

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

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

(Stock Code: 1053)

THIRD QUARTERLY REPORT OF 2021

IMPORTANT NOTICE:

The board of directors, the supervisory committee and directors, supervisors and senior management of the Company guarantee that the contents of this quarterly report are true, accurate and complete, without any false representations, misleading statements or material omissions, and assume several and joint responsibility in respect thereof.

The legal representative, the chief accountant and the head of the accounting department (accounting officer) of the Company warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

Whether this third quarterly report of the Company has been audited

Yes

No

I. MAJOR FINANCIAL DATA

(I) Key accounting figures and financial indicators

Unit: RMB'000

Item	For the Reporting Period	Increase/decrease over the corresponding period last year (%)	For the period from the beginning of the year to the end of the Reporting Period	Increase/decrease over the corresponding period last year (%)
Revenue	9,094,279	29.95	31,764,218	77.20
Net profit attributable to shareholders of the Company	182,680	-26.63	2,879,721	677.61
Net profit attributable to shareholders of the Company after non-recurring items	181,930	-26.05	3,016,412	752.52
Net cash flow from operating activities	N/A	N/A	1,991,154	310.05
Basic earnings per share (<i>RMB per share</i>)	0.020	-28.57	0.323	669.05
Diluted earnings per share (<i>RMB per share</i>)	0.020	-28.57	0.323	669.05
Weighted average return on net assets (%)	0.80	Decreased by 0.47 percentage point	13.38	Increased by 11.49 percentage points
	At the end of the Reporting Period		At the end of the previous year	Increase/decrease (%)
Total assets	41,614,315		39,949,856	4.17
Owners' equity attributable to shareholders of the Company	22,991,006		20,038,467	14.73

Note: The "Reporting Period" refers to the three months from 1 June 2021 to 30 September 2021.

(II) Non-recurring items and amounts*Unit: RMB'000*

Item	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period
Government grants included in current profit or loss, other than those closely related to the normal operations of the Company and in compliance with national policies and regulations and conferred on the standard quota or quantity basis	1,231	29,380
Capital occupancy fee from non-financial enterprises recognized through profit or loss	102	1,102
Other non-operating income and expenses other than the above items	<u>-583</u>	<u>-167,173</u>
Total	<u><u>750</u></u>	<u><u>-136,691</u></u>

Explanation on defining any non-recurring items listed under the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Gains/Losses as recurring items

Applicable Not applicable

(III) Changes in key accounting figures and financial indicators and the reasons thereof

Applicable Not applicable

Item	Change (%)	Reasons
Revenue	77.20	Mainly due to the increase in the sales volume and selling price of commodity billets.
Net profit attributable to shareholders of the Company	677.61	Mainly due to the increase in sales volume and selling price of commodity billets and the Company's efforts to reduce costs and increase efficiency through conducting comprehensive benchmarking and identify areas for improvement.
Net profit attributable to shareholders of the Company after non-recurring items	752.52	Mainly due to the increase in sales volume and selling price of commodity billets and the Company's efforts to reduce costs and increase efficiency through conducting comprehensive benchmarking and identify areas for improvement.
Net cash flow from operating activities	310.05	Mainly due to the increase in sales volume and selling price of commodity billets and the Company's efforts to reduce costs and increase efficiency through conducting comprehensive benchmarking and identify areas for improvement, as well as the increase in payment by bills.
Basic earnings per share (RMB per share)	669.05	Mainly due to the increase in profits.
Diluted earnings per share (RMB per share)	669.05	Mainly due to the increase in profits.

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders, total number of preferred shareholders with restored voting rights and shareholdings of the top ten shareholders

Unit: shares

Total number of ordinary shareholders as at the end of the Reporting Period	191,443	Total number of preferred shareholders with restored voting rights (if any) as at the end of the Reporting Period	Nil
---	---------	---	-----

Shareholdings of top 10 shareholders

Name of shareholder	Type of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held with trading restrictions	Pledged, tagged or frozen Share status	Number
Chongqing Changshou Iron & Steel Company Limited	Domestic non-state-owned legal person	2,096,981,600	23.51	0	Nil	0
HKSCC Nominees Limited	Foreign legal person	532,238,221	5.97	0	Unknown	–
Chongqing Qianxin Group Co., Ltd.	State-owned legal person	427,195,760	4.79	0	Pledged	427,190,070
Chongqing Rural Commercial Bank Co., Ltd.	State-owned legal person	289,268,939	3.24	0	Nil	0
Chongqing Guochuang Investment and Management Co., Ltd.	State-owned legal person	278,288,059	3.12	0	Nil	0
Bank of Chongqing Co., Ltd.	State-owned legal person	226,042,920	2.53	0	Nil	0
Industrial Bank Co., Ltd. Chongqing Branch	Unknown	219,633,096	2.46	0	Nil	0
Agricultural Bank of China Limited Chongqing Branch	State-owned legal person	216,403,628	2.43	0	Nil	0
China Shipbuilding Industry Complete Equipment Logistics Co., Ltd.	State-owned legal person	211,461,370	2.37	0	Nil	0
Bank of Communications Co., Ltd. Chongqing Branch	Unknown	140,760,305	1.58	0	Nil	0

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

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Chongqing Changshou Iron & Steel Company Limited	2,096,981,600	RMB-denominated ordinary shares	2,096,981,600
HKSCC Nominees Limited	532,238,221	Overseas listed foreign shares	532,238,221
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
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 Industry Complete Equipment Logistics Co., Ltd.	211,461,370	RMB-denominated ordinary shares	211,461,370
Bank of Communications Co., Ltd. Chongqing Branch	140,760,305	RMB-denominated ordinary shares	140,760,305

Description of connected relationship and acting in concert among the above shareholders

Chongqing Changshou Iron & Steel Company Limited is the controlling shareholder of the Company and it is not connected with any of the other 9 shareholders, nor a party acting in concert (as defined under the Administrative Measures for Management of Information Disclosure of Changes in Shareholdings of Shareholders of Listed Companies) with any of them. The Company is also not aware of whether there is any connected relationship among the other 9 shareholders or whether they are parties acting in concert.

Description of involvement in securities margin financing, short selling and refinancing (if any) by top 10 shareholders and top 10 holders of shares not subject to trading moratorium

Nil

III. OTHER REMINDERS

Other important information about the Company's operations during the Reporting Period that should be brought to the attention of investors

Applicable Not applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Applicable Not applicable

(II) Financial statements

Consolidated Balance Sheet

As at 30 September 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	30 September 2021	31 December 2020
Current assets:		
Cash and bank balances	4,426,763	4,943,231
Balances with clearing companies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	550,000	
Derivative financial assets		
Bills receivable		
Trade receivables	116,733	35,041
Receivables financing	1,726,884	2,068,546
Prepayments	839,063	534,516
Premiums receivable		
Accounts receivable from reinsurers		
Deposits receivable from reinsurers		
Other receivables	8,355	18,013
Including: Interests receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	4,381,077	5,054,908
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	424,430	394,153
Total current assets	12,473,305	13,048,408

Item	30 September 2021	31 December 2020
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	51,237	79,494
Other equity instrument investments	5,000	5,000
Other non-current financial assets		
Investment properties		
Fixed assets	20,189,207	16,630,788
Construction in progress	4,973,695	2,844,665
Biological assets for production		
Fuel assets		
Right-of-use assets	550,713	4,095,211
Intangible assets	2,396,470	2,394,593
Development expenses		
Goodwill	319,057	295,407
Long-term deferred expenditures	379,379	299,730
Deferred income tax assets	131,468	131,468
Other non-current assets	144,784	125,092
	<hr/>	<hr/>
Total non-current assets	29,141,010	26,901,448
	<hr/> <hr/>	<hr/> <hr/>
Total assets	41,614,315	39,949,856
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2021	31 December 2020
Current liabilities:		
Short-term borrowings	2,432,197	700,788
Borrowings from central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Bills payable	2,077,827	1,272,291
Trade payables	2,750,818	2,652,728
Advances from customers		
Contract liabilities	1,067,612	2,554,165
Disposal of repurchased financial assets		
Deposit taking and deposit in interbank market		
Customer deposits for trading in securities		
Customer deposits for underwriting		
Employee benefits payable	94,739	283,969
Taxes payable	36,299	9,177
Other payables	3,353,611	1,567,618
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Payable to reinsurers		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,535,323	4,056,471
Other current liabilities	138,790	332,041
	<hr/>	<hr/>
Total current liabilities	13,487,216	13,429,248
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2021	31 December 2020
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	1,523,000	450,000
Debentures payable	497,267	995,150
Including: Preference shares		
Perpetual bonds		
Lease liabilities	439,650	3,022,612
Long-term payables	2,493,034	1,352,264
Long-term employee benefits payable	136,191	179,557
Accrued liabilities		
Deferred income	39,953	35,902
Deferred income tax liabilities	6,998	1,176
Other non-current liabilities		445,480
	<hr/>	<hr/>
Total non-current liabilities	5,136,093	6,482,141
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	18,623,309	19,911,389
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2021	31 December 2020
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	8,918,602	8,918,602
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	19,282,147	19,282,147
Less: Treasury shares		65,940
Other comprehensive income		
Special reserve	29,062	22,184
Surplus reserve	606,991	606,991
General risk provision		
Undistributed profit	-5,845,796	-8,725,517
Total owners' equity (or shareholders' equity) attributable to the parent company	22,991,006	20,038,467
Minority interests		
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	22,991,006	20,038,467
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equity (or shareholders' equity)	41,614,315	39,949,856
	<hr/> <hr/>	<hr/> <hr/>
<i>Legal representative:</i>	<i>Chief accountant:</i>	<i>Head of the accounting department:</i>
Zhang Wenxue	Zou An	Lei Xiaodan

Consolidated Income Statement

January to September 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
I. Total revenue from operations	31,764,218	17,925,894
Including: Revenue from operations	31,764,218	17,925,894
Interest income		
Premiums earned		
Income from fee and commission		
II. Total operating costs	28,758,515	17,578,660
Including: Operating costs	27,768,610	16,843,438
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	124,747	135,988
Selling expenses	64,387	87,687
Administrative expenses	375,378	366,504
R&D expenses	117,372	
Finance cost	308,021	145,043
Including: Interest expenses	378,512	183,935
Interest income	75,764	45,099

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
Add: Other income	40,264	15,639
Gains from investment (loss is represented by “-”)	310	6,791
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 “-”)		

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
III. Profit from operations (loss is represented by “-”)	3,046,277	369,664
Add: Non-operating income	1,511	1,603
Less: Non-operating expenses	168,684	820
IV. Total profit (total loss is represented by “-”)	2,879,104	370,447
Less: Income tax expense	-617	115
V. Net profit (net loss is represented by “-”)	2,879,721	370,332
(I) Classified on a going concern basis		
1. Net profit from continuing operations (net loss is represented by “-”)	2,879,721	370,332
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 “-”)	2,879,721	370,332
2. Profit or loss attributable to non-controlling interests (net loss is represented by “-”)		

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
VI. Other comprehensive income (net of tax)		
(I) Other comprehensive income (net of tax) attributable to owners of the parent company		
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Changes in re-measurement of defined benefit plan		
(2) Other comprehensive income accounted for using equity method that will not be reclassified to profit or loss		
(3) Change in fair value of other equity instrument investments		
(4) Change in fair value of the enterprise's own credit risk		
2. Other comprehensive income that will be reclassified to profit or loss		
(1) Other comprehensive income accounted for using equity method which will be reclassified to profit and loss		
(2) Change in fair value of other debt investments		
(3) Amount of financial assets reclassified to other comprehensive income		

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
(4) Provision for credit impairment of other debt investments		
(5) Hedging reserve for cash flows		
(6) Exchange difference on translation of foreign currency financial statements		
(7) Others		
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		
VII. Total comprehensive income	2,879,721	370,332
(I) Total comprehensive income attributable to owners of the parent company	2,879,721	370,332
(II) Total comprehensive income attributable to non-controlling interests		
VIII. Earnings per share:		
(I) Basic earnings per share <i>(RMB per share)</i>	0.323	0.042
(II) Diluted earnings per share <i>(RMB per share)</i>	0.323	0.042

Legal representative:

Zhang Wenxue

Chief accountant:

Zou An

*Head of the
accounting department:*

Lei Xiaodan

Consolidated Statement of Cash Flows
January to September 2021

Prepared by: Chongqing Iron & Steel Company Limited

Unit: RMB'000 Audit type: unaudited

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	29,286,413	16,512,712
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		
Receipts of taxes refunds	38,356	7,247
Other cash received relating to operating activities	121,058	375,268
Sub-total of cash inflows from operating activities	<u>29,445,827</u>	<u>16,895,227</u>

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
Cash paid for goods purchased and service received	25,949,584	14,770,293
Net increase in customer loans and advances		
Net increase in deposit in central bank and interbank deposit		
Cash paid for compensation payments under original insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fee and commission		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	1,142,787	900,977
Cash paid for all types of taxes	198,421	495,200
Other cash paid relating to operating activities	163,881	243,170
Sub-total of cash outflows from operating activities	<u>27,454,673</u>	<u>16,409,640</u>
Net cash flows from operating activities	<u>1,991,154</u>	<u>485,587</u>

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
II. Cash flows from investing activities:		
Cash received from disposal of investments		433,000
Cash received from return on investments	310	6,791
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
	_____	_____
Sub-total of cash inflows from investing activities	310	439,791
	=====	=====
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	3,086,962	187,391
Cash paid for investments	550,000	33,000
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other operating entities	114,449	888,906
Other cash paid relating to investing activities		
	_____	_____
Sub-total of cash outflows from investing activities	3,751,411	1,109,297
	=====	=====
Net cash flows from investing activities	-3,751,101	-669,506
	=====	=====

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
III. Cash flows from financing activities:		
Cash received from investments		
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	3,848,065	3,093,050
Other cash received relating to financing activities	1,892,392	
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	5,740,457	3,093,050
	<hr/> <hr/>	<hr/> <hr/>
Cash repayments of borrowings	4,272,838	1,310,998
Cash paid for distribution of dividends or profits, and for interest expenses	244,524	147,626
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	87,903	10,541
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	4,605,265	1,469,165
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from financing activities	1,135,192	1,623,885
	<hr/> <hr/>	<hr/> <hr/>

Item	First three quarters of 2021 (January- September)	First three quarters of 2020 (January- September)
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	9,595	
V. Net increase in cash and cash equivalents	-615,160	1,439,966
Add: Cash and cash equivalents at the beginning of the period	4,698,099	1,601,412
VI. Balance of cash and cash equivalents at the end of the period	4,082,939	3,041,378

Legal representative:

Zhang Wenxue

Chief accountant:

Zou An

*Head of the
accounting department:*

Lei Xiaodan

(III) Adjustments to relevant items in the financial statements at the beginning of the year as a result of initial application of the new lease accounting standard from 2021

Applicable Not applicable

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

Chongqing, the PRC, 29 October 2021

As at the date of this announcement, the Directors of the Company are: Mr. Zhang Wenxue (Executive Director), Mr. Xie Zhixiong (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lai Xiaomin (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Sheng Xuejun (Independent Non-executive Director), Mr. Zhang Jinruo (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).