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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 ACCUMULATED LITIGATIONS (ARBITRATIONS) INVOLVED

IMPORTANT NOTE:

- Accumulated amount involved in the cases: approximately RMB15,933,200
- Whether there are negative effects on the Company's profit or loss: as trials of the cases involved have not yet commenced, the effects on the profits of the current period or subsequent periods of the Company cannot be assessed at this moment.

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).

In accordance with relevant provisions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Company has gathered statistics on the accumulated litigations (arbitrations) involved that have not been disclosed recently. The aggregate amount involved in the cases is approximately RMB15,933,200. The basic information of the respective cases is hereby announced as follows:

I. TABLE OF BASIC INFORMATION OF THE CASES

Plaintiff (applicant)	Type	Basic information of the litigation (arbitration)	Amount involved in litigation (arbitration) (including corresponding interest and costs of the case)	Progress of the litigation (arbitration)	Results of trial of litigation (arbitration) and effects thereof
Installation, Overhaul and Accessories Co., Ltd. of Shenyang Blower Works Group (瀋陽鼓風機集團安裝檢修配件有限公司)	Litigation	Purchase and sales contract dispute, payment for goods of RMB947,187.25	Payment for goods of RMB947,187.25, interest and costs of the case	Trial has not yet commenced	Uncertain effects
CNEG Dongfang Heavy Machinery Co., Ltd. (中國二重集團東方重型機械有限公司)	Litigation	Purchase and sales contract dispute, payment for goods of RMB1,086,000	Payment for goods of RMB1,086,000, interest and costs of the case	Trial has not yet commenced	Uncertain effects
Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司) (1st defendant: Daye Shenglin Trade Co., Ltd. (大冶市盛林貿易有限公司); 2nd defendant: the Company)	Litigation	Private lending dispute, arrears of RMB6,400,000	Arrears of RMB6,400,000, interest and costs of the case	Trial has not yet commenced	Uncertain effects
Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司) (1st defendant: Daye Sanlin Trade Co., Ltd. (大冶市三林貿易有限公司); 2nd defendant: the Company)	Litigation	Private lending dispute, arrears of RMB7,500,000	Arrears of RMB7,500,000, interest and costs of the case	Trial has not yet commenced	Uncertain effects

Note: The Company is the defendant (being sued) in each of the above litigations.

II. BASIC INFORMATION OF THE CASES INVOLVED

- (I) The case in relation to the purchase and sales contract dispute between the Installation, Overhaul and Accessories Co., Ltd. of Shenyang Blower Works Group (瀋陽鼓風機集團安裝檢修配件有限公司) and the Company:

Plaintiff: Installation, Overhaul and Accessories Co., Ltd. of Shenyang Blower Works Group (瀋陽鼓風機集團安裝檢修配件有限公司)

Defendant: the Company

Claims:

1. Claim to the court for a ruling that the Company do make payments for the processing fee in arrears of RMB947,187.25 and the corresponding interests (calculated at the interest rate of the People's Bank of China for loans of the same term) to Installation, Overhaul and Accessories Co., Ltd. of Shenyang Blower Works Group (瀋陽鼓風機集團安裝檢修配件有限公司);
2. Claim to the court for a ruling that the costs of the case and the preservation fee be borne by the Company.

- (II) The case in relation to the purchase and sales contract dispute between CNEG Dongfang Heavy Machinery Co., Ltd. (中國二重集團東方重型機械有限公司) and the Company:

Plaintiff: CNEG Dongfang Heavy Machinery Co., Ltd. (中國二重集團東方重型機械有限公司)

Defendant: the Company

Claims:

1. For a ruling that the Company do make payments for goods in arrears of RMB1,806,000 and the interests accrued on delayed payments at the interest rate double that of the banks for loans of the same term to CNEG Dongfang Heavy Machinery Co., Ltd. (中國二重集團東方重型機械有限公司);
2. The costs of the case be borne by the Company.

(III) The case in relation to the private lending dispute between Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司) and the Company:

Plaintiff: Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司)

Defendant: Daye Shenglin Trade Co., Ltd. (大冶市盛林貿易有限公司)

Defendant: the Company

Claims:

1. For a ruling that Daye Shenglin Trade Co., Ltd. (大冶市盛林貿易有限公司) and the Company do jointly make payments for the arrears of RMB6,400,000 and interests (as calculated with RMB1,600,000 as base figure from 1 October 2015; with RMB1,600,000 as base figure from 1 December 2015; with RMB1,600,000 as base figure from 1 November 2015; and with RMB550,000 as base figure from 1 January 2016, in each case until full payment of the relevant amount and at the lending interest rate of the People's Bank of China for loans of the same term);
2. For a ruling that the costs of the case and other relevant expenses be borne by Daye Shenglin Trade Co., Ltd. (大冶市盛林貿易有限公司) and the Company.

(IV) The case in relation to the private lending dispute between Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司) and the Company:

Plaintiff: Chongqing Qiaotai Shipping & Transportation Co., Ltd. (重慶市喬泰船務運輸有限公司)

Defendant: Daye Sanlin Trade Co., Ltd. (大冶市三林貿易有限公司)

Defendant: the Company

Claims:

1. For a ruling that Daye Sanlin Trade Co., Ltd. (大冶市三林貿易有限公司) and the Company do jointly make payments for the arrears of RMB7,500,000 and interests (as calculated with RMB2,500,000 as base figure from 1 October 2015; with RMB2,500,000 as base figure from 1 November 2015; and with RMB1,500,000 as base figure from 1 December 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 loans of the same term);
2. For a ruling that the costs of the case and other relevant expenses be borne by Daye Sanlin Trade Co., Ltd. (大冶市三林貿易有限公司) and the Company.

III. POSSIBLE EFFECTS OF THE LITIGATIONS (ARBITRATIONS) UNDER THE ANNOUNCEMENT ON THE PROFITS OF THE COMPANY FOR THE CURRENT PERIOD OR SUBSEQUENT PERIODS

As the trials of the cases involved have not yet commenced, the effects on the profits of the current period or subsequent periods of the Company cannot be assessed at this moment. The administrator will fulfill its obligation of information disclosure in a timely manner depending on the progress of the litigations (arbitrations).

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, 22 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).