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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 2017

I. 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 third quarterly report of the Company was unaudited.

II. 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	36,689,970	36,438,454	0.69
Net assets attributable to the shareholders of the Company	-1,067,979	-200,494	432.67
	From the beginning of year to the end of the reporting period (January to September)	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 of the previous year (%)
Net cash flow from operating activities	-81,623	-140,426	41.87

	From the beginning of year to the end of the reporting period (January to September)	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 of the previous year (%)
Revenue from operations	8,183,124	3,685,165	122.06
Net profit attributable to the shareholders of the Company	-882,075	-3,091,264	71.47
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	-936,187	-3,659,065	74.41
Return on net assets (weighted average) (%)	N/A	-116.51	
Basic earnings per share (RMB per share)	-0.199	-0.697	71.45
Diluted earnings per share (RMB per share)	-0.199	-0.697	71.45

Extraordinary profit and loss items and amounts

Applicable Not applicable

Unit: RMB'000

Item	Amount for the period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	48	48
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	47,050	50,638
Other non-operating income and expenses other than the above items	1,159	3,426
Total	<u>48,257</u>	<u>54,112</u>

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 160,750

Shareholdings of top 10 shareholders

Name of shareholder (in full)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen status	Share status	Number	Nature of shareholders
Chongqing Iron & Steel (Group) Company Limited	2,096,981,600	47.27	0	Pledged		1,004,000,000	State-owned legal person
HKSCC NOMINEES LIMITED	531,041,940	11.97	0	Unknown			Overseas legal person
Central Huijin Asset Management Ltd.	93,284,800	2.10	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			Unknown
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

Name of shareholder (in full)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen status Share status	Number	Nature of shareholders
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	Class and number of shares Number
Chongqing Iron & Steel (Group) Company Limited	2,096,981,600	RMB-denominated ordinary shares	2,096,981,600
HKSCC NOMINEES LIMITED	531,041,940	Overseas listed foreign shares	531,041,940
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

Name of shareholder	Number of shares not subject to trading moratorium		Class and number of shares	
		Class		Number
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 or acts in concert of the above shareholders

There is no connected relationship between Chongqing Iron & Steel (Group) 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 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

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 this year, the Company recorded a loss of RMB881,727,000, representing a decrease in loss of RMB2,209,513,000 as compared to a loss of RMB3,091,240,000 for the corresponding period of last year, mainly due to expansion of production scale following the recovery of the iron and steel industry and more stringent cost control in the year.

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

Applicable Not applicable

(1) Progress of litigations or arbitrations

As at 30 September 2017, the Company was involved in a total of 22 litigation cases involving the subject amount (the principal) of approximately RMB126 million, of which: 2 cases have been settled with terms continue to be fulfilled and are in the progress of satisfaction, involving a settlement amount of approximately RMB34 million; 10 cases have been given judgments and executed, involving an amount of approximately RMB26 million; 10 cases have been filed but are yet to be tried, involving an amount of approximately RMB66 million.

(2) Progress of the reorganisation

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 the First Intermediate People’s Court of Chongqing (the “**FIPCC**”) 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.

The FIPCC issued the Civil Ruling Paper ((2017) Yu 01 Po Shen No. 5) and Ruling Paper ((2017) Yu 01 Po No. 3) to the Company on 3 July 2017. It was ruled in the Civil Ruling Paper that the FIPCC accepted the application of Laiquyuan Company for reorganisation of the Company and the liquidation team of Chongqing Iron & Steel Company Limited was designated as the administrator of the Company in the Ruling Paper.

According to Rule 13.2.12 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in 2014), upon application to the Shanghai Stock Exchange, the trading of A shares of the Company has been suspended from 1 August 2017 due to the reorganisation. When the Court has made the relevant rulings, the Company shall apply for resumption of trading of A shares to the Shanghai Stock Exchange according to the specific condition and pursuant to the relevant regulations.

Chongqing Iron & Steel held its first creditors' meeting on 18 August 2017 in the form of online meeting through the "Information Website of National Bankrupt Enterprises Recombinational Cases" (全國企業破產重整案件信息網) (<http://pccz.court.gov.cn>), at which the Plan for Management and Realisation of Property (財產管理及變價方案) and the Resolution on Matters regarding the Establishment of Creditors' Committee (成立債權人委員會相關事項的議案) were approved.

Since Chongqing Iron & Steel entered the reorganisation procedures, the administrator of Chongqing Iron & Steel has been proactively organising and coordinating communication and discussion with the main creditors and prospective investor(s) regarding the reorganisation investment scheme, and cooperating with prospective investor(s) on the related due diligence work. On 29 September 2017, the administrator of Chongqing Iron & Steel received letters from Siyuanhe (Shanghai) Steel Industry Equity Investment Fund Center (Limited Partnership) (四源合(上海)鋼鐵產業股權投資基金中心(有限合夥)) and Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (重慶戰略性新興產業股權投資基金合夥企業(有限合夥)), stating that Siyuanhe Fund and Chongqing Strategic Emerging Fund were optimistic about the development prospect of Chongqing Iron & Steel upon its judicial reorganisation and they intended to jointly invest in and establish an iron and steel platform company so as to participate in this reorganisation of Chongqing Iron & Steel as investors.

In order to raise funds for repayment of debt, consolidate assets quality, improve the existing assets structure and conditions, enhance the profitability of the Company and create favorable conditions for further restructuring and market-based reforms upon completion of the reorganization, in accordance with the Plan for Management and Realisation of Property (財產管理及變價方案) as approved at the first creditors' meeting held by Chongqing Iron & Steel, and upon approval by the FIPCC, on 30 September 2017, the administrator entrusted Chongqing United Assets and Equity Exchange (重慶聯合產權交易所) to conduct a public auction in respect of certain property owned by Chongqing Iron & Steel (including the assets such as No. 2 Steel Plant, rod-wire and section steel, the machinery and equipment of the smelting plant, the coking plant and the sintering plant, as well as the real estate located at 15/F, No. 28, Dongchenggen Down Street, Qingyang District, Chengdu, Sichuan and No. 1, 6/F, No. 22, Jinsi Street, Qingyang District, Chengdu, Sichuan).

On 17 October 2017, Chongqing United Assets and Equity Exchange issued to the administrator the description on the judicial auction. Since there was no registration during the auction notice period for the above auctioned property, the auction was not successful.

On 18 October 2017, upon the approval of the FIPCC, the administrator entrusted Chongqing United Assets and Equity Exchange to conduct a public auction in respect of assets such as No. 2 Steel Plant, rod-wire and section steel as well as the real estate located at 15/F, No. 28, Dongchenggen Down Street, Qingyang District, Chengdu, Sichuan and No. 1, 6/F, No. 22, Jinsi Street, Qingyang District, Chengdu, Sichuan again.

On 26 October 2017, Chongqing United Assets and Equity Exchange issued to the administrator the description on the judicial auction. Since there was no registration during the auction notice period for the above auctioned property, the auction was not successful.

On 27 October 2017, upon the approval of the FIPCC, the administrator entrusted Chongqing United Assets and Equity Exchange to conduct a public auction in respect of assets such as No. 2 Steel Plant, rod-wire and section steel as well as the real estate located at 15/F, No. 28, Dongchenggen Down Street, Qingyang District, Chengdu, Sichuan and No. 1, 6/F, No. 22, Jinsi Street, Qingyang District, Chengdu, Sichuan for the third time. Currently, the auction of the aforesaid property is in process.

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

Given the recovery of the steel market since the beginning of the year, it is expected that the accumulated net profit as at the end of the next reporting period may be positive.

Company Name **Chongqing Iron & Steel Company Limited**
Legal Representative **Liu Da Wei**
Date 30 October 2017

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet

30 September 2017

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
Current assets:		
Cash and bank balance	867,058	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	5,027	19,435
Accounts receivable	376,303	256,258
Prepayments	153,412	37,191
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Interests receivable		
Dividends receivable		
Other receivables	149,446	58,099
Proceeds from financial assets purchased under agreements to resell		
Inventories	2,199,189	972,960
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	573	509
Total current assets	<u>3,751,008</u>	<u>2,447,146</u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	5,000	5,000
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	129,104	131,015
Investment properties		
Fixed assets	28,720,294	29,491,264
Construction in progress	68,683	43,131
Constructions materials	0	15,126
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	2,600,824	2,648,584
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	10	0
Other non-current assets	1,415,047	1,657,188
Total non-current assets	<u>32,938,962</u>	<u>33,991,308</u>
Total assets	<u>36,689,970</u>	<u>36,438,454</u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Current liabilities:		
Short-term borrowings	6,101,206	5,700,587
Borrowings from central bank		
Deposit taking and deposit in interbank market		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	1,193,270	1,632,710
Accounts payable	9,779,177	9,385,026
Advances from customers	670,413	1,014,762
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	595,637	561,255
Taxes payable	-17,477	235
Interests payable	147,081	117,013
Dividends payable		
Other payables	7,044,893	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	2,887,896	3,504,533
Other current liabilities	12,231	12,231
	<hr/>	<hr/>
Total current liabilities	<u>28,414,327</u>	<u>26,130,733</u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	7,737,000	9,073,456
Debentures payable		
Including: Preferential shares		
Perpetual bonds		
Long-term payables	2,098	61,944
Long-term staff remuneration payable	238,908	276,634
Special payables		
Accrued liabilities	0	52,177
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	1,273,114	950,944
	<hr/>	<hr/>
Total non-current liabilities	9,251,120	10,415,155
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	37,665,447	36,545,888
	<hr/> <hr/>	<hr/> <hr/>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Owners' equity		
Share capital	4,436,023	4,436,023
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	7,168,833	7,154,203
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	606,991	606,991
General risk provision		
Undistributed profit	-13,279,826	-12,397,711
Total equity attributable to owners of the Company	-1,067,979	-200,494
Minority interests	92,502	93,060
Total owners' equity	<u>-975,477</u>	<u>-107,434</u>
Total liabilities and owners' equity	<u>36,689,970</u>	<u>36,438,454</u>

Legal Representative:

Liu Da Wei

Chief Financial Officer:

Tu De Ling

Chief Account:

Zhang Zong Ming

Balance Sheet of the Parent Company

30 September 2017

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
Current assets:		
Cash and bank balance	133,028	362,385
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable	5,027	19,435
Accounts receivable	379,292	258,568
Prepayments	152,988	22,535
Interests receivable		
Dividends receivable		
Other receivables	149,460	58,084
Inventories	2,199,189	972,960
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	0	87
Total current assets	3,018,984	1,694,054

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Non-current assets:		
Available-for-sale financial assets	5,000	5,000
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	891,726	893,637
Investment properties		
Fixed assets	28,711,430	29,481,983
Construction in progress	67,102	42,829
Construction materials	0	15,126
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	2,600,824	2,648,584
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets		
Other non-current assets	<u>1,415,047</u>	<u>1,657,188</u>
Total non-current assets	<u><u>33,691,129</u></u>	<u><u>34,744,347</u></u>
Total assets	<u><u>36,710,113</u></u>	<u><u>36,438,401</u></u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Current liabilities:		
Short-term borrowings	6,101,206	5,700,587
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	1,193,270	1,632,710
Accounts payable	9,781,793	9,429,515
Advances from customers	670,197	1,006,106
Staff remuneration payable	595,110	560,810
Taxes payable	-17,477	18
Interests payable	147,081	117,013
Dividends payable		
Other payables	7,152,864	4,259,547
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	2,887,896	3,504,533
Other current liabilities	12,231	12,231
	<hr/>	<hr/>
Total current liabilities	<u>28,524,171</u>	<u>26,223,070</u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	7,737,000	9,073,456
Debtures payable		
Including: Preferential shares		
Perpetual bonds		
Long-term payables	2,098	61,944
Long-term staff remuneration payable	238,909	276,635
Special payables		
Accrued liabilities	0	52,177
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	<u>1,273,117</u>	<u>950,944</u>
Total non-current liabilities	<u>9,251,124</u>	<u>10,415,156</u>
Total liabilities	<u>37,775,295</u>	<u>36,638,226</u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Owners' equity:		
Share capital	4,436,023	4,436,023
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	7,199,776	7,185,146
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	577,012	577,012
Undistributed profit	-13,277,993	-12,398,006
Total owners' equity	<u>-1,065,182</u>	<u>-199,825</u>
Total liabilities and owners' equity	<u>36,710,113</u>	<u>36,438,401</u>

<i>Legal Representative:</i> Liu Da Wei	<i>Chief Financial Officer:</i> Tu De Ling	<i>Chief Account:</i> Zhang Zong Ming
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Consolidated Income Statement

January to September 2017

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Total revenue from operations	3,661,397	895,753	8,183,124	3,685,165
Including: Revenue from operations	3,661,397	895,753	8,183,124	3,685,165
Interest income				
Premiums earned				
Income from fee and commission				
II. Total operating costs	3,593,764	2,646,660	9,118,256	7,343,555
Including: Operating costs	3,291,686	1,399,348	7,704,503	4,832,047
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	20,602	24	60,381	201
Selling expenses	14,883	8,456	38,564	113,561
Administrative expenses	259,301	422,689	791,957	1,024,382
Finance cost	7,292	265,262	522,851	808,996
Asset impairment loss		550,881		564,368
Add: Gain from change in fair value (loss is represented by "-")				

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
Gains from investment (loss is represented by “-”)		-651	-1,911	-651
Including: Gains from investment in associates and joint ventures		-651	-1,911	-651
Exchange gain (loss is represented by “-”)				
Other income	48,421		54,707	
III. Profit from operations (loss is represented by “-”)	116,054	-1,751,558	-882,336	-3,659,041
Add: Non-operating income	39	451,372	134	568,541
Including: Gain on disposal of non-current assets			17	
Less: Non-operating expenses	203	733	729	740
Including: Loss on disposal of non-current assets		0	11	12
IV. Total profit (total loss is represented by “-”)	115,890	-1,300,919	-882,931	-3,091,240
Less: Income tax expense		8	2	20
V. Net profit (net loss is represented by “-”)	115,890	-1,300,927	-882,933	-3,091,260
Net profit attributable to owners of the parent company	116,407	-1,300,921	-882,075	-3,091,264
Profit or loss attributable to minority shareholders	-517	-6	-858	4

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
VI. Other comprehensive income (net of tax)				
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-for-sale financial assets				

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
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				
VII. Total comprehensive income	115,890	-1,300,927	-882,933	-3,091,260
Total comprehensive income attributable to owners of the parent company	116,407	-1,300,921	-882,075	-3,091,264
Total comprehensive income attributable to minority shareholders	-517	-6	-858	4
VIII. Earnings per share:				
(I) Basic earnings per share (RMB per share)	0.026	-0.297	-0.199	-0.697
(II) Diluted earnings per share (RMB per share)	0.026	-0.297	-0.199	-0.697
<i>Legal Representative:</i> Liu Da Wei	<i>Chief Financial Officer:</i> Tu De Ling	<i>Chief Account:</i> Zhang Zong Ming		

Income Statement of the Parent Company

January to September 2017

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Revenue from operations	3,633,344	753,579	8,018,794	3,333,763
Less: Operating costs	3,263,621	1,258,200	7,540,747	4,483,970
Taxes and surcharges	20,407	12	59,983	153
Selling expenses	14,657	7,886	36,467	108,419
Administrative expenses	256,239	420,257	782,938	1,021,164
Finance cost	6,471	267,082	525,645	810,812
Asset impairment loss		550,856	-1	564,344
Add: Gain from change in fair value (loss is represented by "-")				
Gains from investment (loss is represented by "-")		-651	-4,547	-651
Including: Gains from investment in associates and joint ventures		-651	-1,911	-651
Other income	48,421		54,707	
II. Profit from operations (loss is represented by "-")	120,370	-1,751,365	-876,825	-3,655,750
Add: Non-operating income	39	451,372	132	568,541
Including: Gain on disposal of non-current assets		0	17	12
Less: Non-operating expenses	132	735	658	735
Including: Loss on disposal of non-current assets			11	

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
III. Total profit (total loss is represented by “-”)	120,277	-1,300,728	-877,351	-3,087,944
Less: Income tax expense				
IV. Net profit (net loss is represented by “-”)	120,277	-1,300,728	-877,351	-3,087,944
V. Other comprehensive income (net of tax)				
(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				

Item	Amount for the period (July to September)	Amount for the previous period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
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				
VI. Total comprehensive income	120,277	-1,300,728	-877,351	-3,087,944
VII. Earnings per share:				
(I) Basic earnings per share <i>(RMB per share)</i>	0.027	-0.293	-0.198	-0.696
(II) Diluted earnings per share <i>(RMB per share)</i>	0.027	-0.293	-0.198	-0.696

Legal Representative:
Liu Da Wei

Chief Financial Officer:
Tu De Ling

Chief Account:
Zhang Zong Ming

Consolidated Cash flow Statement

January to September 2017

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	1,760,571	2,708,973
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	0	5
Other cash received relating to operating activities	2,304,517	10,635,691
Sub-total of cash inflow from operating activities	4,065,088	13,344,669

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
Cash paid for goods purchased and service received	1,409,514	2,360,212
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	556,373	526,833
Cash paid for all types of taxes	77,650	60,479
Other cash paid relating to operating activities	2,103,174	10,537,571
Sub-total of cash outflow from operating activities	<u>4,146,711</u>	<u>13,485,095</u>
Net cash flow from operating activities	<u>-81,623</u>	<u>-140,426</u>

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
II. Cash flows from investment activities:		
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		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
Sub-total of cash inflow from investing activities		
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	25,685	160,993
Cash paid for investments	0	130,416
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investing activities		
Sub-total of cash outflow from investing activities	25,685	291,409
Net cash flow from investing activities	-25,685	-291,409

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
III. Cash flow from financing activities:		
Cash received from investments	0	825,949
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	1,817,740	5,397,535
Cash received from issuing bonds		
Other cash received relating to financing activities	<u>412,753</u>	<u>2,316,570</u>
Sub-total of cash inflow from financing activities	<u>2,230,493</u>	<u>8,540,054</u>
Cash paid for repayments of debts	1,311,117	3,877,429
Cash paid for distribution of dividends and profits or for interest expenses	164,601	573,553
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	<u>645,210</u>	<u>2,937,913</u>
Sub-total of cash outflow from financing activities	<u>2,120,928</u>	<u>7,388,895</u>
Net cash flow from financing activities	<u>109,565</u>	<u>1,151,159</u>

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-3,304	25,243
V. Net increase in cash and cash equivalents	-1,047	744,567
Add: Balance of cash and cash equivalents at the beginning of the period	745,426	32,376
VI. Balance of cash and cash equivalents at the end of the period	<u>744,379</u>	<u>776,943</u>

Legal Representative:
Liu Da Wei

Chief Financial Officer:
Tu De Ling

Chief Account:
Zhang Zong Ming

Cash Flow Statement of the Parent Company
January to September 2017

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	1,568,286	2,230,138
Refunds of taxes		
Other cash received relating to operating activities	<u>2,290,249</u>	<u>10,624,546</u>
Sub-total of cash inflow from operating activities	<u><u>3,858,535</u></u>	<u><u>12,854,684</u></u>
Cash paid for goods purchased and service received	1,217,408	1,882,078
Cash paid to and on behalf of employees	548,217	524,209
Cash paid for all types of taxes	77,466	59,714
Other cash paid relating to operating activities	<u>2,095,467</u>	<u>10,526,815</u>
Sub-total of cash outflow from operating activities	<u><u>3,938,558</u></u>	<u><u>12,992,816</u></u>
Net cash flow from operating activities	<u><u>-80,023</u></u>	<u><u>-138,132</u></u>

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
II. Cash flows from investment activities:		
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		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
Sub-total of cash inflow from investing activities		
Cash paid for acquisition and construction of fixed assets, intangible assets and other long term assets	24,329	160,993
Cash paid for investments	0	792,037
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investing activities		
Sub-total of cash outflow from investing activities	24,329	953,030
Net cash flow from investing activities	-24,329	-953,030

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the previous year to the end of the reporting period of the previous year (January to September)
III. Cash flow from financing activities:		
Cash received from investments		752,436
Cash received from borrowings	1,817,740	5,397,535
Cash received from issuing bonds		
Other cash received relating to financing activities	<u>412,753</u>	<u>2,316,570</u>
Sub-total of cash inflow from financing activities	<u>2,230,493</u>	<u>8,466,541</u>
Cash paid for repayments of debts	1,311,117	3,877,429
Cash paid for distribution of dividends and profits or for interest expenses	164,601	573,553
Other cash paid relating to financing activities	<u>645,210</u>	<u>2,937,913</u>
Sub-total of cash outflow from financing activities	<u>2,120,928</u>	<u>7,388,895</u>
Net cash flow from financing activities	<u>109,565</u>	<u>1,077,646</u>
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	0	25,289
V. Net increase in cash and cash equivalents	5,213	11,773
Add: Balance of cash and cash equivalents at the beginning of the period	5,137	28,608
VI. Balance of cash and cash equivalents at the end of the period	<u>10,350</u>	<u>40,381</u>
<i>Legal Representative:</i> Liu Da Wei	<i>Chief Financial Officer:</i> Tu De Ling	<i>Chief Account:</i> 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, 31 October 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).