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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 POSITIVE PROFIT ALERT FOR THE ANNUAL RESULTS OF 2017

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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

IMPORTANT NOTE:

1. The Company is expected to record a profit of approximately RMB330 million in its results.
2. The estimated profit of the Company for the current period was mainly attributable to items of non-recurring gain or loss including the judicial reorganisation of the Company, affecting approximately RMB2,100 million.
3. After deducting the said items of non-recurring gain or loss, the Company is expected to record a loss of approximately RMB1,770 million.

I. ESTIMATED RESULTS FOR THE PERIOD

1. Estimated period

From 1 January 2017 to 31 December 2017.

2. Estimated results

- (1) Based on the preliminary estimate by the finance department, the Company will show a turn from losses into profits for the year of 2017 with regard to the net profit attributable to the shareholders of the Company, and it is expected that the net profit attributable to the shareholders of the Company would amount to approximately RMB330 million and the net assets at the end of 2017 would be positive.
- (2) The estimated profit of the Company for the current period was mainly attributable to items of non-recurring gain or loss including the judicial reorganisation of the Company, affecting approximately RMB2,100 million. Loss attributable to the shareholders of the Company after deducting non-recurring gain or loss would amount to approximately RMB1,770 million.

3. Special statement of Pan-China Certified Public Accountants LLP on the appropriateness and prudence of the estimated profit of the Company for the period

“Based on the auditing procedures we carried out and auditing evidence we obtained as at the issuance date of this special statement, we are not aware of any material event that would lead us to believe that the financial data involving the estimated profit for 2017 of the Company and the positive net assets at the end of the period were not prepared pursuant to the requirements under the accounting standards for business enterprises.”

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

1. Net profit attributable to the shareholders of the Company: RMB-4,686 million

Net profit attributable to the shareholders of the Company after deduction of non-recurring gain or loss: RMB-5,392 million.

2. Earnings per share: RMB-1.06.

III. MAJOR REASONS FOR THE ESTIMATED PROFIT FOR THE PERIOD

The main reason for the estimated profit for the current period was due to the impact of the Company's income from the judicial reorganisation of approximately RMB2,000 million. After the Company entered the process of judicial reorganisation, the Company stripped its loss assets through the reorganisation process. In addition, some of its debts were settled by cash, some were offset by conversion of capital reserve and some were waived according to laws, and these ways in turn reduced the total debt of the Company to a large extent and optimised the structure of the assets and liabilities of the Company, as well as resumed and enhanced its ability to run the business sustainably. Upon the Company's completion of implementing the reorganisation plan according to the judicial ruling, the income from the judicial reorganisation confirmed under the accounting standards would be approximately RMB2,000 million.

IV. RISK WARNING

There are no material uncertainties in the Company that will affect the accuracy of the estimated profit.

V. OTHER MATTERS

- (I) The foregoing estimated data is a preliminary review only. For the detailed and accurate financial data, please refer to the audited 2017 annual report to be formally disclosed by the Company. Investors are advised to be aware of the investment risks.
- (II) 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, the delisting risk warning was imposed on A shares of the Company.
 - 1. If the audited net profit of the Company in 2017 or its audited net assets at the end of 2017 is still negative, the trading of the Company's A shares will be suspended from the publication date of the 2017 annual report of the Company. 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 of trading.

2. In the event that the audited net profit of the Company for the year of 2017 and the audited net assets as at the end of 2017 are both positive, and there are no situations necessitating the implementation of a delisting risk warning or other risk warnings pursuant to the provision of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Company may submit an application for the cancellation of delisting risk warning on A shares of the Company to the Shanghai Stock Exchange pursuant to the provision of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange after the 2017 annual report is considered and approved by the board of directors and disclosed.

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) and the website of The Stock Exchange of Hong Kong Limited (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, 29 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).