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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)

PLEDGE OF SHARES BY CHONGQING CHANGSHOU IRON & STEEL COMPANY LIMITED

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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

I. BASIC INFORMATION ON THE SHARE PLEDGE

On 12 January 2018, the Company received the Notification on Share Pledge (《關於股份質押的告知函》) from Chongqing Changshou Iron & Steel Company Limited (“**Changshou Iron & Steel**”), the controlling shareholder of the Company, notifying that Changshou Iron & Steel has pledged the 2,096,981,600 unrestricted tradable shares of the Company held by it to China Development Bank Corporation (“**CDB**”), with Changshou Iron & Steel as the pledger and CDB as the pledgee. The date of registration of the pledge was 11 January 2018 and relevant procedures for the registration of the securities pledge have been completed.

The term for the share pledge shall commence from 11 January 2018 and end till the completion of the pledge release procedures with China Securities Depository and Clearing Corporation Limited. The purpose of the share pledge is to provide guarantee for the borrowing of RMB2,400 million by Changshou Iron & Steel from CDB. Such borrowing is of a term of 7 years (which is from 30 November 2017 to 29 November 2024) and has been used by Changshou Iron & Steel in its implementation of the Reorganisation Plan of Chongqing Iron & Steel Company Limited. As Changshou Iron & Steel is financially solvent, there has not been any possible risks yet.

As at the date of this announcement, Changshou Iron & Steel holds a total of 2,096,981,600 shares of the Company, representing 23.51% of the total share capital of the Company; upon pledge of the abovementioned 2,096,981,600 shares, Changshou Iron & Steel has accumulatively pledged 2,096,981,600 shares of the Company, representing 100% of the total number of shares of the Company held by it and 23.51% of the total share capital of the Company. The abovementioned share pledge does not fall within Rule 13.17 of the Listing Rules.

II. DOCUMENTS AVAILABLE FOR INSPECTION

1. Notification on Share Pledge of Chongqing Changshou Iron & Steel Company Limited
2. Certificate on Registration of Pledged Securities of China Securities Depository and Clearing Corporation Limited

By Order of the Board
Chongqing Iron & Steel Company Limited
Yu Hong
Secretary to the Board

Chongqing, the PRC, 13 January 2018

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).