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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)

INDICATIVE ANNOUNCEMENT ON CHANGES IN SHAREHOLDERS' EQUITY AND CONTROLLING SHAREHOLDER

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 Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcement of the administrator of Chongqing Iron & Steel Company Limited in relation to the court ruling on approval of the reorganisation plan dated 21 November 2017, the clarification announcement of the administrator of Chongqing Iron & Steel Company Limited on announcement in relation to the court ruling on approval of the reorganisation plan dated 22 November 2017 and the announcement of the administrator of Chongqing Iron & Steel Company Limited in relation to the progress of implementation of the reorganisation plan dated 24 November 2017 of the Company.

IMPORTANT NOTE:

- The changes in equity are caused by the Plan on Adjustment of the Rights and Interests of Capital Contributors under the Reorganisation Plan of Chongqing Iron & Steel Company Limited.
- The changes in equity will result in the change of the Company's controlling shareholder from Chongqing Iron & Steel (Group) Company Limited into Chongqing Changshou Iron & Steel Company Limited.

I. BACKGROUND OF THE CHANGES IN EQUITY

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 was ruled that the FIPCC accepted the application of Chongqing Laiquyuan Trading Co., Ltd. for reorganisation of Chongqing Iron & Steel and the liquidation team of Chongqing Iron & Steel was designated as the administrator (for more details please refer to the announcement in relation to the court ruling on acceptance of the application for reorganisation of the Company dated 4 July 2017).

After considering the actual situation of Chongqing Iron & Steel and through comparison in the market, the administrator has finally confirmed that Chongqing Changshou Iron & Steel Company Limited (重慶長壽鋼鐵有限公司) (“**Changshou Iron & Steel**”), which is jointly established by Siyuanhe Fund and Chongqing Strategic Emerging Fund, shall be the restructuring party of Chongqing Iron & Steel and shall participate in the reorganisation of Chongqing Iron & Steel. It has further entered into the Framework Agreement for the Investments in Chongqing Iron & Steel Company Limited (《對重慶鋼鐵股份有限公司投資之框架協議》) with Changshou Iron & Steel on 1 November 2017 (for more details please refer to the announcement in relation to matters regarding the confirmation of investor of Chongqing Iron & Steel dated 4 November 2017).

On 17 November 2017, the Reorganisation Plan of Chongqing Iron & Steel Company Limited (the “**Reorganisation Plan**”) and the Plan on Adjustment of the Rights and Interests of Capital Contributors under the Reorganisation Plan of Chongqing Iron & Steel Company Limited were approved by way of poll at the second creditors’ meeting and capital contributors group meeting of Chongqing Iron & Steel, respectively; on 20 November 2017, the FIPCC issued the second Civil Ruling Paper ((2017) Yu 01 Po No. 3), adjudicating the approval of the Reorganisation Plan and termination of the reorganisation procedures of Chongqing Iron & Steel.

Pursuant to the Plan on Adjustment of the Rights and Interests of Capital Contributors under the Reorganisation Plan, with the existing total share capital of A shares of Chongqing Iron & Steel as the base number, the conversion of capital reserve into share capital shall be implemented by way of issuance of 11.50 bonus shares for every 10 shares, and an aggregate of 4,482,579,700 A shares will be issued. Upon completion of the conversion, the total share capital of Chongqing Iron & Steel will increase from 4,436,022,600 shares to 8,918,602,300 shares. The abovementioned shares issued will not be distributed to shareholders. For all such shares, the administrator will conduct distribution and pay relevant expenses in accordance with the Reorganisation Plan; adjustment shall be made to the 2,096,981,600 shares of the Company held by Chongqing Iron & Steel (Group) Co., Ltd. (“**Chongqing Iron & Steel Group**”) to introduce investors for the reorganisation and such shares shall be conditionally transferred to the restructuring party.

Since an aggregate of 1,004,000,000 shares of Chongqing Iron & Steel originally held by Chongqing Iron & Steel Group are subject to limitation of rights, of which 952,000,000 shares have been pledged to provide guarantee for the debts of Chongqing Iron & Steel Group and Chongqing Iron & Steel and 52,000,000 shares are still subject to judicial freezing, and the creditors will gradually release the restrictions on the rights attached to shares in accordance with the progress of debt repayment during the reorganisation, the shares involved in the changes in shareholders’ equity will be transferred in batches during the execution of the Reorganisation Plan. Specifically, Changshou Iron & Steel will first obtain 1,092,981,600 shares of Chongqing Iron & Steel which are not subject to limitation of rights held by Chongqing Iron & Steel Group, and then successively obtain the remaining 1,004,000,000 shares based on the progress of repayment of secured debts by Chongqing Iron & Steel and the corresponding release of restrictions on the rights attached to shares.

On 1 December 2017, the Company received the Confirmation of Transfer Registration from China Securities Depository and Clearing Corporation Limited, pursuant to which the aforementioned 1,092,981,600 shares which are not subject to limitation of rights have been transferred to the securities account of Changshou Iron & Steel.

II. BASIC INFORMATION ON THE CHANGES IN EQUITY

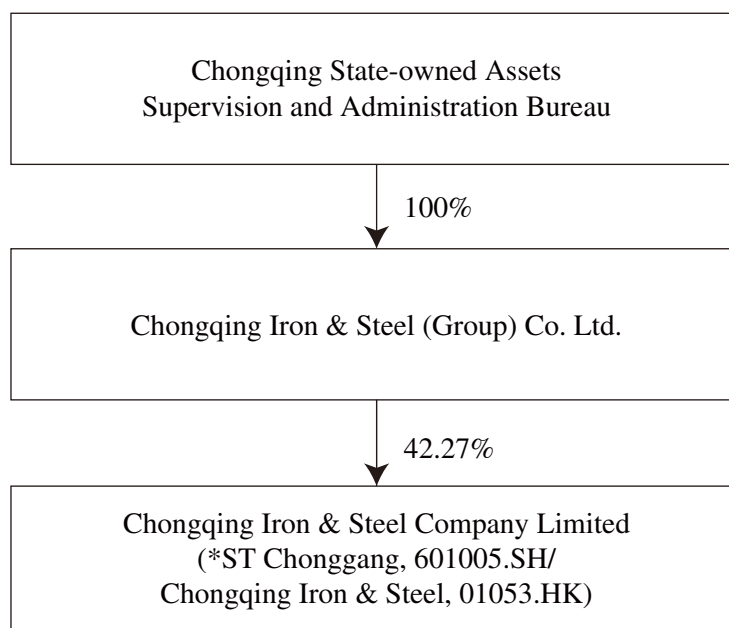
(I) Number and percentage of shares of the Company involved in the changes in equity

Pursuant to the Reorganisation Plan as approved by the FIPCC, upon completion of share transfer and conversion of capital reserve into share capital by Chongqing Iron & Steel, the changes in the number and percentage of shares held by Chongqing Iron & Steel Group and Changshou Iron & Steel are set out in the table below:

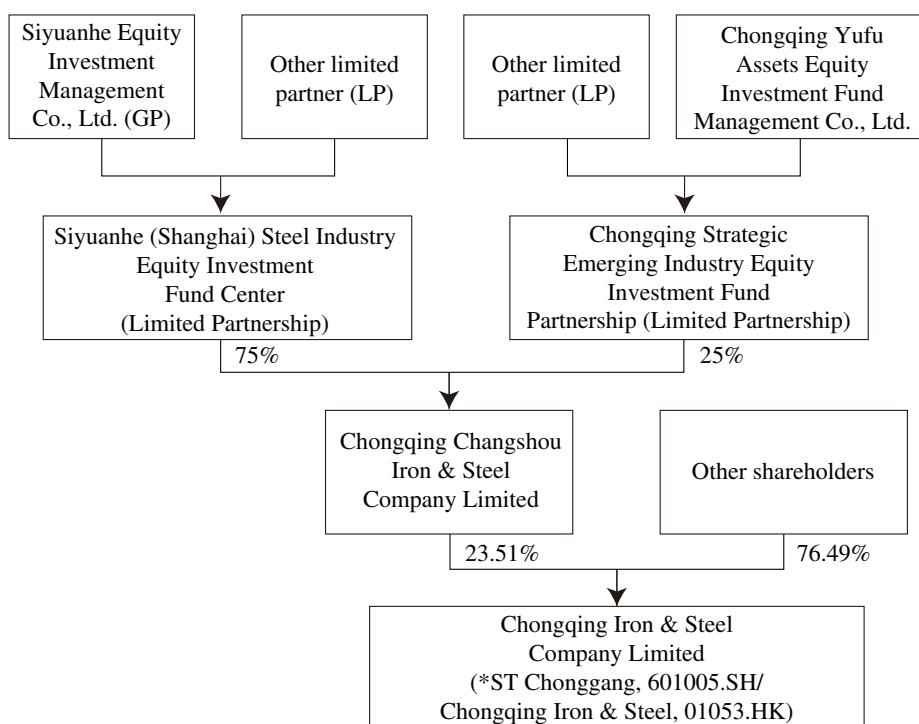
Name of shareholder	Before the changes in equity		After the changes in equity	
	<i>Number of shares held</i>	<i>Percentage of shareholding</i>	<i>Number of shares held</i>	<i>Percentage of shareholding</i>
Chongqing Iron & Steel Group	2,096,981,600	47.27%	–	0.00%
Changshou Iron & Steel	–	0.00%	2,096,981,600	23.51%
Other holders of A shares	1,800,913,780	40.60%	6,283,493,467	70.45%
Holder of H shares	538,127,200	12.13%	538,127,200	6.03%
Total share capital	<u>4,436,022,580</u>	<u>100.00%</u>	<u>8,918,602,267</u>	<u>100.00%</u>

(II) Changes in the shareholding structure before and after the changes in equity

Before the changes in equity, Changshou Iron & Steel did not hold any shares of Chongqing Iron & Steel and Chongqing Iron & Steel Group held 2,096,981,600 shares of Chongqing Iron & Steel, representing 47.27% of the total shares of Chongqing Iron & Steel. The shareholding structure is as follows:



Upon completion of the changes in equity, Changshou Iron & Steel will hold 2,096,981,600 shares of Chongqing Iron & Steel, representing 23.51% of the total shares of Chongqing Iron & Steel, and will become the controlling shareholder of Chongqing Iron & Steel. The shareholding structure will be as follows:



In accordance with the relevant provisions of the Shanghai Stock Exchange, the information disclosure obligor shall prepare a report on changes in equity in relation to the changes in shareholding. For details, please refer to the Detailed Report on Changes in Equity of Chongqing Iron & Steel Company Limited and the Simplified Report on Changes in Equity of Chongqing Iron & Steel Company Limited published by way of overseas regulatory announcement simultaneously with this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

**The Board of Directors of
Chongqing Iron & Steel Company Limited**

Chongqing, the PRC, 5 December 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).