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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 THE PROGRESS OF PARTICIPATION IN ONLINE BIDDING FOR ACQUISITION OF EQUITY INTEREST

I. OVERVIEW OF PARTICIPATION IN ONLINE BIDDING FOR ACQUISITION OF EQUITY INTEREST

On 5 March 2019, the Resolution in Relation to Participation in Online Bidding for Acquisition of Equity Interest was approved at the 7th meeting of the eighth session of the board of directors of Chongqing Iron & Steel Company Limited (the “**Company**”) by voting. It approved the Company to participate in the online bidding for the 28% equity interest in Chongqing Xingang Changlong Logistics Co., Ltd. (“**Xingang Changlong**”) with self-owned funds based on its business development demands and authorised the management of the Company to execute relevant agreements, documents and handle other specific matters in accordance with relevant procedures and laws and regulations. The bidding falls within the scope of approval of the board of directors of the Company and does not need to be submitted to the general meeting of the Company for consideration. For details, please refer to the Announcement on Participation in Online Bidding for Acquisition of Equity Interest of the Company dated 6 March 2019.

II. OVERVIEW OF THE EXECUTION OF EQUITY TRANSFER AGREEMENT

Upon publication of the information on transfer by Chongqing United Assets and Equity Exchange to seek for potential assignees, the Company participated in and won the online bidding for the acquisition of the 28% equity interest in

Xingang Changlong. On 21 March 2019, the Company entered into the Equity Transfer Agreement (Gang Gu Qi Hua 2019–13) with Wuhan Changhang New Phoenix Logistics Co., Ltd. (武漢長航新鳳凰物流有限責任公司) (“**Wuhan Changhang**”), the principal terms of which are as follows:

1. Target of equity transfer

Wuhan Changhang shall transfer the 28% equity interest in Xingang Changlong held by it to the Company with compensation.

2. Price of equity transfer

Wuhan Changhang shall transfer the abovementioned equity interest to the Company at the price of RMB28,481,740.00.

3. Method of payment

As agreed by Wuhan Changhang and the Company, the consideration shall be paid in a lump sum, i.e. the remaining transaction consideration shall be paid in a lump sum to the customer reserves account designated by Chongqing United Assets and Equity Exchange within 5 working days after the agreement came into effect. Meanwhile, the deposits paid by the Company shall be regarded as a part of the consideration for the transaction.

4. Transfer of equity interest

Upon execution and effectiveness of the Equity Transfer Agreement, payment of the remaining transaction consideration in a lump sum as agreed and issuance of the “Transaction Voucher” by Chongqing United Assets and Equity Exchange, the transfer of the equity interest shall be completed in the period from 21 March 2019 to 5 April 2019.

5. Other matters

The equity transfer does not involve inheritance or settlement of creditor’s rights or debts, disposal of assets, or other relevant matters.

III. SIGNIFICANCE OF THE EQUITY TRANSFER AGREEMENT FOR THE COMPANY

The entering into of the Equity Transfer Agreement in relation to the acquisition of the equity interest in Xingang Changlong will further enhance the influence towards it, strengthen the partnership, fill the gap in shoreline resources for finished products and guarantee the smooth logistics for the Company's finished products. Meanwhile, it will meet the warehousing demand in the factory in stages.

As the percentage ratios under Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreement are less than 5%, the relevant transaction does not constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. This announcement is made by the Company on a voluntary basis.

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

Chongqing, the PRC, 22 March 2019

As at the date of this announcement, the Directors of the Company are: Mr. Zhou Zhuping (Non-executive Director), Mr. Zheng Jie (Non-executive Director), Mr. Li Yongxiang (Executive Director), Mr. Tu Deling (Executive Director), Mr. Zhang Shuogong (Executive Director), Mr. Xu Yixiang (Independent Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).