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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 of the Laws of Hong Kong).

Reference is 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.

I. PROGRESS OF THE REORGANISATION

The First Intermediate People’s Court of Chongqing (“**FIPCC**”) issued the Civil Ruling Paper ((2017) Yu 01 Po Shen No. 5) to the Company on 3 July 2017. It is ruled that the FIPCC accepts the application of Chongqing Laiquyuan Trading Co., Ltd. for reorganisation of Chongqing Iron & Steel and the liquidation team of Chongqing Iron & Steel is 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, Chongqing Iron & Steel held its first creditors’ meeting 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 more details please refer to the announcement in relation to the convening of the first creditors’ meeting of the Company).

As at 25 October 2017, the administrator has accepted 1,454 reported claims of creditor’s rights and the total reported amount of the creditor’s rights was RMB39,042,160,564.65. Upon investigation, the administrator preliminarily confirmed 1,391 claims of creditor’s rights with a total amount of RMB36,553,937,138.05. At the moment, the investigation works on the creditor’s rights are still in progress.

In order to raise funds for repayment of debt, consolidate assets quality, improve the existing assets structure and conditions, enhance the profitability of the Company and create favorable conditions for further restructuring and market-based reforms upon completion of the reorganisation, in accordance with the Plan for Management and Realisation of Property (財產管理及變價方案) as approved at the first creditors’ meeting held by Chongqing Iron & Steel, and upon approval by the FIPCC, on 30 September 2017, the administrator entrusted Chongqing United Assets and Equity Exchange (重慶聯合產權交易所) to conduct a public auction in respect of certain property owned by Chongqing Iron & Steel (including the assets such as No. 2 Steel Plant, rod-wire and section steel, the machinery and

equipment of the smelting plant, the coking plant and the sintering plant, as well as the real estate located at 15/F, No. 28, Dongchenggen Down Street, Qingyang District, Chengdu, Sichuan and No. 1, 6/F, No. 22, Jinsi Street, Qingyang District, Chengdu, Sichuan). On 17 October 2017, Chongqing United Assets and Equity Exchange issued to the administrator the description on the judicial auction. Since there was no registration during the auction notice period for the above auctioned property, the auction was not successful.

On 18 October 2017, upon the approval of FIPCC, the administrator entrusted Chongqing United Assets and Equity Exchange to conduct a public auction in respect of assets such as No. 2 Steel Plant, rod-wire and section steel as well as the real estate located at 15/F, No. 28, Dongchenggen Down Street, Qingyang District, Chengdu, Sichuan and No. 1, 6/F, No. 22, Jinsi Street, Qingyang District, Chengdu, Sichuan again.

On 26 October 2017, Chongqing United Assets and Equity Exchange issued to the administrator the description on the judicial auction. Since there was no registration during the auction notice period for the above auctioned property, the auction was not successful.

On 27 October 2017, upon the approval of FIPCC, the administrator entrusted Chongqing United Assets and Equity Exchange to conduct a public auction in respect of assets such as No. 2 Steel Plant, rod-wire and section steel as well as the real estate located at 15/F, No. 28, Dongchenggen Down Street, Qingyang District, Chengdu, Sichuan and No. 1, 6/F, No. 22, Jinsi Street, Qingyang District, Chengdu, Sichuan for the third time. Currently, the auction of the aforesaid property is in process.

II. RISK WARNING

(I) The risk of suspension of listing of A shares of the Company

As delisting risk warning was imposed on the A shares of the Company, if the audited net profit of the Company in 2017 or its audited net assets at the end of the year is still negative, the Company's A shares will be suspended from the publication date of the 2017 annual report of the Company pursuant to the SSE Shares Listing Rules. The Shanghai Stock Exchange will make a decision on whether to suspend the listing of A shares of the Company within fifteen trading days after the suspension.

If the People's Court does not grant its approval for the reorganisation plan during the period between 3 July 2017 and the publication date of the 2017 annual report of Chongqing Iron & Steel, and the trading of A shares of Chongqing Iron & Steel cannot be resumed, the listing of A shares of Chongqing Iron & Steel will be suspended on the Shanghai Stock Exchange, such that it will be impossible to resume the trading of A shares of Chongqing Iron & Steel and that the stage of suspension of listing will be entered directly.

(II) The risk of delisting of A shares of the Company

Firstly, if the listing of A shares of the Company is suspended, and the annual report for the first year after the suspension of listing (i.e. 2018) indicates that the lower of the net profit before and after the deduction of the non-recurring profit and loss of the Company is negative, the net assets at the end of the year is negative, the operating income is less than RMB10 million or the auditor issues a qualified audit report or an audit report without opinion or with adverse opinion, or the Company fails to disclose its 2018 annual report within the statutory period, in accordance with the SSE Shares Listing Rules, the A shares of the Company will be delisted.

Secondly, although the Court has ruled that the Company shall commence reorganisation proceedings, the Company is still exposed to the risk of being declared bankrupt due to failure of reorganisation. If the Company is declared to be bankrupt, pursuant to the SSE Shares Listing Rules, the A shares of the Company will be exposed to the risk of delisting.

Finally, the implementation and completion of the reorganisation plan of the Company will be beneficial to the improvement of the asset-liability structure of the Company and will prevent continuous losses, but the trading of shares of the Company is still required to be in line with the requirements under relevant subsequent regulatory regulations; otherwise, the A shares of the Company will still be exposed to the risk of delisting.

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 Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in 2014), 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.

Administrators of Chongqing Iron & Steel Company Limited

Chongqing, the PRC, 28 October 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).