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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)

### **THIRD QUARTERLY REPORT OF 2020**

#### **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 have attended the Board meeting to consider the quarterly report.
- 1.3 Mr. Zhang Jingang, the chairman of the Company, Mr. Zou An, the chief financial officer and Ms. 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 third quarterly report of the Company was unaudited.
- 1.5 Operating highlights of the Company

During the third quarter, the level of production and operation of the Company had remained steady, the volume of production and sales had continued to increase and the business performance had continued to improve. The production of iron, steel and steel products amounted to 1,720,000 tonnes, 2,010,000 tonnes and 1,910,000 tonnes, representing a quarter-on-quarter increase of 370,000 tonnes, 370,000 tonnes and 350,000 tonnes, respectively; the sales volume of steel amounted to 1,930,000 tonnes, representing a quarter-on-quarter increase of 280,000 tonnes. The operating income of the Company reached RMB7,000 million, representing a quarter-on-quarter increase of RMB1,300 million; and the profits reached RMB250 million, representing a quarter-on-quarter increase of RMB130 million.

During the third quarter, the Company had carried out comprehensive and in-depth benchmarking and increased efforts in cost reduction and efficiency enhancement. The main technical and economic indicators were significantly improved, and various types of consumption were significantly reduced. The capacity factor of No.1 blast furnace reached 3.1t/m<sup>3</sup>.d, and the fuel ratio decreased to 504kg/t, which was in the forefront of the same type of blast furnace in China. The cost of pig iron was lower than the industry average.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Major financial data

*Unit: RMB'000*

	<b>As at the end of the reporting period</b>	As at the end of the previous year	Changes from the end of the previous year (%)
Total assets	<b>31,755,475</b>	26,975,726	17.72
Net assets attributable to the shareholders of the Company	<b>19,774,408</b>	19,396,003	1.95
	<b>From the beginning of year to the end of the reporting period (January to September)</b>	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	<b>485,587</b>	-906,420	Not applicable

	<b>From the beginning of year to the end of the reporting period (January to September)</b>	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	<b>17,925,894</b>	17,284,339	3.71
Net profit attributable to the shareholders of the Company	<b>370,332</b>	719,901	-48.56
Net profit attributable to the shareholders of the Company after extraordinary profit or loss	<b>353,823</b>	689,194	-48.66
			Decrease by 1.93
Return on net assets (weighted average) (%)	<b>1.89</b>	3.82	percentage point
Basic earnings per share ( <i>RMB per share</i> )	<b>0.042</b>	0.081	-48.15
Diluted earnings per share ( <i>RMB per share</i> )	<b>0.042</b>	0.081	-48.15

## Extraordinary profit and loss items and amounts

Applicable  Not applicable

*Unit: RMB'000*

<b>Item</b>	<b>Amount for the period (July to September)</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>
Profit or loss on disposal of non-current assets	0	-197
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	1,877	8,392
Capital occupancy fee from non-financial enterprises recognized through profit or loss	224	543
Gains or losses on changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other equity investments, excluding those arising from effective hedging business related to operating activities of the Company	0	6,791
Other non-operating income and expenses other than the above items	846	980
Total	<u>2,947</u>	<u>16,509</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 138,210

**Shareholdings of 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	Share status	Pledged and frozen status Number	Nature of shareholders
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	23.51	0	Pledged	2,096,981,600	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED	531,238,021	5.96	0	Unknown	–	Overseas legal person
Chongqing Qianxin Group Co., Ltd.	427,195,760	4.79	0	Pledged	427,190,070	Unknown
Chongqing Rural Commercial Bank Co., Ltd.	289,268,939	3.24	0	Nil	0	Unknown
Chongqing Guochuang Investment and Management Co., Ltd.	278,288,059	3.12	0	Nil	0	Unknown
Sinosteel Equipment & Engineering Co., Ltd.	252,411,692	2.83	0	Nil	0	Unknown
Bank of Chongqing Co., Ltd.	226,042,920	2.53	0	Nil	0	Unknown
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	Unknown
China Shipbuilding Industrial Complete Equipment & Logistics Co., Ltd.	211,461,370	2.37	0	Nil	0	Unknown

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

Name of shareholder	Number of shares not subject to trading moratorium	Class	Class and number of shares Number
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	RMB-denominated ordinary shares	2,096,981,600
HKSCC NOMINEES LIMITED	531,238,021	Overseas listed foreign shares	531,238,021
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 no connected relationship between Chongqing Changshou Iron & Steel Company Limited (the controlling shareholder of the Company) and the other 9 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 thereof

Applicable  Not applicable

From January to September in 2020, the Group realized a total profit of RMB370 million, representing a year-on-year decrease of 48.67%, which was mainly due to the following reasons: the overall selling price of steel products amounted to RMB3,400/tonne, representing a year-on-year decrease of 2.55% and resulting in a decrease of RMB409 million in profit; the sales volume of steel products reached 5,073,700 tonnes, representing a year-on-year increase of 7.21%, and achieving an increase of RMB60 million in profit due to the change of the product structure; the Company continuously promoted cost reduction, thus critical technical and economic indicators improved significantly, consumption obviously reduced, and the cost in the aspect of process represented a year-on-year decrease of RMB231 million in profit.

From January to September in 2020, the Group recorded revenue from main businesses of RMB17,846 million, representing a year-on-year increase of 3.95%, including revenue from the sale of steel products amounted to RMB17,253 million, representing an increase of RMB740 million from the same period last year. Firstly, the sales of steel products totaled 5,073,700 tonnes, representing a year-on-year increase of 7.21% and resulting in an increase of RMB1,148 million in sales revenue; secondly, the average selling price of steel products amounted to RMB3,400/tonne, representing a year-on-year decrease of 2.55% and resulting in a decrease of RMB409 million in sales revenue.

**(1) Main business by sectors, products**

*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	17,846,293	16,804,618	5.84	3.95	6.76	-2.47

**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 (%)
Rolled steel billet	17,252,510	16,202,022	6.09	4.48	7.28	-2.45
Others	593,783	602,597	-1.48	-9.38	-5.62	-4.04

## (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 (%)	Year-on-year change (%)	Explanation
Cash and bank balances	3,322,469	10.46	1,783,747	6.61	86.26	Increase in financing
Financial assets held for trading			400,000	1.48	-100.00	Redemption of wealth management products
Trade receivables	9,639	0.03	5,610	0.02	71.82	Discrepancy in time for settlement of energy receivables outstanding
Receivables financing	2,207,851	6.95	861,373	3.19	156.32	Decrease in endorsement amount of notes receivable and discount
Other receivables	49,238	0.16	78,132	0.29	-36.98	Receipt of special fund for industrial development for 2019
Other current assets	139,767	0.44	43,410	0.16	221.97	Increase in taxes to be verified
Long-term equity investments	79,498	0.25	28,258	0.10	181.33	Purchase of equity interest in Chongqing Luyang Chemical Co., Ltd. (重慶路 洋化工有限公司), Baowu Raw Materials Procurement Service Company Limited(寶 武原料供應有限 公司)
Construction in process	1,321,422	4.16	171,858	0.64	668.90	Increase in investments in fixed assets projects

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 (%)	Year-on-year change (%)	Explanation
Goodwill	335,067	1.06			Not applicable	Goodwill arising from acquisition and consolidation of equity interest in Qianxin Energy
Short-term borrowings	700,688	2.21	384,528	1.43	82.22	New borrowings amounting to RMB0.5 billion from Baosteel Finance Co., Ltd, borrowings amounting to RMB0.2 billion from ZheShang Bank Co., Ltd.
Bills payable	207,128	0.65	91,127	0.34	127.30	Increase in bills payment
Accounts payable	2,800,660	8.82	1,726,883	6.40	62.18	Increase in purchase of coal, and changes in settlement time
Taxes payable	39,126	0.12	70,867	0.26	-44.79	No VAT payable in the period
Other payables	935,298	2.95	421,768	1.56	121.76	Increase in construction payables
Long-term borrowing	450,000	1.42			Not applicable	Mergers & Acquisitions loan amounting to RMB500 million granted by China Merchants Bank
Debentures payable	994,437	3.13			Not applicable	Issuance of medium-term notes in 2020
Long-term payables	526,480	1.66			Not applicable	New finance leasing

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

Applicable     Not applicable

#### (1) *Change of the de facto controller*

On 27 December 2019, the Company was informed by Siyuanhe Equity Investment Management Co., Ltd. (“**Siyuanhe Investment**”), the de facto controller of the Company, that Siyuanhe Investment and China Baowu Steel Group Corporation Limited (“**China Baowu**”) had signed a Letter of Intent, pursuant to which China Baowu intended to become the de facto controller of the Company. For details, please refer to the Indicative Announcement on Execution of the Letter of Intent by the De Facto Controller of the Company and Proposed Change of Control which was published on 28 December 2019 by the Company (2019-047).

On 29 June 2020, the Company received Letter on Matters in Relation to the Letter of Intent from Siyuanhe Investment. China Baowu was in the course of performing internal decision-making and approval procedures. Siyuanhe Investment and China Baowu as well as other parties involved in the proposed transaction will strive to accomplish the decision-making and approval procedures for the proposed transaction as soon as possible, so as to procure China Baowu to be the de facto controller of the Company. For details, please refer to the Announcement on the Progress of the Execution of the Letter of Intent by the De Facto Controller of the Company and Proposed Change of Control which was published on 30 June 2020 by the Company (2020-035).

On 12 June 2020, Siyuanhe Investment and Sichuan Desheng Group Vanadium & Titanium Co., Ltd. (“**Desheng Group**”, a limited partner of the indirect controlling shareholder of the Company) had jointly and conditionally entered into a Partnership Equity Transfer Agreement, in which the transfer of part of the partnership equity held by Siyuanhe Investment (being the capital contribution of RMB60,999,999 and paid-in capital of RMB60,999,999) in Siyuanhe (Chongqing) Iron & Steel Industrial Development and Equity Investment Fund Partnership (Limited Partnership) (the “**Siyuanhe Industrial Development Fund**”, an indirect controlling shareholder of the Company) to Desheng Group was agreed. The aforementioned partnership equity transfer is a transfer of capital contribution among the partners of Siyuanhe Industrial Development Fund. The agreement neither triggers any effective conditions, nor causes any change in the de facto controller of the Company.

On 16 September 2020, Siyuanhe Industrial Development Fund, China Baowu and Desheng Group had signed an Equity Transfer Agreement in respect of the distribution in kind of the 75% equity interests in Chongqing Changshou Iron & Steel Company Limited (“**Changshou Iron & Steel**”, a controlling shareholder of the Company) held by Siyuanhe Industrial Development Fund, in which it was agreed that Siyuanhe Industrial Development Fund shall be dissolved along with the transfer of the shares of Siyuanhe Industrial Fund by Siyuanhe Investment to Desheng Group, and the equity interests of Changshou Iron & Steel held by Siyuanhe Industrial Development Fund will be distributed in kind to China Baowu and Desheng Group. On the same day, China Baowu had entered into an Acting in Concert Agreement with Chongqing Strategic Emerging Equity Investment Fund Partnership (Limited Partnership) (“**Strategic Emerging Fund**”, a shareholder of the indirect controlling shareholder of the Company) and Chongqing Yufu Assets Equity Investment Fund Management Co., Ltd. (“**Yufu Assets**”, the executive partner of Strategic Emerging Fund), pursuant to which, each party agrees that Strategic Emerging Fund, as the shareholder of Changshou Iron & Steel, shall act in concert with China Baowu in accordance with the Acting in Concert Agreement and exercise the shareholder rights of Strategic Emerging Fund in Changshou Iron & Steel in accordance with the opinions of China Baowu, so as to ensure that China Baowu obtains the de facto control over Changshou Iron & Steel and Chongqing Iron & Steel. Yufu Assets shall procure Strategic Emerging Fund to act in concert with China Baowu in accordance with the Acting in Concert Agreement.

The change in equity interests is due to Siyuanhe Investment, the original de facto controller of the Company, will transfer the partnership equity in Siyuanhe Industrial Development Fund to Desheng Group. Meanwhile, Siyuanhe Industrial Development Fund will be dissolved and will make distribution in kind to China Baowu and Desheng Group with 75% equity interests in Changshou Iron & Steel in proportion to their respective paid-in capital contributions. China Baowu will be allocated 40% equity interests in Changshou Iron & Steel and enter into an acting in concert agreement with Strategic Emerging Fund to obtain control over Changshou Iron & Steel, thereby indirectly controlling 2,096,981,600 shares of the Company, representing 23.51% of the total share capital of the Company. China Baowu will become the de facto controller of the Company. For details, please refer to the Indicative Announcement on Changes in Shareholders’ Equity and De Facto Controller (Announcement No.: 2020–048), the Long Form Equity Change Report and Short Form Equity Change Report and other relevant announcements disclosed by the Company on 17 September 2020 and 19 September 2020, respectively.

**(2) Online bidding for acquisition of equity interest**

On 27 March 2020, the Company held the 20th meeting of the eighth session of the board of directors, at which The Resolution in Relation to Participation in Online Bidding for Acquisition of 100% Equity Interest in Chongqing Qianxin Energy Environmental Protection Company Limited (重慶千信能源環保有限公司) was considered and approved. The Company was granted approval to participate in the online bidding for 100% equity interest in Chongqing Qianxin Energy Environmental Protection Company Limited (“**Qianxin Energy**”) held by Chongqing Qianxin Group Co., Ltd. (“**Qianxin Group**”) based on its needs for business development, and the management was authorized to sign relevant agreements, documents and handle other related specific matters in accordance with relevant procedures and laws and regulations. For details, please refer to the Announcement of Resolutions Passed at the 20th Meeting of the Eighth Session of the Board (Announcement No.: 2020–010) disclosed by the Company on 30 March 2020.

On 15 July 2020, the Company and Qianxin Group signed the Equity Transaction Contract in Changshou District, Chongqing. The price of the equity transfer was RMB836,623,600. The Equity Transaction Contract shall come into effect from the date of signing and sealing by the Company and Qianxin Group, i.e., 15 July 2020. For details, please refer to the Further Announcement on Participation in Online Bidding for Acquisition of 100% Equity Interest in Chongqing Qianxin Energy Environmental Protection Company Limited (Announcement No.: 2020–042) disclosed by the Company on 16 July 2020.

Qianxin Energy has completed the change of industrial and commercial registration and become a wholly-owned subsidiary of the Company. The goodwill of the Company arising from this transaction at consolidation level was RMB335 million.

**(3) Termination of Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution**

On 27 March 2020, the Resolution on Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution was considered and approved at the 20th meeting of the eighth session of the board of directors of the Company. The Company was approved to participate, as a limited partner, in the joint establishment of a partnership for the bidding of 100% equity interest in Chongqing Iron & Steel (Group) Co., Ltd. (“**Chonggang Group**”) through capital contribution. Such issue has been submitted to the general meeting for consideration. On 29 April 2020, the Resolution on Supplemental Matters of Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution was considered and approved at the 21st meeting of the eighth session of the board of directors of the Company. On the basis of the principles and matters determined in the Resolution, matters including, among other things, the specific plans and methods of the Company to secure the assets it intended to acquire as a limited partner, other parties participating in the joint establishment of the partnership through capital contribution and the terms of agreements, have been further clarified. On 16 June 2020, the Resolution on Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution was considered and approved at the 2019 annual general meeting of the Company.

Please refer to the Announcement of Resolutions Passed at the 20th Meeting of the Eighth Session of the Board (Announcement No.: 2020–010) and the Announcement on Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution (Announcement No.: 2020–013) disclosed by the Company on 30 March 2020; the Announcement of Resolutions Passed at the 21th Meeting of the Eighth Session of the Board (Announcement No.: 2020–021) and the Further Announcement on Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution (Announcement No.: 2020–024) disclosed on 30 April 2020; and the Announcement of Resolutions Passed at the 2019 Annual General Meeting (Announcement No.: 2020–029) disclosed on 17 June 2020, for details of and deliberations on the related investment.

In September 2020, the information disclosure period for the project in relation to the transfer of 100% equity interest in Chonggang Group had expired and no intended transferee had been identified during the listing period. The Chongqing State-owned Assets Supervision and Administration Commission, transferor of the project, did not extend the listing period or re-list the project.

Therefore, the Company decided to terminate its investment in the joint establishment of special fund for acquisition of Chonggang Group through capital contribution. As no partnership has actually been established by the Company through capital contribution yet, the termination of the related investment will not have impact on the financial and operating conditions of the Company, nor harm the interests of the Company and its minority shareholders. For details, please refer to the Announcement on Termination of Related Investment in Relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution (Announcement No.: 2020-049) disclosed by the Company on 14 October 2020.

**3.3 Undertakings not being fully performed timely during the reporting period**

Applicable  Not applicable

**3.4 Warning of and explanation on reasons for 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

Company Name **Chongqing Iron & Steel Company Limited**  
Legal Representative **Liu Jianrong**  
Date 26 October 2020

## IV. APPENDICES

### 4.1 Financial statements

#### Consolidated Balance Sheet

30 September 2020

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

<b>Item</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
<b>Current assets:</b>		
Cash and bank balance	<b>3,322,469</b>	1,783,747
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets		400,000
Derivative financial assets		
Bills receivable		
Accounts receivable	<b>9,639</b>	5,610
Receivables financing	<b>2,207,851</b>	861,373
Prepayments	<b>856,180</b>	751,498
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Other receivables	<b>49,238</b>	78,132
Including: Interests receivable		
Dividends receivable		
Proceeds from financial assets purchased under agreements to resell		
Inventories	<b>4,088,186</b>	3,931,513
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	<b>139,767</b>	43,410
<b>Total current assets</b>	<b><u>10,673,330</u></b>	<b><u>7,855,283</u></b>

<b>Item</b>	<b>30 September 2020</b>	31 December 2019
<b>Non-current assets:</b>		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	<b>79,498</b>	28,258
Other equity instruments investments	<b>5,000</b>	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	<b>16,880,549</b>	16,442,264
Construction in progress	<b>1,321,422</b>	171,858
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	<b>2,391,899</b>	2,392,114
Development expenses		
Goodwill	<b>335,067</b>	
Long-term deferred expenditures		
Deferred income tax assets	<b>68,710</b>	68,436
Other non-current assets		12,513
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b><u>21,082,145</u></b>	<b><u>19,120,443</u></b>
<b>Total assets</b>	<b><u>31,755,475</u></b>	<b><u>26,975,726</u></b>

<b>Item</b>	<b>30 September 2020</b>	31 December 2019
<b>Current liabilities:</b>		
Short-term borrowings	<b>700,688</b>	384,528
Borrowings from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable	<b>207,128</b>	91,127
Accounts payable	<b>2,800,660</b>	1,726,883
Advances from customers		
Contract liabilities	<b>1,418,663</b>	1,145,615
Disposal of repurchased financial assets		
Deposit taking and deposit in interbank market		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Employee benefits payable	<b>218,553</b>	257,143
Taxes payable	<b>39,126</b>	70,867
Other payables	<b>935,298</b>	421,768
Including: Interests payable		
Dividends payable		
Handling charges and commissions payable		
Payable to reinsurers		
Held-for-sale liabilities		
Non-current liabilities due within one year	<b>867,825</b>	841,576
Other current liabilities	<b>184,426</b>	150,208
<b>Total current liabilities</b>	<b><u>7,372,367</u></b>	<b><u>5,089,715</u></b>

<b>Item</b>	<b>30 September 2020</b>	31 December 2019
<b>Non-current liabilities:</b>		
Deposits for insurance contracts		
Long-term borrowings	<b>450,000</b>	
Debentures payable	<b>994,437</b>	
Including: Preferential shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	<b>526,480</b>	
Long-term employee remuneration payable	<b>162,739</b>	201,737
Accrued liabilities		
Deferred income	<b>36,494</b>	38,271
Deferred income tax liabilities		
Other non-current liabilities	<u><b>2,438,550</b></u>	<u>2,250,000</u>
<b>Total non-current liabilities</b>	<u><b>4,608,700</b></u>	<u>2,490,008</u>
<b>Total liabilities</b>	<u><b>11,981,067</b></u>	<u>7,579,723</u>

Item	30 September 2020	31 December 2019
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	<b>8,918,602</b>	8,918,602
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	<b>19,282,147</b>	19,282,147
Less: Treasury stock	<b>65,940</b>	62,314
Other comprehensive income		
Special reserve	<b>26,272</b>	14,573
Surplus reserve	<b>606,991</b>	606,991
General risk provision		
Undistributed profit	<b>-8,993,664</b>	-9,363,996
Total equity attributable to owners of the parent company (or shareholders' equity)	<b>19,774,408</b>	19,396,003
Minority interests		
	_____	_____
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>19,774,408</u></b>	<b><u>19,396,003</u></b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u>31,755,475</u></b>	<b><u>26,975,726</u></b>

*Legal Representative:*    *Chief Financial Officer:*    *Chief Accountant:*  
**Liu Jianrong**                      **Zou An**                                      **Lei Xiaodan**

## Balance Sheet of the Parent Company

30 September 2020

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	30 September 2020	31 December 2019
<b>Current assets:</b>		
Cash and bank balance	3,285,820	1,779,736
Held-for-trading financial assets		400,000
Derivative financial assets		
Bills receivable		
Accounts receivable	10,789	5,610
Receivables financing	2,191,351	861,373
Prepayments	832,390	707,289
Other receivables	7,252	78,027
Including: Interests receivable		
Dividends receivable		
Inventories	4,046,127	3,931,513
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	138,147	43,410
<b>Total current assets</b>	<b>10,511,876</b>	<b>7,806,958</b>

<b>Item</b>	<b>30 September 2020</b>	31 December 2019
<b>Non-current assets:</b>		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	<b>917,104</b>	28,258
Other equity instruments investments	<b>5,000</b>	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	<b>15,937,611</b>	16,442,087
Construction in progress	<b>1,300,048</b>	171,858
Biological assets for production		
Fuel assets		
Right-of-use assets		
Intangible assets	<b>2,345,455</b>	2,392,114
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	<b>68,192</b>	68,192
Other non-current assets		12,513
	_____	_____
<b>Total non-current assets</b>	<b><u>20,573,410</u></b>	<b><u>19,120,022</u></b>
<b>Total assets</b>	<b><u>31,085,286</u></b>	<b><u>26,926,980</u></b>

<b>Item</b>	<b>30 September 2020</b>	31 December 2019
<b>Current liabilities:</b>		
Short-term borrowings	<b>700,688</b>	384,528
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable	<b>177,713</b>	91,127
Accounts payable	<b>2,838,920</b>	1,726,883
Advances from customers		
Contract liabilities	<b>1,369,054</b>	1,105,972
Employee benefits payable	<b>218,553</b>	257,143
Taxes payable	<b>33,487</b>	70,398
Other payables	<b>933,152</b>	421,590
Including: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	<b>519,201</b>	841,576
Other current liabilities	<b>177,977</b>	144,958
<b>Total current liabilities</b>	<b><u>6,968,745</u></b>	<b><u>5,044,175</u></b>

<b>Item</b>	<b>30 September 2020</b>	31 December 2019
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>450,000</b>	
Debentures payable	<b>994,437</b>	
Including: Preferential shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	<b>291,667</b>	
Long-term employee benefits payable	<b>162,739</b>	201,737
Accrued liabilities		
Deferred income	<b>36,494</b>	38,271
Deferred income tax liabilities		
Other non-current liabilities	<b>2,438,550</b>	2,250,000
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>4,373,887</b>	2,490,008
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities</b>	<b>11,342,632</b>	7,534,183
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2020	31 December 2019
<b>Owners' equity (or shareholders' equity)</b>		
Paid-in capital (or share capital)	<b>8,918,602</b>	8,918,602
Other equity instruments		
Including: Preferential shares		
Perpetual bonds		
Capital reserve	<b>19,313,090</b>	19,313,090
Less: Treasury stock	<b>65,940</b>	62,314
Other comprehensive income		
Special reserve	<b>22,728</b>	14,573
Surplus reserve	<b>577,013</b>	577,012
Undistributed profit	<b>-9,022,839</b>	-9,368,166
	<u>                    </u>	<u>                    </u>
<b>Total owners' equity (or shareholders' equity)</b>	<b><u>19,742,654</u></b>	<b><u>19,392,797</u></b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b><u>31,085,286</u></b>	<b><u>26,926,980</u></b>

*Legal Representative:*    *Chief Financial Officer:*    *Chief Accountant:*  
**Liu Jianrong**                      **Zou An**                                      **Lei Xiaodan**

## Consolidated Income Statement

January to September 2020

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>I. Total revenue from operations</b>	<b>6,998,527</b>	5,800,779	<b>17,925,894</b>	17,284,339
Including: Revenue from operations	<b>6,998,527</b>	5,800,779	<b>17,925,894</b>	17,284,339
Interest income				
Premiums earned				
Income from fee and commission				
<b>II. Total operating costs</b>	<b>6,759,476</b>	5,699,789	<b>17,578,660</b>	16,585,191
Including: Operating costs	<b>6,500,445</b>	5,489,742	<b>16,843,438</b>	15,831,774
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	<b>47,393</b>	31,797	<b>135,988</b>	123,991
Selling expenses	<b>34,332</b>	34,704	<b>87,687</b>	79,865
Administrative expenses	<b>122,411</b>	107,787	<b>366,504</b>	437,817
R&D expenses				
Finance cost	<b>54,895</b>	35,759	<b>145,043</b>	111,744
Including: Interest expenses	<b>73,242</b>	45,447	<b>183,935</b>	151,946
Interest income	<b>-68,301</b>	-11,725	<b>-45,099</b>	-45,194

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
Add: Other income	9,124	614	15,639	1,841
Gains from investment (loss is represented by “-”)		2,395	6,791	7,746
Including: Gains from investment in associates and joint ventures				
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 “-”)				
<b>III. Profit from operations (loss is represented by “-”)</b>	<b>248,175</b>	103,999	<b>369,664</b>	708,735
Add: Non-operating income	919	780	1,603	14,032
Less: Non-operating expenses	73	420	820	1,085
<b>IV. Total profit (total loss is represented by “-”)</b>	<b>249,021</b>	104,359	<b>370,447</b>	721,682
Less: Income tax expense	44	186	115	1,781

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>V. Net profit (net loss is represented by “-”)</b>	<b>248,977</b>	104,173	<b>370,332</b>	719,901
(I) Classified on a going concern basis				
1. Net profit from continuing operations (net loss is represented by “-”)	<b>248,977</b>	104,173	<b>370,332</b>	719,901
2. Net profit from discontinued operations (net loss is represented by “-”)				
(II) Classified according to the ownership				
1. Net profit attributable to owners of the parent company (net loss is represented by “-”)	<b>248,977</b>	104,173	<b>370,332</b>	719,901
2. Profit or loss attributable to minority shareholders (net loss is represented by “-”)				
<b>VI. Other comprehensive income (net of tax)</b>				
(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				

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
2. Other comprehensive income that will be reclassified to profit or loss				
(1) Other comprehensive income accounted for using equity method which 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 financial statements				
(7) Others				
(II) Other comprehensive income (net of tax) attributable to minority shareholders				
<b>VII. Total comprehensive income</b>	<b>248,977</b>	104,173	<b>370,332</b>	719,901
(I) Total comprehensive income attributable to owners of the parent company	<b>248,977</b>	104,173	<b>370,332</b>	719,901
(II) Total comprehensive income attributable to minority shareholders				
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB per share</i> )	<b>0.028</b>	0.012	<b>0.042</b>	0.081
(II) Diluted earnings per share ( <i>RMB per share</i> )	<b>0.028</b>	0.012	<b>0.042</b>	0.081

**Legal Representative: Liu Jianrong**      **Chief Financial Officer: Zou An**      **Chief Accountant: Lei Xiaodan**

**Income Statement of the Parent Company**  
*January to September 2020*

Prepared by: Chongqing Iron & Steel Company Limited

*Unit: RMB'000 Audit type: unaudited*

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>I. Revenue from operations</b>	<b>6,989,999</b>	5,790,491	<b>17,923,096</b>	17,276,708
Less: Operating costs	<b>6,520,718</b>	5,481,333	<b>16,871,155</b>	15,831,774
Taxes and surcharges	<b>45,753</b>	31,784	<b>134,281</b>	123,781
Selling expenses	<b>34,232</b>	34,609	<b>87,348</b>	79,559
Administrative expenses	<b>120,343</b>	107,787	<b>364,436</b>	437,817
R&D expenses				
Finance cost	<b>45,255</b>	35,762	<b>135,412</b>	111,751
Including: Interest expenses	<b>64,505</b>	45,447	<b>175,198</b>	151,946
Interest income	<b>-68,177</b>	-11,723	<b>-44,984</b>	-45,186
Add: Other income	<b>774</b>	614	<b>7,289</b>	1,841
Gains from investment (loss is represented by “-”)		2,395	<b>6,791</b>	11,966
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	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>II. Profit from operations (loss is represented by “-”)</b>	<b>224,472</b>	102,225	<b>344,544</b>	705,833
Add: Non-operating income	919	780	1,603	14,032
Less: Non-operating expenses	73	420	820	1,085
<b>III. Total profit (total loss is represented by “-”)</b>	<b>225,318</b>	102,585	<b>345,327</b>	718,780
Less: Income tax expense				
<b>IV. Net profit (net loss is represented by “-”)</b>	<b>225,318</b>	102,585	<b>345,327</b>	718,780
(I) Net profit from continuing operations (net loss is represented by “-”)	<b>225,318</b>	102,585	<b>345,327</b>	718,780
(II) Net profit from discontinued operations (net loss is represented by “-”)				
<b>V. Other comprehensive income (net of tax)</b>				
(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	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
(II) Other comprehensive income that will be reclassified to profit or loss				
1. Other comprehensive income accounted for using equity method which 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 financial statements				
7. Others				
<b>VI. Total comprehensive income</b>	<b>225,318</b>	102,585	<b>345,327</b>	718,780
<b>VII. Earnings per share:</b>				
(I) Basic earnings per share ( <i>RMB per share</i> )	<b>0.025</b>	0.012	<b>0.039</b>	0.081
(II) Diluted earnings per share ( <i>RMB per share</i> )	<b>0.025</b>	0.012	<b>0.039</b>	0.081

*Legal Representative:*    *Chief Financial Officer:*    *Chief Accountant:*  
**Liu Jianrong**                      **Zou An**                                      **Lei Xiaodan**

## Consolidated Cash Flow Statement

January to September 2020

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods and rendering of services	16,512,712	15,715,611
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 contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fees and commissions		
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	7,247	
Other cash received relating to operating activities	375,268	107,174
<b>Sub-total of cash inflow from operating activities</b>	<b>16,895,227</b>	<b>15,822,785</b>

<b>Item</b>	<b>First three quarters of 2020 (January to September)</b>	First three quarters of 2019 (January to September)
Cash paid for goods purchased and service received	<b>14,770,293</b>	15,014,640
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 contract		
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	<b>900,977</b>	995,403
Cash paid for all types of taxes	<b>495,200</b>	434,059
Other cash paid relating to operating activities	<b>243,170</b>	285,103
<b>Sub-total of cash outflow from operating activities</b>	<b><u>16,409,640</u></b>	<b><u>16,729,205</u></b>
<b>Net cash flow from operating activities</b>	<b><u>485,587</u></b>	<b><u>-906,420</u></b>

<b>Item</b>	<b>First three quarters of 2020 (January to September)</b>	First three quarters of 2019 (January to September)
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	<b>433,000</b>	588,800
Cash received from return on investments	<b>6,791</b>	7,746
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		
	_____	_____
<b>Sub-total of cash inflow from investing activities</b>	<b>439,791</b>	596,546
	=====	=====
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	<b>187,391</b>	36,926
Cash paid for investments	<b>33,000</b>	978,519
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities	<b>888,906</b>	28,539
Other cash paid relating to investing activities		
	_____	_____
<b>Sub-total of cash outflow from investing activities</b>	<b>1,109,297</b>	1,043,984
	=====	=====
<b>Net cash flow from investing activities</b>	<b>-669,506</b>	-447,438
	=====	=====

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>III. Cash flow from financing activities:</b>		
Cash received from investments Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	<b>3,093,050</b>	157,500
Other cash received relating to financing activities		795,088
	<hr/>	<hr/>
<b>Sub-total of cash inflow from financing activities</b>	<b><u>3,093,050</u></b>	<b><u>952,588</u></b>
Cash paid for repayments of debts	<b>1,310,998</b>	200,000
Cash paid for distribution of dividends and profits or for interest expenses	<b>147,626</b>	119,316
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	<b>10,541</b>	475,623
	<hr/>	<hr/>
<b>Sub-total of cash outflow from financing activities</b>	<b><u>1,469,165</u></b>	<b><u>794,939</u></b>
<b>Net cash flow from financing activities</b>	<b><u>1,623,885</u></b>	<b><u>157,649</u></b>

<b>Item</b>	<b>First three quarters of 2020 (January to September)</b>	<b>First three quarters of 2019 (January to September)</b>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>	<b>1,439,966</b>	-1,196,209
Add: Balance of cash and cash equivalents at the beginning of the period	<b>1,601,412</b>	1,969,543
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>3,041,378</b>	773,334
<i>Legal Representative:</i> <b>Liu Jianrong</b>	<i>Chief Financial Officer:</i> <b>Zou An</b>	<i>Chief Accountant:</i> <b>Lei Xiaodan</b>

## Cash Flow Statement of the Parent Company

January to September 2020

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
<b>I. Cash flow from operating activities:</b>		
Cash received from sale of goods and rendering of services	16,039,871	15,681,082
Refunds of taxes		
Other cash received relating to operating activities	363,208	112,830
<b>Sub-total of cash inflow from operating activities</b>	<b>16,403,079</b>	<b>15,793,912</b>
Cash paid for goods purchased and service received	14,561,597	15,014,640
Cash paid to and on behalf of employees	895,454	995,403
Cash paid for all types of taxes	485,758	432,679
Other cash paid relating to operating activities	208,096	262,439
<b>Sub-total of cash outflow from operating activities</b>	<b>16,150,905</b>	<b>16,705,161</b>
<b>Net cash flow from operating activities</b>	<b>252,174</b>	<b>-911,249</b>

<b>Item</b>	<b>First three quarters of 2020 (January to September)</b>	First three quarters of 2019 (January to September)
<b>II. Cash flows from investment activities:</b>		
Cash received from disposal of investments	433,000	588,800
Cash received from return on investments	6,791	11,966
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/>
<b>Sub-total of cash inflow from investing activities</b>	<b>439,791</b>	<b>600,766</b>
	<hr/> <hr/>	<hr/> <hr/>
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	187,391	36,926
Cash paid for investments	33,000	978,519
Net cash paid for acquiring subsidiaries and other operating entities	888,906	28,539
Other cash paid relating to investing activities		
	<hr/>	<hr/>
<b>Sub-total of cash outflow from investing activities</b>	<b>1,109,297</b>	<b>1,043,984</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Net cash flow from investing activities</b>	<b>-669,506</b>	<b>-443,218</b>
	<hr/> <hr/>	<hr/> <hr/>

<b>Item</b>	<b>First three quarters of 2020 (January to September)</b>	First three quarters of 2019 (January to September)
<b>III. Cash flow from financing activities:</b>		
Cash received from investments		
Cash received from borrowings	<b>3,093,050</b>	157,500
Other cash received relating to financing activities		795,088
	<hr/>	<hr/>
<b>Sub-total of cash inflow from financing activities</b>	<b><u>3,093,050</u></b>	<b><u>952,588</u></b>
Cash paid for repayments of debts	<b>1,106,167</b>	200,000
Cash paid for distribution of dividends and profits or for interest expenses	<b>132,517</b>	119,316
Other cash paid relating to financing activities	<b>10,541</b>	475,623
	<hr/>	<hr/>
<b>Sub-total of cash outflow from financing activities</b>	<b><u>1,249,225</u></b>	<b><u>794,939</u></b>
<b>Net cash flow from financing activities</b>	<b><u>1,843,825</u></b>	<b><u>157,649</u></b>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>		
<b>V. Net increase in cash and cash equivalents</b>		
	<b>1,426,493</b>	-1,196,818
Add: Balance of cash and cash equivalents at the beginning of the period	<b>1,591,312</b>	1,967,354
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		
	<b>3,017,805</b>	770,536

*Legal Representative:* **Liu Jianrong**      *Chief Financial Officer:* **Zou An**      *Chief Accountant:* **Lei Xiaodan**

**4.2 Adjustments to relevant items in the opening financial statements upon initial application of the New Revenue Standard and the New Lease Standard from 2020**

Applicable  Not applicable

**4.3 Retrospective adjustments to comparative figures of previous periods upon initial application of the New Revenue Standard and the New Lease Standard from 2020**

Applicable  Not applicable

**4.4 Auditor's report**

Applicable  Not applicable

By order of the Board  
**Chongqing Iron & Steel Company Limited**  
**Meng Xiangyun**  
*Secretary to the Board*

Chongqing, the PRC, 27 October 2020

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