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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)

INDICATIVE ANNOUNCEMENT ON REDUCTION OF SHAREHOLDING IN THE COMPANY BY CONTROLLING SHAREHOLDER

I. BASIC SITUATION OF THE CHANGE IN EQUITY

On 12 May 2015, Chongqing Iron & Steel Company Limited (hereinafter referred to as the “Company”) received the Notice Regarding Reduction of Shareholding by Shareholder (《關於股東減持股份事項的通知》) from the controlling shareholder, Chongqing Iron and Steel (Group) Co., Ltd. (hereinafter referred to as “Chonggang Holding”) wherein Chonggang Holding shall reduce its shareholding in the Company pursuant to the relevant provisions regarding the administration of state-owned shareholders’ transfer of their shares of listed companies. Commencing from 1 April 2015 to and until 12 May 2015, Chonggang Holding has reduced its shareholding by an aggregate of 221,800,000 unrestricted tradable shares of the Company, representing 5% of the total share capital of the Company, through the auction trading system of the Shanghai Stock Exchange.

After the accumulated reduction of shareholding of unrestricted tradable shares, Chonggang Holding is holding 2,575,181,600 A shares of the Company in total (comprising of 579,000,000 unrestricted tradable shares), representing 58.05% of the Company’s total share capital and is still the controlling shareholder of the Company.

II. FOLLOW-UP MATTERS INVOLVED

Such change in equity will not lead to any change in the controlling shareholder and de facto controller of the Company. In accordance with the provisions of the Regulations on the Takeover of Listed Companies, Chonggang Holding has performed its obligation of information disclosure regarding such change in equity. For details of the relevant information, please refer to the Simplified Report on Change in Equity of Chongqing Iron & Steel Company Limited (《重慶鋼鐵股份有限公司簡式權益變動報告書》) disclosed on the same day.

In the coming 12 months, Chonggang Holding will not rule out the plan to reduce its shareholding in the Company continuously. Chonggang Holding shall timely perform its obligation of information disclosure pursuant to the provisions of the relevant laws and regulations.

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

Chongqing, the PRC, 13 May 2015

As at the date of this announcement, the Directors of the Company are: Mr. Zhu Jian Pai (Non-executive Director), Mr. Zhou Hong (Non-executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Zhang Li Quan (Executive Director), Mr. Yao Xiao Hu (Executive Director), Mr. Xu Yi Xiang (Independent Non-executive Director), Mr. Liu Tian Ni (Independent Non-executive Director) and Mr. Xin Qing Quan (Independent Non-executive Director).