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

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

(Stock Code: 1053)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

SECTION I IMPORTANT NOTICE

- 1.1 This summary of the Interim Report is extracted from the full text of the Interim Report. To fully understand the operating results, financial position and future development plans of Chongqing Iron & Steel Company Limited (the “**Company**”), investors are advised to read carefully the full text of the Interim Report which has been published on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and The Stock Exchange of Hong Kong Limited (<https://sc.hkex.com.hk>) or media designated by the CSRC for details.
- 1.2 The board of directors (the “**Board**”), the supervisory committee and directors, supervisors and senior executives of the Company guarantee that the contents of the Interim Report are true, accurate and complete, without false representations, misleading statements or material omissions, and assume several and joint responsibility in respect thereof.
- 1.3 All directors of the Company attended the Board meeting.
- 1.4 The Interim Report is unaudited.
- 1.5 The profit distribution proposal or proposal to transfer capital reserve to share capital for the reporting period as passed by the Board resolution

Nil

SECTION II BASIC INFORMATION ON THE COMPANY

2.1 Company Information

Stock Profile

Class	Place of listing	Abbreviated name	Stock code	Stock abbreviation before adjustment
A shares	Shanghai Stock Exchange	Chongqing Iron & Steel	601005	N/A
H shares	The Stock Exchange of Hong Kong Limited	Chongqing Iron	01053	N/A

Contact information

Secretary to the Board

Securities affairs representative

Name	Zou An	Peng Guoju
Tel	86-23-6898 3482	86-23-6898 3482
Correspondence address	No. 2 Jiangnan Avenue, Jiangnan Street, Changshou District, Chongqing	No. 2 Jiangnan Avenue, Jiangnan Street, Changshou District, Chongqing
E-mail	ir_601005@baowugroup.com	ir_601005@baowugroup.com

2.2 Major financial data

Unit: Yuan 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	37,951,369,960.61	39,364,800,403.02	-3.59
Net assets attributable to shareholders of the Company	20,909,066,001.41	21,341,917,700.36	-2.03
	Reporting period	Corresponding period last year	Year-on-year change (%)
Revenue	20,994,831,477.22	18,016,175,802.82	16.53
Net profit attributable to shareholders of the Company	-434,740,206.19	516,416,390.18	-184.18
Net profit attributable to shareholders of the Company after non-recurring items	-446,804,937.39	546,619,211.44	-181.74
Net cash flow from operating activities	414,520,654.04	936,510,963.14	-55.74
Weighted average return on net assets (%)	-2.06	2.28	Decreased by 4.34 percentage points
Basic earnings per share (RMB/share)	-0.05	0.06	-183.33
Diluted earnings per share (RMB/share)	-0.05	0.06	-183.33

2.3 Shareholdings of top ten shareholders

Unit: shares

Total number of shareholders as of the end of the reporting period (account)	167,651
Total number of preferred shareholders with restored 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 restrictions	Number of shares pledged or frozen	
Chongqing Changshou Iron & Steel Company Limited	State-owned legal person	23.51	2,096,981,600	0 Nil	0	
HKSCC NOMINEES LIMITED	Foreign legal person	5.98	532,911,221	0 Unknown	-	
Chongqing Qianxin Group Co., Ltd.	State-owned legal person	4.79	427,195,760	0 Pledged	427,190,070	
Chongqing Rural Commercial Bank Co., Ltd.	State-owned legal person	3.24	289,268,939	0 Nil	0	
Chongqing Guochuang Investment and Management Co., Ltd.	State-owned legal person	3.12	278,288,059	0 Nil	0	
Bank of Chongqing Co., Ltd.	State-owned legal person	2.53	226,042,920	0 Nil	0	
Baowu Group Zhongnan Steel Co., Ltd.	State-owned legal person	2.52	224,831,743	0 Nil	0	
Industrial Bank Co., Ltd. Chongqing Branch	Unknown	2.46	219,633,096	0 Nil	0	
Agricultural Bank of China Limited Chongqing Branch	State-owned legal person	2.43	216,403,628	0 Nil	0	
China Shipbuilding Industry Complete Equipment Logistics Co., Ltd.	State-owned legal person	2.37	211,461,370	0 Nil	0	
Description on the associated relationship or acts in concert among the above shareholders	Chongqing Changshou Iron & Steel Company Limited is the controlling shareholder of the Company, Chongqing Changshou Iron & Steel Company Limited and Baowu Group Zhongnan Steel Co., Ltd. are under common control by China Baowu Steel Group Corporation Limited, a de facto controller of the Company, thus the two are related parties, and has no associated relationship with the other 8 shareholders and they are not parties acting in concert as stipulated in the Administrative Measures for Takeovers of Listed Companies. The Company is also not aware of whether there is any associated relationship among the other 8 shareholders or whether they are parties acting in concert.					
Description on the preferred shareholders with restored voting rights and their shareholdings	N/A					

2.4 Particulars of the total number of preferred shareholders and top ten preferred shareholders as of the end of the reporting period

Applicable Not Applicable

2.5 Changes in controlling shareholder or de facto controller

Applicable Not Applicable

2.6 Existing bonds as at the date of approval of the interim report

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of bond	Abbreviated name	Stock code	Issuance date	Due date	Balance of bonds	Interest rate (%)
Chongqing Iron & Steel Company Limited 2020 first tranche of medium-term notes (Type 2)	20 Chongqing Iron & Steel MTN001B	102000391	19 March 2020	19 March 2023	0	5.13

Indicators reflecting the solvency of the issuer:

Applicable Not Applicable

Major indicators	End of the reporting period	At the end of last year
Gearing ratio	44.91	45.78
	The reporting period	Corresponding period last year
EBITDA interest coverage (times)	3.17	8.73

SECTION III SIGNIFICANT EVENTS

3.1 The Company shall explain the significant changes in the operation of the Company during the reporting period under the principle of materiality and events that occurred during the reporting period had material impact on the operation of the Company and expected to have a material impact in the future.

Applicable Not Applicable

3.2 Discussion and Analysis of Business Operations

In the first half of 2023, the demand for steel in the domestic market was lower than expected, with the prices of steel fluctuating at low levels and the price of imported iron ore remaining at a high level, resulting in the production and operation of iron and steel enterprises suffering from a severe situation. In the face of the complex situation and arduous tasks, the Company responded positively and adopted multiple measures to stabilise its production and operation, unswervingly promoted energy conservation and carbon emission reduction, unremittingly strengthened technological innovation and pursued ultimate efficiency, comprehensively enhancing its competitiveness.

(1) Strengthening environmental protection through energy saving and carbon emission reduction.

Abiding by the management concept of “maximizing the recovery” of secondary energy, the Company increased the recovery of secondary energy and the self-generated electricity, with the self-generated electricity rate exceeding 85.87%, the best record in history. The Company continued to advance the ultra-low emission transformation and zero wastewater discharge, resulting in a year-on-year decrease of 46% and 41% in the intensity of sulfur dioxide and nitrogen oxides emissions from January to June, and realising the recycling of non-conventional water resources with a reduction of wastewater discharge of approximately 10,000 m³/d.

- (2) Continuously improving various technical and economic indicators in pursuit of excellence.

The Company's ironmaking centered on cost and consumption reduction of blast furnace and optimised the coal and ore distribution structure. In March, the utilization coefficient and fuel ratio of 4# blast furnace hit the best record in history, securing its leading position among the same type of blast furnaces. Centering on production efficiency and quality stability, based on the principle of maximizing the benefits, the Company advanced the increase of benefits throughout the process. In March, the turnover rate of the second steelmaking ladle set a new monthly record, the cost of the first steelmaking process hit a record low in June, and the energy consumption of the second steelmaking process declined by 0.48kgce/t as compared with that of the previous year, which was a record high. The hot charge ratio of the 1,780mm production line in February and the 4100mm production line in March broke the historical record, and the yield of bar production line in May hit a record high.

- (3) Insisting on ultimate efficiency with the turnover efficiency of the "Two Funds (i.e., inventory funds and accounts receivable funds)" hitting a record low and the comprehensive financing cost continuing to decrease.

"Two Funds" reduction was carried out in an orderly manner, with the number of days of turnover as at the end of June 2023 being 26.65 days, representing a decrease of 11.10 days, and an increase of 29% in the efficiency of the turnover of "Two Funds" as compared with that of 2022, respectively. The Company strengthened benchmarking and identified gap and continued to track the trend of interest rates in the financial market, so as to obtain the funds required for operation at the optimal cost, minimise the Company's finance costs, and practically realise the cost reduction and benefit increase in the channels of funding. In 2023, the comprehensive financing cost was 12% lower than that as at the beginning of the year, and among the new borrowings secured in 2023, the prime funding costs had decreased to 2.1%.

With the mission of “Keeping the national strength of steel alive and build a green and wonderful life” and the development goal of “to create a high-quality green intelligent steel manufacturer with an annual output exceeding 10 million tons”, the Company is committed to building “Beautiful Chongqing Iron & Steel, Pastoral Chongqing Iron & Steel” and becoming a leader in the steel industry in Southwest China. In 2023, affected by factors such as the macro economy or industry supply and demand, the price of steel fluctuated at low levels, the price of imported iron ore remained at a high level, and the market competition was fierce, resulting in a significant decline in the overall efficiency of the iron and steel industry. The Company practiced the production concept of “benchmarking and finding differences from excellent enterprises comprehensively, paying close attention to reducing costs and increasing efficiency, refining management, minimizing resource consumption”, and continued to optimize the production organization model to proactively respond to the challenges of the industry. Since the publication of the Company’s annual report for the year ended 31 December 2022, there has been no material change in the possible future development of the Company’s business and the Company’s outlook for the 2023 financial year.

3.3 Analysis of Principal Business

(1) Analysis of changes in certain items from financial statements

Unit: Yuan Currency: RMB

Item	For the reporting period	For the corresponding period last year	Change (%)
Revenue	20,994,831,477.22	18,016,175,802.82	16.53
Cost of sales	21,128,203,365.30	16,793,108,913.19	25.81
Distribution and selling expenses	43,065,329.07	38,921,169.42	10.65
General and administrative expenses	141,514,648.17	157,960,364.87	-10.41
Finance expenses	117,873,511.59	231,104,884.08	-49.00
Research and development expenses	14,557,677.64	104,831,842.92	-86.11
Net cash flow from operating activities	414,520,654.04	936,510,963.14	-55.74
Net cash flow from investing activities	-340,443,005.21	-1,841,168,179.60	N/A
Net cash flow from financing activities	-1,081,155,780.23	-2,379,298,579.85	N/A

Reasons for change in finance expenses: The exchange losses decreased.

Reasons for change in research and development expenses: The implementation of new accounting policies resulted in the changes in accounting basis.

Reasons for change in net cash flow from operating activities: The net profit decreased.

Reasons for change in net cash flow from investing activities: The decrease in fixed assets investment and technological reform projects resulted in lower investment expenditures.

Reasons for change in net cash flow from financing activities: The size of interest-bearing liabilities decreased, with a year-on-year decrease in repayment of borrowings and interest expenses during the reporting period.

(2) Detailed description of major changes in the Company's type of business, profit structure or profit sources

Applicable Not Applicable

In the first half of 2023, the Group realized a total profit of RMB-515 million, representing a year-on-year decrease of RMB1,151 million, which was mainly due to the following reasons: the selling price of commodity billet amounted to RMB3,736/tonne, representing a year-on-year decrease of 17.38% and resulting in a decrease of RMB3,690 million in profit; the sales volume of commodity billet reached 5,420,100 tonnes, representing a year-on-year increase of 44.70%, and recorded a decrease of RMB529 million in sales volume and structure due to the influences by products structure; the decrease in prices of raw materials, such as ore, coal, alloy, scrap steel, etc., resulted in an increase of RMB1,705 million in profit. The Company continued to promote the cost reduction plan, centering on “cost reduction and benefit increase of RMB200 per tonne of steel”, and further promoted the work of reducing costs and tapping potentials, realizing the process cost reduction of RMB1,183 million; insisted on all expenses could be reduced including financial expenses, achieving an increase of RMB113 million in profit.

In the first half of 2023, the Group's revenue from main business amounted to RMB20,945 million, representing a year-on-year increase of 17.53%. In particular, the income from sales of commodity billet amounted to RMB20,248 million, representing an increase of RMB3,311 million as compared with the corresponding period of last year. Firstly, the sales volume of commodity billet was 5,420,100 tonnes, representing a year-on-year increase of 44.70%, resulting in a increase in the sales income of RMB7,001 million; secondly, the average sales price of commodity billet was RMB3,736/tonne, representing a year-on-year decrease of 17.38%, resulting in a decrease in the sales income of RMB3,690 million.

Composition of revenue from principal operations:

Type	First half of 2023		First half of 2022		Year-on-year growth (%)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)	
Plates	5,148,282	24.57	5,996,760	33.65	-14.15
Hot rolled coils	9,285,090	44.33	9,346,746	52.45	-0.66
Bars	2,123,215	10.14	128,262	0.72	1,555.37
Double high rods	1,903,169	9.09	1,113,210	6.25	70.96
Wire rods	957,098	4.57	347,681	1.95	175.28
Steel billets	830,707	3.97	3,994	0.02	20,699.34
Sub-total of commodity billets	20,247,561	96.67	16,936,653	95.04	19.55
Others	697,331	3.33	884,242	4.96	-21.14
Total	<u>20,944,892</u>	<u>100.00</u>	<u>17,820,895</u>	<u>100.00</u>	<u>17.53</u>

Sales prices of steel products:

Item	Sales price in the first half of 2023 <i>(RMB/tonne)</i>	Sales price in the first half of 2022 <i>(RMB/tonne)</i>	Year-on-year growth <i>(%)</i>	Income increase <i>(RMB'000)</i>
Plates	4,089	4,743	-13.79	-823,451
Hot rolled coils	3,709	4,449	-16.63	-1,852,590
Bars	3,528	3,979	-11.33	-271,457
Double high rods	3,479	4,153	-16.23	-368,745
Wire rods	3,701	4,393	-15.75	-178,951
Steel billets	3,325	4,105	-19.00	-194,922
Total	3,736	4,522	-17.38	-3,690,116

Sales volumes of steel products:

Item	Sales volume for the first half of 2023 <i>(Ten thousand tonnes)</i>	Sales volume for the first half of 2022 <i>(Ten thousand tonnes)</i>	Year-on-year growth <i>(%)</i>	Income increase <i>(RMB'000)</i>
Plates	125.91	126.44	-0.42	-25,027
Hot rolled coils	250.35	210.09	19.16	1,790,934
Bars	60.19	3.223	1,767.51	2,266,410
Double high rods	54.71	26.81	104.10	1,158,704
Wire rods	25.86	7.92	226.52	788,368
Steel billets	24.99	0.10	24,890.00	1,021,635
Total	542.01	374.58	44.70	7,001,024

Principal operations by sectors, products and regions:

Unit: RMB'000 Currency: RMB

Main operations by sectors						
By sectors	Revenue	Cost of sales	Gross Margin (%)	Year-on-year increase/decrease in revenue (%)	Year-on-year increase/decrease in cost of sales (%)	Year-on-year increase/decrease in gross margin (%)
Iron and steel	20,944,892	21,086,070	-0.67	17.53	26.98	-7.49
Main operations by products						
By products	Revenue	Cost of sales	Gross Margin (%)	Year-on-year increase/decrease in revenue (%)	Year-on-year increase/decrease in cost of sales (%)	Year-on-year increase/decrease in gross margin (%)
Steel products	20,247,561	20,387,557	-0.69	19.55	29.65	-7.84
Others	697,331	698,513	-0.17	-21.14	-20.65	-0.62
Main operations by regions						
By regions	Revenue	Cost of sales	Gross Margin (%)	Year-on-year increase/decrease in revenue (%)	Year-on-year increase/decrease in cost of sales (%)	Year-on-year increase/decrease in gross margin (%)
Southwest region	16,933,308	17,091,412	-0.93	38.20	48.70	-7.13
Other regions	4,011,584	3,994,658	0.42	-27.95	-21.85	-7.78
Total	20,944,892	21,086,070	-0.67	17.53	26.98	-7.49

SECTION IV OTHER SIGNIFICANT EVENTS

4.1 Compliance with the Corporate Governance Code

To the best knowledge of the Board, the Company had complied with the requirements of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on 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 has been identified.

4.2 Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code for trading of the Company’s securities by directors. All directors of the Company confirmed upon specific enquiries that they had complied with the required standards as set out in the Model Code for the six months ended 30 June 2023.

4.3 Interim Dividend

Given the fact that the accumulated undistributed profit of the Company remained negative as of the end of the reporting period, the Company does not recommend distribution of any interim dividend for the six months ended 30 June 2023 according to the Article 250 of the Articles of Association.

4.4 Purchase, Sale or Redemption of Listed Securities of the Company

No purchase, sale and redemption of the listed securities of the Company during the reporting period.

4.5 Major acquisition and disposal of subsidiaries and affiliates

No major acquisition and disposal of subsidiaries and affiliates occurred during the reporting period.

4.6 Audit Committee

The Audit Committee is comprised of three independent non-executive directors and one non-executive director, namely, Mr. Zhang Jinruo, Mr. Sheng Xuejun, Mr. Guo Jiebin and Mr. Zhou Ping with Mr. Zhang Jinruo acting as the chairman of the Audit Committee.

The unaudited interim financial report of the Company for the six months ended 30 June 2023 had been reviewed by the members of the Audit Committee before being submitted to the Board for approval.

4.7 Interests or Short Positions

As at 30 June 2023, the interests and short positions (including interests or short positions which they were taken or deemed to have under relevant provisions of the Securities and Futures Ordinance (“SFO”)) of the directors, supervisors and senior management members in the shares or underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange, to be notified to the Company and the Stock Exchange, were as follows:

Name	The Company/ associated corporations	Capacity	Nature of interests	Total number of interested shares held (<i>share</i>)	Percentage in the share capital of A shares of the Company (%)	Percentage in the total share capital of the Company (%)	Class of shares
Zou An	The Company	Director, Senior Vice President, Secretary to the Board	Beneficial interests	1,684,600(long position)	0.020	0.019	A share
Lei Yougao (appointed on 30 June)	The Company	Employee representative supervisor	Beneficial interests	430,000 (long position)	0.005	0.005	A share
Xia Tong (appointed on 30 June)	The Company	Employee representative supervisor	Beneficial interests	534,100 (long position)	0.006	0.006	A share
Zhou Yaping (resigned on 30 June)	The Company	Employee representative supervisor	Beneficial interests	755,400 (long position)	0.009	0.008	A share
Yao Xiaohu (resigned on 30 June)	The Company	Employee representative supervisor	Beneficial interests	919,400 (long position)	0.011	0.010	A share
Xie Chao	The Company	Senior Vice president	Beneficial interests	1,057,400 (long position)	0.013	0.012	A share

**SECTION V UNAUDITED FINANCIAL STATEMENTS OF THE GROUP
FOR THE SIX MONTHS ENDED 30 JUNE 2023 PREPARED IN
ACCORDANCE WITH THE PRC GAAP**

Consolidated Statement of Financial Position
30 June 2023

RMB

Assets	30 June 2023	31 December 2022
Current assets:		
Cash and bank balances	3,088,667,503.34	3,995,675,679.90
Including: Deposits in finance company	861,854,258.40	1,228,168,091.66
Trade receivables	34,776,082.96	38,789,243.44
Receivables financing	417,375,048.47	799,686,555.46
Prepayments	623,370,496.19	845,432,996.80
Other receivables	20,409,857.95	34,846,186.58
Inventories	2,631,639,085.83	2,592,756,838.00
Other current assets	148,015,814.46	207,034,907.16
Total current assets	6,964,253,889.20	8,514,222,407.34
Non-current assets		
Long-term equity investments	111,227,095.30	111,123,058.00
Investment in other equity instruments	60,364,499.70	–
Fixed assets	26,388,840,864.17	26,281,780,445.68
Construction in progress	886,818,439.98	894,154,698.17
Right-of-use assets	323,948,938.00	388,738,725.76
Intangible assets	2,477,830,158.58	2,514,367,788.86
Goodwill	328,054,770.34	328,054,770.34
Long-term deferred expenditures	220,513.01	237,486.45
Deferred tax assets	409,075,197.48	327,989,203.45
Other non-current assets	735,594.85	4,131,818.97
Total non-current assets	30,987,116,071.41	30,850,577,995.68
Total assets	37,951,369,960.61	39,364,800,403.02

Liabilities and shareholders' equity	30 June 2023	31 December 2022
Current liabilities		
Short-term borrowings	606,003,134.28	1,106,441,170.84
Notes payable	519,225,451.64	609,367,940.00
Trade payables	3,926,453,144.80	3,115,966,628.22
Contract liabilities	1,867,621,535.43	2,645,569,472.47
Employee benefits payable	122,059,965.01	144,905,310.06
Taxes payable	30,721,010.73	22,974,352.75
Other payables	2,959,593,877.11	2,720,896,934.96
Non-current liabilities due within one year	1,297,960,606.25	2,352,484,115.99
Other current liabilities	242,791,457.53	343,924,031.42
	<u>11,572,430,182.78</u>	<u>13,062,529,956.71</u>
Total current liabilities		
Non-current liabilities		
Long-term borrowings	4,019,245,100.00	2,751,945,100.00
Bonds payable	–	–
Lease liabilities	211,167,760.21	278,352,825.03
Long-term payables	1,080,466,022.15	1,730,677,459.72
Long-term employee benefits payable	66,885,636.10	107,663,455.08
Provisions for liabilities	–	5,540,444.09
Deferred income	86,058,402.13	79,742,929.39
Deferred tax liabilities	6,050,855.83	6,430,532.64
	<u>5,469,873,776.42</u>	<u>4,960,352,745.95</u>
Total non-current liabilities		
Total liabilities	<u><u>17,042,303,959.20</u></u>	<u><u>18,022,882,702.66</u></u>

Liabilities and shareholders' equity	30 June 2023	31 December 2022
Shareholders' equity		
Share capital	8,918,602,267.00	8,918,602,267.00
Capital reserves	19,282,146,606.55	19,282,146,606.55
Other comprehensive income	(2,664,805.29)	(2,664,805.29)
Special reserves	9,263,073.57	7,374,566.33
Surplus reserves	606,990,553.42	606,990,553.42
Accumulated losses	<u>(7,905,271,693.84)</u>	<u>(7,470,531,487.65)</u>
Total shareholders' equity	<u>20,909,066,001.41</u>	<u>21,341,917,700.36</u>
Total liabilities and shareholders' equity	<u>37,951,369,960.61</u>	<u>39,364,800,403.02</u>

The financial statements have been signed by:

Legal Representative:

Chief accountant:

*Head of the accounting
department:*

Consolidated Income Statement
For the six months ended 30 June 2023

RMB

	Six months ended 30 June 2023	Six months ended 30 June 2022
Revenue	20,994,831,477.22	18,016,175,802.82
Less: Cost of sales	21,128,203,365.30	16,793,108,913.19
Taxes and surcharges	77,037,536.23	75,110,557.61
Distribution and selling expenses	43,065,329.07	38,921,169.42
General and administrative expenses	141,514,648.17	157,960,364.87
R&D expenses	14,557,677.64	104,831,842.92
Finance expenses	117,873,511.59	231,104,884.08
Including: Interest expenses	146,802,269.13	157,544,541.84
Interest income	21,195,656.06	(39,580,989.90)
Add: Other income	22,159,817.23	29,472,403.53
Investment income	6,903,528.26	26,764,824.70
Gain/(loss) from disposal of assets	6,380,758.48	–
	<hr/>	<hr/>
Operating profit/(loss)	(491,976,486.81)	671,375,298.96
Add: Non-operating income	7,064,920.90	750,812.49
Less: Non-operating expenses	30,166,611.83	36,287,796.31
	<hr/>	<hr/>
Total profit/(loss)	(515,078,177.74)	635,838,315.14
Less: Income tax expenses/(credit)	(80,337,971.55)	119,421,924.96
	<hr/>	<hr/>
Net Profit/(loss)	(434,740,206.19)	516,416,390.18

	Six months ended 30 June 2023	Six months ended 30 June 2022
Breakdown by continuity of operations		
Net profit/(loss) from continuing operations	<u>(434,740,206.19)</u>	<u>516,416,390.18</u>
Breakdown by attributable interests		
Net profit/(loss) attributable to owners of the parent company	<u>(434,740,206.19)</u>	<u>516,416,390.18</u>
Non-controlling interests	<u>-</u>	<u>-</u>
Other comprehensive income, net after tax	-	-
Total comprehensive income	<u><u>(434,740,206.19)</u></u>	<u><u>516,416,390.18</u></u>
Including:		
Total comprehensive income attributable to owners of the parent company	<u>(434,740,206.19)</u>	<u>516,416,390.18</u>
Total comprehensive income attributable to non-controlling interests	<u>-</u>	<u>-</u>
Earnings/(losses) per share:		
Basic earnings/(losses) per share (RMB/share)	<u><u>(0.05)</u></u>	<u><u>0.06</u></u>
Diluted earnings/(losses) per share (RMB/share)	<u><u>(0.05)</u></u>	<u><u>0.06</u></u>

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2023

RMB

For the six months ended 30 June 2023

	Share capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Closing balances of the preceding year and opening balances of the current year	8,918,602,267.00	19,282,146,606.55	-	(2,664,805.29)	7,374,566.33	606,990,553.42	(7,470,531,487.65)	21,341,917,700.36
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	-	-	(434,740,206.19)	(434,740,206.19)
(II) Special reserves								
1. Amount established during the year	-	-	-	-	23,875,443.43	-	-	23,875,443.43
2. Amount utilized during the year	-	-	-	-	(21,986,936.19)	-	-	(21,986,936.19)
III. Closing balance for the year	<u>8,918,602,267.00</u>	<u>19,282,146,606.55</u>	<u>-</u>	<u>(2,664,805.29)</u>	<u>9,263,073.57</u>	<u>606,990,553.42</u>	<u>(7,905,271,693.84)</u>	<u>20,909,066,001.41</u>

For the six months ended 30 June 2022

	Share capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Closing balances of the preceding year and opening balances of the current year	8,918,602,267.00	19,282,146,606.55	-	-	18,593,416.52	606,990,553.42	(6,451,122,133.31)	22,375,210,710.20
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	-	-	516,416,390.18	516,416,390.18
(II) Special reserves								
1. Amount established during the year	-	-	-	-	18,941,435.46	-	-	18,941,435.46
2. Amount utilized during the year	-	-	-	-	(14,565,446.18)	-	-	(14,565,446.18)
III. Closing balance for the year	<u>8,918,602,267.00</u>	<u>19,282,146,606.55</u>	<u>-</u>	<u>-</u>	<u>22,969,405.80</u>	<u>606,990,553.42</u>	<u>(5,934,705,743.13)</u>	<u>22,896,003,089.66</u>

Consolidated Statement of Cash Flows
For the six months ended 30 June 2023

RMB

	Six months ended 30 June 2023	Six months ended 30 June 2022
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	21,177,692,087.03	19,674,054,088.32
Receipts of taxes refunds	41,606,203.71	8,601,217.90
Other cash received relating to operating activities	61,824,472.58	63,283,901.89
	<u>21,281,122,763.32</u>	<u>19,745,939,208.11</u>
Sub-total of cash inflows from operating activities		
Cash paid for purchase of goods and services	20,031,077,189.02	17,577,200,863.44
Cash paid to and on behalf of employees	666,584,942.49	791,678,953.96
Cash paid for all types of taxes	149,278,606.67	376,656,351.88
Other cash paid relating to operating activities	19,661,371.10	63,892,075.69
	<u>20,866,602,109.28</u>	<u>18,809,428,244.97</u>
Sub-total of cash outflows from operating activities		
Net cash flows from operating activities	<u>414,520,654.04</u>	<u>936,510,963.14</u>

	Six months ended 30 June 2023	Six months ended 30 June 2022
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	600,000,000.00
Cash received from return on investments	<u>6,799,490.96</u>	<u>28,606,919.90</u>
Sub-total of cash inflows from investing activities	<u>6,799,490.96</u>	<u>628,606,919.90</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<u>347,242,496.17</u>	2,420,875,099.50
Cash paid for investments	<u>–</u>	<u>48,900,000.00</u>
Sub-total of cash outflows from investing activities	<u>347,242,496.17</u>	<u>2,469,775,099.50</u>
Net cash flows from investing activities	<u>(340,443,005.21)</u>	<u>(1,841,168,179.60)</u>

	Six months ended 30 June 2023	Six months ended 30 June 2022
III. Cash flows from financing activities:		
Cash received from borrowings	1,600,000,000.00	395,000,000.00
Other cash received relating to financing activities	—	20,765.32
	<u>1,600,000,000.00</u>	<u>395,020,765.32</u>
Sub-total of cash inflows from financing activities	<u>1,600,000,000.00</u>	<u>395,020,765.32</u>
Cash repayments of borrowings	1,845,900,000.00	2,194,164,840.43
Cash paid for distribution of dividends or profits, and for interest expenses	164,422,446.93	189,309,047.00
Other cash paid relating to financing activities	670,833,333.30	390,845,457.74
	<u>2,681,155,780.23</u>	<u>2,774,319,345.17</u>
Sub-total of cash outflows from financing activities	<u>2,681,155,780.23</u>	<u>2,774,319,345.17</u>
Net cash flows from financing activities	<u>(1,081,155,780.23)</u>	<u>(2,379,298,579.85)</u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>11,103,218.87</u>	<u>24,528,160.22</u>
V. Net increase in cash and cash equivalents	<u>(995,974,912.53)</u>	<u>(3,259,427,636.09)</u>
Add: Cash and cash equivalents at the beginning of the year	<u>3,937,932,833.28</u>	<u>5,832,238,132.54</u>
VI. Cash and cash equivalents at the end of the year	<u><u>2,941,957,920.75</u></u>	<u><u>2,572,810,496.45</u></u>

STATEMENT OF BALANCE SHEET

As at 30 June 2023

RMB

Assets	30 June 2023	31 December 2022
Current assets		
Cash and bank balances	3,078,657,178.52	3,994,801,171.12
Including: deposits in finance company	861,854,258.40	1,228,168,091.66
Trade receivables	144,909,884.76	181,294,862.78
Receivables financing	417,375,048.47	799,686,555.46
Prepayments	612,076,159.26	839,401,303.56
Other receivables	140,803,667.12	133,345,845.02
Inventories	2,613,736,123.73	2,574,096,616.38
Other current assets	130,622,317.42	189,302,364.07
Total current assets	7,138,180,379.28	8,711,928,718.39
Non-current assets		
Long-term equity investments	1,103,515,089.98	1,103,411,052.68
Investment in other equity instruments	60,364,499.70	–
Fixed assets	25,402,034,829.54	25,255,209,027.99
Construction in progress	885,882,706.55	894,154,698.17
Right-of-use assets	323,948,938.00	388,738,725.76
Intangible assets	2,410,735,655.72	2,443,935,942.71
Long-term prepaid expenses	220,513.01	237,486.45
Deferred tax assets	373,785,308.72	292,699,314.69
Other non-current assets	735,594.85	4,131,818.97
Total non-current assets	30,561,223,136.07	30,382,518,067.42
Total assets	37,699,403,515.35	39,094,446,785.81

Liabilities and shareholders' equity	30 June 2023	31 December 2022
Current liabilities		
Short-term borrowings	606,003,134.28	1,106,441,170.84
Notes payable	519,225,451.64	609,367,940.00
Trade payables	3,950,416,026.34	3,100,744,371.99
Contract liabilities	1,867,616,700.78	2,645,569,472.47
Employee benefits payable	121,411,479.00	140,976,377.94
Taxes payable	25,784,694.16	16,713,145.35
Other payables	2,896,729,995.53	2,670,230,920.49
Non-current liabilities due within one year	1,297,960,606.25	2,352,484,115.99
Other current liabilities	242,790,171.11	343,924,031.42
	<u>11,527,938,259.09</u>	<u>12,986,451,546.49</u>
Total current liabilities		
Non-current liabilities		
Long-term borrowings	4,019,245,100.00	2,751,945,100.00
Lease liabilities	211,167,760.21	278,352,825.03
Long-term payables	1,080,466,022.15	1,730,677,459.72
Long-term employee benefits payable	65,509,733.95	106,550,937.54
Provisions for liabilities	–	5,540,444.09
Deferred income	86,058,402.13	79,742,929.39
	<u>5,462,447,018.44</u>	<u>4,952,809,695.77</u>
Total non-current liabilities		
Total liabilities	<u>16,990,385,277.53</u>	<u>17,939,261,242.26</u>
Shareholders' equity		
Share capital	8,918,602,267.00	8,918,602,267.00
Capital reserves	19,313,089,864.55	19,313,089,864.55
Other comprehensive income	(2,664,805.29)	(2,664,805.29)
Surplus reserves	577,012,986.42	577,012,986.42
Unappropriated profit	(8,097,022,074.86)	(7,650,854,769.13)
	<u>20,709,018,237.82</u>	<u>21,155,185,543.55</u>
Total shareholders' equity		
Total liabilities and shareholders' equity	<u>37,699,403,515.35</u>	<u>39,094,446,785.81</u>

INCOME STATEMENT

For the six months ended 30 June 2023

RMB

	Six months ended 30 June 2023	Six months ended 30 June 2022
Revenue	21,432,546,885.73	18,224,540,821.52
Less: Cost of sales	21,569,174,763.31	17,119,582,992.36
Taxes and surcharges	73,167,243.33	68,786,596.26
Distribution and selling expenses	43,065,329.07	38,921,169.42
General and administrative expenses	134,361,172.54	151,325,116.18
R&D expenses	14,557,677.64	104,831,842.92
Finance expenses	117,867,270.42	226,246,840.57
Including: Interest expenses	146,802,269.13	152,624,172.27
Interest income	21,190,578.73	(39,474,732.54)
Add: Other income	1,895,275.01	2,925,488.65
Investment income	6,903,528.26	26,764,824.70
Gain/(loss) from disposal of assets	6,380,758.48	–
Operating profit/(loss)	(504,467,008.83)	544,536,577.16
Add: Non-operating income	7,064,920.90	733,812.49
Less: Non-operating expenses	29,851,211.83	36,293,762.05
Total profit/(loss)	(527,253,299.76)	508,976,627.60
Less: Income tax expenses/(credit)	(81,085,994.03)	105,587,009.00
Net Profit/(loss)	(446,167,305.73)	403,389,618.60
Including: Net profit/(loss) from continuing operations	(446,167,305.73)	403,389,618.60
Other comprehensive income, net after tax	–	–
Total comprehensive income	(446,167,305.73)	403,389,618.60

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

Six months ended 30 June 2023

RMB

	Share capital	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Closing balances of the preceding year and opening balances of the current year	8,918,602,267.00	19,313,089,864.55	-	(2,664,805.29)	-	577,012,986.42	(7,650,854,769.13)	21,155,185,543.55
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	-	-	(446,167,305.73)	(446,167,305.73)
(II) Special reserves								
1. Amount established during the year	-	-	-	-	20,608,765.69	-	-	20,608,765.69
2. Amount utilized during the year	-	-	-	-	(20,608,765.69)	-	-	(20,608,765.69)
III. Closing balance for the year	<u>8,918,602,267.00</u>	<u>19,313,089,864.55</u>	<u>-</u>	<u>(2,664,805.29)</u>	<u>-</u>	<u>577,012,986.42</u>	<u>(8,097,022,074.86)</u>	<u>20,709,018,237.82</u>

Six months ended 30 June 2022

	Share capital	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Unappropriated profit	Total shareholders' equity
I. Closing balances of the preceding year and opening balances of the current year	8,918,602,267.00	19,313,089,864.55	-	-	13,365,206.21	577,012,986.42	(6,613,166,393.46)	22,208,903,930.72
II. Changes in the current year								
(I) Total comprehensive income	-	-	-	-	-	-	403,389,618.60	403,389,618.60
(II) Special reserves								
1. Amount established during the year	-	-	-	-	16,950,000.00	-	-	16,950,000.00
2. Amount utilized during the year	-	-	-	-	(14,181,571.22)	-	-	(14,181,571.22)
III. Closing balance for the year	<u>8,918,602,267.00</u>	<u>19,313,089,864.55</u>	<u>-</u>	<u>-</u>	<u>16,133,634.99</u>	<u>577,012,986.42</u>	<u>(6,209,776,774.86)</u>	<u>22,615,061,978.10</u>

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

RMB

	Six months ended 30 June 2023	Six months ended 30 June 2022
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	21,177,299,366.76	19,672,486,511.06
Receipts of taxes refunds		
Other cash received relating to operating activities	<u>61,293,963.05</u>	<u>63,125,101.22</u>
Sub-total of cash inflows from operating activities	<u><u>21,238,593,329.81</u></u>	<u><u>19,735,611,612.28</u></u>
Cash paid for purchase of goods and services	20,041,110,948.81	17,781,842,410.25
Cash paid to and on behalf of employees	649,268,345.81	761,218,985.73
Cash paid for all types of taxes	123,390,459.48	345,321,066.57
Other cash paid relating to operating activities	<u>19,438,737.71</u>	<u>36,824,438.91</u>
Sub-total of cash outflows from operating activities	<u><u>20,833,208,491.81</u></u>	<u><u>18,925,206,901.46</u></u>
Net cash flows from operating activities	<u><u>405,384,838.00</u></u>	<u><u>810,404,710.82</u></u>

	Six months ended 30 June 2023	Six months ended 30 June 2022
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	600,000,000.00
Cash received from return on investments	<u>6,799,490.96</u>	<u>28,606,919.90</u>
Sub-total of cash inflows from investing activities	<u>6,799,490.96</u>	<u>628,606,919.90</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	<u>347,242,496.17</u>	2,420,875,099.50
Cash paid for investments	–	<u>48,900,000.00</u>
Sub-total of cash outflows from investing activities	<u>347,242,496.17</u>	<u>2,469,775,099.50</u>
Net cash flows from investing activities	<u>(340,443,005.21)</u>	<u>(1,841,168,179.60)</u>
III. Cash flows from financing activities:		
Cash received from borrowings	<u>1,600,000,000.00</u>	395,000,000.00
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities	<u>1,600,000,000.00</u>	<u>395,000,000.00</u>
Cash repayments of borrowings	<u>1,845,900,000.00</u>	2,194,164,840.43
Cash paid for distribution of dividends or profits, and for interest expenses	<u>164,422,446.93</u>	183,406,502.49
Other cash paid relating to financing activities	<u>670,833,333.30</u>	<u>270,833,333.34</u>
Sub-total of cash outflows from financing activities	<u>2,681,155,780.23</u>	<u>2,648,404,676.26</u>
Net cash flows from financing activities	<u>(1,081,155,780.23)</u>	<u>(2,253,404,676.26)</u>

	Six months ended 30 June 2023	Six months ended 30 June 2022
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>11,103,218.87</u>	<u>24,528,160.22</u>
V. Net increase in cash and cash equivalents	(1,005,110,728.57)	(3,259,639,984.82)
Add: Cash and cash equivalents at the beginning of the year	<u>3,937,058,324.50</u>	<u>5,832,114,415.58</u>
VI. Cash and cash equivalents at the end of the year	<u><u>2,931,947,595.93</u></u>	<u><u>2,572,474,430.76</u></u>

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

Chongqing, the PRC, 31 August 2023

As at the date of this announcement, the Directors of the Company are: Mr. Xie Zhixiong (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lin Changchun (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).