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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 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 “Notice of Appearance” ((2017) E 0202 Min Chu No. 1756) served by the People’s Court of Huangshigang District, Huangshi and became aware that the case in relation to the dispute over the sale and purchase contract between Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司) (“**Chongqing Qiaotai**”), as the plaintiff, and Huangshi Tonghai Trade Co., Ltd. (黃石通海商貿有限公司) (“**Huangshi Tonghai**”) and the Company as the defendants, 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 Qiaotai

Defendant: Huangshi Tonghai

Defendant: the Company

The plaintiff's claim:

1. For a ruling that the Company and Huangshi Tonghai be jointly liable for paying the arrears of RMB11.6 million and the accrued interest (as calculated with RMB2.2 million as base figure from 1 January 2016; with RMB2.9 million as base figure from 1 October 2015; and based on RMB2.9 million from 1 November 2015, in each case until full payment of the relevant amount and at the lending interest rate of the People's Bank of China for the same period);
2. For a ruling that the costs of the case and other related expenses be borne by the Company and Huangshi Tonghai.

II. DESCRIPTION OF THE CASE

As alleged in the complaint filed by Chongqing Qiaotai, Huangshi Tonghai borrowed RMB8 million from Chongqing Qiaotai for business turnover needs in October and November of 2013; and upon the expiry of the term of loan, Huangshi Tonghai repaid the loan to Chongqing Qiaotai by endorsing four commercial acceptance bills with the face value of RMB2.9 million each, aggregating RMB11.6 million (including the principal amount of RMB8 million and the accrued interest of RMB3.6 million), which were issued by the Company.

III. JUDGMENT OR ADJUDICATION

As at the date of this 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	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
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
Sinosteel Deyuan Mineral Products Co., Ltd. (中鋼德遠礦產品有限公司)	Litigation	Sale and purchase contract dispute involving a payment for goods of RMB56,735,514.31	Payment for goods of RMB56,735,514.31 and capital occupancy interest losses	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) E 0202 Min Chu No. 1756) issued by the People's Court of Huangshigang District, Huangshi and the 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, 10 August 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).