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

(Stock Code: 00323)

CONNECTED TRANSACTIONS ESTABLISHMENT OF JOINT VENTURES

Factoring Company JV Agreement

The Board is pleased to announce that on 2 April 2018, the Company, Investment Company, Mining Company, Engineering Group and International Trade Company entered into the Factoring Company JV Agreement, pursuant to which all the parties to the agreement agreed to establish a joint venture, named Ma Steel (Shanghai) Commercial Factoring Company, Ltd. (the name will be subject to the approval of the State Administration for Industrial & Commercial Registration), in Shanghai Pilot Free Trade Zone, the PRC.

As at the date of this announcement, Magang Group is interested in approximately 45.54% of the Company's issued share capital and is the controlling shareholder of the Company. Investment Company, Mining Company, Engineering Group and International Trade Company are all wholly-owned subsidiaries of Magang Group, and they are all connected parties of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Factoring Company JV Agreement by the Company constitutes a connected transaction of the Company. As the applicable percentage ratios of the transaction exceed 0.1% but fall below 5%, such connected transaction is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from independent shareholders' approval requirement under the Listing Rules.

Finance Leasing Company JV Agreement

The Board is pleased to announce that on 2 April 2018, Ma Steel (Hong Kong) (a wholly-owned subsidiary of the Company), Investment Company, Jiangdong Financial Company and Xincheng Investment Company entered into the Finance Leasing Company JV Agreement, pursuant to

which all the parties to the agreement agreed to establish a joint venture, named Ma Steel (Shanghai) Finance Leasing Company, Ltd. (the name will be subject to the approval of the State Administration for Industrial & Commercial Registration), in Shanghai Pudong Lujiazui Free Trade Zone, the PRC.

As the date of this announcement, Magang Group is interested in approximately 45.54% of the Company's issued share capital and is the controlling shareholder of the Company. Investment Company is a wholly-owned subsidiary of Magang Group, and is connected party of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Finance Leasing Company JV Agreement by Ma Steel (Hong Kong) constitutes a connected transaction of the Company. As the applicable percentage ratios of the transaction exceed 0.1% but fall below 5%, such connected transaction is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from independent shareholders' approval requirement under the Listing Rules.

I. FACTORING COMPANY JV AGREEMENT

Date:

2 April 2018

Parties:

- (i) the Company;
- (ii) Investment Company;
- (iii) Mining Company;
- (iv) Engineering Group; and
- (v) International Trade Company.

Joint venture:

Factoring Company is to be established in Shanghai Pilot Free Trade Zone. It will be principally engaged in receivables financing, settlement, management and collection of accounts receivables, management of sales accounts, and credit risk guarantee relating to factoring business etc.

Capital subscription:

The registered capital of Factoring Company will be RMB300 million. Investment Company will subscribe for RMB135 million by cash and hold 45% of the equity interest, the Company will subscribe for RMB75 million by cash and hold 25% of the equity interest, Mining Company will subscribe for RMB30 million by cash and hold 10% of the equity interest, Engineering Group will

subscribe for RMB30 million by cash and hold 10% of the equity interest, and International Trade Company will subscribe for RMB30 million by cash and hold 10% of the equity interest.

The parties shall fully pay the subscription capital by cash in one lump sum within 45 days from the grant of business licence by the State Administration for Industrial & Commercial Registration to Factoring Company.

The subscription capital under the Factoring Company JV Agreement was agreed between all the parties after arm's length negotiation with reference to the estimated capital need of Factoring Company. The Company will settle the subscription capital with internal resources.

Conditions precedent of the agreement:

The agreement will be effective once it is signed with chop affixed by all the parties.

Information on the Company

The Company is one of the largest iron and steel producers and marketers in the PRC and is principally engaged in the manufacture and sale of iron and steel products.

Information on Investment Company

Investment Company is principally engaged in equity investment, investment consulting and financial advisory (excluding securities business).

Information on Mining Company

Mining Company is principally engaged in domestic and overseas geological exploration, mine exploration, exploitation and selection, and processing of mine products (the above are only operated by branches); sales of mine products (excluding coal); manufacture, installation and repair of electrical and mechanical equipment; manufacture of construction materials, equipment leasing; storage services (excluding hazardous article); sales of parts and components and materials; property management; planting and cultivation; mining technical consultancy and services.

Information on Engineering Group

Engineering Group is principally engaged in industry design and environmental engineering design of metallurgy, construction, municipal services and power industry; engineering consulting, project cost consulting and project supervision; general contracting of metallurgy, mechanical and electrical engineering, construction, power, municipal service and mining industry; specialized contracting of steel structure, kiln, foundation construction, fire safety equipment and construction-related electrical and mechanical installation, water conservancy and hydropower related electrical and

mechanical installation and environmental engineering.

Information on International Trade Company

International Trade Company is principally engaged in wholesale of coal, cargo insurance, vehicle insurance, injury insurance agency; proprietary trading and agency business for import and export of various products and technologies (excluding import and export of products and technologies that are restricted or forbidden by the country); wholesale and retail of pre-packaging food, coke, iron ore, ferroalloy, non-ferrous metal materials and products, scrap steel (excluding recycling), pig iron, metal products, steel products, mechanical equipment and accessories, electrical apparatus, refractory materials, organic fertilisers, construction materials, lubricants, fuel oil, power wire and cable, rubber products and chemical products (excluding hazardous chemicals and precursor chemicals), consumer goods, agricultural produce; economic and business information consulting service; storage service (excluding hazardous article)

Reasons for and benefits of the agreement

Participation in the establishment of Factoring Company is in line with the Company's own needs. It is beneficial for the Company to seize opportunities in the development of factoring industry, and to improve the Company's competitiveness in the supply chain. The investment is in accordance with general commercial terms, and will not cause any adverse impact to the Company or any damage to the interests of the Shareholders of the Company.

Listing rules implication

As at the date of this announcement, Magang Group is interested in approximately 45.54% of the Company's issued share capital and is the controlling shareholder of the Company. Investment Company, Mining Company, Engineering Group and International Trade Company are all wholly-owned subsidiaries of Magang Group, and they are all connected parties of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into the Factoring Company JV Agreement by the Company constitutes a connected transaction of the Company. As the applicable percentage ratios of the transaction exceed 0.1% but fall below 5%, such connected transaction is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from independent shareholders' approval requirement under the Listing Rules.

General Information

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the transaction under the Factoring Company JV Agreement except connected Directors (Mr. Ding Yi, Mr. Qian Haifan and Mr. Ren Tianbao). The other Directors, including independent non-executive Directors, have unanimously approved the

transactions under the Factoring Company JV Agreement (connected Directors, namely Mr. Ding Yi, Mr. Qian Haifan and Mr. Ren Tianbao have abstained from voting), and are of the view that the terms of transactions are normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

II. FINANCE LEASING COMPANY JV AGREEMENT

Date:

2 April 2018

Parties:

- (i) Ma Steel (Hong Kong);
- (ii) Investment Company;
- (iii) Jiangdong Financial Company; and
- (iv) Xincheng Investment Company.

Having made all reasonable enquiries, to the best of the Directors' knowledge, information and belief, Jiangdong Financial Company, Xincheng Investment Company and the ultimate beneficial owners are independent of the Company and connected persons of the Company.

Joint venture:

Finance Leasing Company is to be established in Shanghai Pudong Lujiazui Free Trade Zone. It will be principally engaged in finance leasing, leasing, purchasing leasing property from domestic and overseas market, processing residual value and maintenance of leased property; consultancy and guarantee of leasing transaction; and factoring business related to main business.

Capital subscription:

The registered capital of Finance Leasing Company will be RMB300 million. Investment Company will subscribe for RMB180 million by cash and hold 60% of the equity interest, Ma Steel (Hong Kong) will subscribe for RMB75 million by cash and hold 25% of the equity interest, Jiangdong Financial Company will subscribe for RMB30 million by cash and hold 10% of the equity interest, and Xincheng Investment Company will subscribe for RMB15 million by cash and hold 5% of the equity interest.

The parties shall fully pay the subscription capital by cash in one lump sum within 30 days after Finance Leasing Company commences business.

The subscription capital under the Finance Leasing Company JV Agreement was agreed between all the parties after arm's length negotiation with reference to the estimated capital need of Finance Leasing Company. Ma Steel (Hong Kong) will settle the subscription capital with internal resources.

Conditions precedent of the agreement:

The Finance Leasing Company JV Agreement and the Articles of Associations of Finance Leasing Company having been approved and signed by all parties, and all the terms of the agreement and the Articles of Associations of Finance Leasing Company having been approved by the examining and approving authority.

Information on Ma Steel (Hong Kong)

Ma Steel (Hong Kong) is principally engaged in trading of steel products and iron ore, sales of steel products and provision of transportation services.

Information on Investment Company

Investment Company is principally engaged in equity investment, investment consulting and financial advisory (excluding securities business).

Information on Jiangdong Financial Company

Jiangdong Financial Company is principally engaged in financial investment (excluding those involving prior approval), equity investment, investment project management, asset management (excluding financial asset management), investment consulting, economic information consulting services, financial information services, and corporate mergers and acquisitions.

Information on Xincheng Investment Company

Xincheng Investment Company is principally engaged in venture capital business, venture capital consulting business, and providing entrepreneurial management services for start-up companies.

Reasons for and benefits of the agreement

Participation in the establishment of Finance Leasing Company is in line with the Company's own needs. It is beneficial for the Company to seize opportunities in the development of the domestic finance leasing industry, and to obtain relevant investment income. The investment is in accordance with general commercial terms, and will not cause any adverse impact to the Company or any damage to the interests of the Shareholders of the Company.

Listing rules implication

As at the date of this announcement, Magang Group is interested in approximately 45.54% of the Company's issued share capital and is the controlling shareholder of the Company. Investment Company is a wholly-owned subsidiary of Magang Group, and is a connected party of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Finance Leasing Company JV Agreement by Ma Steel (Hong Kong) constitutes a connected transaction of the Company. As the applicable percentage ratios of the transaction exceed 0.1% but fall below 5%, such connected transaction is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from independent shareholders' approval requirement under the Listing Rules.

General Information

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the transaction under the Finance Leasing Company JV Agreement except connected Directors (Mr. Ding Yi, Mr. Qian Haifan and Mr. Ren Tianbao). The other Directors, including independent non-executive Directors, have unanimously approved the transactions under the Finance Lease Company JV Agreement (connected Directors, namely Mr. Ding Yi, Mr. Qian Haifan and Mr. Ren Tianbao have abstained from voting), and are of the view that the terms of transactions are normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“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
“Magang Group”	Magang (Group) Holding Company Limited, a wholly state-owned enterprise and a controlling shareholder of the Company as defined under the Listing Rules
“Board”	the board of Directors of the Company
“Director(s)”	the directors of the Company
“Shareholder(s)”	holders of shares of the Company
“Investment Company”	Magang Group Investment Company Limited, a limited company incorporated in the PRC
“Mining Company”	Magang Group Mining Company Limited, a limited

	company incorporated in the PRC
“Engineering Group”	Magang Group Engineering Technology Company Limited, a limited company incorporated in the PRC
“International Trade Company”	Ma Steel International Economy and Trade Company Limited, a limited company incorporated in the PRC
“Ma Steel (Hong Kong)”	Ma Steel (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company registered in Hong Kong.
“Jiangdong Financial Company”	Maanshan Jiangdong Financial Holdings Company Limited, a limited company registered in PRC
“Xincheng Investment Company”	Anhui Xincheng Investment Company Ltd., a limited company registered in PRC
“Factoring Company”	Ma Steel (Shanghai) Commercial Factoring Company Ltd., a limited company to be incorporated in the PRC, the equity interest of which will be held as to 45%, 25%, 10%, 10% and 10% by Investment Company, the Company, Mining Company, Engineering Group and International Trade Company respectively.
“Factoring Company JV Agreement”	the agreement signed by the Company, Investment Company, Mining Company, Engineering Group and International Trade Company on 2 April 2018, pursuant to which all the parties above agreed to establish Factoring Company.
“Finance Leasing Company”	Ma Steel (Shanghai) Finance Leasing Limited Company, a limited company to be established in the PRC, the equity interest of which will be held as to 60%, 25%, 10% and 5% by Investment Company, Ma Steel (Hong Kong), Jiangdong Financing Company and Xincheng Investment Company respectively.
“Finance Leasing Company JV Agreement”	the agreement signed by Ma Steel (Hong Kong), Investment Company, Jiangdong Financing Company, and Xincheng Investment Company, pursuant to which all the parties above agreed to establish Finance Leasing Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the

“connected person(s)”	Stock Exchange of Hong Kong Limited
“PRC”	has the meaning ascribed to it under the Listing Rules of the People’s Republic of China, which, for the purposes of this announcement, does not include Hong Kong, Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

The Board
Maanshan Iron & Steel Company Limited
Ding Yi
Chairman

2 April 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