

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 THE OPERATING DATA FOR THE THIRD QUARTER OF 2018

Pursuant to the relevant provisions of Article 25 of the “Guidelines on Industrial Information Disclosure of Listed Companies No. 9 – Iron and Steel” of the Shanghai Stock Exchange, Chongqing Iron & Steel Company Limited (the “**Company**” or “**Chongqing Iron & Steel**”) hereby announces the operating data for the third quarter of 2018 (unaudited) as follows:

I. HIGHLIGHTS OF PRODUCTION AND OPERATION

Since the beginning of 2018, the Company has been practicing the strategies of cost priority and leading manufacturing technologies in a proactive manner and has carried out each production and operating task in close compliance with the annual operating principle of “achieving full production and sales, low costs and high efficiency”. Meanwhile, it continuously promoted the smooth integration of production, supply and sale, and realised stable and smooth production, substantial improvement of cost effectiveness, and rapid growth of systematic capabilities, thus its production and operation entered a virtuous cycle. The cash flows of the Company during the period of January to September were significantly improved and the profitability was better than expected.

From January to September 2018, the Company manufactured 4,210,100 tonnes of iron, 4,750,600 tonnes of steel and 4,553,500 tonnes of steel products, representing an increase of 63.63%, 73.33% and 74.27%, respectively, as compared with the same period last year. The Company expected that its annual production of iron, steel and steel products would amount to 5,650,000 tonnes, 6,350,000 tonnes and 5,950,000 tonnes, respectively. Its revenue from operations, total profit and net profit amounted to RMB17,437 million, RMB1,481 million and RMB1,480 million respectively, marking a dramatic turnaround as compared with the huge loss of RMB882 million of the same period last year.

In the third quarter, the production and sales volume of steel products amounted to 1,586,600 tonnes and 1,589,800 tonnes, increasing by 2.53% and 1.6% month on month as compared to the second quarter, respectively; revenue from operations and total profit amounted to RMB6,344 million and RMB718 million, increasing by 6.78% and 74.27% month on month as compared to the second quarter, respectively; the substantial increase in profit in the third quarter was mainly due to the energetic practice of the cost reduction plan and thorough promotion of meticulous cost management, resulting in prominent reduction of cost.

II. 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	26,529,411	25,012,459	6.06
Net assets attributable to the shareholders of the Company	18,218,615	16,730,115	8.90
Net assets per share (<i>RMB/share</i>)	2.04	1.88	8.42
Asset-liability ratio (%)	31.33	32.82	-4.54
	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 last year (%)
Net cash flow from operating activities	439,134	-81,623	N/A

	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 last year (%)
Revenue from operations	17,436,860	8,183,124	113.08
Net profit attributable to the shareholders of the Company	1,480,017	-882,075	N/A
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	1,435,306	-936,187	N/A
Return on net assets (weighted average) (%)	8.45	N/A	N/A
Basic earnings per share (RMB per share)	0.166	-0.199	N/A
Diluted earnings per share (RMB per share)	0.166	-0.199	N/A

III. MAJOR PRODUCTS

Major products	Production from January to September 2018 (0'000 tonnes)	Sales from January to September 2018 (0'000 tonnes)	Average selling price from January to September 2018 (RMB per tonne)
Medium and heavy sheets	120.13	118.70	3,863
Hot rolling	250.30	251.28	3,560
Rebar	43.92	42.46	3,604
Profiles	41.00	40.85	3,627
Total	455.35	453.29	3,650

The above operating data are unaudited. Investors are advised to pay attention to the investment risks and exercise caution when using such information.

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

Chongqing, the PRC, 30 October 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).