering services	430,621	419,635
Tax rebate received	0	0
Other cash received relating to operating activities	53,941	7,969
Sub-total of cash inflow from operating activities	484,562	427,604
Cash paid for purchasing goods and receiving services	343,236	375,015
Cash paid to and on behalf of employees	18,629	14,635
Taxes and surcharges paid	14,948	13,052
Other cash paid relating to operating activities	55,551	51,145
Sub-total of cash outflow from operating activities	432,364	453,847
Net cash flow from operating activities	52,198	-26,243
II. Cash flows from investing activities:		
Cash received from disposal of investments	0	0
Cash received from return on investments	0	567,227
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	0	0
Net cash received from disposal of subsidiaries and other business entities	0	0
Other cash received relating to investing activities	2,389,741	6,401,755
Sub-total of cash inflow from investing activities	2,389,741	6,968,982
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	977	30
Cash paid for investment	0	160,000
Net cash paid for acquisition of subsidiaries and other business entities	0	0
Other cash paid relating to investing activities	8,878,940	2,466,558
Sub-total of cash outflow from investing activities	8,879,917	2,626,588
Net cash flows from investing activities	-6,490,176	4,342,394

Items	Amount for the period	Amount for the previous period
III. Cash flows from financing activities:		
Cash received from investments	4,699,615	0
Cash received from borrowings	8,630,281	8,108,703
Other cash received relating to financing activities	0	0
Sub-total of cash inflow from financing activities	13,329,896	8,108,703
Cash paid for repayment of liabilities	9,816,727	11,417,312
Cash paid for dividend, profit distribution or interest repayment	79,858	269,465
Other cash paid relating to financing activities	0	0
Sub-total of cash outflow from financing activities	9,896,585	11,686,777
Net cash flows from financing activities	3,433,311	-3,578,074
IV. Effect on cash and cash equivalents due to change in foreign currency exchange rate	-42	-2,632
V. Net increase in cash and cash equivalents	-3,004,709	735,445
Add: Balance of cash and cash equivalents at the beginning of the period	7,692,102	2,727,674
VI. Balance of cash and cash equivalents at the end of the period	4,687,393	3,463,119

<i>Legal representative:</i>	<i>Person in charge of</i>	<i>Head of Accounting</i>
Guo Wenqing	Accounting:	Department:
	Zou Hongying	Fan Wanzhu

4.2 Audit Report

Applicable Not applicable