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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 2016**

#### **1. IMPORTANT NOTICE**

- 1.1 The board of directors (the “**Board**”), 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. Liu Da Wei, the Chairman of the Company, Mr. Tu De Ling, the Chief Financial Officer and Mr. Zhang Zong Ming, 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.

## 2 MAJOR FINANCIAL DATA AND CHANGES OF SHAREHOLDERS 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>38,676,461</b>	39,228,079	-1.41
Net assets attributable to the shareholders of the Company	<b>2,996,566</b>	3,988,873	-24.88
	<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>80,828</b>	-302,368	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>1,408,443</b>	2,274,050	-38.06
Net profit attributable to the shareholders of the Company	<b>-992,488</b>	-829,116	-19.7
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	<b>-1,042,525</b>	-830,261	-25.57
Return on net assets (weighted average)(%)	<b>-28.42</b>	-8.68	Decreased by 19.74 percentage points
Basic earnings per share ( <i>RMB per share</i> )	<b>-0.22</b>	-0.19	-15.79
Diluted earnings per share ( <i>RMB per share</i> )	<b>-0.22</b>	-0.19	-15.79

## Extraordinary profit and loss items and amounts

Applicable       Not applicable

*Unit: RMB'000*

<b>Item</b>	<b>Amount of the period</b>	<b>Explanation</b>
Profit or loss on disposal of non-current assets		
Tax refund or exemption from unauthorized approval or non-official approval document or contingency		
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	49,953	
Capital utilization fee received from non-financial enterprises and included in profit or loss of the period		
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition		
Gain or loss on exchange of non-monetary assets		
Gain or loss on entrusted investment or asset management		
Impairment provisions for assets due to force majeure factors such as natural disasters		
Gain or loss on debt restructuring		
Corporate restructuring fees such as staff resettlement expenses, consolidation charges, etc.		
Gain or loss arising from transactions at unfair trading prices over their fair value		
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control		
Gain or loss on contingency items unrelated to the normal business operations of the Company		

<b>Item</b>	<b>Amount of the period</b>	<b>Explanation</b>
Gain or loss on changes in fair value of held-for-trading financial assets and trading financial liabilities, and investment gains from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, other than effective hedging activities related to normal business operations of the Company		
Reversal of impairment provisions for receivables subject to individual impairment test		
Gain or loss on external entrusted loans		
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements		
Effect on profit or loss of the period from one-off adjustment to profit or loss of the period according to the requirements of the tax and accounting laws and regulations		
Custody fee income received from custody operation		
Other non-operating income and expenses other than the above items	84	
Other gain or loss items conforming with the definition of non-recurring gain or loss	_____	_____
Impact on minority interests (after tax)		
Effects of income tax	_____	_____
<b>Total</b>	<b>50,037</b>	<b>_____</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 180,893

### 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 Iron & Steel (Group) Company Limited	2,096,981,600	47.27	1,996,181,600	Pledged	982,700,000	State-owned legal person
HKSCC NOMINEES LIMITED	530,127,970	11.95	0	Unknown		Overseas legal person
Central Huijin Asset Management Ltd.	93,284,800	2.1	0	Unknown		Unknown
China Securities Finance Corporation Limited	39,352,886	0.89	0	Unknown		Unknown
Wu Zhaomei (吳招美)	29,336,217	0.66	0	Unknown		Domestic natural person
Bosera Funds – Agricultural Bank of China – Bosera CSI Financial Assets Management Scheme (博時基金－農業銀行－博時中證金融資產管理計劃)	23,900,800	0.54	0	Unknown		Unknown
Da Cheng Fund – Agricultural Bank of China – Da Cheng CSI Financial Assets Management Scheme (大成基金－農業銀行－大成中證金融資產管理計劃)	23,900,800	0.54	0	Unknown		Unknown
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Assets Management Scheme (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	23,900,800	0.54	0	Unknown		Unknown
GF Fund – Agricultural Bank of China – GF CSI Financial Assets Management Scheme (廣發基金－農業銀行－廣發中證金融資產管理計劃)	23,900,800	0.54	0	Unknown		Unknown
China Asset Management – Agricultural Bank of China – China Asset Management CSI Financial Assets Management Scheme (華夏基金－農業銀行－華夏中證金融資產管理計劃)	23,900,800	0.54	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
HKSCC NOMINEES LIMITED	530,127,970	Domestic listed foreign shares	530,127,970
Chongqing Iron & Steel (Group) Company Limited	100,800,000	RMB-denominated ordinary shares	100,800,000
Central Huijin Asset Management Ltd.	93,284,800	RMB-denominated ordinary shares	93,284,800
China Securities Finance Corporation Limited	39,352,886	RMB-denominated ordinary shares	39,352,886
Wu Zhaomei (吴招美)	29,336,217	RMB-denominated ordinary shares	29,336,217
Bosera Funds – Agricultural Bank of China –Bosera CSI Financial Assets Management Scheme (博時基金－農業銀行－博時中證金融資產管理計劃)	23,900,800	RMB-denominated ordinary shares	23,900,800
Da Cheng Fund – Agricultural Bank of China – Da Cheng CSI Financial Assets Management Scheme (大成基金－農業銀行－大成中證金融資產管理計劃)	23,900,800	RMB-denominated ordinary shares	23,900,800
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Assets Management Scheme (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	23,900,800	RMB-denominated ordinary shares	23,900,800
GF Fund – Agricultural Bank of China – GF CSI Financial Assets Management Scheme (廣發基金－農業銀行－廣發中證金融資產管理計劃)	23,900,800	RMB-denominated ordinary shares	23,900,800
China Asset Management – Agricultural Bank of China – China Asset Management CSI Financial Assets Management Scheme (華夏基金－農業銀行－華夏中證金融資產管理計劃)	23,900,800	RMB-denominated ordinary shares	23,900,800

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

There is no connected relationship between the Parent 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

Nil

**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

### 3 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

In the first quarter of this year, the Group recorded a loss of RMB992,466,000, representing an increase in loss of RMB163,377,000 as compared to that of the corresponding period of last year (RMB-829,089,000), mainly due to the year-on-year decrease in the selling price of the steel of the Company by 33.58% to RMB1,802 per tonne in the first quarter of this year, leading to a drop in the profit by RMB0.6 billion.

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

Applicable       Not applicable

Relevant matters about the non-public issuance of A shares as passed on the 3rd meeting of the 7th Session of Board and the first extraordinary General Meeting in 2015 obtained the Notice of China Securities Regulatory Commission (CSRC) for Acceptable of Application for Administrative License (No. 153386) issued by CSRC on 30 November 2015. For the non-public issuance of shares, the Company still needs to obtain the approval by CSRC.

Currently the submitted documentation is under the review of CSRC.

#### 3.3 Performances of the undertakings given by the Company and its shareholders holding more than 5% of the share capital

Applicable       Not applicable



Background	Type	Commitment party	Contents	Time and term of commitment	Whether there is a deadline for performance	Whether strictly performed in a timely manner
Commitment in relation to material assets reorganisation	To solve the horizontal competition	Parent Company	(1) The Parent Company and enterprises controlled or invested by the Parent Company do not have, and will not be engaged in by any means (including but not limited to investment, acquisition, joint venture, joint operation, contracting, operation under lease arrangement or any other way of having stakes or interests) or at any place in or outside China after the reorganisation, any business that competes or may compete, directly or indirectly, with the principal activities of the Company; (2) If the Parent Company and enterprises controlled or invested by the Parent Company are engaged in, involved in or invest in any business or projects that compete or may compete, directly or indirectly, with the principal activities of the Company, the Company is entitled to require the Parent Company to cease the competing business and stop investing in related enterprises or projects, and has the right of first refusal over the related business assets, investment interests or project assets; (3) The above undertaking is effective as long as the Parent Company remains the controlling shareholder or de facto controller of the Company. The Parent Company will be willing to take responsibility for the damages should the Company suffer any loss of interests due to the Parent Company's violation of the aforesaid undertakings.	3 May 2012	No	Yes
Commitment in relation to material assets reorganisation	To solve the related party transactions	Parent Company	(1) To ensure that the Company shall have independent business, complete assets, independent and complete production, supply and sales, and other auxiliary systems, to prevent and reduce unnecessary connected transactions; (2) To determine the transaction price and sign connected transaction contracts according to law and in strict accordance with the principle of openness, fairness and impartiality and by reference to common prevailing market standards with respect to the unavoidable connected transactions; (3) To follow procedures of having the connected shareholders and connected directors to abstain from voting and the independent directors to express opinions on connected transactions in strict compliance with the Articles of Association and relevant regulations of regulatory authorities, and to ensure that the procedures for connected transactions are legal and the results of connected transactions are fair and reasonable; (4) To strictly comply with the rules on information disclosure regarding connected transactions.	3 May 2012	No	Yes

Background	Type	Commitment party	Contents	Time and term of commitment	Whether there is a deadline for performance	Whether strictly performed in a timely manner
Commitment in relation to material assets reorganisation	Release of liabilities	Parent Company	(1) If creditors have not returned their reply slips agreeing the relevant creditors' rights and liabilities to be generally assumed by the Company before the completion of the Material Assets Reorganisation and would claim their rights against the Parent Company after the completion of the Material Assets Reorganisation, the Parent Company will send the written notices to the Company within 2 days after receiving the notices from the creditors claiming their rights, and will refer the aforesaid claims to the Company. If the above creditors do not agree to transfer their rights and liabilities to the Company, the Parent Company will inform the Company by written notice and assist in handling the transfer. Under this premise, the Company can choose to settle its debts directly with creditors or through the Parent Company. If the above creditors request the Parent Company's guarantee, the Parent Company would provide guarantee to them; (2) If the Company faces any liabilities or loss in the course of generally assuming creditors' rights and liabilities during the Material Assets Reorganisation, the Parent Company will make full compensation to the Company within 5 working days after receiving the Company's written notice and the proof for relevant liabilities.	From 22 October 2012 to the date on which relevant creditors claim their rights	Yes	Yes
Commitment in relation to material assets reorganisation	Sales restriction of shares	Parent Company	The undertaking by the Parent Company in relation to the lock-up period of the shares issued by the Company acquired in the reorganisation: "the acquisition of A shares issued by the Company in the reorganisation: (including A shares of the Company arising from further allotment due to above shares) shall not be transferred or entrusted others to management within 36 months since the issuance date of shares, and shall not be repurchased by the Company. Should the law and regulations or regulatory authorities in the securities industry otherwise require, the undertaking shall be executed accordingly.	25 November 2013 to 24 November 2016	Yes	Yes

Background	Type	Commitment party	Contents	Time and term of commitment	Whether there is a deadline for performance	Whether strictly performed in a timely manner
Commitment regarding the initial public issuance	To solve the related party transactions	Parent Company	As long as the Company's shares remained listed on any stock exchange in PRC or Hong Kong, and the Parent Company held 30% or more in issued shares or be deemed to be a controlling shareholder under the requirements on relevant stock exchanges or laws, the Parent Company and its subsidiaries or companies directly or indirectly invested or controlled by the Parent Company will not participate in any business or activity that constituted or may constitute competition with reorganised business in PRC or overseas, or in any other ways (including but not limited to separate operation, joint venture or held shares or other interests in another company or corporation).	2 September 1997	No	Yes
Other commitment	Dividend	The Company	(1) The Company shall implement a proactive profit distribution mechanism to ensure that investors receive reasonable returns; (2) The Company shall distribute dividends in cash or a combination of cash and shares, and may pay interim dividends based on the Company's capital needs. If there are no significant investment plan, large cash outlay or other events, the Company shall distribute no less than 10% of the distributable profit realised for the year in cash and the total profit distributed in cash in any given consecutive three years shall be no less than 30% of the average annual distributable profit realised in the recent three years provided that the capital needs of the Company for normal production and operation are satisfied; (3) The Board of the Company shall put forth an annual profit distribution plan at the end of each financial year and submit the same to the general meeting for approval. If the Board of the Company does not propose a cash dividends distribution plan although profit is recorded, it shall explain in details in the annual report the specific reasons for not distributing dividends and the purpose for the retained profit. Independent directors shall express and publicly disclose their independent opinions thereon; (4) Upon occurrence of any illegal appropriation of the Company's funds by shareholders, the Company shall deduct the cash dividend to be paid to such shareholders to make up for the appropriated funds."	30 August 2012	No	Yes

**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

The steel market is not expected to witness substantial improvement in the short run while the Company is bearing heavy financial burdens after its relocation. It is expected that the accumulative net profit as of the end of the next reporting period will remain negative.

Company Name **Chongqing Iron & Steel Company Limited**  
*Legal Representative* **Liu Da Wei**  
Date 29 April 2016

## 4. APPENDICES

### 4.1 Financial Statements

#### Consolidated Balance Sheet

31 March 2016

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
<b>Current assets:</b>		
Cash and bank balance	<b>784,999</b>	925,471
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bill receivable	<b>131,955</b>	45,863
Accounts receivable	<b>549,072</b>	503,202
Prepayments	<b>194,273</b>	39,924
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Interest receivable		
Dividend receivable		
Other receivables	<b>239,420</b>	40,376
Proceeds from financial assets purchased under agreements to resell		
Inventories	<b>2,349,190</b>	2,775,858
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	<b>1,718</b>	501
<b>Total current assets</b>	<b>4,250,627</b>	4,331,195

<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Non-current assets:</b>		
Loans and advances granted		
Available-for-sale financial assets	<b>5,000</b>	5,000
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments		
Investment properties		
Fixed assets	<b>29,998,855</b>	30,306,394
Construction in progress	<b>107,755</b>	128,949
Constructions materials	<b>13,585</b>	10,651
Liquidation of fixed assets	<b>-14</b>	
Biological assets for production		
Fuel assets		
Intangible assets	<b>2,696,344</b>	2,712,264
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets		
Other non-current assets	<b>1,604,309</b>	1,733,626
<b>Total non-current assets</b>	<b><u>34,425,834</u></b>	<b><u>34,896,884</u></b>
<b>Total assets</b>	<b><u>38,676,461</u></b>	<b><u>39,228,079</u></b>

<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	<b>3,809,076</b>	3,492,152
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	<b>4,279,753</b>	3,663,417
Accounts payable	<b>9,347,223</b>	10,532,063
Advances from customers	<b>1,926,259</b>	653,721
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	<b>341,603</b>	311,835
Taxes payable	<b>7,812</b>	8,679
Interest payable	<b>49,366</b>	30,900
Dividend payable		
Other payables	<b>2,187,663</b>	2,702,833
Payable to reinsures		
Deposits for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	<b>1,251,969</b>	1,796,250
Other current liabilities	<b>9,677</b>	15,054
<b>Total current liabilities</b>	<b><u>23,210,401</u></b>	<b><u>23,206,904</u></b>

<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>9,939,396</b>	9,849,988
Debtures payable	<b>1,989,411</b>	1,987,882
Including: Preferential shares		
Perpetual bonds		
Long-term payables	<b>343,812</b>	
Long-term staff remuneration payable		
Special payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	<u><b>177,596</b></u>	<u>175,158</u>
<b>Total non-current liabilities</b>	<u><b>12,450,215</b></u>	<u>12,013,028</u>
<b>Total liabilities</b>	<u><b>35,660,616</b></u>	<u>35,219,932</u>



<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Owners' equity</b>		
Share capital	<b>4,436,023</b>	4,436,023
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	<b>6,657,785</b>	6,657,614
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	<b>606,991</b>	606,991
General risk provision		
Undistributed profit	<b>-8,704,233</b>	-7,711,755
Total equity attributable to owners of the Company	<b>2,996,566</b>	3,988,873
Minority interests	<b>19,279</b>	19,274
	<hr/>	<hr/>
<b>Total owners' equity</b>	<b>3,015,845</b>	4,008,147
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and owners' equity</b>	<b>38,676,461</b>	39,228,079
	<hr/> <hr/>	<hr/> <hr/>

<i>Legal Representative:</i> <b>Liu Da Wei</b>	<i>Chief Financial Officer:</i> <b>Tu De Ling</b>	<i>Chief Account:</i> <b>Zhang Zong Ming</b>
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## Balance Sheet of the Parent Company

31 March 2016

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
<b>Current assets:</b>		
Cash and bank balance	782,203	921,703
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bill receivable	131,555	45,165
Accounts receivable	543,768	485,739
Prepayments	118,540	27,440
Interest receivable		
Dividend receivable		
Other receivables	239,026	40,228
Inventories	2,341,076	2,775,485
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b>4,156,168</b>	<b>4,295,760</b>

<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Non-current assets:</b>		
Available-for-sale financial assets	<b>5,000</b>	5,000
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	<b>101,000</b>	101,000
Investment properties		
Fixed assets	<b>29,989,156</b>	30,296,557
Construction in progress	<b>107,755</b>	128,949
Constructions materials	<b>13,585</b>	10,651
Liquidation of fixed assets	<b>-14</b>	
Biological assets for production		
Fuel assets		
Intangible assets	<b>2,696,344</b>	2,712,264
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets		
Other non-current assets	<b>1,604,309</b>	1,672,227
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>34,517,135</b>	34,926,648
	<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>	<b>38,673,303</b>	39,222,408
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	<b>3,809,076</b>	3,492,152
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	<b>4,279,753</b>	3,663,417
Accounts payable	<b>9,347,411</b>	10,565,822
Advances from customers	<b>1,899,974</b>	638,035
Staff remuneration payable	<b>341,538</b>	311,776
Taxes payable	<b>7,532</b>	7,902
Interest payable	<b>49,366</b>	30,900
Dividend payable		
Other payables	<b>2,228,681</b>	2,700,097
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	<b>1,251,969</b>	1,796,250
Other current liabilities	<b>9,677</b>	15,054
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>23,224,977</b>	23,221,405
	<hr/> <hr/>	<hr/> <hr/>
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>9,939,396</b>	9,849,988
Debentures payable	<b>1,989,411</b>	1,987,882
Including: Preferential shares		
Perpetual bonds		
Long-term payables	<b>343,812</b>	
Long-term staff remuneration payable		
Special payables		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	<b>177,596</b>	175,158
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>12,450,215</b>	12,013,028
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities</b>	<b>35,675,192</b>	35,234,433
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<b>Item</b>	<b>Closing balance at the end of the period</b>	Opening balance at the beginning of the year
<b>Owners' equity:</b>		
Share capital	4,436,023	4,436,023
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	6,688,728	6,688,557
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	577,012	577,012
Undistributed profit	-8,703,652	-7,713,617
	<hr/>	<hr/>
<b>Total owners' equity</b>	<b>2,998,111</b>	<b>3,987,975</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and owners' equity</b>	<b>38,673,303</b>	<b>39,222,408</b>
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<i>Legal Representative:</i> <b>Liu Da Wei</b>	<i>Chief Financial Officer:</i> <b>Tu De Ling</b>	<i>Chief Account:</i> <b>Zhang Zong Ming</b>
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## Consolidated Income Statement

January to March 2016

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount for the period	Amount for the previous period
<b>I. Total revenue from operations</b>	<b>1,408,443</b>	2,274,050
Including: Revenue from operations	<b>1,408,443</b>	2,274,050
Interest income		
Premiums earned		
Income from fee and commission		
<b>II. Total operating costs</b>	<b>2,450,946</b>	3,104,231
Including: Operating costs	<b>1,945,028</b>	2,481,108
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		
Business taxes and surcharges	<b>117</b>	204
Selling expenses	<b>48,420</b>	57,812
Administrative expenses	<b>208,183</b>	260,832
Finance cost	<b>249,198</b>	304,275
Asset impairment loss		
Add: Gain from change in fair value (loss is represented by "-")		
Gains from investment (loss is represented by "-")		
Including: Gains from investment in associates and joint ventures		
Exchange gain (loss is represented by "-")		

Item	Amount for the period	Amount for the previous period
<b>III. Profit from operations</b>		
(loss is represented by “-”)	<b>-1,042,503</b>	-830,181
Add: Non-operating income	<b>50,044</b>	1,092
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	<b>7</b>	
Including: Loss on disposal of non-current assets		
<b>IV. Total profit</b>		
(total loss is represented by “-”)	<b>-992,466</b>	-829,089
Less: Income tax expense	<b>17</b>	27
<b>V. Net profit (net loss is represented by “-”)</b>	<b>-992,483</b>	-829,116
Net profit attributable to owners of the parent company	<b>-992,488</b>	-829,116
Profit or loss attributable to minority shareholders	<b>5</b>	
<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 subsequently		
1. Changes in re-measurement of net liabilities or net assets of defined benefit plan		
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method		

Item	Amount for the period	Amount for the previous period
(II) Other comprehensive income that will be reclassified to profit or loss subsequently		
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method		
2. Gain or loss on changes in fair value of available-for-sale financial assets		
3. Gain or loss on reclassification of held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of cash flow adjusted for hedging gain or loss		
5. Exchange difference on translation of foreign financial statements		
6. Others		
Other comprehensive income (net of tax) attributable to minority shareholders		
<b>VII. Total comprehensive income</b>	<b>-992,483</b>	-829,116
Total comprehensive income attributable to owners of the parent company	<b>-992,488</b>	-829,116
Total comprehensive income attributable to minority shareholders	<b>5</b>	
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share <i>(RMB per share)</i>	<b>-0.22</b>	-0.19
(II) Diluted earnings per share <i>(RMB per share)</i>	<b>-0.22</b>	-0.19
<i>Legal Representative:</i> <b>Liu Da Wei</b>	<i>Chief Financial Officer:</i> <b>Tu De Ling</b>	<i>Chief Account:</i> <b>Zhang Zong Ming</b>



## Income Statement of the Parent Company

January to March 2016

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount for the period	Amount for the previous period
<b>I. Revenue from operations</b>	<b>1,338,479</b>	2,272,357
Less: Operating costs	<b>1,876,375</b>	2,479,986
Business taxes and surcharges	<b>102</b>	194
Selling expenses	<b>45,226</b>	57,070
Administrative expenses	<b>207,658</b>	260,212
Finance cost	<b>249,197</b>	304,282
Asset impairment loss		
Add: Gain from change in fair value (loss is represented by “-”)		
Gains from investment (loss is represented by “-”)		
Including: Gains from investment in associates and joint ventures		
<b>II. Profit from operations     (loss is represented by “-”)</b>	<b>-1,040,079</b>	-829,387
Add: Non-operating income	<b>50,044</b>	1,092
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses		
Including: Loss on disposal of non-current assets		
<b>III. Total profit     (total loss is represented by “-”)</b>	<b>-990,035</b>	-828,295
Less: Income tax expense		
<b>IV. Net profit     (net loss is represented by “-”)</b>	<b>-990,035</b>	-828,295

Item	Amount for the period	Amount for the previous period
<b>V. Other comprehensive income (net of tax)</b>		
(I) Other comprehensive income that will not be reclassified to profit or loss subsequently		
1. Changes in re-measurement of net liabilities or net assets of defined benefit plan		
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method		
(II) Other comprehensive income that will be reclassified to profit or loss subsequently		
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method		
2. Gain or loss on changes in fair value of available-for-sale financial assets		
3. Gain or loss on reclassification of held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of cash flow adjusted for hedging gain or loss		
5. Exchange difference on translation of foreign financial statements		
6. Others		
<b>VI. Total comprehensive income</b>	<b>-990,035</b>	-828,295
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share <i>(RMB per share)</i>	<b>-0.22</b>	-0.19
(II) Diluted earnings per share <i>(RMB per share)</i>	<b>-0.22</b>	-0.19
<i>Legal Representative:</i> <b>Liu Da Wei</b>	<i>Chief Financial Officer:</i> <b>Tu De Ling</b>	<i>Chief Account:</i> <b>Zhang Zong Ming</b>

## Consolidated Cash flow Statement

January to March 2016

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount for the period	Amount for the previous period
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	824,758	2,372,292
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		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interest, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in capital from repurchase business		
Refunds of taxes		
Other cash received relating to operating activities	1,008,696	16,885
<b>Sub-total of cash inflow from operating activities</b>	<b>1,833,454</b>	<b>2,389,177</b>
Cash paid for goods purchased and service received	574,779	2,406,956
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		
Cash paid for interest, fee and commission		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	204,799	262,464
Cash paid for all types of taxes	19,308	10,736
Other cash paid relating to operating activities	953,740	11,389
<b>Sub-total of cash outflow from operating activities</b>	<b>1,752,626</b>	<b>2,691,545</b>
<b>Net cash flow from operating activities</b>	<b>80,828</b>	<b>-302,368</b>

Item	Amount for the period	Amount for the previous period
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		55,486
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		6,473
<b>Sub-total of cash inflow from investing activities</b>		<b>61,959</b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	<b>133,344</b>	97,947
Cash paid for investments		
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b>133,344</b>	97,947
<b>New cash flow from investing activities</b>	<b>-133,344</b>	-35,988

Item	Amount for the period	Amount for the previous period
<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	720,700	1,626,500
Cash received from issuing bonds		
Other cash received relating to financing activities	1,157,190	
<b>Sub-total of cash inflow from financing activities</b>	<b>1,877,890</b>	1,626,500
Cash paid for repayments of debts	927,343	589,978
Cash paid for distribution of dividends and profits or for interest expenses	182,053	243,912
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	720,464	254,876
<b>Sub-total of cash outflow from financing activities</b>	<b>1,829,860</b>	1,088,766
<b>Net cash flow from financing activities</b>	<b>48,030</b>	537,734
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
	<b>-4,096</b>	-113
<b>V. Net increase in cash and cash equivalents</b>		
	<b>-8,582</b>	199,265
Add: Balance of cash and cash equivalents at the beginning of the period	32,376	146,148
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		
	<b>23,794</b>	345,413
<i>Legal Representative:</i> <b>Liu Da Wei</b>	<i>Chief Financial Officer:</i> <b>Tu De Ling</b>	<i>Chief Account:</i> <b>Zhang Zong Ming</b>

## Cash flow statement of the Parent Company

January to March 2016

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount for the period	Amount for the previous period
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	729,014	2,369,722
Refunds of taxes		
Other cash received relating to operating activities	1,002,838	7,678
<b>Sub-total of cash inflow from operating activities</b>	<b>1,731,852</b>	<b>2,377,400</b>
Cash paid for goods purchased and service received	478,462	2,404,538
Cash paid to and on behalf of employees	204,005	262,083
Cash paid for all types of taxes	20,356	10,292
Other cash paid relating to operating activities	947,229	
<b>Sub-total of cash outflow from operating activities</b>	<b>1,650,052</b>	<b>2,676,913</b>
<b>Net cash flow from operating activities</b>	<b>81,800</b>	<b>-299,513</b>
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		55,486
Net cash received from disposal of subsidiaries and other operating entities		6,464
Other cash received relating to investing activities		
<b>Sub-total of cash inflow from investing activities</b>		<b>61,950</b>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	133,344	97,941
Cash paid for investments		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investing activities		
<b>Sub-total of cash outflow from investing activities</b>	<b>133,344</b>	<b>97,941</b>
<b>New cash flow from investing activities</b>	<b>-133,344</b>	<b>-35,991</b>

Item	Amount for the period	Amount for the previous period
<b>III. Cash flow from financing activities:</b>		
Cash received from investments		
Cash received from borrowings	<b>720,700</b>	1,626,500
Other cash received relating to financing activities	<b>1,157,190</b>	
<b>Sub-total of cash inflow from financing activities</b>	<b>1,877,890</b>	1,626,500
Cash paid for repayments of debts	<b>927,344</b>	589,979
Cash paid for distribution of dividends and profits or for interest expenses	<b>182,052</b>	243,912
Other cash paid relating to financing activities	<b>720,464</b>	254,875
<b>Sub-total of cash outflow from financing activities</b>	<b>1,829,860</b>	1,088,766
<b>Net cash flow from financing activities</b>	<b>48,030</b>	537,734
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
	<b>-4,096</b>	-113
<b>V. Net increase in cash and cash equivalents</b>		
	<b>-7,610</b>	202,117
Add: Balance of cash and cash equivalents at the beginning of the period	<b>28,608</b>	138,167
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		
	<b>20,998</b>	340,284
<i>Legal Representative:</i> <b>Liu Da Wei</b>	<i>Chief Financial Officer:</i> <b>Tu De Ling</b>	<i>Chief Account:</i> <b>Zhang Zong Ming</b>

#### 4.2 Auditor's Report

Applicable       Not applicable

By Order of the Board  
**Chongqing Iron & Steel Company Limited**  
**You Xiao An**  
*Secretary to the Board*

Chongqing, the PRC, 30 April 2016

*As at the date of this announcement, the Directors of the Company are: Mr. Liu Da Wei (Non-executive Director), Mr. Zhou Hong (Non-executive Director), Mr. Tu De Ling (Executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Zhang Li Quan (Executive Director), Mr. Yao Xiao Hu (Executive Director), Mr. Xu Yi Xiang (Independent Non-executive Director), Mr. Xin Qing Quan (Independent Non-executive Director) and Mr. Wong Chun Wa (Independent Non-executive Director).*