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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)

ANNOUNCEMENT ON POSITIVE PROFIT ALERT FOR THE INTERIM RESULTS OF 2018

This announcement is made by Chongqing Iron & Steel Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

IMPORTANT NOTE:

1. The Company is expected to record a profit of approximately RMB760 million in its results.
2. After deducting the items of non-recurring gain or loss, the Company is expected to record a profit of RMB760 million.
3. Estimated earnings per share: RMB0.09 per share.

I. ESTIMATED RESULTS FOR THE PERIOD

1. Estimated period

From 1 January 2018 to 30 June 2018.

2. Estimated results

- (1) Based on the preliminary estimate by the finance department, it is expected that the net profit attributable to the shareholders of the Company would amount to RMB760 million for the first half of 2018 as compared with a loss for the corresponding period of the previous year.

- (2) Net profit attributable to the shareholders of the Company after deducting non-recurring gain or loss would amount to RMB760 million.
- (3) Earnings per share: RMB0.09 per share.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR (FROM JANUARY TO JUNE 2017)

1. Net profit attributable to the shareholders of the Company: RMB-998.482 million

Net profit attributable to the shareholders of the Company after deduction of non-recurring gain or loss: RMB-1,004.337 million

2. Earnings per share: RMB-0.23 per share.

III. MAJOR REASONS FOR THE ESTIMATED PROFIT FOR THE PERIOD

1. Focusing on the policy of maintaining its production and sales at the fullest level, the Company has maintained stable and smooth production. As a result, the scale of production and sales achieved new high, which significantly improved its business performance.
2. The Company actively responded to market changes, strengthened the analysis on product profitability and optimized product mix in a timely manner. By doing so, the average gross profit of products increased significantly.
3. The Company remained committed to promote cost delicacy management. Starting with reducing system cost and technical cost, the Company has formulated and implemented cost reduction plan, hence the cost level has dropped significantly.

IV. RISK WARNING

There are no material uncertainties in the Company that will affect the accuracy of the estimated profit.

V. OTHER MATTERS

The foregoing estimated data is a preliminary review only. For the detailed and accurate financial data, please refer to the 2018 interim report to be formally disclosed by the Company.

Investors are advised to note that the Company's designated media for information disclosure are China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). All the information of the Company published on the above designated media shall prevail. Investors are advised to make decision with prudence and pay attention to the investment risks.

By order of the Board
Chongqing Iron & Steel Company Limited
Yu Hong
Secretary to the Board

Chongqing, the PRC, 24 July 2018

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