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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 THE OPERATING DATA FOR THE FIRST QUARTER OF 2019

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 first quarter of 2019 (unaudited) as follows:

I. HIGHLIGHTS OF PRODUCTION AND OPERATION

1. In the first quarter, by surmounting various adverse effects, the Company managed to secure the supply of raw materials and fuels with significantly improved quality, and smooth production was realized as underpinned by the stable functioning of equipment. In the first quarter, the Company produced 1,479,800 tonnes of iron, 1,568,800 tonnes of steel and 1,491,000 tonnes of steel products, representing an increase of 137,100 tonnes, 78,400 tonnes and 71,600 tonnes, or 10.21%, 5.26% and 5.04% as compared with the same period of the previous year, respectively. The progressive target set in the annual plan was fulfilled.
2. In the first quarter, by proactively expanding selling and marketing channels, the Company made great effort to promote the implementation of direct sales, direct supply and direct distribution, enhance the quality of customer services and optimize its product portfolio in a continuous manner. In the first quarter, the sales volume of steels reached 1,502,700 tonnes, representing an increase of 123,300 tonnes or 8.98%, and the operating income was RMB5.308 billion, representing an increase of 3.02%, as compared with the same period of the previous year, both fulfilling the progressive target set in the annual plan.

3. In the first quarter, by positively advancing cost reduction, the Company made new breakthroughs in benchmarking, identifying deficiency, exploring internal potentials, deepening analysis, making improvements and reducing procedure costs. Safety margin of costs was further elevated. In the first quarter, over 70% of the key technical and economic indicators at the company level outpaced the best data for three consecutive months of the previous year. All kinds of consumption witnessed noticeable decline, with procedure costs decreased by RMB140 million as compared with the same period of the previous year.

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	26,414,800	26,933,351	-1.93
Net assets attributable to the shareholders of the Company	18,688,295	18,531,665	0.85
	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	-138,559	-304,134	N/A

	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	5,307,920	5,152,412	3.02
Net profit attributable to the shareholders of the Company	150,437	350,389	-57.07
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	128,191	353,865	-63.77
Return on net assets (weighted average) (%)	0.81	2.07	-1.26
Basic earnings per share (RMB per share)	0.02	0.04	-50.00
Diluted earnings per share (RMB per share)	0.02	0.04	-50.00

Note: Net cash flow from operating activities for the quarter was negative, mainly due to the raised proportion of payment in cash by the Company for the purpose of reducing procurement costs and secure resources.

III. MAJOR PRODUCTS

Major products	Production from January to March 2019 (0'000 tonnes)	Sales from January to March 2019 (0'000 tonnes)	Average selling price from January to March 2019 (excluding taxes, RMB per tonne)
Medium and heavy sheets	49.47	49.20	3,473
Hot rolling	67.86	71.24	3,280
Rebar	16.72	14.11	3,541
Profiles	15.05	15.72	3,461
Total	149.10	150.27	3,387

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
Meng Xiangyun
Secretary to the Board

Chongqing, the PRC, 26 April 2019

As at the date of this announcement, the directors of the Company are: Mr. Zhou Zhuping (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) and Mr. Wong Chunwa (Independent Non-executive Director).