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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)

### **THIRD 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 Absent Director

<b>Name of absent director</b>	<b>Position held by absent director</b>	<b>Reasons for absence</b>	<b>Name of proxy</b>
Wang Li	Director	Due to business travel	Li Yongxiang

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 third quarterly report of the Company was unaudited.

## 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>26,736,867</b>	26,933,351	-0.73
Net assets attributable to the shareholders of the Company	<b>19,198,756</b>	18,531,665	3.60
	<b>From the beginning of year to the end of the reporting period (January to September)</b>	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)	Changes from the same period last year (%)
Net cash flow from operating activities	<b>-906,420</b>	439,134	-306.41

	<b>From the beginning of year to the end of the reporting period (January to September)</b>	From the beginning of the previous year to the end of the reporting period of the previous year (January to September)	Changes from the same period last year (%)
Revenue from operations	<b>17,284,339</b>	17,436,860	-0.87
Net profit attributable to the shareholders of the Company	<b>719,901</b>	1,480,017	-51.36
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	<b>689,194</b>	1,435,306	-51.98
Return on net assets (weighted average) (%)	<b>3.82</b>	8.45	Decrease by 4.63 percentage points
Basic earnings per share ( <i>RMB per share</i> )	<b>0.081</b>	0.166	-51.20
Diluted earnings per share ( <i>RMB per share</i> )	<b>0.081</b>	0.166	-51.20

## Extraordinary profit and loss items and amounts

Applicable  Not applicable

*Unit: RMB'000*

<b>Item</b>	<b>Amount for the period (July to September)</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Explanation</b>
Profit or loss on disposal of non-current assets	<b>-194</b>	<b>-726</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>	<b>1,841</b>	
Capital occupancy fee from non-financial enterprises recognized through profit or loss	<b>707</b>	<b>8,173</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>2,395</b>	<b>7,746</b>	
Other non-operating income and expenses other than the above items	<b>554</b>	<b>13,673</b>	
<b>Total</b>	<b><u>4,076</u></b>	<b><u>30,707</u></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 138,297

### 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	Share status	Pledged and frozen status Number	Nature of shareholders
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	531,083,021	5.95	0	Unknown	–	Overseas legal person
Chongqing Qianxin Energy Environmental Protection Company Limited	427,195,760	4.79	0	Pledged	427,190,070	Unknown
Chongqing Rural Commercial Bank Co., Ltd.	289,268,939	3.24	0	Nil	0	Unknown
Chongqing Guochuang Investment and Management Co., Ltd.	278,288,059	3.12	0	Nil	0	Unknown
Sinosteel Equipment & Engineering Co., Ltd.	252,411,692	2.83	0	Nil	0	Unknown
Bank of Chongqing Co., Ltd.	226,042,920	2.53	0	Nil	0	Unknown
Industrial Bank Co., Ltd. Chongqing Branch	219,633,096	2.46	0	Nil	0	Unknown
Agricultural Bank of China Limited Chongqing Branch	216,403,628	2.43	0	Nil	0	Unknown
China Shipbuilding Industrial Complete Equipment & Logistics Co., Ltd.	211,461,370	2.37	0	Nil	0	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	531,083,021	Overseas listed foreign shares	531,083,021
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 September in 2019, the Group realized a total profit of RMB722 million, representing a year-on-year decrease of 51.27%, which was mainly due to the following reasons: the overall selling price of steel products amounted to RMB3,489/tonne, representing a year-on-year decrease of 4.40% and resulting in a decrease of RMB759 million in profit; the rising prices of raw materials, such as ore, coal, alloy, scrap steel, etc., resulted in a decrease of RMB824 million in profit; the sales volume of steel products reached 4,732,600 tonnes, representing a year-on-year increase of 4.41%, and achieving an increase of RMB100 million in profit; the decrease in the cost in the aspect of process and expenses resulted in an increase of RMB724 million in profit.

From January to September in 2019, the Company vigorously promoted cost reduction. It followed the orientation of the “best molten iron cost”, aimed at leading benchmark enterprises in the industry, continuously conducted benchmarking for all procedures to bridge the gaps, and formulated measures to shore up weaknesses. As a result, critical technical and economic indicators improved significantly. Nearly 80% of technical and economic indicators at the corporate level reached the best level in history with consumption obviously reduced, expenses effectively controlled and new breakthrough made in low-cost manufacturing ability.

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

*Unit: RMB'000*

##### **Main operations by sectors**

By sectors	Operating income	Operating cost	Gross Margin (%)	Year-on-year increase/decrease	Year-on-year increase/decrease in	Year-on-year increase/decrease in
				in operating income (%)	operating cost (%)	gross margin (%)
Iron and steel	17,168,058	15,741,190	8.31	-1.31	4.26	-4.90

**(2) Material changes in assets and liabilities and the reason thereof**

*Unit: RMB'000*

Item	Amount at the end of the period	Percentage of the amount at the end of the period in total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period in total assets (%)	Year-on-year change (%)	Explanation
Cash and bank balances	1,181,006	4.42	2,764,631	10.26	-57.28	Adjustment to payment method for purchases
Financial assets held for trading	420,000	1.57	30,000	0.11	1,300.00	Purchase of wealth management products
Trade receivable	62,630	0.23	30,340	0.11	106.43	Receipt of sales amount in different months
Receivables financing	1,660,002	6.21	575,652	2.14	188.37	Adjustment to payment method for purchases
Other current assets	1,579	0.01	279	0	465.95	Increase in input tax to be verified during the period
Long-term equity investments	28,258	0.11	–	–	Not applicable	New equity investments
Construction in process	132,821	0.41	16,593	0.06	567.79	New technical transformation projects
Notes payable	134,695	0.50	1,199,147	4.45	-88.77	Redemption of notes upon maturity
Contract liabilities	1,457,988	5.45	1,004,280	3.73	45.18	Increase in sales orders
Employee benefits payable	160,911	0.60	333,407	1.24	-51.74	Transfer to employee incentive funds



Item	Amount at the end of the period	Percentage of the amount at the end of the period in total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period in total assets (%)	Year-on-year change (%)	Explanation
Taxes payable	50,635	0.19	35,733	0.13	41.70	Time difference in the provision and payment of land and property taxes
Long-term borrowings	150,000	0.56	300,000	1.11	-50.00	Repayment of borrowings

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

Applicable  Not applicable

#### (1) *Second Phase of the Employee Share Ownership Plan*

The Company convened the 2017 annual general meeting on 15 May 2018, at which the Proposal for the Employee Share Ownership Plan from 2018 to 2020 (Draft) of Chongqing Iron & Steel Company Limited and its Summary (《關於〈重慶鋼鐵股份有限公司2018年至2020年員工持股計劃(草案)〉及其摘要的議案》) and other proposals were considered and approved. As resolved and signed in writing at the fourteenth meeting of the eighth session of the Board and issued in writing on 25 September 2019, the Proposal for the Implementation of the Second Phase of the Employee Share Ownership Plan (《關於公司實施第二期員工持股計劃的議案》) was considered and approved.

The Company has made provision for bonus fund based on 12.5% of the total profit (before the withdrawal of the bonus fund) under the audited consolidated statements for 2018, and 50% of the total bonus fund should be used for the Employee Share Ownership Plan. Among which, 50% has been used for the implementation of the first phase of the Employee Share Ownership Plan, and the Company intends to use the remaining 50% for the second phase of the Employee Share Ownership Plan. The sources of shares of the second phase of the Employee Share Ownership Plan are ordinary A shares of the Company acquired from the secondary market, repurchased by the Company or obtained through other means as allowed by laws and regulations.

The Company convened the first meeting of the holders of the second phase of the Employee Share Ownership Plan on 22 October 2019, at which the following proposals were considered and approved: the constitution of the meeting of the holders of the second phase of the Employee Share Ownership Plan; the proposal for the establishment of the administration committee of the second phase of the Employee Share Ownership Plan and the authorization of the administration committee to be responsible for the administration of the Employee Share Ownership Plan; the proposal for the election of the candidates for the members of the administration committee of the second phase of the Employee Share Ownership Plan.

### **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 26 October 2019

## IV. APPENDICES

### 4.1 Financial statements

#### Consolidated Balance Sheet

30 September 2019

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

<b>Item</b>	<b>30 September 2019</b>	<b>31 December 2018</b>
<b>Current assets:</b>		
Cash and bank balance	<b>1,181,006</b>	2,764,631
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	<b>420,000</b>	30,000
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable		
Accounts receivable	<b>62,630</b>	30,340
Receivables financing	<b>1,660,002</b>	575,652
Prepayments	<b>724,159</b>	908,646
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Other receivables	<b>12,020</b>	10,506
Including: Interests receivable		
Dividends receivable		
Proceeds from financial assets purchased under agreements to resell		
Inventories	<b>3,644,509</b>	3,192,201
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	<b>1,579</b>	279
<b>Total current assets</b>	<b><u>7,705,905</u></b>	<b><u>7,512,255</u></b>

<b>Item</b>	<b>30 September 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>28,258</b>	–
Other equity instruments investments	<b>5,000</b>	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	<b>16,422,753</b>	16,914,109
Construction in progress	<b>132,821</b>	16,593
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	<b>2,407,668</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>3,395</b>	–
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b><u>19,030,962</u></b>	<b><u>19,421,096</u></b>
	<hr/>	<hr/>
<b>Total assets</b>	<b><u>26,736,867</u></b>	<b><u>26,933,351</u></b>

<b>Item</b>	<b>30 September 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 or loss		
Derivative financial liabilities		
Bills payable	<b>134,695</b>	1,199,147
Accounts payable	<b>1,644,567</b>	1,747,169
Advances from customers		
Contract liabilities		
Disposal of repurchased financial assets		
Deposit taking and deposit in interbank market		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Employee benefits payable	<b>160,911</b>	333,407
Taxes payable	<b>50,635</b>	35,733
Other payables	<b>398,728</b>	354,665
Including: Interests payable	<b>5,841</b>	6,317
Dividends payable		
Handling charges and commissions payable		
Payable to reinsurers		
Contract liabilities	<b>1,457,988</b>	1,004,280
Held-for-sale liabilities		
Non-current liabilities due within one year	<b>430,000</b>	410,000
Other current liabilities	<b>189,538</b>	160,675
<b>Total current liabilities</b>	<b><u>4,467,062</u></b>	<b><u>5,245,076</u></b>

<b>Item</b>	<b>30 September 2019</b>	31 December 2018
<b>Non-current liabilities:</b>		
Deposits for insurance contracts		
Long-term borrowings	<b>150,000</b>	300,000
Debentures payable		
Including: Preferential shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable	<b>218,415</b>	240,615
Accrued liabilities		
Deferred income	<b>39,634</b>	40,495
Deferred income tax liabilities		
Other non-current liabilities	<u><b>2,663,000</b></u>	<u>2,575,500</u>
<b>Total non-current liabilities</b>	<u><b>3,071,049</b></u>	<u>3,156,610</u>
<b>Total liabilities</b>	<u><b>7,538,111</b></u>	<u>8,401,686</u>

<b>Item</b>	<b>30 September 2019</b>	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	<b>62,314</b>	–
Other comprehensive income		
Special reserve	<b>23,147</b>	13,644
Surplus reserve	<b>606,991</b>	606,991
General risk provision		
Undistributed profit	<b>-9,569,817</b>	-10,289,719
Total owners' equity (or shareholders' equity) attributable to owners of the Company	<b>19,198,756</b>	18,531,665
Minority interests	_____	_____
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>19,198,756</u></b>	<b><u>18,531,665</u></b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u>26,736,867</u></b>	<b><u>26,933,351</u></b>

*Legal Representative:*  
**Zhou Zhuping**

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

*Chief Accountant:*  
**Lv Feng**

## Balance Sheet of the Parent Company

30 September 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	30 September 2019	31 December 2018
<b>Current assets:</b>		
Cash and bank balance	1,178,208	2,762,442
Held-for-trading financial assets	420,000	30,000
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable		
Accounts receivable	39,757	29,851
Receivables financing	1,660,002	575,652
Prepayments	724,159	908,523
Other receivables	11,914	10,500
Including: Interests receivable		
Dividends receivable		
Inventories	3,644,509	3,192,201
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,579	279
<b>Total current assets</b>	<b>7,680,128</b>	<b>7,509,448</b>



<b>Item</b>	<b>30 September 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>28,258</b>	–
Other equity instruments investments	<b>5,000</b>	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	<b>16,422,570</b>	16,914,084
Construction in progress	<b>132,821</b>	16,593
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	<b>2,407,668</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>3,395</b>	–
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>19,030,779</b>	19,421,071
	<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>	<b>26,710,907</b>	26,930,519
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>30 September 2019</b>	31 December 2018
<b>Current liabilities:</b>		
Short-term borrowings		
Held-for-trading financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	<b>134,695</b>	1,199,147
Accounts payable	<b>1,621,501</b>	1,746,742
Advances from customers		
Contract liabilities	<b>1,457,988</b>	1,004,220
Employee benefits payable	<b>160,911</b>	333,407
Taxes payable	<b>50,393</b>	34,741
Other payables	<b>398,550</b>	354,665
Including: Interests payable	<b>5,841</b>	6,317
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	<b>430,000</b>	410,000
Other current liabilities	<b>189,538</b>	160,675
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>4,443,576</b>	<b>5,243,597</b>
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>30 September 2019</b>	31 December 2018
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>150,000</b>	300,000
Debentures payable		
Including: Preferential shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable	<b>218,415</b>	240,615
Accrued liabilities		
Deferred income	<b>39,634</b>	40,495
Deferred income tax liabilities		
Other non-current liabilities	<b>2,663,000</b>	2,575,500
	<u>                    </u>	<u>                    </u>
<b>Total non-current liabilities</b>	<b>3,071,049</b>	3,156,610
	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<b>7,514,625</b>	8,400,207
	<u>                    </u>	<u>                    </u>

Item	30 September 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>19,313,090</b>	19,313,090
Less: Treasury stock	<b>62,314</b>	–
Other comprehensive income		
Special reserve	<b>23,147</b>	13,644
Surplus reserve	<b>577,013</b>	577,012
Undistributed profit	<b>-9,573,256</b>	-10,292,036
	<u>                    </u>	<u>                    </u>
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>19,196,282</u></b>	<b><u>18,530,312</u></b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u>26,710,907</u></b>	<b><u>26,930,519</u></b>

*Legal Representative:*    *Chief Financial Officer:*    *Chief Accountant:*  
**Zhou Zhuping**                      **Lv Feng**                      **Lv Feng**

## Consolidated Income Statement

January to September 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>I. Total revenue from operations</b>	<b>5,800,779</b>	6,343,961	<b>17,284,339</b>	17,436,860
Including: Revenue from operations	<b>5,800,779</b>	6,343,961	<b>17,284,339</b>	17,436,860
Interest income				
Premiums earned				
Income from fee and commission				
<b>II. Total operating costs</b>	<b>5,699,789</b>	5,623,483	<b>16,585,191</b>	15,940,829
Including: Operating costs	<b>5,489,742</b>	5,342,018	<b>15,831,774</b>	15,111,659
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	<b>31,797</b>	38,305	<b>123,991</b>	90,742
Selling expenses	<b>34,704</b>	29,040	<b>79,865</b>	71,025
Administrative expenses	<b>107,787</b>	179,038	<b>437,817</b>	485,071
R&D expenses				
Finance cost	<b>35,759</b>	35,082	<b>111,744</b>	182,332
Including: Interest expenses	<b>45,447</b>	42,325	<b>151,946</b>	232,791
Interest income	<b>-11,725</b>	-25,866	<b>-45,194</b>	-72,294

Item	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
Add: Other income	614	1,023	1,841	2,525
Gains from investment (loss is represented by “-”)	2,395	260	7,746	-1,566
Including: Gains from investment in associates and joint ventures		260		-2,369
Gains from derecognition of financial assets measured at amortized cost				
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 “-”)				
Credit impairment loss (loss is represented by “-”)				
Asset impairment loss (loss is represented by “-”)				
Gain on disposal of assets (loss is represented by “-”)				8,482
<b>III. Profit from operations (loss is represented by “-”)</b>	<b>103,999</b>	721,761	<b>708,735</b>	1,505,472
Add: Non-operating income	780	159	14,032	485
Less: Non-operating expenses	420	3,992	1,085	25,055
<b>IV. Total profit (total loss is represented by “-”)</b>	<b>104,359</b>	717,928	<b>721,682</b>	1,480,902
Less: Income tax expense	186	1,781	885	

Item	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>V. Net profit (net loss is represented by “-”)</b>	<b>104,173</b>	717,928	<b>719,901</b>	1,480,017
(I) Classified on a going concern basis				
1. Net profit from continuing operations (net loss is represented by “-”)	<b>104,173</b>	717,928	<b>719,901</b>	1,480,017
2. Net profit from discontinued operations (net loss is represented by “-”)				
(II) Classified according to the ownership				
1. Net profit attributable to owners of the parent company (net loss is represented by “-”)	<b>104,173</b>	717,928	<b>719,901</b>	1,480,017
2. Profit or loss attributable to minority shareholders (net loss is represented by “-”)				
<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				

<b>Item</b>	<b>Third quarter of 2019 (July to September)</b>	<b>Third quarter of 2018 (July to September)</b>	<b>First three quarters of 2019 (January to September)</b>	<b>First three quarters of 2018 (January to September)</b>
(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. Amount of financial assets reclassified to 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	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>VII. Total comprehensive income</b>	<b>104,173</b>	717,928	<b>719,901</b>	1,480,017
Total comprehensive income attributable to owners of the parent company	<b>104,173</b>	717,928	<b>719,901</b>	1,480,017
Total comprehensive income attributable to minority shareholders				
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB per share</i> )	<b>0.012</b>	0.080	<b>0.081</b>	0.166
(II) Diluted earnings per share ( <i>RMB per share</i> )	<b>0.012</b>	0.080	<b>0.081</b>	0.166

*Legal Representative:*    *Chief Financial Officer:*    *Chief Accountant:*  
**Zhou Zhuping**                      **Lv Feng**                                      **Lv Feng**

**Income Statement of the Parent Company**  
*January to September 2019*

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

Item	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>I. Revenue from operations</b>	<b>5,790,491</b>	6,330,872	<b>17,276,708</b>	17,424,569
Less: Operating costs	<b>5,481,333</b>	5,329,011	<b>15,831,774</b>	15,099,982
Taxes and surcharges	<b>31,784</b>	38,303	<b>123,781</b>	90,733
Selling expenses	<b>34,609</b>	29,039	<b>79,559</b>	70,854
Administrative expenses	<b>107,787</b>	181,695	<b>437,817</b>	484,497
R&D expenses				
Finance cost	<b>35,762</b>	36,847	<b>111,751</b>	189,436
Including: Interest expenses	<b>45,447</b>	42,325	<b>151,946</b>	232,791
Interest income	<b>-11,723</b>	-25,861	<b>-45,186</b>	-63,934
Add: Other income	<b>614</b>	1,023	<b>1,841</b>	2,525
Gains from investment (loss is represented by “-”)	<b>2,395</b>	2,549	<b>11,966</b>	2,600
Including: Gains from investment in associates and joint ventures			<b>260</b>	-2,369
Gains from derecognition of financial assets measured at amortized cost				
Income on hedging the net exposure (loss is represented by “-”)				
Gain from change in fair value (loss is represented by “-”)				
Credit impairment loss (loss is represented by “-”)				
Asset impairment loss (loss is represented by “-”)				
Gain on disposal of assets (loss is represented by “-”)				8,482

Item	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>II. Profit from operations (loss is represented by “-”)</b>	<b>102,225</b>	719,549	<b>705,833</b>	1,502,674
Add: Non-operating income	<b>780</b>	159	<b>14,032</b>	400
Less: Non-operating expenses	<b>420</b>	1,335	<b>1,085</b>	22,367
<b>III. Total profit (total loss is represented by “-”)</b>	<b>102,585</b>	718,373	<b>718,780</b>	1,480,707
Less: Income tax expense				
<b>IV. Net profit (net loss is represented by “-”)</b>	<b>102,585</b>	718,373	<b>718,780</b>	1,480,707
(I) Net profit from continuing operations (net loss is represented by “-”)	<b>102,585</b>	718,373	<b>718,780</b>	1,480,707
(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				

Item	Third quarter of 2019 (July to September)	Third quarter of 2018 (July to September)	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
(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. Amount of financial assets reclassified to 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				
<b>VI. Total comprehensive income</b>	<b>102,585</b>	718,373	<b>718,780</b>	1,480,707
<b>VII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB per share</i> )	<b>0.012</b>	0.081	<b>0.081</b>	0.166
(II) Diluted earnings per share ( <i>RMB per share</i> )	<b>0.012</b>	0.081	<b>0.081</b>	0.166

*Legal Representative:*    *Chief Financial Officer:*    *Chief Accountant:*  
**Zhou Zhuping**                      **Lv Feng**                                      **Lv Feng**

## Consolidated Cash Flow Statement

January to September 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	15,715,611	16,344,018
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	0	0
Other cash received relating to operating activities	107,174	157,343
<b>Sub-total of cash inflow from operating activities</b>	<b>15,822,785</b>	<b>16,501,361</b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	First three quarters of 2018 (January to September)
Cash paid for goods purchased and service received	<b>15,014,640</b>	14,080,905
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 placements with banks and other financial institutions		
Cash paid for interest, fee and commission		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	<b>995,403</b>	1,287,505
Cash paid for all types of taxes	<b>434,059</b>	77,974
Other cash paid relating to operating activities	<b>285,103</b>	615,843
<b>Sub-total of cash outflow from operating activities</b>	<b><u>16,729,205</u></b>	<b><u>16,062,227</u></b>
<b>Net cash flow from operating activities</b>	<b><u>-906,420</u></b>	<b><u>439,134</u></b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	First three quarters of 2018 (January to September)
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	<b>588,800</b>	651,376
Cash received from return on investments	<b>7,746</b>	7,021
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		8,561
Net cash received from disposal of subsidiaries and other operating entities		2,549
Other cash received relating to investing activities		
	<hr/>	<hr/>
<b>Sub-total of cash inflow from investing activities</b>	<b><u>596,546</u></b>	<b><u>669,507</u></b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	<b>36,926</b>	2,664
Cash paid for investments	<b>978,519</b>	
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities	<b>28,539</b>	
Other cash paid relating to investing activities		
	<hr/>	<hr/>
<b>Sub-total of cash outflow from investing activities</b>	<b><u>1,043,984</u></b>	<b><u>2,664</u></b>
<b>Net cash flow from investing activities</b>	<b><u>-447,438</u></b>	<b><u>666,843</u></b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	First three quarters of 2018 (January to September)
<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	<b>157,500</b>	
Other cash received relating to financing activities	<b>795,088</b>	1,314,577
	<hr/>	<hr/>
<b>Sub-total of cash inflow from financing activities</b>	<b>952,588</b>	1,314,577
	<hr/> <hr/>	<hr/> <hr/>
Cash paid for repayments of debts	<b>200,000</b>	10,000
Cash paid for distribution of dividends and profits or for interest expenses	<b>119,316</b>	191,349
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	<b>475,623</b>	764,569
	<hr/>	<hr/>
<b>Sub-total of cash outflow from financing activities</b>	<b>794,939</b>	965,918
	<hr/> <hr/>	<hr/> <hr/>
<b>Net cash flow from financing activities</b>	<b>157,649</b>	348,659
	<hr/> <hr/>	<hr/> <hr/>



<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	<b>First three quarters of 2018 (January to September)</b>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	<b>-1,196,209</b>	1,454,636
Add: Balance of cash and cash equivalents at the beginning of the period	<b>1,969,543</b>	869,952
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>773,334</b>	2,324,588
<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 September 2019

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	15,681,082	16,341,302
Refunds of taxes		
Other cash received relating to operating activities	112,830	158,450
<b>Sub-total of cash inflow from operating activities</b>	<b>15,793,912</b>	<b>16,499,752</b>
Cash paid for goods purchased and service received	15,014,640	14,082,175
Cash paid to and on behalf of employees	995,403	1,287,476
Cash paid for all types of taxes	432,679	77,083
Other cash paid relating to operating activities	262,439	608,594
<b>Sub-total of cash outflow from operating activities</b>	<b>16,705,161</b>	<b>16,055,328</b>
<b>Net cash flow from operating activities</b>	<b>-911,249</b>	<b>444,424</b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	First three quarters of 2018 (January to September)
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	<b>588,800</b>	1,376
Cash received from return on investments	<b>11,966</b>	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		8,561
Net cash received from disposal of subsidiaries and other operating entities		2,549
Other cash received relating to investing activities		
<b>Sub-total of cash inflow from investing activities</b>	<b>600,766</b>	<b>12,486</b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	<b>36,926</b>	2,664
Cash paid for investments	<b>978,519</b>	
Net cash paid for acquiring subsidiaries and other operating entities	<b>28,539</b>	
Other cash paid relating to investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b>1,043,984</b>	<b>2,664</b>
<b>Net cash flow from investing activities</b>	<b>-443,218</b>	<b>9,822</b>

<b>Item</b>	<b>First three quarters of 2019 (January to September)</b>	<b>First three quarters of 2018 (January to September)</b>
<b>III. Cash flow from financing activities:</b>		
Cash received from investments		
Cash received from borrowings	<b>157,500</b>	
Other cash received relating to financing activities	<b>795,088</b>	1,314,577
	<u>795,088</u>	<u>1,314,577</u>
<b>Sub-total of cash inflow from financing activities</b>	<b>952,588</b>	1,314,577
	<u>952,588</u>	<u>1,314,577</u>
Cash paid for repayments of debts	<b>200,000</b>	10,000
Cash paid for distribution of dividends and profits or for interest expenses	<b>119,316</b>	188,596
Other cash paid relating to financing activities	<b>475,623</b>	27,557
	<u>475,623</u>	<u>27,557</u>
<b>Sub-total of cash outflow from financing activities</b>	<b>794,939</b>	226,153
	<u>794,939</u>	<u>226,153</u>
<b>Net cash flow from financing activities</b>	<b>157,649</b>	1,088,424
	<u>157,649</u>	<u>1,088,424</u>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>		
	<b>-1,196,818</b>	1,542,670
Add: Balance of cash and cash equivalents at the beginning of the period	<b>1,967,354</b>	779,826
	<b>1,967,354</b>	779,826
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		
	<b>770,536</b>	2,322,496
	<b>770,536</b>	2,322,496
<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 October 2019

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