

# NOTICE OF 2002 ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN** that the 2002 Annual General Meeting of Chongqing Iron & Steel Company Limited (the "Company") will be held at the 3rd Conference Hall of the Company at Dadukou District, Chongqing, the PRC on Wednesday, 16th April, 2003 at 9:30 a.m. for the following purposes:

As ordinary resolutions:

1. to review and approve the report of the Board of Directors for the year 2002;
2. to review and approve the report of the Supervisory Committee for the year 2002;
3. to review and approve the audited accounts and the auditors' report for the year 2002;
4. to review and approve the profit distribution proposal for the year 2002 and distribution of final dividends;
5. to review and approve the authorisation of the Board of Directors to determine whether to declare interim dividends for the year 2003;
6. to reappoint PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian Certified Public Accountants as the international auditors and the PRC auditors of the Company respectively, and authorise the Board of Directors of the Company to fix their remuneration.

As special resolutions:

7. to approve the Company to amend the Articles of Association of the Company as follows:-
  - (1) to amend Article 92 of the Articles of Association of the Company "The Company has a Board of Directors consisting of 7 directors and a chairman. Amongst the directors, 5 of whom are executive directors responsible for handling the daily affairs of the Company and the remaining 2 members are non-executive directors who do not responsible for handling the daily affairs of the Company." to read "The Company has a Board of Directors consisting of 9 members and a chairman. Amongst the directors, 3 of whom are non-executive directors".
  - (2) To amend Article 13 "The principal scope of businesses of the Company include production and sale of steel plates, steel sections, wire rods and steel billets" to read "The principal scope of businesses of the Company include production, processing and sale of steel plates, steel sections, wire rods, steel rods and steel strip. To amend "the supplementary businesses of the Company include production and sale of coking coal and coal chemical products, power generation, coal gas, water supply, pig iron and water granulated slag, steel granulated slag and scrap iron" to read "the supplementary businesses of the Company include production and sale of coking coal and coal chemical products, power generation, fired gas, water supply, pig iron and water granulated slag, steel granulated slag and scrap iron"

As ordinary resolutions:

8. to elect members of the third Board of Director (including independent directors) and members (representatives of shareholders) of the third Supervisory Committee, fix their remunerations and determine the terms of the service contracts (including remuneration provisions) of the relevant directors and supervisors;

# NOTICE OF 2002 ANNUAL GENERAL MEETING (CONTINUED)

The Board of Directors hereby represents that according to the requirements of the Articles of Association of the Company, Chongqing Iron and Steel (Group) Company Limited, a shareholder of the Company, and the Board of Directors of the Company nominated Messrs. Tang Min Wei, Yuan Jin Fu, Chen Shan, Sun Yi Jie, Yang Zhi Wei, Tu De Ling, Wang Xiang Fei, Wu Zhong Fu and Sun Yu as candidates for directors of the third Board of Directors and Chongqing Iron and Steel (Group) Company Limited and the Supervisory Committee of the Company nominated Messrs. Zhu Jian Pai, Huang You He and Wu Zi Sheng and Ms. Yuan Xue Bin as candidates for supervisors (representatives of shareholders) of the third Supervisory Committee.

9. to authorise the Secretary to the Board of Directors to handle such formalities as application for approval, registration and filing as may be necessary in relation to replacements of members of the Board of Directors and the Supervisory Committee on behalf of the Company;
10. to review and approve the Rules of Procedures for Annual General Meetings (股東大會議事規則) of Chongqing Iron & Steel Company Limited;
11. to review and approve the Rules of Procedures for the Board of Directors' Meetings (董事會議事規則) of Chongqing Iron & Steel Company Limited;
12. to review and approve the Rules of Procedures for the Supervisory Committee's Meetings (監事會議事規則) of Chongqing Iron & Steel Company Limited;
13. to review and approve the System for Independent Directors (獨立董事制度) of Chongqing Iron & Steel Company Limited.

By order of the Board  
**You Xiao An**  
Secretary to the Board of Directors

27th February 2003

*Notes:*

*I. Eligibility for attending the Annual General Meeting*

*Shareholders whose names appear on the register of members of the Company at the close of business on 14th March 2003 are entitled to attend the Annual General Meeting upon completion of the necessary registration procedures.*

*II. Registration procedures for attending the Annual General Meeting*

1. *Shareholders intending to attend the Annual General Meeting are required to deposit the written reply slip with the Company by 4:00 p.m. on 27th March 2003.*
2. *Register of members of the Company will be closed from 17th March 2003 to 16th April 2003 (both days inclusive) during which no transfer of shares will be effected. Holders of H Shares of the Company intending to attend the Annual General Meeting are required to lodge their respective instrument of transfer and the relevant share certificates to Hong Kong Registrars Limited, the Registrars of the Company, by 4:00 p.m. on 14th March 2003.*

*III. Proxies*

1. *Any shareholders entitled to attend the Annual General Meeting are entitled to appoint one or more proxies (whether he is a shareholder or not) to attend and vote at the meeting on his behalf. Each shareholder (or his proxy) shall have one vote for each share held.*
2. *To be valid, shareholders appointing a proxy must be made in writing under the hand of the appointee or his attorney duly authorised in writing. If the form of proxy is signed by the attorney on behalf of the appointee, the power of attorney or other authority must be notarized. The notarized power of attorney or other authority must be lodged with the Hong Kong Registrars Limited no less than 24 hours before the time appointed for the holding of the Annual General Meeting (or appointed for voting).*
3. *For the shareholders appointing more than one proxy, the voting right can only be exercised when a poll is taken.*

# NOTICE OF 2002 ANNUAL GENERAL MEETING (CONTINUED)

IV. New members to the 3rd Board of Directors and the Supervisory Committee of the Company will be elected at the meeting. Any shareholders holding 5% or more (inclusive of 5%) of the entire issued shares of the Company are eligible to attend and vote at the meeting and to nominate candidates for directors and supervisors, provided that a written notice in connection therewith must be given to the Company 7 days before the holding of the meeting and a written notice in respect of the acceptance of nomination by such candidates shall be delivered to the Company 7 days (but no more than 42 days) before the holding of the meeting. The terms of the next Board of Directors and Supervisory Committee will commence from 16th April 2003 for three years.

V. Profiles of candidates for directors:

Mr. Sun Yu, aged 41, is a partner and a solicitor of 重慶百君律師事務所, a standing committee member of Chongqing Industrial and Commercial Union, a standing executive committee member of Chongqing Law Society and an executive member of Chongqing Overseas Union. Mr. Sun graduated from the Faculty of Law of Xinan Zhengfa University with a bachelor's degree and a master's degree in laws.

Mr. Yuan Jin Fu, aged 40, is a Director and the Chief Accountant of the Holding Company. Mr. Yuan obtained a bachelor's degree from Economics and Management Professional University and holds the title of senior accountant. Mr. Yuan joined the Holding Company in 1981 and had been the deputy head, the head of the composite section of the finance office and the deputy head and the head of the department and the deputy chief accountant.

(Please refer to the Annual Report 2002 of the Company for the profiles of other candidates for directors)

VI. Profiles of candidates for supervisors:

Mr. Wu Zi Sheng, aged 40, is the Head of the Human Resources Office of the Company. Mr. Wu obtained a bachelor's degree from Economics and Management Professional University and is currently a postgraduate student of business administration of Chongqing University on part-time basis and is a senior economist. Mr. Wu joined the Holding Company in 1981 and had served as the Secretary to the Party Committee and the head of the labour training section of the Coking Plant, the assistant to the head of the Iron Smelting Plant and the assistant to the head of the labour and corporate affairs department of the industrial office of such plant, the Secretary to the Communist Party Committee, the Chairman of the labour union of the Steel Casting Company, deputy head and the head of the personnel department of the Company.

(Please refer to the Annual Report 2002 of the Company for the profiles of other candidates for supervisors)

VII. Nominators' declarations on candidates for independent directors;

## NOMINATOR'S DECLARATION ON INDEPENDENT DIRECTOR

The nominator, Chongqing Iron & Steel (Group) Company Limited, does publicly declare its nomination of Mr. Sun Yu as candidate for independent director of the 3rd Board of Directors of Chongqing Iron & Steel Company Limited. The nominee has absolutely no relationship with Chongqing Iron & Steel Company Limited which affects the independence of the nomination. The particulars are as follows:

This nomination is made in full knowledge of the nominee's profession, academic background, professional posts, detailed work experience, and all other concurrent posts (see the appendix for the profile of the nominee. The nominee has already given written consent to be appointed as candidate for independent director of Chongqing Iron & Steel Company Limited's 3rd Board of Directors (note: Declaration of the Candidate for Independent Director is enclosed). The nominator is of the opinion that the nominee:

1. Is qualified to be a director of a listed company based on statutes, administrative laws and regulations and other stipulations.
2. Complies with the conditions of employment in the Articles of Association of Chongqing Iron & Steel Company Limited.
3. Has the independence required by the "Opinions Related to Guidance on the Setting Up of a System of Independent Directors for Listed Companies" by the China Securities Regulatory Commission;
  - (i) Neither the nominee nor his direct relations, nor other important social connections may be employed by Chongqing Iron & Steel Company Limited or its associates;
  - (ii) Neither the nominee nor his direct relations are shareholders holding either directly or indirectly 1% of the issued shares of Chongqing Iron & Steel Company Limited, nor are they amongst the ten largest shareholders of Chongqing Iron & Steel Company Limited;
  - (iii) Neither the nominee nor his direct relations may hold office as shareholders holding more than 5% of the issued shares of Chongqing Iron & Steel Company Limited, nor may they hold office as a top five shareholder in such company;
  - (iv) Over the past year, the nominee has not fit any of the criteria in the above three points.
  - (v) The nominee is not an employee providing such services as financial, legal, management consultancy or technical consultancy to such company or its associates.

# NOTICE OF 2002 ANNUAL GENERAL MEETING (CONTINUED)

4. *The nominee may not concurrently hold more than five posts of independent director in listed companies, including Chongqing Iron & Steel Company Limited.*

*The Company pledges the veracity, completeness and correctness of the above declaration and that it does not contain any false statements or misleading elements. The Company is fully aware of the possible consequences of making false declarations.*

*Nominator: Chongqing Iron & Steel (Group) Company Limited  
24th February 2003*

VIII. *Declaration of candidate for independent director*

**DECLARATION OF THE CANDIDATE FOR INDEPENDENT DIRECTOR**

*Sun Yu, the declarer, as a candidate for independent director for the 3rd Board of Director of Chongqing Iron & Steel Company Limited (the "Company"), hereby publicly declares, I assure that there are no relations between myself and the Company which may affect my independence. Particulars of the declaration are as follows:*

1. *Neither myself nor my direct relations, nor other important social connections are employed by the Company or its associated companies;*
2. *Neither myself nor our direct relations are shareholders holding either directly or indirectly 1% or above of the Company's issued shares;*
3. *Neither myself nor our direct relations are amongst the ten largest shareholders of the Company;*
4. *Neither myself nor our direct relations are shareholders holding either directly or indirectly 5% or above of the Company's issued shares;*
5. *Neither myself nor our direct relations are amongst the five largest shareholders of the Company;*
6. *Over the part year, I have not fit any of the criteria in the above five points;*
7. *I do not provide such services as financial, legal, management consultancy or technical consultancy to the Company or its associated companies;*
8. *I have not received any other benefits from the Company, its major shareholders or interested institutions and employees which have not been disclosed;*
9. *I comply with the conditions of employment set out in the Article of Association of the Company.*

*In addition, including Chongqing Iron & Steel Company Limited, I do not concurrently hold the post of independent director in more than five listed companies.*

*I am fully aware of the responsibilities attached to the post of independent director and pledge the veracity, completeness and correctness of the above declaration and that it does not contain any false statements or misleading elements. I am fully cognisant of the possible consequences of making false declarations. The China Securities and Regulatory Commission may ascertain my independence and employment qualifications from this declaration. During my tenure as independent non-executive director of the Company, I will comply with the requirements of the regulations, stipulations and notices promulgated by the China Securities and Regulatory Commission, I will ensure that I have enough time and energy to carry out my obligations, that my judgement will be independent and that I will not be affected by the Company's major shareholders, the practical controlling personages, or other units or individuals which have interests in the Company.*

*Declarer: Sun Yu  
26 February 2003, Chongqing*

IX. *Miscellaneous*

1. *Shareholders attending the Annual General Meeting shall be responsible for their own travel and accommodation expenses.*
2. *Information may be despatched by hand, post or facsimile.*
3. *Address of the Hong Kong Registrars Limited is as follows:  
Room 1901-1905, 19/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong*
4. *Office of the Board Secretary of Chongqing Iron & Steel Company Limited  
Address: No. 30, Gangtie Road, Dadukou District, Chongqing  
Postal Code: 400084  
Tel: 8623-68842582/68845430  
Fax: 8623-68849520/68846070*