

## 1. Basic Information

<b>Chinese name of the Company:</b>	重慶鋼鐵股份有限公司(“重鋼股份公司”)
<b>English name:</b>	Chongqing Iron & Steel Company Limited (“CISL”)
<b>Company’s legal representative:</b>	Luo Fu Qin
<b>Secretary to the Board of Directors:</b>	You Xiao An
<b>Correspondence address:</b>	No. 30, Gangtie Road, Dadukou District, Chongqing, the PRC.
<b>Telephone:</b>	86-23-68845030
<b>Facsimile:</b>	86-23-68849520
<b>E-mail:</b>	dms@cqgt.cn
<b>Registered address and office address:</b>	No. 30, Gangtie Road, Dadukou District, Chongqing, the PRC.
<b>Postal code:</b>	400084
<b>Website:</b>	<a href="http://www.cqgt.cn">http://www.cqgt.cn</a>
<b>E-mail:</b>	dms@cqgt.cn
<b>Name of newspapers designated for dissemination of company information:</b>	China Securities Journal, Shanghai Securities News, Securities Times, Hong Kong Wen Wei Po, The Standard
<b>Website designated by CSRC for publishing annual report:</b>	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
<b>Place for preparation and reference of annual reports:</b>	Secretariat of the Board of Directors of Chongqing Iron & Steel Company Limited
<b>Place of listing of the Company’s Shares:</b>	Shanghai Stock Exchange (A shares)/ The Stock Exchange of Hong Kong Limited(H shares)
<b>Abbreviated name of Shares:</b>	重慶鋼鐵(A shares)/ Chongqing Iron (H shares)
<b>Stock code:</b>	601005(A shares)/1053(H shares)
<b>Date of first business registration of the Company:</b>	11th August 1997
<b>Place of registration:</b>	Chongqing Municipal Administration of Industry and Commerce.
<b>Business registration number:</b>	Qi Gu Yu Zong Zi No. 00600
<b>Tax registration number:</b>	500104202852965
<b>Auditors of the Company:</b>	PricewaterhouseCoopers Zhong Tian CPAs Limited Company

# INTRODUCTION TO THE COMPANY (CONTINUED)

## 1. Basic Information (Continued)

<b>Office address:</b>	11th Floor, PricewaterhouseCoopers Center, 202 Hu Bin Road, Shanghai, the PRC.
<b>Postal code:</b>	200021
<b>PricewaterhouseCoopers Office address:</b>	22/F, Prince's Building, Central, Hong Kong.
<b>Legal Advisers:</b>	Zhong Lun Jin Tong Firm, Beijing
<b>Office address:</b>	12/F, Block 1, China Merchants Onward Science & Trade Center, No. 118, Jianguo Road, Chaoyang District, Beijing, the PRC.
<b>Postal code:</b>	100000
<b>Hong Kong Richards Butler Office address:</b>	20/F., Alexandra House, 16-20 Chater Road, Central, Hong Kong.

## 2. Issue and listing

Chongqing Iron & Steel Company Limited (the "Company") was established on 11th August 1997, and is part of the restructuring schedule of a State-owned enterprise known as Chongqing Iron & Steel Company (Group) Limited (the "Holding Company"). Pursuant to the restructuring, the principal iron and steel business undertakings and one of the subsidiaries, Chongqing Hengda Steel Industrial Co., Ltd. ("Hengda") of the Holding Company were taken over by the Company, whereupon the Company issued 650,000,000 State-owned shares of Rmb1 each to the Holding Company. The Company's H shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17th October 1997. In December 2002, the Company acquired all assets and liabilities of Hengda. At the same time, the Company disposed of its entire interests in Hengda to the Holding Company. Following the disposal of Hengda, the Company does not have any subsidiary (Please refer to the 2002 Annual Report of the Company for the details of the asset restructuring).

Passed by special resolutions at 2005 AGM and the class meeting for holders of Domestic Shares, the class meeting for holders of H Shares on 9th June 2006, the Company issued bonus shares of the Company through undistributed profits on the basis of three bonus shares for every ten existing shares with total 319,183,200 bonus shares. After the bonus issue, the total share capital of the Company increased to 1,383,127,200 including 845,000,000 domestic shares and 538,127,200 H shares.

Approved by the CSRC, the Company issued 350,000,000 Renminbi ordinary shares (A shares) on 29th January 2007. The A share offering comprised a placement of shares to strategic investors and institutional investors who had participated in the price consultation process and a public offering of shares for subscription with offering price Rmb2.88 per share. On completion of the offering, the Company has 1,733,127,200 shares in its total share capital, including 1,195,000,000 domestically listed A shares and 538,127,200 overseas listed H shares, accounting for 68.95% and 31.05% of the total share capital respectively. Approved by the Shanghai Stock Exchange, these shares were listed on Shanghai Stock Exchange on 28th February 2007. The 70,000,000 shares placed to strategic investors and institutional investors in the offering are subject to 3 months lock-up period from the date of listing. The parent company has undertaken that within a period of 36 months from the date of listing of the A Shares, it will not transfer the 845,000,000 shares held by it. Chongqing (Group), the controlling shareholder of the Company, has undertaken that within a period of 36 months from the date of listing of the A Shares, it will not transfer or nominate any other persons to manage or deal with its A Shares and will not proceed with any re-purchase of such A Shares by the Company.

## 3. Principal Businesses and Major Products

The Company is a large scale iron and steel producer in the People's Republic of China (the "PRC") and is one of the largest producers of medium-gauge steel plates in the PRC. The principal business activities consist of the manufacture and sale of medium-gauge steel plates, steel sections, wire rods, cool rolled sheets, steel billets and coking and smelting by-products. The Company adopted advanced technology and skills in production of high quality products through integrated production process. Steel products such as steel plates for ship building, pressure vessel plates and steel plates for boilers have received a number of quality awards and quality certificates issued by a number of domestic and international professional organisations. The products with the brand "Sanfeng" are very famous among products of the same category in the PRC.

Major products of the Company in 2006 and their applications are set out below :

### (1) Medium-gauge steel plates

Plates for shipbuilding:	Mainly used in the construction of the skeleton of ships.
Pressure vessel plates:	Mainly used in the manufacturing of pressure vessels such as reaction vessels, heat exchanging vessels, separating vessels and storage vessels.
Plates for boilers:	Mainly used in the manufacturing of cylinders and shell covers for medium and low pressure boilers.
Normal carbon structural plates:	Widely used in the machinery, construction and transportation industries.
A variety of low-alloy steel plates and others:	Widely used in machine engineering, heavy vehicle manufacturing, construction of bridges, mining and heat-resistant equipment.

### (2) Steel Sections

Widely used in machinery, construction, shipbuilding, mine exploration and transportation industries.

### (3) Wire rods

Mainly used in construction and wire rod products industries.

### (4) Cold rolled thin plates

Mainly used in automobile, motorcycle, security doors and steel-structured factory premises.

### (5) Steel billets

Mainly sold to other steel producers who are not deemed as competitors of the Company.

### (6) Non-steel by-products

The non-steel by-products produced in the course of iron and steel production process mainly include coking coal, coking by-products such as industrial naphthalene, ammonium sulphate, crude benzene etc., blast furnace grain slag and the provision of utilities such as water and electricity.