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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)

### **RESIGNATION OF DIRECTOR PROPOSED APPOINTMENT OF DIRECTOR APPOINTMENT OF DEPUTY GENERAL MANAGER PROPOSED DISMISSAL OF OVERSEAS AUDITOR**

On 21 January 2011, by the 59th written resolution of the fifth session of the Board, it was resolved, among other things, to accept the resignation of Mr. Dong Lin as Director, chairman of the Board, chairman of the strategic committee and other related positions in the Company with effect from 19 January 2011; to approve the nomination by Holding Company of Mr. Deng Qiang as candidate to be appointed as Director; to approve the appointment of Mr. Guan Zhaohui as the deputy general manager of the Company; and to approve the proposed dismissal of KPMG as the Company's overseas auditor.

Resignation of Mr. Dong Lin as Director, chairman of the Board, chairman of the strategic committee and other related positions in the Company, proposed appointment of Mr. Deng Qiang as Director and proposed dismissal of KPMG as the Company's overseas auditor are to be considered and, if thought fit, approved at the general meeting of the Company to be convened.

## **INTRODUCTION**

On 21 January 2011, by the 59th written resolution of the fifth session of the Board, it was resolved, among other things, to accept the resignation of Mr. Dong Lin as Director, chairman to the Board, chairman of the strategic committee and other related positions in the Company with effect from 19 January 2011; to approve the nomination by Holding Company of Mr. Deng Qiang as candidate to be appointed as Director; to approve the appointment of Mr. Guan Zhaohui as the deputy general manager of the Company; and to approve the proposed dismissal of KPMG as the Company's overseas auditor.

## **APPOINTMENT OF DEPUTY OF GENERAL MANAGER**

The Board has approved the appointment of Mr. Guan Zhaohui as the deputy general manager of the Company. Mr. Guan Zhaohui, Chinese, aged 43, graduated from Chongqing University, majoring in engineering mechanics. He holds Master's Degree and is a senior engineer. Mr. Guan joined the Holding Company in 1990, served from time to time as Chief of Mechanics Section of Steel Section Plant(型鋼廠機械科科長), Assistant to the Head of the Medium-Gauge Plate Plant(中厚板廠廠長助理), Deputy Chief and Chief of Mechanics Division (in charge of general operation) and Head of the Medium-Gauge Plate Plant of the Company.

## **RESIGNATION OF DIRECTOR**

Mr. Dong Lin has tendered his resignation as Director, chairman of the Board, chairman of the strategic committee and other related positions in the Company with effect from 19 January 2011 for personal reasons. Mr. Dong has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the Shareholders. The Board expresses its sincere gratitude to Mr. Dong for his service and valuable contributions made to the Company.

## **PROPOSED APPOINTMENT OF DIRECTOR**

Mr. Deng Qiang has been nominated by Holding Company as candidate to be appointed as Director subject to the approvals of the Shareholders at the general meeting of the Company to be convened.

Mr. Deng Qiang (鄧強), Chinese, aged 49, graduated from Metallurgy Department of Chongqing University, majoring in iron refinery. He holds Master's Degree for Engineering and is a senior engineer. Mr. Deng joined Holding Company in 1982, and served, from time to time, as Deputy Head (in charge of general operation) of No.6 Plant and Deputy Director (in charge of general operation) of Steel Business Unit of the Holding Company, Deputy General Manager of the Company, Deputy Chief Engineer of the Holding Company and Head of the Technical Centre of Chongqing Iron & Steel (during this period, he also held various positions in the wholly-owned subsidiaries of the Holding Company as below: Chairman of the Transportation Company (運輸公司), Chairman and General Manager of No.3 Steel Company (三鋼公司), General Manager of Zhongxing Company (中興公司) and Chairman of No.4 Steel Company (四鋼公司)), Assistant to General Manager of the Holding Company and Deputy General Manager of the Holding Company.

Save as disclosed hereinabove, Mr. Deng has not held any directorship in any public listed companies in the last three years and does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder of the Company. Mr. Deng does not have any interests in shares of the Company within the meaning of Part XV of the SFO as at the date hereof. Mr. Deng's appointment will be for the remaining term of the fifth session of the Board with effect from the date on which the resolution for his appointment is passed at the general meeting of the Company to be convened. Mr. Deng will enter into a service contract with the Company for such term and he will not receive any remuneration or bonus payments from the Company.

There is no other information relating to the appointment of Mr. Deng is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders.

## **PROPOSED DISMISSAL OF OVERSEAS AUDITOR**

According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong" which was published by the Stock Exchange in December 2010, Mainland audit firms approved by the Ministry of Finance and CSRC can apply Mainland accounting standards when providing services to the Mainland incorporated issuers for the financial year ending on or after 15 December 2010. The Company is aware that KPMG Huazhen, the Company's domestic auditor is a Mainland audit firm approved by the Ministry of Finance and CSRC.

According to the aforesaid change of policy and as the Company appointed KPMG Huazhen and KPMG as the Company's domestic and overseas auditor for 2010 respectively and such appointments were approved at the annual general meeting of the Company which was held on 22 June 2010, in order to improve efficiency and reduce the costs of disclosure, the Board proposed to convene a general meeting of the Company to dismiss its overseas auditor KPMG and KPMG Huazhen will be the only auditor auditing the Company's financial statements for 2010 in accordance with China Accounting Standard for Business Enterprises and undertaking the role of overseas auditor in compliance with the Listing Rules (including preliminary announcement on annual results, annual review of continuing connected transactions, etc.).

After the communication between the Company and KPMG, KPMG has confirmed that there were no matters regarding the proposed dismissal that should be brought to the attention of the Shareholders. The Board confirms that there are no relevant matters regarding the proposed dismissal that should be brought to the attention of the Shareholders and there are no disagreements or unresolved matters between the Company and KPMG regarding the proposed dismissal.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Chongqing Iron & Steel Company Limited, a company incorporated in PRC with limited liability and the shares of which are listed on Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the directors of the Company
“Holding Company”	Chongqing Iron & Steel Company (Group) Limited, a state-owned limited liability company incorporated in PRC and is interested in approximately 48.23% of the issued share capital of the Company as at the date of this announcement and the controlling shareholder (as the term is defined in the Listing Rules) of the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ministry of Finance”	The Ministry of Finance of PRC
“PRC” or “Mainland”	the People’s Republic of China, which, for the purposes of this announcement, does not include Hong Kong, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Chongqing Iron and Steel Company Limited**  
**You Xiao An**  
*Secretary to the Board*

Chongqing, the PRC, 21 January 2011

*As at the date of this announcement, the Directors of the Company are: Mr. Yuan Jin Fu (Non-executive Director), Mr. Chen Shan (Executive Director), Mr. Chen Hong (Executive Director), Mr. Sun Yi Jie (Executive Director), Mr. Li Ren Sheng (Executive Director), Mr. Liu Xing (Independent Non-executive Director), Mr. Zhang Guo Lin (Independent Non-executive Director) and Mr. Liu Tian Ni (Independent Non-executive Director).*