

OTHER DISCLOSABLE EVENTS

SHAREHOLDERS' MEETINGS

As at the Reporting Date, the following shareholders' meetings of the Company were held:

(1) Details of the 2002 Annual General Meeting

The Annual General Meeting of the Company was held on 16 April. At the meeting, the report of the Board of Directors, the audited accounts and the auditors' report, profit distribution proposal and the distribution of final dividends for the year 2002 were considered and approved; members of the third Board of Directors and shareholders' representatives to the third Supervisory Committee of the Company were elected; the Rules of Procedures for General Meetings, the Rules of Procedures for Board of Director's Meetings, the Rules of Procedures for Supervisory Committee's Meetings and the System for Independent Directors were approved as ordinary resolutions; and the amendments to the Company's Articles of Association were considered and approved as a special resolution.

(2) Details of the General Meetings for Holders of H shares and Domestic Shares

The General Meetings for Holders of H shares and Domestic Shares of the Company were held on 16 April. The following proposal was considered and approved as a special resolution:

Approved the Company's issuance of additional Renminbi denominated ordinary shares (A shares) to the public to increase capital on relevant terms and conditions.

(3) Details of the 2002 Extraordinary General Meeting

The Extraordinary General Meeting of the Company was held on 16 April. At the meeting, the following proposals were considered and approved as special resolutions:

1. Approved the Company's issuance of additional Renminbi denominated ordinary shares (A Shares) to the public to increase capital on the relevant principal terms and conditions:

OTHER DISCLOSABLE EVENTS (CONTINUED)

SHAREHOLDERS' MEETINGS (CONTINUED)

2. Approved the use of proceeds to be raised from issuance of additional A shares set out in resolution 1 passed at the General Meeting;
3. Approved the feasibility report for the steel strip project of Chongqing Iron & Steel Company Limited;
4. Approved amending the Articles of Association of the Company;
5. Approved the authorisation of the Board of Directors to handle, at their own discretion, any matters related to the issuance of additional A Shares;
6. Approved the undistributed profits of the Company generated before the issuance of additional A Shares to be shared among its existing and new shareholders after the completion of the issuance of additional A Shares;
7. Approved Explanation on the Use of the Previous Proceeds; and
8. Approved the resolution in relation to ratifying the change in the use of proceeds from the issuance of H shares.

Details of the above resolutions at the general meetings have been published in the Wen Wei Po and The Standard of Hong Kong and in the China Securities Journal dated 17 April 2003.

OTHER DISCLOSABLE EVENTS (CONTINUED)

THE BOARD OF DIRECTORS

All the members of the Company had diligently carried out their duties in accordance with the law and implemented the resolutions passed at the shareholders' meetings in a proactive manner.

As at the Reporting Date, the Board of Directors convened three meetings:

1. On 27 February, the eighth meeting of the second Board of Directors of the Company was held, at which the report, annual results announcement and amendments to the Articles of Association for the year 2002; the Rules of Procedures for General Meetings, the Rules of Procedures for Board of Director's Meetings and the System for Independent Directors were approved as ordinary resolutions; the amendments to the Company's Articles of Association were considered and approved. Various rules and regulations for the Board of Directors were considered and approved for implementation, which included Work Rules for the General Manager, Work Rules for the Secretary to the Board of Directors, Implementing Rules for Connected Transactions, Internal Audit System, Financial and Accounting System, Internal Fund Management System, Decision-making System for Providing Security for Foreign Parties, Work Procedures for Investment Decision Making, System for the Management of Information Disclosure and Procedures for the Management of Proceeds. The proposal to set up an audit committee was approved and duties thereof were defined. Proposals such as the qualifications, proposed plan, use of proceeds, accumulation of profits of the Company to be shared by existing and new shareholders upon completion of the issuance in respect of the issuance of additional A shares were approved.
2. On 16 April, the first meeting of the third Board of Directors of the Company was held, at which the chairman of the third Board of Directors was elected; the chairman and members of the second Audit Committee were appointed; the proposal to extend the operating terms of 13 sales branches of the Company was considered and approved; and members of the audit office were appointed.

OTHER DISCLOSABLE EVENTS (CONTINUED)

THE BOARD OF DIRECTORS (CONTINUED)

3. On 21 August, the second meeting of the third Board of Directors of the Company was held, at which matters such as the interim financial accounts the interim results announcement and interim report for the year 2003 as well as the proposal on the establishment of an Ad Hoc Committee of the Board of Directors and Work Procedures for Ad Hoc Committee of the Board of Directors were considered and approved.

AUDIT COMMITTEE

The first Audit Committee of the Company was set up on 19 April 2000. On 16 April 2003, the Board of Directors of the Company appointed Mr. Wang Xiang Fei as chairman of the second Audit Committee and Mr. Wu Zhong Fu and SunYu as members thereof.

As at the Reporting Date, the Audit Committee convened two meetings:

1. On 26 February, the fifth meeting of the first Audit Committee was held, at which the Company's audited accounts and the overseas auditors' report for the year 2002 and internal control report were considered and approved, and connected transactions of the Company in 2002 and various proposals such as the establishment of an audit office were approved.
2. On 19 August, the first meeting of the second Audit Committee was held, at which various matters, including the Company's 2003 interim accounts, interim report were considered and approved.

OTHER DISCLOSABLE EVENTS (CONTINUED)

SUPERVISORY COMMITTEE

The Supervisory Committee of the Company had diligently performed their duties in strict compliance with the provisions of laws, regulations and the Articles of Association of the Company to safeguard the lawful interests of the Company and the shareholders. On 16 April 2003, supervisors as representatives of shareholders for the third term were elected at the Annual General Meeting of the Company.

As at the Report Date, the Supervisory Committee convened three meetings:

1. On 26 February, the seventh meeting of the second Supervisory Committee was held, at which various proposals, including the Company's annual report and annual results announcement for the year 2002, Rules of Procedures for the Supervisory Committee, amendments to the Articles of Association, the Amended Articles of Association and the nomination to the shareholders' meeting of candidates for the supervisors as representatives of shareholders for the third term.
2. On 16 April, the first meeting of the third Supervisory Committee was held, at which Mr. Zhu Jian Pai was elected as chairman of the third Supervisory Committee.
3. On 19 August, the second meeting of the third Supervisory Committee was held, at which the Company's interim accounts, interim results announcement and interim report for the year 2003 were considered and approved.

DIVIDEND

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2003 (2002: nil).

OTHER DISCLOSABLE EVENTS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

At 30 June 2003, the register of substantial shareholders maintained under Section 16(1) of the Hong Kong Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") showed that the Company had been notified of the following interests in the Company's issued share capital:

Name of shareholder	Class of shares held	Number of shares held <i>(in thousand shares)</i>	Percentage to total issued share capital <i>(%)</i>
Chongqing Iron & Steel Company (Group) Limited	State-owned Shares	650,000	61.09
HKSCC Nominees Limited	H Shares	403,124	37.89
Hildara Investment Limited	H Shares	5,498	0.52
Coasia Limited	H Shares	706	0.07
HSBC Nominee (Hong Kong) Limited	H Shares	410	0.04

OTHER DISCLOSABLE EVENTS (CONTINUED)

CHANGE OF SENIOR MANAGEMENT

On 16 April, 2003, the Annual General Meeting of the Company was held, at which members of the third Board of Directors and supervisors of the third Supervisory Committee as representatives of shareholders were elected.

Directors:

Mr. Tang Min Wei	Chairman	Reelected on 16 April 2003
Mr. Yuan Jin Fu	Director	Appointed on 16 April 2003
Mr. Chen Shan	Director	Reelected on 16 April 2003
Mr. Sun Yi Jie	Director	Appointed on 16 April 2003
Mr. Yang Zhi Wei	Director	Appointed on 16 April 2003
Mr. Tu De Ling	Director	Appointed on 16 April 2003
Ms. Zeng Chao Bi	Director	Resigned on 16 April 2003
Mr. Dong Rong Hua	Director	Resigned on 16 April 2003
Mr. Pan Xiang Yu	Director	Resigned on 16 April 2003
Mr. Wang Xiang Fei	Independent Non-executive Director	Reelected on 16 April 2003
Mr. Wu Zhong Fu	Independent Non-executive Director	Reelected on 16 April 2003
Mr. Sun Yu	Independent Non-executive Director	Appointed on 16 April 2003

Supervisors:

Mr. Zhu Jian Pai	Chairman of Supervisory Committee	Reelected on 16 April 2003
Mr. Huang You He	Supervisor	Reelected on 16 April 2003
Mr. Wu Zi Sheng	Supervisor	Appointed on 16 April 2003
Ms. Yuan Xue Bing	Supervisor	Reelected on 16 April 2003
Ms. Liu Xiu Ying	Supervisor as staff's representative	Reelected on 13 February 2003
Mr. Su Quan Lin	Supervisor	Resigned on 16 April 2003

OTHER DISCLOSABLE EVENTS (CONTINUED)

CHANGE OF SENIOR MANAGEMENT (CONTINUED)

In accordance with Articles 93 and 121 of the Articles of Association of the Company, the term of office of directors and supervisors is two years commencing from the date of appointment or reelection, renewable upon reappointment or reelection.

To strengthen corporate governance structure, the Company's Chairman Mr. Tang Min Wei resigned from the post of general manager on 8 May 2003 and Mr. Liu Jia Cai was appointed by the Board of Directors as general manager of the Company.

On 13 May 2003, the Board of Directors appointed Mr. Sun Yi Jie, Mr. Yang Zhi Wei, Mr. Chen Ya Xiong as deputy general managers of the Company and Mr. Tu De Ling as the person in charge of the Company's finance (chief accountant) on the nominations by General Manager Mr. Liu Jia Cai. Furthermore, Mr. Chen Shan no longer assumed the post of deputy general manager.

Due to work rearrangements, the Board of Directors approved by a written proposal on 15 July 2003 the termination of the appointment of Mr. Chen Ya Xiong as deputy general manager of the Company.

DIRECTORS' AND SUPERVISORS' INTERESTS

As at 30 June 2003, the interests of the directors and supervisors in the shares of Duoli Real Estate Co., Ltd. (a subsidiary of the Holding Company renamed upon reorganization following the transfer of the Company's shares in Hengda to the Holding Company in December 2002. Please refer to the Company's 2002 Annual Report for details of asset reorganization) of Chongqing Iron & Steel Group as recorded in the register maintained under Section 29 of the Securities and Futures Ordinance (the "SFO") were as follows:

Name	Individual's interest	Family's interest	Total
Yuan Jin Fu	2,400 shares	—	2,400 shares
Chen Shan	800 shares	—	800 shares
Sun Yi Jie	800 shares	—	800 shares
Yang Zhi Wei	800 shares	—	800 shares
Tu De Ling	800 shares	—	800 shares
Yuan Xue Bing	800 shares	—	800 shares
Wu Zi Sheng	2,400 shares	—	2,400 shares

OTHER DISCLOSABLE EVENTS (CONTINUED)

DIRECTORS' AND SUPERVISORS' INTERESTS (CONTINUED)

Save as disclosed above, none of the directors, supervisors or their associates had any interest in the shares of the Company or its associated corporations as at 30 June 2003.

During the period, none of the directors or supervisors or their spouses or children under 18 years of age has been granted by the Company the rights to subscribe for the Company's shares.

No contracts of significance in relation to the Company's business to which the Company, its subsidiary, its fellow subsidiaries or its holding company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the period.

At no time during the period was the Company, its subsidiary, its fellow subsidiaries or its holding company a party to any arrangements to enable the directors or supervisors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SIGNIFICANT EVENTS

1. In January 2003, the Company's hot-rolled spherical and flat steel was awarded the Gold Cup for Substantial Quality of Metallurgical Products by the State Iron and Steel Industrial Association; hot-rolled strip steel rods for concrete retained the title of Product of Renowned Brand Name of Chongqing; and low-carbon high-speed wire rod was awarded the title of Well-known Product of Chongqing.
2. On 28 February 2003, the Company entered into the Contract for the Commencement of the Project for the Overhaul to Furnace No. 3 with Chongqing Iron & Steel Holdings Construction Co., Ltd. The Company invested approximately Rmb78,000,000 in the overhaul project to increase the output and quality of molten iron. The project is scheduled for completion by 31 October 2003.

OTHER DISCLOSABLE EVENTS (CONTINUED)

SIGNIFICANT EVENTS (CONTINUED)

3. On 8 April 2003, the Board of Directors approved by a written proposal the Introduction of Cold Rolling and Flattening Mechanical Control System to the Steel Strip Project. The proposal approved the investment in the introduction of Cold Rolling and Flattening Mechanical Control System as ancillary equipment for the Steel Strip Project so as to optimise product mix and increase the technical standards to meet the market's demand for different types of steel products and to enhance the Company's sustainable development capability.
4. On 18 June 2003, the Board of Directors approved by a written proposal the Building of Continuous Casting Machine No. 5 for Steel Plate Slabs for Steel Smelter, Overhaul to and Expansion of Capacity of Medium-Gauge Steel Plate Plant, Building of LF Furnace No. 2 and On-Line Multi-functional Refining Treatment Station for Steel Smelter and Building of Electrical Blower No. 3. Such proposals approved the investment in the expansion of continuous casting machine No. 5 for steel plate slabs to increase the output of small steel plate slabs to satisfy the requirements of the Company for the production of steel products; the commencement of the project for expanding the capacity of medium-gauge steel plate plant to extend the products to cover more areas so as to increase the quality of medium-gauge steel plates and competitiveness; the expansion of LF Furnace No. 2 and on-line multi-functional refining treatment station to produce high value-added and high quality steel to meet market competitiveness; and the expansion of the electrical blower No. 3 to achieve the performance coefficients upon completion of the renovation of blast furnaces No. 3 and No. 4.
5. The Company planned to build a set of rolling machines for cold-rolled steel strips and carry out ancillary project. The project is under construction at the initial stage. To facilitate the management and be well-prepared for production and staff training, the Board of Directors approved by a written proposal the establishment of cold-rolled steel plant on 1 July.

OTHER DISCLOSABLE EVENTS (CONTINUED)

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the period, the Company did not redeem any of its listed shares. The Company did not purchase or sell any of the Company's shares during the period.

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 30 June 2003, the Company did not hold any designated deposits with any financial institutions in the PRC, nor had it failed to collect any time deposits upon maturity during the period.

FOREIGN EXCHANGE RISK

During the period, since the Company only had a small amount of foreign currency borrowings and deposits, the Company was exposed to relatively low foreign exchange risk.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

The Company has pledged certain of its fixed assets as security for bank loans. As at 30 June 2003, the net book value of the Company's pledged fixed assets amounted to Rmb378,829,000 (31 December 2002: Rmb407,866,000).

As at 30 June 2003, the Company had no contingent liabilities (31 December 2002: nil).

MATERIAL LITIGATION

During the period, the Company was not involved in any litigation or arbitration of material importance.

OTHER DISCLOSABLE EVENTS (CONTINUED)

SALE OF STAFF QUARTERS

During the period, the Company had not sold any quarters to its employees, nor had it incurred any expenses as a result of the Holding Company's sale of quarters to the Company's employees.

ISSUANCE OF A SHARES

In order to increase the sources of funding and expand the shareholders' bases in the PRC to meet the needs for its future investment plans and development, the Company is actively making preparations for the issuance of A shares in the PRC. If the issuance can proceed, it will open an additional direct source of funding for the Company for further enhancing its operational efficiency.

HUMAN RESOURCES AND STAFF SALARIES

As at 30 June 2003, the Company had 11,560 employees, including 9,784 production operators, 930 technical staff and 846 management staff. 2,077 employees possessed post-secondary or above qualifications, representing 17.97% of the total number of staff.

The staff costs of the Company amounted to Rmb232,940,000 for the period (as at 30 June 2002: Rmb174,070,000).

The Company has always placed emphasis on staff training and knowledge upgrade. During the period, the staff received training for a total of 3,500 times, representing 30.28% of total number of staff.

OTHER DISCLOSABLE EVENTS (CONTINUED)

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information reasonably indicating that the Company was not in compliance with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited at anytime during the period.

DOCUMENTS AVAILABLE FOR INSPECTION

1. The original copy of the interim report signed by the Chairman.
2. Address for inspection: Secretarial Office of the Board of Directors
30 Gangtie Road, Dadukou District
Chongqing, PRC
Tel: (8623)68845030/(8623)68842582
Fax: (8623)68846070/(8623)68849520
3. Corporate website: <http://www.cqgt.cn>

By order of the Board

Tang Min Wei

Chairman

Chongqing, PRC

21 August 2003