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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)

INDICATIVE ANNOUNCEMENT ON CHANGES IN INDIRECT CONTROLLING SHAREHOLDER

References are made to the Announcement on Changes of Undertakings by Indirect Controlling Shareholder and De Facto Controller dated 30 October 2018 and the circular dated 20 November 2018 in relation to (1) Changes of Undertakings by Indirect Controlling Shareholder and De Facto Controller; (2) Proposed Amendments to the Articles of Association and (3) Notice of 2018 Second Extraordinary General Meeting of Chongqing Iron & Steel Company Limited (the “**Company**” or “**Chongqing Iron & Steel**”).

I. BACKGROUND OF THE CHANGES

On 27 April 2018, the People’s Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission and the State Administration of Foreign Exchange jointly issued the Guideline on Regulating Asset Management Business of Financial Institutions (《關於規範金融機構資產管理業務的指導意見》) (Yin Fa [2018] No. 106) (the “**New Regulation on Asset Management**”). According to Clause 22 of the New Regulation on Asset Management, asset management products may reinvest in other asset management products provided that the asset management products invested shall not reinvest in other asset management products other than public securities investment funds.

To ensure satisfaction of the requirements under the New Regulation on Asset Management and provide a good foundation for the future development of Chongqing Changshou Iron & Steel Company Limited (重慶長壽鋼鐵有限公司) (“**Changshou Iron & Steel**”) or Chongqing Iron & Steel, Siyuanhe (Shanghai) Steel Industry Equity Investment Fund Center (LP) (四源合(上海)鋼鐵產業股權投資基金中心(有限合夥)) (“**Siyuanhe Fund**”) shall transfer all of its equity interests in Changshou Iron & Steel to Siyuanhe (Chongqing) Iron & Steel Industrial Development and Equity Investment Fund Partnership (Limited Partnership) (四源合(重慶)鋼鐵產業發展股權投資基金合夥企業(有限合夥)) (“**Siyuanhe Industrial Development Fund**”) controlled by Siyuanhe Equity Investment Management Co., Ltd. (四源合股權投資管理有限公司) (“**Siyuanhe Investment**”). The shareholding and governance structure with Changshou Iron & Steel as the controlling shareholder of Chongqing Iron & Steel and Siyuanhe Investment as the de facto controller of Chongqing Iron & Steel will remain unchanged.

II. BASIC INFORMATION ON THE CHANGES

(I) Basic information on Siyuanhe Industrial Development Fund

Name of enterprise	Siyuanhe (Chongqing) Iron & Steel Industrial Development and Equity Investment Fund Partnership (Limited Partnership)
Authorised representative	Zhou Zhuping
Capital commitment	RMB4,575,000,000
Type of enterprise	Partnership
Unified social credit code	91500115MA6046BC4U
Registered address	Room 1-1, No. 20 Qixin Avenue, Yanjia Sub-district, Changshou District, Chongqing
Scope of business	Equity investment (It is not allowed to take public deposits or take public deposits in any disguised form, grant loans or engage in securities, futures and other financial business; or provide payment settlement and personal wealth management services; and businesses subject to approval under laws and administrative regulations shall be carried out with approvals)

(II) Changes in the equity interests before and after the changes

Name of shareholder	Before the changes in equity		After the changes in equity	
	Registered capital	Percentage of shareholding	Registered capital	Percentage of shareholding
Siyuanhe Industrial Development Fund	–	0.00%	RMB3,000,000,000	75.00%
Siyuanhe Fund	RMB3,000,000,000	75.00%	–	0.00%
Chongqing Strategic Emerging Industry Equity Investment Fund Partnership (Limited Partnership)	<u>RMB1,000,000,000</u>	<u>25.00%</u>	<u>RMB1,000,000,000</u>	<u>25.00%</u>
Total share capital	<u>RMB4,000,000,000</u>	<u>100.00%</u>	<u>RMB4,000,000,000</u>	<u>100.00%</u>

Before the changes, Siyuanhe Fund held 75% equity interests in Changshou Iron & Steel and was the controlling shareholder of Changshou Iron & Steel. It held 2,096,981,600 shares of Chongqing Iron & Steel through Changshou Iron & Steel, which held 23.51% of the total share capital of Chongqing Iron & Steel. Therefore, Siyuanhe Fund indirectly controlled Chongqing Iron & Steel.

After the changes, Siyuanhe Industrial Development Fund will hold 75% equity interests in Changshou Iron & Steel and will become the controlling shareholder of Changshou Iron & Steel. It will hold 2,096,981,600 shares of Chongqing Iron & Steel through Changshou Iron & Steel, which holds 23.51% of the total share capital of Chongqing Iron & Steel. Therefore, Siyuanhe Industrial Development Fund will indirectly control Chongqing Iron & Steel.

(III) Shareholding structure after the changes



In accordance with the relevant provisions of the Shanghai Stock Exchange, the information disclosure obligor shall prepare a report on changes in equity in relation to the changes in shareholding. For details, please refer to the Detailed Report on Changes in Equity of Chongqing Iron & Steel Company Limited and the Simplified Report on Changes in Equity of Chongqing Iron & Steel Company Limited published by the Company as overseas regulatory announcement on the same date (Chinese versions only).

By order of the Board
Chongqing Iron & Steel Company Limited
Meng Xiangyun
Secretary to the Board

Chongqing, the PRC, 22 December 2018

As at the date of this announcement, the Directors of the Company are: Mr. Zhou Zhuping (Non-executive Director), Mr. Zheng Jie (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).