

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
PROPOSED ISSUE OF H SHARE CONVERTIBLE
CORPORATE BONDS**

This announcement is made by 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.

The board of directors (the “**Board**”) of Angang Steel Company Limited* (the “**Company**”) hereby announces that, pursuant to the mandate granted to the Board at the general meeting under the Proposal on Grant of General Mandate to the Board at the General Meeting for Issue of H Shares and Other Transferable Rights as considered and approved at the 2016 annual general meeting, the Board approved the proposal on issue of H share convertible corporate bonds (the “**H Share Convertible Corporate Bonds**”) by the Company. Particulars are as follows:

- (1) Issuer: Angang Steel Company Limited*.
- (2) Size of Issue: Not more than USD300 million or its equivalent in other currencies (subject to the set conversion price).
- (3) Type of Bonds: convertible bonds.
- (4) Target Shares: approximately 217 million H shares of the Company (as calculated based on 20% of H shares under the general mandate of the Company).

- (5) Conversion Price: it shall be determined based on the closing price on the pricing date or the recent average price prior to the pricing date plus certain premium. The specific price shall be determined by the Board of the Company in accordance with the overseas market environment of convertible bonds at issue.

Conversion price shall not be lower than the latest audited net assets per share or net assets per share at issue.

- (6) Term of Bonds: The Bonds shall be effective for five years and subject to put option commencing from the third year.
- (7) Coupon Rate: it shall be determined by the Board of the Company in accordance with the market conditions at issue.
- (8) Target Investors: Pursuant to the terms under Regulation S of the U.S. Securities Act, the issue will target at international institutional investors other than those registered in the United States.
- (9) Listing Place of Bonds: The Hong Kong Stock Exchange.
- (10) Use of Proceeds: The proceeds from issuance of the H Share Convertible Corporate Bonds will mainly be used for satisfaction of the Company's operation needs, adjustment to the debt structure, replenishment of working capital and other purposes.

The validity period of the resolution in relation to the issue is from the date of consideration and approval of the issue by the Board to whichever is the earliest of:

1. the conclusion of the annual general meeting of the Company for the financial year ended 31 December 2017;
2. the expiry of a period of twelve months upon approval of the Proposal on Grant of General Mandate to the Board of the Company at the General Meeting for Issue of H Shares and Other Transferable Rights at the 2016 annual general meeting of the Company;
3. the date on which the grant under the Proposal on Grant of General Mandate to the Board of the Company at the General Meeting for Issue of H Shares and Other Transferable Rights is revoked or varied by way of a resolution at any general meeting of the Company.

If the Company obtains approval, license or registration of the issue from the regulatory authorities within the aforementioned validity period, the Company is permitted to complete the issue and conversion within the validity period as confirmed by such approval, license or registration.

As at the date of this announcement, the Company has not entered into any agreement in relation to the issue of H share convertible bonds. In case of any progress of the issue of H share convertible bonds, an announcement will be made thereon.

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

Anshan City, Liaoning Province, the PRC
20 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*