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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 POTENTIAL DISCLOSEABLE TRANSACTION PARTICIPATION IN AUCTION FOR THE TARGET ASSETS

The board of directors (the “**Board**”) of Chongqing Iron & Steel Company Limited (the “**Company**”) considered and approved the resolution on the Company’s participation in the auction for the assets of the No. 2 steelmaking series, the 4100mm wide and heavy plates, 2700mm sheets, wires, bars and section production lines for the steel rolling (the “**Target Assets**”) and proposed to participate in the auction for the Target Assets (the “**Potential Acquisition**”). The Target Assets held by Chongqing Iron & Steel (Group) Co., Ltd. (“**CISG**”) have been officially listed on the Chongqing United Assets and Equity Exchange, and the listed transaction price is RMB1,080,659,977.20 (the “**Listing Price**”). Upon successful bidding, the buyer and seller shall sign a contract and pay the purchase price in accordance with the listing conditions and relevant rules.

1. OVERVIEW OF THE TRANSACTION

(1) Basic information

After the Company’s judicial restructuring in 2017, CISG acquired the Target Assets originally owned by the Company. In order to ensure the continuing and stable production and operation, the Company has been leasing to use the Target Assets purchased by CISG at a monthly rent of RMB13.75 million (tax included) since 2018.

CISG has publicly listed the Target Assets for disposal on the Chongqing United Assets and Equity Exchange, with the Listing Price of RMB1,080,659,977.20. In order to ensure the continuing and stable production and operation and support the high-quality development of products, the Company proposed to participate in the auction for the Target Assets.

2. INFORMATION ON THE TRANSFEROR

Company name:	Chongqing Iron & Steel (Group) Co., Ltd.
Company type:	Limited liability company (wholly state-owned)
Date of establishment:	19 January 1982
Registered capital:	RMB1,650,706,543.56
Shareholding information:	100% owned by the Chongqing State-owned Assets Supervision and Administration Commission.
Scope of business:	<p>Permitted activities: construction engineering design.</p> <p>General activities: business management; manufacturing of metal materials; sales of metal materials; sales of foundry machinery; manufacturing of foundry machinery; manufacturing of household appliances; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; wholesale of electronic components; manufacturing of weighing apparatus; sales of timber; sales of metal ores; domestic freight transport agency; leasing of non-residential real estate; leasing of residential property; leasing of land use rights; property management; information consulting services (excluding licensed information consulting services); conference and exhibition services; parking services; business agency services; planning and design management; asset management, investment, and property rights trading within the scope of authorisation.</p>

3. BASIC INFORMATION ON THE TARGET ASSETS

The Target Assets for which the Company proposed to participate in the auction this time include:

1. Thick plate production line: commissioned in April 2010, with the main products being 4,100mm plates;
2. Medium plate production line: commissioned in January 2012, with the main products being 2,700mm plates;

3. No. 2 Steel Plant production line: commissioned in April 2013, with the main products being steel used in the three lines, namely, wire, bar and section; of which the main products of the wire production line are rebars and high-quality round steel; the main products of the bar production line are ϕ 16- ϕ 50 rebars; and the main products of the section production line are ϕ 8- ϕ 22 rebars.

The Target Assets are currently leased to the Company by CISG. According to the latest Asset Leasing Contract signed between the Company and CISG, the rent is RMB13.75 million/month (tax included), and the lease expires on 31 December 2025.

4. LISTING STATUS OF THE TARGET ASSETS AND MAIN TRADING CONDITIONS

On 21 March 2025, the Target Assets held by CISG were officially listed on the official website of Chongqing United Assets and Equity Exchange, and the listing information is as follows:

Project name:	A group of assets including the 4100mm wide and heavy plate production line and others held by Chongqing Iron & Steel (Group) Co., Ltd.
Trading method:	Online bidding
Listing period:	21 March 2025 to 27 March 2025
Listing price:	RMB1,080,659,977.20
Transaction deposit:	RMB10 million
Payment method:	After the transferee is determined, the transaction parties shall process matters such as contract signing and payment of the purchase price in accordance with the listing conditions and relevant rules.

5. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is a joint stock limited company incorporated in the PRC and is mainly engaged in the manufacturing and sales of steel products such as medium and thick steel plates, profiles and wires. The Target Assets are indispensable for the Company's production and operation, and the steel production lines involved comply with the national "Guiding Catalogue of Industrial Structure Adjustment (2024 Version)" and national policy requirements for production capacity. The bidding is an important measure to maintain the Company's sustainable and stable production and operation, to support the high-quality development of the Company's core business and to optimise the Company's product structure, which is conducive to supporting the Company to become a leader in the iron and steel industry in Southwest China. Based on its current financial position and capital situation, the Company has conducted a prudent assessment of its participation in the bidding of the Target Assets and holds a general view that the Company has the ability to purchase.

6. LISTING RULES IMPLICATIONS

According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and calculated on the Listing Price, the applicable percentage ratios (as defined in the Listing Rules) in respect of the Potential Acquisition are more than 5% but less than 25%. The Potential Acquisition, if implemented, is expected to constitute a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. There is uncertainty as to whether the online bidding participated by the Company will be successful. Necessary disclosures will be made in due course in accordance with the relevant requirements of the Listing Rules.

7. RISKS INVOLVED IN BIDDING

There is uncertainty as to whether the online bidding participated by the Company will be successful. The Company shall fulfil its information disclosure obligations in a timely manner based on relevant progress. Investors are advised to make decisions prudently and be aware of investment risks.

By order of the Board
Chongqing Iron & Steel Company Limited
Kuang Yunlong
Secretary to the Board

Chongqing, the PRC, 27 March 2025

As at the date of this announcement, the directors of the Company are: Mr. Wang Huxiang (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Kuang Yunlong (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), Ms. Tang Ping (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).