

**2015 3<sup>rd</sup> Quarter Report**

Corporation code: 600019

Corporation abbreviation: Baosteel

**Baoshan Iron & Steel Co., Ltd.**

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## I. Important Notice

- 1.1 The Board of Directors and the Board of Supervisors of Baoshan Iron & Steel Co., Ltd. (hereinafter “the Company”), along with their directors, supervisors and senior executives, hereby guarantee that the Quarter Report is free from false statement, misleading information or grave material omission, and assume relevant separate and joint responsibilities in regard to the truth, the accuracy and the integrity of the contents of the Report.
- 1.2 All members of the Board of Directors of the Company attended the board meeting.
- 1.3 Chen Derong, Chairman of the Company, Zhu Keping, person in charge of accounting work, and Wang Juan, chief accountant in charge of the accounting affairs and Director of the Finance Department, attest to the truthfulness, correctness and completeness of the financial statements in this Report.
- 1.4 The 3<sup>rd</sup> quarter report has not been audited.

## II. Company's Main Financial Data and Shareholders' Change

### 2.1 Main financial data

Unit: RMB Million

	At the end of the reporting period	At the end of the previous year	Increase/decrease from the previous year (%)
Total assets	236,584	228,653	3.47
Net asset attributable to shareholders of listed company	113,963	114,258	-0.26
	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of the previous year to the end of the previous reporting period (January - September)	Increase/decrease from the previous year (%)
Net cash flow from operating activities	15,400	22,206	-30.65
	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of the previous year to the end of the previous reporting period (January - September)	Increase/decrease from the previous year (%)
Operating income	122,192	143,592	-14.90
Net profit attributable to shareholders of listed company	2,254	5,010	-55.01
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss	2,075	4,798	-56.76
Weighted average return-on-equity (%)	1.98	4.47	Down by 2.50 ppts
Basic earnings per share (yuan/share)	0.14	0.30	-55.00
Diluted earnings per share (yuan/share)	0.14	0.30	-55.00

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Non-recurring profit and loss item and amount

√Applicable □ Inapplicable

Unit: RMB Million

Item	Amount of current period (July-September)	Amount from the beginning of the year to the end of the reporting period (January – September)	Notes
Profit and loss from disposal of non-current assets	46	-284	
Government subsidy calculated in current gains and losses, but related to normal operating activities, except consecutive fixed government subsidy in lines with policies, rules and certain standards	60	355	
Gains and losses from change of fair value for holding held-for-trading financial assets and liabilities, investment income at the disposal of held-for-trading financial assets and liabilities, and available-for-sale financial assets, except effective hedging operations related to normal operating activities	88	184	
Other non-operating income and expenditure	22	28	
Affected amount belonging to minority shareholders (after tax)	-14	-33	
Effect of income tax	-54	-71	
Total	148	179	

## 2.2 Principal business by segments

Unit: RMB Million

Segments	From the beginning of year to the end of the reporting period (January – September)			From the beginning of the previous year to the end of the previous reporting period (January - September)			Increase/decrease from the previous year (%)		
	Operating income	Operating cost	Gross margin	Operating income	Operating cost	Gross margin	Operating income	Operating cost	Gross margin
Steel manufacture	75,160	67,407	10.3%	93,243	83,652	10.3%	-19.4	-19.4	Up by 0.03 ppts
Processing and distribution	107,532	104,147	3.1%	131,101	127,920	2.4%	-18.0	-18.6	Up by 0.7 ppts
Chemical industry	5,850	5,516	5.7%	7,207	6,533	9.3%	-18.8	-15.6	Down by 3.7 ppts
E-commerce	12,651	12,651	0.0%	10,560	10,519	0.4%	19.8	20.3	Down by 0.4 ppts
Information technology	2,732	2,010	26.4%	2,596	1,854	28.6%	5.2	8.4	Down by 2.2 ppts
Finance	480	234	51.1%	462	217	53.1%	3.9	8.2	Down by 2.0 ppts
Offset between segments	-81,867	-81,718		-101,234	-101,140				
Total	122,537	110,249	10.0%	143,934	129,554	10.0%	-14.9	-14.9	Up by 0.04 ppts

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2.3 Total number of shareholders, Top 10 shareholders and Top 10 shareholders of tradable shares (or holders of shares not subject to conditional sales) at the end of the reporting period

Unit: Share

Total number of shareholders (persons)						361,959
Top 10 shareholders						
Name (Full name)	Shares at the end of the reporting period	Shareholding proportion (%)	Shares subject to conditional sales	Shares pledged or frozen		Nature of shareholder
				Status	Numbers	
Baosteel Group Corporation	13,130,265,267	79.726	0	None	0	State-owned
China Securities Finance Corporation Limited	492,433,141	2.990	0	None	0	State-owned
Central Huijin Investment Ltd.	122,230,300	0.742	0	None	0	State-owned
Hong Kong Securities Clearing Company Ltd.	56,662,927	0.344	0	None	0	Unknown
Ping An Annuity Insurance Company - Ping An Annuity's Rich Stock Portfolio of Rich Pension Entrusted Management Product	35,702,752	0.217	0	None	0	Unknown
Meng Lingcui	33,836,640	0.205	0	None	0	Domestic natural person
Bank of China Limited - China AMC New Economy Flexibly-Configured Mixed Sponsored Securities Investment Fund	30,593,576	0.186	0	None	0	Unknown
China AMC - Agricultural Bank of China - China AMC China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
China Southern Asset Management - Agricultural Bank of China - Southern China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Dacheng Fund - Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Harvest Fund - Agricultural Bank of China - Harvest China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Yinhua Fund Management Co., Ltd.- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown

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ICBC Credit Suisse Fund - Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
E Fund - Agricultural Bank of China –E Fund China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Guangdong Development Fund - Agricultural Bank of China – Guangdong Development China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Lombarda China Fund Management - Agricultural Bank of China –Lombarda China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Bosera Asset Management Co., Ltd.- Agricultural Bank of China – Bosera China Securities Financial Asset Management Plan	21,645,400	0.131	0	None	0	Unknown
Top 10 holders of shares not subject to conditional sales						
Name	Number of shares not subject to conditional sales	Type and number of shares				
		Type	Number			
Baosteel Group Corporation	13,130,265,267	RMB ordinary share	13,130,265,267			
China Securities Finance Corporation Limited	492,433,141	RMB ordinary share	492,433,141			
Central Huijin Investment Ltd.	122,230,300	RMB ordinary share	122,230,300			
Hong Kong Securities Clearing Company Ltd.	56,662,927	RMB ordinary share	56,662,927			
Ping An Annuity Insurance Company - Ping An Annuity's Rich Stock Portfolio of Rich Pension Entrusted Management Product	35,702,752	RMB ordinary share	35,702,752			
Meng Lingcui	33,836,640	RMB ordinary share	33,836,640			
Bank of China Limited – ChinaAMC New Economy Flexibly-Configured Mixed Sponsored Securities Investment Fund	30,593,576	RMB ordinary share	30,593,576			
ChinaAMC - Agricultural Bank of China – ChinaAMC China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400			
China Southern Asset Management - Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400			
Dacheng Fund - Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400			
Harvest Fund - Agricultural Bank of China – Harvest China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400			
Yinhua Fund Management Co., Ltd. - Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400			

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ICBC Credit Suisse Fund - Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400
E Fund - Agricultural Bank of China –E Fund China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400
Guangdong Development Fund - Agricultural Bank of China – Guangdong Development China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400
Lombarda China Fund Management - Agricultural Bank of China – Lombarda China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400
Bosera Asset Management Co., Ltd. - Agricultural Bank of China – Bosera China Securities Financial Asset Management Plan	21,645,400	RMB ordinary share	21,645,400
Remarks on affiliation, alliance or collusion among the aforementioned shareholders	The Company is not aware of any connected relationship among other shareholders mentioned above or any parties acting in concert specified in <i>Measures for the Administration of Acquisitions by Listed Companies</i> .		
Remarks on shareholder holding preferred stocks with voting right restored and their shares	None		

Note: For top ten shareholders, shares held at the end of the period are calculated according to the quantity of securities of the Company held by the ordinary security account and customer credit security account.

### III. Significant Events

#### 3.1 Sharp changes in major accounting statements and financial indicators and reasons

Applicable    Inapplicable

In the third quarter, due to a depressed domestic macro economy and insufficient domestic demand in China, steel market underwent in-depth adjustment. In the same period, raw material market continued to keep low-price running, prices of iron ore and steel billets kept reaching record low, and Platts 62% Fe Iron Ore Index once reached the lowest USD 44.50. Steel price in the third quarter kept going down on top of the sharp decline in the second quarter, and international steel CRU index and domestic steel CSPI index at the end of quarter decreased by 5.5% and 7.0% respectively month-on-month.

The Company has overcome the external continuous negative factors and organization difficulties in internal production and construction, taken the general efficiency maximization as the guidance, established a comprehensive “cost reduction action system”, optimized the allocation of resources, stabilized product quality, expanded user service, and enhanced manufacturing capacity, finishing various operating tasks with better performance. In the third quarter, the Company has produced 5.431 million tons of iron, 5.519 million tons of steel and sold 5.399 million tons of commercial steel, realizing RMB -1.45 billion of consolidated profit (including RMB- 2.04 billion due to the influence of substantial depreciation of RMB in the third quarter), down by RMB 3.64 billion from that of the second quarter. The consolidated profit from the first to third quarters was RMB 2.95 billion, down by RMB 3.99 billion year-on-year.

Sharp changes in major items of accounting statements and the reason are as follows:

#### **Compared with the opening amount of 2015, analysis on items with big change in the consolidated balance sheet:**

Prepayment has increased by RMB 1.5 billion compared with that at the beginning of the year, which is mainly caused by the expansion of E-commerce platform business and increase in prepaid customs deposit.

Financial assets purchased under resale agreements has decreased by RMB 500 million compared with that at the beginning of the year, which is mainly caused by the decrease in reverse repurchase amount of national debt compared with that at the beginning of the year.

Other current assets have increased by RMB 3.12 billion compared with those at the beginning of the year, which is mainly caused by the Company making full use of the channels and credit advantages to strengthen the short-term idle fund utilization this year, increasing investment and financing products.

Held-to-maturity investment has increased by RMB 1.46 billion compared with that at the beginning of the year, which is mainly caused by the increase in trust financing.

Long-term receivables have decreased by RMB 4.46 billion compared with those at the beginning of the year, which is mainly caused by the money received from assets disposal of stainless steel and special steel business units of the Group Company by installment.

Short-term borrowings have increased by RMB 11.3 billion compared with those at the beginning of the year, which is mainly because that the Company borrowed short-term debt for the construction of Zhanjiang project as well as advanced repayment of long-term loan due within one year since the RMB interest rate is in the down channel.

Other payables have increased by RMB 540 million compared with those at the beginning of the year, which is mainly caused by the increase in trading deposit of Ouyeel e-commerce platform and payables for individual customer investment and financing.

Non-current liabilities due within one year have decreased by RMB 7.13 billion compared with those at the beginning of the year, which is mainly caused by the decrease of RMB 4.88 billion in long-term borrowing due within 1 year, payment in due course of RMB 1.5 billion of Zhanjiang Steel's purchase money due within one year for Guangzhou sheet, and due honoring of Meishan Steel's RMB 500 million of medium term notes due within one year.

Bonds payable has increased by RMB 3.68 billion compared with those at the beginning of the year, which is mainly caused by new EUR 500 million bonds.

Compared with those from the first to the third quarter in 2014:

Analysis on items with big change of consolidated income statement:

Financial expenses have increased by RMB 1.6 billion, which is mainly caused by the RMB central parity formation mechanism reform in August 2015, central parity of RMB/USD in late September has depreciated by 3.9% compared with that of end of the last year, with only 0.8% of depreciation in the same period last year, the Company has carried out foreign exchange payment and exchange rate revaluation on foreign currency debt balance, and exchange loss increasing by RMB 1.55 billion compared with that of the same period last year.

Non-operating income was RMB 500 million, decreasing by RMB 270 million on year-on-year basis, which is mainly caused by RMB 420 million of income from the relocation and disposal of precision steel tube recognized in the same period of last year.

Analysis on consolidated cash flow statement:

Accumulative net cash inflow from the first to the third quarter in 2015 was RMB 710 million, while that of the same period of last year was RMB 5.57 billion, decreasing by RMB 4.86 billion on year-on-year basis.

(1) From the first to the third quarter in 2015, the Company has realized RMB 2.32 billion of accumulative net profit, RMB 7.97 billion of depreciation and amortization of fixed assets, RMB 2.18 billion of financial expenses, RMB 350 million from provision for assets impairment and assets disposal as well as other items, and accumulative operating cash receivable was RMB 12.82 billion. Because of the decrease in occupation of inventory funds, the cash flow increased by RMB 580 million. Because of decrease in operational receivables, the cash flow increased by RMB 1.45 billion. Because of the increase in operational payables, the cash flow increased by RMB 550 million, and net cash inflow of operating activities was RMB 15.4 billion, decreasing by RMB 6.81 billion compared with that of same period last year, with decreasing proportion of 30.7%.

Excluding the influence from Financial Co., net cash inflow of operating activities was RMB 14.32 billion, decreasing by RMB 8.2 billion compared with RMB 22.52 billion of last year. The main reasons for this decrease are as follows:

- 1) The cumulative net profit has decreased by RMB 3 billion compared with that of the same period last year, with decreased cash flow.
- 2) Depreciation and amortization of fixed assets were RMB 7.97 billion, with RMB 7.8 billion in the same period last year and cash flow increasing by RMB 170 million year-on-year.
- 3) Financial expenses were RMB 2.28 billion, and in the same period last year were RMB 660 million, with cash flow increasing by RMB 1.62 billion year-on-year.
- 4) Provision for assets impairment and assets disposal as well as other items were RMB 380 million, with RMB 260 million in the same period last year were and cash flow increasing by RMB 120 million year-on-year.
- 5) Inventory has decreased b RMB 580 million compared with that at the beginning of the year, inventory in the same period last year decreased by RMB 1.99 billion, with cash flow decreasing by RMB 1.41 billion year-on-year.
- 6) Operational receivables have decreased by RMB 900 million compared with those at the beginning of the year, and decreased by RMB 2.64 billion in the same period last year, with cash flow decreasing by RMB 1.74 billion year-on-year.



7) Operational payables have decreased by RMB 3 million compared with those at the beginning of the year, and increased by RMB 3.96 billion in the same period last year, with cash flow decreasing by RMB 3.96 billion year-on-year.

(2) Net cash outflows of investment activities were RMB 17.02 billion, increasing by RMB 8.51 billion of outflows compared with RMB 8.51 billion in the same period last year, with increasing proportion of 100%, which is mainly because the Company increased RMB 3.95 billion of net cash outflow for project construction compared to the last year, and increased RMB 3.95 billion of net cash outflow for buying financing products compared with last year.

(3) Net cash inflows from financial activities were RMB 2.93 billion, increasing by RMB 11.03 billion of net inflows compared with RMB 8.1 billion in the same period last year, which is mainly because this year's debt financing scale has increased compared with that at the beginning of the year, with cash flow increasing by RMB 7.51 billion, debt financing scale in the same period last year has decreased, with cash flow decreasing by RMB 5.38 billion; cash inflow has increased by RMB 12.89 billion on year-on-year basis, Ouyeel e-commerce platform has been established, attracting RMB 1.14 billion of cash investment, with cash flow increasing year-on-year; equity money paid to Guangzhou Sheet was RMB 1.5 billion, and dividend payment has increased by RMB 1.28 billion compared with that of the same period last year, with cash flow decreasing year-on-year.

### 3.2 Progress of significant events as well as analysis and explanation of the influence and solution

Applicable Inapplicable

### 3.3 Performance of commitment matters of the Company and shareholders holding over 5% of shares

Applicable Inapplicable

#### 3.3.1 Commitment related to initial public offering

Baosteel Group undertook the following two commitments at the establishment of the Company:

(1) All related party transactions with the Company will be carried out in compliance with relevant laws, regulations and rules set by the authorities and will not damage the legitimate interest of the Company nor its minority shareholders.

(2) Baosteel Group will not directly participate in any business activity or directly own an interest in any business activity or entity that might pose competition to the Company's current operating business. However, Baosteel Group can maintain its existing shares in the Company, as well as manage and develop the existing business which is or might be in competition with the Company. Should Baosteel Group or its subsidiaries engage in any new business, investment or research that might be in competition with the business of the Company in the future, Baosteel Group has agreed to grant the Company pre-emptive rights to develop or acquire the said business.

These commitments will stay in force under two conditions: A. the Company is listed on Hong Kong Exchanges and Clearing Limited and domestic stock exchange of China; B. Baosteel Group owns no less than 30% of the Company's issued shares.

In addition, on June 13, 2001, and September 6, 2002, Baosteel Group further pledged to uphold these two commitments after the Company's acquisition of the assets related to construction of its phase three project and all remaining assets thereof.

These commitments were published on China Securities Journal, Shanghai Securities News and Securities Times dated 21st June 2001 and 12th September 2002 and the official website of Shanghai Stock Exchange (<http://www.sse.com.cn>) as well.

#### 3.3.2. Commitments related with re-financing

Commitments made in the Prospectus of additional public offering by Baosteel Group:

(1) The Company has the right to acquire, at any time it thinks appropriate, Baosteel Group's assets and businesses which may be in competition with the Company.

(2) The Company shall enjoy the priority of similar business opportunities acquired by Baosteel Group, who will not invest until the Company gives up the commercial opportunities.

These commitments were publicly posted on official website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) in April 2005.

### 3.3.3 Other commitments

Commitments Baosteel Group undertook about Luoqing Land:

Baosteel Group Shanghai Pudong Iron and Steel Co., Ltd. (hereafter, Pudong Steel), a wholly owned subsidiary of Baosteel Group, was offering its construction-in-progress and related fixed assets in Luoqing (hereafter, Luoqing Related Assets), which the Company intended to purchase. Luoqing Related Assets covered an area of 3.228 million m<sup>2</sup>, for which Pudong Steel has paid some initial expenses, but not the land transfer expense. When the assets are to be purchased, RMB 2.8 billion of the unpaid land transfer expense and the Pudong Steel's initial expenses as on the asset-assessing day (30 September 2007), as preliminarily estimated, shall be paid by the Company.

Baosteel Group promised:

(1) If the Company intends to purchase the Luoqing Related Assets, Baosteel Group and/or Pudong Steel would help the Company to go through the transfer procedures and other matters as required by the Company.

(2) In the event of the total actual expense exceeding RMB 2.8 billion for the procedures, Baosteel Group and/or Pudong Steel shall fully cover the exceeding amount in time, by means of paying the Company and/or the government (as it is required).

The aforementioned commitments were published on China Securities Journal, Shanghai Securities News and Securities Times and the official website of Shanghai Stock Exchange (<http://www.sse.com.cn>) of 12 December 2007.

Land in commitments aforementioned involved with West Luoqing, East Luoqing and North Energy Gallery. By the end of this report, the Company has signed west land transfer contract of Luoqing Project, and paid RMB 2.34 billion for land-transferring, about RMB 20 million for north energy gallery land with land warrants. Relevant warrants for east land are in the process. And its land-transferring fees have not been paid yet.

Commitments Baosteel Group undertook about Desheng Nickel Project:

Baosteel Group advised if the Company would like to invest in the Desheng Nickel Project on December 16, 2010 in written form of Solicit Letter about Investment on Desheng Nickel Project, Commitments about Desheng Nickel Project. The Company agreed that Baosteel Group could invest in the project, but retained the right to purchase the equity of the project. Baosteel Group promised: When the Company wants to acquire the equity of the project, it would transfer its share of equity of the project at a fair price in line with relative laws, regulations, and other documents to the Company and on basis of asset evaluation results as conducted by an individual assets evaluation agency.

These commitments stay in force under two conditions: (a) the Company is listed at a stock exchange and (b) Baosteel Group owns no less than 30% of the Company's issued shares.

The aforementioned commitments were published on China Securities Journal, Shanghai Securities News and Securities Times and the official website of Shanghai Stock Exchange (<http://www.sse.com.cn>) of December 23, 2010.

During the reporting period, Baosteel Group and the Company did not breach any of the aforementioned commitments.

3.4 Caution and cause description for the prediction that losses may incur for the accumulated net profit from the beginning of the year to the end of the next reporting period or sharp changes may occur compared with the same period last year

Applicable  Inapplicable

The Company estimated that net profit from the beginning of the year to the end of next reporting period attributable to the shareholders of parent company will decrease by 50-100% compared with that of the same period last year, which is mainly because:

(1) Since the second quarter, the domestic demand has remained weak, the contradiction between supply and demand of domestic steel has been further deteriorated, sales price of hot-rolled, cold-rolled, thick plate products has repeatedly reached new low, in the meantime, price market of raw material such as ore has no obvious decline, purchase and sales have further eroded the meager profit of iron and steel industry, loss of entire iron and steel industry has been serious, and profit space of steel products has also been significantly narrowed.

(2) Because the exchange rate reform of the Central Bank guides the RMB exchange rate to be market-based, RMB exchange rate has undergone substantial depreciation. The Company has conducted the conversion for all short-term USD financing in the third quarter in strict accordance with the conversion disciplines, revaluated the short-term EUR financing, medium and long-term USD and EUR bonds which are proposed to be held and without conversion for now according to the exchange rate after the depreciation, and recognized the exchange loss.

(3) Baotong Steel has entered the stage of stopping production from economic operation, and will undergo the provision of assets impairment reserves in the fourth quarter.

Company name	Baoshan Iron & Steel Co., Ltd.
Legal representative	Chen Derong
Date	October 28, 2015

## IV. Appendix.

## 4.1 Financial Statements

## Consolidated Balance Sheet

September 30, 2015

Name of enterprise: Baoshan Iron &amp; Steel Co., Ltd.

Unit: RMB Yuan Audit type: Unaudited

Item	Closing Balance	Opening Balance
<b>Current assets:</b>		
Monetary fund	12,795,346,194.47	12,103,757,440.88
Financial assets at fair value through profit or loss	26,314,342.69	180,636,573.51
Notes receivable	7,798,137,517.60	9,222,110,761.77
Accounts receivable	9,057,811,847.25	10,049,072,037.10
Prepayments	4,424,360,758.09	2,923,618,311.69
Interest receivable	205,536,178.58	547,356,317.25
Dividends receivable	138,315,833.28	11,298,647.00
Other receivables	1,522,825,338.86	1,080,179,452.07
Financial assets purchased under resale agreements	98,000,000.00	595,000,000.00
Inventory	25,895,428,555.89	26,815,100,722.39
Non-current assets due within one year	5,640,400,000.00	6,358,800,000.00
Other current assets	7,617,902,327.13	4,499,073,089.90
Total current assets	75,220,378,893.84	74,386,003,353.56
<b>Non-current assets:</b>		
Loans and advances to customers	3,040,465,880.80	2,948,545,990.88
Available-for-sale financial assets	10,059,965,685.01	10,447,520,041.50
Held-to-maturity investments	1,455,592,052.00	-
Long-term receivables	4,553,738,137.78	9,012,068,634.07
Long-term equity investment	4,981,511,046.78	4,963,108,955.16
Investment property	435,217,025.68	450,687,455.44
Fixed assets	88,217,011,165.07	82,897,000,178.55
Construction in progress	32,958,524,488.70	26,758,846,736.54
Engineering materials	214,697,976.81	173,012,390.36
Fixed assets disposal	-	-
Intangible assets	8,954,900,138.25	9,136,786,103.95
Long-term prepaid expenses	1,045,474,476.91	1,099,681,062.52
Deferred income tax assets	1,918,820,389.54	1,826,404,465.21
Other non-current assets	3,527,348,643.02	4,552,848,644.62
Total non-current assets	161,363,267,106.35	154,266,510,658.80
Total assets	236,583,646,000.19	228,652,514,012.36

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<b>Current liabilities:</b>		
Short-term loan	42,782,953,895.00	31,480,011,723.61
Borrowing from the Central Bank	22,826,404.17	-
Deposits from customers and banks and other financial institutions	8,424,547,529.03	7,972,063,672.99
Taking from banks and other financial institutions	198,000,000.00	-
Financial liabilities at fair value through profit or loss	44,711,977.02	-
Notes payable	4,716,807,365.31	5,416,879,164.85
Accounts payable	21,555,624,718.90	19,910,369,631.42
Advances from customers	11,741,683,710.09	11,522,938,150.20
Financial assets sold under repurchase agreements	-	169,528,930.40
Employee benefits payable	1,891,590,225.88	1,743,340,738.03
Taxes payable	1,554,465,330.39	2,162,028,290.86
Interest payable	389,422,476.73	281,301,392.21
Dividends payable	36,807,248.39	12,184,096.83
Other payables	1,686,339,219.50	1,141,614,196.44
Non-current liabilities due within one year	311,726,594.90	7,442,007,303.14
Other current liabilities	-	-
Total current liabilities	95,357,506,695.31	89,254,267,290.98
<b>Non-current liabilities:</b>		
Long term loan	9,480,562,934.78	9,936,435,216.96
Bonds payable	6,707,666,806.65	3,024,076,037.38
Long-term payables	85,968,336.00	89,287,152.00
Long-term employee benefits payable	165,565,943.44	162,061,249.06
Special payables	292,916,697.81	287,916,697.81
Estimated liabilities	-	-
Deferred gains	1,029,424,415.88	1,268,675,356.46
Deferred income tax liabilities	423,447,877.94	423,066,461.35
Other non-current liabilities	1,959,378.88	1,902,403.65
Total non-current liabilities	18,187,512,391.38	15,193,420,574.67
Total Liabilities	113,545,019,086.69	104,447,687,865.65
<b>Owner's equity:</b>		
Capital stock	16,469,288,424.00	16,471,026,024.00
Capital reserve	33,750,313,168.52	33,253,945,989.75
Less: treasury stock	85,968,336.00	89,287,152.00
Other comprehensive income	-1,088,428,780.25	-1,004,817,797.37
Special reserves	11,478,523.52	10,040,556.78
Surplus reserve	25,851,173,391.46	25,851,173,391.46

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General risk provisions	-	-
Undistributed profit	39,055,083,567.16	39,765,842,085.69
Total owners' equity attributable to parent company	113,962,939,958.41	114,257,923,098.31
Minority interests	9,075,686,955.09	9,946,903,048.40
Total owner's equity	123,038,626,913.50	124,204,826,146.71
Total Liabilities and owner's equity	236,583,646,000.19	228,652,514,012.36

Legal representative: Chen Derong Person in charge of accounting work: Zhu Kebing Chief Accountant: Wang Juan

**Balance Sheet of Parent Company**

September 30, 2015

Name of enterprise: Baoshan Iron & Steel Co., Ltd.

Unit: RMB Yuan Audit type: Unaudited

Item	Closing Balance	Opening Balance
<b>Current assets:</b>		
Monetary fund	5,257,599,517.21	6,283,129,815.02
Financial assets at fair value through profit or loss	-	6,102,202.15
Notes receivable	10,663,100,482.26	13,011,611,433.29
Accounts receivable	14,302,220,805.95	9,695,871,978.90
Prepayments	1,378,058,196.39	942,442,509.53
Interest receivable	263,085,987.92	624,864,604.91
Dividends receivable	-	-
Other receivables	305,134,507.28	250,571,482.39
Inventory	10,981,346,634.85	12,690,611,402.54
Non-current assets due within one year	4,500,000,000.00	4,500,000,000.00
Other current assets	10,162,794,111.47	3,265,500,000.00
Total current assets	57,813,340,243.33	51,270,705,428.73
<b>Non-current assets:</b>		
Available-for-sale financial assets	8,200,996,309.00	8,200,996,309.00
Held-to-maturity investments	-	-
Long-term receivables	6,619,132,930.56	11,073,532,930.56
Long-term equity investment	45,411,242,225.56	45,216,589,326.30
Investment property	-	-
Fixed assets	49,439,016,885.35	50,017,975,436.43
Construction in progress	2,742,986,842.45	3,611,532,901.23
Engineering material	26,832,829.48	32,088,334.38
Fixed assets disposal	-	-
Intangible assets	3,728,190,319.74	3,788,628,679.26
Long-term prepaid expenses	79,502,908.53	98,970,720.56
Deferred income tax assets	661,821,450.31	722,797,843.64
Other non-current assets	846,022,064.78	849,017,843.49
Total non-current assets	117,755,744,765.76	123,612,130,324.85
Total assets	175,569,085,009.09	174,882,835,753.58
<b>Current liabilities:</b>		
Short-term loan	33,913,425,298.85	11,540,228,080.29

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Financial liabilities at fair value through profit or loss	44,711,977.02	-
Derivative financial liabilities	-	-
Notes payable	1,642,480,625.19	1,673,935,753.74
Accounts payable	17,194,214,773.57	25,957,352,170.04
Advances from customers	9,397,151,675.19	11,502,863,539.67
Employee benefits payable	1,316,793,100.92	1,228,950,124.09
Taxes payable	1,900,233,561.51	2,067,147,371.26
Interest payable	50,885,835.12	37,402,811.31
Dividends payable	-	-
Other payables	342,123,246.17	405,000,081.16
Liabilities classified as held-for-sale	-	-
Non-current liabilities due within one year	318,065,000.00	5,201,150,000.00
Other current liabilities	-	3,123,327,438.98
Total current liabilities	66,120,085,093.54	62,737,357,370.54
<b>Non-current liabilities:</b>		
Long term loan	128,894,400.00	1,560,345,000.00
Bonds payable	-	-
Long-term payables	85,968,336.00	89,287,152.00
Long-term employee benefits payable	130,741,372.43	130,741,372.43
Special payables	239,350,000.00	239,350,000.00
Estimated liabilities	-	-
Deferred gains	380,436,745.49	605,552,512.81
Deferred income tax liabilities	412,468,456.29	413,994,006.83
Other non-current liabilities	-	-
Total non-current liabilities	1,377,859,310.21	3,039,270,044.07
Total Liabilities	67,497,944,403.75	65,776,627,414.61
<b>Owner's equity:</b>		
Capital stock	16,469,288,424.00	16,471,026,024.00
Other equity instruments	-	-
Capital reserve	32,938,425,621.75	32,759,853,588.96
Less: treasury stock	85,968,336.00	89,287,152.00
Other comprehensive income	-78,650,079.30	-102,586,048.25
Special reserves	-	-
Surplus reserve	25,851,173,391.46	25,851,173,391.46
Undistributed profit	32,976,871,583.43	34,216,028,534.80
Total owners' equity	108,071,140,605.34	109,106,208,338.97
Total Liabilities and owner's equity	175,569,085,009.09	174,882,835,753.58

Legal representative: Chen Derong Person in charge of accounting work: Zhu Kebing Chief Accountant: Wang Juan

## Consolidated Income Statement

January-September, 2015

Name of enterprise: Baoshan Iron &amp; Steel Co., Ltd.

Unit: RMB Yuan Audit type: Unaudited

Item	Current Amount (July-September)	Amount in previous period (July-September)	Amount from the beginning of the year to the end of the reporting period (January-September)	Amount from the beginning of last year to the end of the reporting period (January-September)
I. Total operating income	41,505,449,443.92	46,088,814,360.38	122,449,103,247.91	143,881,425,468.69
Of which: Operating income	41,421,130,947.14	45,993,284,960.35	122,191,738,173.41	143,591,686,824.84
Interest income	83,576,080.96	94,899,954.66	254,085,111.23	286,810,872.20
Fee and commission income	742,415.82	629,445.37	3,279,963.27	2,927,771.65
II. Total operating cost	42,885,763,473.54	43,882,902,025.80	119,828,000,330.53	137,410,598,516.27
Of which: Operating costs	38,518,553,767.76	41,158,945,589.43	110,043,923,444.86	129,363,199,056.08
Interest expense	72,361,073.00	65,184,691.81	204,212,954.99	190,790,340.05
Fee and commission expense	685,116.22	162,644.32	962,722.40	500,035.25
Business tax and surcharges	78,545,187.38	101,383,323.46	362,867,392.37	388,718,315.88
Sales expense	523,616,024.85	533,200,521.59	1,495,113,825.48	1,478,130,267.45
Administrative fees	1,666,013,432.10	1,890,348,939.18	5,160,154,212.21	5,363,325,316.35
Financial expenses	1,765,440,524.27	62,127,841.50	2,209,712,335.88	608,115,965.98
Assets impairment loss	260,548,347.96	71,548,474.51	351,053,442.34	17,819,219.23
Add: Gains from changes in fair value ("- " For loss)	-41,442,738.06	4,893,569.41	-39,228,785.75	-14,374,160.10
Investment income ("- " For loss)	-152,902,026.92	-878,536.14	271,819,499.45	216,951,556.23
Including: Investment income from associates and joint ventures	-16,788,121.06	26,345,477.73	68,553,565.81	106,195,691.17
Exchange gains ("- " For loss)	-	-	-	-
III. Operating profit ('-' for loss)	-1,574,658,794.60	2,209,927,367.85	2,853,693,631.08	6,673,404,348.55
Add: Non-operating income	174,993,216.00	552,649,431.30	498,900,995.70	763,576,633.74
Of which: Profit from disposal of non-current assets	91,087,829.01	955,529.28	93,757,318.51	24,424,311.29
Less: Non-operating expenses	47,129,616.56	290,178,315.61	400,139,003.27	493,208,794.09
Of which: Loss from disposal of non-current assets	44,970,629.71	259,986,157.21	378,194,856.23	360,726,130.34
IV. Total profit ("- " For total loss )	-1,446,795,195.16	2,472,398,483.54	2,952,455,623.51	6,943,772,188.20



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Less: Income tax expense	-473,722,380.20	505,979,997.11	631,752,789.12	1,651,712,608.56
V. Net profit ('-' for net loss)	-973,072,814.96	1,966,418,486.43	2,320,702,834.39	5,292,059,579.64
Net profit attributable to the owner of parent company	-920,456,069.31	1,855,952,414.22	2,254,026,165.79	5,009,967,783.29
Minority interests	-52,616,745.65	110,466,072.21	66,676,668.60	282,091,796.35
VI. Net after-tax of other comprehensive income	-97,171,939.59	-61,593,272.39	-97,393,197.61	-71,455,025.64
Net after-tax of other comprehensive income attributable to the owner of parent company	-87,762,524.46	-47,127,603.42	-83,610,982.88	-70,004,439.85
(i) Other comprehensive income which cannot be reclassified in gains and losses in subsequent period	-	-	-	-
1. Changes in net liabilities and net assets resulting from re-measuring defined benefit plan	-	-	-	-
2. Shares enjoyed under equity method in investee's other comprehensive income which cannot be reclassified in gains and losses in subsequent period	-	-	-	-
(ii) Other comprehensive income which will be reclassified in gains and losses in subsequent period	-87,762,524.46	-47,127,603.42	-83,610,982.88	-70,004,439.85
1. Shares enjoyed under equity method in investee's other comprehensive income which can be reclassified in gains and losses in subsequent period	24,520,490.36	755,043.29	23,935,968.95	755,043.29
2. Gains and losses from change in fair value of financial asset available for sale	-220,063,304.73	51,253,725.46	-141,561,904.35	-20,736,350.39
3. Gains and losses from held-to-maturity investment reclassified as financial asset available for sale	-	-	-	-
4. Effective part of gains and losses from cash flow hedging	-	-	-	-
5. Translation difference of foreign currency financial statements	107,780,289.91	-99,136,372.17	34,014,952.52	-50,023,132.75
6. Others	-	-	-	-
Net after-tax of other comprehensive income attributable to minority	-9,409,415.13	-14,465,668.97	-13,782,214.73	-1,450,585.79
VII. Total comprehensive income	-1,070,244,754.55	1,904,825,214.04	2,223,309,636.79	5,220,604,554.00

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Total comprehensive income attributable to the owner of the parent company	-1,008,218,593.77	1,808,824,810.81	2,170,415,182.91	4,939,963,343.44
Total comprehensive income attributable to minority	-62,026,160.78	96,000,403.23	52,894,453.88	280,641,210.56
VIII. Earnings per share				
(i) Basic earnings per share (Yuan/ Share)	-0.06	0.11	0.14	0.30
(ii) Diluted earnings per share(Yuan/ Share)	-0.06	0.11	0.14	0.30

Legal representative: Chen Derong

Person in charge of accounting work: Zhu Keping

Chief Accountant: Wang Juan

**Income Statement of Parent Company**

January-September, 2015

Name of enterprise: Baoshan Iron & Steel Co., Ltd.

Unit: RMB Yuan Audit type: Unaudited

Item	Current Amount (July-September)	Amount in previous period (July-September)	Amount from the beginning of the year to the end of the reporting period (January-September)	Amount from the beginning of last year to the end of the reporting period (January-September)
I. Operating income	20,700,685,363.67	25,617,145,755.97	66,980,995,730.63	82,287,939,372.52
Less: Operating costs	19,157,013,086.05	22,654,322,094.24	59,674,910,259.76	73,503,297,268.31
Business tax and surcharges	25,296,729.57	42,354,362.02	186,226,563.96	206,216,379.83
Sales expense	179,612,388.82	166,953,150.35	511,020,299.31	480,054,480.96
Administrative fees	950,587,129.42	1,315,786,775.83	3,260,093,431.98	3,679,420,135.76
Financial expenses	1,429,405,674.20	-238,836,462.30	1,326,029,899.75	-326,102,265.65
Assets impairment loss	97,488,914.33	617,826.16	23,145,867.28	-192,285,540.55
Add: Gains form changes in fair value ("-" For loss)	-32,913,096.60	1,213,404.00	-50,814,179.17	-30,478,107.37
Investment income ("-" For loss)	-149,059,150.55	914,192,557.35	-2,308,356.03	1,153,049,429.04
Including: Investment income from associates and joint enterprises	25,945,130.37	21,437,940.35	72,933,093.02	62,671,400.98
II. Operating profit ('-' for loss)	-1,320,690,805.87	2,591,353,971.02	1,946,446,873.39	6,059,910,235.53
Add: Non-operating income	90,778,996.60	493,077,028.55	331,297,720.27	618,917,628.66
Less: Non-operating expenses	40,451,030.05	276,622,976.44	360,312,443.44	388,604,749.88
Including: Loss from disposal of non-current assets	40,116,030.05	252,004,488.70	349,416,210.98	330,704,210.77
III. Total profit ("-" For total loss )	-1,270,362,839.32	2,807,808,023.13	1,917,432,150.22	6,290,223,114.31
Less: Income tax expense	-519,677,857.48	206,213,463.76	191,804,417.27	982,971,717.81

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IV. Net profit ('-' for net loss)	-750,684,981.84	2,601,594,559.37	1,725,627,732.95	5,307,251,396.50
V. Net after-tax of other comprehensive income	24,469,416.05	-15,379,343.03	23,935,968.95	-5,827,466.84
(i) Other comprehensive income which cannot be reclassified in gains and losses in subsequent period	-	-	-	-
1. Changes in net liabilities and net assets resulting from re-measuring defined benefit plan	-	-	-	-
2. Shares enjoyed under equity method in investee's other comprehensive income which cannot be reclassified in gains and losses in subsequent period	-	-	-	-
(ii) Other comprehensive income which will be reclassified in gains and losses in subsequent period	24,469,416.05	-15,379,343.03	23,935,968.95	-5,827,466.84
1. Shares enjoyed under equity method in investee's other comprehensive income which can be reclassified in gains and losses in subsequent period	24,469,416.05	-15,379,343.03	23,935,968.95	-5,827,466.84
2. Gains and losses from change in fair value of financial asset available for sale	-	-	-	-
3. Gains and losses from held-to-maturity investment reclassified as financial asset available for sale	-	-	-	-
4. Effective part of gains and losses from cash flow hedging	-	-	-	-
5. Translation difference of foreign currency financial statements	-	-	-	-
6. Others	-	-	-	-
VI. Total comprehensive income	-726,215,565.79	2,586,215,216.34	1,749,563,701.90	5,301,423,929.66

Legal representative: Chen Derong

Person in charge of accounting work: Zhu Keping

Chief Accountant: Wang Juan

## Consolidated Cash Flow Statement

January-September, 2015

Name of enterprise: Baoshan Iron &amp; Steel Co., Ltd.

Unit: RMB Yuan Audit type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January-September)	Amount from the beginning of last year to the end of the reporting period (January-September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering services	143,765,436,584.20	168,718,215,140.74
Net increase in customer deposits and due to banks	452,627,570.50	590,238,160.61
Net increase in borrowings from the central bank	22,826,404.17	-
Net increase in borrowing funds from other financial institutions	198,000,000.00	-
Net decrease in deposits in central bank and due from bank	662,494,087.17	-
Cash received from interest, fees and commissions	249,062,327.65	289,011,698.66
Tax refund	93,555,265.92	147,435,980.14
Other cash received relating to operating activities	1,006,269,421.63	991,234,924.58
<b>Subtotal of cash inflows from operating activities</b>	<b>146,450,271,661.24</b>	<b>170,736,135,904.73</b>
Cash paid for purchase of goods and acceptance of services	117,595,253,347.53	134,045,107,665.02
Net increase in loans and advances to customers	94,426,128.87	208,508,342.58
Net decrease in borrowing funds from other financial institutions	-	297,539,000.00
Net increase in deposits in the central bank and due from banks	-	190,926,169.66
Cash payment of interest, fees and commissions	143,348,259.50	139,980,516.62
Cash paid to and on behalf of employees	6,603,770,277.42	6,559,173,836.80
Payments of taxes	4,952,122,492.20	5,294,376,709.81
Net decrease in financial assets sold under repurchase agreements	169,528,930.40	301,502,586.35
Other cash paid relating to operating activities	1,492,086,334.80	1,493,134,249.70
<b>Subtotal of cash outflows from operating activities</b>	<b>131,050,535,770.72</b>	<b>148,530,249,076.54</b>
<b>Net cash flow from operating activities</b>	<b>15,399,735,890.52</b>	<b>22,205,886,828.19</b>
<b>II. Cash flow from investing activities:</b>		
Cash received from disposals and recovery of investments	15,126,145,996.28	1,026,172,022.11
Cash received from investment income	516,650,885.84	302,336,071.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	17,213,653.28	123,644,327.16
Net cash received from disposal of subsidiaries and other business units	-7,641,688.30	-
Other cash received relating to investing activities	5,291,731,537.91	5,683,333,749.72
<b>Subtotal of cash inflows from investing activities</b>	<b>20,944,100,385.01</b>	<b>7,135,486,170.59</b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	18,252,940,148.38	14,307,191,056.34
Cash paid for investment	19,305,797,139.71	1,253,624,600.74
Net increase in pledged loans		
Net cash paid by subsidiaries and other business units	3,652,765.63	-
Other cash paid relating to investing activities	399,362,493.91	82,089,142.30

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<b>Subtotal of cash outflows from investing activities</b>	37,961,752,547.63	15,642,904,799.38
<b>Net cash flows from investing activities</b>	-17,017,652,162.62	-8,507,418,628.79
<b>III. Cash flow from financing activities:</b>		
Cash received from capital contributions	1,190,407,100.00	309,846,783.44
Including: cash received from capital contributions by minority shareholders of subsidiaries	1,190,407,100.00	309,846,783.44
Cash received from borrowings	76,153,559,807.37	52,364,223,567.41
Cash received from issuing bonds	3,579,379,203.84	-
Other cash received relating to financing activities		90,622,051.00
<b>Subtotal of cash inflows from financing activities</b>	80,923,346,111.21	52,764,692,401.85
Cash paid for debt repayment	72,227,763,543.82	57,748,509,352.24
Cash for distribution of dividends, profits or interest payments	4,260,913,161.42	2,927,644,971.05
Including: Dividends, profits paid by subsidiaries to minority shareholders	88,134,518.90	148,222,163.39
Cash paid for repurchasing the Company's stock	-	187,734,750.08
Other cash paid for financing activities	1,500,000,000.00	-
<b>Subtotal of cash outflows from financing activities</b>	77,988,676,705.24	60,863,889,073.37
<b>Net cash flow from financing activities</b>	2,934,669,405.97	-8,099,196,671.52
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	-605,710,768.70	-24,418,104.06
<b>V. Net increase in cash and cash equivalents</b>	711,042,365.17	5,574,853,423.82
Add: opening balance of cash and cash equivalents	11,291,289,583.07	11,598,852,396.93
<b>VI. Closing balance of cash and cash equivalents</b>	12,002,331,948.24	17,173,705,820.75

Legal representative: Chen Derong Person in charge of accounting work: Zhu Keping Chief Accountant: Wang Juan

**Cash Flow Statement of Parent Company**

January-September, 2015

Name of enterprise: Baoshan Iron & Steel Co., Ltd.

Unit: RMB Yuan Audit type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January-September)	Amount from the beginning of last year to the end of the reporting period (January-September)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering services	72,041,140,080.23	94,930,723,186.96
Tax refund	18,657,137.28	99,632,634.49
Other cash received relating to operating activities	121,173,397.05	293,472,513.27
<b>Subtotal of cash inflows from operating activities</b>	72,180,970,614.56	95,323,828,334.72
Cash paid for purchase of goods and acceptance of services	69,403,785,111.04	71,895,629,209.30
Cash paid to and on behalf of employees	4,019,880,190.95	4,001,555,426.86
Payments of taxes	2,769,260,868.73	2,948,553,623.89
Other cash paid relating to operating activities	225,705,331.94	564,293,802.52
<b>Subtotal of cash outflows from operating activities</b>	76,418,631,502.66	79,410,032,062.57
<b>Net cash flow from operating activities</b>	-4,237,660,888.10	15,913,796,272.15
<b>II. Cash flow from investing activities:</b>		
Cash received from disposals and recovery of investments	10,952,500,000.00	24,400,000,000.00
Cash received from investment income	337,595,901.54	1,227,661,641.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,759,109.72	108,362,853.63

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Other cash received relating to investing activities	5,347,978,383.15	5,907,102,378.87
<b>Subtotal of cash inflows from investing activities</b>	<b>16,648,833,394.41</b>	<b>31,643,126,874.20</b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	3,910,690,858.51	6,013,952,909.56
Cash paid for investment	11,860,000,000.00	32,876,829,984.00
Net cash paid by subsidiaries and other business units	-	-
Other cash paid relating to investing activities	399,362,493.91	82,089,142.30
<b>Subtotal of cash outflows from investing activities</b>	<b>16,170,053,352.42</b>	<b>38,972,872,035.86</b>
<b>Net cash flows from investing activities</b>	<b>478,780,041.99</b>	<b>-7,329,745,161.66</b>
<b>III. Cash flow from financing activities:</b>		
Cash received from capital contributions	-	-
Cash received from borrowings	56,354,823,173.16	21,855,480,177.44
Other cash received relating to financing activities	-	4,223,809,427.27
<b>Subtotal of cash inflows from financing activities</b>	<b>56,354,823,173.16</b>	<b>26,079,289,604.71</b>
Cash paid for debt repayment	40,962,737,600.93	27,648,481,886.41
Cash for distribution of dividends, profits or interest payments	3,302,721,891.20	2,001,544,005.81
Other cash paid for financing activities	8,849,575,852.91	187,734,750.08
<b>Subtotal of cash outflows from financing activities</b>	<b>53,115,035,345.04</b>	<b>29,837,760,642.30</b>
<b>Net cash flow from financing activities</b>	<b>3,239,787,828.12</b>	<b>-3,758,471,037.59</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>-506,437,279.82</b>	<b>2,920,959.42</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>-1,025,530,297.81</b>	<b>4,828,501,032.32</b>
Add: opening balance of cash and cash equivalents	6,283,129,815.02	6,290,586,489.64
<b>VI. Closing balance of cash and cash equivalents</b>	<b>5,257,599,517.21</b>	<b>11,119,087,521.96</b>

Legal representative: Chen Derong Person in charge of accounting work: Zhu Keping Chief Accountant: Wang Juan

### 4.2 Audit Report

Applicable Inapplicable