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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 THE PROGRESS OF THE EXECUTION OF THE LETTER OF INTENT BY THE DE FACTO CONTROLLER OF THE COMPANY AND PROPOSED CHANGE OF CONTROL

This announcement is made by the board of directors (the “**Board**”) of Chongqing Iron & Steel Company Limited (the “**Company**”) pursuant to Rules 13.09(2) and 13.10B 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:

- The change in equity may involve change of the de facto controller of the Company. Upon completion of the changes in equity, China Baowu Steel Group Corporation Limited will become the de facto controller of the Company.
- The change in equity is an intentional transfer and does not trigger a general offer.
- As of now, Siyuanhe Equity Investment Management Co., Ltd. remains the de facto controller of the Company. There is still uncertainty with the ultimate completion of the change in equity. Investors are advised to pay attention to investment risks.

On 27 December 2019, the Company was informed by Siyuanhe Equity Investment Management Co., Ltd. (“**Siyuanhe Investment**”), the de facto controller of the Company, that Siyuanhe Investment and China Baowu Steel Group Corporation Limited (“**Baowu Group**”) had signed a Letter of Intent, pursuant to which Baowu Group intends to become the de facto controller of the Company. For details, please refer to the Indicative Announcement on Execution of the Letter of Intent by the De Facto Controller of the Company and Proposed Change of Control which was published on 28 December 2019 by the Company.

As agreed by Siyuanhe Investment and Baowu Group, the term of the proposed transaction commenced from 27 December 2019 and will mature on 30 June 2020. In case of failing to fulfil necessary procedures within the term, the parties can extend the term of the proposed transaction through agreement.

On 29 June 2020, the Company received Letter on Matters in Relation to the Letter of Intent from Siyuanhe Investment. The Company noted that, following the entering into of the Letter of Intent, Siyuanhe Investment and Baowu Group had been working closely on implementing works on the proposed transaction. As of 29 June 2020, Baowu Group was performing internal decision-making and approval procedures. Siyuanhe Investment and Baowu Group as well as other parties involved in the proposed transaction will strive to accomplish the decision-making and approval procedures for the proposed transaction as soon as possible despite of the impact of COVID-19 on the progress, so as to complete the proposed transaction as early as possible and procure Baowu Group to be the de facto controller of the Company.

Certain terms in the original Letter of Intent may change but the relevant changes will not affect Baowu Group's becoming of the de facto controller of the Company. The Company will pay continuous attention to the subsequent progress. After Siyuanhe Investment and Baowu Group have entered into a formal transaction agreement, the Company will fulfill its information disclosure obligations in a timely manner in strict compliance with relevant laws and regulations. Investors are advised to pay attention to investment risks.

“De facto controller” in this announcement has the meaning ascribed thereto under the Rules Governing the Listing of Securities on Shanghai Stock Exchange. Siyuanhe Investment is the general partner of Siyuanhe (Chongqing) Iron & Steel Industrial Development and Equity Investment Fund Partnership (LP), which holds 75% equity interests in Chongqing Changshou Iron & Steel Company Limited, which in turn holds approximately 23.51% issued share capital in the Company. Siyuanhe Investment is an indirect substantial shareholder of the Company under the Listing Rules.

By order of the Board
Chongqing Iron & Steel Company Limited
Meng Xiangyun
Secretary to the Board

Chongqing, the PRC, 30 June 2020

As at the date of this announcement, the Directors of the Company are: Mr. Zhou Zhuping (Non-executive Director), Mr. Song De An (Non-executive Director), Mr. Zhang Shuogong (Non-executive Director), Mr. Li Yongxiang (Executive Director), Mr. Tu Deling (Executive Director), Mr. Wang Li (Executive Director), Mr. Xu Yixiang (Independent Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).