

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 FIRST HALF 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**”) hereby announces the operating data for the first half of 2019 (reporting period) (unaudited) as follows:

I. HIGHLIGHTS OF PRODUCTION AND OPERATION

2019 is a crucial year for the Company to embark on a new journey towards sustainable and high-quality development as well as a year for consolidating foundations, improving management and advancing development. The Company actively implemented the strategies highlighting “cost and manufacturing technology leadership” and continuously carried out the operation principle of “achieving full production and sales, low cost and high efficiency”. In response to the declining sales price of steel, the soaring prices of iron ores and other adverse circumstances, it implemented the problems-oriented and reform-driven approaches to solidify the foundation, improve the system, enhance the capability and drive business development. It vigorously promoted cost reduction and continuously conducted targeted benchmarking to bridge the gaps, and effectively leveraged the coordinated support of China Baowu Steel Group. With the joint efforts of all employees, in the first half of the year, the Company maintained stable and smooth production operations, with production and sales hitting record high, resource consumption decreasing significantly, new breakthroughs made in building low-cost manufacturing capacity, and competitiveness further enhanced.

In the first half of 2019, the Company realised iron, steel and steel products production of 2,984,200 tonnes, 3,250,600 tonnes and 3,097,200 tonnes respectively, representing an increase of 199,700 tonnes, 150,500 tonnes and 130,300 tonnes, respectively, as compared to the same period last year; sales of steel products of 3,132,200 tonnes, representing a year-on-year increase of 188,700 tonnes, hitting historical records.

II. MAJOR FINANCIAL DATA

Unit: RMB'000

	At the end of the reporting period	At the end of last year	Change from the end of last year compared to the end of the reporting period (%)
Total assets	26,486,557	26,933,351	-1.66
Net assets attributable to shareholders of the Company	19,093,683	18,531,665	3.03
	Reporting period (January to June)	Same period last year	Change from the same period last year (%)
Net cash flow from operating activities	88,417	-1,301,188	N/A
Operating income	11,483,560	11,092,899	3.52
Net profit attributable to shareholders of the Company	615,728	761,960	-19.19
Net profit attributable to shareholders of the Company after extraordinary gains and losses	589,097	736,096	-19.97
Weighted average return on net assets (%)	3.27	4.45	Decreased by 1.18 percentage points
Basic earnings per share (RMB per share)	0.07	0.09	-22.22
Diluted earnings per share (RMB per share)	0.07	0.09	-22.22

III. MAJOR PRODUCTS

Major products	Production from January to June 2019 (0'000 tonnes)	Sales from January to June 2019 (0'000 tonnes)	Average selling price from January to June 2019 (excluding taxes, RMB per tonne)
Medium plate	97.46	97.79	3,622
Hot rolling	149.35	152.22	3,389
Bars	31.89	31.22	3,659
Profiles	31.02	31.99	3,599
Total	<u>309.72</u>	<u>313.22</u>	<u>3,510</u>

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, 12 August 2019

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