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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)

### **FURTHER ANNOUNCEMENT ON EMPLOYEE SHARE OWNERSHIP PLAN**

Reference is made to the circular (the “**Circular**”) published by Chongqing Iron & Steel Company Limited (the “**Company**”) on 25 April 2018 regarding, inter alia, the proposed adoption of the Employee Share Ownership Plan. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meaning as defined in the Circular.

The 2018–2020 Employee Share Ownership Plan of the Company has been approved by the 2017 annual general meeting (the “**General Meeting**”) of the Company. As authorised by the General Meeting and as resolved in the fifth meeting of the eighth session of the board of directors (the “**Board**”), the Board of the Company has set up the first phase of the Employee Share Ownership Plan. Save as updated or supplemented below, the first phase of the Employee Share Ownership Plan will be carried out in accordance with the draft Plan disclosed in the Circular:

1. The daily management of the current phase of the Employee Share Ownership Plan shall be handled by an asset management company entrusted by the Management Committee of the Employee Share Ownership Plan (but not by the Company itself), which shall provide management, consultation and other services for the daily management of the Plan.

2. The personnel entitled to the current phase of the Employee Share Ownership Plan include executive directors, supervisors, senior management, core management, and core business and technical personnel, which shall not exceed 111 persons in total. 9 of them are directors, supervisors and senior management, who are given a share of 51% in aggregate out of the entire share under the current phase of the Employee Share Ownership Plan. The other Holders are given a share of 49% out of the entire share under the current phase of the Employee Share Ownership Plan. The Management Committee of the Employee Share Ownership Plan may adjust the interests of the Holders during the term based on the changes in and assessment of employees.
3. Holders of the current phase of the Employee Share Ownership Plan participated in the Plan by making contributions with intellectual capital. The source of funds for the current phase of the Employee Share Ownership Plan is the bonus fund withdrawn by the Company and provision is made at 3.125% of the total profit (before the withdrawal of the bonus fund) under the audited consolidated statements for 2018.

For details, please refer to the full text of the first phase of the Employee Share Ownership Plan (Chinese version only) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) on the same date.

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

Chongqing, the PRC, 20 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) Mr. Wong Chunwa (Independent Non-executive Director), and Mr. Zheng Yuchun (Independent Non-executive Director).*