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

(Stock Code: 00323)

**ANNOUNCEMENT IN RELATION TO
IMPLEMENTATION OF REPURCHASE AND
CANCELLATION OF CERTAIN RESTRICTED SHARES UNDER
THE 2021 A SHARE INCENTIVE SCHEME**

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, the announcements dated 30 March 2022 and 10 May 2022 in relation to the First Grant of Restricted Shares to Participants of the 2021 Restricted A Share Incentive Scheme of the Company, the announcement dated 5 December 2022 in relation to repurchase and cancellation of certain Restricted Shares, the announcement dated 29 December 2022 in relation to the resolutions passed at the 2022 Third Extraordinary General Meeting, Second Class Meeting of the Holders of A Shares and Second Class Meeting of the Holders of H Shares, and the Overseas Regulatory Announcement – Announcement of Notification to Creditors dated 30 December 2022. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

I. DECISION AND INFORMATION DISCLOSURE OF THE REPURCHASE AND CANCELLATION OF RESTRICTED SHARES

- (i) At the 2nd meeting of the tenth session of the Board and the 2nd 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, agreeing that six Participants would exit from the 2021 Restricted A Share Incentive Scheme of the Company for their respective reasons, and the Company intended to repurchase and cancel a total of 1,864,000 Restricted Shares held by them which have been granted but not yet unlocked. The independent Directors of the Company have issued their independent opinions in this regard. For details, please refer to the Announcement on Repurchase and Cancellation of Certain Restricted Shares published by the Company on 5 December 2022.
- (ii) The 2022 Third Extraordinary General Meeting, 2022 Second Class Meeting of the Holders of A Shares and 2022 Second Class Meeting of the Holders of H Shares were convened by the Company on 29 December 2022, at which the resolution was considered and approved. For details, please refer to the Announcement on Resolutions Passed at 2022 Third Extraordinary General Meeting, 2022 Second Class Meeting of the Holders of A Shares and 2022 Second Class Meeting of the Holders of H Shares published by the Company on 29 December 2022.
- (iii) The Company published the Overseas Regulatory Announcement – Announcement of Notification to Creditors on 30 December 2022, and as of 14 February 2023 when the 45-day period expired, the Company has not received any written documents from the creditors declaring their claims for debt repayment or provision of corresponding guarantees.

II. REPURCHASE AND CANCELLATION OF RESTRICTED SHARES

- (i) Reasons and Basis for the Repurchase and Cancellation of the Restricted Shares

Pursuant to the provisions of the 2021 Restricted A Share Incentive Scheme of Maanshan Iron & Steel Company Limited, six Participants were no longer qualified as Participants for their respective reasons, and the Company intended to repurchase and cancel the Restricted Shares held by them which have been granted but not yet unlocked.

(ii) Relevant Personnel and Number of Shares Involved in the Repurchase and Cancellation

A total of six Participants are involved in the repurchase and cancellation of the Restricted Shares, with an aggregate of 1,864,000 Restricted Shares to be repurchased and cancelled. Upon the completion of the repurchase and cancellation, the number of remaining Restricted Shares under the 2021 A Share Incentive Scheme of the Company will be 73,186,000 Shares.

(iii) Arrangements for the Repurchase and Cancellation

The Company has opened a special securities account for the repurchase with China Securities Depository and Clearing Corporation Limited, Shanghai Branch (CSDC Shanghai Branch), and has submitted the relevant application for the repurchase and cancellation to CSDC Shanghai Branch. The cancellation of the Restricted Shares repurchased for cancellation is expected to be completed on 9 March 2023. The Company will handle relevant procedures for registration of the changes in accordance with the laws.

III. CHANGES IN SHARE STRUCTURE OF THE COMPANY AFTER THE REPURCHASE AND CANCELLATION OF RESTRICTED SHARES

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

Unit: shares

Category	Before the changes	Changes	After the changes
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>7,775,731,186</u>	<u>-1,864,000</u>	<u>7,773,867,186</u>

IV. STATEMENTS AND UNDERTAKINGS

Statements from the Board of the Company: The decision-making process and information disclosure relating to the repurchase and cancellation of Restricted Shares comply with the laws and regulations, provisions under the Measures for the Administration of Equity Incentives of Listed Companies, the Incentive Scheme of the Company, and the arrangements under the agreements on granting of Restricted Shares, without prejudice to the legitimate rights and interests of Participants and benefits of creditors.

Undertakings of the Company: The Company has verified and guaranteed the truthfulness, accuracy and completeness of information in respect of Participants, number of shares and cancellation date in relation to the repurchase and cancellation of Restricted Shares, and has duly informed relevant Participants of the repurchase and cancellation, who have not raised objection against the said matter. In case of dispute arises between the Company and the Participants as a result of the repurchase and cancellation, the Company shall bear relevant legal liabilities arising therefrom.

V. CONCLUSIONS OF LEGAL OPINIONS

In the opinion of the lawyers of Zhong Lun (Shanghai) Law Firm, Beijing, 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 reasons for the repurchase and cancellation are in compliance with the relevant requirements of the Company Law, the Securities Law, the Administrative Measures and the Incentive Scheme; the repurchase quantity and price for the repurchase and cancellation are in compliance with the requirements of the Incentive Scheme. Upon the completion of the shares cancellation with CSDC in respect of the repurchase and cancellation, the Company is required to complete the relevant change of registration procedures in accordance with the laws.

By Order of the Board
Maanshan Iron & Steel Company Limited
Ding Yi
Chairman

6 March 2023
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.