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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 ISSUE DEBT FINANCING INSTRUMENTS

On 28 March 2019, Chongqing Iron & Steel Company Limited (the “**Company**”) held the 8th meeting of the eighth session of the board of directors (the “**Board**”), at which, the Resolution in Relation to Grant of General Mandate to the Board to Issue Debt Financing Instruments (the “**Resolution**”) was considered and approved. The Resolution is still subject to the approval at the general meeting of the Company, particulars of which are set out as follows:

I. GENERAL TERMS OF THE ISSUANCE OF DEBT FINANCING INSTRUMENTS

In order to meet the production and operation demands of the Company, expand financing channels, optimize debt structure, replenish working capital and reduce financing cost, the Company proposes to apply to the National Association of Financial Market Institutional Investors (“**NAFMII**”) and relevant competent authorities for new registration and issuance of debt financing instruments of non-financial enterprises in the inter-bank market (the “**Debt Financing Instruments**”).

The major terms of Debt Financing Instruments proposed to be registered and issued are as follows:

1. Issuer: the Company.

2. Registered category and size: according to the state laws, regulations, relevant requirements of the regulatory departments as well as the resolution of the general meeting, the total registered size of the Debt Financing Instruments shall be not more than RMB3 billion, and the category to be issued covers but is not limited to medium-term notes, short-term financing bonds, ultra short-term financing bonds, dedicated instruments, perpetual notes and asset-backed notes, etc. The registration and issuance can be carried out in one or multiple batches and for several categories based on the fund demand. A resolution shall be proposed at the general meeting to authorize the Board and agree the Board to in turn authorize its delegate(s) to determine the specific categories in accordance with relevant requirements and the market conditions. The Debt Financing Instruments proposed to be issued under the Resolution shall not contain any provision for conversion into shares.
3. Issue size and method: the specific issue size shall be determined by the Board or its delegate(s) in consideration of the fund demand and market conditions within the registration cap of each category of the Debt Financing Instruments. The Debt Financing Instruments shall be issued in one or multiple batches or by tranches by way of public offering or private placement after registered and filed with or approved by NAFMII according to relevant requirements.
4. Term: the Debt Financing Instruments shall carry a maximum term of no longer than seven years, which is applicable to both products with a single maturity and product portfolio with multiple maturities. However, perpetual notes are not subject to such a term requirement. A resolution shall be proposed at the general meeting to authorize the Board and agree the Board in turn to authorize its delegate(s) to determine particulars of the terms and issue size of products with difference terms in accordance with relevant requirements and the market conditions.
5. Interest rate: a resolution shall be proposed at the general meeting to authorize the Board and agree the Board in turn to authorize its delegate(s) to determine the interest rate separately based on the market conditions when issuing the Debt Financing Instruments after taking into account the respective market conditions at each issue in accordance with relevant laws and regulations.
6. Issue price: a resolution shall be proposed at the general meeting to authorize the Board and agree the Board in turn to authorize its delegate(s) to determine jointly or separately the issue price of the Company's Debt Financing Instruments based on the respective market conditions at each issue in accordance with relevant laws and regulations.

7. Security and other credit enhancement arrangements: a resolution shall be proposed at the general meeting to authorize the Board and agree the Board in turn to authorize its delegate(s) to determine jointly or separately the security and other credit enhancement arrangements based on the respective features of the Company's Debt Financing Instruments and the needs of issuance in accordance with laws.
8. Use of proceeds: the proceeds from the issuance are expected to be used to meet the needs of business operation of the Company, improve the debt structure, repay loans, replenish the working capital and/or finance project investment. The specific use of proceeds shall be determined by the Board or its delegate(s) based on the fund demand of the Company at the time of application and issuance.
9. Guarantee measures for repayment of debts: a resolution shall be proposed at the general meeting to authorize the Board, and agree the Board in turn to authorize its delegate(s) (the "**Delegate(s)**") to, jointly or separately, at least take the following measures in the event that the Company is expected to be unable to repay the principal and interests of the Debt Financing Instruments as scheduled, or the Company fails to repay the principal and interests of the Debt Financing Instruments when they become due:
 - (i) no dividends shall be distributed to the shareholders;
 - (ii) the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers shall be suspended;
 - (iii) payment of salary and bonus to the directors and senior management of the Company shall be adjusted, reduced or ceased;
 - (iv) key personnel accountable shall not be allowed for re-designation.
10. Valid period of the mandate: the mandate shall be valid for a period of 12 months from the date when the Resolution is approved at the general meeting of the Company.

Where the Board and/or its Delegate(s) have/has, during the valid period of the mandate, decided to issue such Debt Financing Instruments, and provided that the Company has also obtained the approval or consent from or completed filing or registration (if applicable) with the regulatory authorities on the issuance within the valid period of the mandate, the Company may, during the valid period of such approval, consent, filing or registration, complete the issuance or partial issuance of relevant Debt Financing Instruments. With respect to matters concerning the issuance or partial issuance, the above mandate shall remain valid until the completion date of such issuance or partial issuance.

II. PARTICULARS OF THE RESOLUTION IN RELATION TO GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE DEBT FINANCING INSTRUMENTS TO BE PROPOSED AT THE GENERAL MEETING

To consider and approve the issuance of Debt Financing Instruments by the following means and generally and unconditionally authorize the Board and its delegate(s) to deal with the following matters based on the specific needs of the Company and market conditions:

1. to determine the specific categories of Debt Financing Instruments to be issued by the Company in the inter-bank market within the cap of not more than RMB3 billion, including but not limited to medium-term notes, short-term financing bonds, ultra short-term financing bonds, dedicated instruments, perpetual notes and asset-backed notes, etc.;
2. to determine issue size, detailed terms, conditions and other matters relating to the issuance (including but not limited to the specific amount of issuance, actual principal amount, currency, issue price, interest rate or its determination mechanism, place of issuance, time for issuance, term, whether to issue by tranches and number of tranches, whether to set put-back or redemption terms, credit rating, guarantee, repayment term, detailed fund-raising arrangements within the scope of use as approved at the general meeting, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance);
3. to carry out all necessary and ancillary actions and procedures relating to the issuance (including but not limited to selecting and engaging intermediary institutions, handling all registration and filing procedures with NAFMII and the relevant regulatory authorities in connection with the issuance on behalf of the Company, executing all necessary legal documents, selecting duration manager for the issuance and handling any other matters relating to the issuance and trading);
4. to handle all other matters related to issuance of Debt Financing Instruments but not mentioned above;
5. to approve, confirm and ratify any of the aforesaid actions or procedures relating to the issuance to the extent already taken by the Company;
6. to make adjustments to the relevant matters such as the specific issuance proposals in accordance with the comments from the regulatory authorities or the prevailing market conditions within the authority granted at the general meeting, except where voting at the general meeting is required by any relevant laws and regulations and the Articles of Association;

7. where the Company does carry out the issuance of Debt Financing Instruments, during the valid period, to determine not to distribute dividends to the shareholders to guarantee repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and/or interests of such Debt Financing Instruments as they fall due.

To approve, execute and dispatch any announcement or circular relating to the issuance and make information disclosure accordingly in compliance with the applicable regulatory rules of the jurisdiction where the shares of the Company are listed.

III. RISK WARNING

The general mandate to be granted to Board for issuance of Debt Financing Instruments proposed at the general meeting only represents the rights lawfully vested in the Board of the Company so as to deal with matters in relation to the issuance of Debt Financing Instruments in accordance with laws. The Company has not come up with any specific financing proposal so far, and will make decisions on whether to go through debt financing and to prepare specific financing proposal based on the needs of production and operation of the Company after the Resolution is considered and approved at the general meeting.

A circular containing (among others) the details of general mandate in relation to the issuance of Debt Financing Instruments together with the notice of the general meeting will be despatched to the shareholders in due course.

The Company will discharge its obligations of information disclosure in a timely manner in strict compliance with relevant laws and regulations as well as the Listing Rules. Investors are advised to exercise caution in investments and pay attention to investment 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).