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

**(Stock Code: 00323)**

**ANNOUNCEMENT ON EXTENSION OF THE PERFORMANCE OF  
UNDERTAKING ON NON-COMPETITION  
BY INDIRECT CONTROLLING SHAREHOLDER CHINA  
BAOWU STEEL GROUP CORPORATION LIMITED**

Maanshan Iron & Steel Company Limited (the “**Company**” or “**Magang Stock**”) has recently received the Letter on Extension of the Performance of Undertaking on Non-Competition issued by China Baowu Steel Group Corporation Limited (“**China Baowu**”), the indirect controlling shareholder of the Company, pursuant to which, China Baowu, based on the progress of its work on its undertaking to resolve the horizontal competition, intends to extend the period of its undertaking to avoid horizontal competition given when it acquired the 51% equity interest held by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government in Magang (Group) Holding Co., Limited (the “**Acquisition**”) in 2019 to indirectly control the Company, for another three years until 25 August 2027. At the 25<sup>th</sup> meeting of the tenth session of the board of directors of the Company held on 21 June 2024, the “Resolution in relation to the Extension of the Performance of Undertaking on Non-Competition by the Indirect Controlling Shareholder China Baowu” was considered and approved and the related directors have abstained from voting. Such resolution is subject to consideration at the general meeting of the Company. The particulars of the relevant matter are as follows:

**I. RELEVANT INFORMATION ON THE ORIGINAL UNDERTAKING**

On 26 August 2019, China Baowu issued the Letter of Undertaking on Non-Competition, undertaking that:

“(1) In the light of overlapping of certain businesses between Baosteel and Magang Stock upon completion of the Acquisition, and as required by current laws and regulations and related policies, the company will, within 5 years since the date of the Letter of Undertaking on Non-Competition and

a shorter time period with its best effort, properly advance the integration of related businesses to address the issue of horizontal competition by diversified means including asset restructuring, business adjustment and entrusted management, etc., following the principle of benefiting the development of the listed company and protecting the interest of the shareholders, in particular minority shareholders, on the premises of complying with applicable laws and regulations and related regulatory rules in due time and as required by competent securities regulatory authorities.

The aforesaid solutions include but are not limited to:

- 1) Asset restructuring: the company will progressively complete review and reorganisation of assets falling within overlapped business of Baosteel and Magang Stock through feasible restructuring forms including acquisition of assets, assets swap and assets transfer by various means permitted by applicable laws and regulations such as cash consideration or issuance of consideration shares, to eliminate overlap of certain businesses;
- 2) Business adjustment: the company will review the business boundary between Baosteel and Magang Stock, and try its best to achieve differentiated operations between such two listed companies through, for example, business differentiation by various means including asset transaction and business division, including but not limited to differentiation in respect of business composition, product grade, application field and customer group;
- 3) Entrusted management: By entering into trust agreement, either party will entrust the decision-making and management rights as to the operations of certain assets in overlapped business to the other party for unified management;
- 4) Other feasible solutions within the scope permitted by laws and regulations and related policies.

Implementation of above solutions is subject to performance of necessary deliberation procedures of listed companies, and approval procedures of securities regulatory authority and relevant competent authority according to applicable laws and regulations.

- (2) Currently the company has not developed specific implementation plan and schedule for addressing the issue of overlap of certain businesses between Baosteel and Magang Stock, and the company will perform the obligation of information disclosure as required by applicable laws and regulations upon the development of practicable specific plans in a timely fashion;

- (3) Save as disclosed above, upon acquisition of business opportunity by the company or its other subsidiaries to compete against Magang Stock, the company will use its best endeavours to provide Magang Stock with the priority of development of such business opportunity and right of first refusal of projects, cause the price of related transaction to be fair and reasonable, and will take the business practice followed in normal business transactions with independent third party as the basis for pricing;
- (4) The company guarantees, in strict accordance with the provisions of laws, regulations, the articles of association of the listed company and its related administrative rules, not to seek unjustified interest by leveraging its status as the indirect controlling shareholder of the listed company, and thus impair the interest of other shareholders of the listed company;
- (5) Above undertakings made by the company will remain in force during the period when China Baowu maintains its control over Magang Stock. In case of impairment caused to equity interests of Magang Stock as a result of violation of above undertakings, China Baowu will undertake corresponding liability for compensation.”

In the undertaking mentioned above, the “company” refers to China Baowu.

## **II. REASONS FOR EXTENSION OF THE PERFORMANCE OF THE UNDERTAKING**

Since giving the aforesaid undertaking, China Baowu has been actively exploring ways of business integration and asset reorganisation in order to resolve the problem of horizontal competition. Magang Stock has achieved sound development and secured leading market position in terms of rail transit axle products, the first phase of its new special steel project has progressed smoothly and been put into production, and breakthroughs have been made in a number of application areas for its new product development. However, due to the complexity of process of integrated steel enterprises, business integration is relatively difficult, coupled with that the steel industry is in a weak cycle in recent years, the performance of listed steel companies suffers from pressure, and it is getting more difficult to resolve the problem of horizontal competition against such backdrop. In addition, as Magang Stock is an A+H listed company, in resolving the horizontal competition, it shall comply with the regulatory rules of the capital markets in both Mainland China and Hong Kong, and take into account the interests of minority shareholders in both A share market and H share market. Therefore, more time is needed to conduct feasibility analysis and demonstration for forming an overall plan.

### **III. CONTENT OF THE COMMITMENT AFTER THE CHANGE**

Except for the following, the proposed changed letter of undertaking of China Baowu will be consistent with the original letter of undertaking:

1. For the content “(1) In the light of overlapping of certain businesses between Baosteel and Magang Stock upon completion of the Acquisition, and as required by current laws and regulations and related policies, the company will, within 5 years since the date of the Letter of Undertaking and a shorter time period with its best effort, properly advance the integration of related businesses to address the issue of horizontal competition by diversified means including asset restructuring, business adjustment and entrusted management, etc., following the principle of benefiting the development of the listed company and protecting the interest of the shareholders, in particular minority shareholders, on the premises of complying with applicable laws and regulations and related regulatory rules in due time and as required by competent securities regulatory authorities…” described in the original letter of undertaking, it is proposed to extend the validity period of the undertaking therein for another three years commencing on the expiry of the original letter of undertaking until 25 August 2027.
2. “(2) Currently the company has not developed specific implementation plan and schedule for addressing the issue of overlap of certain businesses between Baosteel and Magang Stock, and the company will perform the obligation of information disclosure as required by applicable laws and regulations upon the development of practicable specific plans in a timely fashion” described in the original letter of undertaking is proposed to be revised as follows: “(2) Currently the company is studying and developing the specific plans for addressing the issue of overlap of certain businesses between Baosteel and Magang Stock, and will perform the obligation of information disclosure as required by applicable laws and regulations based on the progress of the relevant matters in a timely fashion.”

### **IV. IMPACT OF EXTENSION OF THE PERFORMANCE OF THE UNDERTAKING ON THE COMPANY**

China Baowu’s extension of the performance of undertaking on non-competition is a change based on its work progress in addressing the undertaking on non-competition, which complies with the Guidelines No. 4 on the Supervision and Administration of Listed Companies – Undertakings of the Listed Company and its Relevant Parties of the CSRC and other relevant regulations, without impairing the interest of the Company and shareholders, in particular minority shareholders, and will not have a material impact on the Company’s production and operation.

## **V. RESOLUTION CONSIDERED AT THE BOARD MEETING**

The “Resolution in relation to the Extension of the Performance of Undertaking on Non-Competition by the Indirect Controlling Shareholder China Baowu” was considered and approved at a special meeting convened by the independent directors of the tenth session of the board of directors with 4 votes for, 0 vote against and 0 abstained vote on 19 June 2024. The meeting was of the view that China Baowu proposed to extend the period of undertaking on non-competition based on its work progress in addressing the undertaking on non-competition, which will not have a material impact on the Company’s production and operation, complies with the Guidelines No. 4 on the Supervision and Administration of Listed Companies – Undertakings of the Listed Company and its Relevant Parties of the CSRC and other relevant regulations, and does not impair the interest of the Company and shareholders, in particular minority shareholders. It was approved at the meeting that the resolution was submitted to the board of directors of the Company for consideration.

The “Resolution in relation to the Extension of the Performance of Undertaking on Non-Competition by the Indirect Controlling Shareholder China Baowu” was considered and approved at the 25<sup>th</sup> meeting convened by the tenth session of the board of directors of the Company with 5 votes for, 0 vote against and 0 abstained vote on 21 June 2024. Two related directors abstained from voting on this resolution. It was approved at the meeting that the resolution was submitted to the general meeting for consideration, and the related directors shall abstain from voting. The independent directors were of the view that China Baowu’s extension of the performance of undertaking on non-competition is compliant with the Guidelines No. 4 on the Supervision and Administration of Listed Companies – Undertakings of the Listed Company and its Relevant Parties of the CSRC and other relevant regulations as well as the actual situation of the Company, without impairing the interest of the Company and shareholders, in particular minority shareholders; and the decision-making procedure for such matter is compliant with the provisions and requirements of relevant laws, regulations and normative documents. The “Resolution in relation to the Extension of the Performance of Undertaking on Non-Competition by the Indirect Controlling Shareholder China Baowu” was approved and submitted to the general meeting of the Company for consideration.

## VI. OPINIONS FROM THE SUPERVISORY COMMITTEE

The “Resolution in relation to the Extension of the Performance of Undertaking on Non-Competition by the Indirect Controlling Shareholder China Baowu” was considered and approved at the 17<sup>th</sup> meeting convened by the tenth session of the supervisory committee of the Company on 21 June 2024. The meeting was of the view that China Baowu proposed to extend the period of undertaking on non-competition based on its work progress in addressing the undertaking on non-competition, which is compliant with the Guidelines No. 4 on the Supervision and Administration of Listed Companies – Undertakings of the Listed Company and its Relevant Parties of the CSRC and other relevant regulations, without impairing the interest of the Company and shareholders, in particular minority shareholders. It was approved at the meeting that the resolution was submitted to the general meeting of the Company for consideration.

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

21 June 2024  
Maanshan City, Anhui Province, the PRC

*As at the date of this announcement, the directors of the Company include executive directors Jiang Yuxiang, Mao Zhanhong and Ren Tianbao; and independent non-executive directors Guan Bingchun, He Anrui, Liao Weiquan and Qiu Shengtao.*