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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 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 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 and the announcement dated 5 December 2022 in relation to repurchase and cancellation of certain restricted shares.

At the 5<sup>th</sup> meeting of the tenth session of the board of directors (the “**Board**”) and the 5<sup>th</sup> meeting of the tenth session of the supervisory committee of the Company convened on 10 March 2023, 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 has obtained the approval at the general meeting and completed the repurchase and cancellation of shares.
7. On 10 March 2023, the Resolution in Relation to Repurchase and Cancellation of Certain Restricted Shares was considered and approved at the 5<sup>th</sup> meeting of the tenth session of the Board and the 5<sup>th</sup> meeting of the tenth session of the supervisory committee of the Company. The resolution is subject to the approval of the general meeting.

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

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, may choose to unlock in accordance with the original time and conditions in the latest unlocking period, 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”, and the provisions of Clause 4 of Article IV under Chapter XIII thereunder, “when the Incentive Participants become independent director or supervisor who are unable to hold the Company’s Restricted Shares, the Restricted Shares that have not been unlocked from the Incentive Participants shall be repurchased by the Company according to the sum of the grant price and the bank fixed deposit interest in the same period”, 1 Incentive Participant had job transfer and 12 Incentive Participants chose to participate in the Share Incentive Scheme of a subsidiary under the Company and gave up their participation in the Share Incentive Scheme of the Company. The restricted shares held by 13 persons, namely 4,080,000 shares, 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 interest on fixed deposits in bank for the same period. Details are as follows:

No.	Name	Exit reason	Number of shares to be repurchased (shares)
1	Mao Xueqing (毛學慶)	Job transfer	390,000
2	An Tao (安濤)	Participation in the Share Incentive Scheme of a subsidiary under the Company	390,000
3	Si Xiaoming (司小明)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
4	Xu Naiwen (徐乃文)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000

No.	Name	Exit reason	Number of shares to be repurchased (shares)
5	Li Xiang (李翔)	Participation in the Share Incentive Scheme of a subsidiary under the Company	390,000
6	Yang Wenwu (楊文武)	Participation in the Share Incentive Scheme of a subsidiary under the Company	390,000
7	Liu Aibing (劉愛兵)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
8	Xiao Feng (肖峰)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
9	Yang Xiao (楊霄)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
10	Chen Gang (陳剛)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
11	Chen Hao (陳皓)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
12	Zhang Lei (張磊)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
13	Cheng Deli (程德利)	Participation in the Share Incentive Scheme of a subsidiary under the Company	280,000
	Total	–	<u>4,080,000</u>

In conclusion, the Company intends to repurchase the 4,080,000 Restricted Shares which have not satisfied the conditions for unlocking held by aforesaid 13 participants 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*

Category	Before the changes	Changes	After the changes
Shares subject to locking-up	73,186,000	-4,080,000	69,106,000
Shares not subject to locking-up	<u>7,700,681,186</u>	<u>0</u>	<u>7,700,681,186</u>
Total	<u><u>7,773,867,186</u></u>	<u><u>-4,080,000</u></u>	<u><u>7,769,787,186</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 the 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. The supervisory committee agrees to the repurchase and cancellation of Restricted Shares.

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

Zhong Lun Law Firm (Shanghai Office) 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. The resolution of the Board signed by the directors;
2. The resolution of the supervisory committee signed by the supervisors;
3. Independent opinion on the repurchase and cancellation of certain restricted shares signed and confirmed by the independent directors;
4. Legal opinion of Zhong Lun (Shanghai) Law Firm, Beijing in relation to 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**  
**Ding Yi**  
*Chairman*

10 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.*