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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)

PRICE-SENSITIVE INFORMATION

ANNOUNCEMENT ON PROJECTED LOSS FOR 2011

I. PROJECTED RESULTS FOR THE PERIOD

1. Projected period: From 1 January 2011 to 31 December 2011
2. Projected results:

Based on a preliminary estimate by the finance department of the Company, the Company is expected to incur a substantial loss in the net profit attributable to the Company's shareholders for 2011. The specific amount will be disclosed in detail in the 2011 Annual Report of the Company.

3. The projected results were not audited by certified public accountants.

II. RESULTS FOR THE CORRESPONDING PERIOD OF LAST YEAR

1. Net profit attributable to the Company's shareholders: RMB10,009,000
2. Earnings per share: RMB0.006
3. Total share capital at the end of 2010: 1,733,127,200 shares

III. MAJOR REASONS FOR PROJECTED LOSS

1. The steel products market underwent a significant downturn during the reporting period (especially the fourth quarter);
2. Increases in the price of raw materials including iron ore during the reporting period led to year-on-year rise in steel products cost;
3. The Company incurred higher operating cost and finance expenses during the reporting period.

IV. THE COMPANY'S FINANCIAL INFORMATION FOR 2011 WILL BE DISCLOSED IN DETAIL IN ITS 2011 ANNUAL REPORT. INVESTORS ARE ADVISED TO PAY ATTENTION TO THE INVESTMENT RISKS.

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

Chongqing, the PRC, 28 December 2011

As at the date of this announcement, the Directors of the Company are: Mr. Deng Qiang (Non-executive Director), Mr. Yuan Jin Fu (Non-executive Director), Mr. Chen Hong (Executive Director), Mr. Sun Yi Jie (Executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Liu Xing (Independent Non-executive Director), Mr. Zhang Guo Lin (Independent Non-executive Director) and Mr. Liu Tian Ni (Independent Non-executive Director).