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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 2024

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 <http://www.sse.com.cn> (Shanghai Stock Exchange), <https://sc.hkex.com.hk> (The Stock Exchange of Hong Kong Limited) and media designated by the China Securities Regulatory Commission 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 & Steel	01053	N/A

Contact persons and contact information

	Secretary to the Board	Securities affairs representative
Name	Meng Wenwang (acting the secretary to the Board to perform the duties)	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	36,496,090,054.00	37,357,034,682.66	-2.30
Net assets attributable to shareholders of the Company	19,103,479,603.32	19,854,330,951.97	-3.78
	Reporting period	Corresponding period last year	Year-on-year change (%)
Revenue	15,086,019,195.15	20,994,831,477.22	-28.14
Net profit attributable to shareholders of the Company	-689,212,586.56	-434,740,206.19	N/A
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	-690,620,702.64	-446,804,937.39	N/A
Net cash flow from operating activities	822,749,668.37	414,520,654.04	98.48
Weighted average return on net assets (%)	-3.54	-2.06	Decreased by 1.48 percentage points
Basic earnings per share (RMB/share)	-0.08	-0.05	N/A
Diluted earnings per share (RMB/share)	-0.08	-0.05	N/A

2.3 Shareholdings of top ten shareholders

Unit: shares

Total number of shareholders as of the end of the reporting period (account)	162,405
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, marked 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	533,052,891	0	Nil	0
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 Yufu Holding Group 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

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, marked or frozen
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

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

(I) Business operations during the reporting period

In the first half of 2024, prices of both steel and raw material were relatively weak and domestic steel consumption continued to decline, posing a serious challenge to production and operation. Faced with a complex external environment, the Company actively responded and adhered to the “high-end orientation, intelligentisation, greenisation and high efficiency” as development direction and “order-based production, marginal output, profitable income and cash-based profit” as operation principles, based on cost accounting, efficiently and cost-effectively organized production and operations.

(1) Effectively promoting energy saving and emission reduction through ultimate management and energy efficiency

The Company strengthened energy control by adopting advanced energy-saving technologies and equipment such as waste heat utilization, which achieved a self-generation rate of 88.22%, representing an increase of 3.33% as compared with that of the previous year, with a record high of 95.36% in February. Benefiting from technological improvement and management enhancement, steam recovery for steelmaking increased by 22 kg/t steel as compared with that of the previous year and monthly power consumption decreased by 400,000 kWh, resulting in a cost decrease in external power purchases of RMB9.74/tonne. Due to its upgrade relating to smart energy, the Company completed 8 patents, 8 scientific papers and results with 17 self-managed projects, being awarded the gold prize at the 27th National Invention Exhibition “Belt and Road” and BRICS Skills Development and Technical Innovation Competition (“一帶一路”暨金磚國家技能發展與技術創新大賽金獎).

(2) *Significantly enhancing production and manufacturing capacity through quality and efficiency improvement and refined production*

The Company's ironmaking was led by reducing hot metal costs, optimizing coal blending, ore blending and furnace charge structure, and promoting economical ironmaking. In the first quarter, 4# blast furnace obtained the "Cost Champion Furnace (成本冠軍爐)" for China Baowu's 2000m³ and below, realizing a leading position among similar type of blast furnaces. In terms of steelmaking, it is based on the principle of optimizing efficiency and promoting process efficiencies. In the first half of the year, the processing cost of slabs was at the 77th percentile in the industry, representing an increase of 19 percentage points as compared with that of the previous year. In respect of the steel rolling process, the Company aimed to differentiate its high-quality products and actively expanded its product range so as to advance elaborate production. In the first half of the year, the heat transfer rate of the 1780mm production line increased by 3.45% compared to 2023, with a record high in April; the heat transfer rate of the 4100mm production line increased by 24.14% compared to 2023, with a record high in February.

(3) *Obtaining new achievements in technological innovation and reaching a new low in financing costs through coordinated planning*

In the first half of 2024, the Company actively leveraged the core driving role of technological innovation, insisted on the development direction of "high-end orientation, intelligentisation, greenisation and high efficiency", anchored the goal of high-quality development, and was awarded the title of "National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)" in May, reaching a new stage with regard to its technological innovation. The Company intensified benchmarking to identify areas for improvement, continued to track the trend of interest rates in the financial market, integrated the funds needed for operation with the optimal cost, minimised the Company's financial expenses, and effectively realized the cost reduction and efficiency improvement of capital channels. Thanks to this, the Company's financing cost dropped by 5.6% from the beginning of the year.

(II) Business operations prospect for the second half of the year

In the second half of 2024, the Company will persist in the “high-end orientation, intelligentisation, greenisation and high efficiency” as development direction and “order-based production, marginal output, profitable income and cash-based profit” as operation principles, firmly concentrate on operating cash flow management and value creation, actively respond to the long-term downside risks of the iron and steel industry, and vigorously strengthen cost reduction, thereby exploring the best production and operation system. The Company will continuously decline procurement costs, propel complete energy efficiency and green development, pursue extreme efficiency and deepen technological innovation to enhance core competitiveness regarding its products, as well as optimize product structure with improvements in relation to integration of production, sales, and research to increase market share and profitability.

3.3 Analysis of Principal Business

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

Unit: Yuan Currency: RMB

Item	For the reporting period	For the corresponding period last year	Percentage of Change (%)
Revenue	15,086,019,195.15	20,994,831,477.22	-28.14
Cost of sales	15,561,151,488.93	21,128,203,365.30	-26.35
Sales expenses	30,490,452.74	43,065,329.07	-29.20
General and administrative expenses	121,381,140.06	141,514,648.17	-14.23
Finance expenses	114,996,038.96	117,873,511.59	-2.44
Research and development expenses	19,635,965.12	14,557,677.64	34.88
Net cash flow from operating activities	822,749,668.37	414,520,654.04	98.48
Net cash flow from investing activities	-408,576,530.79	-340,443,005.21	N/A
Net cash flow from financing activities	-315,087,563.85	-1,081,155,780.23	N/A

Reasons for change in research and development expenses: The increase in research and development resulted in an increase in research and development projects.

Reasons for change in net cash flow from operating activities: The occupation of inventory capital decreased, while the occupation of upstream and downstream capital increased.

Reasons for change in net cash flow from financing activities: The repayment of borrowings decreased significantly year on year during the 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 2024, the Group realized a total profit of RMB-813 million, representing a year-on-year decrease of RMB298 million, which was mainly due to the following reasons: the selling price of commodity billet amounted to RMB3,546/tonne, representing a year-on-year decrease of RMB190/tonne and resulting in a decrease of RMB1,001 million in profit; the sales volume of commodity billet reached 3,986,000 tonnes, representing a year-on-year decrease of 26.46%, and recorded an increase of RMB265 million in sales volume and structure due to the influences by products structure; the decrease in prices of raw materials, such as coal, alloy, scrap steel, etc., resulted in an increase of RMB175 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 RMB228 million; insisted on all expenses could be reduced including periodic expenses, achieving an increase of RMB31 million in profit.

In the first half of 2024, the Group's revenue from main business amounted to RMB14,862 million, representing a year-on-year decrease of 29.04%. In particular, the income from sales of commodity billet amounted to RMB14,134 million, representing a year-on-year decrease of RMB6,114 million. Firstly, the sales volume of commodity billet was 3,986,000 tonnes, representing a year-on-year decrease of 26.46%, resulting in a decrease in the sales income of RMB5,113 million; secondly, the average sales price of commodity billet was RMB3,546/tonne, representing a year-on-year decrease of RMB190/tonne, resulting in a decrease in the sales income of RMB1,001 million.

Composition of revenue from principal operations:

Type	First half of 2024		First half of 2023		Year-on-year growth (%)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)	
Plates	4,437,312	29.86	5,148,282	24.57	-13.81
Hot rolled coils	8,315,509	55.95	9,285,090	44.33	-10.44
Bars	–	–	2,123,215	10.14	-100.00
Double high rods	940,686	6.33	1,903,169	9.09	-50.57
Wire rods	165,354	1.11	957,098	4.57	-82.72
Steel billets	274,658	1.85	830,707	3.97	-66.94
Sub-total of commodity billets	14,133,519	95.10	20,247,561	96.67	-30.20
Others	728,456	4.90	697,331	3.33	4.46
Total	14,861,975	100.00	20,944,892	100.00	-29.04

Sales prices of steel products:

Item	Sales price in the first half of 2024 (RMB/tonne)	Sales price in the first half of 2023 (RMB/tonne)	Year-on-year growth (%)	Income increase (RMB'000)
Plates	3,753	4,089	-8.22	-397,253
Hot rolled coils	3,495	3,709	-5.77	-509,106
Bars	–	3,528	–	–
Double high rods	3,226	3,479	-7.27	-73,750
Wire rods	3,518	3,701	-4.94	-8,601
Steel billets	3,185	3,325	-4.21	-12,068
Total	3,546	3,736	-5.09	-1,000,778

Sales volumes of steel products:

Item	Sales volume for the first half of 2024 <i>(Ten thousand tonnes)</i>	Sales volume for the first half of 2023 <i>(Ten thousand tonnes)</i>	Year-on-year growth <i>(%)</i>	Income increase <i>(RMB'000)</i>
Plates	118.23	125.91	-6.10	-313,717
Hot rolled coils	237.90	250.35	-4.97	-460,475
Bars	-	60.190	-100.00	-2,123,215
Double high rods	29.15	54.71	-46.72	-888,733
Wire rods	4.70	25.86	-81.83	-783,143
Steel billets	8.62	24.99	-65.51	-543,981
Total	398.60	542.01	-26.46	-5,113,264

Principal operations by sectors, products and regions:

Unit: RMB'000 Currency: RMB

By sectors	Revenue	Main operations by sectors				
		Cost of sales	Gross Margin <i>(%)</i>	Year-on- year increase/ decrease in revenue <i>(%)</i>	Year-on- year increase/ decrease in cost of sales <i>(%)</i>	Year-on- year increase/ decrease in gross margin <i>(%)</i>
Iron and steel	14,861,975	15,350,769	-3.29	-29.04	-27.20	-2.62

Main operations by products

By products	Revenue	Cost of sales	Gross Margin (%)	Year-on-	Year-on-	Year-on-
				year increase/ decrease in revenue (%)	year increase/ decrease in cost of sales (%)	year increase/ decrease in gross margin (%)
Steel products	14,133,519	14,615,259	-3.41	-30.20	-28.31	-2.72
Others	728,456	735,510	0.97	4.46	5.30	0.80

Main operations by regions

By regions	Revenue	Cost of sales	Gross Margin (%)	Year-on-	Year-on-	Year-on-
				year increase/ decrease in revenue (%)	year increase/ decrease in cost of sales (%)	year increase/ decrease in gross margin (%)
Southwest region	11,864,845	12,283,528	-3.53	-29.93	-28.13	-2.60
Other regions	2,997,130	3,067,241	-2.34	-25.29	-23.22	-2.76
Total	14,861,975	15,350,769	-3.29	-29.04	-27.20	-2.62

SECTION IV OTHER SIGNIFICANT EVENTS

4.1 REPURCHASE OF SHARES

On 6 June 2024, the Company disclosed the ANNOUNCEMENT ON THE REPURCHASE OF SHARES THROUGH CENTRALISED PRICE BIDDING (Announcement No. 2024-015) on the website of Shanghai Stock Exchange and the ANNOUNCEMENT IN RELATION TO PROPOSAL ON THE REPURCHASE OF A SHARES OF THE COMPANY THROUGH CENTRALISED PRICE BIDDING on the website of Hong Kong Stock Exchange, and made the first repurchase of A shares on 13 June 2024. During the reporting period, the Company repurchased an accumulative total of 66,838,500 A shares, representing 0.749% of the total share capital of the Company, with the total cumulative amount paid of RMB69,752,500 (excluding transaction costs). For details, please refer to the ANNOUNCEMENT ON THE PROGRESS OF REPURCHASE OF SHARES THROUGH CENTRALISED PRICE BIDDING disclosed on the website of the Shanghai Stock Exchange on 3 July 2024 (Announcement No. 2024 -031), and the Overseas Regulatory Announcement disclosed on the website of the Hong Kong Stock Exchange.

4.2 RELEVANT DISCLOSURES UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE HONG KONG STOCK EXCHANGE

(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 C1 (the “**Code**”) 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.

(2) Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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 2024.

(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 distribute any interim dividend for the six months ended 30 June 2024 according to the Article 250 of the Articles of Association.

(4) *Purchase, Sale or Redemption of Listed Securities of the Company*

On 6 June 2024, the Company disclosed the ANNOUNCEMENT ON THE FIRST REPURCHASE OF SHARES THROUGH CENTRALISED PRICE BIDDING (Announcement No. 2024-015) on the website of Shanghai Stock Exchange and the ANNOUNCEMENT IN RELATION TO PROPOSAL ON THE REPURCHASE OF A SHARES OF THE COMPANY THROUGH CENTRALISED PRICE BIDDING on the website of Hong Kong Stock Exchange, and made the first repurchase of A shares on 13 June. During the reporting period, the Company repurchased an accumulative total of 66,838,500 A shares, representing 0.749% of the total share capital of the Company, with the total cumulative amount paid of RMB69,752,500 (excluding transaction costs). For details, please refer to the ANNOUNCEMENT ON THE PROGRESS OF REPURCHASE OF SHARES THROUGH CENTRALISED PRICE BIDDING disclosed on the website of the Shanghai Stock Exchange on 3 July 2024 (Announcement No. 2024 -031), and the Overseas Regulatory Announcement disclosed on the website of the Hong Kong Stock Exchange.

(5) *Major acquisition and disposal of subsidiaries and affiliated companies*

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

(6) *Audit Committee*

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

The unaudited interim financial report of the Company for the six months ended 30 June 2024 had been reviewed by the members of the Audit Committee before being submitted to the Board for approval.

(7) Interests or Short Positions

As at 30 June 2024, 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 (the “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 under the Listing Rules, 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 (share)	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 (resigned on 21 August)	The Company	Director, Senior Vice President, Secretary to the Board	Beneficial interests	1,684,600 (long position)	0.0201	0.0189	A share
Xie Chao	The Company	Senior vice President	Beneficial interests	1,057,400 (long position)	0.0126	0.0119	A share
Lei Yougao (resigned on 26 June)	The Company	Employee representative supervisor	Beneficial interests	430,000 (long position)	0.0051	0.0048	A share
Xia Tong (resigned on 26 June)	The Company	Employee representative supervisor	Beneficial interests	534,100 (long position)	0.0064	0.0060	A share
Hu Enlong (appointed on 26 June)	The Company	Employee representative supervisor	Beneficial interests	132,600 (long position)	0.0016	0.0015	A share
He Hongxia (appointed on 26 June)	The Company	Employee representative supervisor	Beneficial interests	4,500 (long position)	0.0001	0.0001	A share

SECTION V PREPARATION BASIS OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the “Accounting Standards for Business Enterprises – Basic Standards” promulgated by the Ministry of Finance and the specific accounting standards, subsequent practice notes, interpretations and other relevant regulations as subsequently announced and revised (collectively “CAS”).

These financial statements are prepared on a going concern basis.

The accounting policies applied and methods of computation used in the preparation of the unaudited financial statements of the interim report for the six months ended 30 June 2024 are consistent with those used in the audited financial statements of annual report for the year ended 31 December 2023

**SECTION VI UNAUDITED FINANCIAL STATEMENTS OF THE GROUP
FOR THE SIX MONTHS ENDED 30 JUNE 2024 PREPARED IN
ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS**

Consolidated Statement of Financial Position
30 June 2024

RMB

Assets	<i>Note V</i>	30 June 2024	31 December 2023
Current assets:			
Cash and bank balances	1	2,092,148,155.40	1,935,398,455.91
Including: Deposits in finance company		592,836,503.94	601,483,019.17
Trade receivables	2	28,081,574.95	30,630,026.22
Receivables financing	3	461,897,966.24	632,329,098.48
Prepayments	4	420,088,427.14	633,937,474.09
Other receivables	5	14,333,605.27	19,739,557.29
Inventories	6	2,323,358,719.09	2,621,656,663.14
Other current assets	7	197,511,854.67	178,296,028.42
Total current assets		<u>5,537,420,302.76</u>	<u>6,051,987,303.55</u>
Non-current assets			
Long-term equity investments	8	108,361,623.59	110,934,705.02
Investment in other equity instruments	9	60,364,499.70	60,364,499.70
Fixed assets	10	25,536,795,795.65	26,159,118,216.83
Construction in progress	11	1,314,360,404.39	1,244,271,745.73
Right-of-use assets	12	240,152,159.03	310,328,158.14
Intangible assets	13	2,662,816,581.44	2,512,167,799.59
Goodwill	14	328,054,770.34	328,054,770.34
Deferred tax assets	15	702,972,946.25	579,070,890.11
Other non-current assets	16	4,790,970.85	736,593.65
Total non-current assets		<u>30,958,669,751.24</u>	<u>31,305,047,379.11</u>
Total assets		<u>36,496,090,054.00</u>	<u>37,357,034,682.66</u>

Liabilities and shareholders' equity	<i>Note V</i>	30 June 2024	31 December 2023
Current liabilities			
Short-term borrowings	18	840,402,563.95	450,330,519.49
Notes payable	19	1,762,921,916.42	1,938,301,405.71
Trade payables	20	4,458,937,118.51	3,886,777,138.43
Contract liabilities	21	1,867,159,482.26	1,893,130,130.08
Employee benefits payable	22	116,165,946.08	125,719,847.89
Taxes payable	23	24,397,199.40	28,300,986.53
Other payables	24	2,742,675,076.53	3,046,874,537.02
Non-current liabilities due within one year	25	1,887,188,966.16	2,252,746,756.99
Other current liabilities		242,730,732.69	241,402,787.45
Total current liabilities		<u>13,942,579,002.00</u>	<u>13,863,584,109.59</u>
Non-current liabilities			
Long-term borrowings	26	3,193,945,100.00	2,986,945,100.00
Lease liabilities	27	107,881,683.22	183,493,200.13
Long-term payables	28	–	307,779,167.09
Long-term employee benefits payable	29	32,096,436.03	64,993,865.63
Provisions for liabilities	30	–	4,226,982.76
Deferred income	31	110,037,010.41	85,732,350.43
Deferred tax liabilities	15	6,071,219.02	5,948,955.06
Total non-current liabilities		<u>3,450,031,448.68</u>	<u>3,639,119,621.10</u>
Total liabilities		<u>17,392,610,450.68</u>	<u>17,502,703,730.69</u>

Liabilities and shareholders' equity	<i>Note V</i>	30 June 2024	31 December 2023
Shareholders' equity			
Share capital	32	8,918,602,267.00	8,918,602,267.00
Capital reserves	33	19,282,146,606.55	19,282,146,606.55
Less: treasury shares	34	69,760,540.41	–
Other comprehensive income	35	1,585,194.71	1,585,194.71
Special reserves	36	22,076,455.91	13,954,677.59
Surplus reserves	37	607,339,917.15	607,300,662.40
Accumulated losses	38	(9,658,510,297.59)	(8,969,258,456.28)
Total shareholders' equity		<u>19,103,479,603.32</u>	<u>19,854,330,951.97</u>
Total liabilities and shareholders' equity		<u>36,496,090,054.00</u>	<u>37,357,034,682.66</u>

The financial statements have been signed by:

Legal Representative:
Meng Wenwang

Chief accountant:
Kuang Yunlong

*Head of the accounting
department:*
Lei Xiaodan

Consolidated Income Statement
For the six months ended 30 June 2024

RMB

	<i>Note V</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Revenue	39	15,086,019,195.15	20,994,831,477.22
Less: Cost of sales	39	15,561,151,488.93	21,128,203,365.30
Taxes and surcharges	40	74,391,759.63	77,037,536.23
Sales expenses	41	30,490,452.74	43,065,329.07
General and administrative expenses	42	121,381,140.06	141,514,648.17
R&D expenses	43	19,635,965.12	14,557,677.64
Finance expenses	44	114,996,038.96	117,873,511.59
Including: Interest expenses		94,827,066.37	146,802,269.13
Interest income		10,820,116.57	21,195,656.06
Add: Other income	45	36,572,078.00	22,159,817.23
Investment income	46	4,659,715.85	6,903,528.26
Including: Income from investments in associates and joint ventures		4,659,715.85	6,903,528.26
Gain/(loss) from disposal of assets		–	6,380,758.48
Operating profit/(loss)		(794,795,856.44)	(491,976,486.81)
Add: Non-operating income	47	1,462,760.56	7,064,920.90
Less: Non-operating expenses	48	19,590,009.77	30,166,611.83
Total profit/(loss)		(812,923,105.65)	(515,078,177.74)
Less: Income tax expenses/(credit)	49	(123,710,519.09)	(80,337,971.55)
Net Profit/(loss)		(689,212,586.56)	(434,740,206.19)
Breakdown by continuity of operations			
Net profit/(loss) from continuing operations		(689,212,586.56)	(434,740,206.19)

	<i>Note V</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Breakdown by attributable interests			
Net profit/(loss) attributable to owners of the parent company		(689,212,586.56)	(434,740,206.19)
Non-controlling interests		<u> -</u>	<u> -</u>
Total comprehensive income		<u><u>(689,212,586.56)</u></u>	<u><u>(434,740,206.19)</u></u>
Including:			
Total comprehensive income attributable to owners of the parent company		(689,212,586.56)	(434,740,206.19)
Total comprehensive income attributable to non-controlling interests		<u> -</u>	<u> -</u>
Earnings/(losses) per share:	50		
Basic earnings/(losses) per share		<u><u>(0.08)</u></u>	<u><u>(0.05)</u></u>
Diluted earnings/(losses) per share		<u><u>(0.08)</u></u>	<u><u>(0.05)</u></u>

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2024

RMB

For the six months ended 30 June 2024

	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	-	1,585,194.71	13,954,677.59	607,300,662.40	(8,969,258,456.28)	19,854,330,951.97
II. Changes in the current period								
(I) Total comprehensive income	-	-	-	-	-	-	(689,212,586.56)	(689,212,586.56)
(II) Profit distribution								
Appropriation to surplus reserves	-	-	-	-	-	39,254.75	(39,254.75)	-
(III) Capital contribution and withdrawal by shareholders								
1. Increase during the period	-	-	69,760,540.41	-	-	-	-	(69,760,540.41)
(IV) Special reserves								
1. Amount established during the period	-	-	-	-	39,768,803.50	-	-	39,768,803.50
2. Amount utilized during the period	-	-	-	-	(31,647,025.18)	-	-	(31,647,025.18)
III. Closing balance for the period	<u>8,918,602,267.00</u>	<u>19,282,146,606.55</u>	<u>69,760,540.41</u>	<u>1,585,194.71</u>	<u>22,076,455.91</u>	<u>607,339,917.15</u>	<u>(9,658,510,297.59)</u>	<u>19,103,479,603.32</u>

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 period								
(I) Total comprehensive income	-	-	-	-	-	-	(434,740,206.19)	(434,740,206.19)
(II) Special reserves								
1. Amount established during the period	-	-	-	-	23,875,443.43	-	-	23,875,443.43
2. Amount utilized during the period	-	-	-	-	(21,986,936.19)	-	-	(21,986,936.19)
III. Closing balance for the period	<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>

Consolidated Statement of Cash Flows
For the six months ended 30 June 2024

RMB

	<i>Note V</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		13,881,397,429.86	21,177,692,087.03
Receipts of taxes refunds		29,863,459.92	41,606,203.71
Other cash received relating to operating activities	51	71,938,756.57	61,824,472.58
		<u>13,983,199,646.35</u>	<u>21,281,122,763.32</u>
Sub-total of cash inflows from operating activities			
Cash paid for purchase of goods and services		12,418,479,981.03	20,031,077,189.02
Cash paid to and on behalf of employees		608,401,009.39	666,584,942.49
Cash paid for all types of taxes		111,572,900.07	149,278,606.67
Other cash paid relating to operating activities	51	21,996,087.49	19,661,371.10
		<u>13,160,449,977.98</u>	<u>20,866,602,109.28</u>
Sub-total of cash outflows from operating activities			
Net cash flows from operating activities	52	822,749,668.37	414,520,654.04
II. Cash flows from investing activities:			
Cash received from return on investments		7,232,797.28	6,799,490.96
		<u>7,232,797.28</u>	<u>6,799,490.96</u>
Sub-total of cash inflows from investing activities			
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		415,809,328.07	347,242,496.17
		<u>415,809,328.07</u>	<u>347,242,496.17</u>
Sub-total of cash outflows from investing activities			
Net cash flows from investing activities		(408,576,530.79)	(340,443,005.21)

	<i>Note V</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
III. Cash flows from financing activities:			
Cash received from borrowings		<u>917,700,000.00</u>	<u>1,600,000,000.00</u>
Sub-total of cash inflows from financing activities		<u>917,700,000.00</u>	<u>1,600,000,000.00</u>
Cash repayments of borrowings		521,300,000.00	1,845,900,000.00
Cash paid for distribution of dividends or profits, and for interest expenses		81,727,023.44	164,422,446.93
Other cash paid relating to financing activities	51	<u>629,760,540.41</u>	<u>670,833,333.30</u>
Sub-total of cash outflows from financing activities		<u>1,232,787,563.85</u>	<u>2,681,155,780.23</u>
Net cash flows from financing activities		<u>(315,087,563.85)</u>	<u>(1,081,155,780.23)</u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents			
		<u>(26,401,813.52)</u>	<u>11,103,218.87</u>
V. Net increase in cash and cash equivalents			
Add: Cash and cash equivalents at the beginning of the year		72,683,760.21	(995,974,912.53)
		<u>1,831,764,477.16</u>	<u>3,937,932,833.28</u>
VI. Cash and cash equivalents at the end of the period			
	52	<u>1,904,448,237.37</u>	<u>2,941,957,920.75</u>

STATEMENT OF BALANCE SHEET

30 June 2024

RMB

Assets	Note XIII	30 June 2024	31 December 2023
Current assets			
Cash and bank balances		2,086,517,448.00	1,932,761,844.24
Including: deposits in finance company		592,836,503.94	601,483,019.17
Trade receivables	1	38,108,979.78	82,672,548.13
Receivables financing		461,797,966.24	631,829,098.48
Prepayments		411,887,458.03	630,098,874.50
Other receivables	2	89,506,944.51	105,159,938.75
Inventories		2,307,379,888.80	2,608,142,027.73
Other current assets		178,206,846.81	158,929,714.60
Total current assets		<u>5,573,405,532.17</u>	<u>6,149,594,046.43</u>
Non-current assets			
Long-term equity investments	3	1,100,649,618.27	1,103,222,699.70
Investment in other equity instruments		60,364,499.70	60,364,499.70
Fixed assets		24,623,728,641.63	25,206,384,607.09
Construction in progress		1,292,881,304.39	1,240,904,345.23
Right-of-use assets		240,152,159.03	310,328,158.14
Intangible assets		2,599,981,621.65	2,448,410,130.65
Deferred tax assets		669,661,702.26	545,759,646.12
Other non-current assets		4,790,970.85	736,593.65
Total non-current assets		<u>30,592,210,517.78</u>	<u>30,916,110,680.28</u>
Total assets		<u>36,165,616,049.95</u>	<u>37,065,704,726.71</u>

Liabilities and shareholders' equity	30 June 2024	31 December 2023
Current liabilities		
Short-term borrowings	840,402,563.95	450,330,519.49
Notes payable	1,762,921,916.42	1,938,301,405.71
Trade payables	4,400,747,458.33	3,851,876,789.66
Contract liabilities	1,867,154,065.38	1,893,124,713.20
Employee benefits payable	115,457,191.70	124,602,850.64
Taxes payable	15,223,898.91	21,451,669.84
Other payables	2,717,383,423.00	3,014,378,772.11
Non-current liabilities due within one year	1,887,188,966.16	2,252,746,756.99
Other current liabilities	242,730,028.50	241,402,083.26
Total current liabilities	13,849,209,512.35	13,788,215,560.90
Non-current liabilities		
Long-term borrowings	3,193,945,100.00	2,986,945,100.00
Lease liabilities	107,881,683.22	183,493,200.13
Long-term payables	–	307,779,167.09
Long-term employee benefits payable	31,883,028.49	64,780,458.09
Provisions for liabilities	–	4,226,982.76
Deferred income	110,037,010.41	85,732,350.43
Total non-current liabilities	3,443,746,822.12	3,632,957,258.50
Total liabilities	17,292,956,334.47	17,421,172,819.40
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
Less: treasury shares	69,760,540.41	–
Other comprehensive income	1,585,194.71	1,585,194.71
Surplus reserves	577,012,986.42	577,012,986.42
Unappropriated profit	(9,867,870,056.79)	(9,165,758,405.37)
Total shareholders' equity	18,872,659,715.48	19,644,531,907.31
Total liabilities and shareholders' equity	36,165,616,049.95	37,065,704,726.71

INCOME STATEMENT

For the six months ended 30 June 2024

RMB

		Six months ended 30 June 2024	Six months ended 30 June 2023
	<i>Note XIII</i>		
Revenue	4	15,852,617,953.87	21,432,546,885.73
Less: Cost of sales	4	16,319,892,437.04	21,569,174,763.31
Taxes and surcharges		67,917,883.92	73,167,243.33
Sales expenses		30,490,452.74	43,065,329.07
General and administrative expenses		120,500,524.84	134,361,172.54
R&D expenses		19,635,965.12	14,557,677.64
Finance expenses		114,990,043.85	117,867,270.42
Including: Interest expenses		94,827,066.37	146,802,269.13
Interest income		10,815,298.04	21,190,578.73
Add: Other income		3,236,708.63	1,895,275.01
Investment income	5	4,659,715.85	6,903,528.26
Including: Income from investments in associates and joint ventures		4,659,715.85	6,903,528.26
Gain/(loss) from disposal of assets		–	6,380,758.48
		<hr/>	<hr/>
Operating profit/(loss)		(812,912,929.16)	(504,467,008.83)
Add: Non-operating income		1,102,771.56	7,064,920.90
Less: Non-operating expenses		14,203,549.96	29,851,211.83
		<hr/>	<hr/>
Total profit/(loss)		(826,013,707.56)	(527,253,299.76)
Less: Income tax expenses/(credit)		(123,902,056.14)	(81,085,994.03)
		<hr/>	<hr/>
Net Profit/(loss)		(702,111,651.42)	(446,167,305.73)
Including: Net profit/(loss) from continuing operations		(702,111,651.42)	(446,167,305.73)
		<hr/>	<hr/>
Other comprehensive income, net after tax		–	–
		<hr/>	<hr/>
Total comprehensive income		(702,111,651.42)	(446,167,305.73)
		<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Six months ended 30 June 2024

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 period	8,918,602,267.00	19,313,089,864.55	-	1,585,194.71	-	577,012,986.42	(9,165,758,405.37)	19,644,531,907.31
II. Changes in the current period								
(I) Total comprehensive income							(702,111,651.42)	(702,111,651.42)
(II) Capital contribution and withdrawal by shareholders								
1. Increase during the period	-	-	69,760,540.41	-	-	-	-	(69,760,540.41)
(III) Special reserves								
1. Amount established during the period	-	-	-	-	29,672,507.08	-	-	29,672,507.08
2. Amount utilized during the period	-	-	-	-	(29,672,507.08)	-	-	(29,672,507.08)
III. Closing balance for the period	<u>8,918,602,267.00</u>	<u>19,313,089,864.55</u>	<u>69,760,540.41</u>	<u>1,585,194.71</u>	<u>-</u>	<u>577,012,986.42</u>	<u>(9,867,870,056.79)</u>	<u>18,872,659,715.48</u>

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	19,313,089,864.55	-	(2,664,805.29)	-	577,012,986.42	(7,650,854,769.13)	21,155,185,543.55
II. Changes in the current period								
(I) Total comprehensive income	-	-	-	-	-	-	(446,167,305.73)	(446,167,305.73)
(II) Special reserves								
1. Amount established during the period	-	-	-	-	20,608,765.69	-	-	20,608,765.69
2. Amount utilized during the period	-	-	-	-	(20,608,765.69)	-	-	(20,608,765.69)
III. Closing balance for the period	<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>

STATEMENT OF CASH FLOWS
For the six months ended 30 June 2024

RMB

	Six months ended 30 June 2024	Six months ended 2023
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	13,880,910,978.59	21,177,299,366.76
Other cash received relating to operating activities	71,657,398.56	61,293,963.05
	<u>13,952,568,377.15</u>	<u>21,238,593,329.81</u>
Sub-total of cash inflows from operating activities		
Cash paid for purchase of goods and services	12,458,082,540.76	20,041,110,948.81
Cash paid to and on behalf of employees	581,208,547.90	649,268,345.81
Cash paid for all types of taxes	71,727,520.58	123,390,459.48
Other cash paid relating to operating activities	21,936,442.27	19,438,737.71
	<u>13,132,955,051.51</u>	<u>20,833,208,491.81</u>
Sub-total of cash outflows from operating activities		
Net cash flows from operating activities	819,613,325.64	405,384,838.00
II. Cash flows from investing activities:		
Cash received from return on investments	7,232,797.28	6,799,490.96
	<u>7,232,797.28</u>	<u>6,799,490.96</u>
Sub-total of cash inflows from investing activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	415,667,081.07	347,242,496.17
	<u>415,667,081.07</u>	<u>347,242,496.17</u>
Sub-total of cash outflows from investing activities		
Net cash flows from investing activities	(408,434,283.79)	(340,443,005.21)

	Six months ended 30 June 2024	Six months ended 30 June 2023
III. Cash flows from financing activities:		
Cash received from borrowings	<u>917,700,000.00</u>	<u>1,600,000,000.00</u>
Sub-total of cash inflows from financing activities	<u>917,700,000.00</u>	<u>1,600,000,000.00</u>
Cash repayments of borrowings	521,300,000.00	1,845,900,000.00
Cash paid for distribution of dividends or profits, and for interest expenses	81,727,023.44	164,422,446.93
Other cash paid relating to financing activities	<u>629,760,540.41</u>	<u>670,833,333.30</u>
Sub-total of cash outflows from financing activities	<u>1,232,787,563.85</u>	<u>2,681,155,780.23</u>
Net cash flows from financing activities	<u>(315,087,563.85)</u>	<u>(1,081,155,780.23)</u>
IV. Effect of changes in foreign exchange rate on cash and cash equivalents	<u>(26,401,813.52)</u>	<u>11,103,218.87</u>
V. Net increase in cash and cash equivalents	69,689,664.48	(1,005,110,728.57)
Add: Cash and cash equivalents at the beginning of the year	<u>1,829,127,865.49</u>	<u>3,937,058,324.50</u>
VI. Cash and cash equivalents at the end of the period	<u><u>1,898,817,529.97</u></u>	<u><u>2,931,947,595.93</u></u>

**SECTION VII NOTES TO KEY ITEMS OF THE CONSOLIDATED
FINANCIAL STATEMENTS**

1. Trade receivables

Credit period of trade receivables is generally within one month. Trade receivables are non-interest-bearing.

An ageing analysis of accounts receivable is as follows:

	30 June 2024	31 December 2023
Within 1 year	24,868,960.50	27,820,943.29
1 – 2 years	607,694.35	701,272.85
2 – 3 years	544,088.62	425,944.30
3 – 4 years	1,309,009.89	1,748,247.49
4 – 5 years	879,055.16	68,839.67
Above 5 years	640,515.48	973,541.75
	28,849,324.00	31,738,789.35
Less: Provision for bad debts for trade receivable	767,749.05	1,108,763.13
Total	<u>28,081,574.95</u>	<u>30,630,026.22</u>

The ageing analysis of trade receivable was based on the month actually incurred. The accounts receivable recognized firstly will be firstly settled when recovering capital.

2. Trade payables

	30 June 2024	31 December 2023
Within 1 year	4,444,889,408.61	3,811,760,048.13
1 – 2 years	4,379,940.62	53,400,444.09
2 – 3 years	898,706.02	13,574,198.96
Above 3 years	8,769,063.26	8,042,447.25
Total	<u>4,458,937,118.51</u>	<u>3,886,777,138.43</u>

By order of the Board
Chongqing Iron & Steel Company Limited
Meng Wenwang
Executive Director

Chongqing, the PRC, 31 August 2024

As at the date of this announcement, the Directors of the Company are: Mr. Meng Wenwang (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), Ms. Tang Ping (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).