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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)

ANNOUNCEMENT ON ACCEPTING FINANCIAL ASSISTANCE FROM THE CONTROLLING SHAREHOLDER

This announcement is made by Chongqing Iron & Steel Company Limited (the “**Company**”) on a voluntary basis.

In order to obtain support in replenishing its working capital and maintaining sufficient cash flow for normal production and operation, the Company agreed to accept the financial assistance of RMB130 million from Chongqing Iron and Steel Company (Group) Limited (“**Chongqing Iron & Steel Group**”), the controlling shareholder of the Company, for a term of not more than a year commencing from the withdrawal date of such amount, with an agreed fixed interest rate of 4.35%. There is no need for the Company to provide any collateral or guarantee for such loan.

The financial assistance in cash offered by Chongqing Iron & Steel Group to the Company shall be mainly used to replenish the Company’s working capital and ensure its normal production and operation, which is conducive to the Company’s continuous development.

In 2016 and before accepting this financial assistance, the Company has already accepted financial assistance for six times (see the table below for details). Upon accepting this financial assistance, the Company has cumulatively accepted financial assistance amounting to RMB816 million from Chongqing Iron & Steel Group, exceeding 10% of its net assets of RMB3.988 billion as disclosed in its latest audited financial report (2015 Annual Report). Accordingly, disclosure has to be made pursuant to relevant rules in China.

Approved resolution of the board of directors	Approval date	Financial assistance amount (RMB100 million)	Assistance provider
The 33rd written resolution of the seventh session of the board of directors	13 January 2016	0.38	Chongqing Iron & Steel Group Doorlead Realty Co., Ltd. (“ Doorlead Company ”)
The 52nd written resolution of the seventh session of the board of directors	22 June 2016	0.33	Doorlead Company
The 63rd written resolution of the seventh session of the board of directors	2 September 2016	1.15	Doorlead Company
The 66th written resolution of the seventh session of the board of directors	22 September 2016	2	Chongqing Iron & Steel Group
The 71st written resolution of the seventh session of the board of directors	21 November 2016	2	Chongqing Iron & Steel Group
The 72nd written resolution of the seventh session of the board of directors	29 November 2016	1	Chongqing Iron & Steel Group
The 73rd written resolution of the seventh session of the board of directors	7 December 2016	1.3	Chongqing Iron & Steel Group

Since the arrangement of financial assistance is made for the benefit of the Company on normal commercial terms without any pledge of the Company’s assets, such arrangement is exempt from the reporting, announcement and shareholders’ approval requirements under Rule 14A.90 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Chongqing, the PRC, 8 December 2016

As at the date of this announcement, the directors of the Company are: Mr. Liu Da Wei (non-executive director), Mr. Zhou Hong (non-executive director), Mr. Tu De Ling (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. Xin Qing Quan (independent non-executive director) and Mr. Wong Chun Wa (independent non-executive director).