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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
IN RELATION TO THE PROGRESS OF
REORGANISATION OF
CHONGQING IRON & STEEL COMPANY LIMITED**

This announcement is made by Chongqing Iron & Steel Company Limited (“**Chongqing Iron & Steel**” or 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).

References are made to the Company’s indicative announcement on creditor’s application for reorganisation of the Company dated 25 April 2017, the announcement of the Company in relation to the court ruling on acceptance of the application for reorganisation of the Company dated 4 July 2017, the several announcements of the administrator in relation to the progress of reorganisation of Chongqing Iron & Steel Company Limited dated on and after 11 July 2017, the indicative announcements of the administrator of Chongqing Iron & Steel Company Limited in relation to the risks of suspension of listing and delisting of A shares of the Company dated 27 July 2017 and 28 July 2017, the indicative announcement of the administrator of Chongqing Iron & Steel Company Limited in relation to the continuous suspension of trading of A shares from 1 August 2017 due to reorganisation of the Company dated 31 July 2017, the indicative announcement of the administrator of Chongqing Iron & Steel Company Limited in relation to the continuous suspension of trading of A shares of the Company dated 1 August 2017 and the announcement of the administrator of Chongqing Iron & Steel Company Limited in relation to the convening of the first creditors’ meeting of the Company dated 19 August 2017.

The First Intermediate People’s Court of Chongqing issued the Civil Ruling Paper ((2017) Yu 01 Po Shen No. 5) to the Company on 3 July 2017. It was ruled that the application of Chongqing Laiquyuan Trading Co., Ltd. for reorganisation of Chongqing Iron & Steel was accepted and the liquidation team of Chongqing Iron & Steel was designated as the administrator of the Company (for more details please refer to the announcement in relation to the court ruling on acceptance of the application for reorganisation of Chongqing Iron & Steel dated 4 July 2017).

According to Rule 13.2.12 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in 2014) (the “**SSE Shares Listing Rules**”), upon application to the Shanghai Stock Exchange, the trading of A shares of the Company has been suspended from 1 August 2017 due to the reorganisation, until the Court has made the relevant ruling and the Company has applied for resumption of trading of A shares with the Shanghai Stock Exchange according to the specific condition and pursuant to the relevant regulations.

On 18 August 2017, the first creditors’ meeting of Chongqing Iron & Steel was held in the form of online meeting through the “Information Website of National Bankrupt Enterprises Recombinational Cases” (全國企業破產重整案件信息網) (<http://pccz.court.gov.cn>) at which the Plan for Management and Realisation of Property (財產管理及變價方案) and the Resolution on Matters regarding the Establishment of Creditors’ Committee (成立債權人委員會相關事項的議案) were approved (for details, please refer to the announcement of the administrator of Chongqing Iron & Steel Company Limited in relation to the convening of the first creditors’ meeting of the Company dated 19 August 2017).

Since Chongqing Iron & Steel entered the reorganisation procedures, the administrator of Chongqing Iron & Steel has been proactively organising and coordinating communication and discussion with the main creditors and prospective investor(s) regarding, among others, the reorganisation investment scheme, and cooperating with prospective investor(s) on the related due diligence work. On 29 September 2017, the administrator of Chongqing Iron & Steel received letters from Siyuanhe (Shanghai) Steel Industry Equity Investment Fund Center (Limited Partnership) (四源合(上海)鋼鐵產業股權投資基金中心(有限合夥)) (“**Siyuanhe Fund**”) and Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (重慶戰略性新興產業股權投資基金合夥企業(有限合夥)) (“**Chongqing Strategic Emerging Fund**”), stating that Siyuanhe Fund and Chongqing Strategic Emerging Fund were optimistic about the development prospect of Chongqing Iron & Steel upon its judicial reorganisation and they intended to jointly invest in and establish an iron and steel platform company so as to participate in this reorganisation of Chongqing Iron & Steel as investors.

Siyuanhe Fund is the first iron and steel industry restructuring fund in the PRC jointly established by China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), U.S. WL ROSS Company (美國WL羅斯公司), U.S.-China Green Fund and China Merchants Finance Holdings, with a total investment amount set at RMB40 billion to RMB80 billion. The executive partner of Siyuanhe Fund is Siyuanhe Equity Investment Management Co., Ltd. (四源合股權投資管理有限公司) (“**Siyuanhe Investment**”), a company jointly invested in and founded by Fortune Investment Co., Ltd. (華寶投資有限公司) (a subordinate company of China Baowu Steel Group Corporation Limited), WL ROSS & Co. LLC, U.S.-China Green East Investment Management Co., Ltd. (中美綠色東方投資管理有限公司) and Shenzhen Jisheng Investment Development Co., Ltd. (深圳市集盛投資發展有限公司) (a subordinate company of China Merchants Group Corporation Limited). Siyuanhe Investment has a registered capital of RMB1,000 million and it is held as to 25%, 26%, 25% and 24% by the above-mentioned four shareholders, respectively.

Chongqing Strategic Emerging Fund was an equity investment fund launched and established by Chongqing Industry Guiding Equity Investment Fund and Chongqing municipal state-owned enterprises, and its manager is Chongqing Yufu Assets Equity Investment Fund Management Co., Ltd. (重慶渝富資本股權投資基金管理有限公司).

Up to now, the administrator of Chongqing Iron & Steel has not yet entered into any cooperation agreement with the iron and steel platform company. The administrator will continue to organise and coordinate negotiations with the main creditors and the prospective investor(s) over the reorganisation scheme and the cooperation.

In light of the great uncertainty with the reorganisation of the Company, the Company would like to remind all the investors that the designated media for information disclosure of the Company include China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the websites of the Shanghai Stock Exchange (www.sse.com.cn) and The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and all the information of the Company shall be subject to the information as published on the aforementioned designated media. Investors are advised to exercise caution and beware of investment risks.

The administrator will, strictly in accordance with the relevant provisions of the SSE Shares Listing Rules, conscientiously fulfill the obligations of information disclosure, pay close attention to and timely disclose the progress of related matters, as well as remind investors to beware of the risks. The Company shall also comply with the relevant disclosure and other requirements under the Listing Rules where appropriate.

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, 30 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).