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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 OF THE ADMINISTRATOR OF CHONGQING IRON & STEEL COMPANY LIMITED IN RELATION TO THE DECISION OF MATERIAL ARBITRATION

IMPORTANT NOTE:

- Arbitration stage of the case: arbitration decision
- Position of the Company in the arbitration: respondent
- Amount involved in the case: RMB16,372,696.33
- As the applicant has withdrawn the arbitration application, there is no effect on the profits of the Company.

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 ARBITRATION

Applicant: Chongqing Blasting Engineering Construction Co., Ltd.
(重慶市爆破工程建設有限責任公司) (“**Chongqing Blasting**”)

Respondent: the Company

The applicant’s claim:

1. For a ruling that the Company shall make the engineering payment of RMB16,372,696.33, and for the period from 3 September 2014 to the date of the actual payment in full, the Company shall pay the interests as calculated in accordance with the interest rate for loans of the same term and same type as published by the People’s Bank of China. The calculation of the interests up to 17 April 2017 amounts to approximately RMB2.03 million;

2. The arbitration costs of the case shall be borne by the Company.

For details, please refer to the announcement on material arbitration published by the Company on 11 May 2017.

II. DESCRIPTION OF THE CASE

On 30 March 2012, the Company entered into the “Construction Contract in Relation to the Partial Demolition Engineering Project of Old District by Chongqing Iron and Steel Co. Ltd. (I)” [Contract No.: Gang Gu He 2011-010 (Chai)] with Chongqing Blasting. The demolition engineering duly commenced in February 2012 and was completed in March 2013. It then passed the inspection and acceptance on 5 July 2013 upon completion, and completed the settlement audit on 5 August 2014. The engineering payment by the Company remains partially outstanding.

III. ARBITRATION AWARD

The Company received the decision of China Chongqing Arbitration Commission ((2017) Yu Zhong Zi No. 706) on 20 July 2017 and became aware of the decision of the arbitration commission as follows:

The withdrawal of the arbitration application by the applicant Chongqing Blasting has been accepted.

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

As the arbitration application by Chongqing Blasting has been withdrawn, there is no effect on the profits of the Company.

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, 21 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).