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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)

### **INDICATIVE ANNOUNCEMENT ON UPCOMING EXPIRY OF THE TERM OF THE FIRST PHASE OF EMPLOYEE SHARE OWNERSHIP PLAN**

Chongqing Iron & Steel Company Limited (the “**Company**”) convened the 15th meeting of the seventh session of the board of directors and the 18th meeting of the seventh session of the supervisory committee on 20 March 2018 and the 2017 annual general meeting on 15 May 2018, at which the Proposal for the Employee Share Ownership Plan from 2018 to 2020 (Draft) of Chongqing Iron & Steel Company Limited and its Summary (《關於〈重慶鋼鐵股份有限公司2018年至2020年員工持股計劃(草案)〉及其摘要的議案》) and other proposals were considered and approved. The Company convened the 5th meeting of the eighth session of the board of directors and the 4th meeting of the eighth session of the supervisory committee on 18 December 2018, at which the Proposal in relation to the First Phase of Employee Share Ownership Plan of the Company (《關於公司第一期員工持股計劃的議案》) and other proposals were considered and approved. For details, please refer to the relevant announcements of the Company published on the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>) on 22 March 2018, 16 May 2018 and 20 December 2018, respectively.

In accordance with relevant provisions of Guiding Opinions on the Implementation of the Pilot Program on Employee Share Ownership Plans by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》) and Work Guideline on Disclosure of Information of Employee Share Ownership Plans of Listed Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司員工持股計劃資訊披露工作指引》), a listed company is required to announce the number of shares it plans to hold when due within 6 months prior to the expiry of the employee share ownership plan. The Company hereby announces the relevant information as follows:

## **I. BASIC INFORMATION ON THE FIRST PHASE OF EMPLOYEE SHARE OWNERSHIP PLAN**

1. As at 14 May 2019, according to the Single Asset Management Plan of Huatai Asset Management for Employee Share Ownership Plan No. 1 of Chongqing Iron & Steel (華泰資管重慶鋼鐵員工持股計劃1號單一資產管理計劃), an aggregate of 24,791,400 A shares of the Company, representing approximately 0.28% of the total share capital of the Company, have been purchased by way of centralized bidding in the secondary market at an average transaction price of approximately RMB1.97 per share for the first phase of employee share ownership plan (the “**Share Ownership Plan**”), and the transaction amount was approximately RMB48.7831 million. The shares purchased for the Share Ownership Plan shall be subject to a lock-up period commencing from 15 May 2019 to 14 May 2020 according to regulations. For details, please refer to the Announcement on Completion of Share Purchase of the First Phase of Employee Share Ownership Plan disclosed by the Company on 15 May 2019.
2. The term of the first phase of employee share ownership plan of the Company is no more than 24 months, starting from the date of the announcement of the Company on the registration of the underlying shares purchased in the final transaction under the current phase of employee share ownership plan (i.e. 15 May 2019).
3. As at the date of this announcement, there are still 24,791,400 shares of the Company in the designated accounts under the first phase of employee share ownership plan, representing approximately 0.28% of the total share capital of the Company.

## **II. RELEVANT ARRANGEMENT FOR UPCOMING EXPIRY OF THE TERM OF THE FIRST PHASE OF EMPLOYEE SHARE OWNERSHIP PLAN**

Depending on the market conditions, the management committee of the first phase of employee share ownership plan of the Company will determine whether to sell the shares in accordance with relevant laws and regulations and the relevant provisions of the first phase of employee share ownership plan.

## **III. TERM, AMENDMENT AND TERMINATION OF THE FIRST PHASE OF EMPLOYEE SHARE OWNERSHIP PLAN**

1. The term of the first phase of employee share ownership plan of the Company is no more than 24 months, starting from the date of the announcement of the Company on the registration of the underlying shares purchased in the final transaction under the current phase of employee share ownership plan (i.e. 15 May 2019).

2. Within the term of the first phase of employee share ownership plan of the Company, any amendment to the employee share ownership plan shall be passed by more than two-thirds of shares held by the holders attending the holders' meeting.
3. The first phase of employee share ownership plan of the Company will be terminated automatically after the expiry of the term.
4. Upon expiry of the lock-up period of the first phase of employee share ownership plan of the Company, the current phase of employee share ownership plan may be terminated in advance after all shares of the Company held according to the employee share ownership plan have been sold out.

#### **IV. TRADING RESTRICTIONS FOR THE FIRST PHASE OF EMPLOYEE SHARE OWNERSHIP PLAN**

All entities in the current phase of employee share ownership plan will strictly abide by the market trading rules and abide by the requirement that no shares can be traded during the information sensitive period. All parties must not exploit the employee share ownership plan for insider dealing, market manipulation and other security frauds.

The aforementioned sensitive period refers to:

1. 30 days prior to the announcement of the Company's periodical reports or, if the date of announcement is postponed due to special reasons, the period starting from 30 days prior to the original date of announcement to the actual date of announcement;
2. 10 days prior to the release of the Company's results preview or preliminary report;
3. the period starting from the date when a material issue, which may significantly affect the Company's share price, occurs or is in the process of decision-making to 2 trading days after the issue being disclosed in accordance with laws.

If the China Securities Regulatory Commission or the exchange has different opinions on the above lock-up period arrangements, it shall be implemented in accordance with the opinions of the China Securities Regulatory Commission or the exchange.

## V. OTHER EXPLANATORY NOTES

The Company will pay continuous attention to the subsequent progress, be in strict accordance with the relevant laws and regulations, and perform its information disclosure obligations in a timely manner.

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

Chongqing, the PRC, 28 November 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).*