

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 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. 786) served by the First Intermediate People’s Court of Chongqing and became aware that the case in relation to the dispute over the sale and purchase contract between Sinosteel Deyuan Mineral Products Co., Ltd. (中鋼德遠礦產品有限公司) (the “**Sinosteel Deyuan**”), as the plaintiff, and the Company 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: Sinosteel Deyuan Mineral Products Co., Ltd. (中鋼德遠礦產品有限公司)

Defendant: the Company

The plaintiff's claim:

1. Claim for a ruling that the Company do make payments for goods of RMB56,735,514.31 and capital occupancy interest losses (with RMB56,735,514.31 as the base figure, and at the interest rate published by the People's Bank of China for loans of the same term for the period from 1 July 2016 to the date of actual full repayment; such interest shall be repaid with the principal at the same time. The current capital occupancy interest losses amount to RMB2,289,750 as at 31 May 2017);
2. All the costs of the case be borne by the Company.

II. DESCRIPTION OF THE CASE BY THE COMPANY

The Company and Sinosteel Resources Co., Ltd. (中鋼再生資源有限公司) (currently known as Sinosteel Deyuan Mineral Products Co., Ltd. (中鋼德遠礦產品有限公司)) entered into a sale and purchase contract of industrial and mineral products for a term from June 2013 to September 2013. The aggregate contract amount was RMB139,200,000.00, and the amount actually incurred was RMB103,369,139.00, of which RMB56,633,624.69 had been paid, resulting in an amount in arrears of RMB46,735,514.31. In addition, commercial drafts in the sum of RMB10,000,000 have not been cashed (but not returned to the Company yet). Therefore, the amount in arrears reflected in the accounts is RMB56,735,514.31.

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 administrator of 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	Un-certain 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
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
Chongqing Guohao Construction Co., Ltd. (重慶國豪建設有限 公司)	Litigation	Construction engineering contract dispute involving engineering payment of RMB15,000,000	Engineering payment of RMB15,000,000 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:

Summons and Notification of Collegiate Panel issued by the First Intermediate People's Court of Chongqing ((2017) Yu 01 Min Chu No. 786), Civil Complaint.

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

Administrator of Chongqing Iron & Steel Company Limited

Chongqing, the PRC, 15 July 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).