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**ZHAOJIN**

**ZHAOJIN MINING INDUSTRY COMPANY LIMITED\***

**招金礦業股份有限公司**

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

**(Stock Code: 1818)**

### **THIRD QUARTERLY REPORT OF 2018**

This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

On 7 July 2015, Zhaojin Mining Industry Company Limited (the “**Company**”) issued the second tranche of medium-term notes for 2015. Details of the relevant documents relating to medium-term notes have been published on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>).

Pursuant to the relevant regulations in the People's Republic of China (the “**PRC**”), the Company's unaudited quarterly financial statement shall be published on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>) during the subsistence period of the medium-term notes.

The following is the unaudited third quarterly consolidated financial information of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2018 prepared in accordance with PRC GAAP, which is also published on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>).

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***Zhaojin Mining Industry Company Limited (Consolidated)*

Unit: RMB Yuan

<b>Assets</b>	<b>31 December 2017</b>	<b>30 September 2018</b>
Current Assets:		
Cash and cash equivalents	2,124,991,583.47	1,087,065,066.35
Equity investments at fair value through profit or loss	279,077,748.90	385,813,743.64
Notes receivables	190,537,490.00	80,370,288.08
Trade receivables	45,769,128.69	157,045,217.93
Advance to customers	392,117,422.60	937,689,993.97
Interest receivable	17,678,675.78	46,928,497.79
Dividend receivable		11,940,675.71
Other receivables	208,504,077.17	463,625,619.60
Inventories	3,564,584,121.15	4,296,371,730.35
Current portion of non-current assets		
Other current assets	1,231,084,383.66	1,807,534,129.65
Total current assets	8,054,344,631.42	9,274,384,963.07
Non-current Assets:		
Available-for-sale financial assets	38,350,315.28	28,760,670.43
Held-to-maturity investments		
Long-term receivables		
Long-term investments	402,850,920.49	370,017,655.46
Investments in real estates		
Property, plant and equipment	11,283,318,066.52	10,879,095,643.98
Construction in progress	2,355,039,273.85	3,335,118,019.00
Project goods and material		
Disposal of fixed assets		1,613,318.97
Productive biological assets		
Oil and gas assets		
Intangible assets	8,588,913,883.18	9,250,630,369.88
Development expenditure		582,524.27
Goodwill	709,844,457.86	709,844,457.86
Long-term prepaid expenses	35,823,715.23	29,256,276.40
Deferred tax assets	170,055,353.93	170,055,353.93
Other long-term assets	2,086,839,926.83	1,601,875,831.06
Total non-current assets	25,671,035,913.17	26,376,850,121.24
TOTAL ASSETS	33,725,380,544.59	35,651,235,084.31

**LIABILITIES AND OWNERS' EQUITY  
(OR SHAREHOLDERS' EQUITY)**

**31 December 2017      30 September 2018**

Current Liabilities:

Short-term borrowings	8,711,058,997.92	8,598,023,934.22
Held for trading financial liabilities		
Notes payables	18,945,591.43	128,133,122.81
Trade payables	426,636,752.88	473,532,104.02
Advance from customers	221,783,243.63	150,971,490.11
Payroll payables	99,232,152.40	91,099,329.46
Tax payables	182,784,393.11	36,883,117.47
Interest payables	88,798,501.01	141,007,805.30
Dividend payables	108,765,287.09	118,134,874.05
Other payables	1,349,487,506.90	1,173,868,122.10
Current portion of other long-term liabilities	770,968,432.00	
Other current liabilities	1,815,727,795.14	1,059,164,838.31
Total current liabilities	13,794,188,653.51	11,970,818,737.85

Non-current Liabilities:

Long-term borrowings	619,338,322.00	684,868,322.00
Corporate bond	1,794,963,890.83	5,100,954,849.47
Long-term payables	43,288,000.00	18,413,725.91
Special payable	364,522,741.65	325,402,932.49
Estimated liabilities	33,692,053.01	58,365,309.60
Deferred tax liabilities	348,063,219.32	384,051,394.17
Other long-term liabilities	24,917,537.94	22,514,812.03
Total non-current liabilities	3,228,785,764.75	6,594,571,345.67
Total liabilities	17,022,974,418.26	18,565,390,083.52

Owners' Equity (or Shareholders' Equity):

Issued capital	3,220,696,195.00	3,220,696,195.00
Capital reserve	2,656,133,236.64	2,656,133,236.64
Less: treasury stock		
Surplus reserve	1,011,401,344.14	922,969,546.23
Accumulated profit	3,594,026,854.84	3,756,339,273.83
Translation gain and loss	-8,425,426.75	-1,462,436.99
Perpetual capital instruments	2,664,599,589.00	2,667,174,927.59
Equity attributable to the parent	13,138,431,792.87	13,221,850,742.30
Non-controlling interests	3,563,974,333.46	3,863,994,258.49
Total equity	16,702,406,126.33	17,085,845,000.79
<b>TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)</b>	<b>33,725,380,544.59</b>	<b>35,651,235,084.31</b>

**STATEMENT OF FINANCIAL POSITION***Zhaojin Mining Industry Company Limited*

Unit: RMB Yuan

<b>Assets</b>	<b>31 December 2017</b>	<b>30 September 2018</b>
Current Assets:		
Cash and cash equivalents	590,084,121.86	535,726,107.94
Equity investments at fair value through profit or loss	64,411,800.00	41,020,400.00
Notes receivables	175,982,000.00	124,810.60
Trade receivables	122,764,346.07	136,184,146.61
Advance to customers	293,584,764.27	239,470,305.21
Interest receivable	1,175,227,987.01	1,302,888,428.89
Dividend receivable	186,206,497.63	255,297,097.38
Other receivables	1,399,613,241.32	2,075,762,454.73
Inventories	2,119,536,608.70	2,406,154,210.14
Current portion of non-current assets		
Other current assets	5,262,878,406.53	5,650,441,897.26
Total current assets	11,390,289,773.39	12,643,069,858.76
Non-current Assets:		
Available-for-sale financial assets	8,740,188.53	8,740,188.53
Held-to-maturity investments		
Long-term receivables		
Long-term investments	8,706,546,888.15	8,764,973,962.44
Investments in real estates		
Property, plant and equipment	4,922,983,374.58	4,748,277,444.16
Construction in progress	872,078,247.33	1,218,803,216.87
Project goods and material		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	1,193,047,961.97	1,180,242,642.70
Development expenditure		
Goodwill	84,335,610.38	84,335,610.38
Long-term prepaid expenses	17,941,837.70	13,410,189.62
Deferred tax assets	68,422,532.88	68,422,532.88
Other long-term assets	593,411,628.27	596,890,051.92
Total non-current assets	16,467,508,269.79	16,684,095,839.50
TOTAL ASSETS	27,857,798,043.18	29,327,165,698.26

**LIABILITIES AND OWNERS' EQUITY  
(OR SHAREHOLDERS' EQUITY)**

**31 December 2017      30 September 2018**

Current Liabilities:

Short-term borrowings	8,583,138,822.72	7,982,089,454.22
Held for trading financial liabilities		
Notes payables		
Trade payables	173,543,827.25	153,269,200.38
Advance from customers	16,413,086.40	24,985,048.55
Payroll payables	47,929,448.23	35,995,529.59
Tax payables	51,745,667.62	-36,925,961.71
Interest payables	62,993,476.10	91,573,602.48
Dividend payables		
Other payables	811,094,815.00	637,449,445.51
Current portion of other long-term liabilities	18,708,182.00	
Other current liabilities	999,384,265.37	
Total current liabilities	10,764,951,590.69	8,888,436,319.02

Non-current Liabilities:

Long-term borrowings	583,198,322.00	442,198,322.00
Corporate bond	1,794,963,890.83	5,100,954,849.47
Long-term payables		2,419,725.91
Special payables	227,766,700.32	198,038,528.25
Estimated liabilities	34,751,337.55	35,866,673.20
Deferred tax liabilities	101,669,567.81	101,669,567.81
Other long-term liabilities	24,917,537.94	22,514,812.03
Total non-current liabilities	2,767,267,356.45	5,903,662,478.67
Total liabilities	13,532,218,947.14	14,792,098,797.69

Owners' Equity (or Shareholders' Equity):

Issued capital	3,220,696,195.00	3,220,696,195.00
Capital reserve	2,867,778,357.03	2,867,778,357.03
Less: treasury stock		
Surplus reserve	989,676,572.21	975,922,535.25
Accumulated profit	4,582,828,382.76	4,803,494,885.70
Translation gain and loss		
Perpetual capital instruments	2,664,599,589.04	2,667,174,927.59
Equity attributable to the parent	14,325,579,096.04	14,535,066,900.57
Non-controlling interests		
Total equity	14,325,579,096.04	14,535,066,900.57
<b>TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)</b>	<b>27,857,798,043.18</b>	<b>29,327,165,698.26</b>

**CONSOLIDATED INCOME STATEMENT**  
*Zhaojin Mining Industry Company Limited (Consolidated)*

Unit: RMB Yuan

<b>Items</b>	<b>Jan-Sep 2018 Accumulated Amount</b>	<b>Jan-Sep 2017 Accumulated Amount</b>
(1) Revenue	4,559,420,664.89	4,777,549,706.26
Less: Cost of sales	2,788,683,984.70	2,816,452,694.96
Taxes and surcharges	141,960,842.05	138,544,208.87
Impairment losses	2,023,177.32	18,794,318.29
Selling expenses	38,458,091.22	35,258,892.97
General and administrative expenses	592,831,032.24	649,622,532.50
Finance expenses	419,664,222.96	442,067,031.54
Add: Fair value change gain (loss “-”)	-8,148,260.14	-5,119,128.44
Investment gain (loss “-”)	31,112,733.69	47,347,489.01
Including: Investment income from joint ventures and affiliates		
(2) Operating income	598,763,787.95	719,038,387.70
Non-operating income	53,852,567.83	42,729,006.67
Non-operating expense	15,999,357.98	20,055,420.16
Including: Disposal of non-current assets	8,967,219.30	10,521,366.05
(3) Total income	636,616,997.80	741,711,974.21
Less: Income tax expenses	139,425,407.19	179,074,166.14
(4) Net profit	497,191,590.61	562,637,808.07
Net profit attributable to owners of the parent	355,554,190.69	425,963,502.67
Minority interests	141,637,399.92	136,674,305.40
(5) Earning per share		
(i) Basic earnings per share	0.11	0.13
(ii) Diluted earnings per share		

**INCOME STATEMENT***Zhaojin Mining Industry Company Limited*

Unit: RMB Yuan

<b>Items</b>	<b>Jan-Sep 2018 Accumulated Amount</b>	<b>Jan-Sep 2017 Accumulated Amount</b>
(1) Revenue	2,096,323,369.43	1,960,853,820.49
Less: Cost of sales	1,227,369,853.13	1,062,677,526.79
Taxes and surcharges	80,118,003.86	71,847,619.93
Impairment losses	(5,132,389.82)	922,122.07
Selling expenses	14,308,999.53	8,568,260.34
General and administrative expenses	230,379,843.77	239,342,044.34
Finance expenses	451,450,644.67	423,431,771.83
Add: Fair value change gain (loss “-”)	(17,785,095.34)	6,500,578.37
Investment gain (loss “-”)	341,238,853.95	309,496,930.77
Including: Investment income from joint ventures and affiliates		
(2) Operating income	421,282,172.90	470,061,984.33
Non-operating income	34,107,965.96	33,400,131.19
Non-operating expense	2,894,602.06	12,082,948.94
Including: Disposal of non-current assets	3,900,369.00	8,794,051.65
(3) Total income	452,495,536.80	491,379,166.58
Less: Income tax expenses	38,587,262.16	59,485,138.19
(4) Net profit	413,908,274.64	431,894,028.39
Net profit attributable to owners of the parent	413,908,274.64	431,894,028.39
Minority interests		
(5) Earning per share		
(i) Basic earnings per share	0.13	0.13
(ii) Diluted earnings per share		

**CONSOLIDATED STATEMENT OF CASH FLOW**  
*Zhaojin Mining Industry Company Limited (Consolidated)*

Unit: RMB Yuan

<b>Items</b>	<b>Jan-Sep 2018 Accumulated Amount</b>
(1) NET CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sale of goods or rendering of services	4,324,709,896.02
Refunds of taxes	
Cash received relating to other operating activities	71,581,156.00
Sub-total of cash inflows	4,396,291,052.02
Cash paid for goods and services	2,180,235,248.37
Cash paid to and on behalf of employees	601,584,125.00
Cash paid for all types of taxes	548,709,561.55
Cash paid relating to other operating activities	311,584,873.00
Sub-total of cash outflows	3,642,113,807.92
NET CASH FLOWS FROM OPERATING ACTIVITIES	754,177,244.10
(2) NET CASH FLOWS FROM INVESTING ACTIVITIES	
Cash received from sales of investments	
Cash received from return on investments	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	
Cash received from disposal of subsidiaries and other units	
Cash received relating to other investing activities	
Sub-total of cash inflows	
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,025,841,581.00
Cash paid for investments	
Cash received from acquisition of subsidiaries and other units	
Cash paid relating to other investing activities	1,001,158,412.00
Sub-total of cash outflows	2,026,999,993.00
NET CASH FLOWS FROM INVESTING ACTIVITIES	-2,026,999,993.00
(3) NET CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received from capital contributions	
Cash received from borrowings	12,377,273,989.41
Cash received relating to other financing activities	21,554,845.00
Sub-total of cash inflows	12,398,828,834.41
Cash payments of loan	11,634,450,203.93
Cash payments of dividend, profit or interest on borrowings	441,031,187.70
Cash paid relating to other financing activities	88,451,211.00
Sub-total of cash outflows	12,163,932,602.63
NET CASH FLOWS FROM FINANCING ACTIVITIES	234,896,231.78
(4) EFFECT OF CHANGES OF EXCHANGE RATE ON CASH	
(5) NET INCREASE IN CASH AND CASH EQUIVALENTS	-1,037,926,517.12



## STATEMENT OF CASH FLOWS

Zhaojin Mining Industry Company Limited

Unit: RMB Yuan

Items	Jan-Sep 2018 Accumulated Amount
(1) NET CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sale of goods or rendering of services	1,778,776,078.81
Refunds of taxes	
Cash received relating to other operating activities	71,581,156.00
Sub-total of cash inflows	1,850,357,234.81
Cash paid for goods and services	632,246,931.80
Cash paid to and on behalf of employees	354,228,211.52
Cash paid for all types of taxes	198,329,216.00
Cash paid relating to other operating activities	21,548,412.00
Sub-total of cash outflows	1,206,352,771.32
NET CASH FLOWS FROM OPERATING ACTIVITIES	644,004,463.49
(2) NET CASH FLOWS FROM INVESTING ACTIVITIES	
Cash received from sales of investments	
Cash received from return on investments	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	
Cash received from disposal of subsidiaries and other units	
Cash received relating to other investing activities	70,799,426.42
Sub-total of cash inflows	70,799,426.42
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	418,487,328.00
Cash paid for investments	
Cash received from acquisition of subsidiaries and other units	
Cash paid relating to other investing activities	1,461,009,343.90
Sub-total of cash outflows	1,879,496,671.90
NET CASH FLOWS FROM INVESTING ACTIVITIES	-1,808,697,245.48
(3) NET CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received from capital contributions	
Cash received from borrowings	12,120,429,407.41
Cash received relating to other financing activities	12,587,416.00
Sub-total of cash inflows	12,133,016,823.41
Cash payments of loan	10,577,955,128.64
Cash payments of dividend, profit or interest on borrowings	378,842,771.70
Cash paid relating to other financing activities	65,884,155.00
Sub-total of cash outflows	11,022,682,055.34
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,110,334,768.07
(4) EFFECT OF CHANGES OF EXCHANGE RATE ON CASH	
(5) NET INCREASE IN CASH AND CASH EQUIVALENTS	-54,358,013.92

The financial information set forth in this announcement is prepared in accordance with PRC GAAP and unaudited. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Announcement is hereby given.

By order of the board  
**Zhaojin Mining Industry Company Limited\***  
**Weng Zhanbin**  
*Chairman*

Zhaoyuan, the PRC, 19 October 2018

*As at the date of this announcement, the Board comprises Mr. Weng Zhanbin, Mr. Dong Xin and Mr. Wang Ligang as executive directors; Mr. Xu Xiaoliang, Mr. Liu Yongsheng, Mr. Yao Ziping and Mr. Gao Min as non-executive directors; and Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu as independent non-executive directors.*

\* *For identification purpose only*