

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)

REPURCHASE AND CANCELLATION OF PART OF THE RESTRICTED SHARES

References are made to the following announcements and circulars of Angang Steel Company Limited* (鞍鋼股份有限公司) (the “**Company**”): (i) the announcement dated 26 November 2020, in relation to the proposed adoption of the Restricted Share Incentive Scheme of A Shares (the “**Scheme**”); (ii) the circular of extraordinary general meeting dated 10 December 2020, in relation to, among other things, the proposed adoption of the Scheme; (iii) the announcement dated 29 December 2020, in relation to the approval on the Scheme by SASAC; (iv) the poll results announcement dated 31 December 2020, in relation to, among other things, the approval on proposed adoption of the Scheme by general meeting of the Company; (v) the announcement dated 8 January 2021, in relation to the adjustment in the number of Incentive Participants and the number of Restricted Shares under the First Grant; (vi) the announcement dated 8 January 2021, in relation to the First Grant (the “**First Grant**”); (vii) the announcement dated 27 January 2021, in relation to the results of the First Grant; (viii) the announcement dated 12 December 2021, in relation to the repurchase and cancellation of part of the Restricted Shares; (ix) the announcement dated 12 December 2021, in relation to the reserved grant of the Restricted Shares (the “**Reserved Grant**”); (x) the circular dated 16 December 2021, in relation to, among other things, the repurchase and cancellation of part of the Restricted Shares; (xi) the announcement dated 6 January 2022, in relation to, among other things, the approval of the repurchase and cancellation of part of the Restricted Shares by general meeting of the Company; (xii) the announcement dated 6 February 2022, in relation to the results of the Reserved Grant; (xiii) the announcement dated 25 February 2022, in relation to the implementation and completion of repurchase and cancellation of part of the Restricted Shares; (xiv) the announcement dated 23 November 2022, in relation to the repurchase and cancellation of part of the Restricted Shares; (xv) the circular

dated 28 November 2022, in relation to, among other things, the repurchase and cancellation of part of the Restricted Shares; (xvi) the poll results announcement dated 19 December 2022, in relation to, among other things, the approval of the repurchase and cancellation of part of the Restricted Shares by general meeting of the Company; (xvii) the announcement dated 10 February 2023, in relation to the implementation and completion of repurchase and cancellation of part of the Restricted Shares; (xviii) the announcement dated 30 March 2023, in relation to, among other things, the repurchase and cancellation of part of the Restricted Shares; (xix) the circular dated 25 April 2023, in relation to, among other things, the repurchase and cancellation of part of the Restricted Shares; (xx) the poll results announcement dated 29 May 2023, in relation to, among other things, the approval of the repurchase and cancellation of part of the Restricted Shares by general meeting of the Company; and (xxi) the announcement dated 24 July 2023, in relation to the implementation and completion of repurchase and cancellation of part of the Restricted Shares. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the above announcements and circulars.

I. PARTICULARS OF THE REPURCHASE AND CANCELLATION

1. Reasons for and Quantity and Price of the Repurchase and Cancellation

The performance appraisal standards at the Company level for the second unlocking period of the Scheme failed to be satisfied. The Company repurchased and cancelled 15,370,971 Restricted Shares as a whole (including 13,818,750 shares under the First Grant and 1,552,221 shares under the Reserved Grant) in the corresponding performance appraisal year at the lower of the grant price or the market price. The repurchase price under the First Grant was RMB1.85 per share, and the repurchase price under the Reserved Grant was RMB2.31 per share.

Among the Incentive Participants of the First Grant, three of them severed or terminated their labor relationship with the Company due to job relocation, and one Incentive Participant of the First Grant retired, and the above persons were no longer qualified as Incentive Participants, thus the Company is required to repurchase and cancel a total of 219,584 Restricted Shares that have been granted but not yet unlocked (excluding a total of 379,500 Restricted Shares that have been granted but not yet satisfied the conditions for unlocking during the second unlocking period) and to pay interest at the benchmark interest rate of RMB fixed lump-sum deposit and withdrawal of financial institutions issued by the People's Bank of China in the same period, at a repurchase price of RMB1.96 per share.

2. Number of A Shares under the Repurchase and Cancellation

The Company proposes to repurchase and cancel an aggregate of 15,590,555 Restricted Shares, representing approximately 0.17% of the total share capital of the Company before the repurchase and cancellation.

3. Total Amount and Source of Funds for the Repurchase

A total amount of RMB29,580,702.65 will be used to effect the repurchase and cancellation, which will be entirely the own funds of the Company.

4. Repurchase from Connected Persons

A total of 35 of the repurchase participants are a current director of the Company or a subsidiary, or a current supervisor of a subsidiary, or were former director(s) or supervisor(s) of a subsidiary in the last 12 months. As such, they are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. The details of such repurchase participants and the repurchase of Restricted Shares are set out below:

No.	Name	Reason for being a connected person	Number of Restricted Shares to be repurchased (A Shares)
1.	Zhang Hongjun (張紅軍)	Director and general manager of the Company and director of subsidiaries	22,000
2.	Tian Yong (田勇)	Director of the Company	99,000
3.	Wang Baojun (王保軍)	Director of the Company	87,615
4.	Zhang Guoqiang (張國強)	Former director and general manager of a subsidiary in the last 12 months	167,000
5.	Wang Zhi (王植)	Director of a subsidiary	150,000
6.	Cui Hang (崔航)	Former director of a subsidiary	82,500
7.	Guo Fang (郭放)	Former director of a subsidiary	61,875

No.	Name	Reason for being a connected person	Number of Restricted Shares to be repurchased (A Shares)
8.	Meng Jinsong (孟勁松)	Director of a subsidiary	148,500
9.	Sha Xiaochun (沙孝春)	Director and general manager of a subsidiary	132,000
10.	Wang Lin (王琳)	Director of a subsidiary	99,000
11.	Jiang Hai (薑海)	Director of subsidiaries	99,000
12.	Jia Qichao (賈啟超)	Director of a subsidiary and supervisor of a subsidiary	90,750
13.	Wei Rongkun (魏榮堃)	Supervisor of a subsidiary	99,000
14.	Jing Yufeng (景玉峰)	Supervisor of a subsidiary	99,000
15.	Li Wanhai (李萬海)	Director of a subsidiary	99,000
16.	Li Chengwei (李成偉)	Supervisor of subsidiaries	99,000
17.	Cui Shujun (崔樹鈞)	Director of a subsidiary	82,500
18.	Lai Wei (來威)	Director and general manager of a subsidiary	82,500
19.	Du Bin (杜斌)	Director of a subsidiary	99,000
20.	Li Hongyu (李紅雨)	Director of a subsidiary	99,000
21.	Fu Zhihai (付志海)	Director of a subsidiary	99,000
22.	Xue Zhanqiang (薛占強)	Director of a subsidiary	99,000

No.	Name	Reason for being a connected person	Number of Restricted Shares to be repurchased (A Shares)
23.	Cao Pizhi (曹丕智)	Director of a subsidiary	82,500
24.	Chen Zhonggang (陳忠剛)	Director and general manager of a subsidiary	82,500
25.	Yu Bin (于斌)	Director and general manager of a subsidiary	82,500
26.	Ran Maoyu (冉茂宇)	Director and general manager of subsidiaries	82,500
27.	Li Yang (李陽)	Director of a subsidiary	82,500
28.	Zhang Yong (張勇)	Supervisor of a subsidiary	82,500
29.	Wang Wei (王巍)	Director of a subsidiary	66,000
30.	Gao Yi (高毅)	Director of subsidiaries	49,830
31.	Sun Yi (孫一)	Director of subsidiaries	38,610
32.	Yu Shengquan (于生泉)	Supervisor of a subsidiary	51,480
33.	Shu Chang (舒暢)	Director and general manager of a subsidiary	38,610
34.	Cheng Yu (程愉)	Director of subsidiaries	42,900
35.	Sun Xiaoyu (孫曉宇)	Director of subsidiaries	51,480

As the repurchase of Restricted Shares from aforesaid repurchase participants will be conducted on normal commercial terms or better, and all the applicable percentage ratios are less than 0.1%, the transactions will be fully exempt from the reporting, announcement and independent shareholders' approval requirements in relation to connected transactions under Rules 14A.73(1) and 14A.76(1) of the Listing Rules.

II. SHARE CAPITAL AFTER COMPLETION OF THE REPURCHASE AND CANCELLATION

The total number of Restricted Shares under the repurchase and cancellation is 15,590,555 A Shares. Upon completion of the procedures of the repurchase and cancellation of Restricted Shares, the Company's total number of shares will be reduced from 9,399,442,527 to 9,383,851,972. The share capital of the Company before and after the repurchase and cancellation (if implemented) will be as follows:

Nature of shares	Before the Repurchase		Increase/ decrease Number of shares	After the Repurchase	
	Number of shares	Percentage of total share capital (%)		Number of shares	Percentage of total share capital (%)
Restricted A Shares	31,870,758	0.34	-15,590,555	16,280,203	0.17
Outstanding shares	9,367,571,769	99.66	0	9,367,571,769	99.83
– A Shares	7,956,031,769	84.64	0	7,956,031,769	84.78
– H Shares	1,411,540,000	15.02	0	1,411,540,000	15.04
Total	<u>9,399,442,527</u>	<u>100.00</u>	<u>-15,590,555</u>	<u>9,383,851,972</u>	<u>100.00</u>

Notes:

1. The percentage figures in the table are rounded up to two decimal places, and any discrepancy between the sum of the sub-items and the total figure is due to rounding.
2. Specific changes in share capital shall be subject to the "Issuer's Share Capital Structure Table" issued by China Securities Depository and Clearing Corporation Limited.

The repurchase and cancellation will not result in any change in the controlling shareholder of the Company. The Company's shareholding structure will remain in compliance with relevant requirements under the Listing Rules of the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited.

III. IMPACT OF THE REPURCHASE AND CANCELLATION ON THE OPERATING RESULTS OF THE COMPANY

The repurchase and cancellation will not have any material impact on the operating results and financial conditions of the Company.

IV. OPINION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Upon verification, the independent non-executive directors are of the view that the repurchase and cancellation complies with the Scheme, the Administrative Measures and other relevant laws and regulations, and would not prejudice the interests of the Company and its shareholders.

In view of the above, the independent non-executive directors agreed to the repurchase and cancellation and submitted it to the shareholders' general meeting for consideration and approval.

V. OPINION OF THE SUPERVISORY COMMITTEE

Upon verification, the Supervisory Committee is of the view that the repurchase and cancellation complies with the Scheme and the Administrative Measures and other relevant laws and regulations, and the process for approval is lawful and compliant. The Supervisory Committee agreed with the repurchase and cancellation.

VI. THE CONCLUSION OF THE LEGAL OPINION

King & Wood Mallesons, as the legal adviser of the Company, issued legal opinion in relation to the repurchase and cancellation and is of the view that the Company has obtained the required approval and authorisation in relation to the repurchase and cancellation at the current stage; in respect of the number of shares involved, the price and the reasons, the repurchase and cancellation of Restricted Shares satisfied the relevant requirements of the Measures for the Administration of Equity Incentives of Listed Companies, the Guidelines for the Implementation of Equity Incentives of Listed Companies Controlled by Central State-owned Enterprises, the Scheme and the Articles of Association; the repurchase and cancellation shall be subject to the approval at the shareholders' general meeting, and the Company is still required to perform corresponding procedures for capital reduction according to the relevant requirements under the Company Law and the Articles of Association as the repurchase and cancellation will result in a decrease in the registered capital of the Company.

VII. ADJUSTMENTS TO THE REGISTERED SHARE CAPITAL OF THE COMPANY AND PROPOSED CORRESPONDING AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Following the completion of the repurchase and cancellation, the registered share capital of the Company is expected to decrease by RMB15,590,555 and corresponding amendments will also be made to the articles in relation to the registered share capital in the Articles of Association.

VIII. SHAREHOLDERS' GENERAL MEETING

The special resolutions in relation to the repurchase and cancellation, including the adjustment to the registered share capital and proposed corresponding amendments to the Articles of Association, are required to be submitted to the shareholders' general meeting, A Share class meeting and H Share class meeting of the Company for consideration and approval. A circular for the shareholders' general meeting containing, among other things, information on the repurchase and cancellation, will be dispatched to the shareholders in due course.

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

Anshan City, Liaoning Province, the PRC
30 August 2023

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

Executive Directors:

Wang Yidong
Zhang Hongjun
Wang Baojun
Tian Yong

Independent Non-Executive Directors:

Feng Changli
Wang Jianhua
Wang Wanglin
Zhu Keshi

* *For identification purposes only*