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鞍鋼股份有限公司

ANGANG STEEL COMPANY LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0347)

**INSIDE INFORMATION
INDICATIVE ANNOUNCEMENT ON GRATUITOUS TRANSFER
OF STATE-OWNED SHARES**

This announcement is made by Angang Steel Company Limited* (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and under Rule 13.09(2) of the Listing Rules.

IMPORTANT NOTICE:

- The changes in shareholders’ equity are caused by the gratuitous transfer and do not involve takeover offer.
- Upon completion of the gratuitous transfer, there will be no changes in the controlling shareholder or de facto controller of the Company.

I. BASIC INFORMATION ON THE GRATUITOUS TRANSFER

The Company received the Notice of Angang Group Company* on Gratuitous Transfer of State-owned Shares of Angang Steel Company Limited* (《鞍鋼集團公司關於無償劃轉鞍鋼股份有限公司國有股份的通知》) from Angang Group Company* (the “**Angang Group**”) on the evening of 11 October 2017. The Notice states that, in order to strengthen strategic cooperation between Angang Group and China National Petroleum Corporation* (the “**CNPC**”) and optimise the shareholding structure of the Company, Angang Group proposed to

gratuitously transfer 650,000,000 A shares (representing approximately 8.98% of the total share capital of the Company) of the Company held by it through Anshan Iron & Steel Group Co. Ltd* (the “**Anshan Iron & Steel**”), a wholly-owned subsidiary of Angang Group, to CNPC (the “**Gratuitous Transfer**”).

Before the Gratuitous Transfer, Angang Group held 4,868,547,330 A shares (representing approximately 67.29% of the total share capital of the Company) of the Company through Anshan Iron & Steel, and CNPC did not hold any shares of the Company.

After the Gratuitous Transfer, Angang Group will hold 4,218,547,330 A shares (representing approximately 58.31% of the total share capital of the Company) of the Company through Anshan Iron & Steel, and CNPC will hold 650,000,000 A shares (representing approximately 8.98% of the total share capital of the Company). The Gratuitous Transfer will not cause any changes in the controlling shareholder or de facto controller of the Company.

II. SUBSEQUENT MATTER INVOLVED

The Gratuitous Transfer is still subject to the approval by the State-owned Assets Supervision and Administration Commission of the State Council. The Company will keep a close eye on the progress of the aforementioned matter, and fulfill its obligation of information disclosure in a timely manner in accordance with relevant laws and regulations.

III. DOCUMENT AVAILABLE FOR INSPECTION

Notice of Angang Group Company* on Gratuitous Transfer of State-owned Shares of Angang Steel Company Limited* (《鞍鋼集團公司關於無償劃轉鞍鋼股份有限公司國有股份的通知》).

The Company will make further announcement(s) in relation to the Gratuitous Transfer when appropriate in compliance with the Listing Rules.

Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities (if any) of the Company.

By Order of the Board
ANGANG STEEL COMPANY LIMITED*
Yao Lin
Executive Director and Chairman of the Board

Anshan City, Liaoning Province, the PRC
12 October 2017

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Yao Lin
Wang Yidong
Li Zhongwu
Zhang Jingfan

Independent Non-executive Directors:

Wu Dajun
Ma Weiguo
Luo Yucheng

* *For identification purposes only*