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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 ABSORPTION AND MERGER OF A WHOLLY-OWNED SUBSIDIARY

On 6 March 2023, the Resolution on the Absorption and Merger of a Wholly-owned Subsidiary was considered and approved at the 21st meeting of the ninth session of the board of directors of Chongqing Iron & Steel Company Limited (the “**Company**”). The details are set out as follows:

I. TRANSACTION OVERVIEW

Xingang Changlong Logistics Co., Ltd. (“**Xingang Changlong**”) is a wholly-owned subsidiary of the Company, and its personnel and business are managed on a discretionary basis by the logistics and transportation department of the Company. The main businesses of Xingang Changlong (loading, unloading and transportation) are closely related to the Company’s production, and its operations are mainly derived from the Company. In order to deepen the reform and improve the operation efficiency, the Company intends to absorb and merge Xingang Changlong in accordance with the statutory procedures.

The absorption and merger does not constitute a connected transaction, nor does it constitute a material asset reorganization. According to the relevant laws and regulations including the Company Law of the People’s Republic of China and the requirements of the Articles of Association, the absorption and merger shall be submitted to the general meeting of the Company for consideration and approval.

II. BASIC INFORMATION OF THE MERGED PARTY

Name of the enterprise: Chongqing Xingang Changlong Logistics Co., Ltd.

Address of the enterprise: Zone D, Yanjia Industrial Park, Chongqing

Type of the enterprise: limited liability company (sole investment by legal person)

Legal representative: Fu Bin (傅斌)

Registered capital: RMB110,000,000

Unified social credit code: 915001156664186811

Scope of business: general projects: freight forwarding; shipping agency; through-freight traffic agency; automobile transportation agency; transportation technical consultation; provision of cargo handling (groceries) and warehousing (excluding hazardous articles warehousing). (Except for items that are subject to approval in accordance with the laws, the business activities shall be conducted independently with the business licenses in accordance with the laws)

Whether it is a dishonest person subject to enforcement: No

Recent major financial information:

	<i>Currency: RMB Unit: 0,000</i>	
	January – December 2021 <i>(audited)</i>	January – December 2022 <i>(unaudited)</i>
Operating income	7,417.63	6,233.55
Net profit	537.26	236.45
	January – December 2021 <i>(audited)</i>	January – December 2022 <i>(unaudited)</i>
Total assets	25,065.65	24,815.04
Net asset	10,155.03	10,400.64

III. METHOD, SCOPE AND RELATED ARRANGEMENTS OF THE ABSORPTION AND MERGER

1. Method of the absorption and merger: The Company will merge all assets, creditor's rights and debts, personnel and all other rights and obligations of Xingang Changlong by way of absorption and merger. Upon completion of the absorption and merger, the Company's going concern, company name and registered capital, etc. shall remain unchanged, and the independent legal person status of Xingang Changlong shall be deregistered.
2. Upon completion of the absorption and merger, all assets, creditor's rights and debts, personnel and all other rights and obligations of Xingang Changlong shall be succeeded by the Company in accordance with the law.
3. In accordance with the requirements of laws and regulations, both parties will sign relevant agreements, prepare balance sheets and property lists, perform procedures of notifying creditors and public announcement, and jointly handle procedures of assets transfer, change of ownership, tax liquidation, industrial and commercial deregistration and other procedures as required by the laws and regulations or regulatory requirements.

IV. AUTHORIZATION FOR MATTERS RELATED TO THE ABSORPTION AND MERGER

According to the Company Law of the People's Republic of China and the Articles of Association, the absorption and merger shall be submitted to the general meeting of the Company for consideration and approval. The board of directors shall propose to the general meeting to grant a mandate to the management of the Company to be responsible for the specific organization and implementation of all matters relating to the absorption and merger, including but not limited to the execution of the relevant agreements, transfer of related assets, relocation of personnel, tax liquidation, change in industrial and commercial registration, cancellation of registration and other matters. The authorization shall be valid from the date of consideration and approval by the general meeting to the completion of all matters in relation to the merger and absorption.

V. PURPOSE ON THE ABSORPTION AND MERGER AND IMPACT ON THE COMPANY

1. The absorption and merger is beneficial to the Company in further improving the management structure, enhancing operation efficiency, reducing management cost, and is in line with the development strategy of the Company. Xingang Changlong is a wholly-owned subsidiary of the Company, its operations are mainly derived from the Company and its financial statements are already consolidated into the consolidated statements of the Company. The absorption and merger is an internal equity integration matter, which does not have any impact on the financial position and operating results of the Company and will not impair the interests of the Company and the shareholders as a whole.
2. The absorption and merger does not involve any change in the name, registered capital or shareholding structure of the Company, and the composition of the board of directors, board of supervisors and senior management of the Company remains unchanged.

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

Chongqing, the PRC, 7 March 2023

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. Lai Xiaomin (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).