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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)

DISCLOSEABLE TRANSACTIONS **FINANCE LEASE AGREEMENTS**

On 27 June 2012, the Company entered into a finance lease agreement with Minsheng Leasing whereby Minsheng Leasing has agreed to purchase certain parts and equipment in relation to the Company's construction project on improving technique in products structural adjustment at the consideration of RMB140,000,000 and then lease the Equipment of Minsheng Finance Lease Agreement back to the Company at an aggregate lease consideration of RMB156,527,911.44 for a term of 3 years.

Reference is made to the Company's announcement dated 17 April 2012 with regard to a provision of guarantee in favour of Jingjiang Logistic Company, a holding subsidiary of the Company. On 17 April 2012, ICBC Leasing, Jingjiang Logistic Company and the Company entered into a finance lease agreement whereby ICBC Leasing shall provide RMB200,000,000 of finance leasing to Jingjiang Logistic Company for construction of its logistic base project for a term of 7 years. The Company shall provide full and irrevocable joint liability guarantee to ICBC Leasing in respect of all the liabilities assumed by Jingjiang Logistic Company under the ICBC Finance Lease Agreement (other shareholders of Jingjiang Logistic Company will provide counter guarantee in favour of the Company, the amount of which is equivalent to the total amount of the liabilities assumed by Jingjiang Logistic Company under the ICBC Finance Lease Agreement multiplied by their shareholding percentage in Jingjiang Logistic Company).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Minsheng Leasing and ICBC Leasing is a third party independent of the Company and its connected persons.

Each of the transactions under Minsheng Finance Lease Agreement and the ICBC Finance Lease Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

MINSHENG FINANCE LEASE AGREEMENT

Date

27 June 2012

Parties

Lessor : Minsheng Leasing

Lessee : the Company

Subject matter of the lease

The Equipment of Minsheng Finance Lease Agreement mainly comprises certain parts and equipment in relation to the Company's construction project on improving technique in products structural adjustment. The finance amount of RMB140,000,000 was determined after arm's length negotiation between the Company and Minsheng Leasing with reference to the original purchase costs of the Equipment of Minsheng Finance Lease Agreement.

Financing amount payment and principal terms

Pursuant to the Minsheng Finance Lease Agreement, Minsheng Leasing has agreed to purchase certain parts and equipment in relation to the Company's construction project of improving technique in products structural adjustment at the consideration of RMB140,000,000 and then lease the Equipment of Minsheng Finance Lease Agreement back to the Company at an aggregate lease consideration of RMB156,527,911.44 for a term of 3 years.

The total payment to be made by the Company including the interest payable on the basis of 10% higher of the benchmark loan rate by the People's Bank of China for a term of 3 years (and at the time when Minsheng Finance Lease Agreement was signed such rate was 6.40% and the interest rate payable at that time was 7.04% under the Minsheng Finance Lease Agreement) is in a total sum of RMB156,527,911.44. The rent under the Minsheng Finance Lease Agreement shall be paid in 12 quarterly installments commencing from 15 July 2012.

During the lease period, in case of adjustment of benchmark loan rate by the People's Bank of China, Minsheng Leasing will make corresponding adjustment to the interest rate. According to the interest rate at the time when Minsheng Finance Lease Agreement was signed, the installment payments is in a sum of RMB13,043,992.62 each. The lease payment and the interest rate have been agreed after arm's length negotiation between the parties with reference to the prevailing market practice.

Ownership of the Equipment

During the lease period, the ownership of the Equipment of Minsheng Finance Lease Agreement belongs to the Minsheng Leasing. Upon the expiry of the lease period, the Company can purchase the leased Equipment of Minsheng Finance Lease Agreement at the consideration of RMB10,000.

ICBC FINANCE LEASE AGREEMENT

Reference is made to the Company's announcement dated 17 April 2012.

Date

17 April 2012

Parties

Lessor : ICBC Leasing

Lessee : Jingjiang Logistic Company, a holding subsidiary of the Company

Guarantor : the Company

Subject matter of the lease

The Equipment in respect of ICBC Finance Lease Agreement comprises mainly the parts and equipment for Jingjiang Logistic Company's construction of its logistic base project. The finance amount of RMB200,000,000 was determined after arm's length negotiation between the Company and the ICBC Leasing with reference to the original purchase costs of the Equipment of ICBC Finance Lease Agreement.

Finance amount payment and principal terms

Pursuant to the ICBC Finance Lease Agreement, the ICBC Leasing shall appoint Jingjiang Logistic Company to purchase the Equipment of ICBC Finance Lease Agreement at the aggregate consideration of RMB200,000,000 and the Equipment of ICBC Finance Lease Agreement will be leased back to Jingjiang Logistic Company for a period of 7 years.

The total payment to be made by Jingjiang Logistic Company including the interest payable on the basis of 10% higher of the benchmark loan rate by the People's Bank of China for a term of over 5 years (and at the time when the ICBC Finance Lease Agreement was signed such rate was 7.05% and the interest rate payable at that time was 7.755% under the ICBC Finance Lease Agreement) is in total sum of RMB265,275,775.34. The rent under the ICBC Finance Lease Agreement shall be paid in 28 quarterly installments commencing from 15 June 2012.

During the lease period, in case of adjustment of benchmark loan rate by the People's Bank of China, ICBC Leasing will make corresponding adjustment to the interest rate. According to the interest rate when the ICBC Leasing Agreement was signed, the first and second installments payments is in sum of RMB3,963,666.67 each and the remaining installments is in sum of RMB9,898,017.00 each. The lease payment and the interest rate have been agreed after arm's length negotiation between the parties with reference to the prevailing market practice.

Ownership of the Equipment

During the lease period, the ownership of the Equipment of ICBC Finance Lease Agreement belongs to the ICBC Leasing. Upon the expiry of the lease period, Jingjiang Logistic Company can purchase the leased Equipment of ICBC Finance Lease Agreement at the consideration of RMB1.

GUARANTEE

The Company will provide guarantee to the ICBC Lease Finance Agreement (other shareholders of Jingjiang Logistic Company will provide counter guarantee in favour of the Company, the amount of which is equivalent to the total amount of the liabilities assumed by Jingjiang Logistic Company under the ICBC Finance Lease Agreement multiplied by their shareholding percentage in Jingjiang Logistic Company).

REASONS AND BENEFITS FOR FINANCE LEASE AGREEMENTS

The Directors are of the view that entering into the Minsheng Finance Lease Agreement would enhance the Company's working capital to expand its production capacity and entering into the ICBC Finance Lease Agreement is conducive to fundraising by Jingjiang Logistic Company for its project construction, further enhancing its economic effectiveness and is in the interest of the Company as a whole. The Directors are of the view that the terms in respect of the Finance Lease Agreements are fair and reasonable and are in the interest of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE COMPANY

The Company is principally engaged in the manufacture and sale of steel products such as medium-gauge steel plates, steel sections and wire rods.

INFORMATION ON MINSHENG LEASING

Minsheng Leasing is principally engaged in the business of finance lease. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Minsheng Leasing and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON JINGJIANG LOGISTIC COMPANY

The Jingjiang Logistic Company, a holding subsidiary of the Company and is principally engaged in logistics business.

INFORMATION ON ICBC LEASING

ICBC Leasing is principally engaged in the business of finance lease. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, ICBC Leasing and its ultimate beneficial owners are Independent Third Parties.

GENERAL

Each of the transactions under the Minsheng Finance Lease Agreement and the ICBC Finance Lease Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“Company”	Chongqing Iron & Steel Company Limited, a company incorporated in the PRC with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Equipment of ICBC Finance Lease Agreement”	certain parts and equipment for construction of Jingjiang Logistic Company's logistic base project
“Equipment of Minsheng Finance Lease Agreement”	certain parts and equipment in relation to the Company's construction project on improving technique of products structural adjustment
“Finance Lease Agreements”	ICBC Finance Lease Agreement and Minsheng Finance Lease Agreement
“ICBC Leasing”	ICBC Financial Leasing Co., Ltd., a limited liability company established in the PRC

“ICBC Finance Lease Agreement”	the finance lease agreement entered into between ICBC Leasing, Jingjiang Logistic Company and the Company dated 17 April 2012
“Independent Third Parties”	any person who himself is, and (in case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and its connected persons
“Jingjiang Logistic Company”	Sanfeng Jingjiang Port Business and Logistic Company Limited, a holding subsidiary of the Company and a limited liability company established in the PRC
“Minsheng Leasing”	Minsheng Financial Leasing Co., Ltd., a limited liability company established in the PRC
“Minsheng Finance Lease Agreement”	the finance lease agreement entered into between Minsheng Leasing and the Company dated 27 June 2012
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China
“RMB”	Renminbi Yuan, the lawful currency of the PRC

By order of the Board
Chongqing Iron and Steel Company Limited
You Xiao An
Secretary to the Board

Chongqing, the PRC, 28 June 2012

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. Xia Tong (Executive Director), Mr. Chen Hong (Executive Director), Mr. Sun Yi Jie (Executive Director), Mr. Li Ren Sheng (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).