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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)

FURTHER ANNOUNCEMENT ON EMPLOYEE SHARE OWNERSHIP PLAN

References are made to the circular (the “**Circular**”) published by Chongqing Iron & Steel Company Limited (the “**Company**”) on 25 April 2018 regarding, inter alia, the proposed adoption of the Employee Share Ownership Plan and the further announcement on Employee Share Ownership Plan dated 20 December 2018. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meaning as defined in the Circular.

According to the resolution in relation to the Incentive Framework Plan for Senior Management of Chongqing Iron & Steel Company Limited approved by the Board on 20 March 2018, the resolution in relation to the Employee Share Ownership Plan from 2018 to 2020 of Chongqing Iron & Steel Company Limited and its Summary approved at the 2017 annual general meeting on 15 May 2018 and the Resolution in relation to Collection and Utilization of Bonus Fund of the Company for 2019 approved by the Board on 27 December 2019 and as resolved at the sixteenth meeting of the eighth session of the Board, the Company intends to implement the Third Phase of the Employee Share Ownership Plan (the “**Third Phase of the Employee Share Ownership Plan**”).

The source of funds for the Third Phase of the Employee Share Ownership Plan is the bonus fund withdrawn by the Company and provision is made at 9.5% of the total profit (before the withdrawal of the bonus fund) under the audited consolidated statements for 2019.

The source of shares of the Third Phase of the Employee Share Ownership Plan are ordinary A shares of the Company acquired from the secondary market or obtained through other means as allowed by laws and regulations.

The personnel entitled to the Third Phase of the Employee Share Ownership Plan include directors, supervisors, senior management, core management, core technical personnel and core business personnel of the Company, which shall not exceed 126 persons in total. 9 of them are directors, supervisors and senior management, who are given a share of 50.56% in aggregate out of the entire share under the Third Phase of the Employee Share Ownership Plan. The other holders are given a share of 49.44% out of the entire share under the Third Phase of the Employee Share Ownership Plan. The management committee of the Employee Share Ownership Plan may adjust the interests of the holders during the term based on the changes in and assessment of employees.

For details, please refer to the full text of the Third Phase of the Employee Share Ownership Plan (Chinese version only) published by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Stock Exchange of Hong Kong Limited (www.hkexnews.hk) on the same date.

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

Chongqing, the PRC, 28 December 2019

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).