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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 2017**

#### **1. 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. 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. BASIC INFORMATION OF THE COMPANY

### 2.1 Major financial data

*Unit: RMB'000*

	As at the end of the reporting period	As at the end of the previous year	Changes from the end of the previous year (%)
Total assets	36,676,495	36,438,454	0.65
Net assets attributable to the shareholders of the Company	-792,600	-200,494	-295.32
	From the beginning of year to the end of the reporting period	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	-148,645	80,828	-283.90
	From the beginning of year to the end of the reporting period	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	1,654,922	1,408,443	17.50
Net profit attributable to the shareholders of the Company	-593,874	-992,488	40.16
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	-595,254	-1,042,525	42.90
Return on net assets (weighted average) (%)	-119.39	-28.42	Decreased by 90.97 percentage points
Basic earnings per share ( <i>RMB per share</i> )	-0.13	-0.22	40.91
Diluted earnings per share ( <i>RMB per share</i> )	-0.13	-0.22	40.91

## 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	6	
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	1,374	
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		

Item	Amount of the period	Explanation
Gain or loss on contingency items unrelated to the normal business operations of the Company		
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		
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>1,380</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 177,099

### 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 Share status	Number	Nature of shareholders
Chongqing Iron & Steel (Group) Company Limited	2,096,981,600	47.27	0	Pledged	1,009,000,000	State-owned legal person
HKSCC NOMINEES LIMITED	530,669,140	11.96	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		Overseas 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

(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 Share status	Number	Nature of shareholders
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
Chongqing Iron & Steel (Group) Company Limited	2,096,981,600	RMB-denominated ordinary shares	2,096,981,600
HKSCC NOMINEES LIMITED	530,669,140	Overseas listed foreign shares	530,669,140
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 (吳招美)	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 Chongqing Iron & Steel (Group) Co., Ltd. (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		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 RMB593,236,000, representing a decrease in loss of RMB399,230,000 as compared to that of the corresponding period of last year (RMB-992,466,000), mainly due to the year-on-year increase in the selling price of the steel of the Company by 81.86% to RMB3,277 per tonne in the first quarter of this year, leading to an increase in the profit by RMB0.57 billion and the year-one-year increase in ore and coal prices by 62% and 112% respectively, leading to a drop in the profit by RMB0.35 billion.

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

Applicable       Not applicable

**(1) *Explanation on litigation and arbitration***

From January to March 2017, there were 11 new litigation cases against the Company, involving a total amount of over RMB26 million.

**(2) *Material assets reorganisation***

The Company published the announcement on suspension of trading of shares regarding the plan for significant matter (announcement no.: 2016-025) on 2 June 2016 and the announcement on suspension of trading of shares for material assets reorganisation (announcement no.: 2016-026) on 4 June 2016. Since the material assets reorganisation involved a large scale of assets and the demonstration of the plan was relatively complicated, the Company was required to further communicate and negotiate with the parties concerned on the matters related to the material assets reorganisation. Various works are currently in progress and have not been finalised. The Resolution on



Continuing Suspension of Trading of A Shares regarding Material Assets Reorganisation of the Company (《關於公司重大資產重組 A 股股票繼續停牌的議案》) was considered and approved by both the 61st written resolution of the seventh session of the Board of the Company held on 22 August 2016, and the 2016 second extraordinary general meeting of the Company held on 11 October 2016. To prevent unusual fluctuations in the stock price of the Company due to uncertain information, the Company applied for the continuing suspension of trading of A shares commencing on 2 September 2016. It was expected that the trading of shares would be suspended for not more than 2 months. The material assets reorganisation involved a relatively large scale of assets and the demonstration of the plan was complicated; and the material assets reorganisation was a significant unprecedented matter and the specific issues involved therein were under consultation by the Company with the relevant regulatory authorities. In addition, the implementation of the plan was subject to approval and ratification by a number of regulatory authorities. Therefore, the Company estimated that it was not possible to resume trading of A shares of the Company on 2 November 2016. To prevent unusual fluctuations in the stock price of the Company, safeguard the interests of investors and ensure further refinement of the reorganisation plan, further work out relevant issues by the Company, thus to smoothly advance the material assets reorganisation, upon application to the Shanghai Stock Exchange by the Company, the trading of A shares of the Company has been further suspended since the market opening on 2 November 2016.

The plan of the material assets reorganisation is relatively complicated. The main assets of Yufu Group which are intended to be acquired are subject to the requirements of the relevant regulatory policies. There is fairly great uncertainty in whether the intended assets acquisition plan can satisfy the domestic and overseas regulatory requirements. In addition, the iron and steel assets intended to be disposed involve large scale of debt with numerous creditors and complex liabilities associated with litigations. There is also fairly great uncertainty in whether agreement can be reached with the main creditors on the intended disposal plan. In view of the above reasons, it is expected that the risks of whether the transactions can continue to proceed is relatively great and investors are advised to pay attention to the above risks.

**(3) *Creditor’s application for reorganisation of the Company***

On 24 April 2017, the Company received the Notice from Chongqing Laiquyuan Trading Co., Ltd. (“**Laiquyuan Company**”), a creditor of the Company. The Notice sets out the application by Laiquyuan Company to Chongqing Municipal First Intermediate People’s Court (the “**Court**”) for reorganisation of the Company on the ground that the Company is unable to repay the due debts and the Company’s assets are insufficient for the repayment of all its debts. There is great uncertainty as to whether the application will be accepted by the Court and whether the Company will proceed with the reorganisation procedures. Investors are advised to pay attention to subsequent announcements of the Company.

**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

It is expected that the accumulative net profit as at the end of the next reporting period is likely to remain negative. However, the loss will be significantly decreased as compared to the same period of the previous year, mainly due to the all-round improvement of product market competitiveness as a result of the Company’s comprehensive deepening of reform, in-depth promotion of cost reduction and efficiency enhancement, strengthening of the management and active development of product portfolio adjustment.

*Company Name* **Chongqing Iron & Steel Company Limited**  
*Legal Representative* **Liu Da Wei**  
Date 27 April 2017

## 4. APPENDICES

### 4.1 Financial Statements

#### Consolidated Balance Sheet

31 March 2017

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>911,422</b>	1,102,694
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable	<b>18,909</b>	19,435
Accounts receivable	<b>618,335</b>	256,258
Prepayments	<b>31,397</b>	37,191
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Interests receivable		
Dividends receivable		
Other receivables	<b>55,908</b>	58,099
Proceeds from financial assets purchased under agreements to resell		
Inventories	<b>1,428,591</b>	972,960
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	<b>509</b>	
<b>Total current assets</b>	<b>3,064,562</b>	<b>2,447,146</b>

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
<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	<b>131,015</b>	131,015
Investment properties		
Fixed assets	<b>29,177,357</b>	29,491,264
Construction in progress	<b>64,747</b>	43,131
Constructions materials	<b>18,170</b>	15,126
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	<b>2,632,664</b>	2,648,584
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	<b>10</b>	
Other non-current assets	<b>1,582,970</b>	1,657,188
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>33,611,933</b>	33,991,308
	<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>	<b>36,676,495</b>	36,438,454
	<hr/> <hr/>	<hr/> <hr/>

<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 liabilities:</b>		
Short-term borrowings	<b>6,037,090</b>	5,700,587
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>1,090,360</b>	1,632,710
Accounts payable	<b>9,970,950</b>	9,385,026
Advances from customers	<b>1,163,681</b>	1,014,762
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	<b>606,579</b>	561,255
Taxes payable	<b>19,746</b>	235
Interests payable	<b>240,408</b>	117,013
Dividends payable		
Other payables	<b>4,041,877</b>	4,202,381
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>3,635,602</b>	3,504,533
Other current liabilities	<b>9,677</b>	12,231
<b>Total current liabilities</b>	<b>26,815,970</b>	<b>26,130,733</b>

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>8,940,000</b>	9,073,456
Debentures payable		
Including: Preferential shares		
Perpetual bonds		
Long-term payables	<b>63,131</b>	61,944
Long-term staff remuneration payable	<b>276,634</b>	276,634
Special payables		
Accrued liabilities	<b>52,177</b>	
Deferred income	<b>174,528</b>	174,326
Deferred income tax liabilities		
Other non-current liabilities	<b>1,106,100</b>	776,618
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>10,560,393</b>	10,415,155
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities</b>	<b>37,376,363</b>	36,545,888
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
<b>Owners' equity</b>		
Share capital	4,436,023	4,436,023
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	7,155,443	7,154,203
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	606,991	606,991
General risk provision		
Undistributed profit	-12,991,057	-12,397,711
Total equity attributable to owners of the Company	-792,600	-200,494
Minority interests	92,732	93,060
	<hr/>	<hr/>
<b>Total owners' equity</b>	<b>-699,868</b>	<b>-107,434</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and owners' equity</b>	<b>36,676,495</b>	<b>36,438,454</b>
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*Legal Representative:*    *Chief Financial Officer:*    *Chief Account:*  
**Liu Da Wei**                      **Tu De Ling**                      **Zhang Zong Ming**

## Balance Sheet of the Parent Company

31 March 2017

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>168,960</b>	362,385
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable	<b>18,909</b>	19,435
Accounts receivable	<b>623,476</b>	258,568
Prepayments	<b>16,859</b>	22,535
Interests receivable		
Dividends receivable		
Other receivables	<b>55,695</b>	58,084
Inventories	<b>1,428,595</b>	972,960
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	<b>87</b>	
<b>Total current assets</b>	<b><u>2,312,494</u></b>	<b><u>1,694,054</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 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>893,637</b>	893,637
Investment properties		
Fixed assets	<b>29,168,215</b>	29,481,983
Construction in progress	<b>63,540</b>	42,829
Construction materials	<b>18,170</b>	15,126
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	<b>2,632,664</b>	2,648,584
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets		
Other non-current assets	<b>1,582,500</b>	1,657,188
<b>Total non-current assets</b>	<b><u>34,363,726</u></b>	<b><u>34,744,347</u></b>
<b>Total assets</b>	<b><u>36,676,220</u></b>	<b><u>36,438,401</u></b>

<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 liabilities:</b>		
Short-term borrowings	<b>6,037,090</b>	5,700,587
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	<b>1,090,360</b>	1,632,710
Accounts payable	<b>9,970,780</b>	9,429,515
Advances from customers	<b>1,149,385</b>	1,006,106
Staff remuneration payable	<b>558,777</b>	560,810
Taxes payable	<b>19,488</b>	18
Interests payable	<b>240,408</b>	117,013
Dividends payable		
Other payables	<b>4,195,233</b>	4,259,548
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	<b>3,635,602</b>	3,504,533
Other current liabilities	<b>9,677</b>	12,231
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b><u>26,906,800</u></b>	<b><u>26,223,071</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>8,940,000</b>	9,073,456
Debentures payable		
Including: Preferential shares		
Perpetual bonds		
Long-term payables	<b>63,131</b>	61,944
Long-term staff remuneration payable	<b>276,634</b>	276,634
Special payables		
Accrued liabilities	<b>52,177</b>	
Deferred income	<b>173,824</b>	174,326
Deferred income tax liabilities		
Other non-current liabilities	<b>1,106,100</b>	776,618
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>10,559,689</b>	10,415,155
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<b>Total liabilities</b>	<b>37,466,489</b>	36,638,226
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
<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>7,186,386</b>	7,185,146
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	<b>577,012</b>	577,012
Undistributed profit	<b>-12,989,690</b>	-12,398,006
	<hr/>	<hr/>
<b>Total owners' equity</b>	<b>-790,269</b>	-199,825
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and owners' equity</b>	<b>36,676,220</b>	36,438,401
	<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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## Consolidated Income Statement

January to March 2017

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>1,654,922</b>	1,408,443
Including:		
Revenue from operations	<b>1,654,922</b>	1,408,443
Interest income		
Premiums earned		
Income from fee and commission		
<b>II. Total operating costs</b>	<b>2,249,537</b>	2,450,946
Including:		
Operating costs	<b>1,773,046</b>	1,945,028
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>19,838</b>	117
Selling expenses	<b>13,134</b>	48,420
Administrative expenses	<b>186,033</b>	208,183
Finance cost	<b>257,486</b>	249,198
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 (loss is represented by “-”)</b>	<b>-594,615</b>	-1,042,503
Add: Non-operating income	1,390	50,044
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	10	7
Including: Loss on disposal of non-current assets		
<b>IV. Total profit (total loss is represented by“-”)</b>	<b>-593,235</b>	-992,466
Less: Income tax expense	704	17
<b>V. Net profit (net loss is represented by “-”)</b>	<b>-593,939</b>	-992,483
Net profit attributable to owners of the parent company	<b>-593,874</b>	-992,488
Profit or loss attributable to minority shareholders	<b>-65</b>	5
<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		
(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- forsale financial assets		

Item	Amount for the period	Amount for the previous period
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>-593,939</b>	-992,483
Total comprehensive income attributable to owners of the parent company	<b>-593,874</b>	-992,488
Total comprehensive income attributable to minority shareholders	<b>-65</b>	5
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share <i>(RMB per share)</i>		
(II) Diluted earnings per share <i>(RMB per share)</i>		
<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 2017

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>1,563,690</b>	1,338,479
Less: Operating costs	<b>1,682,360</b>	1,876,375
Taxes and surcharges	<b>19,638</b>	102
Selling expenses	<b>11,730</b>	45,226
Administrative expenses	<b>183,046</b>	207,658
Finance cost	<b>259,986</b>	249,197
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>-593,070</b>	-1,040,079
Add: Non-operating income	<b>1,390</b>	50,044
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	<b>10</b>	
Including: Loss on disposal of non-current assets		
<b>III. Total profit (total loss is represented by "-")</b>	<b>-591,690</b>	-990,035
Less: Income tax expense		
<b>IV. Net profit (net loss is represented by "-")</b>	<b>-591,690</b>	-990,035



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>-591,690</b>	-990,035
<b>VII. Earnings per share:</b>		
(I) Basic earnings per share ( <i>RMB per share</i> )		
(II) Diluted earnings per share ( <i>RMB per share</i> )		
<i>Legal Representative:</i>	<i>Chief Financial Officer:</i>	<i>Chief Account:</i>
<b>Liu Da Wei</b>	<b>Tu De Ling</b>	<b>Zhang Zong Ming</b>

## Consolidated Cash flow Statement

January to March 2017

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	<b>620,576</b>	824,758
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	<b>414,144</b>	1,008,696
<b>Sub-total of cash inflow from operating activities</b>	<b>1,034,720</b>	1,833,454
Cash paid for goods purchased and service received	<b>600,167</b>	574,779
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		

Item	Amount for the period	Amount for the previous period
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	173,384	204,799
Cash paid for all types of taxes	145	19,308
Other cash paid relating to operating activities	409,669	953,740
<b>Sub-total of cash outflow from operating activities</b>	<b>1,183,365</b>	<b>1,752,626</b>
<b>Net cash flow from operating activities</b>	<b>-148,645</b>	<b>80,828</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	16	
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>16</b>	
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	2,840	133,344
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>2,840</b>	<b>133,344</b>
<b>Net cash flow from investing activities</b>	<b>-2,824</b>	<b>-133,344</b>



**Cash flow statement of the Parent Company**  
*January to March 2017*

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

<b>Item</b>	<b>Amount for the period</b>	Amount for the previous period
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods or rendering of services	<b>551,175</b>	729,014
Refunds of taxes		
Other cash received relating to operating activities	<b>406,898</b>	1,002,838
<b>Sub-total of cash inflow from operating activities</b>	<b>958,073</b>	1,731,852
Cash paid for goods purchased and service received	<b>533,533</b>	478,462
Cash paid to and on behalf of employees	<b>170,436</b>	204,005
Cash paid for all types of taxes	<b>93</b>	20,356
Other cash paid relating to operating activities	<b>406,183</b>	947,229
<b>Sub-total of cash outflow from operating activities</b>	<b>1,110,245</b>	1,650,052
<b>Net cash flow from operating activities</b>	<b>-152,172</b>	81,800
<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	<b>16</b>	
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>16</b>	
Cash paid for acquisition and construction of fixed assets, intangible assets and other long- term assets	<b>1,880</b>	133,344
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>1,880</b>	133,344
<b>Net cash flow from investing activities</b>	<b>-1,864</b>	-133,344

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>1,909,751</b>	720,700
Other cash received relating to financing activities	<b>23,000</b>	1,157,190
<b>Sub-total of cash inflow from financing activities</b>	<b>1,932,751</b>	1,877,890
Cash paid for repayments of debts	<b>1,577,781</b>	927,344
Cash paid for distribution of dividends and profits or for interest expenses	<b>144,672</b>	182,052
Other cash paid relating to financing activities	<b>38,489</b>	720,464
<b>Sub-total of cash outflow from financing activities</b>	<b>1,760,942</b>	1,829,860
<b>Net cash flow from financing activities</b>	<b>171,809</b>	48,030
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>-4,647</b>	-4,096
<b>V. Net increase in cash and cash equivalents</b>	<b>13,126</b>	-7,610
Add: Balance of cash and cash equivalents at the beginning of the period	<b>5,137</b>	28,608
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>18,263</b>	20,998

*Legal Representative:*

**Liu Da Wei**

*Chief Financial Officer:*

**Tu De Ling**

*Chief Account:*

**Zhang Zong Ming**

#### 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, 28 April 2017

*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).*