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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**

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

- (i) At the 5th meeting of the tenth session of the board of directors and the 5th meeting of the tenth session of the supervisory committee of Maanshan Iron & Steel Company Limited (the “**Company**”) convened on 10 March 2023, the Resolution in Relation to Repurchase and Cancellation of Certain Restricted Shares was considered and approved, agreeing that 13 participants would exit from the 2021 Restricted A Share Incentive Scheme of the Company for their participation in the subsidiary’s share incentive scheme or job transfer, and the Company intended to repurchase and cancel a total of 4,080,000 restricted shares held by them which have been granted but not yet unlocked. The independent directors of the Company have issued their independent opinions of consent in this regard. For details, please refer to the Announcement on Repurchase and Cancellation of Certain Restricted Shares published by the Company on 10 March 2023.
- (ii) The 2023 Second Extraordinary General Meeting, 2023 First Class Meeting of the Holders of A Shares and 2023 First Class Meeting of the Holders of H Shares were convened by the Company on 29 March 2023, at which the resolution was considered and approved. For details, please refer to the Announcement on Resolutions Passed at 2023 Second Extraordinary General Meeting, 2023 First Class Meeting of the Holders of A Shares and 2023 First Class Meeting of the Holders of H Shares published by the Company on 29 March 2023.

- (iii) The Company published the Announcement on Notice to Creditors on 30 March 2023, and as of 14 May 2023 when the 45-day period expired, the Company had 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, 13 participants were no longer qualified as participants for their participation in the subsidiary's share incentive scheme or job transfer, 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 13 participants are involved in the repurchase and cancellation of the restricted shares, with an aggregate of 4,080,000 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 69,106,000 shares.

(iii) Arrangements for the Repurchase and Cancellation

The Company has opened a special securities account for the repurchase with Shanghai Branch of China Securities Depository and Clearing Corporation Limited and has submitted the relevant application for the repurchase and cancellation to Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The cancellation of the restricted shares to be repurchased and cancelled is expected to be completed on 2 June 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:

	<i>Unit: shares</i>		
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>

At the same time, the Company's registered capital will be reduced by RMB4,080,000 to RMB7,769,787,186.

IV. STATEMENTS AND UNDERTAKINGS

Statements from the board of directors 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 share 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 on Share Incentives (the “**Administrative Measures**”) and the 2021 Restricted A Share Incentive Scheme (the “**Incentive Scheme**”) of the Company; 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 Shanghai Branch of China Securities Depository and Clearing Corporation Limited in respect of the repurchase and cancellation, the Company is required to handle relevant procedures for registration of the changes in accordance with the laws.

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

30 May 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; and independent non-executive directors Zhang Chunxia, Zhu Shaofang, Guan Bingchun and He Anrui.