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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 TERMINATION OF RELATED INVESTMENT IN RELATION TO JOINT ESTABLISHMENT OF SPECIAL FUND FOR ACQUISITION OF CHONGGANG GROUP THROUGH CAPITAL CONTRIBUTION

Reference is made to the announcement of Chongqing Iron & Steel Company Limited (the “**Company**”) dated 30 March 2020 regarding the Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution, the announcement dated 30 April 2020 regarding the Mandate for Possible Major and Connected Transaction in relation to Joint Establishment of the Special Fund for Acquisition of Chonggang Group through Capital Contribution, the circular regarding, among others, the discloseable and connected transactions – establishment of the partnership for acquisition of Chonggang Group through capital contribution and the Further Announcement on the Establishment of the Partnership for Acquisition of Chonggang Group through Capital Contribution both dated 27 May 2020 and the Announcement of Resolutions Passed at the 2019 Annual General Meeting dated on 17 June 2020 (the “**Announcements and Circular**”).

IMPORTANT NOTICE:

- As the transfer base price of the project in relation to 100% equity interest in Chonggang Group has all along been higher than the expected price of the Company, and currently the project has not been re-listed upon expiry of the listing period, the Company terminated its investment in the joint establishment of special fund for acquisition of Chonggang Group through capital contribution.
- As no partnership has actually been established by the Company through capital contribution yet, the termination of the related investment will not have any impact on the financial and operating conditions of the Company, nor harm the interests of the Company and its minority shareholders.

I. OVERVIEW OF THE RELATED INVESTMENT

On 27 March 2020, the Resolution on Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution was considered and approved at the 20th meeting of the eighth session of the board of directors of the Company. The Company was approved to participate, as a limited partner, in the joint establishment of a partnership for the bidding of 100% equity interest in Chongqing Iron & Steel (Group) Co., Ltd. (“**Chonggang Group**”) through capital contribution. Such issue has been submitted to the general meeting for consideration. On 29 April 2020, the Resolution on Supplemental Matters of Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution was considered and approved at the 21st meeting of the eighth session of the board of directors of the Company. On the basis of the principles and matters determined in the Resolution, matters including, among other things, the specific plans and methods of the Company to secure the assets it intended to acquire as a limited partner, other parties participating in the joint establishment of the partnership through capital contribution and the terms of agreements, have been further clarified. On 16 June 2020, the Resolution on Related Investment in relation to Joint Establishment of Special Fund for Acquisition of Chonggang Group through Capital Contribution was considered and approved at the 2019 annual general meeting of the Company.

Please refer to the Announcements and Circular for details and deliberations of the related investment.

II. TERMINATION OF THE RELATED INVESTMENT

In September 2020, the information disclosure period for the project in relation to the transfer of 100% equity interest in Chonggang Group had expired and no intended transferee had been identified during the listing period. The Chongqing State-owned Assets Supervision and Administration Commission, transferor of the project, did not extend the listing period or re-list the project.

Therefore, the Company decided to terminate its investment in the joint establishment of special fund for acquisition of Chonggang Group through capital contribution.

III. THE IMPACT OF TERMINATION OF THE RELATED INVESTMENT ON THE COMPANY

As no partnership has actually been established by the Company through capital contribution yet, the termination of the related investment will not have any impact on the financial and operating conditions of the Company, nor harm the interests of the Company and its minority shareholders.

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

Chongqing, the PRC, 14 October 2020

As at the date of this announcement, the Directors of the Company are: Mr. Zhang Jingang (Non-executive Director), Mr. Song De An (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Liu Jianrong (Executive Director), Mr. Tu Deling (Executive Director), Mr. Zou An (Executive Director), Mr. Xin Qingquan (Independent Non-executive Director), Mr. Xu Yixiang (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).