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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)

ANNOUNCEMENT IN RELATION TO THE CHANGE IN ACCOUNTING POLICY

IMPORTANT NOTE:

The change in accounting policy is a corresponding change in accordance with the amendments to relevant accounting standards for enterprises by the Ministry of Finance and will have no material impact on the financial position, operating results and cash flows of Chongqing Iron & Steel Company Limited (the “**Company**”).

I. INTRODUCTION TO THE CHANGE IN ACCOUNTING POLICY

(I) Reasons for and Date of Changes in Accounting Policy

On 30 November 2022, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No. 31), in which the provision that “The accounting treatment for deferred income tax related to assets and liabilities arising from a single transaction is not applicable to the initial recognition exemption” is effective from 1 January 2023 onwards.

The change in accounting policy is in accordance with the requirements of the relevant documents of the Ministry of Finance and is not required to be submitted to the board of directors and the general meeting of the Company for consideration and approval.

(II) Accounting Policy Adopted before the Change

Prior to the change in accounting policy, the Company implemented the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and various specific accounting standards, Application Guidance for Accounting Standards for Business Enterprises, the interpretation announcements of the Accounting Standards for Business Enterprises, as well as other relevant regulations.

(III) Accounting Policy adopted after the Change

After the change in accounting policy, the relevant accounting treatment will be implemented in accordance with the requirements of the Interpretation No. 16 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance.

II. MAIN CONTENTS OF THE CHANGE IN ACCOUNTING POLICY

For a single transaction that is not business combination, that does not affect either accounting profit or taxable income (or deductible losses) at the time of the transaction, and where the initial recognition of assets and liabilities results in taxable temporary differences and deductible temporary differences of equal amounts (including lease transactions in which the lessee initially recognizes a lease liability on the commencement date of the lease period which will be included into right-of-use assets and transactions in which the estimated liabilities are recognized due to the existence of abandonment obligations for fixed assets, etc. which will be included into the cost of related assets), the provisions of Article 11(2) and Article 13 of Accounting Standards for Business Enterprises No. 18 – Income Taxes regarding exemption from initial recognition of deferred income tax liabilities and deferred income tax assets are not applicable. As for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in such transaction, the enterprise shall, in accordance with the Accounting Standards for Business Enterprises No. 18 – Income Tax and other relevant provisions, respectively recognize the corresponding deferred income tax liabilities and deferred income tax assets upon the occurrence of the transaction.

III. IMPACT OF THE CHANGE IN ACCOUNTING POLICY ON THE COMPANY

The change in accounting policy is a corresponding change made by the Company in accordance with the relevant regulations and requirements issued by the Ministry of Finance, and the changed accounting policy can reflect the Company's financial position and operating results more objectively and fairly, and is in compliance with the relevant laws and regulations. The change in accounting policy does not involve any retrospective adjustments to the retained earnings of the Company for previous years, and the change in accounting policy will not have any material impact on the Company's financial position, operating results and cash flows, and will not be detrimental to the interests of the Company and its shareholders.

By order of the Board
Chongqing Iron & Steel Company Limited
Zou An
Secretary to the Board

Chongqing, the PRC, 29 March 2024

As at the date of this announcement, the Directors of the Company are: Mr. Xie Zhixiong (Executive Director), Mr. Meng Wenwang (Executive Director), Mr. Zou An (Executive Director), Mr. Song De An (Non-executive Director), Mr. Lin Changchun (Non-executive Director), Mr. Zhou Ping (Non-executive Director), Mr. Sheng Xuejun (Independent Non-executive Director), Mr. Zhang Jinruo (Independent Non-executive Director) and Mr. Guo Jiebin (Independent Non-executive Director).