

Stock Code: 603799

Stock Name: Huayou Cobalt

2023 Third Quarter Report of Zhejiang Huayou Cobalt Co., Ltd.

The Board of Directors and all directors of the Company warrant that there is no false representation, misleading statement or material omissions herein, and will assume legal liabilities with respect to the truthfulness, accuracy and completeness hereof.

Important Notice:

The Board of Directors, Board of Supervisors, directors, supervisors and senior officers of the Company warrant the truthfulness, accuracy and completeness of the contents of this report and that there is no false representation, misleading statement contained herein or material omission from the report, for which they will assume joint and several liabilities.

The person in charge of the Company, the accounting principal, and the head of the accounting department (accounting officer) represent that the financial statements in this report are true, accurate and complete.

Is this report audited or not?

I. Major Financial Data

(I) Major accounting data and financial indicators

Monetary unit: Yuan Currency: RMB

Item	The current period	Increase/decrease compared with	Period from the beginning of the	Increase/decrease compared with
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		the same period last year (%)	year to the end of the current period	the same period last year (%)
Operating income	17,745,558,147.12	0.29	51,091,095,666.88	4.88
Net profit attributable to shareholders of the listed company	928,075,701.36	23.37	3,013,180,644.02	0.18
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	887,153,464.41	22.07	2,726,354,418.56	-6.60
Net cash flow from operating activities	N/A	N/A	2,482,811,185.05	234.94
Basic earnings per share (RMB/share)	0.56	12.00	1.88	-1.57
Diluted earnings per share (RMB/share)	0.56	-1.75	1.88	-2.08
Weighted average return on net assets (%)	2.90	-0.04	10.51	-2.96
	End of the current period		End of last year	Increase or decrease at the end of the current period compared with the end of last year (%)
Total assets	133,821,743,095.37		110,592,418,711.85	21.00
Asset-liability ratio	66.78		70.45	-3.67
equity attributable to shareholders of the listed company	33,597,585,937.29		25,893,158,131.43	29.75

-month period from the beginning

of the current quarter to the end of the current quarter, the same below.

(II) Items and amounts of non-recurring gains or losses

Monetary unit: Yuan Currency: RMB

Items	Amount of the current period	Amount of the period from the beginning of the year to the end of the current period	Remark
Gains or losses from disposal of	-320,953.95	-11,645,115.75	

non-current assets			
Tax refund or reduction approved formal approval documents, or of occasional nature			
Government subsidies included into the current profit or loss (except for the government subsidies that are business and continuously enjoyed in accordance with the government policies with fixed or regular amount per certain standards)	118,102,958.12	275,572,930.75	
Fund occupancy fees charged to non-financial enterprises included in the current profit or loss	4,390,381.58	4,390,381.58	
Gains arising from the difference between the cost of investments in subsidiaries, associates and joint ventures and the fair value of the investee's identifiable net assets at the time of investment			
Gains or losses from exchange of non-monetary assets			
Gains or losses from entrusting others to invest or manage assets			
Provision for impairment of various assets accrued in connection with force majeure, such as natural disasters			
Gains or losses from debt restructuring			
Enterprise restructuring costs, such as expenses for employee re-settlement, consolidation costs, etc.			
Gain or loss arising from transactions with significantly unfair transaction prices that exceed fair value			
Current net profit or loss of subsidiaries arising from business combination under the common control from the beginning of the period to the combination date			
Profit or loss arising from			

contingencies unrelated to the normal operation of the Company			
In addition to the effective hedging business related to the normal business of the Company, the profit or loss from changes in fair value arising from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, as well as the income from the disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments	-77,920,543.41	76,968,539.58	
Reversal of the provision for impairment of accounts receivable under separate impairment test and the provision for impairment of contract assets			
Gain or loss from external entrusted loans			
Gain or loss arising from changes in the fair value of investment real estate that are subsequently measured using the fair value model			
Impact amount of one-time adjustment to current profit or loss in accordance with tax, accounting, and other laws and regulations on current profit or loss			
Trustee fee income from entrusted operation			
Non-operating income and expenses other than the said items	-8,087,173.17	-17,024,285.31	
Other items of gains and losses complying with the definition for non-recurring gains and losses			
Less: impact amount of income tax	19,880,151.81	49,799,340.53	
Impact amount of minority equity (after tax)	-24,637,719.59	-8,363,115.14	
Total	40,922,236.95	286,826,225.46	

State whether there is the situation the Company classifies the non-recurring profits and losses items listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Public Securities - Non-recurring Profits and Losses* into recurring profits and losses items.

(III) Changes in major accounting data and financial indicators and the reasons therefor

Item	Change ratio (%)	Main reason
Total assets	21.00	Mainly due to an increase in monetary funds received by the Company through GDR, borrowing and other financing methods at the end of the period, as well as an increase in investment in fixed assets and construction in progress
Operating income	4.88	Mainly due to the growth of product sales
Net profit attributable to shareholders of the listed company	0.18	Mainly due to a decline in metal prices and an increase in financing costs
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	-6.60	Mainly due to an increase in government subsidies received and the gains from changes in fair value of futures in the current period
Net cash flow from operating activities during the period from the beginning of the year to the end of the reporting period	234.94	Mainly due to a decrease in occupied cash related to inventories in the current period
Basic earnings per share (RMB/share)	-1.57	Mainly due to an increase in the number of issued and outstanding ordinary shares in the current period
Diluted earnings per share (RMB/share)	-2.08	Mainly due to an increase in the number of issued and outstanding ordinary shares in the current period

II. Information of shareholders

- (I) Total number of ordinary shareholders and total number of preferred shareholders with restored voting rights, as well as the shareholding status of top 10 shareholders

Unit: Share

		Total number of preferred shareholders with restored voting rights at the end of the current period (if any)	

Full name of the shareholder	Nature of the shareholder	Number of shares held	Shareholding ratio (%)	Number of shares subject
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Hong Kong Securities Clearing Co., Ltd.	55,323,919	RMB ordinary shares	55,323,919
Hangzhou Youyou Enterprise Management Partnership (Limited Partnership)	54,831,293	RMB ordinary shares	54,831,293
China Construction Bank Corporation - Huaxia Energy Reform Equity Securities Investment Fund	24,855,783	RMB ordinary shares	24,855,783
Postal Savings Bank of China Co., Ltd. - Dongfang Growth Medium Cap Hybrid Open Securities Investment Fund	15,793,296	RMB ordinary shares	15,793,296
Industrial and Commercial Bank of China - SSE 50 ETF	10,982,831	RMB ordinary shares	10,982,831
China Merchants Bank Co., Ltd. - Xingquan Hetai Hybrid Securities Investment Fund	10,727,246	RMB ordinary shares	10,727,246
Agricultural Bank of China Limited - Guotai Intelligent Automobile Equity Securities Investment Fund	10,602,329	RMB ordinary shares	10,602,329
Related relationship or concerted action of the above shareholders	Huayou Holding Group Co., Ltd. and Chen Xuehua are persons acting in concert.		
Participation in securities margin trading or securities lending transactions for refinancing (if any) by the top 10 shareholders and the top 10 shareholders with shares not subject to sales restrictions	Huayou Holding Group Co., Ltd. (the controlling shareholder of the Company) and Chen Xuehua (its concerted action person) did not participate in securities margin trading or securities lending transactions for refinancing, and the Company is not aware of whether other shareholders are involved in securities margin trading or securities lending transactions for refinancing.		

III. Other Notes

Other important information that needs to be brought to operating conditions during the current period

IV. Quarterly Financial Statements

(II) Financial statements

Consolidated Balance Sheet

September 30, 2023

Intangible assets	4,092,874,932.95	4,066,801,265.80
Development expenditures		
Goodwill	456,867,593.59	458,415,919.67
Long-term deferred expenses	76,914,844.45	79,311,504.95
Deferred income tax assets	903,392,166.24	830,685,916.41
Other non-current assets	4,990,257,948.02	5,994,992,788.87
Total non-current assets	76,787,136,999.19	61,022,488,024.71
Total assets	133,821,743,095.37	110,592,418,711.85
Current liabilities:		
Short-term borrowings	14,764,331,393.77	12,019,822,703.67
Borrowings from central bank		
Loans from banks and other financial institutions		
Held-for-trading financial liabilities	129,044,095.71	40,024,798.40
Derivative financial liabilities		
Notes payable	9,767,072,057.74	10,782,231,308.54
Accounts payable	13,042,463,880.92	14,610,891,201.30
Advance receipts		492,117,670.03
Contract liabilities	1,343,695,145.39	2,359,463,860.52
Financial assets sold under repurchase agreements		
Absorption of customer and interbank deposits		
Acting trading securities		
Acting underwriting securities		
Employee compensations payable	511,959,104.16	685,740,642.95
Taxes payable	581,396,413.95	542,406,489.43
Other payables	3,830,050,487.55	4,612,710,195.77
Including: interests payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sales liabilities		
Non-current liabilities maturing within one year	7,256,779,422.02	5,757,928,311.87
Other current liabilities	1,738,685,867.69	1,546,983,360.95
Total current liabilities	52,965,477,868.90	53,450,320,543.43
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	22,757,530,242.04	11,927,781,731.79
Bonds payable	6,547,134,626.44	6,323,799,832.42
Including: preferred shares		
Perpetual bonds		
Lease liabilities	38,868,890.62	57,070,601.81
Long-term payables	5,915,527,025.88	5,155,378,248.88

Long-term employee compensations payable		
Estimated liabilities	49,757,360.07	42,977,538.13
Deferred income	692,699,137.98	592,727,660.93
Deferred income tax liabilities	399,235,444.57	359,884,559.27

Including: operating cost	43,483,703,537.25	40,019,440,655.09
Interest expenditure		
Handling charges and commissions expenses		
Surrender value		
Net amount of compensation payout		
Withdrawal of insurance liability reserve		
Policy dividend payment		
Reinsurance costs		
Other taxes and surtaxes	378,488,845.99	433,397,983.68
Selling expenses	103,138,950.93	61,224,128.29
General and administrative expenses	1,613,680,324.57	1,348,926,942.25
R&D expenses	1,135,149,430.59	1,207,215,738.30
Finance expenses	1,031,292,278.31	731,574,835.42
Including: interests expense	1,404,312,781.58	938,067,662.05
Interests income	150,701,212.19	75,310,278.55
Plus: other income	274,176,577.96	166,113,266.40
-	881,801,279.69	1,243,457,339.62
Including: investment income from associates and joint ventures		
Income from de-recognition of financial assets measured at amortized cost		
-		
losses)		
losses)	101,137,578.07	-183,491,738.91
Losses from credit	-45,292,777.91	-205,139,083.32
-	-37,868,988.62	-866,886,083.90
-	-2,822,334.47	

-		
-	1,034,181,956.23	1,711,309,371.56
VI. Other comprehensive income, net of tax	786,739,424.50	1,365,285,465.93
(I) Other comprehensive income, net of tax attributable to owners of the parent company	625,161,217.35	1,214,990,527.52
1. Other comprehensive income that cannot be reclassified into profit or loss		
(1) Changes in re-measurement of the defined benefit plan		
(2) Other comprehensive income that cannot be transferred to profits or losses under the equity method		
(3) Changes in fair value of other equity instruments investment		
credit risk		
2. Other comprehensive income that will be reclassified into profits or loss	625,161,217.35	1,214,990,527.52
(1) Other comprehensive income that can be transferred to profits or losses under the equity method	32,260,060.87	163,472,670.72
(2) Changes in the fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserves		
(6) Differences arising from translation of foreign currency financial statements	592,901,156.48	1,051,517,856.80
(7) Others		
(II) Other comprehensive income, net of tax attributable to minority shareholders	161,578,207.15	150,294,938.41
VII. Total comprehensive income	4,834,102,024.75	6,084,360,112.12
(I) Total comprehensive income attributable to owners of the parent company	3,638,341,861.37	4,222,755,802.15
(II) Total comprehensive income attributable to minority shareholders	1,195,760,163.38	1,861,604,309.97
VIII. Earnings per share:		
(I) Basic earnings per share (Yuan/share)	1.88	1.91
(II) Diluted earnings per share (Yuan/share)	1.88	1.92

Person in charge of the Company: Chen Xuehua Accounting Principal: Wang Jun Head of the Accounting Dept.: Ma Xiao

Consolidated Statement of Cash Flows

January-September 2023

Prepared by: Zhejiang Huayou Cobalt Co., Ltd.

Monetary unit: Yuan Currency: RMB Audited or not: Unaudited

Item	January-September 2023	January-September 2022
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	52,875,064,705.06	44,533,727,695.51
Net increase in deposits from customers and placements from corporations in the same industry		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Cash received from insurance premium on original insurance contracts		
Net cash received from re-insurance businesses		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		
Net increase in loans from banks and other financial institutions		
Net capital increase in repurchase business		
Net cash received from vicariously traded securities		
Refunds of taxes and surcharges	2,978,413,433.54	934,069,986.91
Cash received from other operating activities	2,407,683,319.06	2,952,581,379.53
Sub-total of cash inflows from operating activities	58,261,161,457.66	48,420,379,061.95
Cash paid for goods purchased and services received	48,714,597,342.40	39,810,281,571.58
Net increase in loans and advances to customers		
Net increase in deposits in central bank and other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		

Cash paid for policy dividends		
Cash paid to and on behalf of employees	3,141,713,705.75	2,111,646,784.28
Cash paid for taxes and surcharges	1,488,665,285.96	2,060,461,223.49
Other cash paid related to operating activities	2,433,373,938.50	6,277,920,848.52
Sub-total of cash outflows from operating activities	55,778,350,272.61	50,260,310,427.87
Net cash flows from operating activities	2,482,811,185.05	-1,839,931,365.92
II. Cash flows from investing activities:		
Cash received from disposal of investments	250,000,000.00	1,016,016,758.16
Cash received from returns on investments	1,001,565,093.69	104,271,034.50
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,894,009.08	356,283.84
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	2,043,470,039.78	1,371,072,272.83
Sub-total of cash inflows from investing activities	3,296,929,142.55	2,491,716,349.33
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	11,012,042,603.91	13,330,972,910.16
Cash paid for investments	1,374,838,306.66	4,394,673,851.99
Net increase in secured loans		
Net cash paid for the acquisition of subsidiaries and other business entities	344,886,898.18	2,344,533,688.84
Cash paid for other investing activities	1,548,192,026.90	1,420,170,454.70
Sub-total of cash outflows from investing activities	14,279,959,835.65	21,490,350,905.69
Net cash flows from investing activities	-10,983,030,693.10	-18,998,634,556.36
III. Cash flows from financing activities:		
Cash received from investors	7,261,778,645.74	2,275,315,336.92
Including: cash received by subsidiaries from investments by minority shareholders	2,820,459,664.53	449,292,860.00
Cash received from borrowings	28,945,709,187.48	23,419,550,649.95
Cash received from other financing activities	5,642,317,989.57	10,708,400,054.64
Sub-total of cash inflows from financing activities	41,849,805,822.79	36,403,266,041.51
Cash paid for debts repayments	16,313,731,437.47	5,926,286,406.25
Cash paid for distribution of dividends and profits or payment of interests	1,821,927,009.01	1,090,173,241.38
Including: dividends and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing activities	5,064,634,097.83	6,749,979,455.06
Sub-total of cash outflows from financing	23,200,292,544.31	13,766,439,102.69

activities		
Net cash flows from financing activities	18,649,513,278.48	22,636,826,938.82
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	236,740,455.29	