

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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 DE FACTO CONTROLLER'S WHOLLY-OWNED SUBSIDIARY'S PLAN TO INCREASE ITS SHAREHOLDING IN THE COMPANY**

This announcement is made by the board of directors (the “**Board**”) of Chongqing Iron & Steel Company Limited (the “**Company**” or “**Chongqing Iron & Steel**”) 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 NOTES:**

- On 17 July 2024, the Company received a “Letter of Notification Regarding the Plan to Increase the Shareholding of A Shares in Chongqing Iron & Steel” from Huabao Investment Company Limited (“**Huabao Investment**”), a wholly-owned subsidiary of China Baowu Steel Group Corporation Limited (“**China Baowu**”), the de facto controller of the Company, pursuant to which, Huabao Investment plans to increase the shareholding in A shares of the Company with its internal funds by way of centralised price bidding within 12 months from the date of disclosure of this announcement. The maximum amount of the increase in shareholding shall be RMB300 million and the minimum amount of the increase in shareholding shall be RMB150 million, and the maximum price of the increase in shareholding shall not exceed RMB2.00 per share.
- The implementation of the plan on increase in shareholding may involve the risk of the delay or failure to implement due to possible changes in the capital market conditions. Investors are advised to pay attention to investment risks.

## **I. THE BASIC INFORMATION ON THE ENTITY TO INCREASE SHAREHOLDING**

- (1) Entity of the increase in shareholding: Huabao Investment, a wholly-owned subsidiary of China Baowu, the de facto controller of the Company.
- (2) Number and proportion of shareholding: As at the date of disclosure of this announcement, Huabao Investment did not hold any shares of the Company. As at the date of disclosure of this announcement, China Baowu, the de facto controller of the Company, and its parties acting in concert control an aggregate of 2,465.3119 million shares in the Company, representing 27.65 % of the total share capital of the Company.
- (3) Huabao Investment has not disclosed its plan to increase its shareholding in the 12 months prior to this announcement.
- (4) As of 31 December 2023, the total assets of Huabao Investment on consolidated basis amounted to RMB83,794 million, the equity attributable to the owners of the parent company amounted to RMB23,279 million, the operating revenue of Huabao Investment on consolidated basis for the year of 2023 amounted to RMB3,414 million and the net profit attributable to the owners of the parent company amounted to RMB870 million, so Huabao Investment is capable of fulfilling the plan on increase in shareholding.

## **II. MAIN CONTENTS OF THE SHAREHOLDING INCREASE PLAN**

- (1) Purpose of the proposed increase in shareholding: based on the confidence in the Company's future development prospects and recognition of the investment value of the Company.
- (2) Method of the proposed increase in shareholding: proposed to increase the shareholding of A shares of the Company by way of centralised price bidding.
- (3) Amount of the proposed increase in shareholding: the maximum amount of the proposed cumulative increase in shareholding shall be RMB300 million and the minimum amount of the proposed increase in shareholding shall be RMB150 million, and Huabao Investment will gradually implement the plan on increase in shareholding at its own discretion, taking into account the fluctuation in the price of the Company's shares and the overall trend of the secondary market.
- (4) Source of funds for the proposed increase in shareholding: internal funds.

- (5) Price of the proposed increase in shareholding: the price of the proposed increase in shareholding shall not exceed RMB2.0 per share, and the maximum price will not be adjusted in the event of any ex-rights and ex-dividend events during the period of the increase in shareholding.
- (6) Implementation period of the plan on increase in shareholding: within 12 months from the date of this announcement (except for the period during which the share increase is not permitted under relevant provisions of laws, regulations and business rules of the Shanghai Stock Exchange). Due to the consideration of factors such as market fluctuation and capital arrangement, the implementation period of the plan on increase in shareholding shall exceed 6 months. During the implementation period of the plan on increase in shareholding, in the event that the Company's shares are suspended from trading for more than 10 consecutive trading days due to the planning of major events, the implementation of the plan on increase in shareholding will be postponed until the resumption of trading and be disclosed in a timely manner.
- (7) The entity of the increase in shareholding undertakes not to reduce its holdings of the Company's shares during the shareholding increase period and within the statutory period, and to complete the plan on increase in shareholding within the implementation period of the plan on increase in shareholding as described above.

### **III. RISKS OF UNCERTAINTY WITH THE IMPLEMENTATION OF THE PLAN ON INCREASE IN SHAREHOLDING**

The implementation of the plan on increase in shareholding may involve the risk of the delay or failure to implement due to possible changes in the capital market conditions. In case of the abovementioned risk during the implementation of the plan on increase in shareholding, the Company will discharge the obligation of information disclosure in a timely manner.

### **IV. OTHER RELEVANT INFORMATION**

- (1) The increase in shareholding complies with the Securities Law of the People's Republic of China and other laws and regulations, departmental rules, and the relevant rules of the Shanghai Stock Exchange. The implementation of the plan on increase in shareholding will not affect the Company's listing status and will not result in changes in the controlling shareholder and de facto controller of the Company.
- (2) The plan on increase in shareholding will not render the shareholding distribution of the Company ineligible for listing, nor will not result in any change in the controlling shareholder and de facto controller of the Company.

- (3) Upon completion of the plan on increase in shareholding, the entity of the increase in shareholding does not rule out the possibility of further increasing its shareholding in the A shares of the Company.
- (4) The Company will pay continuous attention to Huabao Investment's increase in shareholding of the Company and discharge the obligation of information disclosure in a timely manner in accordance with the relevant requirements under the Listing Rules, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and Shanghai Stock Exchange Self-Regulatory Supervision Guidelines No. 8 for Listed Companies – Share Change Management 《上海證券交易所上市公司自律監管指引第8號－股份變動管理》.

“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 its parties acting in concert indirectly control 2,465.3119 million shares in the Company, representing 27.65% of the total share capital of the Company. China Baowu is an indirect substantial shareholder of the Company under the Listing Rules.

By Order of the Board  
**Chongqing Iron & Steel Company Limited**  
**Zou An**  
*Secretary to the Board*

Chongqing, the PRC, 18 July 2024

*As at the date of this announcement, the Directors of the Company are: Mr. Xie Zhixiong (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lin Changchun (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Sheng Xuejun (Independent Non-executive Director), Ms. Tang Ping (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).*