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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)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by the board of directors (the “**Board**”) of 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).

I. PROJECTED RESULTS FOR THE PERIOD

(1) Projected period

From 1 January 2013 to 31 December 2013.

(2) Projected results

Based on a preliminary estimate by the finance department of the Company, the Company is expected to record loss in its annual operating results for 2013. Net profit attributable to shareholders the Company will be approximately RMB-2,500.00 million.

II. RESULTS FOR THE CORRESPONDING PERIOD LAST YEAR

(1) Net profit attributable to shareholders of the Company: RMB98,813,000.

(2) Earnings per share: RMB0.057.

III. MAJOR REASONS OF THE PROJECTED LOSS FOR THE PERIOD

Demands in the steel products market underwent a persistent downturn. Coupled with significant decrease in the price of steel products and premature structural adjustment of products in the Company, the production cost became higher. Meanwhile, the Company's financial burden was relatively heavy due to its environmental relocation. Thus, it is estimated that a reasonably higher loss would be incurred by the Company in 2013.

IV. OTHER MATTERS

The information contained in this announcement is a preliminary review only. Shareholders of the Company and potential investors are advised to refer to the detailed and accurate financial information in the audited Annual Report 2013 which will be published by the Company.

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
You Xiao An
Secretary to the Board

Chongqing, the PRC, 23 January 2014

As at the date of this announcement, the Directors of the Company are: Mr. Deng Qiang (Non-executive Director), Mr. Yuan Jin Fu (Non-executive Director), Mr. Chen Hong (Executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Guan Zhao Hui (Executive Director), Mr. Zhang Guo Lin (Independent Non-executive Director), Mr. Liu Tian Ni (Independent Non-executive Director) and Mr. Ran Mao Sheng (Independent Non-executive Director).