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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 ON CANCELLATION OF THE DELISTING RISK WARNING ON THE A SHARES OF THE COMPANY**

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 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).

#### **IMPORTANT NOTICE:**

- The commencement date of the cancellation of delisting risk warning: 9 March 2018. Upon cancellation of delisting risk warning, the abbreviation of A shares will be changed from “\*ST Chonggang” to “Chongqing Iron & Steel” with the stock code remained as “601005”. The limitation on daily stock price variation will be changed from 5% to 10%.
- Date of suspension of trading of A shares of the Company: 8 March 2018.
- Upon cancellation of delisting risk warning for the Company, there will not be material changes in the operations of the Company. Although the Company turned losses into gains in 2017, it may still be exposed to risks posed by changes in national policy, macro economy, de-capacity in the industry, product market, environmental protection standards, etc. Investors are advised to make decisions in a prudent manner and pay attention to investment risks.

## **I. ABBREVIATION AND STOCK CODE OF A SHARES OF THE COMPANY AND THE COMMENCEMENT DATE OF THE CANCELLATION OF DELISTING RISK WARNING**

- (1) The abbreviation of A shares of the Company will be changed from “\*ST Chonggang” to “Chongqing Iron & Steel”.
- (2) The stock code of A shares of the Company remains to be “601005”;
- (3) The commencement date of the cancellation of delisting risk warning: 9 March 2018.

## **II. THE APPLICABLE CIRCUMSTANCES FOR CANCELLATION OF THE DELISTING RISK WARNING**

As the audited net profit of the Company was negative in 2015 and 2016 and the audited net assets of the Company as at the end of 2016 was negative, according to Rule 13.2.1 of the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, a delisting risk warning was imposed on the A shares of the Company on 5 April 2017. The abbreviation of A shares was changed from “Chongqing Iron & Steel” to “\*ST Chonggang” and the limitation on daily stock price variation was 5%.

On 27 February 2018, Pan-China Certified Public Accountants LLP, the Company’s auditor responsible for the annual audit, issued a standard auditor’s report with unqualified opinions (Tian Jian Shen [2018] No.8–6). According to the report, the audited net profit and net assets attributable to shareholders of the Company in 2017 amounted to RMB320,086,000 and RMB16,730,115,000 respectively. The 2017 Annual Report of the Company was considered and approved at the fourteenth meeting of the seventh session of the board of directors held on 27 February 2018 and disclosed on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 28 February 2018.

Upon self-inspection, the Company has satisfied the conditions on cancellation of delisting risk warning and does not trigger other delisting risk warnings. In 2017, the Company turned losses into gains with positive net assets and its operating income exceeded RMB10 million. The category of audit opinion is standard unqualified opinion. According to Rule 13.2.14 of the Rules Governing the Listing of Shares on the Shanghai Stock Exchange and the operating conditions of the Company in 2017, the Company meets the conditions on cancellation of the delisting risk warning. Meanwhile, the Company is not involved in circumstances subject to other risk warnings. The Company’s current principal business is stable with a large size and sustainable operation capacity. Throughout the year, the Company recorded an operating income of RMB13,237 million, representing a

year-on-year increase of 199.82%. In particular, the income from the principal business amounted to RMB13,211 million, representing a year-on-year increase of 201.00%. The production of hot rolling and plates, the major products of the Company, saw a year-on-year increase of 238.31% and 120.73% respectively. The net profit attributable to the shareholders of the Company is RMB320 million for the year, indicating that the Company has turned losses into gains.

In light of the above, the Company has applied to the Shanghai Stock Exchange for cancellation of delisting risk warning. For details, please refer to the Announcement on Application for Cancellation of Delisting Risk Warning on A Shares of the Company dated 28 February 2018.

The Shanghai Stock Exchange approved the application for cancellation of delisting risk warning for the A shares of the Company on 7 March 2018.

### **III. HIGHLIGHTS OF ISSUES CONCERNING CANCELLATION OF DELISTING RISK WARNING**

Pursuant to the relevant requirements under Rule 13.2.21 of the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, the trading in the Company's A shares will be suspended for one day on 8 March 2018. The delisting risk warning will be cancelled since 9 March 2018. Upon cancellation of delisting risk warning, the limitation on daily stock price variation of A shares will be changed from 5% to 10%.

After the cancellation of delisting risk warning, the A shares of the Company will not be traded on the Risk Alert Board.

### **IV. OTHER RISK WARNINGS OR EVENTS NEED TO BE BROUGHT TO INVESTORS' SPECIAL ATTENTION**

Although the Company turned losses into gains in 2017, it may still be exposed to risks posed by changes in national policy, macro economy, de-capacity in the industry, product market, environmental protection standards, etc. Investors are advised to note that the Company's designated media for information disclosure are China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)). All the information of the Company published on the above designated media shall prevail. Investors are advised to make decision with prudence and pay attention to the investment risks.

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

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

Chongqing, the PRC, 8 March 2018

*As at the date of this announcement, the Directors of the Company are: Mr. Zhou Zhuping (Non-executive Director), Mr. Zheng Jie (Non-executive Director), Mr. Li Yongxiang (Executive Director), Mr. Tu Deling (Executive Director), Mr. Zhang Shuogong (Executive Director), Mr. Hwang Yuhchang (Independent Non-executive Director), Mr. Xu Yixiang (Independent Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).*