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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 IN RELATION TO THE COMPLETION OF CHANGES IN SHAREHOLDERS' EQUITY AND DE FACTO CONTROLLER

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).

The Company published the Indicative Announcement on Changes in Shareholders' Equity and De Facto Controller, and other relevant announcements on 17 September and 19 September 2020, respectively. The change in equity interests is due to that Siyuanhe Equity Investment Management Co., Ltd., the original de facto controller of the Company, will transfer its partnership equity in Siyuanhe (Chongqing) Iron & Steel Industrial Development and Equity Investment Fund Partnership (Limited Partnership) (“**Siyuanhe Industrial Development Fund**”) to Sichuan Desheng Group Vanadium & Titanium Co., Ltd. (“**Desheng Group**”). Meanwhile, Siyuanhe Industrial Development Fund will be dissolved and will make distribution in kind to China Baowu Steel Group Corporation Limited (“**China Baowu**”) and Desheng Group with 75% equity interests in Chongqing Changshou Iron & Steel Company Limited (“**Changshou Iron & Steel**”) in proportion to their respective paid-in capital contributions. China Baowu will be allocated 40% equity interests in Changshou Iron & Steel and enter into an acting in concert agreement with Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (“**Strategic Emerging Fund**”) to obtain control over Changshou Iron & Steel, thereby indirectly controlling 2,096,981,600 shares of the Company, representing 23.51% of the total share capital of the Company. China Baowu will become the de facto controller of the Company.

On 29 October 2020, the Company published the Announcement in relation to the Progress of Changes in Shareholders' Equity and De Facto Controller. The State Administration for Market Regulation issued the Letter of Decision on No Further Examination on Business Operators Concentration and Anti-monopoly Examination (《經營者集中反壟斷審查不實施進一步審查決定書》) (Fan Long Duan Shen Cha Jue Ding [2020] No. 406) (反壟斷審查決定[2020]406號) to China Baowu, which states that no further examination will be carried out on the case of the acquisition of equity interest in Changshou Iron & Steel by China Baowu and China Baowu can implement the concentration.

As at the date of this announcement, all completion conditions of the Equity Transfer Agreement entered into by Siyuanhe Industrial Development Fund, China Baowu and Desheng Group on 16 September 2020 have been fulfilled.

Changshou Iron & Steel completed the change of industrial and commercial registration on 2 December 2020. The shareholding percentage after the change and the corresponding registered capital are as follows:

Name of shareholders	Shareholding percentage	Corresponding registered capital
China Baowu	40%	RMB1.6 billion
Desheng Group	35%	RMB1.4 billion
Strategic Emerging Fund	25%	RMB1.0 billion

China Baowu has obtained the control over Changshou Iron & Steel by entering into the acting in concert agreement with Strategic Emerging Fund. China Baowu has become the de facto controller of the Company.

“De facto controller” in this announcement has the meaning ascribed thereto under the Company Law of the People's Republic of China. China Baowu and Strategic Emerging Fund, which is China Baowu's party acting in concert, will indirectly control 2,096,981,600 shares of the Company through Changshou Iron & Steel, representing 23.51% of the total share capital of the Company. China Baowu will become 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, 4 December 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).