

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

VOLUNTARY ANNOUNCEMENT **ANNOUNCEMENT IN RELATION TO THE PURCHASE OF** **STRUCTURED DEPOSITS OR WEALTH MANAGEMENT** **PRODUCTS WITH SELF-OWNED FUNDS**

IMPORTANT NOTES:

- The amount of mandate: the maximum amount is less than RMB1 billion.
- Types of products: structured deposits or wealth management products with low risks, high security and strong liquidity.
- The term of mandate: effective within 12 months commencing from the date of mandate of the Board of the Company.
- At the 34th meeting of the eighth session of the Board of the Company, the Resolution Regarding the Mandate to the Management of the Company to Purchase Structured Deposits or Wealth Management Products with Self-owned Funds has been considered and approved. The matter is within the scope of approval of the Board of the Company and does not need to be submitted to the general meeting of the Company for consideration.

I. OVERVIEW OF THE INVESTMENT

(I) Purpose of the investment

Given that Chongqing Iron & Steel Company Limited (the “**Company**”) holds periodic idle self-owned funds, the Company intends to purchase structured deposits or wealth management products in order to improve the fund utilisation efficiency and increase the income from capital operation without affecting the normal production and operation.

(II) Source of funds

The self-owned funds of the Company.

(III) Amount of the investment

The Company intends to purchase structured deposits or wealth management products with self-owned funds with a maximum limit of less than RMB1 billion and utilise on a rolling basis within the said limit.

(IV) Types of the investment

Structured deposits or wealth management products with low risks, high security and strong liquidity.

(V) Qualification of the investment trustee

Financial institutions with legitimate operation qualifications.

(VI) Term of the investment

The investment shall be effective within 12 months commencing from the date of mandate of the board of directors (the “**Board**”) of the Company. The Company will determine the specific investment term based on its position of the self-owned funds and operation plans, and the investment term of a single structured deposit or wealth management product shall not exceed 12 months.

As at the date of this announcement, the Company has not entered into any agreement in respect of the authorized investment aforesaid.

II. INVESTMENT RISKS AND RISK CONTROL ANALYSIS

The Company has purchased structured deposits and wealth management products with low risks, high security and strong liquidity with its self-owned funds, which is considered as a low-risk investment. Nevertheless, the investment return will be subject to certain uncertainties given that the financial market is greatly affected by the macro-economy and regulating policies.

Based on the principle of safeguarding the interests of the shareholders and the Company, the Company will give top priority to risk prevention, exercise caution in making decisions on investment in structured deposits or wealth management products, follow up on the operation of the funds for structured deposits and wealth management products in a timely manner, assess the risk factors that may affect the safety of the funds of the Company, and take response measures in a timely manner to control investment risks.

III. IMPACT OF THE INVESTMENT ON THE COMPANY

The Company holds periodic idle self-owned funds. In order to improve the fund utilisation efficiency and increase the income from the operation of the funds, the Board of the Company has authorized the management to purchase structured deposits or wealth management products, on the basis that the normal production and operation of the Company will not be affected, which is conducive to the Company in capturing investment opportunities in a flexible manner to improve the efficiency of the utilization of the funds and reduce finance costs.

By order of the Board
Chongqing Iron & Steel Company Limited
Liu Jianrong
Chairman

Chongqing, the PRC, 27 February 2021

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