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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)

SECOND INDICATIVE ANNOUNCEMENT ON THE RISK OF POSSIBLE SUSPENSION OF LISTING OF 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

IMPORTANT NOTE:

According to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the A shares of the Company might be suspended from listing on the Shanghai Stock Exchange. Investors are advised to be aware of the investment risks involved.

I. REASONS FOR POTENTIAL SUSPENSION OF LISTING

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 were negative, the delisting risk warning was imposed on A shares of the Company on 5 April 2017.

According to Clauses (I) and (II) under Rule 14.1.1 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, if the audited net profit of the Company in 2017 or the audited net assets of the Company as at the end of 2017 is still negative, the Shanghai Stock Exchange may suspend the listing of the Company’s A shares.

II. DECISION ON SUSPENSION OF TRADING AND LISTING OF THE COMPANY'S A SHARES

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 pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. 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.

III. OTHER INFORMATION

- (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. Please refer to Announcement on Positive Profit Alert for the Annual Results of 2017 published by the Company on 29 January 2018 for details.
- (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.
- (3) Details of the audited financial data for the year of 2017 will be disclosed in the 2017 annual report of the Company. 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.
- (4) The First Indicative Announcement on the Risk of Possible Suspension of Listing of A Shares of the Company was published by the Company on 29 January 2018.

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, 9 February 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).