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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 RESULTS OF MATERIAL LITIGATION

IMPORTANT NOTICE:

- Litigation stage of the case: Judgment
- Position of the listed company in the litigation: Defendant
- Amount involved in the case: RMB1,930,362,063.65
- The plaintiff has withdrawn the litigation.

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 ABOUT THE MATERIAL LITIGATION

Plaintiff:

Chongqing CECEP Sanfeng Energy Company Limited (“**CECEP Sanfeng**”, the name of which is now changed to “Chongqing Qianxin Energy Environmental Protection Company Limited” (重慶千信能源環保有限公司))

Defendants:

The Company and Chongqing Iron & Steel (Group) Company Limited (“**Chongqing Iron & Steel Group**”)

Cause of the case:

Dispute over electricity supply contract

Plaintiff's claim:

1. Order the Company and Chongqing Iron and Steel Group to jointly pay RMB1,116,641,070.67 as processing electricity charges (as of 30 June 2016) to CECEP Sanfeng;
2. Order the Company and Chongqing Iron and Steel Group to jointly pay RMB124,732,730.30 as compensation (as of 30 June 2016) to CECEP Sanfeng;
3. Order the Company and Chongqing Iron and Steel Group to jointly pay RMB688,988,262.68 as damages for breach of contract (as of 30 June 2016, calculated based on the overdue processing electricity charges at a per-diem rate of 0.1%) to CECEP Sanfeng; (The total sum of the aforementioned amounts as of 30 June 2016 amounted to RMB1,930,362,063.65)
4. All litigation costs of the case including legal cost and property preservation fees shall be borne by the defendants.

For details, please refer to the Announcement on Material Litigation published by the Company on 29 November 2016.

II. DESCRIPTION OF THE CASE

On 29 March 2017, CECEP Sanfeng and the Company formed an intention for settlement and signed an agreement.

On 3 July 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 and it was ruled that the application of Chongqing Laiquyuan Trading Co., Ltd. for reorganisation of the Company was accepted.

As the Company has commenced the reorganisation procedures, the plaintiff of the case has reported its creditor's rights in accordance with the laws.

III. JUDGMENT OF THE LITIGATION

Recently, the Company received the civil judgment ((2016) Yu Min Chu No. 38) of the Chongqing Higher People's Court and became aware of the judgment as follows:

The withdrawal of the litigation by Chongqing Qianxin Energy Environmental Protection Company Limited is allowed.

(Note: The name of the plaintiff, Chongqing Qianxin Energy Environmental Protection Company Limited, was Chongqing CECEP Sanfeng Energy Company Limited when the litigation was initiated)

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

The plaintiff has withdrawn the litigation. As the Company has commenced the reorganisation procedures, the plaintiff has reported its creditor's rights in accordance with the laws.

V. DOCUMENT AVAILABLE FOR INSPECTION:

Civil judgment ((2016) Yu Min Chu No. 38) of the Chongqing Higher People's Court.

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, 21 November 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).