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

**(Stock Code: 00323)**

**VOLUNTARY ANNOUNCEMENT  
FURTHER MATTERS RELATING TO 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**”).

**I. INTRODUCTION OF THE TRANSACTION**

Reference is made to the voluntary announcement of the Company on 19 July 2021 in relation to the consideration and approval of the resolution on waiver of 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, at forty-sixth meeting of the ninth session of the board of directors of the Company held on 19 July 2021.

China Baowu Steel Group Corporation Limited (“**China Baowu**”), the original shareholder of Ouye Lianjin, intended to inject capital by RMB200 million, while Magang Group and Magang Stock have given up in making the capital injection. In addition to the capital injection by China Baowu, Ouye Lianjin 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. For details, please refer to the Voluntary Announcement – Waiver of Capital Injection to Investee Company issued by the Company on 19 July 2021.

## II. THE PROGRESS

Recently, the Company has received a notice from Ouye Lianjin that its capital contribution has been completed through public solicitation at Shanghai United Assets and Equity Exchange and off-market subscription based on the final on-market transaction price. The appraised net asset value of Ouye Lianjin is RMB1,808,629,600, equivalent to RMB1.8395 per registered capital. After comprehensive consideration, RMB1.84 per registered capital shall be taken as the final capital injection price, and each ultimate investor shall make subscription in cash entirely at such price. The total proceeds raised amounted to RMB1,544,640,000, of which RMB839,478,300 was included in the registered capital, and RMB705,161,700 was included in the capital reserves. The registered capital of Ouye Lianjin increased from RMB983,216,000 to RMB1,822,694,700, and the investment made by each party is stated in the table below:

<b>Name of Investor</b>	<b>Total Investment Amount RMB</b>
ICBC Financial Asset Investment Co., Ltd.	299,999,999.52
Tongling Nonferrous Metals Group Co., Ltd.	95,000,000.40
Anhui Jiangdong Industrial Investment Group Company Limited	99,999,999.84
Ansteel Capital Holding Co., Ltd.	49,999,999.92
Anhui Cornerstone Intelligent Manufacturing Phase III Fund Partnership (Limited Partnership)	199,640,000.00
Hefei Xingbang Advanced Manufacturing Equity Investment Partnership (Limited Partnership)	49,999,999.92
Jiaxing Huajian Lianxin Equity Investment Enterprise (Limited Partnership)	399,999,999.36
Ouyeel Cloud Commerce Co., Ltd.	99,999,999.84
Shanxi Taigang Venture Capital Company Limited	49,999,999.92
China Baowu	199,999,999.68
Total	<u><u>1,544,639,998.40</u></u>

*Note:* China Baowu, Ouye Yunshang Co., Ltd. and Shanxi Taigang Venture Capital Company Limited made capital injection over the counter, while other shareholders publicly solicited through the Shanghai United Assets and Equity Exchange.

Shareholding structure of Ouye Lianjin prior to the capital injection: China Baowu holds 11.86%, Magang Group holds 69.83%, and Magang Stock holds 18.31%.

Shareholding structure of Ouye Lianjin after the capital injection:

Name of Investor	Shareholding Ratio
China Baowu	12.36%
Magang Group <sup>(Note)</sup>	37.67%
The Company <sup>(Note)</sup>	9.88%
Jiaxing Huajian Lianxin Equity Investment Enterprise (Limited Partnership) <sup>(Note)</sup>	11.93%
Ouyeel Cloud Commerce Co., Ltd. <sup>(Note)</sup>	2.98%
Shanxi Taigang Venture Capital Company Limited <sup>(Note)</sup>	1.49%
ICBC Financial Asset Investment Co., Ltd.*	8.95%
Tongling Nonferrous Metals Group Co., Ltd.	2.83%
Anhui Jiangdong Industrial Investment Group Company Limited	2.98%
Ansteel Capital Holding Co., Ltd.	1.49%
Anhui Cornerstone Intelligent Manufacturing Phase III Fund Partnership (Limited Partnership)	5.95%
Hefei Xingbang Advanced Manufacturing Equity Investment Partnership (Limited Partnership)	1.49%
Total	<u>100%</u>

*Note:* The Company and Magang Group, Ouyeel Cloud Commerce Co., Ltd. and Shanxi Taigang Venture Capital Company Limited are all subsidiaries of China Baowu. Fund manager, executive partner and general partner (GP) of Jiaxing Huajian Lianxin Equity Investment Enterprise (Limited Partnership) (“**Huajian Lianxin**”) is Hwabao (Shanghai) Equity Investment Fund Management Co., Ltd. (the “**Hwabao Equity**”), Hwabao Equity is a subsidiary of China Baowu.

Information on China Baowu, Magang Group, Huajian Lianxin, Ouyeel Cloud Commerce Co., Ltd. and Shanxi Taigang Venture Capital Company Limited:

**(I) China Baowu**

China Baowu is a state-owned capital investment company controlled and held by the State-owned Assets Supervision and Administration Commission of the State Council. It is mainly engaged in operating state-owned assets within the scope authorized by the State Council, as well as carrying out relevant state-owned capital investment and operation. (For projects subject to approval in accordance with law, business activities can only be carried out upon approval by relevant departments)

## **(II) Magang Group**

Magang Group is a wholly state-owned enterprise with limited liability, which is principally engaged in capital management; mining and selection of mineral products; construction of construction projects; building materials, machinery manufacturing, maintenance and design; foreign trade; domestic trade (except for projects restricted by the state); supply, marketing and storage of materials; property management; advisory services; leasing; agroforestry. The ultimate beneficial owner of Magang Group is China Baowu.

## **(III) Jiaxing Huajian Lianxin Equity Investment Enterprise (Limited Partnership)**

Jiaxing Huajian Lianxin Equity Investment Enterprise (Limited Partnership) is principally engaged in: general projects: equity investment (except for projects that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws). Its ultimate beneficial owners are Beijing Jianxin Jude Investment Management Center (Limited Partnership) and Jiaxing Jianxin Chenyue Equity Investment Enterprise (Limited Partnership)\*.

## **(IV) Ouyeel Cloud Commerce Co., Ltd.**

Ouyeel Cloud Commerce Co., Ltd. is mainly engaged in: licensed projects: the type 2 value-added telecommunication services; import and export of goods; import and export of technologies. (For projects subject to approval in accordance with law, business activities can only be carried out upon approval by relevant departments, the actual business projects as approved under the approval documents or license documents granted by the relevant departments shall prevail) General projects: warehousing services (excluding dangerous goods), freight transport agents, third-party logistics services; advertising design, production, agency and release; technology development, technical consultation, technical services and technology transfer in the field of e-commerce; economic information consulting; enterprise management consulting; sales of metallurgical materials, metal materials and products (excluding special approval); shearing and processing and supporting services of metal materials and products; recycling, utilization and wholesale of recycled materials. (Except for projects that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws) Its ultimate beneficial owner is China Baowu.

**(V) Shanxi Taigang Venture Capital Company Limited**

Shanxi Taigang Venture Capital Company Limited is principally engaged in venture capital business; agency services of venture capital business for other venture capital enterprises (institutions or individuals); consultancy services of venture capital, venture management service business for venture capital enterprises; participation in establishment of venture capital enterprises and the venture capital management consultancy institutions. (For projects subject to approval in accordance with law, business activities can only be carried out upon approval by relevant departments) Its ultimate beneficial owner is Shanxi Taigang Investment Co., Ltd.

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

15 October 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.*