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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)

VOLUNTARY ANNOUNCEMENT **THE ENTERING INTO OF THE PURCHASE AND** **SALE COOPERATION FRAMEWORK AGREEMENT**

On 30 December 2016, the Company entered into the Purchase and Sale Cooperation Framework Agreement with Qianxin Company, pursuant to which, the Company and Qianxin Company agreed to cooperate in respect of the purchase of major materials required for the production of Qianxin Company and the sales of steel products in accordance with the market principles. The term of cooperation is tentatively scheduled for three years from 1 January 2017 to 31 December 2019.

The Purchase and Sale Cooperation Framework Agreement serves only as the basis for further specific cooperation between the Company and Qianxin Company, and the specific matters in respect of the cooperation of both parties are subject to the formal cooperation agreement to be entered into by both parties.

This announcement is made by the Company on a voluntary basis.

PURCHASE AND SALE COOPERATION FRAMEWORK AGREEMENT

On 30 December 2016, the Company entered into the Purchase and Sale Cooperation Framework Agreement with Qianxin Company. The major terms are as follows:

Date

30 December 2016

Parties

- (1) the Company
- (2) Qianxin Company

Major content

The Company and Qianxin Company agreed to cooperate in respect of the purchase of major materials required for the production of Qianxin Company and the sales of steel products in accordance with the market principles. The term of cooperation is tentatively scheduled for three years from 1 January 2017 to 31 December 2019.

REASONS FOR AND BENEFITS OF THE PURCHASE AND SALE COOPERATION FRAMEWORK AGREEMENT

The transaction will alleviate the financial pressure of the Company, stabilize the scales of the production and sales of the Company and realize economical production, thereby creating favorable conditions to reduce and reverse losses.

INFORMATION ABOUT THE COMPANY

The Company is principally engaged in the manufacture and sale of steel products such as medium-gauge steel plates, steel sections and wire rods.

INFORMATION ABOUT QIANXIN COMPANY

Qianxin Company is principally engaged in the sales of general merchandise, household appliances, computers and consumable materials, instruments and apparatus, wires and cables, general machinery equipment and components, hardware and electrical equipment, water heating equipment, automobiles and components, motorcycles and accessories, rubber products, metallurgy materials, furnace refractories, nonferrous metals, metal materials, metal products (excluding rare and precious metals), mineral products (excluding those specifically stipulated by the State), coke, construction materials, steel products, chemical raw materials and products (excluding hazardous chemicals), cast iron and water granulated slag, steel slag, scrap steel, imports and exports of cargo and technology, freight transport agency, logistics and warehousing services (excluding express delivery business and hazardous chemicals), lease of machinery and equipment, enterprise management consultation as well as marketing planning.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiries, Qianxin Company and its ultimate beneficial owners are independent third parties.

CONSIDERATION BY THE BOARD

The entering into of the Purchase and Sale Cooperation Framework Agreement was considered and approved by the eightieth written resolution of the seventh session of the Board.

GENERAL INFORMATION

The Purchase and Sale Cooperation Framework Agreement serves only as the basis for further specific cooperation between the Company and Qianxin Company, and the specific matters in respect of the cooperation of both parties are subject to the formal cooperation agreement to be entered into by both parties.

Potential investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the cooperation contemplated under the Purchase and Sale Cooperation Framework Agreement will be made by the Company as and when appropriate in accordance with the Listing Rules (if applicable).

DEFINITIONS

“Purchase and Sale Cooperation Framework Agreement”	the Purchase and Sale Cooperation Framework Agreement entered into between the Company and Qianxin Company on 30 December 2016
“Board”	the board of Directors
“Qianxin Company”	Chongqing Qianxin International Trade Co., Ltd.* (重慶千信國際貿易有限公司), a limited liability company established in the PRC
“Company”	Chongqing Iron & Steel Company Limited, a company incorporated in the PRC with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Chongqing, the PRC, 4 January 2017

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).

* *for identification purposes only*