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

(Stock Code: 00323)

VOLUNTARY ANNOUNCEMENT

WAIVER OF CAPITAL INJECTION TO INVESTEE COMPANY

This announcement is made by Maanshan Iron & Steel Company Limited (the “**Company**”) on a voluntary basis.

IMPORTANT NOTICE:

- The Company will not make capital injection to an investee company Baowu Clean Energy Co., Ltd. (“**Baowu Clean Energy**”).

I. INTRODUCTION OF THE TRANSACTION

Baowu Clean Energy is an investee company of the Company, and a subsidiary of China Baowu Steel Group Corporation Limited (“**China Baowu**”), the indirect controlling shareholder of the Company. The plan of capital injection to Baowu Clean Energy is: China Baowu will make capital injection of RMB3 billion in cash, Baoshan Iron & Steel Co., Ltd. (“**Baosteel**”) will make capital injection of RMB726 million in fixed assets and related creditor’s rights and debts, Wugang Group Co., Ltd. (“**Wugang Group**”) will make capital injection of RMB561 million in assets, and Wuhan Iron and Steel Co., Ltd. (“**Wuhan Iron & Steel**”) will make capital injection of RMB33 million in assets. The capital injection will be RMB4.32 billion in aggregate. Baosteel, Wugang Group and Wuhan Iron & Steel are subsidiaries of China Baowu. As a shareholder of Baowu Clean Energy, the Company will not make capital injection this time.

At the tenth meeting of the tenth session of the board of directors of the Company held on 30 August 2023, Mr. Ding Yi and Mr. Mao Zhanhong, the connected directors, abstained from voting as required, and five non-connected directors voted in favor of the matter.

II. BASIC INFORMATION ON THE PARTIES TO THE TRANSACTION

(I) China Baowu

1. Registered address: No. 1859 Expo Avenue, China (Shanghai) Pilot Free Trade Zone
2. Legal representative: Hu Wangming
3. Unified social credit code: 91310000132200821H
4. Registered capital: RMB52,791.101 million
5. Nature of enterprise: Limited liability company (wholly state-owned)
6. Principal scope of business: permitted projects: retail sales of publications; wholesale of publications. (For projects subject to the administrative approval, approvals from the relevant authorities must be obtained prior to the commencement of operation. The specific business shall be subject to the approval documents or the business license granted by the relevant authorities). General projects: investment activities with its own funds; investment management; asset management services for investment with own funds; corporate headquarters management; land use right lease; non-residential real estate leasing; tax services; human resource services (excluding job intermediary activities and labor dispatch services); market subject registration agent; business agency services; undertaking archival service outsourcing; bidding agency services; big data services; corporate management consulting. (Except for projects subject to the administrative approval, the business activities shall be conducted independently with the business licences in accordance with the laws).

7. Key financial data for 2022 (unit: RMB): total assets: RMB1,239,841.0547 million; equity attributable to the owners of the parent company: RMB320,812.2815 million; operating revenue: RMB1,087,707.1973 million; net profit attributable to owners of the parent company: RMB16,768.523 million.

(II) Baosteel

1. Registered address: No. 885 Fujin Road, Baoshan District, Shanghai
2. Legal representative: Zou Jixin
3. Unified social credit code: 91310000631696382C
4. Registered capital: RMB22,262.200234 million
5. Nature of enterprise: Joint stock company (listed and state-owned)
6. Principal scope of business: steel smelting and processing, and steel related businesses including power, coal, industrial gas production, wharf, storage and transportation; technology development, technology transfer, technology service and technology management consulting service; automobile repairs; import and export of commodities and technologies; non-ferrous metal smelting and rolling processing; industrial furnace; production and sales of chemical raw materials and products; metal ore, coal, steel, non-metal ore loading and unloading, port service; transportation agency for the waterway cargo; loading, unloading and transportation of the waterway cargo; shipping agency; foreign contracting engineering and labor service; international tendering; engineering tender agency; domestic trading; set-off and carrying trade; steel scrap, coal, fuel oil, hazardous chemicals (wholesale only) (operation at branches and sub-branches only); security check on motor vehicles; production and sales of chemical raw materials and products. (For projects subject to approval in accordance with the laws, operating activities can only be conducted upon approval by the relevant authorities).

7. Key financial data for 2022 (unit: RMB): total assets: RMB398,248.8551 million; equity attributable to the owners of the parent company: RMB194,622.9098 million; operating revenue: RMB369,057.8878 million; net profit attributable to owners of the parent company: RMB12,186.8507 million.

(III) Wuhan Iron & Steel

1. Registered address: Joint Stock Company Organ, Qingshan District, Wuhan City
2. Legal representative: Liu Baojun
3. Unified social credit code: 91420100MA4KQ8JQX5
4. Registered capital: RMB500 million
5. Nature of enterprise: Limited liability company (a sole proprietorship invested or controlled by a non-natural person)
6. Principal scope of business: manufacturing of metallurgical products and by-products and steel extension products, and technological development of metallurgical products; the import and export of goods and technology, and the import and export of agency services (excluding goods or technologies that are prohibited or restricted from being imported or exported by the state); wholesale of steel and by-products and coal; sales of metal ores and non-metal ores, alloys, steel scrap, metal materials, electrical engineering and materials, wires and cables, building materials, refractory materials, electromechanical equipment, instrumentation and chemical products (excluding inflammable, explosive and hazardous goods); supply of electricity, heat and gas; warehousing, railway cargo transportation and road cargo transportation (where licensed business items are involved, operation is subject to permission by relevant authorities); repair of general equipment (excluding special equipment); professional repair

of equipment specifically for use in metallurgy; electrical equipment repair; instrumentation repair; measurement service and verification and calibration service; the enterprise's own carbon emission quota trading (limited for designated trading institutions or platforms); environmental protection monitoring service (only limited for operation of licensed branches); environmental technology consulting service (for projects subject to approval in accordance with the laws, operating activities can only be conducted upon approval by the relevant authorities).

7. Key financial data for 2022 (unit: RMB): total assets: RMB70,178.4799 million; equity attributable to the owners of the parent company: RMB34,410.1701 million; net profit attributable to owners of the parent company: RMB1,041.0671 million.

(IV) Baosteel Metals Co., Ltd. (寶鋼金屬有限公司)

1. Registered address: No. 3962 Yunchuan Road, Baoshan District, Shanghai
2. Legal representative: Wang Qiangmin
3. Unified social credit code: 913101131322330413
4. Registered capital: RMB4,054.990084 million
5. Nature of enterprise: Limited liability company (wholly state-owned)
6. Principal scope of business: general projects: sales of metal materials; import and export of goods and technology; import and export agency services; sales of non-ferrous metals alloy; sales of high-performance non-ferrous metals and alloy materials; auto parts wholesale; sales of mechanical equipment; sales of metal structure; sales of chemical products (excluding permitted chemical products); sales of industrial automatic control system device; sales of building materials; sales of coal and coal products; research and experimental development of engineering and technology; technology services, technology

development, technology consulting, technology exchange, technology transfer and technology popularisation; standardised services; intellectual property rights services (except patent agency services); manufacturing of non-ferrous metals alloy; research and development of new materials and technologies; non-ferrous metals calendaring and processing; foundry of non-ferrous metals; forging and powder metallurgy products manufacturing; investment activities with its own funds; venture capital (limited to investment in companies which are not listed); information consulting services (excluding licensed information consulting services); land use right leasing; manufacturing of metal materials; manufacturing of automotive parts and accessories; manufacturing of general equipment (excluding manufacturing of special equipment); mechanical equipment leasing. (Except for projects subject to the administrative approval, the business activities shall be conducted independently with the business licences in accordance with the laws).

7. Key financial data for 2022 (unit: RMB): total assets: RMB14,253.1937 million; equity attributable to the owners of the parent company: RMB8,116.7869 million; operating revenue: RMB9,354.5131 million; net profit attributable to owners of the parent company: RMB1,215.2655 million.

(V) Baosteel Zhanjiang Iron and Steel Co., Ltd. (寶鋼湛江鋼鐵有限公司)

1. Registered address: No. 18 Daodong Avenue, Dongjian Subdistrict Office, Zhanjiang Economic and Technological Development Zone
2. Legal representative: Tian Guobing
3. Unified social credit code: 914408005724191142
4. Registered capital: RMB20,000 million
5. Nature of enterprise: Limited liability company (state-owned)

6. Principal scope of business: permitted projects: operation of hazardous chemicals (for particulars, please refer to the projects approved in the License for Hazardous Chemicals (Yue Zhan Kai Wei Hua Jing Zi [2021] No. 184, valid until 12 September 2024)); power generation, transmission and supply (distribution) business; port operation; road goods transportation (excluding hazardous goods); inter-provincial general cargo ship transportation and intra-provincial ship transportation; public rail transportation; waterway general cargo transportation; bonded warehouse operation; motor vehicle inspection and testing services; import and export of toxic chemicals; tap water production and supply; fertilizer production; hazardous wastes operation (for projects subject to the administrative approval, approvals from the relevant authorities must be obtained prior to the commencement of operation. The specific business shall be subject to the approval documents or the business license granted by the relevant authorities) general projects: steel and iron smelting; steel rolling and processing; coal-based activated carbon and other coal processing; sales of coal and coal products; sales of metal ore; general goods warehouse service (excluding items of hazardous chemicals and other items requiring approval); port cargo loading, unloading and handling; domestic freight forwarding agency; ship leasing; domestic container cargo transportation agency; technology services, technology development, technology consulting, technology exchange, technology transfer and technology popularisation; motor vehicle repair and maintenance; import and export of goods and technology; import and export agency; manufacturing of basic chemical raw materials (excluding manufacturing of licensed chemical such as hazardous chemicals); manufacturing of special chemical products (excluding hazardous chemicals); production of chemical products (excluding licensed chemical products); sales of chemical products (excluding licensed chemical products); commonly used non-ferrous metal smelting; non-ferrous metals calendaring and processing; recycling of productive scrap metals; processing and treatment of metallic waste and debris; house leasing; non-residential real estate leasing; land use right leasing; mechanical equipment leasing; transportation equipment rental services; special equipment leasing; wastewater treatment and recycling; seawater desalination; collection, treatment and utilisation of rainwater, brackish water and mine water; fertilizer sales; pipeline transportation over land; business training (excluding education training, vocational skills training and other training that requires a license) (except for projects subject to the administrative approval, the business activities shall be conducted independently with the business licences in accordance with the laws)

7. Key financial data for 2022 (unit: RMB): total assets: RMB69,886.8961 million; equity attributable to the owners of the parent company: RMB32,722.8687 million; operating revenue: RMB63,999.1398 million; net profit attributable to owners of the parent company: RMB1,706.0807 million.

(VI) Baowu Group Echeng Iron & Steel Co., Ltd. (寶武集團鄂城鋼鐵有限公司)

1. Registered address: No. 215 Wuchang Avenue, Echeng District, Ezhou City
2. Legal representative: Wang Huxiang
3. Unified social credit code: 9142070070691922XN
4. Registered capital: RMB5,998 million
5. Nature of enterprise: Other limited liability companies
6. Principal scope of business: design, manufacturing, sales and installment of metallurgical products and by-products, metallurgical mineral products and steel extension products, building materials, metallurgical auxiliary materials, complete sets of metallurgical equipment, electromechanical equipment, telecommunications equipment, instrumentation; the production and sales of chemical products (excluding hazardous chemical goods) and coke; the processing and sales of steel scrap; industrial technology development, consulting services; the import and export of products and technologies (excluding goods or technologies that are prohibited or restricted from being imported or exported by the state); the production and sales of medical oxygen, compressed and liquefied gases; operation of coal; branches operate licensed services including freight forwarding agency service, information stowage, storage service, printing, design, production, release, agency of domestic advertising, educational information consultation, business management training, conference

planning, exhibition services, the production and sales of bottled (barreled) drinking water, dining and accommodation services. (For projects subject to approval in accordance with the laws, operating activities can only be conducted upon approval by the relevant authorities).

7. Key financial data for 2022 (unit: RMB): total assets: RMB15,792.8408 million; equity attributable to the owners of the parent company: RMB6,462.8671 million; operating revenue: RMB32,370.4772 million; net profit attributable to owners of the parent company: RMB22.2722 million.

(VII) Wugang Group

1. Registered address: No. 999, Youyi Avenue, Wuhan City
2. Legal representative: Zhou Zhongming
3. Unified social credit code: 914201001776819133
4. Registered capital: RMB4,739.61 million
5. Nature of enterprise: Limited liability company (a sole proprietorship invested or controlled by a non-natural person)
6. Principal scope of business: general projects: park management services; commercial complex management services; business startup space services; land use right leasing; hotel management; property management; business agency services; general cargo storage services (excluding hazardous chemicals and other items requiring licensing approval); daily life services for residents; conference and exhibition services; parking services; residential property leasing; non-residential property leasing (except for projects subject to the administrative approval, the business activities shall be conducted independently with the business licences in accordance with the laws)

7. Key financial data for 2022 (unit: RMB): total assets: RMB92,627.5143 million; equity attributable to the owners of the parent company: RMB32,595.8553 million; operating revenue: RMB20,890.7915 million; net profit attributable to owners of the parent company: RMB2,968.6848 million.

III. BASIC INFORMATION OF SUBJECT MATTER OF THE TRANSACTION

Baowu Clean Energy

1. Registered address: Room 666, Building 35, No. 19 Siyuan Road, Baoshan District, Shanghai
2. Legal representative: Qian Feng
3. Unified social credit code: 91310113MA1GNY3B0X
4. Registered capital: RMB5,848.034242 million
5. Nature of enterprise: Other limited liability company
6. Principal scope of business: hazardous chemicals business; power supply business; power generation, transmission and supply (distribution) business; gas operation; gas vehicle refueling business. (For projects subject to the administrative approval, approvals from the relevant authorities must be obtained prior to the commencement of operation. The specific business shall be subject to the approval documents or the business license granted by the relevant authorities)
7. Key financial data for 2022 (unit: RMB): total assets: RMB8,985.7476 million; equity attributable to the owners of the parent company: RMB6,020.9901 million; operating revenue: RMB5,471.9727 million; net profit attributable to owners of the parent company: RMB211.8587 million.

8. Shareholding structure of Baowu Clean Energy before the capital injection:

No.	Name of Shareholder	Shareholding percentage
1	China Baowu	51.3%
2	Baosteel Metals Co., Ltd. (寶鋼金屬有限公司)	24.51%
3	Wuhan Iron & Steel	10.17%
4	Baosteel Zhanjiang Iron and Steel Co., Ltd. (寶鋼湛江鋼鐵有限公司)	9.18%
5	Baowu Group Echeng Iron & Steel Co., Ltd. (寶武集團鄂城鋼鐵有限公司)	2.28%
6	The Company	2.56%
Total		<u>100%</u>

IV. PRINCIPAL CONTENT AND PRICING OF THE TRANSACTION

China Baowu, an original shareholder of Baowu Clean Energy, made capital injection of RMB3 billion to Baowu Clean Energy in cash; Wuhan Iron & Steel, an original shareholder of Baowu Clean Energy, make capital injection of RMB33 million (subject to the final filed appraisal value) to Baowu Clean Energy with its creditor's rights to Baowu Clean Energy; Baosteel made capital injection of RMB726 million (subject to the final filed appraisal value) to and invest in Baowu Clean Energy, with the fixed assets and related creditor's rights and debts in Shanghai Baosteel Clean and Energy Branch (上海寶鋼清能氣體分公司), being the subject matter for its investment; Wugang Group made capital injection of RMB561 million (subject to the final filed appraisal value) to and invest in Baowu Clean Energy, with partial gas related assets and equity interest which it held, equity interest which it held in China Hubei Emission Exchange, and its creditor's rights to Baowu Clean Energy being the subject matter for its investment; and except for China Baowu and Wuhan Iron & Steel, all other original shareholders of Baowu Clean Energy will not make capital injection.

The benchmark date of the capital injection will be 30 September 2022, and the total amount of the capital injection will be RMB4,320 million. As calculated, upon completion of the capital injection, the registered capital of Baowu Clean Energy will be RMB9.658 billion, with the premium included into the capital reserve. The shareholding structure of Baowu Clean Energy after the capital injection will be as follows (subject to the final filed appraisal value):

Name of shareholder	Form of injection	Registered capital (RMB100 million)	Shareholding percentage
China Baowu	In money	56.46	58.45%
Baosteel Metals Co., Ltd. (寶鋼金屬有限公司)	In equity	14.34	14.84%
Wuhan Iron & Steel	In equity, creditor's rights	6.24	6.46%
Baosteel Zhanjiang Iron and Steel Co., Ltd. (寶鋼湛江鋼鐵有限公司)	In equity	5.37	5.56%
Baowu Group Echeng Iron & Steel Co., Ltd. (寶武集團鄂城鋼鐵有限公司)	In equity	1.33	1.38%
The Company	In equity	1.50	1.55%
Baosteel	In kind, creditor's rights, etc.	6.40	6.63%
Wugang Group	In kind, creditor's rights, equity, etc	4.95	5.13%
Total		<u>96.58</u>	<u>100.00%</u>

V. IMPACT OF THE TRANSACTION ON THE COMPANY

In order to focus on the main steel business, the Company needs to optimise and integrate its resources, exit non-main business assets and businesses in an orderly manner, and allocate resources to investment in its main business. Baowu Clean Energy belongs to the clean energy business segment, which is not in line with the investment direction of the Company to focus on its main steel business. The waiver of the capital injection will have no material impact on the Company.

Upon completion of the capital injection, the percentage of the Company's shareholding in Baowu Clean Energy will decrease from 2.56% to 1.55% (subject to the final filed appraisal value); the number of directors of Baowu Clean Energy to be appointed by the Company will remain unchanged.

Since Baowu Clean Energy is not a subsidiary of the Company, as far as the Company is concerned, the aforesaid waiver of capital injection does not constitute a transaction under Chapter 14 and Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and no approval procedure at general meeting is required.

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

30 August 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.