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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 RELEASE OF PLEDGE AND PLEDGE OF SHARES BY CHONGQING IRON & STEEL (GROUP) COMPANY LIMITED

This announcement is made by Chongqing Iron & Steel Company Limited (the “**Company**”) pursuant to Rule 13.17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company received a notice from Chongqing Iron & Steel (Group) Company Limited (“**Chonggang Holding**”), the controlling shareholder of the Company, informing that among 2,096,981,600 shares of the Company held by Chonggang Holding, the registration of pledge of 252,000,000 shares (representing 5.68% of the total share capital of the Company) of which was expired on 2 March 2017, and the procedures on pledge release were completed accordingly. Chonggang Holding (as the pledgor) has pledged 252,000,000 non-restricted tradable A shares of the Company held by it to Export-Import Bank of China (as the pledgee) on the same day. The register date was 2 March 2017. Relevant securities pledge registration procedures have been completed with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

As of the date of the announcement, Chonggang Holding held a total of 2,096,981,600 A shares of the Company, representing 47.27% of the total share capital of the Company. After the release of pledge and the share pledge, Chonggang Holding has accumulatively pledged 952,000,000 shares of the Company, representing 45.40% of the total shares held by it, and representing 21.46% of the total share capital of the Company. The purpose of Chonggang Holding's share pledge is to provide guarantee with pledge for the debt of the Company not exceeding USD130 million or the equivalent amount in RMB. Chonggang Holding has sufficient liquidity for repayment and there are currently no potential risks arising therefrom.

Chonggang Holding is the controlling shareholder and a connected person of the Company, such that the share pledge, being financial assistance provided by a connected person to the Company, constitutes a continuing connected transaction of the Company. As the share pledge provided by Chonggang Holding to the Company is on normal commercial terms where no security over the assets of the Company is granted in respect of the financial assistance, the share pledge is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

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

Chongqing, the PRC, 3 March 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).