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

**(Stock Code: 00323)**

## **ANNOUNCEMENT ON REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES**

References are made to the announcement dated 24 December 2021 and the circular (the “**Circular**”) dated 9 February 2022 of Maanshan Iron & Steel Company Limited (the “**Company**”) in relation to (1) proposed adoption of the 2021 Restricted A Share Incentive Scheme and (2) connected transaction – proposed grant under Incentive Scheme, and the announcements dated 30 March 2022 and 10 May 2022 of the Company in relation to the First Grant of Restricted Shares to Participants of the 2021 Restricted A Share Incentive Scheme of the Company. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

At the 2<sup>nd</sup> meeting of the tenth session of the Board and the 2<sup>nd</sup> meeting of the tenth session of the supervisory committee of the Company convened on 5 December 2022, the Resolution in Relation to Repurchase and Cancellation of Certain Restricted Shares was considered and approved, pursuant to which, the Company intended to repurchase and cancel certain Restricted Shares which have not been unlocked. The relevant matters are hereby announced as follows:

## **I. RELEVANT CONSIDERATION PROCEDURES WHICH HAVE BEEN PERFORMED IN RELATION TO THE INCENTIVE SCHEME**

1. On 24 December 2021, the Resolution on the 2021 Restricted A Share Incentive Scheme (Draft) and its Summary and other relevant resolutions were considered and approved at the 55<sup>th</sup> meeting of the ninth session of the Board and the 45<sup>th</sup> meeting of the ninth session of the supervisory committee of the Company.
2. On 9 March 2022, the Company received the Approval for the Restricted Share Incentive Scheme of Maanshan Iron & Steel Company Limited from the State-owned Assets Supervision and Administration Commission of the State Council (the “SASAC”), forwarded by China Baowu Steel Group Corporation Limited (an indirect controlling Shareholder of the Company), which approved in principle the implementation of the Share Incentive Scheme by the Company.
3. On 10 March 2022, the Resolution on the 2021 Restricted A Share Incentive Scheme (Draft) and its Summary and other relevant resolutions were considered and approved at the 2022 first extraordinary general meeting, first class meeting of the holders of A Shares and first class meeting of the holders of H Shares of the Company.
4. On 30 March 2022, the Resolution on the First Grant of Restricted Shares to Participants of the 2021 Restricted A Share Incentive Scheme was considered and approved at the 59<sup>th</sup> meeting of the ninth session of the Board and the 49<sup>th</sup> meeting of the ninth session of the supervisory committee of the Company.
5. On 10 May 2022, the Company completed the registration of the first grant under the 2021 Restricted A Share Incentive Scheme, and a total of 75.05 million Restricted Shares had been granted to 260 persons in total.
6. On 5 December 2022, the Resolution in Relation to Repurchase and Cancellation of Certain Restricted Shares was considered and approved at the 2<sup>nd</sup> meeting of the tenth session of the Board and the 2<sup>nd</sup> meeting of the tenth session of the supervisory committee of the Company. Such resolution is subject to the approval at the general meeting.

## II. REASONS FOR, NUMBER OF SHARES INVOLVED IN AND PRICE FOR THE REPURCHASE AND CANCELLATION

According to the provision of “Clause 2 of Article IV under Chapter XIII of the 2021 Restricted A Share Incentive Scheme of Maanshan Iron & Steel Company Limited: The Incentive Participants who have terminated or cancelled labour relationship with the Company due to death, retirement, arrangement of post beyond their control, the original time and conditions of unlocking remain unchanged, and the unlocking ratio shall be determined in accordance with the term of the Incentive Participants in the corresponding performance years. The remaining Restricted Shares which have yet to arrive time limit of unlocking and the performance evaluation conditions are no longer unlocked, and shall be repurchased by the Company based on the sum of grant price plus the interests on fixed deposit in bank for the same period”, in consultation with their own or their heirs’ intentions, 1,864,000 Restricted Shares held by six persons who had retired, experienced job transfer or died will no longer be unlocked and will be repurchased by the Company at the sum of the grant price of RMB2.29 per share plus the interests on fixed deposit in bank for the same period. Details are as follows:

No.	Name	Exit type	Number of shares to be repurchased (shares)
1	Shi Honglin (史紅林)	Retired	200,000
2	Liu Guowang (劉國旺)	Job transfer	850,000
3	Song Chuanwen (宋傳文)	Retired	200,000
4	Hong Wei (洪偉)	Died	280,000
5	Hang Guisheng (杭桂生)	Retired	134,000
6	Li Qiang (李強)	Retired	200,000
	Total		<u>1,864,000</u>

In conclusion, the Company intends to repurchase the 1,864,000 Restricted Shares which have not satisfied the conditions for unlocking held by those six participants who had retired, experienced job transfer or died at the sum of the grant price of RMB2.29 per share plus the interests on fixed deposit in bank for the same period. After the repurchase of the above-mentioned shares, the Company will proceed with the cancellation thereof.

### III. TABLE OF CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY AFTER REPURCHASE AND CANCELLATION

The changes in the share capital structure of the Company after the repurchase and cancellation are as follows:

*Unit: shares*

<b>Category</b>	<b>Before the changes</b>	<b>Changes</b>	<b>After the changes</b>
Shares subject to locking-up	75,050,000	-1,864,000	73,186,000
Shares not subject to locking-up	<u>7,700,681,186</u>	<u>0</u>	<u>7,700,681,186</u>
Total	<u><u>7,775,731,186</u></u>	<u><u>-1,864,000</u></u>	<u><u>7,773,867,186</u></u>

*Note:* The above changes in share capital structure are subject to the share capital structure table issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited upon completion of the repurchase and cancellation.

### IV. IMPACT ON THE RESULTS OF THE COMPANY

The repurchase and cancellation of certain Restricted Shares will not have any material impact on the financial position and results of operations of the Company, nor will it affect the diligence of the management team of the Company, which will continue to perform its work duties conscientiously and strive to create value for Shareholders.

### V. SUBSEQUENT WORK ARRANGEMENTS FOR THE REPURCHASE AND CANCELLATION PLAN

Subject to the consideration and approval of repurchase and cancellation of certain Restricted Shares of the Shareholders at the general meeting, the Company will, in accordance with the Company Law and the regulations of the Shanghai Stock Exchange and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, complete the relevant procedures for the repurchase and cancellation and the corresponding registration of the change of registered capital and amendments to the Articles of Association of the Company, and the Company will perform its information disclosure obligations in a timely manner.

## **VI. VIEWS OF INDEPENDENT DIRECTORS**

The repurchase and cancellation of the Restricted Shares of the Company which have not yet been unlocked has been made in accordance with the relevant provisions of the 2021 Restricted A Share Incentive Scheme (Draft) of Maanshan Iron & Steel Company Limited, which is in the interests of all Shareholders and participants of the Company and in compliance with the relevant provisions of relevant laws, regulations and normative documents such as the Administrative Measures for Share Incentive of Listed Companies, the number of repurchased shares and the repurchase price are lawful and compliant, will not prejudice the interests of the Company and all Shareholders and will not have any material impact on the daily operation of the Company. Independent directors unanimously agree to the above-mentioned repurchase and cancellation of Restricted Shares.

## **VII. VIEWS OF SUPERVISORY COMMITTEE**

The repurchase and cancellation of the remaining Restricted Shares of the Company which have been granted but not yet been unlocked have been made in accordance with the relevant provisions of the Administrative Measures for Share Incentive of Listed Companies and other relevant laws, regulations and normative documents and the 2021 Restricted A Share Incentive Scheme (Draft) of Maanshan Iron & Steel Company Limited, and the procedures for the adjustments to the number of Restricted Shares repurchased and the repurchase price were in compliance with the relevant regulations, which will not prejudice the interests of the Shareholders of the Company and will not have any material impact on the financial position and the results of the operation of the Company. Supervisory committee agrees to the repurchase and cancellation of Restricted Shares.

## **VIII. CONCLUSIONS OF LEGAL OPINIONS**

Zhong Lun (Shanghai) Law Firm, Beijing issued a legal opinion that: the reasons for the repurchase and cancellation of the Company are in compliance with the relevant requirements of the Company Law, the Securities Law, the Administrative Measures and the Incentive Scheme; the repurchase and cancellation have been approved and authorised as necessary, and the relevant procedures have been performed in compliance with the requirements of the Company Law, the Securities Law, the Administrative Measures and the Incentive Scheme; the adjustment bases of the repurchase quantity and price, as well as the repurchase quantity and price for the repurchase and cancellation are in compliance with the requirements of the Incentive Scheme. The Company shall perform information disclosure obligation in a timely manner and handle the procedures for reduction in registered capital and shares cancellation registration in accordance with the Company Law and other laws and regulations in respect of the repurchase and cancellation of the Incentive Shares.

## **IX. DOCUMENTS AVAILABLE FOR INSPECTION**

1. Board meeting resolutions signed by directors;
2. Supervisory committee resolutions signed by supervisors;
3. Independent opinion signed and confirmed by the independent directors on the repurchase and cancellation of certain Restricted Shares;
4. Legal opinion of Zhong Lun (Shanghai) Law Firm, Beijing on the repurchase and cancellation of certain Restricted Shares under the Share Incentive Scheme of Maanshan Iron & Steel Company Limited.

By Order of the Board  
**Maanshan Iron & Steel Company Limited**  
**Ren Tianbao**  
*Secretary to the Board*

5 December 2022  
Maanshan City, Anhui Province, the PRC

*As at the date of this announcement, the directors of the Company include: Executive directors Ding Yi, Mao Zhanhong and Ren Tianbao; Independent non-executive directors Zhang Chunxia, Zhu Shaofang, Guan Bingchun and He Anrui.*