

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Stock Code: 00323)

ANNOUNCEMENT ON THE PROPOSED ISSUANCE OF CORPORATE BONDS IN THE PRC

On 30 March 2022, the fifty-ninth meeting of the ninth session of the board of directors of Maanshan Iron & Steel Company Limited (the “**Company**”) considered and approved the resolution on the issuance of corporate bonds (the “**Corporate Bonds**”) in the People’s Republic of China (the “**PRC**”). The implementation of the resolution shall be subject to the approval of the shareholders of the Company at the general meeting and approval by the relevant regulatory authorities.

I. STATEMENT ON THE SATISFACTION OF THE CONDITIONS FOR ISSUANCE OF CORPORATE BONDS

In accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Measures for the Administration of Issuance of Securities by Listed Companies, the Measures for the Issuance and Trading of Corporate Bonds and other relevant laws, regulations and normative documents, the board of directors, having conducted a serious analysis and study of the Company’s eligibility to issue Corporate Bonds, is of the opinion that the Company meets the requirements and conditions for the issuance of the Corporate Bonds.

II. OVERVIEW OF THE ISSUANCE

(I) Size of issuance

The size of issuance of the Corporate Bonds shall not exceed RMB10 billion (inclusive of RMB10 billion, and the final size shall be subject to the approval of the regulatory authorities). The specific issuance scale shall be proposed at the general meeting to authorise the board of directors or its authorised person(s) to determine within the above-mentioned scope according to the relevant requirements of national laws, regulations and the securities regulatory authorities, as well as the actual needs of the Company and the market conditions at the time of issuance.

(II) Par value and issue price

The par value of the Corporate Bonds is RMB100, issuing at par value.

(III) Maturity

The term of maturity of the issuance of the Corporate Bonds shall not exceed 3 years (inclusive) and can be either single-term or multiple terms. The specific term structure of maturity and the issuance size of each type of the issuance of the Corporate Bonds shall be proposed at the general meeting to authorise the board of directors or its authorised person(s) to determine according to the actual needs of the Company and the market conditions at the time of issuance, and will be disclosed in the prospectus in relation to the offering of the Corporate Bonds.

(IV) Coupon rate and repayment of principal and interest

The Corporate Bonds are fixed-rate bonds. The interest is calculated per annum using simple interest method and no additional interest will be accrued overdue. The coupon rate of the Corporate Bonds will be determined by book-building according to market conditions, and shall be proposed at the general meeting to authorise the board of directors or its authorised person(s), together with the lead underwriter, to determine in accordance with relevant national regulations and the results of book-building.

The interests of the Corporate Bonds are paid in installments annually and the final phase will be paid with the principal, which is due at maturity.

(V) Issue methods

After registered with the China Securities Regulatory Commission (the “CSRC”), the Corporate Bonds will be publicly issued in PRC by tranches.

(VI) Target of issuance and arrangement of placement to shareholders of the Company

The target subscribers of these Corporate Bonds are professional investors who meet the criteria under the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (Revised in 2019), Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), Administrative Measures for the Eligibility of the Investors of Securities and Futures (《證券期貨投資者適當性管理辦法》) and the Administrative Measures of the Shanghai Stock Exchange for Suitability of Investors in the Bond Market (《上海證券交易所債券市場投資者適當性管理辦法》) to participate in bond subscription and transfer (except those prohibited by national laws and regulations from purchase).

These Corporate Bonds will not be preferentially allocated to the shareholders of the Company for placement.

(VII) Use of proceeds

After deducting the issuance costs, the funds raised through this issuance of Corporate Bonds will be used for repaying interest-bearing debts and replenishing working capital. The specific use shall be proposed at the general meeting to authorise the board of directors or its authorised person(s) to determine within the aforementioned scope based on the Company’s financial position and capital needs.

(VIII) Guarantees

This application for public issuance of the Corporate Bonds is unsecured.

(IX) Credit standing of the Company and measures to guarantee repayment

The Company has good credit and will entrust a duly qualified credit rating organization with credit rating on the Company for the public issuance of the Corporate Bonds. In the circumstances of any expected failure to pay any amount of the principal or interest of the Corporate Bonds as scheduled or any failure to pay any amount of the principal or interest of the Corporate Bonds as scheduled when they fall due after the issuance of the Corporate Bonds, the Company will at least take the following measures, and propose the general meeting to authorise the board of directors or its authorised person(s) to proceed with all the matters in relation to the following measures:

1. suspension of profit distribution to the shareholders;
2. suspension of capital expenditure projects such as substantial external investments and acquisitions and mergers;
3. reduction or suspension of the payment of the fees and bonus of the directors and the senior management.

(X) Way of underwriting

It is proposed that the principal underwriters will underwrite the bonds by way of standby commitment.

(XI) Listing arrangements of the Bonds

Upon completion of the proposed issuance of the Corporate Bonds and satisfaction of the listing conditions, the Company will promptly submit an application to Shanghai Stock Exchange for the listing and public trading of the Corporate Bonds. It shall be proposed at the general meeting to authorise the board of directors or its authorised person(s) to handle the listing and trading of Corporate Bonds in accordance with the relevant regulations of the stock exchange.

(XII) Validity of the resolution

The validity period of the Company's proposal for issuing the Corporate Bonds shall be valid for 36 months from the date of approval of the issuance proposal considered at the general meeting of the Company.

During the aforementioned validity period, if the Company submits the registration of the issuance of the Corporate Bonds to the CSRC, the validity period of this resolution of the general meeting for the issuance of Corporate Bonds shall be valid from the date of consideration and approval by the general meeting to the date of expiry of the consent of the CSRC for the registration of this issue. During the aforementioned validity period, the general meeting of the Company may convene a separate shareholders' general meeting in relation to the issuance of the Corporate Bonds to decide whether to terminate or extend the validity period of this resolution.

(XIII) Authorisation

In order to ensure the legal and efficient completion of the public issuance of Corporate Bonds, in accordance with the relevant laws and regulations such as the Securities Law of the People's Republic of China and Administrative Measures on the Issuance and Transaction of Corporate Bonds, as well as the relevant provisions of the Articles of Association, the general meeting is proposed to authorise the board of directors or its authorised person(s) to handle matters related to the issuance of bonds at their sole discretion, including but not limited to:

1. within the scope permitted by laws and regulations, with reference to the specific conditions of the market and the Company, formulate the specific proposal for the public issuance of bonds, and amend and adjust the specific issuance terms in relation to the issuance of bonds, including but not limited to the specific size of issuance, maturity, coupon rate and its determination methods, timing of issuance, whether to issue by tranches and the number of tranches and their respective size to be issued, whether to provide embedded options such as repurchase, coupon rate adjustment and redemption, whether to provide guarantee arrangements and guarantee methods, term and methods of repaying principal and interest, methods of transfer, determination of the specific use and amount percentage of the raised funds, and arrangements to secure repayment (including the safeguard measures for repayment under the issuance proposal) etc. and all matters relating to the issuance of the Corporate Bonds;

2. determine and engage intermediaries to deal with the issuance of the Corporate Bonds;
3. select trustee(s) for the bonds, sign the trust and administration agreement(s) for the bonds and formulate rules for meetings of the bondholders;
4. sign contracts, agreements and documents relating to the issuance of the Corporate Bonds;
5. undertake filings and transfer matters in relation to the issuance of the Corporate Bonds, including but not limited to the authorisation, signing, execution, amendment and completion of all documents, deeds/agreements, contracts (including but not limited to prospectus, underwriting agreements, trust and administration agreement(s) for the bonds, listing agreements, all types of announcements and other legal documents, etc.) necessary for the issuance of the Corporate Bonds and the respective transfer, and making appropriate information disclosure pursuant to the provisions of laws and regulations and other regulatory documents;
6. in the event of changes in regulatory authorities' policies or market conditions for the issuance of the Corporate Bonds, except where the matters concerned would require re-voting at the shareholders' general meeting pursuant to the relevant laws, regulations and the articles of association of the Company, authorise the board of directors or its authorised person(s) to make corresponding adjustments to matters relating to the specific issuance proposal of the issuance of the Corporate Bonds based on the new policies and opinions of the regulatory authorities or new market conditions;
7. in the event of substantial changes in market environment or regulatory policies, authorise the board of directors or its authorised person(s) to determine whether to continue with the work in respect of the issuance of the Corporate Bonds in accordance with the prevailing circumstances;
8. the authorisation is effective from the date of passing the relevant resolutions at the shareholders' general meeting to the date of completion of the aforesaid matters for which authorisation is required.

III. USE OF PROCEEDS FROM THE BOND ISSUANCE

The proceeds are intended to be used for repaying interest-bearing debts and replenishing working capital. The use of proceeds from the issuance of the Corporate Bonds will have the following impacts on the financial position and operating results of the Company:

(I) Enhancing the short-term solvency of the Company

After the completion of this bond issuance, the current ratio and quick ratio of the consolidated and parent company statements and the coverage of current liabilities by current assets will be further improved, which will further enhance the short-term solvency of the Company.

(II) Conducive to broadening the financing channels of the Company and improving operational stability

After the completion of the bond issue and its implementation according to the plan for the use of proceeds, the ratio of long-term debt will be increased, the debt structure will be optimized, the financing channels will be expanded, and operational stability will be improved.

IV. OTHERS

For corporate bonds and short-term financing bonds and other bond-type financing instruments issued by the Company, the total accumulated amount at the end of any month shall not exceed RMB10 billion.

A circular containing, among other things, details of the proposed issuance of the Corporate Bonds, together with a notice of a general meeting to approve, among other things, the resolution in relation to the proposed issuance of the Corporate Bonds, will be despatched to the shareholders of the Company in due course.

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

30 March 2022
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.