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內蒙古伊泰煤炭股份有限公司

INNER MONGOLIA YITAI COAL CO., LTD.*

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

(Stock Code: 3948)

THIRD QUARTERLY REPORT FOR THE YEAR 2019

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), and the supervisory committee of Inner Mongolia Yitai Coal Co., Ltd.* (the “**Company**”) and its directors, supervisors and senior management warrant that the truthfulness, accuracy and completeness contents of the quarterly report, that there are no false representations, misleading statements contained in or material omissions from this quarterly report, and severally and jointly accept full legal responsibility in this respect.
- 1.2 All directors of the Company attended the Board meeting to review the quarterly report.
- 1.3 The person in charge of the Company, Zhang Donghai, the person in charge of accounting affairs, Lv Guiliang, and the person responsible for the accounting institute (accounting chief), Lu Yanmei, warrant the truthfulness, accuracy and completeness of the financial statements set out in the quarterly report.
- 1.4 The third quarterly report of the Company has not been audited.

2. BASIC CORPORATE INFORMATION

2.1 Major financial data

	<i>Unit: yuan Currency: RMB</i>		
	At the end of the reporting period	At the end of last year	Change from the end of last year (%)
Total assets	93,380,629,451.19	94,551,396,179.77	-1.24
Net assets attributable to shareholders of the Company	34,543,322,419.25	33,207,467,047.43	4.02
	From the beginning of this year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September)	Change from the same period of last year (%)
Net cash flows from operating activities	6,437,171,177.83	5,524,321,044.95	16.52
Operating revenue	30,890,739,119.17	27,749,969,234.72	11.32
Net profit attributable to shareholders of the Company	2,864,279,351.01	3,898,690,095.08	-26.53
Net profit after non-recurring profit or loss attributable to shareholders of the Company	2,793,741,600.20	3,853,954,721.53	-27.51
Weighted average return on net assets (%)	8.00	15.16	Decreased by 7.16 percentage points
Basic earnings per share (RMB/share)	0.88	1.20	-26.67
Diluted earnings per share (RMB/share)	0.88	1.20	-26.67

2.2 Items of non-recurring profit or loss and relevant amounts

<i>Unit: yuan Currency: RMB</i>		
Items	Amount for the current period (July to September)	Amount from the beginning of this year to the end of the reporting period (January to September)
Gains or losses from disposal of non-current assets	1,473,786.73	7,053,549.17
Government subsidies included in profit or loss for the current period, excluding those closely related to the normal business operations of the Company and of fixed amount or fixed quantity granted on an on-going basis in accordance with certain standards based on the state policies	3,784,239.98	88,884,699.01
Profit or loss from investment or management of assets by the others	337,705.11	678,833.20
Investment incomes from financial assets available-for-trading, derivative financial assets, financial liabilities available-for-trading, gain/(loss) on changes in the fair value from derivative financial liabilities, disposals of financial assets available-for-trading, derivative financial assets, financial liabilities available-for-trading, derivative financial liabilities and other equity investments, except for effective hedging business related to normal operating of the Company	-3,400,925.81	56,347,713.51
Other non-operating income and expenses other than the above items	-16,293,682.84	-68,805,724.50
Effect on minority interests (after tax)	-545,653.72	-1,716,400.06
Effect on income tax	3,315,954.78	-11,904,919.52
Total	-11,328,575.77	70,537,750.81

2.3 Total number of shareholders, the top ten shareholders and the shareholding of the top ten circulating shareholders (or shareholders not subject to selling restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders (in the number of accounts) 73,736

Shareholdings of Top Ten Shareholders

Name of shareholder (in full name)	Shares held at the end of the reporting period	Percentage (%)	Shares held subject to selling restriction	Status of the shares	Pledged or frozen Number of shares	Class of Shareholder
Inner Mongolia Yitai Group Co., Ltd.	1,600,000,000	49.17	1,600,000,000	Nil	0	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED	325,957,900	10.02		Unknown	Unknown	Foreign legal person
Yitai Group (Hong Kong) Co., Ltd.	312,000,000	9.59		Nil	Nil	Foreign legal person
China Merchants Securities (HK) Co., Limited	21,869,000	0.67		Unknown	Unknown	Foreign legal person
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	18,632,366	0.57		Unknown	Unknown	Foreign legal person
VANGUARD EMERGING MARKETS STOCK INDEX FUND	17,723,998	0.54		Unknown	Unknown	Foreign legal person
ISHARES EDGE MSCI MIN VOL EMERGING MARKETS ETF	12,579,627	0.39		Unknown	Unknown	Foreign legal person
Hu Jiaying	11,961,114	0.37		Unknown	Unknown	Domestic natural person
ISHARES CORE MSCI EMERGING MARKETS ETF	9,980,695	0.31		Unknown	Unknown	Foreign legal person
GIC PRIVATE LIMITED	9,876,891	0.30		Unknown	Unknown	Foreign legal person

Shareholdings of Top Ten Shareholders Not Subject to Selling Restrictions

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC NOMINEES LIMITED	325,957,900	Overseas listed foreign shares	325,957,900
Yitai Group (Hong Kong) Co., Ltd.	312,000,000	Domestic listed foreign shares	312,000,000
China Merchants Securities (HK) Co., Limited	21,869,000	Domestic listed foreign shares	21,869,000
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	18,632,366	Domestic listed foreign shares	18,632,366
VANGUARD EMERGING MARKETS STOCK INDEX FUND	17,723,998	Domestic listed foreign shares	17,723,998
ISHARES EDGE MSCI MIN VOL EMERGING MARKETS ETF	12,579,627	Domestic listed foreign shares	12,579,627
Hu Jiaying	11,961,114	Domestic listed foreign shares	11,961,114
ISHARES CORE MSCI EMERGING MARKETS ETF	9,980,695	Domestic listed foreign shares	9,980,695
GIC PRIVATE LIMITED	9,876,891	Domestic listed foreign shares	9,876,891
Liu Jingyuan	8,277,050	Domestic listed foreign shares	8,277,050

Details of the above shareholders who are related to each other or acting in concert

Among the top ten shareholders of the Company, Yitai Group (Hong Kong) Co., Ltd. is a wholly-owned subsidiary of Inner Mongolia Yitai Group Co., Ltd., a holder of domestic legal person shares. The Company is not aware whether there are other holders of foreign shares who are related to each other or acting in concert.

Details of the preference shareholders whose voting rights have been restored and the number of shares held

N/A

Note: The H shares held by HKSCC NOMINEES LIMITED are held on behalf of its multiple clients

3. SIGNIFICANT EVENTS

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

As at the end of the reporting period, the Company produced an aggregate of 40.3538 million tonnes of coal, representing an increase of 18.62% from the same period of last year. The Company sold 64.9729 million tonnes of coal, representing an increase of 4.84% from the same period of last year. In particular, coal sold via railway transportation amounted to 38.9865 million tonnes and coal sold at local coal mines and transportation stations amounted to 25.9864 million tonnes. The Company achieved an operating revenue of RMB30,890.7391 million, representing an increase of 11.32% from the same period of last year, which was mainly due to the increase in sales revenue of Inner Mongolia Yitai Chemical Co., Ltd. As at the end of the reporting period, Inner Mongolia Yitai Chemical Co., Ltd. produced 846,500 tons of chemical products and sold 834,900 tons of chemical products, with an operating revenue of RMB3.864 billion.

As at the reporting period, the Company achieved a net profit attributable to the owners of the parent company of RMB2,864.2794 million, representing a decrease of 26.53% from the same period of last year, which was mainly due to the decrease in coal price and the increase in the production cost of coal, resulting from the increase in production of disaster management caused by the increase in the cost of earthwork stripping.

Unit: yuan Currency: RMB

No.	Items	Closing balance (or balance of the current period)	Opening balance (or balance of the previous period)	Change (%)	Reasons of changes
1	Bills receivables	50,342,860.02	108,059,677.35	-53.41	Mainly due to the decrease in bank acceptance bills in the current period;
2	Funds paid in advance	1,131,598,425.64	866,158,607.74	30.65	Mainly due to the increase in advance payments for coal in the current period;
3	Assets held for sale	-	17,056,603.77	-100.00	Mainly due to the transfer of production capacity indicators in the current period;
4	Other non-current financial assets	932,830,505.43	555,210,055.32	68.01	Mainly due to the new fund investment in the current period;
5	Short-term borrowings	200,000,000.00	900,000,000.00	-77.78	Mainly due to the repayment of short-term borrowings in the current period;

No.	Items	Closing balance (or balance of the current period)	Opening balance (or balance of the previous period)	Change (%)	Reasons of changes
6	Bills payable	681,724,658.75	1,009,306,562.44	-32.46	Mainly due to the decrease in bills payable in the current period;
7	Contract liabilities	230,130,606.98	338,370,808.43	-31.99	Mainly due to the decrease in advance payments from customers during the current period;
8	Taxes payable	584,453,406.78	1,792,896,618.02	-67.40	Mainly due to the decrease in the taxes payable at the end of the current period;
9	Other payables	3,010,555,400.72	2,256,363,729.52	33.43	Mainly due to the increase in construction and installation project funds payable;
10	Non-current liabilities due within one year	4,710,872,970.48	9,614,780,562.20	-51.00	Mainly due to the decrease in non-current liabilities due within one year;
11	Bonds payable	5,863,593,603.71	3,441,318,456.58	70.39	Mainly due to the increase in bonds issued during the current period;
12	Special reserve	209,461,337.74	57,087,245.53	266.91	Mainly due to the increase in the unutilized safe production expenses at the end of the period;
13	Administrative expenses	972,396,618.27	630,321,389.56	54.27	Mainly due to the increase in employee remuneration and depreciation and amortization during the current period;
14	Finance costs	1,203,480,469.10	674,851,501.75	78.33	Mainly due to the increase in interest expenses during the current period
15	Other income	88,884,699.01	33,882,193.00	162.33	Mainly due to the increase in government subsidies received related to income during the current period;
16	Gains from changes in fair value	46,905,872.33	178,640.00	26,157.21	Mainly due to the increase in fair value of Hangzhou Xinyu's fund investment;
17	Non-operating expenses	90,702,275.83	34,838,810.36	160.35	Mainly due to the increase in public welfare donation expenses during the current period.

3.2 Development of significant events, related impact and resolution

N/A

3.3 Undertaking matters which have passed the performance deadline and not yet performed during the reporting period

N/A

3.4 Warnings and explanations of any forecasted losses or significant changes to accumulated net profit from the beginning of the year to the end of the next reporting period or as compared to the corresponding period of last year

N/A

4. APPENDICES

4.1 Financial statement

Consolidated Balance Sheet

30 September 2019

Prepared by: Inner Mongolia Yitai Coal Co., Ltd.*

Unit: yuan Currency: RMB Audit status: Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balance	15,638,581,063.99	17,619,345,617.65
Financial assets available-for-trading	1,727,640.00	
Bills receivable	50,342,860.02	108,059,677.35
Accounts receivable	1,114,085,179.47	1,481,452,372.49
Funds paid in advance	1,131,598,425.64	866,158,607.74
Other receivables	608,120,630.10	643,850,689.43
Including: Interests receivable		
Dividends receivable	10,398,833.20	
Inventories	1,374,241,974.34	1,341,020,255.68
Assets held for sale		17,056,603.77
Other current assets	1,353,465,430.19	1,496,106,304.83
Total current assets	21,272,163,203.75	23,573,050,128.94

Items	30 September 2019	31 December 2018
Non-current assets:		
Long-term equity investment	9,682,094,578.48	8,916,032,985.53
Investments in other equity instruments	8,034,153,689.47	7,889,581,854.05
Other non-current financial assets	932,830,505.43	555,210,055.32
Investment property	518,788,102.74	546,134,734.37
Fixed assets	32,289,304,586.17	33,371,998,346.85
Construction in progress	14,875,292,937.65	13,785,815,058.59
Right-of-use asset	9,127,469.38	
Intangible assets	2,905,929,299.65	2,974,985,561.79
Development expenditure	1,424,043.26	570,959.51
Long-term deferred expenses	2,187,747,758.39	2,197,294,897.75
Deferred income tax assets	617,065,872.82	686,014,193.07
Other non-current assets	54,707,404.00	54,707,404.00
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Total non-current assets	72,108,466,247.44	70,978,346,050.83
	<hr/>	<hr/>
Total assets	93,380,629,451.19	94,551,396,179.77
	<hr/>	<hr/>
Current liabilities:		
Short-term borrowings	200,000,000.00	900,000,000.00
Financial liabilities available-for-trading	21,880.00	3,721,440.00
Bills payable	681,724,658.75	1,009,306,562.44
Accounts payable	2,000,730,264.81	2,710,040,983.63
Contract liabilities	230,130,606.98	338,370,808.43
Staff remuneration payable	321,554,482.19	329,971,033.59
Taxes payable	584,453,406.78	1,792,896,618.02
Other payables	3,010,555,400.72	2,256,363,729.52
Including: Interest payable	155,669,610.03	187,163,740.89
Dividend payable	13,839,442.98	710,430.00
Non-current liabilities due within one year	4,710,872,970.48	9,614,780,562.20
Other current liabilities	5,714,185.72	5,874,623.10
	<hr/>	<hr/>
Total current liabilities	11,745,757,856.43	18,961,326,360.93
	<hr/>	<hr/>

Items	30 September 2019	31 December 2018
Non-current liabilities:		
Long-term borrowings	29,403,117,281.55	27,509,102,119.45
Bonds payable	5,863,593,603.71	3,441,318,456.58
Lease liabilities	339,930,538.64	
Long-term payables	521,938,566.70	853,638,566.68
Projected liabilities	481,651,976.40	464,231,961.93
Deferred income	73,147,574.77	73,783,748.97
Deferred income tax liabilities	679,963,532.52	695,612,758.47
	<u>37,363,343,074.29</u>	<u>33,037,687,612.08</u>
Total non-current liabilities		
	<u>37,363,343,074.29</u>	<u>33,037,687,612.08</u>
Total liabilities	<u>49,109,100,930.72</u>	<u>51,999,013,973.01</u>
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	3,254,007,000.00	3,254,007,000.00
Capital reserves	2,222,880,589.69	2,222,887,682.42
Less: Treasury shares		
Other comprehensive income	1,654,660,111.79	1,707,916,871.73
Special reserve	209,461,337.74	57,087,245.53
Surplus reserve	1,634,024,476.72	1,634,024,476.72
Undistributed profit	25,568,288,903.31	24,331,543,771.03
Total equity attributable to owners of the parent company (or shareholders' equity)	34,543,322,419.25	33,207,467,047.43
Minority interests	9,728,206,101.22	9,344,915,159.33
	<u>44,271,528,520.47</u>	<u>42,552,382,206.76</u>
Total owners' equity (or shareholders' equity)		
	<u>44,271,528,520.47</u>	<u>42,552,382,206.76</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>93,380,629,451.19</u>	<u>94,551,396,179.77</u>

<i>Legal representative:</i>	<i>Person in charge of accounting affairs:</i>	<i>Person responsible for the accounting institute:</i>
Zhang Donghai	Lv Guiliang	Lu Yanmei

Balance Sheet of the Parent Company

30 September 2019

Prepared by: Inner Mongolia Yitai Coal Co., Ltd.*

Unit: yuan Currency: RMB Audit status: Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balance	5,680,345,035.80	8,255,930,041.31
Bills receivable	10,000,000.00	42,300,000.00
Accounts receivable	714,882,997.54	231,204,081.31
Funds paid in advance	467,701,278.73	452,443,202.58
Other receivables	10,357,363,992.57	8,399,470,548.03
Including: Interests receivable		
Dividends receivable	242,103,318.86	
Inventories	851,080,844.58	844,870,645.43
Assets held for sale		17,056,603.77
Other current assets	3,889,462.83	19,756,909.29
Total current assets	18,085,263,612.05	18,263,032,031.72
Non-current assets:		
Long-term equity investment	22,990,281,341.68	21,801,904,412.02
Investments in other equity instruments	6,860,174,377.72	6,813,967,788.23
Other non-current financial assets	22,022,393.96	32,964,616.18
Investment property	495,769,648.65	522,227,666.63
Fixed assets	3,985,742,885.34	4,096,978,758.49
Construction in progress	235,923,844.28	220,054,744.80
Intangible assets	734,267,152.07	741,894,789.69
Long-term deferred expenses	1,111,353,429.97	1,159,300,198.54
Deferred income tax assets	515,134,396.82	589,447,791.85
Other non-current assets	10,459,543.00	10,459,543.00
Total non-current assets	36,961,129,013.49	35,989,200,309.43
Total assets	55,046,392,625.54	54,252,232,341.15

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings		700,000,000.00
Financial liabilities available-for-trading	21,880.00	
Bills payable	162,653,974.91	267,182,279.47
Accounts payable	1,204,497,769.75	2,212,404,753.76
Contract liabilities	247,130,873.97	463,571,009.54
Staff remuneration payable	111,484,971.51	139,741,388.96
Taxes payable	335,587,536.45	1,119,358,675.86
Other payables	1,346,306,258.51	673,399,888.84
Including: Interest payable	138,667,293.89	141,945,788.07
Dividend payable		
Non-current liabilities due within one year	3,357,925,000.00	6,820,721,558.52
Other current liabilities	4,321,892.28	4,653,278.73
	<hr/>	<hr/>
Total current liabilities	6,769,930,157.38	12,401,032,833.68
	<hr/> <hr/>	<hr/> <hr/>
Non-current liabilities:		
Long-term borrowings	13,639,475,000.00	10,227,800,000.00
Bonds payable	5,863,593,603.71	3,441,318,456.58
Long-term payables	938,566.70	2,638,566.68
Projected liabilities	450,313,150.90	433,002,838.67
Deferred income	1,485,000.00	1,670,000.00
Deferred income tax liabilities	650,794,393.13	665,590,576.42
	<hr/>	<hr/>
Total non-current liabilities	20,606,599,714.44	14,772,020,438.35
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	27,376,529,871.82	27,173,053,272.03
	<hr/> <hr/>	<hr/> <hr/>

Items	30 September 2019	31 December 2018
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	3,254,007,000.00	3,254,007,000.00
Capital reserves	1,475,066,906.63	1,475,066,906.63
Less: Treasury shares		
Other comprehensive income	1,574,480,371.72	1,623,825,429.61
Special reserve	181,178,648.29	57,087,245.53
Surplus reserve	1,634,024,476.72	1,634,024,476.72
Undistributed profit	19,551,105,350.36	19,035,168,010.63
	<u>27,669,862,753.72</u>	<u>27,079,179,069.12</u>
Total owners' equity (or shareholders' equity)	<u>27,669,862,753.72</u>	<u>27,079,179,069.12</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>55,046,392,625.54</u>	<u>54,252,232,341.15</u>

Legal representative:
Zhang Donghai

*Person in charge of
accounting affairs:*
Lv Guiliang

*Person responsible for the
accounting institute:*
Lu Yanmei

Consolidated Income Statement

January to September 2019

Prepared by: Inner Mongolia Yitai Coal Co., Ltd.*

Unit: yuan Currency: RMB Audit status: Unaudited

Items	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
	I. Total operating revenue	10,815,405,860.13	9,556,012,539.33	30,890,739,119.17
Of which: Revenue from operations	10,815,405,860.13	9,556,012,539.33	30,890,739,119.17	27,749,969,234.72
II. Total operating cost	9,246,941,685.12	7,526,008,253.68	26,630,023,438.20	22,441,824,384.39
Of which: Operating cost	7,433,816,436.48	6,195,538,159.57	21,830,867,228.64	18,649,184,736.23
Tax and surcharges	484,861,780.95	355,549,510.62	1,212,255,142.92	966,323,401.72
Selling expenses	320,277,503.68	299,066,155.93	962,548,741.52	981,490,857.48
Administrative expenses	417,114,112.18	231,455,827.04	972,396,618.27	630,321,389.56
Research and development costs	168,457,480.36	221,437,653.52	448,475,237.75	539,652,497.65
Finance costs	422,414,371.47	222,960,947.00	1,203,480,469.10	674,851,501.75
Of which: Interest expenses	477,905,631.45	225,162,253.25	1,320,002,136.80	729,420,276.91
Interest income	-57,123,862.10	-28,190,422.95	-125,261,282.63	-81,445,577.20
Add: Other income	3,784,239.98	-454,000.00	88,884,699.01	33,882,193.00
Investment income (loss is represented by “-”)	26,660,370.83	195,153,297.20	205,073,407.34	258,674,878.54
Of which: Gains from investment in associates and joint ventures	25,850,472.47	36,948,391.89	188,222,191.39	82,512,257.88
Gains from changes in fair value (loss is represented by “-”)	2,857,422.51	1,060,520.00	46,905,872.33	178,640.00
Asset impairments loss (loss is represented by “-”)				331,446.25
Gains from disposal of assets (loss is represented by “-”)	498,305.97	9,590,255.77	6,063,397.92	10,610,128.74
III. Profit from operations (loss is represented by “-”)	1,602,264,514.30	2,235,354,358.62	4,607,643,057.57	5,611,822,136.86
Add: Non-operating income	16,433,499.75	10,100,887.77	22,886,702.58	21,014,034.04
Less: Non-operating expense	31,751,701.83	8,988,298.36	90,702,275.83	34,838,810.36
IV. Total profit (total loss is represented by “-”)	1,586,946,312.22	2,236,466,948.03	4,539,827,484.32	5,597,997,360.54
Less: Income tax expenses	275,989,330.97	355,282,516.18	908,307,312.82	988,149,524.64
V. Net profit (net loss is represented by “-”)	1,310,956,981.25	1,881,184,431.85	3,631,520,171.50	4,609,847,835.90
(I) Classified on a going concern basis	1,310,956,981.25	1,881,184,431.85	3,631,520,171.50	4,609,847,835.90
1. Net profit from continuing operations (net loss is represented by “-”)	1,310,956,981.25	1,881,184,431.85	3,631,520,171.50	4,609,847,835.90
2. Net profit from discontinued operations (net loss is represented by “-”)				

Items	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
(II) Classified according to the ownership	1,310,956,981.25	1,881,184,431.85	3,631,520,171.50	4,609,847,835.90
1. Net profit attributable to the shareholders of the parent company (net loss is represented by “-”)	948,228,041.05	1,594,118,834.78	2,864,279,351.01	3,898,690,095.08
2. Minority interests (net loss is represented by “-”)	362,728,940.20	287,065,597.07	767,240,820.49	711,157,740.82
VI. Net other comprehensive income after taxes	935,939.57	1,042,765.12	-53,256,759.94	835,816,873.41
Net other comprehensive income attributable to owners of the parent company after taxes	935,939.57	1,042,765.12	-51,867,866.87	835,816,873.41
(I) Other comprehensive income that cannot be reclassified to profit or loss	57,943.38	-34,503.85	-52,790,073.24	834,408,207.55
1. Remeasuring changes of defined benefit plan				
2. Other comprehensive income that cannot be converted into profit or loss under the equity method				
3. Changes in fair value of investments in other equity instruments	57,943.38	-34,503.85	-52,790,073.24	834,408,207.55
4. Changes in fair value of enterprise's own credit risk				
(II) Other comprehensive income that may be reclassified to profit or loss	877,996.19	1,077,268.97	922,206.37	1,408,665.86
8. Exchange differences from retranslation of financial statements	877,996.19	1,077,268.97	922,206.37	1,408,665.86
Net other comprehensive income attributable to minority interests after taxes			-1,388,893.07	
VII. Total comprehensive income	1,311,892,920.82	1,882,227,196.97	3,578,263,411.56	5,445,664,709.31
Total comprehensive income attributable to the owners of the parent company	949,163,980.62	1,595,161,599.90	2,812,411,484.14	4,734,506,968.49
Total comprehensive income attributable to minority shareholders	362,728,940.20	287,065,597.07	765,851,927.42	711,157,740.82
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.29	0.49	0.88	1.20
(II) Diluted earnings per share (RMB/share)	-	-	-	-

<i>Legal representative:</i>	<i>Person in charge of accounting affairs:</i>	<i>Person responsible for the accounting institute:</i>
Zhang Donghai	Lv Guiliang	Lu Yanmei

Income Statement of the Parent Company

January to September 2019

Prepared by: Inner Mongolia Yitai Coal Co., Ltd.*

Unit: yuan Currency: RMB Audit status: Unaudited

Items	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three	The first three
			quarters of 2019 (January to September)	quarters of 2018 (January to September)
I. Revenue from operations	8,371,911,400.81	5,760,095,695.52	24,348,785,728.37	13,125,539,953.26
Less: Operating cost	6,832,133,505.88	4,114,258,263.04	19,866,710,221.52	8,620,861,446.32
Tax and surcharges	298,067,448.20	219,876,484.49	805,932,336.70	595,131,293.48
Selling expenses	30,930,430.03	12,773,326.00	61,620,434.04	42,881,341.95
Administrative expenses	236,682,739.35	154,708,057.26	529,985,165.39	389,301,748.35
Research and development costs	107,346,270.48	205,074,995.01	252,765,258.01	499,158,775.15
Finance costs	308,762,327.43	203,080,012.99	834,904,222.46	641,686,031.55
Of which: Interest expenses	340,535,020.07	202,948,326.37	892,667,768.40	678,314,521.84
Interest income	-29,537,325.43	-20,988,801.24	-61,656,446.88	-56,644,250.52
Add: Other income	1,064,632.25	-30,000.00	1,219,387.66	360,000.00
Investment income (loss is represented by “-”)	115,160,408.54	117,596,791.14	697,308,653.80	1,116,237,223.24
Of which: Gains from investment in associates and joint ventures	26,173,883.22	36,905,533.72	192,545,898.94	80,360,949.47
Gains from changes in fair value (loss is represented by “-”)	-21,880.00	-79,180.00	-21,880.00	3,600.00
Asset impairments loss (loss is represented by “-”)				331,446.25
Gains from disposal of assets (loss is represented by “-”)	453,589.04	13,360,052.69	6,190,909.96	14,034,615.52
II. Profit from operations (loss is represented by “-”)	674,645,429.27	981,172,220.56	2,701,565,161.67	3,467,486,201.47
Add: Non-operating income	5,115,163.86	1,733,770.00	8,104,624.55	10,269,255.70
Less: Non-operating expense	25,161,233.76	1,105,054.77	82,384,984.52	21,107,711.76
III. Total profit (total loss is represented by “-”)	654,599,359.37	981,800,935.79	2,627,284,801.70	3,456,647,745.41
Less: Income tax expenses	134,294,133.94	141,746,187.31	484,343,961.97	326,594,866.86

Items	The third quarter of 2019 (July to September)	The third quarter of 2018 (July to September)	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
IV. Net profit (net loss is represented by “-”)	520,305,225.43	840,054,748.48	2,142,940,839.73	3,130,052,878.55
(I) Net profit from continuing operations (net loss is represented by “-”)	520,305,225.43	840,054,748.48	2,142,940,839.73	3,130,052,878.55
(II) Net profit from discontinued operations (net loss is represented by “-”)				
V. Net other comprehensive income after taxes	57,943.38	-34,503.84	-49,345,057.89	820,922,527.17
(I) Other comprehensive income that cannot be reclassified to profit or loss	57,943.38	-34,503.84	-49,345,057.89	820,922,527.17
3. Changes in fair value of investments in other equity instruments	57,943.38	-34,503.84	-49,345,057.89	820,922,527.17
VI. Total comprehensive income	520,363,168.81	840,020,244.64	2,093,595,781.84	3,950,975,405.72

Legal representative:
Zhang Donghai

*Person in charge of
accounting affairs:*
Lv Guiliang

*Person responsible for the
accounting institute:*
Lu Yanmei

Consolidated Cash Flow Statement

January to September 2019

Prepared by: Inner Mongolia Yitai Coal Co., Ltd.*

Unit: yuan Currency: RMB Audit status: Unaudited

Items	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	35,080,008,385.90	32,607,930,639.82
Refunds of taxes		6,917,787.00
Other cash received from activities related to operation	740,161,579.53	176,497,777.80
Sub-total of cash inflows from operating activities	35,820,169,965.43	32,791,346,204.62
Cash paid for goods purchased and service rendered	22,007,660,436.40	21,185,815,844.20
Cash paid to and on behalf of employees	1,177,602,098.55	988,376,017.90
Taxes paid	4,998,026,346.05	4,512,684,309.98
Other cash paid for activities relating to operation	1,199,709,906.60	580,148,987.59
Sub-total of cash outflow from operating activities	29,382,998,787.60	27,267,025,159.67
Net cash flows from operating activities	6,437,171,177.83	5,524,321,044.95
II. Cash flow from investment activities:		
Cash received from recovery of investments	55,623,222.22	1,179,389,650.37
Cash received from gains in investments	9,630,000.00	108,316,113.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	34,312,894.84	7,472,608.50
Net cash received from disposal of subsidiaries and other operating entities	1,197.37	
Other cash received relating to investment activities		102,376,237.27
Sub-total of cash inflows from investment activities	99,567,314.43	1,397,554,609.29
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	1,891,150,598.31	1,277,155,896.99
Cash paid for investment	1,215,726,298.42	2,121,512,000.00
Other cash paid relating to investment activities	87,000,000.00	130,000,000.00
Sub-total of cash outflow from investment activities	3,193,876,896.73	3,528,667,896.99
Net cash flow from investment activities	-3,094,309,582.30	-2,131,113,287.70

Items	The first three quarters of 2019 (January to September)	The first three quarters of 2018 (January to September)
III. Cash flow from financing activities:		
Proceeds received from investments	1,000,000.00	73,500,000.00
Of which: Proceeds received by subsidiaries from minority shareholder's investment	1,000,000.00	73,500,000.00
Cash received from borrowings	8,525,700,000.00	8,650,000,000.00
Sub-total of cash inflow from financing activities	8,526,700,000.00	8,723,500,000.00
Cash repayments of borrowing	9,833,610,710.31	6,949,123,249.79
Cash payments for dividend and profit distribution or interest repayment	3,171,475,467.16	3,401,471,932.48
Of which: Dividend and profit paid by subsidiary to minority shareholders		301,964,970.00
Other cash paid relating to financing activities	254,273,969.28	18,712,111.70
Sub-total of cash outflow from financing activities	13,259,360,146.75	10,369,307,293.97
Net cash flow from financing activities	-4,732,660,146.75	-1,645,807,293.97
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		
V. Net increase in cash and cash equivalents	-1,389,798,551.22	1,747,400,463.28
Add: Balance of cash and cash equivalents at the beginning of the period	16,994,167,148.20	13,733,098,201.57
VI. Balance of cash and cash equivalents at the end of the period	15,604,368,596.98	15,480,498,664.85

Legal representative:
Zhang Donghai

*Person in charge of
accounting affairs:*
Lu Guiliang

*Person responsible for the
accounting institute:*
Lu Yanmei

Cash Flow Statement of the Parent Company

January to September 2019

Prepared by: Inner Mongolia Yitai Coal Co., Ltd.*

Unit: yuan Currency: RMB Audit status: Unaudited

Items	The first three quarters of 2019 (January to September)	Amount of the first three quarters of 2018 (January to September)
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	26,448,729,994.67	13,702,058,321.81
Other cash received from activities related to operation	246,161,287.07	101,085,665.84
Sub-total of cash inflows from operating activities	26,694,891,281.74	13,803,143,987.65
Cash paid for goods purchased and service rendered	21,169,351,157.92	9,579,273,137.59
Cash paid to and on behalf of employees	412,283,914.30	443,426,264.62
Taxes paid	3,122,045,423.44	2,705,830,281.31
Other cash paid for activities relating to operation	506,711,687.22	348,583,645.67
Sub-total of cash outflow from operating activities	25,210,392,182.88	13,077,113,329.19
Net cash flows from operating activities	1,484,499,098.86	726,030,658.46
II. Cash flow from investment activities:		
Cash received from recovery of investments	2,983,817,588.87	1,180,389,650.37
Cash received from gains in investments	268,649,039.88	828,701,314.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	41,127,033.07	7,268,676.24
Other cash received relating to investment activities	603,141,737.99	395,511,810.59
Sub-total of cash inflows from investment activities	3,896,735,399.81	2,411,871,451.74
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	1,176,005,827.72	183,911,686.65
Cash paid for investment	1,213,757,200.00	2,194,680,000.00
Other cash paid relating to investment activities	4,642,436,429.93	
Sub-total of cash outflow from investment activities	7,032,199,457.65	2,378,591,686.65
Net cash flow from investment activities	-3,135,464,057.84	33,279,765.09

Items	The first three quarters of 2019 (January to September)	Amount of the first three quarters of 2018 (January to September)
III. Cash flow from financing activities:		
Cash received from borrowings	8,150,700,000.00	5,600,000,000.00
Other cash received relating to financing activities		3,423,023,910.98
Sub-total of cash inflow from financing activities	8,150,700,000.00	9,023,023,910.98
Cash repayments of borrowing	6,406,050,000.00	5,503,000,000.00
Cash payments for dividend and profit distribution or interest repayment	2,528,683,101.60	2,319,443,466.83
Other cash paid relating to financing activities	102,937,500.00	9,752,000.00
Sub-total of cash outflow from financing activities	9,037,670,601.60	7,832,195,466.83
Net cash flow from financing activities	-886,970,601.60	1,190,828,444.15
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		
V. Net increase in cash and cash equivalents	-2,537,935,560.58	1,950,138,867.70
Add: Balance of cash and cash equivalents at the beginning of the period	8,192,014,896.28	7,460,758,225.51
VI. Balance of cash and cash equivalents at the end of the period	5,654,079,335.70	9,410,897,093.21

Legal representative:
Zhang Donghai

*Person in charge of
accounting affairs:*
Lv Guiliang

*Person responsible for the
accounting institute:*
Lu Yanmei

4.2 Adjustments to relevant items of financial statements at the beginning of the year upon initial adoption of the New Financial Instrument Standard, the New Revenue Standard and the New Lease Standard

Consolidated Balance Sheet

Unit: yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balance	17,619,345,617.65	17,619,345,617.65	
Bills receivable	108,059,677.35	108,059,677.35	
Accounts receivable	1,481,452,372.49	1,481,452,372.49	
Financing receivables			
Funds paid in advance	866,158,607.74	866,158,607.74	
Other receivables	643,850,689.43	643,850,689.43	
Inventories	1,341,020,255.68	1,341,020,255.68	
Assets held for sale	17,056,603.77	17,056,603.77	
Other current assets	1,496,106,304.83	1,496,106,304.83	
Total current assets	23,573,050,128.94	23,573,050,128.94	
Non-current assets:			
Long-term equity investment	8,916,032,985.53	8,916,032,985.53	
Investments in other equity instruments	7,889,581,854.05	7,889,581,854.05	
Other non-current financial assets	555,210,055.32	555,210,055.32	
Investment property	546,134,734.37	546,134,734.37	
Fixed assets	33,371,998,346.85	33,371,998,346.85	
Construction in progress	13,785,815,058.59	13,785,815,058.59	
Right-of-use asset		10,913,278.59	10,913,278.59
Intangible assets	2,974,985,561.79	2,974,985,561.79	
Development expenditure	570,959.51	570,959.51	
Long-term deferred expenses	2,197,294,897.75	2,197,294,897.75	
Deferred income tax assets	686,014,193.07	686,014,193.07	
Other non-current assets	54,707,404.00	54,707,404.00	
Total non-current assets	70,978,346,050.83	70,989,259,329.42	10,913,278.59
Total assets	94,551,396,179.77	94,562,309,458.36	10,913,278.59

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	900,000,000.00	900,000,000.00	
Financial liabilities available-for-trading	3,721,440.00	3,721,440.00	
Bills payable	1,009,306,562.44	1,009,306,562.44	
Accounts payable	2,710,040,983.63	2,710,040,983.63	
Contract liabilities	338,370,808.43	338,370,808.43	
Staff remuneration payable	329,971,033.59	329,971,033.59	
Taxes payable	1,792,896,618.02	1,792,896,618.02	
Other payables	2,256,363,729.52	2,256,363,729.52	
Including: Interest payable	187,163,740.89	187,163,740.89	
Dividend payable	710,430.00	710,430.00	
Non-current liabilities due within one year	9,614,780,562.20	9,614,780,562.20	
Other current liabilities	5,874,623.10	5,874,623.10	
Total current liabilities	18,961,326,360.93	18,961,326,360.93	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	27,509,102,119.45	27,509,102,119.45	
Bonds payable	3,441,318,456.58	3,441,318,456.58	
Lease liabilities		341,443,997.32	341,443,997.32
Long-term payables	853,638,566.68	523,638,566.68	-330,000,000.00
Projected liabilities	464,231,961.93	464,231,961.93	
Deferred income	73,783,748.97	73,783,748.97	
Deferred income tax liabilities	695,612,758.47	695,612,758.47	
Total non-current liabilities	33,037,687,612.08	33,049,131,609.40	11,443,997.32
Total liabilities	51,999,013,973.01	52,010,457,970.33	11,443,997.32

Items	31 December 2018	1 January 2019	Adjustment
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	3,254,007,000.00	3,254,007,000.00	
Capital reserves	2,222,887,682.42	2,222,887,682.42	
Other comprehensive income	1,707,916,871.73	1,707,916,871.73	
Special reserve	57,087,245.53	57,087,245.53	
Surplus reserve	1,634,024,476.72	1,634,024,476.72	
Undistributed profit	24,331,543,771.03	24,331,013,052.30	-530,718.73
Total equity attributable to owners of the parent company (or shareholders' equity)	33,207,467,047.43	33,206,936,328.70	-530,718.73
Minority interests	9,344,915,159.33	9,344,915,159.33	
	<u>42,552,382,206.76</u>	<u>42,551,851,488.03</u>	<u>-530,718.73</u>
Total owners' equity (or shareholders' equity)	<u>42,552,382,206.76</u>	<u>42,551,851,488.03</u>	<u>-530,718.73</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>94,551,396,179.77</u>	<u>94,562,309,458.36</u>	<u>10,913,278.59</u>

Balance Sheet of the Parent Company

Unit: yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and bank balance	8,255,930,041.31	8,255,930,041.31	
Bills receivable	42,300,000.00	42,300,000.00	
Accounts receivable	231,204,081.31	231,204,081.31	
Funds paid in advance	452,443,202.58	452,443,202.58	
Other receivables	8,399,470,548.03	8,399,470,548.03	
Inventories	844,870,645.43	844,870,645.43	
Assets held for sale	17,056,603.77	17,056,603.77	
Other current assets	19,756,909.29	19,756,909.29	
Total current assets	18,263,032,031.72	18,263,032,031.72	
Non-current assets:			
Long-term equity investment	21,801,904,412.02	21,801,904,412.02	
Investments in other equity instruments	6,813,967,788.23	6,813,967,788.23	
Other non-current financial assets	32,964,616.18	32,964,616.18	
Investment property	522,227,666.63	522,227,666.63	
Fixed assets	4,096,978,758.49	4,096,978,758.49	
Construction in progress	220,054,744.80	220,054,744.80	
Intangible assets	741,894,789.69	741,894,789.69	
Long-term deferred expenses	1,159,300,198.54	1,159,300,198.54	
Deferred income tax assets	589,447,791.85	589,447,791.85	
Other non-current assets	10,459,543.00	10,459,543.00	
Total non-current assets	35,989,200,309.43	35,989,200,309.43	
Total assets	54,252,232,341.15	54,252,232,341.15	

Items	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Short-term borrowings	700,000,000.00	700,000,000.00	
Bills payable	267,182,279.47	267,182,279.47	
Accounts payable	2,212,404,753.76	2,212,404,753.76	
Contract liabilities	463,571,009.54	463,571,009.54	
Staff remuneration payable	139,741,388.96	139,741,388.96	
Taxes payable	1,119,358,675.86	1,119,358,675.86	
Other payables	673,399,888.84	673,399,888.84	
Including: Interest payable	141,945,788.07	141,945,788.07	
Non-current liabilities due within one year	6,820,721,558.52	6,820,721,558.52	
Other current liabilities	4,653,278.73	4,653,278.73	
Total current liabilities	12,401,032,833.68	12,401,032,833.68	
Non-current liabilities:			
Long-term borrowings	10,227,800,000.00	10,227,800,000.00	
Bonds payable	3,441,318,456.58	3,441,318,456.58	
Long-term payables	2,638,566.68	2,638,566.68	
Projected liabilities	433,002,838.67	433,002,838.67	
Deferred income	1,670,000.00	1,670,000.00	
Deferred income tax liabilities	665,590,576.42	665,590,576.42	
Total non-current liabilities	14,772,020,438.35	14,772,020,438.35	
Total liabilities	27,173,053,272.03	27,173,053,272.03	

Items	31 December 2018	1 January 2019	Adjustment
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	3,254,007,000.00	3,254,007,000.00	
Capital reserves	1,475,066,906.63	1,475,066,906.63	
Other comprehensive income	1,623,825,429.61	1,623,825,429.61	
Special reserve	57,087,245.53	57,087,245.53	
Surplus reserve	1,634,024,476.72	1,634,024,476.72	
Undistributed profit	19,035,168,010.63	19,035,168,010.63	
	<u>27,079,179,069.12</u>	<u>27,079,179,069.12</u>	
Total owners' equity (or shareholders' equity)	<u>27,079,179,069.12</u>	<u>27,079,179,069.12</u>	
Total liabilities and owners' equity (or shareholders' equity)	<u>54,252,232,341.15</u>	<u>54,252,232,341.15</u>	

By order of the Board
Inner Mongolia Yitai Coal Co., Ltd.*
Zhang Donghai
Chairman

Inner Mongolia, the PRC, 29 October 2019

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Donghai, Mr. Liu Chunlin, Mr. Ge Yaoyong, Mr. Zhang Dongsheng, Mr. Wang Sanmin, Mr. Lv Guiliang and Mr. Liu Jian; and the independent non-executive directors of the Company are Ms. Du Yingfen, Mr. Zhang Zhiming, Mr. Huang Sujian and Mr. Wong Hin Wing.

* For identification purpose only