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

(Stock Code: 00323)

VOLUNTARY ANNOUNCEMENT WAIVER OF CAPITAL INJECTION TO INVESTEE COMPANY

This is a voluntary announcement made by Maanshan Iron & Steel Company Limited (the “Company” or “Company” or “Magang Stock”).

IMPORTANT NOTICE:

- The Company will not make capital injection to Ouye Lianjin Renewable Resources Co., Ltd. (“**Ouye Lianjin**”), a subsidiary controlled by Magang (Group) Holding Company Limited (“**Magang Group**”), a controlling shareholder of the Company.

I. INTRODUCTION OF THE TRANSACTION

Ouye Lianjin intends to raise RMB2.145 billion (subject to the final bid amount of the equity exchange of this listing), of which approximately RMB1.172 billion will be included in the registered capital of Ouye Lianjin, and the remaining capital of RMB973 million will be included in the capital reserve. After the capital injection, the registered capital of the Company will be RMB2.155 billion. The Company will not make direct capital injection.

At the forty-sixth meeting of the ninth session of the board of directors of the Company held on 19 July 2021, the related director Mr. Ding Yi abstained from voting as required, and four non-related directors voted in favor of the transaction. The transaction does not constitute major asset restructuring as defined in the “Administrative Measures for Major Assets Restructuring of Listed Companies” of China.

II. BASIC INFORMATION OF SUBJECT MATTER OF THE TRANSACTION

Ouye Lianjin Renewable Resources Co., Ltd.

1. Registered address: Southeast corner of Yucui Road and Jiuhua Road, Yushan Economic Development Zone, Maanshan City, Anhui Province
2. Legal representative: Chen Zhaoqi
3. Unified social credit code: 91340500574402383D
4. Registered capital: RMB983.2164 million
5. Nature of enterprise: Other limited liability company
6. Principal scope of business: Renewable resources(excluding hazardous chemicals), recycling, processing and sale of, scrap and used metals; sale and storage of pig iron; domestic trade proxy service. (For projects subject to approval in accordance with law, business activities can only be carried out upon approval by relevant departments)
7. Major financial data for 2020 (Unit: RMB): Total assets: RMB8,612.8149 million; equity attributable to the owners of the parent company: RMB1,774.2063 million; operating income: RMB35,721.5163 million; net profit attributable to owners of the parent company: RMB143.9395 million.
8. Shareholding structure prior to the capital injection: China Baowu Steel Group Corporation Limited (“**China Baowu**”) holds 69.83%, Magang Group holds 11.86%, Magang Stock holds 18.31%.

III. MAJOR CONTENT AND PRICING OF THE TRANSACTION

Ouye Lianjin intends to raise RMB2.145 billion (subject to the final bid amount of the equity exchange), of which approximately RMB1.172 billion will be included in the registered capital of Ouye Lianjin, and the remaining capital of RMB973 million will be included in the capital reserve. After the capital injection, the registered capital will be RMB2.155 billion. China Baowu, the former shareholder, intended to inject capital by RMB200 million while Magang Group and Magang will not make direct capital injection.

In addition to the capital injection by China Baowu, Ouye Lianjin also intended to publicly solicit external shareholders through the equity exchange, planning to introduce approximately 10 new shareholders to raise funds. Taking 31 December 2020 as the reference date, the net asset value of Ouye Lianjin was evaluated to be approximately RMB1.8 billion (subject to the valuation filing). China Baowu, the former shareholder, will subscribe at the final transaction price of the floor trading to realize the same price of the same shares. The listing is based on the amount to be raised, and the specific amount is subject to the final financing result. The Company will publish announcement(s) pursuant to the relevant requirements of the rules in a timely manner.

IV. IMPACT OF THE TRANSACTION ON THE COMPANY

1. Ouye Lianjin is mainly engaged in renewable resources, and the investment held by the Company in Ouye Lianjin represents resource-based strategic equity investment in the non-steel industry, with the purpose of serving the Company's main steel business. The Company will invest in the main iron and steel business in the future, so as to further consolidate the foundation for the high-quality development of the main iron and steel business.
2. With the introduction of diversified capital, Ouye Lianjin can give full play to industrial cooperation, strengthen and expand the recycling industry of metal renewable resources, optimize the Company's supply chain, and is simultaneously conducive to the preservation and appreciation of the existing relevant assets held by the Company.
3. Following completion of the capital injection, the equity interests held by the Company in Ouye Lianjin will decrease from 18.31% to 8.35% (subject to the final financing result).

Since Ouye Lianjin is not a subsidiary of the Company, as far as the Company is concerned, the capital injection to Ouye Lianjin and the issuance of shares to the aforesaid new shareholders do not constitute a transaction referred to in Chapter 14 and Chapter 14A of the Securities Listing Rules of The Stock Exchange of Hong Kong Limited.

By order of the Board
Maanshan Iron & Steel Company Limited
He Hongyun
Secretary to the Board

19 July 2021
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi and Ren Tianbao; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.