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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 APPLICATION FOR CANCELLATION OF DELISTING RISK WARNING ON 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 NOTES:**

- The Shanghai Stock Exchange will make a decision on whether to cancel the delisting risk warning imposed on A shares of the Company within five trading days upon receiving the application.
- During the period of vetting by the Shanghai Stock Exchange, the Company will not apply for suspension of trading of A shares. A shares of the Company will remain open for trading.

#### **I. INFORMATION ON DELISTING RISK WARNING IMPOSED ON A SHARES OF THE COMPANY**

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 pursuant to Rule 13.2.1 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. Meanwhile, the abbreviation of the stock name of A shares of the Company was changed from “Chongqing Iron & Steel (重慶鋼鐵)” into “\*ST Chongqing Iron & Steel (ST重鋼)” while the daily price variation shall be subject to a limitation of 5%.

## **II. INFORMATION ON THE AUDITED FINANCIAL REPORT OF THE COMPANY IN 2017**

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.

## **III. APPLICATION FOR CANCELLATION OF THE DELISTING RISK WARNING ON A SHARES OF THE COMPANY**

### **1. The Company has met the conditions for cancellation of the delisting risk warning**

In accordance with the requirements on delisting risk warning under Rule 13.2.1 and other conditions subject to risk warning under Rule 13.3.1 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Company carried out item-by-item screening and found that indices including audited net profit, net asset of the Company as set out in the Company's report for the year 2017 did not trigger the conditions of the delisting risk warning. Pursuant to the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the operation status of the Company in 2017, the Company has met the conditions of application for cancellation of the delisting risk warning on A shares.

### **2. The Company does not have any other conditions subject to delisting risk warning**

The main business of the Company is currently stable and of a relatively large scale, with the ability to continue as a going concern. The operating revenue for the year was RMB13,237 million, representing a year-on-year increase of 199.82%, of which revenue from main business was RMB13,211 million, representing a year-on-year increase of 201.00%. The production of the Company's main products, hot rollings and plates, increased by 238.31% and 120.73% respectively over the same period last year. The Company realized a net profit attributable to shareholders of the Company of RMB320 million for the whole year and the Company achieved in turning losses into profits.

The Company has a good ability to continue as a going concern. The Company is a large iron and steel enterprise in China and is one of the largest steel plate producers in China, having the intellectual property rights of technology innovation. The major processes involve domestic advanced technology and equipment. The Company successfully completed its judicial reorganisation by the end of 2017. Upon the completion of the reorganisation, the asset and liability structure was improved and an experienced management and technical team was introduced to enhance the scale of production and sales and optimize the product mix. The Company's production and operation gradually returned to normal and the Company's efficiency, overall competitiveness and ability to continue as a going concern improved significantly.

The Company carried out item-by-item screening on other conditions subject to delisting risk warning under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and found that the Company does not have any other conditions subject to delisting risk warning.

In view of the above reasons, the Resolution on Application for Cancellation of the Delisting Risk Warning on the Shares of the Company was considered and approved at the fourteenth meeting of the seventh session of the Board of the Company, approving the Company to apply to the Shanghai Stock Exchange for cancellation of the delisting risk warning on A shares. The Company has applied to the Shanghai Stock Exchange for cancellation of the delisting risk warning imposed on the Company's A shares. Pursuant to the relevant requirements, the Shanghai Stock Exchange will make a decision on whether to cancel the delisting risk warning imposed on the A shares of the Company according to the actual situation within five trading days upon receiving the application of the Company. During the period of vetting by the Shanghai Stock Exchange, the Company will not apply for suspension of trading of A shares. A shares of the Company will remain open for trading.

The Company's specific financial data for the year 2017 will be disclosed in detail in the 2017 annual report. 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, 28 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).*