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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 PROGRESS OF MATERIAL LITIGATION

IMPORTANT NOTE:

- Litigation stage of the case: withdrawal
- Position of the Company in the litigation: defendant
- Amount involved in the case: RMB53,796,068.37
- As the case has been withdrawn, there is no effect on the profits of the Company.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 LITIGATION

Plaintiff: Liaoning Qinghua Refractories Co., Ltd. (遼寧青花耐火材料股份有限公司) (“**Liaoning Qinghua**”) with the registered address at Qinghua Management District, Dashiqiao, Liaoning

Defendant: the Company with the registered address at Jiangnan Town, Changshou Zone, Chongqing

Defendant: Yougang Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司優鋼銷售分公司)

Defendant: Cold-rolled Sheet Plant of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司冷軋薄板廠)

Defendant: Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司銷售分公司)

Defendant: Guizhou Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司貴州銷售分公司)

Defendant: Xiamen Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司廈門銷售分公司)

Defendant: Qingdao Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司青島銷售分公司)

Defendant: Luoyang Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司洛陽銷售分公司)

Defendant: Tianjin Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司天津銷售分公司)

Defendant: Fuzhou Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司福州銷售分公司)

Defendant: Lanzhou Sales Branch of Chongqing Iron & Steel Company Limited (重慶鋼鐵股份有限公司蘭州銷售分公司)

Defendant: Chongqing Iron & Steel (Group) Co., Ltd.

(Up to now, except for the Company and Chongqing Iron & Steel (Group) Co., Ltd., the other entities of the abovementioned defendants do not exist.)

Cause: dispute over contracting agreement

The plaintiff's claim:

1. For the defendant's immediate payment of consideration for magnesite bricks totaling RMB53,796,068.37 to the plaintiff.
2. For the defendant's payment of interest accrued during the period of default and bearing of the cost of the case.

II. DESCRIPTION OF THE CASE

Liaoning Qinghua has entered into four Sales and Purchase Contracts for Industrial Products and Minerals in total with the Company dated 25 December 2012, 24 June 2013, 1 January 2014 and 1 January 2015, respectively, under which Liaoning Qinghua agreed to produce and process magnesium bricks for the Company in accordance with the shapes of bricks and drawings provided by the Company.

III. JUDGMENT ON THE LITIGATION

The Company received the civil judgments served by Dashiqiao People's Court of Liaoning, namely, the third of (2016) Liao 0882 Min Chu No. 2167, the third of (2016) Liao 0882 Min Chu No. 2168, the third of (2016) Liao 0882 Min Chu No. 2169 and the third of (2016) Liao 0882 Min Chu No. 2307, and became aware of:

1. Liaoning Qinghua Refractories Co., Ltd., as the plaintiff, be permitted to withdraw the litigation
2. The case acceptance fee and preservation fee be borne by the plaintiff.

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

There was no effect on the profits of the Company due to the withdrawal of the litigation.

V. DOCUMENTS AVAILABLE FOR INSPECTION

The civil judgments served by Dashiqiao People's Court of Liaoning, namely, the third of (2016) Liao 0882 Min Chu No. 2167, the third of (2016) Liao 0882 Min Chu No. 2168, the third of (2016) Liao 0882 Min Chu No. 2169 and the third of (2016) Liao 0882 Min Chu No. 2307.

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, 7 September 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).