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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 GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE SHARES OF THE COMPANY

At the 8th meeting of the eighth session of the board of directors (the “**Board**”) of Chongqing Iron & Steel Company Limited (the “**Company**”) held on 28 March 2019, the Resolution in relation to the Grant of General Mandate to the Board to Repurchase Shares of the Company (the “**Resolution**”) was considered and approved. The Resolution is subject to consideration and approval by the general meeting and class meetings of the Company, the details of which are as follows:

I. OVERVIEW OF GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE SHARES OF THE COMPANY

In order to enable the Board to repurchase shares of the Company within a short time period as it considers appropriate for the purposes of the employee share ownership plan or equity incentive plan, maintaining the stability of the share price and protecting the interests of the shareholders of the Company, it is proposed that the Board shall be granted the general mandate to repurchase A shares and H shares of the Company.

Pursuant to the general mandate, the aggregate number of A shares and the aggregate number of H shares to be repurchased by the Company during the mandate period shall not exceed 10% of the total number of H shares in issue and 10% of the total number of A shares in issue as at the date on which the Resolution in relation to the Grant of General Mandate to the Board to Repurchase Shares of the Company was considered and approved by the general meeting, class meeting of A shareholders and class meeting of H shareholders. The mandate shall be valid for 12 months from the date of approval by the general meeting or until the annual general meeting in the following year, whichever is earlier.

The approvals for A share repurchase mandate and H share repurchase mandate are subject to consideration and approval by 3 meetings, namely the 2018 annual general meeting, class meeting of A shareholders and class meeting of H shareholders, as well as obtaining of all approvals from relevant regulatory authorities as required by relevant laws, rules and regulations of the PRC. A circular containing, among other things, details regarding the proposed grant of the general mandate to the Board to repurchase A shares and H shares of the Company and notice of the general meeting and class meetings will be dispatched to the shareholders in due course.

II. PARTICULARS OF PROPOSED GRANT OF THE GENERAL MANDATE BY THE GENERAL MEETING TO THE BOARD TO REPURCHASE SHARES OF THE COMPANY

1. Grant of the General Mandate to the Board of the Company to Repurchase A Shares of the Company:

- (a) Subject to paragraphs (b), (c) and (d) below, the exercise by the Board during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to repurchase A shares of the Company in issue from the Shanghai Stock Exchange in accordance with all applicable laws, rules, regulations and/or requirements of the government or securities regulatory authorities of the People's Republic of China (the “**PRC**”), the Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other governments or regulatory authorities is hereby generally and unconditionally approved;
- (b) for the purpose of repurchase of A shares, the Board is authorised to, including but not limited to the following:
 - (i) formulate and implement the detailed repurchase plan, including but not limited to repurchase price, number of shares to be repurchased, timing of repurchase and period of repurchase, etc.;
 - (ii) notify the creditors and make announcements in accordance with the Company Law of the PRC and the articles of association of the Company;
 - (iii) open securities accounts or any other securities accounts designated for the repurchase of A shares, and handle relevant procedures for foreign exchange registration, if applicable;
 - (iv) carry out the relevant approval procedures required by regulatory authorities and the places in which the Company is listed and report to the China Securities Regulatory Commission;

- (v) decide on the continuation or termination of the implementation of the repurchase plan based on the actual situation and share price performance of the Company;
 - (vi) decide on the specific use of shares to be repurchased within the period prescribed by relevant laws and regulations based on the actual situation of the Company, including but not limited to implementation of equity incentives and formulation of specific plans for application of the shares to be repurchased for equity incentives; and to adjust or change the use of the shares to be repurchased within the scope permitted by relevant laws and regulations;
 - (vii) handle matters relevant to cancellation or transfer of repurchased shares, reduce registered capital (if applicable), and make corresponding amendments to the articles of association of the Company relating to total share capital and shareholding structure based on actual repurchase situation, and handle relevant necessary domestic and overseas registration and filing procedures (if applicable);
 - (viii) make amendments to the repurchase plan and continue to handle matters relevant to repurchase of shares in accordance with the relevant laws and regulations and requirements of regulatory authorities as well as the market conditions and the actual situation of the Company where there are new policy requirements on share repurchase under the laws and regulations or by securities regulatory authorities, or where there are changes in the market conditions, except for those subject to re-voting at the general meeting pursuant to the requirements of relevant laws and regulations, the regulatory authorities or the articles of association of the Company; and
 - (ix) execute and handle all other documents relating to share repurchase and deal with necessary matters relating to share repurchase;
- (c) pursuant to the approval in paragraph (a) above, the aggregate number of A shares approved to be repurchased during the Relevant Period shall not exceed 10% of the total number of A shares of the Company in issue and outstanding as at the date on which the Resolution was approved;

- (d) the approval in paragraph (a) shall be conditional upon:
 - (i) the passing of a special resolution with same terms as those of the resolution set out in this paragraph (except for this sub-paragraph (d)(i)) at the forthcoming extraordinary general meeting (date of meeting to be fixed) (or on such adjourned date as may be applicable) and the forthcoming class meeting of A shareholders (date of meeting to be fixed) (or on such adjourned date as may be applicable); and
 - (ii) the obtaining of the approvals from relevant regulatory authorities as required by laws, rules and regulations of the PRC, if applicable;
- (e) for the purpose of this special resolution, “Relevant Period” means the period from the date of passing of this special resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the laws, rules and regulations of the PRC to be held; and
 - (iii) the date on which the mandate set out in this special resolution is revoked or varied by a special resolution of the members of the Company at any general meeting or by a special resolution of A shareholders or H shareholders of the Company at its respective class meeting.

2. Grant of the General Mandate to the Board to Repurchase H Shares of the Company:

- (a) Subject to paragraphs (b), (c) and (d) below, the exercise by the Board during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to repurchase H shares of the Company in issue from the Stock Exchange in accordance with all applicable laws, rules, regulations and/or requirements of the government or securities regulatory authorities of the PRC, the Stock Exchange or any other governments or regulatory authorities is hereby generally and unconditionally approved;

- (b) for the purpose of repurchase of H shares, the Board is authorised to, including but not limited to the following:
- (i) formulate and implement the detailed repurchase plan, including but not limited to repurchase price, number of shares to be repurchased, timing of repurchase and period of repurchase, etc.;
 - (ii) notify the creditors and make announcements in accordance with the Company Law of the PRC and the articles of association of the Company;
 - (iii) open securities accounts or any other securities accounts designated for the repurchase of H shares, and handle relevant procedures for foreign exchange registration, if applicable;
 - (iv) carry out the relevant approval procedures required by regulatory authorities and the places in which the Company are listed and report to the China Securities Regulatory Commission;
 - (v) decide on the continuation or termination of the implementation of the repurchase plan based on the actual situation and share price performance of the Company;
 - (vi) decide on the specific use of shares to be repurchased within the period prescribed by relevant laws and regulations based on the actual situation of the Company, including but not limited to implementation of equity incentives and formulation of specific plans for application of the shares to be repurchased for equity incentives; and to adjust or change the use of the shares to be repurchased within the scope permitted by relevant laws and regulations;
 - (vii) handle matters relevant to cancellation or transfer of repurchased shares, reduce registered capital (if applicable), and make corresponding amendments to the articles of association of the Company relating to total share capital and shareholding structure based on actual repurchase situation, and handle relevant necessary domestic and overseas registration and filing procedures (if applicable);

- (viii) make amendments to the repurchase plan and continue to handle matters relevant to repurchase of shares in accordance with the relevant laws and regulations and requirements of regulatory authorities as well as the market conditions and the actual situation of the Company where there are new policy requirements on share repurchase under the laws and regulations or by securities regulatory authorities, or where there are changes in the market conditions, except for those subject to re-voting at the general meeting pursuant to the requirements of relevant laws and regulations, the regulatory authorities or the articles of association of the Company; and
 - (ix) execute and handle all other documents relating to share repurchase and deal with necessary matters relating to share repurchase;
- (c) pursuant to the approval in paragraph (a) above, the aggregate number of H shares approved to be repurchased during the Relevant Period shall not exceed 10% of the total number of H shares of the Company in issue and outstanding as at the date on which the Resolution was approved;
- (d) the approval in paragraph (a) shall be conditional upon:
 - (i) the passing of a special resolution with same terms as those of the resolution set out in this paragraph (except for this sub-paragraph (d)(i)) at the forthcoming extraordinary general meeting (date of meeting to be fixed) (or on such adjourned date as may be applicable) and the forthcoming class meeting of H shareholders (date of meeting to be fixed) (or on such adjourned date as may be applicable); and
 - (ii) the obtaining of the approvals from relevant regulatory authorities as required by laws, rules and regulations of the PRC, if applicable;
- (e) for the purpose of this special resolution, “Relevant Period” means the period from the date of passing of this special resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;

- (ii) the expiration of a period of twelve months following the passing of this special resolution; or the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the laws, rules and regulations of the PRC to be held; and
- (iii) the date on which the mandate set out in this special resolution is revoked or varied by a special resolution of the members of the Company at any general meeting or by a special resolution of H shareholders or A shareholders of the Company at its respective class meeting.

III. INDEPENDENT OPINIONS OF INDEPENDENT DIRECTORS

1. The shares to be repurchased by the Company is mainly used for the employee share ownership plan or equity incentive plan, stability of the share price and protection of the interests of the shareholders, which is conducive to the improvement of the incentive mechanism of the Company and the operation and the stability of the share price of the Company.
2. The general mandate involved in the repurchase of shares by the Company complies with the requirements of the Company Law and other relevant laws, regulations and normative documents. The Company will repurchase its outstanding domestic shares (A shares) and overseas shares (H shares) as appropriate and at suitable times based on volatility and changes in the capital market and the share price of the Company, without prejudice to the interests of the Company and all its shareholders, in particular the minority shareholders.
3. The review procedures relevant to the repurchase of shares by the Company are in compliance with the relevant requirements of the Company Law and other relevant laws and regulations, the normative documents and the Articles of Association of Chongqing Iron & Steel Company Limited.
4. It is hereby agreed to submit the Resolution to the general meeting of the Company for consideration and approval.

IV. RISK WARNING

The proposed grant of the general mandate by the general meeting to the Board to repurchase shares of the Company is merely an authorisation to the Board to handle matters relevant to the repurchase of shares. No specific plans for repurchase of shares have been formulated. Subject to consideration and approval by the general meeting, the Company will determine whether it will proceed with the repurchase based on the volatility and changes in the capital market and the share price of the Company.

The Company will perform its obligation of information disclosure in strict compliance with relevant laws, regulations and the Rules Governing the Listing of Securities on the Stock Exchange. Investors are advised to make rational investments and be aware of risks.

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

Chongqing, the PRC, 29 March 2019

As at the date of this announcement, the Directors of the Company are: Mr. Zhou Zhuping (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).