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*(A joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 00323)**

**PROPOSED ISSUANCE OF CONVERTIBLE CORPORATE BONDS  
UNDER SPECIFIC MANDATE**

On 21 June 2018, the Board resolved to seek Shareholders' approval for the proposed issuance of Convertible Corporate Bonds.

The specific mandate for the Convertible Corporate Bonds and the proposed issuance of Convertible Corporate Bonds are subject to Shareholders' approval at the general meeting and class meetings of the Company.

A circular containing, among other things, details of the specific mandate for the Convertible Corporate Bonds and the proposed issuance of the Convertible Corporate Bonds, and the notices of the 2018 First Extraordinary General Meeting and Class Meeting of H Shareholders, will be dispatched to the Shareholders as soon as possible.

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under 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.

On 21 June 2018, the Board resolved to seek Shareholders' approval for the proposed issuance of Convertible Corporate Bonds. The preliminary issuance plan is as follows:

**I. Type of securities to be issued**

The type of securities to be issued by the Company is Convertible Corporate Bonds that are convertible to H shares of the Company. The Convertible Corporate Bonds and the H shares of the Company to be converted into will be listed on the Hong Kong Stock Exchange.

**II. Size of issuance**

The total amount of Convertible Corporate Bonds to be issued shall not exceed USD500 million or its equivalent in other currencies. Specific size of issuance will be determined by the Board or its authorized persons within the above range, subject to the authorization by the general meeting and class meetings.

### **III. Number of shares to be issued upon conversion**

The number of securities proposed to be issued upon conversion is intended to be under 1.0 billion H shares. The final number of subject shares will be determined based on the final price.

### **IV. Conversion price**

The conversion price will 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. The conversion price shall not be lower than the latest audited net assets per share of the Company.

### **V. Tenor**

The bonds have a tenor of five years with investor put option at the end of the third year. The final term will be subject to market condition at issue.

### **VI. Redemption rights of the issuer**

The bonds may not be redeemed during the first three years and may be conditionally redeemed after the third year. The specific redemption rights will be determined in accordance with the market environment at issue.

### **VII. Coupon rate**

The coupon rate will be determined by the Board of the Company in accordance with the market environment at issue.

### **VIII. Yield to maturity**

The yield will be determined by the Board of the Company in accordance with the market environment at issue.

### **IX. Target investors**

Pursuant to the provisions under Regulation S of the U.S. Securities Act, the issuance will target to international institutional investors other than those registered in the United States.

### **X. Use of proceeds**

The proceeds from this issuance of Convertible Corporate Bonds will mainly be utilized for the operation needs of the Company, adjustment to the debt structure, replenishment of working capital and other purposes.

### **XI. Validity period of resolution**

The validity period of the issuance will be twelve months from the date of approval at the 2018

First Extraordinary General Meeting, 2018 First Class Meeting of A Shareholders and 2018 First Class Meeting of H Shareholders.

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.

## **XII. Authorization**

The Board proposed that the general meeting of the Company shall authorize the Board, which shall further delegate such authorization to the chairman of the Board, to handle all matters relating to this issuance of the H share Convertible Corporate Bonds.

The specific contents of the authorization include but not limited to:

1. within the scope permitted under the laws, regulations and other regulatory documents and the Articles of Association, based on the requirements of domestic and overseas regulatory bodies and stock exchanges, to make necessary adjustments and supplements to the issuance plan of this issue, and to formulate and implement the final plan of this issuance in light of the actual circumstances of the Company;
2. to approve and amend, supplement, sign, submit, present, and effect all the agreements, contracts and other documents regarding the issuance on behalf of the Company;
3. to approve and prepare, sign and submit the statutory documents relating to this issuance as required by the regulatory bodies on behalf of the Company, to communicate with and reply to feedbacks of the regulatory authorities and other government authorities in the approval process, and to handle matters relating to information disclosure;
4. following the completion of this issuance, to make timely amendments to relevant provisions of the Articles of Association, complete the change of business registration relating to the change of registered capital and handle other matters related to such changes based on the conversion of Convertible Corporate Bonds;
5. during the term of the Convertible Corporate Bonds, to handle all matters relating to the redemption, conversion and repurchase of the Convertible Corporate Bonds;
6. other matters relating to this issuance.
7. Authorization period: the authorization period of the above authorized matters to be continued

or implemented after the completion of this issuance commences from the date of approval of this issuance at the general meeting, class meeting of A Shareholders and class meeting of H Shareholders and ends on the date of completion of the relevant matters. Other authorizations are valid for twelve months from the date of approval at the general meeting, class meeting of A Shareholders and class meeting of H Shareholders.

### **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the twelve months preceding the date of this announcement.

### **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to Rule 19A.38 of the Listing Rules, the specific mandate for the Convertible Corporate Bonds and the proposed issuance of Convertible Corporate Bonds are subject to Shareholders' approval at the general meeting and class meetings of the Company. A circular containing, among other things, details of the specific mandate for the Convertible Corporate Bonds and the proposed issuance of the Convertible Corporate Bonds, and the notices of the 2018 First Extraordinary General Meeting and Class Meeting of H Shareholders, will be despatched to the Shareholders as soon as possible.

On 21 June 2018, the resolution on the proposed issuance of Convertible Corporate Bonds was considered and approved by the Board. None of the Directors have any material interests in the above matters, hence none of them are not required to abstain from voting on the relevant Board resolution.

Apart from the aforesaid, other terms of the proposed issuance of Convertible Corporate Bonds (including subscription price, conversion price and adjustment arrangements, specific target subscribers and issuance conditions) are yet to be determined. As at the date of this announcement, the Company has not entered into any agreement in relation to the issue of the Convertible Corporate Bonds. In case of any progress of the issue of the Convertible Corporate Bonds, an announcement will be made thereon.

### **DEFINITIONS**

In this announcement, the following expressions have the following meaning unless the context otherwise requires:

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	Maanshan Iron & Steel Company Limited, a joint stock limited company incorporated in the PRC and the shares of which are listed on the Stock

	Exchange
“Director(s)”	the directors of the Company
“Convertible Corporate Bonds”	convertible bonds, which can be converted to H shares of the Company, in a principal amount of up to USD500 million to be issued by the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Maanshan Iron & Steel Company Limited**  
**Ding Yi**  
*Chairman*

21 June 2018

Maanshan City, Anhui Province, the PRC

*As at the date of this announcement, the Directors of the Company include:*

*Executive Directors: Ding Yi, Qian Haifan, Zhang Wenyang*

*Non-executive Directors: Ren Tianbao*

*Independent Non-executive Directors: Zhang Chunxia, Zhu Shaofang, Wang Xianzhu*