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## **Chongqing Iron & Steel Company Limited** **重慶鋼鐵股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
*(在中華人民共和國註冊成立的股份有限公司)*

(Stock Code: 1053)

### **FIRST QUARTERLY REPORT OF 2019**

#### **I. IMPORTANT NOTICE**

- 1.1 The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents in the quarterly report, confirm that there are no false representations or misleading statements contained in or material omissions from this report, and jointly and severally accept legal responsibility.
- 1.2 All directors of the Company attended the board meeting to consider the quarterly report.
- 1.3 Mr. Zhou Zhuping, the chairman of the Company and Mr. Lv Feng, the chief financial officer and the chief accountant (accounting officer), warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The first quarterly report of the Company was unaudited.

## 1.5 Operating highlights of the Company

- In the first quarter, by surmounting various adverse effects, the Company managed to secure the supply of raw materials and fuels with significantly improved quality, and smooth production was realized as underpinned by the stable functioning of equipment. In the first quarter, the Company produced 1,479,800 tonnes of iron, 1,568,800 tonnes of steel and 1,491,000 tonnes of steel products, representing an increase of 137,100 tonnes, 78,400 tonnes and 71,600 tonnes, or 10.21%, 5.26% and 5.04% as compared with the same period of the previous year, respectively.
- In the first quarter, by proactively expanding selling and marketing channels, the Company made great effort to promote the implementation of direct sales, direct supply and direct distribution, enhance the quality of customer services and optimize its product portfolio in a continuous manner. In the first quarter, the sales volume of steels reached 1,502,700 tonnes, representing an increase of 123,300 tonnes or 8.98%, and the operating income was RMB5.308 billion, representing an increase of 3.02%, as compared with the same period of the previous year, both fulfilling the progressive target set in the annual plan.
- In the first quarter, by positively advancing cost reduction, the Company made new breakthroughs in benchmarking, identifying deficiency, exploring internal potentials, deepening analysis, making improvements and reducing procedure costs. Safety margin of costs was further elevated. In the first quarter, over 70% of the key technical and economic indicators at the company level outpaced the best data for three consecutive months of the previous year. All kinds of consumption witnessed noticeable decline, with procedure costs decreased by RMB140 million as compared with the same period of the previous year.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Major financial data

*Unit: RMB'000*

	<b>As at the end of the reporting period</b>	As at the end of the previous year	Changes from the end of the previous year (%)
Total assets	<b>26,414,800</b>	26,933,351	-1.93
Net assets attributable to the shareholders of the Company	<b>18,688,295</b>	18,531,665	0.85
	<b>From the beginning of year to the end of the reporting period</b>	From the beginning of the previous year to the end of the reporting period of the previous year	Changes from the same period last year (%)
Net cash flow from operating activities	<b>-138,559</b>	-304,134	N/A

	<b>From the beginning of year to the end of the reporting period</b>	From the beginning of the previous year to the end of the reporting period of the previous year	Changes from the same period last year (%)
Revenue from operations	<b>5,307,920</b>	5,152,412	3.02
Net profit attributable to the shareholders of the Company	<b>150,437</b>	350,389	-57.07
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	<b>128,191</b>	353,865	-63.77
Return on net assets (weighted average) (%)	<b>0.81</b>	2.07	-1.26
Basic earnings per share (RMB per share)	<b>0.02</b>	0.04	-50.00
Diluted earnings per share (RMB per share)	<b>0.02</b>	0.04	-50.00

*Note:* Net cash flow from operating activities for the quarter was negative, mainly due to the raised proportion of payment in cash by the Company for the purpose of reducing procurement costs and secure resources.

## Extraordinary profit and loss items and amounts

Applicable       Not applicable

*Unit: RMB'000*

<b>Item</b>	<b>Amount for the period</b>
Profit or loss on disposal of non-current assets	<b>-359</b>
Government grants included in profit or loss of the period other than those closely related with the normal operation of the Company and in compliance with national policies and regulations and conferred on the standard quota or quantity basis	<b>614</b>
Capital occupancy fee from non-financial enterprises recognized through profit or loss	<b>6,644</b>
Gains or losses on changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other equity investments, excluding those arising from effective hedging business related to operating activities of the Company	<b>2,563</b>
Other non-operating income and expenses other than the above items	<b>12,784</b>
Total	<b>22,246</b>

**2.2 Total number of shareholders and shareholdings of the top 10 shareholders and the top 10 holders of tradable shares (or holders of shares not subject to trading moratorium) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders 147,103

**Shareholdings of top 10 shareholders**

(Full) Name of shareholder	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged and frozen status		Nature of shareholders
				Share status	Number	
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	23.51	0	Pledged	2,096,981,600	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED	531,052,021	5.95	0	Unknown	–	Overseas legal person
Chongqing Qianxin Energy Environmental Protection Company Limited	427,195,760	4.79	0	Unknown	–	Unknown
Chongqing Rural Commercial Bank Co., Ltd.	289,268,939	3.24	0	Unknown	–	Unknown
Chongqing Guochuang Investment and Management Co., Ltd.	278,288,059	3.12	0	Unknown	–	Unknown
Sinosteel Equipment & Engineering Co., Ltd.	252,411,692	2.83	0	Unknown	–	Unknown
Bank of Chongqing Co., Ltd.	226,042,920	2.53	0	Unknown	–	Unknown
Industrial Bank Co., Ltd. Chongqing Branch	219,633,096	2.46	0	Unknown	–	Unknown
Agricultural Bank of China Limited Chongqing Branch	216,403,628	2.43	0	Unknown	–	Unknown
China Shipbuilding Industrial Complete Equipment & Logistics Co., Ltd.	211,461,370	2.37	0	Unknown	–	Unknown

## Shareholdings of top 10 holders of shares not subject to trading moratorium

Name of shareholder	Number of shares not subject to trading moratorium	Class and number of shares	
		Class	Number
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	RMB-denominated ordinary shares	2,096,981,600
HKSCC NOMINEES LIMITED	531,052,021	Overseas listed foreign shares	531,052,021
Chongqing Qianxin Energy Environmental Protection Company Limited	427,195,760	RMB-denominated ordinary shares	427,195,760
Chongqing Rural Commercial Bank Co., Ltd.	289,268,939	RMB-denominated ordinary shares	289,268,939
Chongqing Guochuang Investment and Management Co., Ltd.	278,288,059	RMB-denominated ordinary shares	278,288,059
Sinosteel Equipment & Engineering Co., Ltd.	252,411,692	RMB-denominated ordinary shares	252,411,692
Bank of Chongqing Co., Ltd.	226,042,920	RMB-denominated ordinary shares	226,042,920
Industrial Bank Co., Ltd. Chongqing Branch	219,633,096	RMB-denominated ordinary shares	219,633,096
Agricultural Bank of China Limited Chongqing Branch	216,403,628	RMB-denominated ordinary shares	216,403,628
China Shipbuilding Industrial Complete Equipment & Logistics Co., Ltd.	211,461,370	RMB-denominated ordinary shares	211,461,370

Explanation about connected relationship and acts in concert of the above shareholders

There is no connected relationship between Chongqing Changshou Iron & Steel Company Limited (the Controlling Shareholder of the Company) and the other 9 shareholders and they are not parties acting in concert as defined in Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Companies' Shareholders. The Company is not aware of any connected relationship among the other 9 shareholders or whether they are parties acting in concert.

Explanation on preferential shareholders with voting rights restored and their shareholdings

Not applicable.

### 2.3 Total number of preferential shareholders and shareholdings of the top 10 preferential shareholders and the top 10 holders of preferential shares not subject to trading moratorium as at the end of the reporting period

Applicable       Not applicable

### III. SIGNIFICANT EVENTS

#### 3.1 Material changes in items of major accounting statements and financial indicators of the Company and the reason thereof

Applicable       Not applicable

From January to March in 2019, the Group recorded a total profit of RMB152 million, decreasing by 56.74% as compared to the corresponding period last year, which was mainly due to the followings: the composite selling price of steel products amounted to RMB3,387 per tonne, representing a year-on-year decrease of 4.32% and, combined with the increased transportation fees from sales, resulting in a decrease of RMB260 million in the profit; the increase in prices of raw materials such as ore, coal, alloy, steel scrap, etc., resulted in a decrease of RMB89 million in profit; sales volume of steel products was 1,502,700 tonnes, representing a year-on-year increase of 8.98% and resulting in an increase of RMB44 million in profit; the Company vigorously promoted the cost reduction plan and as a result, critical technical and economic indicators were all improved significantly, consumption was reduced substantially and expenses were under effective control, thus resulting in a year-on-year decrease of RMB140 million in the cost in the aspect of process.

##### (1) Main business by sectors

*Unit: RMB'000*

By sectors	Main operations by sectors					
	Operating income	Operating cost	Gross Margin (%)	Year-on-year increase/decrease in operating income (%)	Year-on-year increase/decrease in operating cost (%)	Year-on-year increase/decrease in gross margin (%)
Iron and steel	5,285,003	4,968,062	6.00	2.76	7.61	Decreased by 4.23 percentage points



**(2) Analysis on material changes in assets and liabilities**

*Unit: RMB'000    Audit type: unaudited*

Item	Amount at the end of the period	Percentage of	Amount at the end of the previous period	Percentage of	Year-on-year change (%)	Explanation
		the amount at the end of the period in total assets (%)		the amount at the end of the previous period in total assets (%)		
Financial assets held for trading	184,400	0.70	30,000	0.11	514.67	Purchase of wealth management product
Notes and trade receivable	53,802	0.20	30,340	0.11	77.33	Affected by the intermonth settlement of steel products
Prepayments	516,471	1.95	908,646	3.37	-43.16	Completion of the settlement of transactions with prepayments
Other current assets	1,332,590	5.04	575,931	2.14	131.38	Increase in notes due to the adjustment to payment methods of purchase transactions
Construction in process	25,492	0.10	16,593	0.06	53.63	Increase in projects in relation to technical measures and procedures
Notes and trade payable	1,977,612	7.48	2,946,316	10.94	-32.88	Payment for notes on maturity
Contract liabilities	1,356,002	5.13	1,004,280	3.73	35.02	Increase in advances from customers due to enlargement of production and sales volume
Non-current liabilities due within one year	210,000	0.79	410,000	1.52	-48.78	Repayment of principals of bank loans
Other current liabilities	216,960	0.82	160,675	0.60	35.03	Increase in taxes due to increase in advances from customers

### **3.2 Analysis and explanation of progress and impact of significant events and their solutions**

Applicable       Not applicable

On 5 March 2019, the Resolution in Relation to Participation in Online Bidding for Acquisition of Equity Interest was approved at the 7th meeting of the eighth session of the board of directors of the Company by voting. It approved the Company to participate in the online bidding for the 28% equity interest in Chongqing Xingang Changlong Logistics Co., Ltd. (“**Xingang Changlong Company**”) with self-owned funds based on its business development demands and authorised the management of the Company to execute relevant agreements, documents and handle other specific matters in accordance with relevant procedures and laws and regulations. On the same day, the Resolution in Relation to Participation in Online Bidding for Acquisition of Equity Interest was considered and approved at the 5th meeting of the eighth session of the supervisory committee of the Company.

Up to now, the Company has executed the Equity Transfer Agreement and completed the settlement formality. Xingang Changlong Company is in the progress of filing for the change of industrial and commercial registration.

### **3.3 Undertakings not being fully performed during the reporting period**

Applicable       Not applicable

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

Applicable       Not applicable

Company Name **Chongqing Iron & Steel Company Limited**  
Legal Representative **Zhou Zhuping**  
Date **25 April 2019**

## IV. APPENDICES

### 4.1 Financial statements

#### Consolidated Balance Sheet

31 March 2019

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Current assets:</b>		
Cash and bank balance	<b>1,896,205</b>	2,764,631
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	<b>184,400</b>	30,000
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills and accounts receivable	<b>53,802</b>	30,340
Including: Bills receivable		
Accounts receivable	<b>53,802</b>	30,340
Prepayments	<b>516,471</b>	908,646
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Other receivables	<b>28,092</b>	10,506
Including: Interests receivable		
Dividends receivable		
Proceeds from financial assets purchased under agreements to resell		
Inventories	<b>3,126,679</b>	3,192,201
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	<b>1,332,590</b>	575,931
<b>Total current assets</b>	<b>7,138,239</b>	<b>7,512,255</b>

<b>Item</b>	<b>31 March 2019</b>	31 December 2018
<b>Non-current assets:</b>		
Loans and advances granted		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	<b>28,539</b>	
Other equity instruments investments	<b>5,000</b>	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	<b>16,747,689</b>	16,914,109
Construction in progress	<b>25,492</b>	16,593
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	<b>2,438,774</b>	2,454,327
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	<b>31,067</b>	31,067
Other non-current assets		
	_____	_____
<b>Total non-current assets</b>	<b><u>19,276,561</u></b>	<b><u>19,421,096</u></b>
<b>Total assets</b>	<b><u>26,414,800</u></b>	<b><u>26,933,351</u></b>

<b>Item</b>	<b>31 March 2019</b>	31 December 2018
<b>Current liabilities:</b>		
Short-term borrowings		
Borrowings from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills and accounts payable	<b>1,977,612</b>	2,946,316
Advances from customers		
Disposal of repurchased financial assets		
Deposit taking and deposit in interbank market		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Employee <u>remuneration</u> payable	<b>343,789</b>	333,407
Taxes payable	<b>32,184</b>	35,733
Other payables	<b>393,616</b>	354,665
Including: Interests payable	<b>6,286</b>	6,317
Dividends payable		
Handling charges and commissions payable		
Payable to reinsurers		
Contract liabilities	<b>1,356,002</b>	1,004,280
Held-for-sale liabilities		
Non-current liabilities due within one year	<b>210,000</b>	410,000
Other current liabilities	<b>216,960</b>	160,675
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>4,530,163</b>	<b>5,245,076</b>
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>31 March 2019</b>	31 December 2018
<b>Non-current liabilities:</b>		
Deposits for insurance contracts		
Long-term borrowings	<b>300,000</b>	300,000
Debentures payable		
Including: Preferential shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff remuneration payable	<b>228,461</b>	240,615
Accrued liabilities		
Deferred income	<b>39,881</b>	40,495
Deferred income tax liabilities		
Other non-current liabilities	<b>2,628,000</b>	2,575,500
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>3,196,342</b>	3,156,610
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<b>Total liabilities</b>	<b>7,726,505</b>	8,401,686
	<hr/> <hr/>	<hr/> <hr/>

Item	31 March 2019	31 December 2018
<b>Owners' equity (or Shareholders' equity)</b>		
Paid-in capital (or share capital)	<b>8,918,602</b>	8,918,602
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	<b>19,282,147</b>	19,282,147
Less: Treasury stock		
Other comprehensive income		
Special reserve	<b>19,391</b>	13,644
Surplus reserve	<b>606,991</b>	606,991
General risk provision		
Undistributed profit	<b>-10,138,836</b>	-10,289,719
Total equity attributable to owners of the parent company	<b>18,688,295</b>	18,531,665
Minority interests		
	<hr/>	<hr/>
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>18,688,295</u></b>	<b><u>18,531,665</u></b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u>26,414,800</u></b>	<b><u>26,933,351</u></b>
<i>Legal Representative:</i> <b>Zhou Zhuping</b>	<i>Chief Financial Officer:</i> <b>Lv Feng</b>	<i>Chief Accountant:</i> <b>Lv Feng</b>

## Balance Sheet of the Parent Company

31 March 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	31 March 2019	31 December 2018
<b>Current assets:</b>		
Cash and bank balance	1,890,618	2,762,442
Held-for-trading financial assets	184,400	30,000
Financial assets at fair value through profit and loss		
Derivative financial assets		
Bills and accounts receivable	54,694	29,851
Including: Bills receivable		
Accounts receivable	54,694	29,851
Prepayments	516,471	908,523
Other receivables	28,088	10,500
Including: Interests receivable		
Dividends receivable		
Inventories	3,126,679	3,192,201
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,332,590	575,931
<b>Total current assets</b>	<b>7,133,540</b>	<b>7,509,448</b>



<b>Item</b>	<b>31 March 2019</b>	31 December 2018
<b>Non-current assets:</b>		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	<b>28,539</b>	
Other equity instruments investments	<b>5,000</b>	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	<b>16,747,492</b>	16,914,084
Construction in progress	<b>25,492</b>	16,593
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	<b>2,438,774</b>	2,454,327
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	<b>31,067</b>	31,067
Other non-current assets		
	_____	_____
<b>Total non-current assets</b>	<b><u>19,276,364</u></b>	<b><u>19,421,071</u></b>
<b>Total assets</b>	<b><u>26,409,904</u></b>	<b><u>26,930,519</u></b>

<b>Item</b>	<b>31 March 2019</b>	31 December 2018
<b>Current liabilities:</b>		
Short-term borrowings		
Held-for-trading financial liabilities		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Bills and accounts payable	<b>1,977,390</b>	2,945,889
Advances from customers		
Contract liabilities	<b>1,356,002</b>	1,004,220
Employee <u>remuneration</u> payable	<b>343,789</b>	333,407
Taxes payable	<b>29,676</b>	34,741
Other payables	<b>393,438</b>	354,665
Including: Interests payable	<b>6,286</b>	6,317
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	<b>210,000</b>	410,000
Other current liabilities	<b>216,960</b>	160,675
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>4,527,255</b>	<b>5,243,597</b>
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>31 March 2019</b>	31 December 2018
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>300,000</b>	300,000
Debt securities payable		
Including: Preferential shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term staff remuneration payable	<b>228,461</b>	240,615
Accrued liabilities		
Deferred income	<b>39,881</b>	40,495
Deferred income tax liabilities		
Other non-current liabilities	<b>2,628,000</b>	2,575,500
	<u>                    </u>	<u>                    </u>
<b>Total non-current liabilities</b>	<b>3,196,342</b>	3,156,610
	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<b>7,723,597</b>	8,400,207
	<u>                    </u>	<u>                    </u>



## Consolidated Income Statement

January to March 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2019	First quarter of 2018
<b>I. Total revenue from operations</b>	<b>5,307,920</b>	5,152,412
Including: Revenue from operations	5,307,920	5,152,412
Interest income		
Premiums earned		
Income from fee and commission		
<b>II. Total operating costs</b>	<b>5,171,614</b>	4,797,827
Including: Operating costs	4,983,100	4,620,307
Interest expenses		
Fee and commission expenses		
Surrender value		
Net expenditure for compensation payments		
Net drawing on deposits for insurance contracts		
Expenditures for insurance policy dividend		
Reinsurance costs		
Taxes and surcharges	41,104	29,926
Selling expenses	12,991	21,891
Administrative expenses	113,485	93,734
R&D expenses		
Finance cost	20,934	31,969
Including: Interest expenses	40,021	
Interest income	-20,062	
Asset impairment loss		
Credit impairment loss		

Item	First quarter of 2019	First quarter of 2018
Add: Other income	3,176	
Gains from investment (loss is represented by “-”)		
Including: Gains from investment in associates and joint ventures		
Exchange gain (loss is represented by “-”)		
Income on hedging the net exposure (loss is represented by “-”)		
Gain from change in fair value (loss is represented by “-”)		
Gain on disposal of assets (loss is represented by “-”)	-359	
<b>III. Profit from operations (loss is represented by “-”)</b>	<b>139,123</b>	354,585
Add: Non-operating income	12,888	451
Less: Non-operating expenses	104	3,927
<b>IV. Total profit (total loss is represented by “-”)</b>	<b>151,907</b>	351,109
Less: Income tax expense	1,470	620
<b>V. Net profit (net loss is represented by “-”)</b>	<b>150,437</b>	350,489
(I) Classified on a going concern basis		
1. Net profit from continuing operations (net loss is represented by “-”)	150,437	350,489
2. Net profit from discontinued operations (net loss is represented by “-”)		
(II) Classified according to the ownership		
1. Net profit attributable to shareholders of the parent company (net loss is represented by “-”)	150,437	350,389
2. Profit or loss attributable to minority shareholders (net loss is represented by “-”)		100

Item	First quarter of 2019	First quarter of 2018
<b>VI. Other comprehensive income (net of tax)</b>		
Other comprehensive income (net of tax) attributable to owners of the parent company		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes in re-measurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise's own credit risk		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Changes in fair value of other debt investments		
3. Gains or losses on changes in fair value of available-for-sale financial assets		
4. Financial assets reclassified into other comprehensive income		
5. Gain or loss on reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provision for credit impairment of other debt investments		
7. Hedging reserve for cash flows (Effective portion of cash flow adjusted for hedging gain or loss)		
8. Exchange difference on translation of foreign financial statements		
9. Others		
Other comprehensive income (net of tax) attributable to minority shareholders		

Item	First quarter of 2019	First quarter of 2018
<b>VII. Total comprehensive income</b>	<b>150,437</b>	350,489
Total comprehensive income attributable to owners of the parent company	<b>150,437</b>	350,389
Total comprehensive income attributable to minority shareholders		100

**VIII. Earnings per share:**

(I) Basic earnings per share <i>(RMB per share)</i>	<b>0.02</b>	0.04
(II) Diluted earnings per share <i>(RMB per share)</i>	<b>0.02</b>	0.04

*Legal Representative:*  
**Zhou Zhuping**

*Chief Financial Officer:*  
**Lv Feng**

*Chief Accountant:*  
**Lv Feng**



## Income Statement of the Parent Company

January to March 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2019	First quarter of 2018
<b>I. Revenue from operations</b>	<b>5,301,839</b>	5,152,412
Less: Operating costs	<b>4,983,100</b>	4,620,307
Taxes and surcharges	<b>40,987</b>	29,922
Selling expenses	<b>12,906</b>	21,757
Administrative expenses	<b>113,485</b>	93,190
R&D expenses		
Finance cost	<b>20,935</b>	36,712
Including: Interest expenses	<b>40,021</b>	
Interest income	<b>-20,060</b>	
Asset impairment loss		
Credit impairment loss		
Add: Other income	<b>3,176</b>	
Gains from investment (loss is represented by "-")	<b>4,220</b>	
Including: Gains from investment in associates and joint ventures		
Income on hedging the net exposure (loss is represented by "-")		
Gain from change in fair value (loss is represented by "-")		
Gain on disposal of assets (loss is represented by "-")	<b>-359</b>	
<b>II. Profit from operations (loss is represented by "-")</b>	<b>137,463</b>	350,524
Add: Non-operating income	<b>12,887</b>	366
Less: Non-operating expenses	<b>104</b>	1,270

Item	First quarter of 2019	First quarter of 2018
<b>III. Total profit (total loss is represented by “-”)</b>	<b>150,246</b>	349,620
Less: Income tax expense		
<b>IV. Net profit (net loss is represented by “-”)</b>	<b>150,246</b>	349,620
(I) Net profit from continuing operations (net loss is represented by “-”)	<b>150,246</b>	349,620
(II) Net profit from discontinued operations (net loss is represented by “-”)		
<b>V. Other comprehensive income (net of tax)</b>		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes in re-measurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise’s own credit risk		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
2. Changes in fair value of other debt investments		
3. Gains or losses on changes in fair value of available-for-sale financial assets		
4. Financial assets reclassified into other comprehensive income		
5. Gain or loss on reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provision for credit impairment of other debt investments		

<b>Item</b>	<b>First quarter of 2019</b>	First quarter of 2018
7. Hedging reserve for cash flows (Effective portion of cash flow adjusted for hedging gain or loss)		
8. Exchange difference on translation of foreign financial statements		
9. Others		
<b>VI. Total comprehensive income</b>	<b>150,246</b>	349,620
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share ( <i>RMB per share</i> )	<b>0.02</b>	0.04
(II) Diluted earnings per share ( <i>RMB per share</i> )	<b>0.02</b>	0.04
<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Chief Accountant:</i>
<b>Zhou Zhuping</b>	<b>Lv Feng</b>	<b>Lv Feng</b>

## Consolidated Cash flow Statement

January to March 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2019	First quarter of 2018
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	5,191,781	3,614,301
Net increase in customer and interbank deposits		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in capital from repurchase business		
Net cash received from trading in securities		
Refunds of taxes		
Other cash received relating to operating activities	378,730	61,684
<b>Sub-total of cash inflow from operating activities</b>	<b>5,570,511</b>	<b>3,675,985</b>

Item	First quarter of 2019	First quarter of 2018
Cash paid for goods purchased and service received	4,538,459	2,922,266
Net increase in customer loans and advances		
Net increase in deposit in central bank and interbank deposit		
Cash paid for compensation payments under original insurance contract		
Net increase in financial assets held for trading purpose		
Net increase in placements with banks and other financial institutions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	234,537	235,733
Cash paid for all types of taxes	159,759	13,933
Other cash paid relating to operating activities	776,315	808,187
	<hr/>	<hr/>
<b>Sub-total of cash outflow from operating activities</b>	<b>5,709,070</b>	<b>3,980,119</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Net cash flow from operating activities</b>	<b>-138,559</b>	<b>-304,134</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	220,000	
Cash received from return on investments	6,782	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
	<hr/>	<hr/>
<b>Sub-total of cash inflow from investing activities</b>	<b>226,782</b>	
	<hr/> <hr/>	<hr/> <hr/>

Item	First quarter of 2019	First quarter of 2018
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		
Cash paid for investments	374,400	
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities	28,538	
Other cash paid relating to investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b>402,938</b>	
<b>Net cash flow from investing activities</b>	<b>-176,156</b>	
<b>III. Cash flow from financing activities:</b>		
Cash received from investments		
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings		
Cash received from issuing bonds		
Other cash received relating to financing activities	52,500	
<b>Sub-total of cash inflow from financing activities</b>	<b>52,500</b>	
Cash paid for repayments of debts	200,000	
Cash paid for distribution of dividends and profits or for interest expenses	41,592	
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities		
<b>Sub-total of cash outflow from financing activities</b>	<b>200,000</b>	41,592

Item	First quarter of 2019	First quarter of 2018
Net cash flow from financing activities	<u><u>-147,500</u></u>	<u><u>-41,592</u></u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-2,710	
V. Net increase in cash and cash equivalents	-462,215	-348,436
Add: Balance of cash and cash equivalents at the beginning of the period	1,969,543	868,961
VI. Balance of cash and cash equivalents at the end of the period	<u><u>1,507,328</u></u>	<u><u>520,525</u></u>
<i>Legal Representative:</i> <b>Zhou Zhuping</b>	<i>Chief Financial Officer:</i> <b>Lv Feng</b>	<i>Chief Accountant:</i> <b>Lv Feng</b>

## Cash Flow Statement of the Parent Company

January to March 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2019	First quarter of 2018
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	4,873,468	3,614,301
Refunds of taxes		
Other cash received relating to operating activities	12,208	54,228
<b>Sub-total of cash inflow from operating activities</b>	<b>4,885,676</b>	<b>3,668,529</b>
Cash paid for goods purchased and service received	4,538,459	2,921,057
Cash paid to and on behalf of employees	234,537	235,410
Cash paid for all types of taxes	159,760	13,045
Other cash paid relating to operating activities	94,875	804,858
<b>Sub-total of cash outflow from operating activities</b>	<b>5,027,631</b>	<b>3,974,370</b>
<b>Net cash flow from operating activities</b>	<b>-141,955</b>	<b>-305,841</b>



Item	First quarter of 2019	First quarter of 2018
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	220,000	
Cash received from return on investments	6,782	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
	_____	_____
<b>Sub-total of cash inflow from investing activities</b>	<b>226,782</b>	
	=====	=====
Cash paid for acquisition and construction of fixed assets, intangible assets and other long- term assets		
Cash paid for investments	374,400	
Net cash paid for acquiring subsidiaries and other operating entities	28,539	
Other cash paid relating to investing activities		
	_____	_____
<b>Sub-total of cash outflow from investing activities</b>	<b>402,939</b>	
	=====	=====
<b>Net cash flow from investing activities</b>	<b>-176,157</b>	
	=====	=====

Item	First quarter of 2019	First quarter of 2018
<b>III. Cash flow from financing activities:</b>		
Cash received from investments		
Cash received from borrowings		
Other cash received relating to financing activities	52,500	
	<hr/>	<hr/>
<b>Sub-total of cash inflow from financing activities</b>	<b>52,500</b>	
	<hr/> <hr/>	<hr/> <hr/>
Cash paid for repayments of debts	200,000	
Cash paid for distribution of dividends and profits or for interest expenses	41,592	
Other cash paid relating to financing activities		
	<hr/>	<hr/>
<b>Sub-total of cash outflow from financing activities</b>	<b>200,000</b>	41,592
	<hr/> <hr/>	<hr/> <hr/>
<b>Net cash flow from financing activities</b>	<b>-147,500</b>	-41,592
	<hr/> <hr/>	<hr/> <hr/>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>		
Add: Balance of cash and cash equivalents at the beginning of the period	-465,612	-347,433
	1,967,354	779,826
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		
	<b>1,501,742</b>	432,393
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<i>Legal Representative:</i> <b>Zhou Zhuping</b>	<i>Chief Financial Officer:</i> <b>Lv Feng</b>	<i>Chief Accountant:</i> <b>Lv Feng</b>

**4.2 Adjustments to relevant items in the opening financial statements upon initial application of the New Financial Instruments Standard, the New Revenue Standard and the New Lease Standard**

Applicable       Not applicable

**4.3 Retrospective adjustments to comparative figures of previous periods upon initial application of the New Financial Instruments Standard and the New Lease Standard**

Applicable       Not applicable

**4.4 Auditor's report**

Applicable       Not applicable

By order of the Board  
**Chongqing Iron & Steel Company Limited**  
**Meng Xiangyun**  
*Secretary to the Board*

Chongqing, the PRC, 26 April 2019

*As at the date of this announcement, the directors of the Company are: Mr. Zhou Zhuping (Non-executive Director), Mr. Li Yongxiang (Executive Director), Mr. Tu Deling (Executive Director), Mr. Zhang Shuogong (Executive Director), Mr. Xu Yixiang (Independent Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).*