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)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

I IMPORTANT

1.1 This Interim Report summary is extracted from the full text of the Interim Report. Investors are advised to read carefully the full text of the Interim Report which has also been published on websites designated by the CSRC including the website of the Shanghai Stock Exchange for details.

1.2 Company Profile

Stock Profile

Stock class	Listing stock exchange	Abbreviated name	Stock code	Stock name before change
A share	Shanghai Stock Exchange	Chongqing Iron	601005	Nil
H share	The Stock Exchange of Hong Kong Limited	Chongqing Iron	1053	Nil

Contact person and information	Secretary to the Board	Securities representative
Name	You Xiaoan	Peng Guoju
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II KEY FINANCIAL DATA AND SHAREHOLDERS' INFORMATION

2.1 Key financial data of the Company

Unit: '000 Currency: RMB

	At the end of the reporting period	At the end of last year	**Change from the end of last year to the end of the reporting period** *(%)*
Total assets	**37,936,602**	39,228,079	-3.29
Net assets attributable to shareholders of the Company	**2,199,292**	3,988,873	-44.86

	This reporting period (January to June)	Same period last year	**Change from the same period of last year to this reporting period** *(%)*
Net cash flow from operating activities	**-456,961**	-731,329	37.52
Operating income	**2,789,412**	4,505,619	-38.09
Net profit attributable to shareholders of the Company	**-1,790,343**	-2,227,578	19.63
Net profit attributable to shareholders of the Company after extraordinary gains and losses	**-1,907,505**	-2,223,022	14.19
Weighted average return on net assets *(%)*	**-57.87**	-25.09	Decreased by 32.78 percentage points
Basic earnings per share *(RMB per share)*	**-0.40**	-0.50	20.00
Diluted earnings per share *(RMB per share)*	**-0.40**	-0.50	20.00

2.2 Shareholdings of top ten shareholders

Unit: share

Total number of shareholders as of the end of the Reporting Period *(account)*	174,032
Total number of preferential shareholders with resumed voting rights as of the end of the Reporting Period *(account)*	0

Shareholdings of top 10 shareholders

Name of shareholder	Type of shareholder	Shareholding percentage (%)	Number of shares held	Number of shares held with trading limitations	Number of shares pledged or frozen	
Chongqing Iron & Steel (Group) Co., Ltd.	State-owned legal person	47.27	2,096,981,600	1,996,181,600	Pledged	1,009,700,000
HKSCC Nominees Limited	Foreign legal person	11.95	530,103,540	0	Unknown	
Central Huijin Asset Management Co., Ltd.	Unknown	2.1	93,284,800	0	Unknown	
China Securities Finance Corporation Limited	Unknown	0.89	39,352,886	0	Unknown	
Wu Zhaomi	Domestic natural person	0.66	29,336,217	0	Unknown	
Bosera Funds – Agricultural Bank of China – Bosera China Securities Financial Asset Management Plan	Unknown	0.54	23,900,800	0	Unknown	
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	Unknown	0.54	23,900,800	0	Unknown	
ICBC Credit Suisse Asset – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Asset Management Plan	Unknown	0.54	23,900,800	0	Unknown	
Guangdong Development Fund – Agricultural Bank of China – GF China Securities Financial Asset Management Plan	Unknown	0.54	23,900,800	0	Unknown	
Huaxia Fund – Agricultural Bank of China – China Securities Financial Asset Management Plan	Unknown	0.54	23,900,800	0	Unknown	

Description on the related relationship or acts in concert of the above shareholders	There is no related relationship between the parent company and the other 9 shareholders and they are not parties acting in concert as stipulated in Administrative Measures for Management of Information Disclosure of Changes in Shareholdings of Shareholders of Listed Companies. The Company is also not aware of whether there is any related relationship among the other 9 shareholders or whether they are parties acting in concert.
Description on the preferential shareholders with resumed voting rights and shareholding	Nil

III MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2016, the domestic steel products market remained sluggish overall despite some recovery. Against the backdrop of continued losses from operations, extremely tight liquidity and great difficulty in securing the supply of raw materials, through the concerted efforts of all employees, the Company was in a better position to ensure the continuity and stability of production and kept all kinds of risks and conflicts in effective control, laying a solid foundation for intensifying reforms at full swing and achieving transformational development.

Major work carried out by the Company during the reporting period: 1. Optimization of production processes for guaranteed economy of scale in production. Firstly, we continued to adhereto the policy for production processes on the basis of stable and smooth operation of the blast furnace in enhancing process synergy, process tolerance, fine operation and system balance and achieved the stable and smooth operation of two blast furnaces in the first half of the year. Secondly, we organized production according to the economy of scale and paid close attention to the work for improving key economic and technical indicators such as one-off hitting rate, rollout rate and pending items. Thirdly, we strengthened all incident supervision and control throughout the system, creating conditions for smooth production. 2. Promotion of systematic cost reduction for reduced cost and enhanced efficiency. In the first half of the year, through the implementation of comprehensive budget management as well as accounting and billing at the workshop and department levels, we fully promoted target cost management and supervised and refined the ten initiatives on cost reduction and efficiency enhancement with long-term and continuous attention, defining targets, assigning responsibilities and implementing stringent assessment which have achieved effective results. 3. Utilization of a variety of procurement methods to support continuous production. To ensure steady production at the most basic scale, we took measures including optimizing procurement channels to achieve a balance in resources and a stable structure, seeking financing for procurement to fill the funding gap and strengthening management to enhance the risk control capabilities, hence securing the supply of raw materials, spare parts and tooling as required in production. 4. Adjustment to our market layout and expanded regional markets. Adhering to a benefit-oriented business policy, we constantly optimized and adjusted the structure of production lines, products, squeezing production lines and products with poor marginal benefits, proactively shrinking inefficient markets and stepping up efforts to develop regional markets. As a result, some results have been achieved. 5. Promotion of cooperation on processing on order to stabilize production for the current period. As per the request of the municipal government, the Company quickly built a team to promote proactive and appropriate liaison with Panhua Group and adopted a variety of measures and means to overcome difficulties in the process of cooperation. Currently, the cooperation is smooth overall.

Major difficulties confronted by the Company at present: 1. Existence of a gap in reducing and controlling losses and arduous tasks for turnaround. 2. Increasingly prominent issue of tight liquidity, huge debt pressure and increasing litigation risk. 3. Tight downsizing and placement schedules characterized by heavy tasks and great difficulties. 4. Urgent need to increase awareness toward promoting reform and reinforcing management and the need for improvement in execution capabilities.

In light of the above difficulties, in the second half of the year, the Company will adopt all positive means and gear up for turnaround from loss to profit making in accordance: 1. Cooperate with Panhua Group in respect of processing on order in full-swing, strengthen the optimization of production organization and the control of processes, enhance the quality of products and reduce the cost of processes to ensure that expected goals are achieved. 2. Actively promote institutional reform and reform of the internal personnel, labour employment and wage distribution systems, optimize management processes, improve management efficiency so as to establish modern enterprise management systems and mechanisms and business models fitting in the market economy. 3. Actively seek policy support and implement downsizing and placement taking into account relevant requirements on the elimination of excess capacity, striving to achieve the goal of reducing and relocating 2,500 staff this year. 4. Adjust the structure of assets, capital and debts. Actively participate in the significant asset restructuring work to achieve the adjustment and optimization of the Company's asset, capital and debt structures through the reorganization of assets. 5. Consolidate the results of systematic cost reduction in the first half of the year and accurately identify the focus of cost reduction to ensure the completion of annual cost reduction tasks. 6. Cooperate well with POSCO Korea and promote the building of cold-rolled and galvanized steel projects and strictly control the quality and progress of projects leveraging the technological and management advantages of POSCO to create conditions for the upgrade and gear shifting of the Company's product mix in the "13th Five-Year" period.

During the period, the Company produced 610,000 tons choke coal, 1.25 million tons of pig iron, 1.27 million tons of steel, 1.24 million tons of steel products. The production volume of iron, steel and steel products decreased by 30%, 29% and 24% respectively from the same period last year. The average selling price of steel billet products stood at RMB2,200/ton (excluding taxes), representing a decrease of 9.76% from the same period last year. Sales revenue amounted to RMB2,789,412 thousands, representing a decrease of 38.09% from the same period last year. The Company recorded a loss of RMB1,790,321 thousand, representing a decrease of RMB437,183 thousands or 19.63% from the loss for the same period last year.

(I) Analysis of principal operations

1 Analysis table on changes of relevant items in financial statements

Unit: '000 Currency: RMB

Items	**For the current Period**	For the same period last year	**Change** *(%)*
Operating income	**2,789,412**	4,505,619	-38.09
Operating costs	**3,432,699**	5,599,926	-38.70
Selling and distribution expenses	**105,105**	118,000	-10.93
General and administrative expenses	**601,693**	383,116	57.05
Financial expenses	**543,734**	627,353	-13.33
Net cash flow from operating activities	**-456,961**	-731,329	37.52
Net cash flow from investing activities	**-141,630**	74,552	-289.97
Net cash flow from financing activities	**799,331**	871,485	-8.28
Research and development expenses	**187,000**	142,570	31.16

Description on reasons for changes in operating income: The steel products market remained sluggish and the scale of production and operation of the Company was reduced.

Description on reasons for changes in operating costs: The scale of production was reduced and the Company strived to reduce lost and enhance efficiency.

Description on reasons for changes in management expenses: It is mainly due to the increase of loss resulting from cessation of work.

Description on reasons for changes in net cash flow from operating activities: Due to tight liquidity, operating expenses were controlled.

Description on reasons for changes in net cash flow from investing activities: It is mainly because RMB355,486 thousand was received in the first half of 2015 for the disposal of land in 2014, and there was none in the first half of 2016.

2. Others

(1) Detail description on significant changes in the components of profit or sources of profit of the Company

During the first half of 2016, the Group realized RMB2,789,412 thousands of operating income, representing a year-on-year decrease of 38.09%, RMB3,432,699 thousands of operating costs, representing a year-on-year decrease of 38.70%, and RMB-1,790,321 thousands of total profit, representing a year-on-year decrease in losses of 19.63%, mainly due to the following reasons:

① During the first half of 2016, the Group recorded revenue of principal operations amounting to RMB2,777,536 thousands, representing a year-on-year decrease of 38.20%, mainly due to the substantial decline in sales volume arising from the continuously sluggish steel products market and a reduction in the scale of production.

Type	First half of 2016 Amount (RMB '000)	Percentage (%)	First half of 2015 Amount (RMB '000)	Percentage (%)	Year-on-year growth (%)
Plate products	**892,319**	**32.13**	1,875,941	41.74	-52.43
Hot rolled coil	**1,497,222**	**53.90**	1,953,475	43.46	-23.36
Rod products	**329**	**0.01**	21,504	0.48	-98.47
Wire products		**0.00**	72,932	1.62	-100.00
Steel billets	**34,689**	**1.25**	58,557	1.30	-40.76
Sub-total	**2,424,559**	**87.29**	3,982,409	88.60	-39.12
Others	**352,977**	**12.71**	512,280	11.40	-31.10
Total	**2,777,536**	**100.00**	4,494,689	100.00	-38.20

During the first half of 2016, the sales revenue of the Group's steel billets products amounted to RMB2,424,559 thousands, representing a year-on-year decrease of RMB1,557,850 thousands. Firstly, it was due to the decrease in selling price. The Group's average selling price of steel billets products amounted to RMB2,200/ton, representing a year-on-year decrease of 9.76%, which resulted in a decrease in the sales revenue of RMB203,046 thousands. Secondly, it was due to the decrease in sales volume. The Group sold a total of 1,101.9 thousand tons of steel billets, representing a year-on-year decrease of 32.53%, which led to a decrease in the sales revenue of RMB1,354,804 thousands.

Item	**First half of 2016** *RMB/ton*	First half of 2015 *RMB/ton*	**Year-on-year growth** *(%)*	**Revenue increase** *(RMB thousand)*
Plate products	**2,695**	2,678	0.63	5,630
Hot rolled coil	**1,995**	2,270	-12.11	-206,360
Rod products	**1,453**	1,777	-18.23	-65
Wire products		2,572	-100.00	0
Steel billets	**1,727**	1,839	-6.09	-2,251
Total	**2,200**	2,438	-9.76	-203,046

Item	**First half of 2016** *(Ton 0'000)*	First half of 2015 *(Ton 0'000)*	**Year-on-year growth** *(%)*	**Revenue increase** *(RMB thousand)*
Plate products	**33.12**	70.05	-52.72	-988,985
Hot rolled coil	**75.04**	86.04	-12.78	-250,112
Rod products	**0.02**	1.21	-98.35	-21,146
Wire products		2.84	-100.00	-73,045
Steel billets	**2.01**	3.18	-36.79	-21,516
Total	**110.19**	163.32	-32.53	-1,354,804

② The principal operations realized gross profit of RMB-650,821 thousands, representing a year-on-year decrease in the loss of RMB451,504 thousands mainly due to the enhancement of cost control, the decrease in the procurement and processing costs.

③ The Group incurred expenses in the amount of RMB1,250,532 thousands, representing a year-on-year increase by RMB122,063 thousands, mainly attributable to: firstly, a year-on-year decrease of RMB12,895 thousands in the selling and distribution expenses arising from the decline in sales volume; secondly, a year-on-year increase of management expenses of RMB218,577 thousands; thirdly, a year-on-year decrease of financial expenses of RMB83,619 thousands.

Item	**Amount for the current period**	Amount for the last period	**Percentage change in the amount for the current period as compared with that of the last period** *(%)*
Selling and distribution expenses	**105,105**	118,000	-10.93
Management expenses	**601,693**	383,116	57.05
Financial expenses	**543,734**	627,353	-13.33

④ The Group realized non-operating income of RMB117,169 thousands, representing a year-on-year increase of RMB115,060 thousands, which is mainly due to the receipt of subsidies from the government.

(II) Analysis of operation by industry, product or region

1. Principal operations by industry and product

Unit: ’000 Currency: RMB

Principal operations by industry

By industry	Operating income	Operating costs	Gross profit margin (%)	Change in operating income from last year (%)	Change in operating costs from last year (%)	Change in gross profit margin from last year (%)
Iron and steel	2,777,536	3,428,357	-23.43	-37.81	-38.45	Increased by 1.28%

Principal operations by product

By product	Operating income	Operating costs	Gross profit margin (%)	Change in operating income from last year (%)	Change in operating costs from last year (%)	Change in gross profit margin from last year (%)
Steel billets products	2,424,559	2,932,125	-20.93	-39.12	-42.18	Increased by 6.42%
By-products	215,248	210,966	1.99	-55.53	-57.70	Increased by 5.04%
Processing on order	137,729	285,266	-107.12			Decreased by 107.12%

2. Principal operations by region

Unit: '000 Currency: RMB

Region	Operating income	Change in operating income from last year *(%)*
South western region	1,771,105	-10.93
Other regions	1,006,431	-59.38
Total	2,777,536	-37.81

IV OTHER SIGNIFICANT ISSUES

1. Compliance with corporate governance code

To the best knowledge of the Board, the Company complied with the provisions of Appendix 14 "Code on Corporate Governance Practices" to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the reporting period and no deviation from the Code had been found.

2. Code for securities transactions by directors

The Company has used the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Listing Rules as the code for trading securities of the Company for directors. Upon detailed consultation, all the directors of the Company have confirmed that they have complied with the guidelines as contained in the Model Code for the six months ended 30 June 2016.

3. Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2016.

4. Purchase, sale or redemption of the listed securities of the Company

None of the Company and any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the reporting period.

5. Significant acquisition and disposal of subsidiaries and associates

There was no significant acquisition and disposal of subsidiaries and associates during the reporting period.

6. Audit Committee

The Audit Committee is comprised of three independent non-executive Directors, namely, Mr. Xin Qing Quan, Mr. Xu Yi Xiang and Mr. Wong Chun Wa with Mr. Xin Qing Quan acting as the chairman of the Audit Committee.

The unaudited interim financial report of the Group for the six months ended 30 June 2016 had been reviewed by the members of the Audit Committee on 30 August 2016 before submitting to the Board for approval.

V UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE SIX MONTHS ENDED 30 JUNE 2016 PREPARED IN ACCORDANCE WITH THE PRC GAAP

Consolidated Balance Sheet
As at 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Assets	As at 30 June 2016	As at 31 December 2015
Current assets:		
Cash and bank deposits	**892,742**	925,471
Notes receivable	**19,821**	45,863
Accounts receivable	**491,459**	503,202
Prepayments	**64,974**	39,924
Other receivables	**49,009**	40,376
Inventories	**2,210,876**	2,775,858
Other current assets	**21,652**	501
Total current assets	**3,750,533**	4,331,195

Assets	As at 30 June 2016	As at 31 December 2015
Non-current assets:		
Available-for-sale financial assets	**5,000**	5,000
Long-term equity investments		
Fixed assets	**29,688,403**	30,306,394
Construction in progress	**126,281**	128,949
Construction materials	**17,578**	10,651
Intangible assets	**2,680,424**	2,712,264
Other non-current assets	**1,668,383**	1,733,626
Total non-current assets	**34,186,069**	34,896,884
Total assets	**37,936,602**	39,228,079

Liabilities and shareholders' equities	As at 30 June 2016	As at 31 December 2015
Current liabilities:		
Short-term borrowings	**5,100,999**	3,492,152
Notes payable	**2,617,085**	3,663,417
Accounts payable	**10,501,527**	10,532,063
Receipts in advance	**612,754**	653,721
Employee benefits payable	**380,928**	311,835
Tax payable	**7,408**	8,679
Interests payable	**82,779**	30,900
Other payables	**3,461,549**	2,702,833
Non-current liabilities due within one year	**1,139,015**	1,796,250
Other current liabilities	**11,913**	15,054
Total current liabilities	**23,915,957**	23,206,904

Liabilities and shareholders' equities	**As at 30 June 2016**	As at 31 December 2015
Non-current liabilities:		
Long-term borrowings	**9,630,436**	9,849,988
Debentures payable	**1,990,939**	1,987,882
Deferred income	**180,694**	175,158
Total non-current liabilities	**11,802,069**	12,013,028
Total liabilities	**35,718,026**	35,219,932

Liabilities and shareholders' equities	**As at 30 June 2016**	As at 31 December 2015
Shareholders' equity:		
Share Capital	**4,436,023**	4,436,023
Capital reserve	**6,658,376**	6,657,614
Other comprehensive income		
Special reserve		
Surplus reserve	**606,991**	606,991
Retained earnings	**-9,502,098**	-7,711,755
Total equity attributable to shareholders of the parent company	**2,199,292**	3,988,873
Non-controlling interest	**19,284**	19,274
Total shareholders' equity	**2,218,576**	4,008,147
Total liabilities and shareholders' equities	**37,936,602**	39,228,079

Balance Sheet of the Parent Company
As at 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Assets	**As at 30 June 2016**	As at 31 December 2015
Current assets:		
Cash and bank deposits	**892,153**	921,703
Notes receivable	**18,921**	45,165
Accounts receivable	**488,709**	485,739
Prepayments	**53,352**	27,440
Other receivables	**48,904**	40,228
Inventories	**2,210,409**	2,775,485
Other current assets	**21,240**	
Total current assets	**3,733,688**	4,295,760

Assets	As at 30 June 2016	As at 31 December 2015
Non-current assets:		
Available-for-sale financial assets	**5,000**	5,000
Long-term equity investments	**101,000**	101,000
Fixed assets	**29,678,844**	30,296,557
Construction in progress	**126,281**	128,949
Construction materials	**17,578**	10,651
Intangible assets	**2,680,424**	2,712,264
Other non-current assets	**1,608,361**	1,672,227
Total non-current assets	**34,217,488**	34,926,648
Total assets	**37,951,176**	39,222,408

Liabilities and shareholders' equities	**As at 30 June 2016**	As at 31 December 2015
Current liabilities:		
Short-term borrowings	**5,100,999**	3,492,152
Notes payable	**2,617,085**	3,663,417
Accounts payable	**10,546,453**	10,565,822
Receipts in advance	**602,615**	638,035
Employee benefits payable	**380,858**	311,776
Tax payable	**7,402**	7,902
Interests payable	**82,779**	30,900
Other payables	**3,458,467**	2,700,097
Non-current liabilities due within one year	**1,139,015**	1,796,250
Other current liabilities	**11,913**	15,054
Total current liabilities	**23,947,586**	23,221,405
Non-current liabilities:		
Long-term borrowings	**9,630,436**	9,849,988
Debentures payable	**1,990,939**	1,987,882
Deferred income	**180,694**	175,158
Total non-current liabilities	**11,802,069**	12,013,028
Total liabilities	**35,749,655**	35,234,433

Liabilities and shareholders' equities	**As at 30 June 2016**	As at 31 December 2015
Shareholders' equity:		
Share Capital	**4,436,023**	4,436,023
Capital reserve	**6,689,319**	6,688,557
Other comprehensive income		
Special reserve		
Surplus reserve	**577,012**	577,012
Retained earnings	**-9,500,833**	-7,713,617
Total shareholder's equity	**2,201,521**	3,987,975
Total liabilities and shareholders' equities	**37,951,176**	39,222,408

Consolidated Income Statement

For the six months ended 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Items	Current period cumulative	Preceding period comparative
I. Total operating revenue	**2,789,412**	4,505,619
Including: Operating revenue	**2,789,412**	4,505,619
II. Total operating costs	**4,696,895**	6,728,873
Including: Operating costs	**3,432,699**	5,599,926
Business taxes and surcharges	**177**	478
Selling expenses	**105,105**	118,000
Administrative expenses	**601,693**	383,116
Financial expenses	**543,734**	627,353
Impairment losses on assets	**13,487**	
Add: Gains from changes in fair value (losses are represented by "-")		
Investment income (losses are represented by "-")		
Including: Gains from investment in associates and joint ventures		
Gains on foreign exchange (losses are represented by "-")		

Items	**Current period cumulative**	Preceding period comparative
III. Operating profit (losses are represented by "-")	**-1,907,483**	-2,223,254
Add: Non-operating income	**117,169**	2,109
Including: Gains on disposal of non-current assets	**12**	
Less: Non-operating expenses	**7**	6,359
Including: Losses on disposal of non-current assets		
IV. Profit before income tax (losses are represented by "-")	**-1,790,321**	-2,227,504
Less: Income tax expenses	**12**	41
V. Net profit for the year (net losses are represented by "-")	**-1,790,333**	-2,227,545
Net profit attributable to the shareholders of the parent company	**-1,790,343**	-2,227,578
Non-controlling interests	**10**	33
VI. Other comprehensive income after tax		
Other comprehensive income after tax attributable to shareholders of the parent company		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes in remeasurement on the net defined benefit liability/asset		
2. Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		

Items	**Current period cumulative**	Preceding period comparative
(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. Profit or loss 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 profit or loss 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	**-1,790,333**	-2,227,545
Total comprehensive income attributable to shareholders of the parent company	**-1,790,343**	-2,227,578
Total comprehensive income attributable to non-controlling interests	**10**	33
VIII. Earnings per share:		
(1) Basic earnings per share *(yuan/share)*	**-0.40**	-0.50
(2) Diluted earnings per share *(yuan/share)*	**-0.40**	-0.50

Income Statement of the Parent Company

For the six months ended 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Items	Current period cumulative	Preceding period comparative
I. Operating revenue	**2,580,184**	4,277,875
Less: Operating costs	**3,225,770**	5,376,947
Business taxes and surcharges	**141**	432
Selling expenses	**100,533**	114,415
Administrative expenses	**600,908**	381,513
Financial expenses	**543,730**	627,366
Impairment losses on assets	**13,487**	
Add: Gains from changes in fair value (losses are represented by "-")		
Investment income (losses are represented by "-")	**1,279**	
Including: Gains from investment in associates and joint ventures		
II. Operating profit (losses are represented by "-")	**-1,904,385**	-2,221,519
Add: Non-operating income	**117,169**	2,109
Including: Gains on disposal of non-current assets	**12**	
Less: Non-operating expenses		6,327
Including: Losses on disposal of non-current assets		
III. Profit before income tax (losses are represented by "-")	**-1,787,216**	-2,225,737
Less: income tax expenses		
IV. Net profit for the year (net losses are represented by "-")	**-1,787,216**	-2,225,737

V. Other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes in remeasurement on the net defined benefit liability/asset		
2. Share of other comprehensive income of investees the 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. Profit or loss 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 profit or loss arising from cash flow hedging instruments		
5. Translation difference arising on translation of foreign currency financial statements		
6. Others		
VI. Total comprehensive income	**-1,787,216**	-2,225,737
VII. Earnings per share:		
(1) Basic earnings per share *(yuan/share)*		
(2) Diluted earnings per share *(yuan/share)*		

Consolidated Cash Flow Statement
For the six months ended 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Items	**Current period cumulative**	Preceding period comparative
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	**1,658,721**	6,134,353
Other cash receipts related to operating activities	**8,189,127**	105
Sub-total of cash inflows from operating activities	**9,847,848**	6,134,458

Items	Current period cumulative	Preceding period comparative
Cash payments for goods purchased and services rendered	**1,751,081**	6,303,571
Cash payments to and on behalf of employees	**357,979**	499,700
Payments of various types of taxes	**61,207**	50,941
Other cash payments related to operating activities	**8,134,542**	11,575
Sub-total of cash outflows from operating activities	**10,304,809**	6,865,787
Net cash flows from operating activities	**-456,961**	-731,329
II. Cash flows from investing activities:		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		355,486
Net cash receipts from disposal of subsidiaries and other operating entities		
Other cash receipts related to investing activities		12,381
Sub-total of cash inflows from investment activities		367,867
Cash payments for acquisition and construction of fixed assets, intangible assets and other long-term assets	**141,630**	293,315
Sub-total of cash outflows from investment activities	**141,630**	293,315
Net cash flows from investing activities	**-141,630**	74,552

Items	**Current period cumulative**	Preceding period comparative
III. Cash flows from financing activities:		
Cash received from borrowings	**4,075,065**	3,120,380
Other cash receipts related to financing activities	**1,709,978**	
Sub-total of cash inflows from financing activities	**5,785,043**	3,120,380
Repayment of borrowings	**2,810,496**	1,222,174
Cash payments for distribution of dividends or profits, or interests	**354,391**	518,624
Including: Dividends and profits paid by subsidiaries to non-controlling shareholders of subsidiaries		
Other cash payments related to financing activities	**1,820,825**	508,097
Sub-total of cash outflows from financing activities	**4,985,712**	2,248,895
Net cash flows from financing activities	**799,331**	871,485
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		-5,328
V. Net increase in cash and cash equivalents	**200,740**	209,380
Add: Cash and cash equivalents at the beginning of the period	**32,376**	146,148
VI. Cash and cash equivalents at the end of the period	**233,116**	355,528

Cash Flow Statement of the Parent Company
For the six months ended 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Items	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	**1,411,430**	5,819,802
Other cash receipts related to operating activities	**8,181,618**	105
Sub-total of cash inflows from operating activities	**9,593,048**	5,819,907
Cash payments for goods purchased and services rendered	**1,506,079**	5,989,791
Cash payments to and on behalf of employees	**356,429**	498,231
Payments of various types of taxes	**61,008**	49,201
Other cash payments related to operating activities	**8,123,315**	11,562
Sub-total of cash outflows from operating activities	**10,046,831**	6,548,785
Net cash flows from operating activities	**-453,783**	-728,878

Items	Current period cumulative	Preceding period comparative
II. Cash flows from investing activities:		
Cash received from investment income		1,279
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		355,486
Net cash receipts from disposal of subsidiaries and other operating entities		
Other cash receipts related to investing activities		12,362
Sub-total of cash inflows from investment activities		369,127
Cash payments for acquisition and construction of fixed assets, intangible assets and other long-term assets	**141,630**	290,936
Sub-total of cash outflows from investment activities	**141,630**	290,936
Net cash flows from investing activities	**-141,630**	78,191

Items	Current period cumulative	Preceding period comparative
III. Cash flows from financing activities:		
Cash received from borrowings	**4,075,065**	3,120,380
Other cash receipts related to financing activities	**1,709,978**	
Sub-total of cash inflows from financing activities	**5,785,043**	3,120,380
Repayment of borrowings	**2,810,496**	1,222,174
Cash payments for distribution of dividends or profits, or interests	**354,391**	518,624
Other cash payments related to financing activities	**1,820,825**	508,097
Sub-total of cash outflows from financing activities	**4,985,712**	2,248,895
Net cash flows from financing activities	**799,331**	871,485
IV. Effect of changes in foreign exchange rate on cash and cash equivalents		-5,328
V. Net increase in cash and cash equivalents	**203,918**	215,470
Add: Cash and cash equivalents at the beginning of the period	**28,608**	138,168
VI. Cash and cash equivalents at the end of the period	**232,526**	353,638

Consolidated Statement of Changes in Shareholders' Equity

For the six months ended 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

Items	Current period cumulative								Preceding period comparative							
	Total equity attributable to shareholders of the parent company								Total equity attributable to shareholders of the parent company							
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	Total shareholders' equity	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	Total shareholders' equity
I. Closing balance of the preceding year	4,436,023	6,657,614			606,991	-7,711,755	19,274	4,008,147	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	6,657,614			606,991	-7,711,755	19,274	4,008,147	4,436,023	6,655,407			606,991	-1,724,507	19,212	9,993,126
III. Changes in the current period (decrease are represented by "-")		762				-1,790,343	10	-1,789,571		433				-2,227,578	33	-2,227,112
(I) Total comprehensive income						-1,790,343	10	-1,790,333						-2,227,578	33	-2,227,545
(II) Shareholders' contribution and reduction in share capital		762						762		433						433
4. Others		762						762		433						433

Items	Current period cumulative								Preceding period comparative							
	Total equity attributable to shareholders of the parent company								Total equity attributable to shareholders of the parent company							
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	Total shareholders' equity	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Non-controlling interest	Total shareholders' equity
(III) Profit distribution																
(IV) Transfers within shareholders' equity																
(V) Special reserve																
1. Accrued in the current period				9,368				9,368				8,534				8,534
2. Utilized in the current period				9,368				9,368				8,534				8,534
(VI) Others																
IV. Closing balance of the current period	4,436,023	6,658,376			606,991	-9,502,098	19,284	2,218,576	4,436,023	6,655,840			606,991	-3,952,085	19,245	7,766,014

Statement of Changes in Shareholders' Equity of the Parent Company

For the six months ended 30 June 2016

Compilation Organization: Chongqing Iron & Steel Company Limited

Expressed in RMB thousand yuan

	Current period cumulative							Preceding period comparative						
Items	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. Closing balance of the preceding year	4,436,023	6,688,557			577,012	-7,713,617	3,987,975	4,436,023	6,686,350			577,012	-1,727,922	9,971,463
II. Opening balance of the current year	4,436,023	6,688,557			577,012	-7,713,617	3,987,975	4,436,023	6,686,350			577,012	-1,727,922	9,971,463
III. Changes in the current period (decrease are represented by "-")		762				-1,787,216	-1,786,454		433				-2,225,737	-2,225,304
(I) Total comprehensive income						-1,787,216	-1,787,216						-2,225,737	-2,225,737
(II) Shareholders' contribution and reduction in share capital		762					762		433					433
4. Others		762					762		433					433
(III) Profit distribution														
(IV) Transfers within shareholders' equity														
(V) Special reserve														
1. Accrued in the current period				9,368			9,368				8,534			8,534
2. Utilized in the current period				9,368			9,368				8,534			8,534
(VI) Others														
IV. Closing balance of the current period	4,436,023	6,689,319			577,012	-9,500,833	2,201,521	4,436,023	6,686,783			577,012	-3,953,659	7,746,159

The Interim Report of the Company for the period ended 30 June 2016 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 30 August 2016.

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

Chongqing, the PRC
30 August 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).