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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 “Notice of Appearance” ((2017) Yu 0115 Min Chu No. 4735) served by Changshou District People’s Court of Chongqing and became aware that the case in relation to the dispute over the project construction contract among Chongqing Guohao Construction Co., Ltd. (重慶國豪建設有限公司) (“**Chongqing Guohao**”), as the plaintiff, and CCCC Third Harbor Engineering Co., Ltd. (as the first defendant) and the Company (as the second defendant) had been accepted by such court. The main contents of the “Civil Complaint” served together with the “Notice of Appearance” are as follows:

Plaintiff:	Chongqing Guohao
First defendant:	CCCC Third Harbor Engineering Co., Ltd.
Second defendant:	the Company

The plaintiff’s claim:

1. Claim for a ruling that the first defendant do make payment for project of RMB15 million to the plaintiff forthwith;
2. Claim for a ruling that the first defendant do pay capital occupancy interests since 30 November 2013 with RMB15 million as the base figure and at the interest rate of banks for loans of the same term;

3. Claim for a ruling that the Company do assume the obligation for the aforementioned payments to the extent of project payments in arrears;
4. The costs of the case and preservation fee be borne by the first defendant and the Company.

II. DESCRIPTION OF THE CASE BY THE COMPANY

The “0# wharf construction project as a part of Changshou New District port project under Chongqing Iron & Steel (Group) Environmental Relocation Project” involved in the case was undertaken by CCCC Third Harbor Engineering Co., Ltd., and the original contract price amounted to RMB29,989,404. According to the agreement on assets purchase and relocation loss compensation entered into between the Company and Chongqing Iron & Steel (Group) Company Limited in 2012, the Company assumed all debts and liabilities under the project. The project has not been completed and the settlement therefor has not been handled.

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 ARBITRATION 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

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
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
Chongqing Hesheng Huibang Assets Management Co., Ltd. (重慶市和勝 匯邦資產管 理有限公司)	Litigation	Sale and purchase contract dispute involving payment for purchase of coal of RMB32,570,520.17	Payment for purchase of coal of RMB32,570,520.17 and interests and legal costs	In trial	Uncertain effects

Note: In the above material litigations or arbitration, the Company is the defendant/respondent

VI. DOCUMENTS AVAILABLE FOR INSPECTION:

Notice of Appearance ((2017) Yu 0115 Min Chu No. 4735) issued by Changshou District People's Court of Chongqing, Civil Complaint of Chongqing Guohao

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, 28 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).