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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)

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The board of directors (the “**Board**”) of Chongqing Iron & Steel Company Limited (the “**Company**”) announces that the Board approved, among other things, a proposal on amendments to the Articles of Association (the “**Articles of Association**”) of the Company at the Board meeting convened on 30 March 2017. The proposed amendments to the Articles of Association are subject to the consideration and approval of the Shareholders by way of a special resolution at the annual general meeting.

In line with the spirit and principles of relevant laws and regulations and other documents in the PRC including the Guiding Opinions of the CPC Central Committee and the State Council on Deepening the Reform of State-owned Enterprises (《中共中央、國務院關於深化國有企業改革的指導意見》), the Certain Opinions of the General Office of the CPC Central Committee on Upholding the Party’s Leadership and Strengthening the Party Construction in Deepening the Reform of State-owned Enterprises (《中共中央辦公廳關於在深化國有企業改革中堅持黨的領導加強黨的建設的若干意見》) and the Opinions of the General Office of Chongqing Municipality of Communist Party of China on Implementing Overall Strictness in Administering the Party in Advancing the Reform and Development of State-owned Enterprises (《中共重慶市委辦公廳關於在推進國有企業改革發展中落實全面從嚴治黨的意見》), the general requirements of the party construction should be included in the Articles of Association of the Company to consolidate the legal status of the party in the corporate governance structure of the Company and to promote the party organization to play a core political role in an organized, institutionalized and concrete way. The Company proposed amendments to the Articles of Association. The details are as follows:

I. An article will be added to Chapter 1 in the original Articles of Association, details are as follows:

Article 11 In accordance with the Company Law and the “Constitution of the Communist Party of China”, the Company shall establish a committee for the Communist Party of China and a discipline inspection committee to carry out activities of the party. Party organization is an organic composition of the corporate governance structure of the Company. The Company insists on simultaneous planning of Party construction and production operations, simultaneous establishment of Party organisations and working organs, simultaneous allocation of person-in-charge of the Party organization and staff for Party affairs as well as simultaneous proceeding of work, so as to make clear the duties and manner of work of the Party organization in respect of decision-making, implementation and supervision, to allow docking between mechanisms, between systems, between regimes and between work, and to promote the Party organization to play a core political role in an organized, institutionalized and concrete way.

II. Chapter 12 will be added after Chapter 11 in the original Articles of Association, details are as follows:

Chapter 12 The Party Committee

Article 140 The establishment and term of office of the Party committee and discipline inspection committee of the Company shall be implemented in accordance with relevant documents of the Party. The organizational structure of the Party organization and its staffing shall be incorporated into the administrative organs and the establishment of the Company. The Company shall provide necessary conditions for the activities of the Party organization and include expenses of the Party organization in the Company’s budget, which will be credited to the Company’s management fee.

Article 141 The Party organization of the Company shall play a core political role and carry out the works with focus on direction control, overall management and ensuring implementation. It shall ensure and supervise the implementation of the directional policies of the Party and the country throughout the Company; support the Board, supervisory committee and senior management in exercising their power in accordance with the laws; faithfully believe in the public and the staff and support the meetings of employee representatives in performing their function; participate in the decision-making process of material matters of the Company; strengthen the self-construction of the Party organization, play a leading role in the ideological and political work and the spiritual civilization construction of the Company and lead the mass organizations such as the labor union and the Communist Youth League.

Article 142 The Party committee shall consider and make decisions for the followings:

- (I) Major measures of the Company in carrying out the directions and policies of the Party and important decisions made by the higher Party organization;
- (II) Ideological construction, organization construction, work style construction, anticorruption construction, system construction of and other aspects of the Party of the Company;
- (III) Matters in relation to the appointment and dismissal of and reward and punishment for employees in accordance with management supervision authority; or recommendation of candidates to the Board or the General Manager in accordance with certain procedures; vetting and raising opinions on the candidates nominated by the Board or the General Manager;
- (IV) Important matters in relation to united front work and mass organization;
- (V) Important matters to be referred and reported to the higher Party organization;
- (VI) Other matters to be considered and decided by the Party committee.

Article 143 The Party committee shall participate in the decision-making process regarding the following material matters:

- (I) Important measures of the Company regarding the implementation of national laws and regulations and important decisions of the higher level;
- (II) The development strategies and mid to long term development plans of the Company;
- (III) The production and operation policies of the Company;
- (IV) Principle and directional matters in respect of the asset restructuring, asset transfer, capital operation and significant investment of the Company;
- (V) The formulation and modification of the Company's important reform proposals and important rules and regulations;
- (VI) The merger, division, change and dissolution of the Company, set up and adjustment of internal management institutions and set up and dissolution of subordinated branches;
- (VII) The assessment, remuneration, management and supervision of the Company's mid to high level operation management personnel;
- (VIII) Material matters related to the interest of our staff which are required to be submitted to the meeting of employee representatives for discussion;
- (IX) Important measures adopted by the Company regarding the political and social responsibilities of the Company such as particularly significant safe production and maintenance of stability;
- (X) Material matters required to be approved by and reported to the higher level;
- (XI) Other matters required to be decided by the Party committee.

Article 144 Major procedures for the Party committee's participation in decision-making process:

- (I) Prior consideration by the Party committee. The Party committee shall hold meetings of the Party committee to conduct discussion and research on material matters proposed to be decided by the Board and senior management, and provide advices and recommendations in this regard. If matters proposed to be decided by the Board and senior management are not in compliance with the directional policies of the Party and national laws and regulations or may prejudice national and public interests or legitimate interests of the Company and its employees, the Party committee shall propose revocation or deferred discussion thereof. If the Party committee considers that other material matters are required to be decided by the Board and senior management, such material matters may be proposed to the Board and senior management;
- (II) Communication before the meeting. Members of the Party committee who also serve as members of the Board and senior management (especially the Chairman of the Board or the General Manager) shall communicate with other members of the Board and senior management regarding the relevant advices and recommendations of the Party committee before submitting the proposals to the Board or General Manager office;
- (III) Expression during the meeting. Members of the Party committee who also serve as members of the Board and senior management shall fully express the advices and recommendations of the Party Committee during the decision-making process of the Board and senior management;
- (IV) Report after the meeting. Members of the Party committee who also serve as members of the Board and senior management shall report to the Party organization in respect of the decision of the Board and senior management in a timely manner.

Article 145 Implementation of the Company’s material decisions and arrangements. The Party organization of the Company shall play a leading role in complying with various rules and regulations of the Company, conduct promotion, motivation and explanation of the implementation of the Company’s material decisions, organize and lead all the Party members and staff to focus their mind and action on the strategic goal of development and implementation of material decisions of the Company and facilitate the reform and development of the Company.

Article 146 The Party committee shall establish a supervision system for the implementation of the Company’s material decisions and conduct regular supervision and inspection. For the Company’s practices which are not in compliance with the Party’s directional policies, the PRC laws and regulations and the requirements of the Party central committee and municipal committee, the Party committee shall provide rectification advices in a timely manner and report to the higher level of the Party organization regarding the failure in rectification in a timely manner.

III. The Article 151 in the original Articles of Association will be amended as follows:

Article 159 The Board is accountable to the general meeting, and shall exercise the following powers:

- (I) to convene general meetings and report to the general meeting;
- (II) carry out the resolutions passed at the general meetings;
- (III) to decide on the operational plan and investment proposal of the Company;
- (IV) to formulate the Company’s annual financial budget and final accounts, plans for profit distribution and recovery of losses;
- (V) to distribute interim dividends according to Article 235 of these articles of association;
- (VI) to formulate plans for increases in or reductions of the Company’s registered capital;
- (VII) to formulate proposals for major acquisition, and purchase of shares of the Company;

- (VIII) To determine the investments, acquisition and disposal of assets, pledge of assets, external guarantees, trust asset management and connected transactions of the Company within the authorisation of the general meeting;
- (IX) to formulate plans for the issue of corporate bonds;
- (X) to formulate plans for division, merger, dissolution and changes in form of the Company;
- (XI) to appoint or dismiss the Company's General Manager and Secretary to the Board, and pursuant to the General Manager's nominations to appoint or dismiss the deputy General Managers, financial officers and other senior management members of the Company and fix their remuneration, bonus and punishment;
- (XII) formulate proposals for amendment to these articles of association;
- (XIII) to formulate the Company's basic management system;
- (XIV) To manage the information disclosure of the Company;
- (XV) To determine the establishment of the Company's internal management structure;
- (XVI) To propose at general meetings for the appointment or change of accountants conducting auditing for the Company;
- (XVII) To hear the work reports and inspect the work of the General Manager of the Company;
- (XVIII) to determine other material operation and administrative matters which are not required in these articles of association subject to decisions at the general meeting;
- (XIX) to determine the establishment of special committee of the Board and the appointment and removal of the relevant person-in-charge;
- (XX) to exercise other powers conferred by the general meeting and these articles of association.

When resolving on the matters as set out in (VI), (IX), (X) and (XII) above, approval from two third of the Directors must be obtained. Other matters are subject to approval of more than half of the Directors.

IV. An article will be added after “Article 155 under Chapter 12 The Board” in the original Articles of Association, details are as follows:

Article 164 For those within the scope of major issues involving decision-making of the Party committee of the Company, the Board shall take advice and suggestions from the Party committee of the Company in advance.

V. Contents will be added after “Article 183 under Chapter 14 General Manager and Other Senior Management Members” in the original Articles of Association, details are as follows:

Article 191 The General Manager of the Company shall be responsible to the Board and shall have the following powers and duties:

- (I) to be responsible for the production and management of the Company and to organize the implementation of the resolutions of the Board;
- (II) organize the implementation of the annual business plans and investment proposals of the Company;
- (III) to prepare proposals for the internal management structure of the Company;
- (IV) to prepare the management systems of the Company;
- (V) to draft the regulations of the Company;
- (VI) to employ and dismiss deputy General Managers and persons in charge of financial matters;
- (VII) to employ and dismiss management staff other than those who shall be employed and dismissed by the Board;
- (VIII) other powers conferred by these articles of association and the Board

In exercising the above-mentioned powers, the General Manager shall take advice from the Party committee in advance for those matters within the scope of major issues involving decision-making of the Party committee of the Company.

VI. The Article 299 in the original Articles of Association will be amended as follows:

Article 308 The wordings “more than”, “within” and “less than” in these articles of association shall all include the numbers themselves that follow such wording, while the wordings “not up to”, “other than”, “less than”, “over” and “more than” shall not include the numbers themselves.

A circular containing, among other things, details of the proposed amendments to the Articles of Association and a notice of annual general meeting will be dispatched to the shareholders in due course.

By Order of the Board
Chongqing Iron & Steel Company Limited
You Xiao An
Secretary to the Board

Chongqing, the PRC, 31 March 2017

As at the date of this announcement, the Directors of the Company are: Mr. Liu Da Wei (Non-executive Director), Mr. Zhou Hong (Non-executive Director), Mr. Tu De Ling (Executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Zhang Li Quan (Executive Director), Mr. Yao Xiao Hu (Executive Director), Mr. Xu Yi Xiang (Independent Non-executive Director), Mr. Xin Qing Quan (Independent Non-executive Director) and Mr. Wong Chun Wa (Independent Non-executive Director).