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

(Stock Code: 00323)

ANNOUNCEMENT ON THE PROPOSED ISSUANCE OF SHORT-TERM FINANCING BONDS

On 30 March 2022, the fifty-ninth meeting of the ninth session of the board of directors (the “**Board**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) considered and approved the resolution on the proposed issuance of short-term financing bonds. In order to further optimize the debt structure, broaden the financing channels and reduce the financing costs, the Company proposed to apply to National Association of Financial Market Institutional Investors of China for registration of short-term financing bonds issuance in accordance with relevant regulations such as the Administrative Measures for Debt Financing Instruments of Non-Financial Institutions in the Inter-bank Bond Market (《銀行間債券市場非金融企業債務融資工具管理辦法》) by the People’s Bank of China, Guidelines on the Issuance of Non-financial Enterprises Short-Term Financing Bonds in the Interbank Bond Market (《銀行間債券市場非金融企業短期融資券業務指引》) and with regard to its own development needs. The details are as follows:

I. PROPOSAL FOR THE ISSUANCE OF SHORT-TERM FINANCING BONDS

(I) Size of issuance

The size of the public issuance of short-term financing bonds shall not exceed RMB10 billion (inclusive). The specific issuance scale shall be proposed at the general meeting to authorise the Board or its authorised person(s) to determine within the above-mentioned scope according to the actual needs of the Company and the market conditions at the time of issuance.

(II) Term of issuance

The term of the public issuance of short-term financing bonds shall not exceed one year (inclusive). The specific term shall be proposed at the general meeting to authorise the Board or its authorised person(s) to determine according to market conditions and the actual needs of the Company before the issuance.

(III) Method of issuance

The short-term financing bonds will be issued to the public in tranches in China after the successful registration with the National Association of Financial Market Institutional Investors.

(IV) Use of proceeds

The proceeds from the issuance of short-term financing bonds are intended to be used for repayment of interest-bearing debts and replenishment of working capital. The specific use of proceeds shall be proposed at the general meeting to authorise the Board or its authorised person(s) to determine within the above-mentioned scope according to the actual needs of the Company.

(V) Guarantee

There is no guarantee for the issuance of short-term financing bonds.

(VI) Validity period of the resolution

The resolution made on the issuance of the short-term financing bonds at the general meeting shall be valid for 24 months from the date of receiving the Registration Acceptance Notice (《接受註冊通知書》) issued by the National Association of Financial Market Institutional Investors after approval at the general meeting.

(VII) Measures to ensure repayment

The general meeting is proposed to authorise the Board or its authorised person(s) to take at least the following measures when it is expected that the principal and interest of the bonds will not be repaid as scheduled or the principal and interest of the bonds fails to be repaid when they become due:

1. suspension of profit distribution to the shareholders;

2. suspension of the 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.

II. AUTHORISATION

In order to ensure the legal and efficient completion of the registration of short-term financing bonds issuance, in accordance with the relevant laws and regulations such as Company Law, Administrative Measures for Debt Financing Instruments of Non-Financial Institutions in the Inter-bank Bond Market and Guidelines on the Issuance of Non-financial Enterprises Short-Term Financing Bonds, as well as the relevant provisions of the Articles of Association, the general meeting is proposed to authorise the Board or its authorised person(s) to handle matters related to the issuance of short-term financing 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 short-term financing bonds, and amend and adjust the specific issuance terms in relation to the issuance of short-term financing bonds, including but not limited to all the matters relating 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, term and methods of repaying principal and interest, methods of transfer and 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 in relation to the issuance of short-term financing bonds;
2. determine and engage intermediaries to deal with the issuance of short-term financing bonds;
3. sign all contracts, agreements and documents relating to the issuance of short-term financing bonds;
4. undertake all filings and transfer matters in relation to the issuance of short-term financing 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, all types of announcements and other legal documents, etc.) necessary for the issuance of short-term financing bonds and the respective transfer, and making appropriate information disclosure pursuant to the provisions of laws and regulations and other regulatory documents;

5. in the event of changes in regulatory authorities' policies or market conditions for the issuance of short-term financing 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 or its authorised person(s) to make corresponding adjustments to matters relating to the specific issuance proposal of the issuance of short-term financing bonds based on the new policies and opinions of the regulatory authorities or new market conditions;
6. in the event of substantial changes in market environment or regulatory policies, authorise the Board or its authorised person(s) to determine whether to continue with the work in respect of the issuance of short-term financing bonds in accordance with the prevailing circumstances;
7. 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. OTHERS

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

The registration of short-term financing bonds issuance is subject to the consideration and approval by the Company's general meeting, and shall be implemented after the approval and acceptance of the issuance registration by the National Association of Financial Market Institutional Investors. The Company will disclose the progress of the short-term financing bonds in a timely manner in accordance with relevant laws and regulations.

A circular containing, among other things, details of the proposed issuance of corporate bonds, together with a notice of a general meeting to approve, among other things, the resolution in relation to the proposed issuance of short-term financing 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.