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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)

**SECOND ADJUSTMENT TO THE CONVERSION PRICE OF  
HK\$1,850,000,000 ZERO COUPON CONVERTIBLE BONDS  
DUE 2023**

(Stock Code: 5105)

The Company announces that the Conversion Price of the Bonds will be adjusted from HK\$9.20 per H Share to HK\$6.76 per H Share with effect from 7 June 2019 as the Shareholders have approved the payment of the Cash Dividend of RMB0.22 per Share (equivalent to HK\$0.2503 per Share (tax inclusive)) for the year ended 31 December 2018 and the Capitalisation Issue at the 2018 AGM held on 28 May 2019.

References are made to the announcements of Angang Steel Company Limited\* (the “**Company**”) dated 11 May 2018 and 25 May 2018 in relation to the issue of HK\$1,850,000,000 zero coupon convertible bonds due 2023 (the “**Bonds**”), the announcement of the Company dated 15 June 2018 in relation to the adjustment to the Conversion Price of the Bonds (the “**Adjustment Announcement**”), the announcement of the Company dated 28 May 2019 in relation to the approval of the resolutions by the Shareholders at the 2018 annual general meeting (“**2018 AGM**”) for, among other things, the payment of the Cash Dividend for the year ended 31 December 2018 and the Capitalisation Issue (the “**Poll Results Announcement**”) and the announcement of the Company dated 28 May 2019 in relation to the payment of the Cash Dividend for the year ended 31 December 2018 and the Capitalisation Issue (the “**Dividend and Capitalisation Issue Announcement**”) (collectively, the “**Announcements**”) and the circular of Company dated 16 May 2019 (the “**Circular**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular unless the context otherwise requires. The Bonds are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 5105).

As disclosed in the Poll Results Announcement and the Dividend and Capitalisation Issue Announcement, the Company will distribute dividends for the year ended 31 December 2018 to Shareholders and conduct Capitalisation Issue. The cash dividend to be distributed will be RMB0.22 per Share (equivalent to HK\$0.2503 per Share (tax inclusive)), and a total of 2,170,442,352 of Shares will be issued by capitalisation of the capital reserves in a proportion of 3 Shares for every 10 Shares.

Pursuant to the terms and conditions of the Bonds, the Conversion Price is subject to adjustment for, among other things, capital distributions and capitalisation of profits or reserves made by the Company. The Company therefore announces that the Conversion Price of the Bonds will be adjusted from HK\$9.20 per H Share, being the adjusted conversion price (“**First Adjusted Conversion Price**”) under the Adjustment Announcement, to HK\$6.76 per H Share (the “**Second Adjusted Conversion Price**”) as a result of the approval of the payment of Cash Dividend and the Capitalisation Issue by the Shareholders at the 2018 AGM. The adjustment at the Second Adjusted Price will become effective from 7 June 2019, being the day immediately after the Record Date. Save as disclosed above, all other terms of the Bonds remain unchanged.

Based on the total outstanding principal amount of the Bonds of HK\$1,850,000,000 at the date of this announcement, the maximum number of Shares that will be issued upon conversion of all the outstanding Bonds at the First Adjusted Conversion Price and the Second Adjusted Conversion Price are 201,086,956 Shares and 273,668,639 Shares, respectively.

This announcement also serves as a notification to the Bondholders in respect of the adjustment to the Conversion Price as per the trust deed regard the Bonds.

**Any holder of the Bonds who is in doubt as to the action to be taken should consult his/her/its stockbroker, bank manager, solicitor, professional accountant or other professional adviser.**

By Order of the Board  
**ANGANG STEEL COMPANY LIMITED\***  
**Wang Yidong**  
*Executive Director and Chairman of the Board*

Anshan City, Liaoning Province, the PRC  
6 June 2019

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

*Executive Directors:*

Wang Yidong  
Li Zhen  
Ma Lianyong  
Xie Junyong

*Independent Non-executive Directors:*

Wu Dajun  
Ma Weiguo  
Feng Changli  
Wang Jianhua

\* *For identification purposes only*