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(A joint stock limited company incorporated in the People's Republic of China)
(Stock code: 00323)

Further Delay in Despatch of Circular

Reference is made to the three announcements of the Company dated 15 August 2018 (the “**Announcements**”) in relation to (I) continuing connected transactions - revision of the annual caps for the Existing Energy Saving and Environmental Protection Agreement and the Existing CCT Agreement; (II) continuing connected transactions - in relation to New Sale and Purchase of Ore Agreement, New Energy Saving and Environmental Protection Agreement, New CCT Agreement and New Financial Services Agreement; and (III) (1) connected transactions – Disposal and Deemed Disposal of interest in subsidiaries and (2) continuing connected transactions. Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed thereto in the Announcements.

As set out in the Announcements, a circular which contains, among other things, (I) further information on the Supplementary CCT Agreement, the Supplementary Energy Saving and Environmental Protection Agreement, the New Sale and Purchase of Ore Agreement, New Energy Saving and Environmental Protection Agreement, New CCT Agreement, the loan services under New Financial Services Agreement, the Scrap Steel Company Share Transfer Agreement, the K. Wah Company Capital Increase Agreement, the Chemical Energy Company Capital Increase Agreement and Continuing Connected Transaction Agreements, (II) a letter of advice from the Independent Board Committee to the Independent Shareholders, (III) a letter of recommendation from the Independent Financial Adviser and (IV) a notice of the EGM, is expected to be despatched to the Shareholders on or before 5 September 2018.

As the Company needs more time to prepare and finalise the information contained in the circular, it is expected that the date of despatch of the circular will be further postponed to a date on or before 23 October 2018.

By Order of the Board
He Hongyun
Secretary to the Board

12 October 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