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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 ACTION PLAN FOR “IMPROVING QUALITY AND EFFICIENCY AND INCREASING RETURNS” FOR 2024

Chongqing Iron & Steel Company Limited (the “**Company**” or “**Chongqing Iron & Steel**”) is committed to the mission of “Keeping the national strength of steel alive and build a green and wonderful life”, and realizes sustainable development with its shareholders, employees, customers and other internal and external stakeholders. In 2024, the Company will continue to focus on its main business, optimize its technical and economic indicators and corporate governance, enhance its corporate value, and better safeguard the legitimate rights and interests of all shareholders. In this regard, the Company has formulated the Action Plan for “Improving Quality and Efficiency and Increasing Returns” for 2024, the contents of which are reported below:

I. DEVELOPMENT OF NEW PRODUCTIVE FORCES

With the development goal of “to create a high-quality green intelligent steel manufacturer with an annual output exceeding 10 million tons”, the Company adheres to the concept of green development and is committed to building “Beautiful Chongqing Iron & Steel, Pastoral Chongqing Iron & Steel”.

In 2023, the Company promoted the efficient upgrading of whole process equipment and facilitated digital transformation; was awarded the title of Chongqing Industrial Internet New Mode Integration and Innovation Application. Adhering to the development concept of “science and technology is the first productive force”, the Company successfully passed the certification of National High-tech Enterprise, increased the number of national innovation platforms to 3, created a provincial R&D platform, and applied for 517 patents, including 439 invention patents, creating a benefit of RMB147 million. Through the 6C carbon reduction action path of “carbon reduction by planning, carbon reduction by efficiency, carbon reduction by process, carbon reduction by technology, carbon

reduction by greenness, and carbon reduction by chain circle”, the Company has promoted carbon peaking and carbon neutrality, become the first steel enterprise in Southwest China that has completed the announcement of ultra-low-emission and clean transportation, and has successfully established the national advanced unit of metallurgy greening, and has won the honorary title of Benchmarking Enterprise of Green Development.

In 2024, the Company will promote the online operation of the planned value system and the “CE Plus” system (cost and earning analysis system), which will support the analysis of the profitability of detailed products and the forecast of benefits, and promote the tilting of resources to high-efficiency products and high-profitability areas; open up the whole process of material tracking to realize the effective connection between the market and the site, and force the improvement of manufacturing capacity; strengthen the ability of accounting and management using the “intelligent” system and provide a solid foundation for the transformation of product structure to ensure the achievement of the operating objectives.

The Company will accelerate the enhancement of technological innovation capability, motivate all employees to face up to the pressure of operation, be bold, innovative and act responsibly, further improve the mechanism of technological incentives, strengthen performance guidance, focus on technological innovation indicators such as the intensity of R&D investment and the number of patents for inventions, and promote the upgrading of the product structure. The Company will fully utilize the production, marketing and research platform to collaborate on the development of steel varieties, and increase the sales volume of hit products such as wind power steel, bridge steel, container steel, weathering steel, high construction steel, photovoltaic bracket, pickled substrate for coating, high-grade threaded steel, and industrial wire, etc., so as to further enhance the competitiveness of the products.

The Company will continue to carry out energy efficiency benchmarking to promote energy cost reduction, launch the benchmarking of technical indicators related to the energy consumption of major processes, increase the promotion and application of new energy-saving technologies and management experience, and focus on the utilization of gas, recovery of residual energy and heat, improvement of self-generated electricity rate, and energy storage. The Company will formulate energy performance evaluation standards and promote the reduction of comprehensive energy consumption per ton of steel, striving to be lower than RMB500/ton, and striving to achieve a self-generated rate of power of 90%; continue to promote ultra-low emission of waste gas and zero discharge of wastewater, consolidate the achievements of no solid waste leaving the factory, deepen environmental protection governance, and continue to promote green development.

II. ENHANCEMENT OF THE QUALITY OF OPERATIONS AND INCREASE IN MARKET SHARES

In 2023, there was a significant contraction in steel demand, and the procurement cost of raw fuels remained at a high level for a relatively long period of time. The domestic steel market exhibited characteristics such as shrinking demand, rising costs, continuous decline in steel prices, and decreasing profits, leading to a continuous narrowing of the purchase and sales differentials for the Company. All employees have made great efforts and performed their duties diligently, realized safety and environmental protection, deepened reform and innovation, developed the potential of cost reduction, improved quality and efficiency, and actively responded to the challenges of the downward shock cycle of the steel industry, with continuous breakthroughs in production and sales, and various technical and economic indicators breaking new records, realizing positive operating cash flow, and stabilizing the fundamentals of the high-quality development of Chongqing Iron & Steel.

In 2024, the Company will further improve the market-oriented operation mechanism, efficient production mechanism and incentive evaluation mechanism, so as to adjust the scale at any time and flexibly respond to the market; focus on reform and innovation, and enhance the quality of operations by relying on technology for development and management for efficiency.

The Company will reshape the brand image of “San Feng” by means of taking root in Chongqing, pursuing further development in Sichuan and Chongqing, and branching out across southwest regions. The Company’s products are focused on the southwest market, its market along the Yangtze River and the highly profitable variety of markets outside the region are expanded with the regional market as the leading factor, attaching great importance to increasing the market share of thick plate and hot coil products in Chongqing and Sichuan. From January to May 2024, the main sales area of hot rolled coil was the southwest region, accounting for 80%, of which Chongqing sales accounted for 61%; the main sales area of plate was the southwest region, accounting for 76%, of which Chongqing and Sichuan accounted for 33% respectively.

III. ADHERENCE TO STANDARDIZED GOVERNANCE

The Company has always insisted on standardized operation, deepened the construction of its governance system and safeguarded the legitimate rights and interests of investors. The Company has formed a governance structure consisting of the shareholders’ general meeting, the board of directors, the supervisory committee and the management, with clear division of powers and responsibilities, effective checks and balances, and coordinated operation of each level.

In 2023, the Company amended seven basic and important management systems, including the Articles of Association, the Rules of Procedure of the Board of Directors, the Independent Director System, the Working Regulations of the Audit Committee of the Board of Directors, the Working Regulations of the Nomination Committee of the Board of Directors and the Compliance Management Measures, in accordance with the latest regulatory requirements, to further optimize the process mechanism and enhance the efficiency of the proceedings; and to improve the mechanism for the protection of the performance of duties, so as to construct a more complete and scientific system.

In 2024, the Company will continue to monitor the latest regulatory developments such as the Company Law and the Guidelines for Sustainable Development Reporting (Trial) under the guidelines of the SSE, and timely revise and improve the Articles of Association and related basic management systems, providing more comprehensive and efficient basis for performance.

The Company will actively promote the diversification of the board structure and elect a female independent director; continue to implement the spirit of independent director reform, provide convenience for independent directors to perform their duties, effectively play the role of independent directors, and safeguard the interests of small and medium-sized investors from the perspective of the overall interests of the Company.

IV. STRENGTHENING INVESTOR COMMUNICATION

The Company pays attention to the reports of the public media on the Company, maintains communication with regulatory authorities, strictly implements relevant information disclosure systems, and conducts information disclosure truthfully, accurately, completely, timely and fairly. In 2023, our information disclosure continued to be standardized, and maintained at a B-level in the comprehensive evaluation of information disclosure on the Shanghai Stock Exchange. Interactive communication with investors was carried out through various channels such as shareholder meetings, performance briefing meetings, public phone calls for investors, and online Q&A platforms. The investor communication covered the aspects of macroeconomic environment, meso industry development, and micro enterprise management, and focused on the Company's operating performance, related party transactions, capital market performance and other aspects.

In 2024, the Company will focus on the following tasks: firstly, follow the principles of truthfulness, accuracy, completeness, timeliness, and fairness in information disclosure, effectively fulfill information disclosure obligations, and strive to improve the quality of information disclosure; secondly, actively answer investor hotlines, reply to questions from SSE e-interaction and IR email; pay attention to the dynamics of capital market and key concerns of investors, regularly report to the directors, supervisors and senior management, and facilitate channels for investor communication; thirdly, increase the frequency of on-site investor reception, allowing investors to visit the Company in person, understand the Company's production and operation situation, and effectively convey the value of the Company; fourthly, continue to strengthen media publicity, publicize the Company's scientific and technological innovation, smart manufacturing, green environmental protection and other production and operation related information through various channels such as the Company's official account, video account, mainstream news media, capital market media, and industry media, so that investors can understand and recognize the value of the Company.

V. VALUING INVESTOR RETURNS

The Company attaches great importance to rewarding investors. On 5 June 2024, the Company considered and approved the Proposal on the Repurchase of A Shares of the Company through Centralized Price Bidding to allow the Company to use its own funds to repurchase the shares of the Company through centralized price bidding. The repurchased shares were intended for equity incentives. The total amount of repurchase funds shall not be less than RMB50 million and shall not exceed RMB100 million. As of 21 June, a total of 32.8385 million shares had been repurchased, accounting for 0.368% of the total share capital of the Company; the total amount paid cumulatively was RMB34.7976 million (excluding transaction costs). The Company will carry out the repurchase plan as appropriate and fulfill its information disclosure obligations in a timely manner.

VI. STRENGTHENING THE RESPONSIBILITY OF “KEY MINORITIES”

The Company adopts a strict and meticulous work style, deeply implements the new business responsibility system of Baowu Group, strengthens performance and accountability, and clarifies responsibility. In 2024, the Company will focus on promoting the following tasks: firstly, actively organize and participate in relevant training held by official institutions such as the Shanghai Stock Exchange, the Chongqing Regulatory Bureau of the China Securities Regulatory Commission, and the Listed Company Association, to strengthen the compliance awareness of the “key minorities” and enhance their ability to perform their duties; secondly, strengthen supervision over controlling shareholders, actual controllers, and directors, supervisors and senior management in key core areas such as fund occupation, non-compliant guarantees, and related party transactions by way of independent directors performance, external audits and others; thirdly, continue to

implement regulations and accountability mechanisms that link the remunerations of directors, supervisors and senior management with the Company's operational performance, strengthen the sense of responsibility, and safeguard the interests of the Company and all shareholders in a better way.

VII. OTHER INSTRUCTIONS AND RISK WARNINGS

The Action Plan for “Improving Quality and Efficiency and Increasing Returns” for 2024 of the Company is prepared based on the current actual situation of the Company and does not constitute any performance commitment. The action plan may be affected by macro environment and policy adjustments in domestic and foreign markets in the future, and has certain uncertainties. Investors are advised to be rational and pay attention to investment risks.

The Company will continue to monitor the specific implementation of the Action Plan for “Improving Quality and Efficiency and Increasing Returns” for 2024, fulfill its information disclosure obligations in a timely manner, actively practice its responsibilities as a listed company controlled by a central enterprise, and strive to repay the long-term trust and attention of investors with good performance and sound corporate governance.

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

Chongqing, the PRC, 25 June 2024

As at the date of this announcement, the Directors of the Company are: Mr. Xie Zhixiong (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lin Changchun (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Sheng Xuejun (Independent Non-executive Director), Mr. Zhang Jinruo (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).