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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 ISSUANCE OF MEDIUM-TERM NOTES BY THE COMPANY

Chongqing Iron & Steel Company Limited (the “**Company**”) received the Letter on the Addition of an Interim Proposal to the 2019 Annual General Meeting of Chongqing Iron & Steel Company Limited (《關於重慶鋼鐵股份有限公司2019年年度股東大會增加臨時提案的函》) from Chongqing Changshou Iron & Steel Company Limited, the controlling shareholder of the Company, on 21 May 2020. In order to ensure the timely and effective implementation of the Company’s future financing plan, it’s proposed in the letter to include the Proposal for the Issuance of Medium-term Notes by the Company as an interim proposal of the 2019 annual general meeting of the Company.

The Company held the 22th meeting of the eighth session of the board of directors (the “**Board**”) by way of written correspondence, at which, the Proposal for the Issuance of Medium-term Notes by the Company was considered and approved. The resolution is subject to the approval at the general meeting by special resolution, particulars of which are set out as follows:

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 medium-term notes.

The major terms of medium-term notes 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 medium-term notes shall be not more than RMB2 billion. The registration and issuance can be carried out in one or multiple batches. The medium-term notes proposed to be issued under the resolution shall not contain any provision for conversion into shares.
3. Issue method: The medium-term notes shall be issued in one or multiple batches or by tranches by way of public offering after registered by NAFMII according to relevant requirements.
4. Term: the maximum term shall not be longer than seven years, which is applicable to 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 medium-term notes after taking into account the respective market conditions at each issue in accordance with relevant laws and regulations.
6. Issue price: the medium-term notes shall be issued at par value with a nominal value of RMB100 each.
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 the security and other credit enhancement arrangements based on the needs of issuance of the Company's medium-term notes 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, and replenish the working capital and/or 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 on the issuance of the medium-term notes of the Company shall be proposed at the general meeting to authorize the Board, and agree the Board in turn to authorize its 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 medium-term notes as scheduled, or the Company fails to repay the principal and interests of the medium-term notes when they become due:
 - (1) no dividends shall be distributed to the shareholders;
 - (2) the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers shall be suspended;
 - (3) payment of salary and bonus to the directors and senior management of the Company shall be adjusted, reduced or ceased;
 - (4) 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 24 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 medium-term notes, 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 medium-term notes. 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.

To issue the medium-term notes by authorizing the Board, it is proposed that the following resolutions shall be passed at the general meeting:

“To consider and approve the issuance of medium-term notes 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 issue size, detailed terms, conditions and other matters relating to the medium-term notes of the Company within the cap of not more than RMB2 billion (including but not limited to the specific amount of issuance, actual principal amount, currency, interest rate or its determination mechanism, place of issuance, time for issuance, whether to issue by tranches and number of tranches, credit rating, 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);

2. to carry out all necessary and ancillary actions and procedures relating to the issuance (including but not limited to selecting and engaging intermediary institutions and handling all registration 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);
3. to handle all other matters related to issuance of medium-term notes but not mentioned above;
4. to approve, confirm and ratify any of the aforesaid actions or procedures relating to the issuance to the extent already taken by the Company;
5. 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;
6. where the Company does carry out the issuance of medium-term notes, 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 medium-term notes as they fall due;

To approve, execute and dispatch any announcement and 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.”

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, 23 May 2020

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).