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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 REGARDING THE PROGRESS FOR MATERIAL ASSETS REORGANISATION

Special note:

The plan of the material assets reorganisation is relatively complicated. The main assets of Chongqing Yufu Assets Management Group Co., Ltd. (“**Yufu Group**”) which are intended to be acquired are subject to the requirements of the relevant regulatory policies. There is fairly great uncertainty in whether the intended assets acquisition plan can satisfy the regulatory requirements of both the A shares and H shares market. In addition, the iron and steel assets intended to be disposed involve large scale of debt with numerous creditors and complex liabilities associated with litigations. There is also fairly great uncertainty in whether agreement can be reached with the main creditors on the intended disposal plan. In view of the above reasons, it is expected that the risks of whether the transactions can continue to proceed is relatively great and investors are advised to pay attention to the above risks.

This announcement is made by the board of directors (the “**Board**”) of Chongqing Iron & Steel Company Limited (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement dated 2 June 2016 regarding suspension of trading of A shares regarding the plan for significant matter, the announcement dated 4 June 2016 regarding the plan for material assets reorganisation, the announcements dated 1 July 2016 and 4 August 2016 regarding the continuing suspension of trading of A shares for material assets reorganisation, the announcement dated 1 September 2016 regarding the material assets reorganisation framework agreement, the overseas

regulatory announcement dated 6 September 2016 regarding convening an investor briefing session regarding continuing suspension of trading of shares for material assets reorganisation, the overseas regulatory announcement dated 9 September 2016 regarding information about the convening of the investor briefing session regarding continuing suspension of trading of shares for material assets reorganisation, the announcement dated 12 October 2016 regarding the results of 2016 second extraordinary general meeting, the announcement dated 1 November 2016 regarding delay in resumption of trading of A shares regarding the plan for material assets reorganisation, and several announcements dated on and after 14 June 2016 regarding the progress for material assets reorganisation of the Company.

As at the date of this announcement, the Company has determined intermediaries regarding this reorganisation such as independent financial adviser, audit firm, appraisal agencies and legal advisers to conduct due diligence, audit and evaluation and other relevant works. Since the suspension of trading, the Company, Chongqing Yufu Holding Group Co., Ltd., Yufu Group and other transaction parties have carried forward the relevant matters, contemplated the reorganisation plan repeatedly, and identified the scope of the subject assets and carried out thorough discussions. The plan of the major asset reorganisation is relatively complicated. The main assets of Yufu Group which are intended to be acquired are subject to the requirements of the relevant regulatory policies. There is fairly great uncertainty in whether the intended assets acquisition plan can satisfy the regulatory requirements of both the A shares and H shares market. In addition, the iron and steel assets intended to be disposed involve large scale of debt with numerous creditors and complex liabilities associated with litigations. There is also fairly great uncertainty in whether agreement can be reached with the main creditors on the intended disposal plan. In view of the above reasons, it is expected that the risks of whether the transactions can continue to proceed is relatively great and investors are advised to pay attention to the above risks.

Pursuant to the Administrative Measures on Significant Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》) of China and the Business Guide of Suspension and Resumption of Trading for Planning of Material Matters of Listed Companies (《上市公司籌劃重大事項停復牌業務指引》) of Shanghai Stock Exchange, the trading in A shares of the Company will remain suspended. The Company undertakes that during the period of the suspension, the Company will fulfill the obligations of information disclosure in a timely manner with respect to the progress of the material assets reorganisation and will announce the progress of the matter at the interval of five trading days of A shares.

In light of the relatively great uncertainty in the material assets reorganisation and in order to ensure fair disclosure of information and to safeguard the interests of the investors, the Company will fulfill the obligations of information disclosure in a timely manner in accordance with relevant regulations. Investors are advised to pay attention to subsequent announcements and be aware of the investment risks involved.

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

Chongqing, the PRC, 21 April 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).