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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)

FIRST QUARTERLY REPORT OF 2021

I. IMPORTANT NOTICE

- 1.1 The board of directors (the “**Board**”), the supervisory committee and the directors, supervisors and senior management of Chongqing Iron & Steel Company Limited (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 Jianrong, the chairman of the Company and Mr. Zou An, the chief financial officer and Lei Xiaodan, the chief accountant (accounting officer), warrant the truthfulness, accuracy and completeness of the financial statements contained in the quarterly report.
- 1.4 The first quarterly report of the Company was unaudited.

1.5 Operating highlights of the Company

In the first quarter, by seizing the favorable opportunity of the recovery of iron and steel market, the Company strengthened its control over the production and operation, the scale benefit of production and sales steadily increased and the production and operation had continued to improve. In the first quarter, the Company produced 2,264,900 tonnes of iron, 2,419,200 tonnes of steel and 2,329,900 tonnes of commodity billet, and completed 26.65%, 24.19% and 24.32% of annual targets, respectively, representing an increase of 756,700 tonnes, 778,300 tonnes and 749,100 tonnes, or 50.17%, 47.43% and 47.39% as compared with the same period of the previous year, respectively. The operating income was RMB9.978 billion, representing a year-on-year increase of 92.70%, while the total profit was RMB1.092 billion, representing a year-on-year increase of 251 times.

During the first quarter, the Company had adhered to comprehensive benchmarking, increased efforts in cost reduction and efficiency enhancement, aimed at producing over 10-million-tonne products, strived to promote the construction of technological upgrading projects, optimized the model of production and organization and maintained a stable rolling process and efficient production of iron and steel. In March, the production of iron, steel and commodity billet achieved a record high. In particular, the production of steel was 906,100 tonnes, directly “exceeding 700,000 tonnes and reaching over 900,000 tonnes”; the main technical and economic indicators repeatedly set new records, the dry coking coal proportion, coal powder injection ratio, sintering machine utilization coefficient, blast furnace utilization coefficient, steel and iron material consumption, hot charging rate, and rolling operation efficiency set new records. The production targets in the first quarter had been fully completed, and the production scale with an annual capacity of 10 million tonnes had been basically realized.

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	42,136,595	39,949,856	5.47
Net assets attributable to the shareholders of the Company	21,134,503	20,038,467	5.47
	From the beginning of the 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	-1,031,089	-213,075	N/A
	From the beginning of the 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 (%)
Operating income	9,978,422	5,178,323	92.70
Net profit attributable to the shareholders of the Company	1,092,412	4,173	26,078.10
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	1,077,206	253	425,673.12
Return on net assets (weighted average) (%)	5.31	0.02	Increased by 5.29 percentage points
Basic earnings per share (<i>RMB per share</i>)	0.12	0.0005	23,900.00
Diluted earnings per share (<i>RMB per share</i>)	0.12	0.0005	23,900.00

Extraordinary profit or loss items and amounts

Applicable Not applicable

Unit: RMB'000

Item	Amount for the period
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	13,735
Capital occupancy fee from non-financial enterprises recognized through profit or loss	929
Other non-operating income and expenses other than the above items	542
Total	<u>15,206</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 138,245

Shareholdings of the top 10 shareholders

(Full) Name of shareholder	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen status		Nature of shareholders
				Share status	Number	
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	23.51	0	Nil	0	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED	531,509,621	5.96	0	Unknown	—	Overseas legal person
Chongqing Qianxin Group Co., Ltd.	427,195,760	4.79	0	Pledged	427,190,070	State-owned legal person
Chongqing Rural Commercial Bank Co., Ltd.	289,268,939	3.24	0	Nil	0	State-owned legal person
Chongqing Guochuang Investment and Management Co., Ltd.	278,288,059	3.12	0	Nil	0	State-owned legal person
Sinosteel Equipment & Engineering Co., Ltd.	252,411,692	2.83	0	Nil	0	State-owned legal person
Bank of Chongqing Co., Ltd.	226,042,920	2.53	0	Nil	0	State-owned legal person
Industrial Bank Co., Ltd. Chongqing Branch	219,633,096	2.46	0	Nil	0	Unknown
Agricultural Bank of China Limited Chongqing Branch	216,403,628	2.43	0	Nil	0	State-owned legal person
China Shipbuilding Industrial Complete Equipment & Logistics Co., Ltd.	211,461,370	2.37	0	Nil	0	State-owned legal person

Shareholdings of the top 10 holders of shares not subject to trading moratorium

Name of shareholder	Number of shares not subject to trading moratorium	Class and number of shares	
		Class	Number
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	RMB-denominated ordinary shares	2,096,981,600
HKSCC NOMINEES LIMITED	531,509,621	Overseas listed foreign shares	531,509,621
Chongqing Qianxin Group Co., Ltd.	427,195,760	RMB-denominated ordinary shares	427,195,760
Chongqing Rural Commercial Bank Co., Ltd.	289,268,939	RMB-denominated ordinary shares	289,268,939
Chongqing Guochuang Investment and Management Co., Ltd.	278,288,059	RMB-denominated ordinary shares	278,288,059
Sinosteel Equipment & Engineering Co., Ltd.	252,411,692	RMB-denominated ordinary shares	252,411,692
Bank of Chongqing Co., Ltd.	226,042,920	RMB-denominated ordinary shares	226,042,920
Industrial Bank Co., Ltd. Chongqing Branch	219,633,096	RMB-denominated ordinary shares	219,633,096
Agricultural Bank of China Limited Chongqing Branch	216,403,628	RMB-denominated ordinary shares	216,403,628
China Shipbuilding Industrial Complete Equipment & Logistics Co., Ltd.	211,461,370	RMB-denominated ordinary shares	211,461,370

Explanation about connected relationship and acts in concert of the above shareholders

There is connected relationship between Chongqing Changshou Iron & Steel Company Limited (the Controlling Shareholder of the Company) and Sinosteel Equipment & Engineering Co., Ltd. There is no connected relationship between Chongqing Changshou Iron & Steel Company Limited and the other 8 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

Not applicable

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 therefor

Applicable Not applicable

From January to March in 2021, the Group realized a total profit of RMB1,092 million, representing a year-on-year increase of 251 times, which was mainly due to the following reasons: the selling price of commodity billet amounted to RMB4,161/tonne, representing a year-on-year increase of 24.77% and resulting in an increase of RMB1,586 million in profit; the sales volume of commodity billet reached 2,315,600 tonnes, representing a year-on-year increase of 55.96%, and achieving an increase of RMB317 million in profit; the Company continuously promoted the cost reduction plan, and thus critical technical and economic indicators such as blast furnace utilization coefficient, fuel ratio, steel and iron material consumption and yield of rolled steel improved significantly, and the consumption obviously reduced. Costs in the first quarter reduced as a result of the significant increase in production scale, with the cost in the aspect of process representing a decrease of RMB613 million; the increase in prices of raw materials, such as ore, coal, alloy, scrap steel, etc., resulted in a decrease of RMB1,454 million in profit.

(1) Main business by sectors, products and regions

Unit: RMB'000

Main business by sectors						
By sectors	Operating income	Operating cost	Gross Margin (%)	Year-on-year increase/decrease in operating income (%)	Year-on-year increase/decrease in operating cost (%)	Year-on-year increase/decrease in gross margin (%)
Iron and steel	9,939,674	8,628,307	13.19	92.45	75.36	8.46

Main business by products						
By products	Operating income	Operating cost	Gross Margin (%)	Year-on-year increase/decrease in operating income (%)	Year-on-year increase/decrease in operating cost (%)	Year-on-year increase/decrease in gross margin (%)
Commodity billet	9,634,313	8,335,724	13.48	94.56	76.78	8.70
Others	305,361	292,583	4.18	43.41	42.74	0.44

(2) Analysis on material changes in assets and liabilities

Unit: RMB'000 Audit type: unaudited

Item	Amount at the end of the period	Percentage of the amount at the end of the period in total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period in total assets (%)	Changes from the end of the previous period (%)	Explanation
Trade receivables	115,264	0.27	35,041	0.09	228.94	Spread settlement
Prepayment	895,160	2.12	534,516	1.34	67.47	Scale enhancement, and increase in purchase of ores
Inventories	6,995,174	16.60	5,054,908	12.65	38.38	Scale enhancement, and increase in inventory of materials due to the maintenance of ship lock of the Three Gorges Dam
Long-term equity investments	51,237	0.12	79,494	0.20	-35.55	Completion of acquisition of 72% equity interest of Xingang Changlong, which has become a wholly-owned subsidiary of the Company
Short-term borrowings	1,385,055	3.29	700,788	1.75	97.64	New bank loans
Notes payable	2,140,183	5.08	1,272,291	3.18	68.21	Increase in bills payment
Accounts payable	3,627,877	8.61	2,652,728	6.64	36.76	Increase in purchase of raw materials
Taxes payable	35,184	0.08	9,177	0.02	283.39	Provision for taxes on land and buildings for the period
Other payables	1,001,138	2.38	1,567,618	3.92	-36.14	Payment for construction
Non-current liabilities due within one year	1,952,007	4.63	4,056,471	10.15	-51.88	Repayment of borrowings from Changshou Iron & Steel
Long-term payables	2,685,914	6.37	1,352,264	3.38	98.62	New financial lease from China Reform Financial

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

Applicable Not applicable

(1) *Employee Share Ownership Plan*

As authorized at the 2017 annual general meeting of the Company, the Company convened the 31st meeting of the eighth session of the Board and the 20th meeting of the eighth session of the supervisory committee on 30 December 2020, at which the Resolution in relation to Collection and Utilization of Bonus Fund of the Company for 2020 and the Resolution in relation to the Fourth Phase of Employee Share Ownership Plan and Adjustment to the Way of Distribution of Rights and Interests under the First, Second and Third Phases of Employee Share Ownership Plan (《關於公司第四期員工持股計劃及調整第一、二、三期員工持股計劃權益分配方式的議案》) were considered and approved. According to the operation, safety, environmental protection and other relevant situations in 2020, the bonus fund provision for Employee Share Ownership Plan is made at 12.5% of the total profit (before the withdrawal of the bonus fund) under the audited consolidated statements for 2020.

The Company convened the first holders' meeting of the fourth phase of the Employee Share Ownership Plan on 15 January 2021, at which the Constitution of the Meeting of the Holders of the Fourth Phase of the Employee Share Ownership Plan (《第四期員工持股計劃持有人會議章程》), the Resolution in relation to the Establishment of the Management Committee of the Fourth Phase of Employee Share Ownership Plan and Authorization to the Management Committee to be Responsible for Matters Relevant to the Employee Share Ownership Plan (《關於設立第四期員工持股計劃管理委員會並授權管理委員會負責員工持股計劃管理事宜的議案》) and the Resolution for the Election of the Members of the Management Committee of the Fourth Phase of the Employee Share Ownership Plan (《關於選舉第四期員工持股計劃管理委員會委員的議案》) were considered and approved.

As at 25 March 2021, the Company has completed the shares realization and distribution of interests under the first and second phase of Employee Share Ownership Plan by means of non-transaction transfers and transactions in the secondary market. At this point, the first and second phase of Employee Share Ownership Plan of the Company have been terminated.

(2) Connected Transactions

On 19 March 2021, the Resolution in relation to the Signing of the Service and Supply Agreement for Years from 2021 to 2023 between the Company and China Baowu and the Continuing Connected Transaction (including the Annual Amount Caps thereon) was approved at the thirty-fifth meeting of the eighth session of the Board of the Company. The Service and Supply Agreement agreed that the aggregate amount for the products provided to China Baowu Steel Group Corporation Limited (“**China Baowu**”) and its subsidiaries (collectively, “**China Baowu Group**”) by the Company and its subsidiaries (the “**Group**”) would not exceed RMB49,741 million for the period from 1 April 2021 to 31 December 2023, and the aggregate amount for the products, materials and services provided to the Group by China Baowu Group would not exceed RMB87,990 million for the period from 1 April 2021 to 31 December 2023. On 1 April 2021, the Company and China Baowu entered into the Service and Supply Agreement with a term from 1 April 2021 to 31 December 2023.

On 19 March 2021, the Resolution in relation to the Signing of the Financial Service Agreement between the Company and Baowu Finance Company and the connected transaction was approved at the thirty-fifth meeting of the eighth session of the Board of the Company. The Financial Service Agreement agreed that, during the period from the date of consideration and approval at the general meeting of the Company to 31 December 2023: in respect to the comprehensive credit services, the maximum daily credit limit provided to the Company by Baowu Group Finance Co., Ltd. (“**Baowu Finance Company**”) would be RMB2 billion; in respect to the deposit service under the treasury management services, the maximum daily balance limit for deposit cash of deposit service provided to the Company by Baowu Finance Company would be RMB2 billion; in respect to the treasury management services (other than deposit service) as well as the other financial services, the maximum cap of the service charges for services provided to the Company by Baowu Finance Company would be RMB1 million (other than acceptance charge, settlement handling fee, handling fee for opening letter of credit and other fees charged by banks on behalf). On 1 April 2021, the Company and Baowu Finance Company entered into the Financial Service Agreement.

(3) Release of Share Pledge

On 12 January 2018, the Company received a notice from Chongqing Changshou Iron & Steel Company Limited (“**Changshou Iron & Steel**”) that Changshou Iron & Steel had pledged the 2,096,981,600 unrestricted tradable shares of the Company held by it to China Development Bank Corporation (“**CDB**”), with Changshou Iron & Steel as the pledger and CDB as the pledgee. The date of registration of the pledge was 11 January 2018.

On 30 March 2021, the Company received from China Securities Depository and Clearing Corporation Limited the Notice on Registration of the Release of Pledged Securities (《證券質押登記解除通知書》), which stated that the registration of the pledge of 2,096,981,600 unrestricted tradable shares to CDB by Changshou Iron & Steel has been discharged. Time of pledge release is 24 March 2021. The accumulative number of pledged shares of the Company was zero after Changshou Iron & Steel released the above share pledge.

3.3 Undertakings not being fully performed during the reporting period

Applicable Not applicable

3.4 Warning and explanation on 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

In the first quarter of 2021, as the Company seized the favorable opportunity of the recovery of the iron and steel market, the scale benefit of production and sales increased steadily, and the net profit attributable to the shareholders of the Company amounted to RMB1,092 million, representing a year-on-year increase of 26,078.10%. In view of this, it is expected that the accumulated net profit at the end of the next reporting period of the Company will increase significantly as compared to the corresponding period of last year.

Company Name	Chongqing Iron & Steel Company Limited
Legal Representative	Liu Jianrong
Date	29 April 2021

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet

31 March 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	31 March 2021	31 December 2020
Current assets:		
Cash and bank balance	3,673,465	4,943,231
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Bills receivable		
Accounts receivable	115,264	35,041
Receivables financing	2,264,930	2,068,546
Prepayments	895,160	534,516
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Other receivables	13,822	18,013
Including: Interests receivable		
Dividends receivable		
Proceeds from financial assets purchased under agreements to resell		
Inventories	6,995,174	5,054,908
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	402,119	394,153
Total current assets	14,359,934	13,048,408

Item	31 March 2021	31 December 2020
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	51,237	79,494
Other equity instruments investments	5,000	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	16,676,243	16,630,788
Construction in progress	3,663,684	2,844,665
Biological assets for production		
Fuel assets		
Right-of-use assets	4,004,335	4,095,211
Intangible assets	2,391,602	2,394,593
Development expenses		
Goodwill	353,908	295,407
Long-term deferred expenditures	373,624	299,730
Deferred income tax assets	131,468	131,468
Other non-current assets	125,560	125,092
	<hr/>	<hr/>
Total non-current assets	27,776,661	26,901,448
	<hr/> <hr/>	<hr/> <hr/>
Total assets	42,136,595	39,949,856
	<hr/> <hr/>	<hr/> <hr/>

Item	31 March 2021	31 December 2020
Current liabilities:		
Short-term borrowings	1,385,055	700,788
Borrowings from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable	2,140,183	1,272,291
Accounts payable	3,627,877	2,652,728
Advances from customers		
Contract liabilities	2,507,375	2,554,165
Disposal of repurchased financial assets		
Deposit taking and deposit in interbank market		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Employee remuneration payable	256,824	283,969
Taxes payable	35,184	9,177
Other payables	1,001,138	1,567,618
Including: Interests payable		
Dividends payable		
Handling charges and commissions payable		
Payable to reinsurers		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,952,007	4,056,471
Other current liabilities	325,959	332,041
Total current liabilities	<u>13,231,602</u>	<u>13,429,248</u>

Item	31 March 2021	31 December 2020
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	435,000	450,000
Debentures payable	995,848	995,150
Including: Preferential shares		
Perpetual bonds		
Lease liabilities	2,946,099	3,022,612
Long-term payables	2,685,914	1,352,264
Long-term employee remuneration payable	164,714	179,557
Accrued liabilities		
Deferred income	38,309	35,902
Deferred income tax liabilities	1,176	1,176
Other non-current liabilities	503,430	445,480
	<hr/>	<hr/>
Total non-current liabilities	7,770,490	6,482,141
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	21,002,092	19,911,389
	<hr/> <hr/>	<hr/> <hr/>

Item	31 March 2021	31 December 2020
Owners' equity (or Shareholders' equity):		
Paid-in capital (or share capital)	8,918,602	8,918,602
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	19,282,147	19,282,147
Less: Treasury stock	65,940	65,940
Other comprehensive income		
Special reserve	25,808	22,184
Surplus reserve	606,991	606,991
General risk provision		
Undistributed profit	-7,633,105	-8,725,517
Total equity attributable to owners of the parent company (or shareholders' equity)	21,134,503	20,038,467
Minority interests	_____	_____
Total owners' equity (or shareholders' equity)	<u><u>21,134,503</u></u>	<u><u>20,038,467</u></u>
Total liabilities and owners' equity (or shareholders' equity)	<u><u>42,136,595</u></u>	<u><u>39,949,856</u></u>

Chairman of the Company: *Chief Financial Officer:* *Chief Accountant:*
Liu Jianrong **Zou An** **Lei Xiaodan**

Balance Sheet of the Parent Company

31 March 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	31 March 2021	31 December 2020
Current assets:		
Cash and bank balance	3,665,281	4,925,021
Held-for-trading financial assets		
Derivative financial assets		
Bills receivable		
Accounts receivable	111,661	39,503
Receivables financing	2,264,930	2,062,046
Prepayments	995,821	516,190
Other receivables	55,897	17,181
Including: Interests receivable		
Dividends receivable		
Inventories	6,956,566	5,015,067
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	394,700	383,123
Total current assets	14,444,856	12,958,131

Item	31 March 2021	31 December 2020
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	1,043,525	917,104
Other equity instruments investments	5,000	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	15,551,682	15,705,686
Construction in progress	3,662,891	2,844,665
Biological assets for production		
Fuel assets		
Right-of-use assets	4,004,335	4,095,211
Intangible assets	2,314,407	2,329,901
Development expenses		
Goodwill		
Long-term deferred expenditures	373,624	299,730
Deferred income tax assets	87,897	87,653
Other non-current assets	89,141	87,173
	<hr/>	<hr/>
Total non-current assets	27,132,502	26,372,123
	<hr/> <hr/>	<hr/> <hr/>
Total assets	41,577,358	39,330,254
	<hr/> <hr/>	<hr/> <hr/>

Item	31 March 2021	31 December 2020
Current liabilities:		
Short-term borrowings	1,381,202	700,788
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable	2,140,183	1,256,400
Accounts payable	3,630,484	2,692,577
Advances from customers		
Contract liabilities	2,507,374	2,554,123
Employee remuneration payable	256,677	280,322
Taxes payable	30,907	6,822
Other payables	998,487	1,565,471
Including: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,650,727	3,711,113
Other current liabilities	325,959	332,036
Total current liabilities	<u>12,922,000</u>	<u>13,099,652</u>

Item	31 March 2021	31 December 2020
Non-current liabilities:		
Long-term borrowings	435,000	450,000
Debentures payable	995,848	995,150
Including: Preferential shares Perpetual bonds		
Lease liabilities	2,946,099	3,022,612
Long-term payables	2,570,833	1,125,491
Long-term employee remuneration payable	164,714	179,557
Accrued liabilities		
Deferred income	38,309	35,902
Deferred income tax liabilities		
Other non-current liabilities	503,430	445,480
	<u>7,654,233</u>	<u>6,254,192</u>
Total non-current liabilities	<u>7,654,233</u>	<u>6,254,192</u>
	<u>20,576,233</u>	<u>19,353,844</u>
Total liabilities	<u>20,576,233</u>	<u>19,353,844</u>
Owners' equity (or Shareholders' equity):		
Paid-in capital (or share capital)	8,918,602	8,918,602
Other equity instruments		
Including: Preferential shares Perpetual bonds		
Capital reserve	19,313,090	19,313,090
Less: Treasury stock	65,940	65,940
Other comprehensive income		
Special reserve	22,225	19,398
Surplus reserve	577,012	577,012
Undistributed profit	-7,763,864	-8,785,752
	<u>21,001,125</u>	<u>19,976,410</u>
Total owners' equity (or shareholders' equity)	<u>21,001,125</u>	<u>19,976,410</u>
	<u>41,577,358</u>	<u>39,330,254</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>41,577,358</u>	<u>39,330,254</u>

Chairman of the Company: **Liu Jianrong**
Chief Financial Officer: **Zou An**
Chief Accountant: **Lei Xiaodan**

Consolidated Income Statement

January to March 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2021	First quarter of 2020
I. Total revenue from operations	9,978,422	5,178,323
Including: Revenue from operations	9,978,422	5,178,323
Interest income		
Premiums earned		
Income from fee and commission		
II. Total operating costs	8,900,287	5,177,630
Including: Operating costs	8,658,553	4,931,502
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	36,154	40,884
Selling expenses	18,800	26,476
Administrative expenses	117,136	133,711
R&D expenses		
Finance cost	69,644	45,057
Including: Interest expenses	82,602	53,507
Interest income	-26,634	-9,023
Add: Other income	13,735	592
Gains from investment (loss is represented by “-”)		3,159
Including: Gains from investment in associates and joint ventures		

Item	First quarter of 2021	First quarter of 2020
Gains from derecognition of financial assets measured at amortized cost		
Exchange gain (loss is represented by “-”)		
Income on hedging the net exposure (loss is represented by “-”)		
Gain from change in fair value (loss is represented by “-”)		
Credit impairment loss (loss is represented by “-”)		
Asset impairment loss (loss is represented by “-”)		
Gain on disposal of assets (loss is represented by “-”)		
III. Profit from operations (loss is represented by “-”)	1,091,870	4,444
Add: Non-operating income	924	166
Less: Non-operating expenses	382	280
IV. Total profit (total loss is represented by “-”)	1,092,412	4,330
Less: Income tax expense		157
V. Net profit (net loss is represented by “-”)	1,092,412	4,173
(I) Classified on a going concern basis		
1. Net profit from continuing operations (net loss is represented by “-”)	1,092,412	4,173
2. Net profit from discontinued operations (net loss is represented by “-”)		
(II) Classified according to the ownership		
1. Net profit attributable to shareholders of the parent company (net loss is represented by “-”)	1,092,412	4,173
2. Profit or loss attributable to minority shareholders (net loss is represented by “-”)		

Item	First quarter of 2021	First quarter of 2020
VI. Other comprehensive income (net of tax)		
(I) Other comprehensive income (net of tax) attributable to owners of the parent company		
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Changes in re-measurement of defined benefit plan		
(2) Other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		
(3) Changes in fair value of other equity instruments investment		
(4) Changes in fair value of the enterprise's own credit risk		
2. Other comprehensive income that will be reclassified to profit or loss		
(1) Other comprehensive income accounted for using equity method that will be reclassified to profit and loss		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Hedging reserve for cash flows		
(6) Exchange difference on translation of foreign currency financial statements		
(7) Others		
(II) Other comprehensive income (net of tax) attributable to minority shareholders		

Income Statement of the Parent Company

January to March 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2021	First quarter of 2020
I. Revenue from operations	9,978,832	5,187,760
Less: Operating costs	8,740,579	4,941,631
Taxes and surcharges	33,586	40,848
Selling expenses	18,801	26,444
Administrative expenses	110,202	133,712
R&D expenses		
Finance cost	60,270	45,061
Including: Interest expenses	74,724	53,507
Interest income	-26,604	-9,018
Add: Other income	991	592
Gains from investment (loss is represented by “-”)		3,159
Including: Gains from investment in associates and joint ventures		
Gains from derecognition of financial assets measured at amortized cost		
Income on hedging the net exposure (loss is represented by “-”)		
Gain from change in fair value (loss is represented by “-”)		
Credit impairment loss (loss is represented by “-”)		
Asset impairment loss (loss is represented by “-”)		
Gain on disposal of assets (loss is represented by “-”)		

Item	First quarter of 2021	First quarter of 2020
II. Profit from operations (loss is represented by “-”)	1,016,385	3,815
Add: Non-operating income	782	166
Less: Non-operating expenses	2	280
III. Total profit (total loss is represented by “-”)	1,017,165	3,701
Less: Income tax expense		
IV. Net profit (net loss is represented by “-”)	1,017,165	3,701
(I) Net profit from continuing operations (net loss is represented by “-”)	1,017,165	3,701
(II) Net profit from discontinued operations (net loss is represented by “-”)		
V. Other comprehensive income (net of tax)		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes in re-measurement of defined benefit plan		
2. Other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instruments investment		
4. Changes in fair value of the enterprise’s own credit risk		

Item	First quarter of 2021	First quarter of 2020
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income accounted for using equity method that will be reclassified to profit and loss		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified to other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Hedging reserve for cash flows		
6. Exchange difference on translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	1,017,165	3,701
VII. Earnings per share:		
(I) Basic earnings per share (<i>RMB per share</i>)	0.11	0.0004
(II) Diluted earnings per share (<i>RMB per share</i>)	0.11	0.0004
<i>Chairman of the Company:</i>	<i>Chief Financial Officer:</i>	<i>Chief Accountant:</i>
Liu Jianrong	Zou An	Lei Xiaodan

Consolidated Cash flow Statement

January to March 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2021	First quarter of 2020
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	9,484,800	4,152,133
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 contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fee and commission		
Net increase in placements from banks and other financial institutions		
Net increase in capital from repurchase business		
Net cash received from trading in securities		
Refunds of taxes	7,831	
Other cash received relating to operating activities	41,554	85,483
Sub-total of cash inflow from operating activities	9,534,185	4,237,616

Item	First quarter of 2021	First quarter of 2020
Cash paid for goods purchased and service received	10,165,145	3,983,601
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 contracts		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fee and commission		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	341,130	229,884
Cash paid for all types of taxes	27,166	141,908
Other cash paid relating to operating activities	31,833	95,298
	<hr/>	<hr/>
Sub-total of cash outflow from operating activities	10,565,274	4,450,691
	<hr/> <hr/>	<hr/> <hr/>
Net cash flow from operating activities	-1,031,089	-213,075
	<hr/> <hr/>	<hr/> <hr/>
II. Cash flows from investment activities:		
Cash received from disposal of investments		200,000
Cash received from return on investments		3,159
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		
	<hr/>	<hr/>
Sub-total of cash inflow from investing activities		203,159
	<hr/> <hr/>	<hr/> <hr/>

Item	First quarter of 2021	First quarter of 2020
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	89,347	
Cash paid for investments		33,000
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities	114,449	
Other cash paid relating to investing activities		
	<hr/>	<hr/>
Sub-total of cash outflow from investing activities	203,796	33,000
	<hr/> <hr/>	<hr/> <hr/>
Net cash flow from investing activities	-203,796	170,159
	<hr/> <hr/>	<hr/> <hr/>
III. Cash flow from financing activities:		
Cash received from investments		
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	1,380,000	500,000
Other cash received relating to financing activities	1,757,950	1,052,500
	<hr/>	<hr/>
Sub-total of cash inflow from financing activities	3,137,950	1,552,500
	<hr/> <hr/>	<hr/> <hr/>

Item	First quarter of 2021	First quarter of 2020
Cash paid for repayment of debts	3,054,910	
Cash paid for distribution of dividends and profits or for interest expenses	107,166	41,128
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	220,474	85,000
	<hr/>	<hr/>
Sub-total of cash outflow from financing activities	3,382,550	126,128
	<hr/> <hr/>	<hr/> <hr/>
Net cash flow from financing activities	-244,600	1,426,372
	<hr/> <hr/>	<hr/> <hr/>
IV. Effect of fluctuation in exchange rates on cash and cash equivalents	1,754	
V. Net increase in cash and cash equivalents	-1,477,731	1,383,456
Add: Balance of cash and cash equivalents at the beginning of the period	4,698,099	1,595,323
VI. Balance of cash and cash equivalents at the end of the period	3,220,368	2,978,779
<i>Chairman of the Company:</i>	<i>Chief Financial Officer:</i>	<i>Chief Accountant:</i>
Liu Jianrong	Zou An	Lei Xiaodan

Cash Flow Statement of the Parent Company
January to March 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First quarter of 2021	First quarter of 2020
I. Cash flow from operating activities:		
Cash received from sale of goods and rendering of services	9,466,310	4,037,899
Refunds of taxes		
Other cash received relating to operating activities	41,355	85,079
	<hr/>	<hr/>
Sub-total of cash inflow from operating activities	9,507,665	4,122,978
	<hr/> <hr/>	<hr/> <hr/>
Cash paid for goods purchased and service received	10,465,361	3,870,743
Cash paid to and on behalf of employees	323,420	229,884
Cash paid for all types of taxes	7,476	141,619
Other cash paid relating to operating activities	31,594	94,875
	<hr/>	<hr/>
Sub-total of cash outflow from operating activities	10,827,851	4,337,121
	<hr/> <hr/>	<hr/> <hr/>
Net cash flow from operating activities	-1,320,186	-214,143
	<hr/> <hr/>	<hr/> <hr/>

Item	First quarter of 2021	First quarter of 2020
II. Cash flows from investment activities:		
Cash received from disposal of investments		200,000
Cash received from return on investments		3,159
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		203,159
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	82,153	
Cash paid for investments		33,000
Net cash paid for acquiring subsidiaries and other operating entities	114,449	
Other cash paid relating to investing activities		
Sub-total of cash outflow from investing activities	196,602	33,000
Net cash flow from investing activities	-196,602	170,159

4.2 Adjustments to relevant items in the opening financial statements upon initial application of the New Lease Standard Since 2021

Applicable Not applicable

4.3 Retrospective adjustments to comparative figures of previous periods upon initial application of the New Lease Standard Since 2021

Applicable Not applicable

4.4 Auditor's report

Applicable Not applicable

By order of the Board
Chongqing Iron & Steel Company Limited
Liu Jianrong
Chairman

Chongqing, the PRC, 30 April 2021

As at the date of this announcement, the Directors of the Company are Mr. Liu Jianrong (Executive Director), Mr. Zhang Wenxue (Executive Director), Mr. Tu Deling (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director), Mr. Xu Yixiang (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).