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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 MATERIAL LITIGATION

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

I. BASIC INFORMATION OF THE MATERIAL LITIGATION

The Company recently received the “Summons and Notification of Collegial Panel” ((2017) Yu 01 Min Chu No. 755) served by the First Intermediate People’s Court of Chongqing and became aware that the case in relation to the dispute over the debt assignment agreement among Chongqing Hesheng Huibang Assets Management Co., Ltd. (重慶市和勝匯邦資產管理有限公司) (“**Chongqing Hesheng Huibang**”) and the Company and Chongqing Yuxi Mining (Group) Co., Ltd. (重慶渝西礦業(集團)有限公司) had been accepted by such court. The main contents of the “Civil Complaint” served together with the “Summons and Notification of Collegial Panel” are as follows:

Plaintiff:	Chongqing Hesheng Huibang Assets Management Co., Ltd. (重慶市和勝匯邦資產管理有限公司)
Defendant:	the Company
Third party:	Chongqing Yuxi Mining (Group) Co., Ltd. (重慶渝西礦業(集團)有限公司)

The plaintiff's claim:

1. Claim for a ruling that the Company do make payment for coal purchase of RMB32,570,520.17 and capital occupancy fee as calculated at an interest rate of 6% per annum from the date of litigation to the date of actual repayment in full;
2. The costs of the case be borne by the Company.

II. DESCRIPTION OF THE CASE BY THE COMPANY

There is no sale and purchase contract entered into between the Company and Chongqing Hesheng Huibang. The amount due is part of the debt transferred for the outstanding payments due to Chongqing Yuxi Mining (Group) Co., Ltd. (重慶渝西礦業(集團)有限公司) for coal purchase.

III. JUDGMENT OR ADJUDICATION

As at the date of the announcement, the trial of the aforementioned case has not yet commenced.

IV. POSSIBLE EFFECTS OF THE LITIGATION UNDER THE ANNOUNCEMENT ON THE PROFITS OF THE COMPANY FOR THE CURRENT PERIOD OR SUBSEQUENT PERIODS

As the trial has not yet commenced, the effects of the case on the Company cannot be assessed at this moment. The Company will fulfill its obligation of information disclosure in a timely manner depending on the progress of the litigation.

V. OTHER MATERIAL LITIGATIONS OR ARBITRATIONS AGAINST THE COMPANY IN 2017 AS AT THE DATE OF THIS ANNOUNCEMENT ARE AS FOLLOWS:

Plaintiff (applicant)	Type of litigation or arbitration	Basic information of litigation (arbitration)	Amount involved in litigation (arbitration) (including corresponding interests and legal costs)	Progress of litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof
Taiyuan Heavy Industry Co., Ltd. (太原重工股份有限公司)	Litigation	Sale and purchase contract dispute involving a payment for goods of RMB12,147,000	Payment for goods of RMB12,147,000 and interests and legal costs	In trial	Uncertain effects
Chongqing USUM Recycling Resources Development Co., Ltd. (重慶渝商再生資源開發有限公司)	Litigation	Sale and purchase contract dispute involving a payment for goods of RMB89,841,985.21; guarantee of RMB6,050,000	Payment for goods of RMB89,841,985.21, guarantee of RMB6,050,000 and interests and legal costs	In trial	Uncertain effects
Chongqing Blasting Engineering Construction Co., Ltd. (重慶市爆破工程建設有限責任公司)	arbitration	Construction engineering contract dispute involving engineering payment of RMB16,372,696.33	Engineering payment of RMB16,372,696.33 and interests and arbitration costs	In trial	Uncertain effects

Note: In the above material litigations or arbitrations, the Company is the respondent

IV. DOCUMENTS AVAILABLE FOR INSPECTION:

Summons and Notification of Collegiate Panel issued by the First Intermediate People's Court of Chongqing ((2017) Yu 01 Min Chu No. 755)

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Chongqing, the PRC, 15 June 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).