Chongqing Iron & Steel Company Limited
重慶鋼鐵股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1053)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

I. IMPORTANT NOTICE

1.1 This summary of annual report (announcement of annual results for the year ended 31 December 2015) is extracted from the annual report of the Company. To fully understand the Company's operating results, financial condition and future development plans, investors should carefully read the annual report at Shanghai Stock Exchange website and other websites designated by China Securities Regulatory Commission and the website of the Hong Kong Stock Exchange.

1.2 The board of directors (the "Board") of Chongqing Iron & Steel Company Limited (the "Company") and directors hereby announce the audited financial statements ("Consolidated Results") of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 prepared in accordance with the PRC GAAP.

1.3 The Board, supervisory committee and directors, supervisors and senior executives ensure the annual report contents are real, accurate and complete, without false records, misleading statements or material omissions, and assume individual and joint liabilities.

1.4 All directors of the Company attended the Board meeting.

1.5 Pan-China Certified Public Accountants (special general partnership) issued a standard unqualified audit report for the Company.

1.6 The annual results of the Company for the year ended 31 December 2015 have been reviewed by the Audit Committee.

1.7 This announcement is published in Chinese and English respectively. If there is any difference between Chinese version and English version, the Chinese version shall prevail.

1.8 Company Information

Stock Profile

Type	Place of listing	Abbreviated name	Stock code	Stock abbreviation before adjustment
A share	Shanghai Stock Exchange	Chongqing Iron & Steel	601005	/
H share	The Stock Exchange of Hong Kong Limited	Chongqing Iron & Steel	1053	/

Contact information	Secretary to the Board	Securities representative
Name	You Xiaoan	Peng Guoju
Tel	86-23-6887 3311	86-23-6898 3482
Fax	86-23-6887 3189	86-23-6887 3189
E-mail	yxa@email.cqgt.cn	clarapeng@email.cqgt.cn

1.9 During the reporting period, there was no profit distribution or accumulation fund into equity.

II. MAIN BUSINESS OR PRODUCT PROFILE DURING THE REPORTING PERIOD

The Company's main business: Production, processing and sales of sheets, profiles, wires, billets and coke coal chemical products, tap water, comprehensive application of resources, power generation, iron and grain slag, steel slag, and steel scrap. The Company belongs to ferrous metal smelting and rolling processing industries. Its main business includes: Production, processing, and sales of sheets, profiles, wires, rods, billets and steel stripes. As China's large iron and steel enterprise and one of China's largest cut deal manufacturers, the Company is characterized by complete production process, independent supply, production and marketing system, advanced technology, and excellent product quality. It has had its shipbuilding steel plate, pressure vessel steel plate, and boiler steel plate win multiple quality awards and domestic and international professional agencies' quality authentication, with its Sanfeng trademark products selling well in China.

III. ACCOUNTING DATA AND FINANCIAL INDICATOR SUMMARY

Unit: RMB'000

	2015	2014	Year-on-year *(%)*	2013
Total assets	**39,228,079**	47,152,433	-16.81	48,045,977
Operating income	**8,350,022**	12,245,057	-31.81	17,563,446
Net profit attributable to shareholders of listed companies	**-5,987,248**	51,431	-11,741.32	-2,499,018
Net profit attributable to shareholders of listed companies deducting non-recurring gains and losses	**-9,302,935**	-2,536,940	-266.70	-2,499,318
Net assets attributable to shareholders of listed companies	**3,988,873**	9,973,914	-60.01	9,917,303
Net cash flow from operating activities	**-1,678,179**	2,796,783	-160.00	1,955,331
Period-end total share capital	**4,436,023**	4,436,023	0	4,436,023
Basic earnings per share *(Yuan/share)*	**-1.35**	0.012	-11,350.00	-1.252
Diluted earnings per share *(Yuan/share)*	**-1.35**	0.012	-11,350.00	-1.252
Weighted average return on net assets *(%)*	**-85.76**	0.52	Reduction of 86.28 percent points	-72.46

IV. SHARE CAPITAL AND SHAREHOLDERS

4.1 Table of holdings of the number of ordinary shareholders and preferred shareholders with restored voting rights and the top 10 shareholders

Unit: share

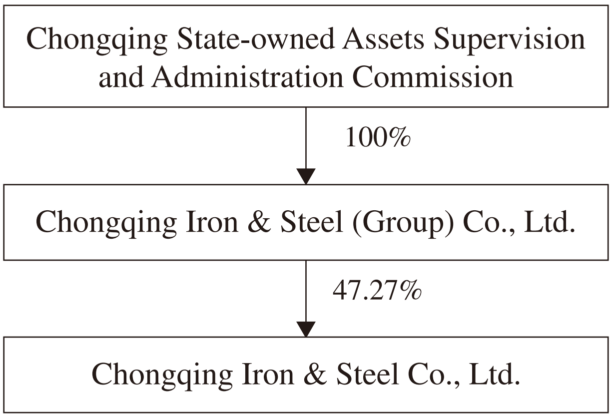
As of the reporting period, the total number of ordinary shareholders *(accounts)*	A total of 181,020, of which A shares: 180,766, H shares: 254
At the end of the month before the annual report disclosure, the total number of ordinary shareholders *(accounts)*	A total of 188,126, of which A shares: 187,872, H shares: 254
As of the reporting period end, the total number of preferred shareholders with restored voting rights *(accounts)*	0
At the end of the month before the annual report disclosure, the total number of preferred shareholders with restored voting rights *(accounts)*	0

The top 10 shareholders

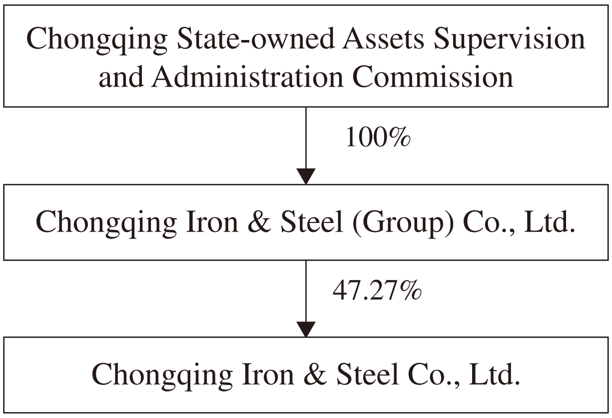
Name of shareholder (Full name)	Changes in the reporting period	Period-end number of stock	Ratio (%)	Number of restricted stock	Pledged or frozen Stock Status	Pledged or frozen Quantity	Nature of shareholders
Chongqing Iron & Steel (Group) Co., Ltd.	-700,000,000	2,096,981,600	47.27	1,996,181,600	Pledged or frozen	982,700,000	State-owned corporation
HKSCC NOMINEES LIMITED	1,674,300	530,123,970	11.95	0	Unknown		Foreign legal persons
Central Huijin Asset Management Co., Ltd.	93,284,800	93,284,800	2.1	0	Unknown		Unknown
China Securities Finance Corporation Limited	39,352,886	39,352,886	0.89	0	Unknown		Unknown
Bosera Funds – Agricultural Bank of China – Bosera China Securities Financial Asset Management Plan	23,900,800	23,900,800	0.54	0	Unknown		Unknown
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	23,900,800	23,900,800	0.54	0	Unknown		Unknown
ICBC Credit Suisse Asset – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Asset Management Plan	23,900,800	23,900,800	0.54	0	Unknown		Unknown
Guangdong Development Fund – Agricultural Bank of China – GF China Securities Financial Asset Management Plan	23,900,800	23,900,800	0.54	0	Unknown		Unknown
Huaxia Fund – Agricultural Bank of China – China Securities Financial Asset Management Plan	23,900,800	23,900,800	0.54	0	Unknown		Unknown
Harvest Fund – Agricultural Bank of China – Harvest China Securities Financial Asset Management Plan	23,900,800	23,900,800	0.54	0	Unknown		Unknown

The above shareholders' connected relationship or concerted action	There is no connection between the parent company and the other 9 shareholders, nor are they persons acting in concert regulated 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 acting in concert.
Preferred shareholders with restored voting rights and their shareholding	No

4.2 Chart of the controlling relationship between the Company and the controlling shareholders



4.3 Chart of equity and controlling relationship between the Company and the actual controllers



V. MANAGEMENT DISCUSSION AND ANALYSIS

Review of the Year 2015

In 2015, impacted by domestic steel production capacity excesses, continued deterioration of the steel market and steel price sharp falling, the domestic steel industry was faced with enormous pressure on the operation. To ensure normal operation of the Company, the Board worked hard, centering on corporate governance, improving the modern enterprise management system, and promoting corporate breakthrough initiatives.

1. According to the modern enterprise management system, the Company established proper corporate governance mechanism consisting of general meeting of shareholders, the board of directors, supervisory committee and managers, constantly improving the rules of procedure, decision-making and implementation, duties and powers of the regulatory body, forming rational and effective mechanisms of responsibilities, checks and balances, earnestly safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders.

2. The Company actively promoted strategic management. According to the national industrial policy and regulatory initiatives, the Board made objective analysis, combined with the actual situation, examined the Company's "Thirteenth Five-Year Plan" strategic planning. In the "Thirteenth Five-Year Plan" period, the Company will fully implement innovation-driven development, promote scientific and technological progress, vigorously adjust structure, strengthen accurate sales, enhance branding, improve services and cost efficiency, strengthen management, comprehensively further reform, strengthen team building, developing into an automotive steel and structural steel production center in the Upper Yangtze River and a large iron and steel enterprise with high market competitiveness.

3. The Company authorized the management to take charge of annual production and operation. Under the guidance of the Board, the management focused on "structural adjustment, cost reduction" and commenced a lot of work.

   First, it centered on cost efficiency, with the 10 cost reduction and efficiency initiatives of "cost reduction by scale, procurement, process, management, capital, reform, finance refinement and policy efficiency improvement by sales and resources", effectively supporting the Company's economic performance.

   Second, it vigorously adjusted marketing strategies, expanding regional market sales ratio, achieving the sales target of making hot rolling cover more than 90%, cut deal cover about 50% of the local market share last year.

   Third, it vigorously improved product structure. Last year, it developed 16 new products, with a development and trial production amount of new products and products with special requirements of 261,000 tons (including 85,000 tons for new products), and an output value of RMB680 million. It had the sales proportion of vessel plate, wear plate, bridge plate and other key products and regional Chongqing market share steadily increase, that of ship plate decreased to 65%, 10% lower than that in 2014.

   Fourth, it strengthened quality control, effectively improving product quality. It completed main quality indicators annual target rate of 92.59%, with a year-on-year increase of 5.49 percentage points.

   Fifth, it actively carried out resource guarantee, optimizing resources procurement channels to balance resource stable structure, seeking procurement financing to make up funding gap, strengthening management to improve risk control capacity, ensuring supply of the required raw materials and reducing procurement costs.

Sixth, it promoted reform and management, forming an institutional reform program, summarizing potential risks harming the Company's interests, strengthening management and control of cases involved in lawsuit, effectively responding to and resolving all kinds of conflicts.

During the reporting period, the Company produced 1.74 million tons of coke, 3.52 million tons of iron, 3.59 million tons of steel, 3.3 million tons of rolled steel, with a year-on-year decrease of 19.7%, 20.6%, 17.3% and 17.7% respectively, achieving an operating income of RMB8,350.022 million, with a year-on-year decrease of 31.81%.

Management Discussion and Analysis on Future Development of the Company

1. Industry Competition Pattern and Development Trend

With sluggish global economic recovery and increasing downward pressure on domestic economy as well as the overcapacity of the steel industry, steel prices are repeatedly hitting record lows. In 2015, steel prices maintained the downward trend in 2014. The composite steel price index was continuously hitting record lows, decreasing from 83.09 at the end of last year to 66.69 at the end of June 2015. The lingering low prices materially affect the transformation, upgrading and innovative development of the steel industry. Losses of steel enterprises from their principal business keep growing. In the first half of 2015, China's medium and large steel enterprises recorded revenue totaling RMB1.5 trillion, representing a year-on-year decrease of 17.9%, and suffered a total loss of RMB21.68 billion from principal business.

2. Corporate Development Strategy

The Company strives to achieve innovation-driven development, make technological progress, prioritize restructuring, boost targeted sales, promote its brand, improve services and cost efficiency, strengthen management, comprehensively deepen reform, enhance team building, and build up an automobile steel and structural steel production base for upper Yangtze River region, in an effort to build a competitive super-large steel enterprise.

3. Operating Plans

Guided by the ideology of "cost reduction, restructuring and loss control", production facilities shall arrange production activities by "making precise plans, responding to the market flexibly and strengthening process control", so as to achieve systemic balance, stable operation, safe and economical production.

First, adjust production scale and ensure smooth operation to improve production organization.

Second, adjust structure and reduce costs to adapt to the market crisis.

Third, develop technology and focus on research and development to enhance technological innovation capacity.

Fourth, improve systems and control processes to raise product quality.

Fifth, refine strategies and seek breakthroughs to explore the surrounding markets.

Sixth, change mentality and prioritize customers to improve service levels.

Seventh, strengthen management and emphasize efficiency to lay a more solid foundation.

Eighth, advance reforms and transform institutions to stimulate sound operation of the Company.

Main business analysis

Table of profit and cash flow and related item changes and analysis

Unit: RMB'000

Subject	**2015**	2014	Change ratio (%)
Operating income	**8,350,022**	12,245,057	-31.81
Operating cost	**10,509,209**	12,673,573	-17.08
Selling expenses	**248,554**	263,506	-5.67
Administrative expenses	**1,266,607**	712,157	77.86
Financial expenses	**1,264,709**	1,341,579	-5.73
Net cash flow from operating activities	**-1,678,179**	2,796,783	-160.00
Net cash flow from investing activities	**613,201**	-1,559,477	139.32
Net cash flow from financing activities	**946,545**	-1,611,908	158.72
R&D spending	**481,328**	464,371	3.65

1. Income and Cost Analysis

1) *Analysis of factors driving changes in business income*

In 2015, impacted by continued deterioration in the steel market, the Company had its rolled steel production and sales volume, and sales prices drop significantly, resulting in a substantial decline in sales.

2) *Analysis of product income impacting factors with mainly in kind sales*

In 2015, the Company had rolled steel products (billets) sales income of RMB7,767.538 million, with a year-on-year decrease of RMB3,462.864 million. First, the sales prices fell. The Company had an annual rolled steel billet average price of RMB2,267/ton, with a year-on-year decrease of 25.87%, reducing income of RMB2,547.485 million. Second, sales decreased. The Company had total annual sales of rolled steel billet of 3.4269 million tons, with a year-on-year decrease of 6.71%, reducing sales income of RMB915.379 million.

Item	**In 2015** *RMB/ton*	In 2014 *RMB/ton*	Year-on-year growth rate *(%)*	Income increase *(RMB'000)*
Plate	**2,677**	3,244	-17.48	-809,267
Hot rolling	**1,973**	2,918	-32.39	-1,799,417
Bars	**1,856**			26,154
Wires	**2,528**			72,584
Cold-rolled plate		3,195	-100.00	
Billet	**1,672**	2,428	-31.14	-37,540
Total	**2,267**	3,058	-25.87	-2,547,485

Item	**2015** ***(10,000 tons)***	2014 *(10,000 tons)*	Growth rate *(%)*	Increase income *(RMB'000)*
Plate	**142.93**	161.63	-11.57	-606,873
Hot rolling	**190.52**	200.32	-4.89	-286,199
Bars	**1.41**			–
Wires	**2.87**			
Cold-rolled plate		1.56	-100.00	-49,867
Billet	**4.97**	3.83	29.77	27,560
Total	**342.70**	367.34	-6.71	-915,379

3) *Major buyers*

Percentage of the Company's major buyers in total sales of the Company:

Percentage of the largest buyers in total sales of the Company: 18%

Percentage of the 5 largest buyers in total sales of the Company: 48%

(1) Main business by sectors, products and regions

Unit: RMB'000

Main operations by sectors

By sectors	Operating income	Operating cost	Gross margin *(%)*	Year-on-year operating income *(%)*	Year-on-year operating cost *(%)*	Year-on-year gross profit *(%)*
Iron and steel	8,322,292	10,504,616	-26.22	-31.31	-16.56	Reduction by 22.31 percentage points

Main business by products

By products	Operating income	Operating cost	Gross margin *(%)*	Year-on-year operating income *(%)*	Year-on-year operating cost *(%)*	Year-on-year gross profit *(%)*
Rolled steel billet	7,767,538	9,937,755	-27.94	-30.83	-16.52	Reduction by 21.94 percentage points
By-products	554,754	566,861	-2.18	-37.29	-17.25	Reduction by 24.75 percentage points

Main business by regions

By region	Operating revenue	Operating costs	Gross profit margin (%)	Increase/ decrease in operating revenue from last year (%)	Increase/ decrease in operating cost from last year (%)	Increase/ decrease in gross profit margin from last year (%)
Southwest	4,205,079	/	/	-10.70	/	/
Other regions	4,117,213	/	/	-45.08	/	/
Total	8,322,292	/	/	-31.81	/	/

Note to main business by sectors, products and regions

None

(2) Table of production and sales analysis

Main products	Production	Sales amount	Inventory	Year-on-year production (%)	Year-on-year sales (%)	Year-on-year inventory (%)
Plates	1.3992 million tons	1.43 million tons	30,000 tons	-13.35	-12	-40
Hot rolling	1.8697 million tons	1.91 million tons	10,000 tons	-6.82	-5	-59
Bars	0	10,000 tons	0	0		-82
Wires	31,500 tons	30,000 tons	0	-91.13		-100

Note to production and sales

None

(3) Cost analysis table

Unit: RMB'000

By sectors

By industry	Costs component	Amount for the period	Percentage of the amount for the period in total costs (%)	Amount for the corresponding period of last year	Percentage of the amount for the corresponding period of last year in total costs (%)	Year-on-year change (%)	Explanation
Iron and steel	Raw material	6,627,031	63.09	9,564,175	75.54	-30.71	No
Iron and steel	Energy	1,239,965	11.80	1,144,189	9.04	8.37	No
Iron and steel	Labor and other costs	2,637,620	25.11	1,880,587	14.85	40.26	No
Electronic engineering design and installation	Labor and other costs	–	0.00	22,037	0.17	-100.00	No
Transport service	Labor and other costs	–	0.00	49,543	0.39	-100.00	No

By products

By industry	Costs component	Amount for the period	Percentage of the amount for the period in total costs (%)	Amount for the corresponding period of last year	Percentage of the amount for the corresponding period of last year in total costs (%)	Year-on-year change (%)	Explanation
Rolled steel billet	Raw material and energy costs	9,937,755	94.60	11,903,962	94.02	-16.52	No
By-products	Raw material and energy costs	566,861	5.40	684,989	5.41	-17.25	No
Electronic engineering design and installation	Labor costs		0.00	22,037	0.17	-100.00	No
Transport	Labor costs		0.00	49,543	0.39	-100.00	No

Cost analysis and explanation

Major suppliers

Percentage of the Company's major suppliers in the total purchase of the Company:

Percentage of the largest suppliers in the total purchase: 12%

Percentage of the 5 largest suppliers in the total purchase: 31%

2. Fees

Unit: RMB'000

Item	2015	2014	Year-on-year change *(%)*
Selling expenses	**248,554**	263,506	-5.67
Administrative expenses	**1,266,607**	712,157	77.86
Financial expenses	**1,264,709**	1,341,579	-5.73

3. R&D investment

Table of R&D investment

Unit: RMB'000

Expensed research and development expenses for the period	386,608
Capitalized research and development expenses for the period	94,720
Total R&D investment	481,328
Percentage of the total R&D investment in operating income *(%)*	5.76
Percentage of total R&D investment in net assets *(%)*	12.01

Explanation

None

4. Cash flow

Against rolled steel product prices sharp falling and the Company's operating losses, the Company strengthened financial planning and payment rhythm control. In 2015, it had a net cash flow from operating activities of RMB-1.678179 billion, a net cash income caused by new bank loans and bill financing and other financing activities of RMB946.545 million, and a net income from investment activities by land assignment of RMB613.201 million. The Company had a net decrease of current cash and cash equivalents of RMB113.772 million.

Cash flow table

Unit: RMB'000

Items	**January to December 2015**	January to December 2014	Main reasons for changes
Net cash flow from operating activities	**-1,678,179**	2,796,783	Enhancement of fund planning and management, appropriate payment of payables to suppliers, increase of net outflow from operating activities
Net cash flows from investing activities	**613,201**	-1,559,477	Receiving payment from real estate group and Changshou Economic & Technological Development Zone land reserve center and increasing net flow from investing activities
Net cash flow from financing activities	**946,545**	-1,611,908	Having new loans and bill financing from Agricultural Bank of China and Industrial and Commercial Bank of China, increasing net cash flow from financing activities
Net increase of cash and cash equivalents	**-113,772**	-372,913	None

5. **Others**

Detailed notes to the major changes in the Company's profits structure or profits sources

In 2015, the Company had a net profit of RMB-5,987,186,000, with a year-on-year increase of RMB-6,038,829,000 from that of the previous year of RMB51.643 million, with the following main reasons:

① The Company had an operating income gross profit of RMB-2,159,187,000, with a year-on-year increase of RMB-1,730,671,000, which was caused by falling of the Group's rolled steel products (billets) in selling price by 25.87%.

② The Company had costs of RMB2,779,870,000, with a year-on-year increase of RMB462,628,000 mainly because of the loss from the shut down of some equipment in 2015 of RMB402,064,000.

③ The Company had an asset impairment loss of RMB4,344,728,000, with a year-on-year increase of RMB4,147,858,000, mainly caused by rolled steel market doldrums, continued price falling and severe write-down of inventories.

VI. MATTERS RELATED TO THE FINANCIAL STATEMENT

6.1 In case of any change in year-on-year financial statements, accounting policies, accounting estimates and accounting methods, the Company shall explain reasons and impacts.

None

6.2 During the reporting period, in case any significant mistake corrections in accounting require traceable statement, the Company shall correct the amount and explain reasons and impacts.

None

6.3 Compared with the previous annual financial report, in case of any changes in the scope of consolidation, the Company shall make specific notes.

None

6.4 In case the annual financial report witnesses non-standard audit opinions issued by an accounting firm, the Board and supervisory committee shall make notes to the involved matters.

None

VII. DISCLOSURES IN ACCORDANCE WITH HONG KONG STOCK EXCHANGE LISTING RULES

(1) Interests or short positions

As of 31 December 2015, the Board had found no person or associated company holding any interests or short positions in the Company's securities or related securities recorded in the register kept according to Hong Kong Securities and Futures Ordinance Section 336.

(2) Pre-emptive right

The Articles of Association of the Company and the law of the People's Republic of China are free from terms requiring pre-emptive right for existing shareholders in accordance with proportion of stock held.

(3) Purchase, sales and redemption of listed securities

As of 31 December 2015, the Company had not redeemed any securities issued by the Company. The Company did not purchase or sell any of the Company's listed securities within that period.

(4) Public holdings of H share

As of the date of this announcement, according to the available information known to the directors, the Company had had sufficient public holdings required by the Listing Rules of the Stock Exchange.

(5) Circulation market value

Based on available information known to the Company, on 31 December 2015, the Company had H share circulation market value of (H share circulation capital stock × H share closing price (Hong Kong dollars 1.20)) Hong Kong dollars 541 million, A share circulation market value (A share circulation capital stock × A share closing price (RMB3.29) of RMB12,824 million.

(6) Compliance with Corporate Governance Code and the Code of Corporate Governance for Listed Companies

As the Company was listed on Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), it shall comply with the requirements of the Code of Corporate Governance for Listed Companies of China Securities Regulatory Commission ("CSRC") and the Corporate Governance Code of the Stock Exchange in respect of corporate governance practices besides applicable laws and regulations. During the reporting period, the corporate governance of the Company was in line with the requirements of the Code of Corporate Governance for Listed Companies, and all provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were adopted.

VIII. FINAL DIVIDEND

As audited by Pan-China Certified Public Accountants (special general partnership), the net profit attributable to shareholders of the Company recorded in the 2015 annual consolidated statements of the Company was RMB-5,987.248 million. In 2015, the Company suffered losses, and accumulated undistributed profit was not recorded, the Board proposed that the Company should not make any distribution of profits, or transfer capital reserve into equity for the year of 2015.

IX. OTHER MAJOR EVENTS

Provision for asset impairment

In 2015, due to depressed steel market, steel product selling price continued to fall and the market price of main raw materials dropped greatly; meanwhile some inventories of the Company cannot be used normally due to relatively low quality. The Company has carried out impairment test for inventory. There shall be provision for write-down of inventory in 2015 of RMB4.345 billion.

X. FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 December 2015

Consolidated balance sheet
as at 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

	As at 31 December 2015	As at 31 December 2014
Assets		
Current assets:		
Cash and bank deposits	**925,471**	1,246,578
Notes receivable	**45,863**	224,614
Accounts receivable	**503,202**	469,025
Prepayments	**39,924**	267,484
Other receivable	**40,376**	922,295
Inventories	**2,775,858**	7,990,476
Other current assets	**501**	1,561,800
Total current assets	**4,331,195**	12,682,272
Non-current assets:		
Available-for-sale financial assets	**5,000**	5,000
Fixed assets	**30,306,394**	29,731,154
Construction in progress	**128,949**	1,913,873
Construction materials	**10,651**	12,047
Intangible assets	**2,712,264**	2,682,651
Deferred tax assets		17,116
Other non-current assets	**1,733,626**	108,320
Total non-current assets	**34,896,884**	34,470,161
Total assets	**39,228,079**	47,152,433

	As at 31 December 2015	As at 31 December 2014
Liabilities and owners' equities		
Current liabilities:		
Short-term borrowings	**3,492,152**	2,883,600
Notes payable	**3,663,417**	4,427,532
Accounts payable	**10,532,063**	12,422,435
Receipts in advance	**653,721**	987,979
Employee benefits payable	**311,835**	184,805
Tax payable	**8,679**	11,151
Interests payable	**30,900**	32,332
Other payables	**2,702,833**	2,255,707
Non-current liabilities due within one year	**1,796,250**	3,643,690
Other current liabilities	**15,054**	9,508
Total current liabilities	**23,206,904**	26,858,739
Non-current liabilities:		
long-term borrowings	**9,849,988**	9,909,613
Debentures payable	**1,987,882**	
Long-term payables		222,407
Deferred income	**175,158**	168,548
Total non-current liabilities	**12,013,028**	10,300,568
Total liabilities	**35,219,932**	37,159,307
Owners' equity:		
Share Capital	**4,436,023**	4,436,023
Capital reserve	**6,657,614**	6,655,407
Other comprehensive income		
Special reserve		
Surplus reserve	**606,991**	606,991
Retained earnings	**-7,711,755**	-1,724,507
Total equity attributable to owners of the company	**3,988,873**	9,973,914
Non-controlling interest	**19,274**	19,212
Total shareholder's equity	**4,008,147**	9,993,126
Total liabilities and owners' equities	**39,228,079**	47,152,433

Balance Sheet of the Company
as at 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

	As at 31 December 2015	As at 31 December 2014
Assets		
Current assets:		
Cash and bank deposits	**921,703**	1,238,597
Notes receivable	**45,165**	223,914
Accounts receivable	**485,739**	440,162
Prepayments	**27,440**	260,849
Other receivable	**40,228**	922,272
Inventories	**2,775,485**	7,990,476
Other current assets		1,560,798
Total current assets	**4,295,760**	12,637,068
Non-current assets:		
Available-for-sale financial assets	**5,000**	5,000
Long-term equity investments	**101,000**	101,000
Fixed assets	**30,296,557**	29,720,783
Construction in progress	**128,949**	1,913,873
Construction materials	**10,651**	12,047
Intangible assets	**2,712,264**	2,682,651
Deferred tax assets		17,116
Other non-current assets	**1,672,227**	49,300
Total non-current assets	**34,926,648**	34,501,770
Total assets	**39,222,408**	47,138,838

	As at 31 December 2015	As at 31 December 2014
Liabilities and owners' equities		
Current liabilities:		
Short-term borrowings	**3,492,152**	2,883,600
Notes payable	**3,663,417**	4,427,532
Accounts payable	**10,565,822**	12,463,091
Receipts in advance	**638,035**	957,526
Employee benefits payable	**311,776**	184,766
Tax payable	**7,902**	10,231
Interests payable	**30,900**	32,332
Other payables	**2,700,097**	2,254,531
Non-current liabilities due within one year	**1,796,250**	3,643,690
Other current liabilities	**15,054**	9,508
Total current liabilities	**23,221,405**	26,866,807
Non-current liabilities:		
long-term borrowings	**9,849,988**	9,909,613
Debentures payable	**1,987,882**	
Long-term payables		222,407
Deferred income	**175,158**	168,548
Total non-current liabilities	**12,013,028**	10,300,568
Total liabilities	**35,234,433**	37,167,375
Owners' equity:		
Share Capital	**4,436,023**	4,436,023
Capital reserve	**6,688,557**	6,686,350
Other comprehensive income		
Special reserve		
Surplus reserve	**577,012**	577,012
Retained earnings	**-7,713,617**	-1,727,922
Total shareholder's equity	**3,987,975**	9,971,463
Total liabilities and owners' equities	**39,222,408**	47,138,838

Consolidated income statement

for the year ended 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

Item			Year ended 31 December 2015	Year ended 31 December 2014
I.	**Total operating income**		**8,350,022**	12,245,057
	Including:	operating income	**8,350,022**	12,245,057
II.	**Total operating costs**		**17,634,915**	15,190,293
	Including:	operating costs	**10,509,209**	12,673,573
		Business taxes and surcharges	**1,108**	2,608
		Selling expenses	**248,554**	263,506
		Administrative expenses	**1,266,607**	712,157
		Finance expenses	**1,264,709**	1,341,579
		Impairment loss of assets	**4,344,728**	196,870
	Add:	Gains from changes in fair value (losses are represented by "-")		
		Investment income (losses are represented by "-")		101,926
		Including: Gains from investment in associates and joint ventures		41
III.	**Operating profit (losses are represented by "-")**		**-9,284,893**	-2,843,310
	Add:	Non-operating income	**3,319,790**	2,909,115
		Including: Gains on disposal of non-current assets	**419**	1,132,661
	Less:	Non-operating expenses	**4,110**	11,265
		Including: Losses from disposal of non-current assets	**3,909**	42
IV.	**Profit before income tax (losses are represented by "-")**		**-5,969,213**	54,540
	Less:	Income tax expenses	**17,973**	2,897
V.	**Net profit for the year (net losses are represented by "-")**		**-5,987,186**	51,643
	Net profit attributable to the owners of the company		**-5,987,248**	51,431
	Non-controlling interests		**62**	212

Item	**Year ended 31 December 2015**	Year ended 31 December 2014
VI. Other comprehensive income after tax		
Other comprehensive income after tax attributable to owners of the company		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement of defined benefit plan liability/asset		
2. Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
2. Gain or losses arising from changes in fair value of available-for-sale financial assets		
3. Profit or loss from reclassification of held-to-maturity investments as available-for-sale assets		
4. Effective hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation difference arising on translation of foreign currency financial statements		
6. Others		
Other comprehensive income after tax attributable to non-controlling interests		
VII. Total comprehensive income	**-5,987,186**	51,643
Total comprehensive income attributable to owners of the company	**-5,987,248**	51,431
Total comprehensive income attributable to non-controlling interests	**62**	212
VIII. Earnings per share:		
(1) Basic earnings per share *(RMB/share)*	**-1.35**	0.01
(2) Diluted earnings per share *(RMB/share)*	**-1.35**	0.01

Income Statement of the Company
for the year ended 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

Item	Year ended 31 December 2015	Year ended 31 December 2014
I. Operating income	**7,998,479**	12,117,812
Less: Operating costs	**10,172,654**	12,595,101
Business taxes and surcharges	**844**	915
Selling expenses	**237,140**	260,233
Administrative expenses	**1,263,944**	670,409
Finance expenses	**1,264,719**	1,341,564
Impairment loss of assets	**4,344,727**	196,388
Add: Gains from changes in fair value (losses are represented by "-")		
Investment income (losses are represented by "-")	**1,279**	176,723
Including: Gains from investment in associates and joint ventures		41
II. Operating profit (losses are represented by "-")	**-9,284,270**	-2,770,075
Add: Non-operating income	**3,319,785**	2,905,714
Including: Gains on disposal of non-current assets	**419**	1,131,914
Less: Non-operating expenses	**4,094**	11,165
Including: Losses from disposal of non-current assets	**3,909**	11
III. Profit before income tax (losses are represented by "-")	**-5,968,579**	124,474
Less: income tax expenses	**17,116**	
IV. Net profit for the year (net losses are represented by "-")	**-5,985,695**	124,474

Item	**Year ended 31 December 2015**	Year ended 31 December 2014
V. Other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Remeasurement of defined benefit plan liability/asset		
2. Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
2. Gain or losses arising from changes in fair value of available-for-sale financial assets		
3. Profit or loss from reclassification of held-to-maturity investments as available-for-sale assets		
4. Effective hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation difference arising on translation of foreign currency financial statements		
6. Others		
VI. Total comprehensive income	**-5,985,695**	124,474
VII. Earnings per share:		
(1) Basic earnings per share *(RMB/share)*		
(2) Diluted earnings per share *(RMB/share)*		

Consolidated cash flow statement
for the year ended 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

Item		Year ended 31 December 2015	Year ended 31 December 2014
I.	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	**5,832,136**	13,656,749
	Refund of taxes	**18**	2,282
	Other cash receipts related to operating activities	**12,576,840**	1,746,378
	Sub-total of cash inflow from operating activities	**18,408,994**	15,405,409
	Cash payment for goods purchased and services rendered	**7,594,159**	11,597,130
	Cash payment to and on behalf of employees	**886,311**	893,295
	Payments of various types of taxes	**97,527**	104,672
	Other cash payments related to operating activities	**11,509,176**	13,529
	Sub-total of cash outflow from operating activities	**20,087,173**	12,608,626
	Net cash flow from operating activities	**-1,678,179**	2,796,783
II.	**Cash flows from investing activities:**		
	Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	**875,076**	967,852
	Net cash receipts from disposal of subsidiaries and other operating entities		4,819
	Other cash receipts related to investing activities		20,696
	Sub-total of cash inflows from investment activities	**875,076**	993,367
	Cash payment for acquisition and construction of fixed assets, intangible assets and other long-term assets	**261,875**	2,552,844
	Sub-total of cash outflows from investment activities	**261,875**	2,552,844
	Cash flows from investing activities	**613,201**	-1,559,477

Item		Year ended 31 December 2015	Year ended 31 December 2014
III.	**Cash flows from financing activities:**		
	Cash received from borrowings	**7,547,985**	8,251,711
	Other cash receipts related to investing activities	**2,739,741**	
	Sub-total of cash inflows from investment activities	**10,287,726**	8,251,711
	Repayment of borrowings	**6,231,745**	7,033,135
	Cash payment for dividends, profit distribution, or interest	**1,024,756**	1,369,407
	Including: Dividend and profit paid by subsidiaries to non-controlling shareholders of subsidiaries		
	Other cash receipts related to investing activities	**2,084,680**	1,461,077
	Sub-total of cash outflows from investment activities	**9,341,181**	9,863,619
	Cash flows from investing activities	**946,545**	-1,611,908
IV.	**Effect of changes in foreign exchange rate on cash and cash equivalents**	**4,661**	1,689
V.	**Net increase in cash and cash equivalents**	**-113,772**	-372,913
	Add: Balance of cash and cash equivalents at the beginning of the period	**146,148**	519,061
VI.	**Balance of cash and cash equivalents at the end of the period**	**32,376**	146,148

Cash Flow Statement of the Company

for the year ended 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

Item		Year ended 31 December 2015	Year ended 31 December 2014
I.	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	**5,342,465**	13,469,138
	Refund of taxes		519
	Other cash receipts related to operating activities	**12,554,107**	1,745,396
	Sub-total of cash inflow from operating activities	**17,896,572**	15,215,053
	Cash payment for goods purchased and services rendered	**7,120,532**	11,542,071
	Cash payment to and on behalf of employees	**882,029**	777,912
	Payments of various types of taxes	**92,737**	95,586
	Other cash payments related to operating activities	**11,478,904**	13,426
	Sub-total of cash outflow from operating activities	**19,574,202**	12,428,995
	Net cash flow from operating activities	**-1,677,630**	2,786,058
II.	**Cash flows from investing activities:**		
	Cash received from return of investments	**1,279**	4,174
	Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	**875,076**	967,335
	Net cash receipts from disposal of subsidiaries and other operating entities		5,070
	Other cash receipts related to investing activities		20,632
	Sub-total of cash inflows from investment activities	**876,355**	997,211
	Cash payment for acquisition and construction of fixed assets, intangible assets and other long-term assets	**259,491**	2,537,248
	Sub-total of cash outflows from investment activities	**259,491**	2,537,248
	Cash flows from investing activities	**616,864**	-1,540,037

Item	**Year ended 31 December 2015**	Year ended 31 December 2014
III. Cash flows from financing activities:		
Cash received from borrowings	**7,547,985**	8,251,711
Other cash receipts related to investing activities	**2,739,741**	
Sub-total of cash inflows from investment activities	**10,287,726**	8,251,711
Repayment of borrowings	**6,231,745**	7,033,135
Cash payment for dividends, profit distribution, or interest	**1,024,756**	1,369,407
Other cash receipts related to investing activities	**2,084,680**	1,461,077
Sub-total of cash outflows from investment activities	**9,341,181**	9,863,619
Cash flows from investing activities	**946,545**	-1,611,908
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	**4,661**	1,689
V. Net increase in cash and cash equivalents	**-109,560**	-364,198
Add: Balance of cash and cash equivalents at the beginning of the period	**138,168**	502,366
VI. Balance of cash and cash equivalents at the end of the period	**28,608**	138,168

Consolidated statement of changes in shareholders' equity

for the year ended 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

	Year ended 31 December 2015							
	Total equity attributable to owners of the company							
Item	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Non-controlling interest	Total shareholder's equity
I. Closing balance of the preceding year	**4,436,023**	**6,655,407**			**606,991**	**-1,724,507**	**19,212**	**9,993,126**
II. Opening balance of the current year	**4,436,023**	**6,655,407**			**606,991**	**-1,724,507**	**19,212**	**9,993,126**
III. Changes in the current year ("(–)" denotes decrease)		**2,207**				**-5,987,248**	**62**	**-5,984,979**
(I) Total comprehensive income						**-5,987,248**	**62**	**-5,987,186**
(II) Shareholders' contribution and decrease in share capital		**2,207**						**2,207**
4. Others		**2,207**						**2,207**
(III) Profit distribution								
(IV) Transfers within shareholders' equity								
(V) Special reserve								
1. Amount withdrawn in the year				**22,179**				**22,179**
2. Amount utilized in the year				**22,179**				**22,179**
3. Others								
(VI) Others								
IV. Closing balance for the current year	**4,436,023**	**6,657,614**			**606,991**	**-7,711,755**	**19,274**	**4,008,147**

Item		Year ended 31 December 2014							
		Total equity attributable to owners of the company							
		Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Non-controlling interest	Total shareholder's equity
I.	**Closing balance of the preceding year**	4,436,023	6,648,883		1,344	606,991	-1,775,938	19,000	9,936,303
II.	**Opening balance of the current year**	4,436,023	6,648,883		1,344	606,991	-1,775,938	19,000	9,936,303
III.	**Changes in the current year ("(–)" denotes decrease)**		6,524		-1,344		51,431	212	56,823
	(I) Total comprehensive income						51,431	212	51,643
	(II) Shareholders' contribution and decrease in share capital		6,019						6,019
	4. Others		6,019						6,019
	(III) Profit distribution								
	(IV) Transfers within shareholders' equity								
	(V) Special reserve		505		-1,344				-839
	1. Amount withdrawn in the year				23,022				23,022
	2. Amount utilized in the year				22,976				22,976
	3. Others		505		-1,390				-885
	(VI) Others								
IV.	**Closing balance for the current year**	4,436,023	6,655,407			606,991	-1,724,507	19,212	9,993,126

Statement of Changes in Shareholders' Equity of the Company

for the year ended 31 December 2015

Compilation Organization: Chongqing Iron & Steel Company Limited

Unit: RMB'000

	Year ended 31 December 2015						
Item	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total shareholder's equity
I. Closing balance of the preceding year	**4,436,023**	**6,686,350**			**577,012**	**-1,727,922**	**9,971,463**
II. Opening balance of the current year	**4,436,023**	**6,686,350**			**577,012**	**-1,727,922**	**9,971,463**
III. Changes in the current year ("(–)" denotes decrease)		**2,207**				**-5,985,695**	**-5,983,488**
(I) Total comprehensive income						**-5,985,695**	**-5,985,695**
(II) Shareholders' contribution and decrease in share capital		**2,207**					**2,207**
4. Others		**2,207**					**2,207**
(III) Profit distribution							
(IV) Transfers within shareholders' equity							
(V) Special reserve							
1. Amount withdrawn in the year				**22,179**			**22,179**
2. Amount utilized in the year				**22,179**			**22,179**
(VI) Others							
IV. Closing balance for the current year	**4,436,023**	**6,688,557**			**577,012**	**-7,713,617**	**3,987,975**

Item	Share capital	Capital reserve	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Total shareholder's equity
	Year ended 31 December 2014						
I. Closing balance of the preceding year	4,436,023	6,680,331			577,012	-1,852,396	9,840,970
II. Opening balance of the current year	4,436,023	6,680,331			577,012	-1,852,396	9,840,970
III. Changes in the current year ("(–)" denotes decrease)		6,019				124,474	130,493
(I) Total comprehensive income						124,474	124,474
(II) Shareholders' contribution and decrease in share capital		6,019					6,019
4. Others		6,019					6,019
(III) Profit distribution							
(IV) Transfers within shareholders' equity							
(V) Special reserve							
1. Amount withdrawn in the year				22,830			22,830
2. Amount utilized in the year				22,830			22,830
(VI) Others							
IV. Closing balance for the current year	4,436,023	6,686,350			577,012	-1,727,922	9,971,463

The annual report of the Company for the year ended 31 December 2015 will be published on the website of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.cqgt.cn) respectively on or before 31 March 2016.

By order of the Board
Chongqing Iron & Steel Company Limited
You Xiao An
Secretary to the Board

Chongqing, the PRC, 31 March 2016

As at the date of this announcement, the Directors of the Company are: Mr. Liu Da Wei (Non-executive Director), Mr. Zhou Hong (Non-executive Director), Mr. Tu De Ling (Executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Zhang Li Quan (Executive Director), Mr. Yao Xiao Hu (Executive Director), Mr. Xu Yi Xiang (Independent Non-executive Director), Mr. Xin Qing Quan (Independent Non-executive Director) and Mr. Wong Chun Wa (Independent Non-executive Director).