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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 IMPLEMENTATION PROGRESS OF THE FOURTH PHASE OF EMPLOYEE SHARE OWNERSHIP PLAN**

At the 15<sup>th</sup> meeting of the seventh session of the board of directors and the 18<sup>th</sup> meeting of the seventh session of the supervisory committee held on 20 March 2018, and the 2017 annual general meeting held on 15 May 2018 of Chongqing Iron & Steel Company Limited (the “**Company**” or “**Chongqing Iron & Steel**”), the proposals including the Proposal in relation to the Employee Share Ownership Plan (draft) from 2018 to 2020 of Chongqing Iron & Steel Company Limited and its Summary (《關於〈重慶鋼鐵股份有限公司2018年至2020年員工持股計劃(草案)〉及其摘要的議案》) were considered and approved. At the 31<sup>st</sup> meeting of the eighth session of the board of directors and the 20<sup>th</sup> meeting of the eighth session of the supervisory committee of the Company held on 30 December 2020, the Proposal in relation to the Fourth Phase of Employee Share Ownership Plan and Adjustment to the Way of Distribution of Rights and Interests under the First, Second and Third Phases of Employee Share Ownership Plan (《關於公司第四期員工持股計劃及調整第一、二、三期員工持股計劃權益分配方式的議案》) was considered and approved. For details of the above-mentioned matters, please refer to the relevant announcements of the Company published on the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Hong Kong Stock Exchange (<http://www.hkex.com.hk>) on 22 March 2018, 16 May 2018 and 31 December 2020, respectively.

Pursuant to the requirements under the Guiding Opinion on the Implementation of the Pilot Program on Employee Share Ownership Plans by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》) and the Guidance Notes on Information Disclosure in relation to the Employee Share Ownership Plans of Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司員工持股計劃信息披露工作指引》), the information on the implementation progress of the fourth phase of the employee share ownership plan of the Company is hereby disclosed as follows:

## **1. SOURCE OF FUNDS FOR THE EMPLOYEE SHARE OWNERSHIP PLAN**

The source of funds for the current phase of the employee share ownership plan is the bonus fund withdrawn by the Company and the provision is made at 12.5% of the total profit (before the withdrawal of the bonus fund) under the audited consolidated statements of the Company for 2020, in a total amount of RMB98,827,048.45.

## **2. SCALE OF THE EMPLOYEE SHARE OWNERSHIP PLAN**

After the total profit under the consolidated statements for 2020 was audited and determined, the incentive fund with a total amount of RMB98,827,048.45 was withdrawn for the current phase of the employee share ownership plan, of which 50% will be converted into the granted shares (i.e. 13,427,588 shares) at a price of RMB3.68 per share and the remaining 50% will be converted into the granted shares (i.e. 32,296,421 shares) based on the average closing price (i.e. RMB1.53 per share) of the Company's A shares for the 30 trading days prior to 19 March 2021 (the date of consideration and approval of the Company's annual report at the 35<sup>th</sup> meeting of the eighth session of the board of directors), totaling 45,724,009 shares. According to the resolution at the 41<sup>st</sup> meeting of the eighth session of the board of directors, the scale of the fourth phase of the employee share ownership plan was adjusted to 45,724,000 shares by the Company.

## **3. SOURCE OF SHARES FOR THE EMPLOYEE SHARE OWNERSHIP PLAN**

The source of shares for the current phase of the employee share ownership plan is the repurchased A shares in the Company's account designated for share repurchase and the shares acquired from the secondary market or obtained by other means as permitted by the laws and regulations.

As at 21 July 2021, an aggregate of 9,061,800 A shares of the Company, representing approximately 0.102% of the total share capital of the Company, have been purchased by way of centralized bidding in the secondary market at an average transaction price of RMB3.131 per share for the fourth phase of the employee share ownership plan of the Company, and the transaction amount is RMB28,372,606.80 in total.

As at 21 July 2021, the remaining shares repurchased by the Company through the securities account designated for share repurchase were 36,662,200 shares, and the cost price of the repurchase is RMB1.80 per share. In the fourth phase of the employee share ownership plan, the 36,662,200 shares of Chongqing Iron & Steel held in the Company's securities account designated for share repurchase will be transferred to the account designated for the fourth phase of the employee share ownership plan at the cost price of the repurchase (RMB1.80 per share) by way of non-transaction transfer. Relevant work is currently in progress.

The Company will fulfill its subsequent obligations on information disclosure in a timely manner in strict accordance with the relevant laws and regulations.

By order of the Board  
**Chongqing Iron & Steel Company Limited**  
**Zou An**  
*Secretary to the Board*

Chongqing, the PRC, 22 July 2021

*As at the date of this announcement, the Directors of the Company are: Mr. Zhang Wenxue (Executive Director), Mr. Tu Deling (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director), Mr. Xu Yixiang (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).*