
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Maanshan Iron & Steel Company Limited, you should at once hand this circular together with the enclosed reply slip and form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

(Stock Code: 00323)

**(1) REPURCHASE AND CANCELLATION OF CERTAIN
RESTRICTED SHARES;
(2) WAIVER OF CAPITAL INJECTION TO INVESTEE COMPANY;
AND
(3) NOTICES OF 2023 THIRD EXTRAORDINARY GENERAL MEETING
AND
2023 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES**

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 1 to 17 of this circular.

The Company will hold the EGM and H Shares Class Meeting at Magang Office Building, No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC at 1:30 p.m. on Tuesday, 29 August 2023. The notice is set out on pages 18 to 21 of this circular.

Whether or not you intend to attend the said meetings in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's registered office (in the case of proxy form for, by holders of domestic shares) at No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC or to Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in the case of proxy form for, by holders of H shares) in any event not later than 24 hours before the time appointed for such meetings. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meetings or any adjournment thereof.

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
NOTICE OF 2023 THIRD EXTRAORDINARY GENERAL MEETING	18
NOTICE OF 2023 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES	20

DEFINITIONS

In this circular, the following expressions have the following meaning unless the context otherwise requires:

“A Share(s)”	the listed A shares in the share capital of the Company, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“Baowu Finance”	Baowu Group Finance Co., Ltd., a limited company incorporated in China
“Board”	the board of the Directors of the Company
“China Baowu”	China Baowu Steel Group Corporation Limited, a limited company incorporated in the PRC and a pilot enterprise of state-owned capital investment company which are 90% owned by the State-owned Assets Supervision and Administration Commission of the State Council
“Company”	Maanshan Iron & Steel Company Limited
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 third extraordinary general meeting of the Company to be held on Tuesday, 29 August 2023 to approve, among other things, the repurchase and cancellation of certain Restricted Shares as well as waiver of capital injection to an investee company
“H Shares”	the foreign shares in the share capital of the Company, with a nominal value of RMB1.00 per share, which are listed on the Hong Kong Stock Exchange, and subscribed for and traded in Hong Kong dollars
“H Shares Class Meeting”	the 2023 second class meeting of the holders of H Shares of the Company to be held on Tuesday, 29 August 2023 (or any adjournment thereof)

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Incentive Scheme” or “Scheme” or “Restricted Share Incentive Scheme” or “Share Incentive Scheme”	2021 Restricted A Share Incentive Scheme of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Participant(s)” or “Incentive Participant(s)”	the person(s) to be granted with the Restricted Share(s) under the Incentive Scheme, including the Directors, senior management officers, members of other leading teams, direct management officers, core technical personnel of the Company
“PRC”	the People’s Republic of China
“Restricted A Shares” or “Restricted Shares” or “Incentive Shares”	the A Shares to be granted to the Participants by the Company under the Incentive Scheme
“RMB”	renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TISCO Finance Co., Ltd.”	Taiyuan Iron & Steel Group Finance Company Limited, a limited company incorporated in China
“TISCO Group”	Taiyuan Iron & Steel (Group) Co., Ltd., a limited company incorporated in China
“TISCO Stainless Steel”	Shanxi Taigang Stainless Steel Co., Ltd., a limited company incorporated in China
“%”	per cent

LETTER FROM THE BOARD



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

(Stock Code: 00323)

Executive Directors:

Ding Yi (*Chairman*)

Mao Zhanhong (*Vice-Chairman*)

Ren Tianbao

Registered office:

No. 8 Jiu Hua Xi Road

Maanshan City

Anhui Province

the PRC

Independent Non-executive Directors:

Zhang Chunxia

Zhu Shaofang

Guan Bingchun

He Anrui

Office address:

No. 8 Jiu Hua Xi Road

Maanshan City

Anhui Province

the PRC

Dear Sir or Madam,

**(1) REPURCHASE AND CANCELLATION OF CERTAIN
RESTRICTED SHARES;
(2) WAIVER OF CAPITAL INJECTION TO INVESTEE COMPANY;
AND
(3) NOTICES OF 2023 THIRD EXTRAORDINARY GENERAL MEETING
AND
2023 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES**

INTRODUCTION

Reference is made to the announcement of the Company dated 28 July 2023 in relation to the repurchase and cancellation of certain Restricted Shares as well as waiver of capital injection to an investee company.

The purpose of this circular is to inform you the details in relation to repurchase and cancellation of certain Restricted Shares as well as waiver of capital injection to an investee company, and to issue the notices of the EGM and the H Shares Class Meeting.

LETTER FROM THE BOARD

1. 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 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 announcements dated 5 December 2022 and 10 March 2023 in relation to repurchase and cancellation of certain restricted shares.

At the 9th meeting of the tenth session of the Board and the 9th meeting of the tenth session of the supervisory committee of the Company convened on 28 July 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 55th meeting of the ninth session of the Board and the 45th 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 59th meeting of the ninth session of the Board and the 49th meeting of the ninth session of the supervisory committee of the Company.

LETTER FROM THE BOARD

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 2nd meeting of the tenth session of the Board and the 2nd meeting of the tenth session of the supervisory committee of the Company. The resolution was approved at the general meeting and the repurchase and cancellation of shares were completed.
7. On 10 March 2023, the Resolution in Relation to Repurchase and Cancellation of Certain Restricted Shares was considered and approved at the 5th meeting of the tenth session of the Board and the 5th meeting of the tenth session of the supervisory committee of the Company. The resolution was approved at the general meeting and the repurchase and cancellation of shares were completed.
8. On 28 July 2023, the Resolution in Relation to Repurchase and Cancellation of Certain Restricted Shares was considered and approved at the 9th meeting of the tenth session of the Board and the 9th 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

(I) Reasons for the Repurchase and Cancellation

According to the Incentive Scheme of the Company, in case of failure to pass the performance appraisal objectives of the unlocking period in any appraisal year under the Incentive Scheme, all Restricted Shares of the corresponding performance appraisal year shall be repurchased by the Company at the lower of the grant price or the market price. The market price is the average trading price of the Company's share on the trading day before consideration of the repurchase by the Board. The assessment conditions corresponding to the first unlocking period are as follows:

LETTER FROM THE BOARD

Cash return on net assets for 2022 shall not be less than 22% and shall not be less than 75 fractiles of benchmark enterprise; the compound growth rate of gross profit (after deduction of any extraordinary gain or loss) (based on benchmark year) for 2022 shall not be less than 7%, and shall not be less than 75 fractiles of benchmark enterprise; the annual EVA appraisal target set by the Board of the Company for 2022 shall be achieved, and meanwhile the improved EVA value (compared with 2020) shall not be less than RMB250 million.

The Company's actual performance indicators for 2022 are as follows: the cash return on net assets was 9%; the gross profit (after deduction of any extraordinary gain or loss) was RMB-813 million; the annual EVA appraisal target set by the Board for 2022 was not achieved, and meanwhile the improved EVA value (compared with 2020) was negative.

Accordingly, the performance appraisal targets for 2022 specified in the Incentive Scheme were not achieved, and all Restricted Shares of the corresponding appraisal year of 2022 shall be repurchased by the Company at the lower of the grant price or the market price.

(II) Number of Shares involved in and Price for the Repurchase and Cancellation

Reasons for the Repurchase	Number of persons involved	Price for the Repurchase (RMB/share)	Number of Shares involved in the Repurchase (shares)	Amount (RMB)
Performance not achieved	242	2.29	22,849,200	52,324,668
Total			<u>22,849,200</u>	<u>52,324,668</u>

(III) Total Amount and Source of Funds for the Repurchase

The Company will repurchase all the Restricted Shares of the corresponding appraisal year of 2022 with its own funds, and the total repurchase payment will be RMB52,324,668.

LETTER FROM THE BOARD

III. Table of Expected 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	69,106,000	-22,849,200	46,256,800
Shares not subject to locking-up	<u>7,700,681,186</u>	<u>0</u>	<u>7,700,681,186</u>
Total	<u><u>7,769,787,186</u></u>	<u><u>-22,849,200</u></u>	<u><u>7,746,937,986</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.

LETTER FROM THE BOARD

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 Incentive Scheme, 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 Incentive Scheme, 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 (Shanghai) Law Firm, Beijing 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 for Share Incentive of the Company (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.

LETTER FROM THE BOARD

2. WAIVER OF CAPITAL INJECTION TO INVESTEE COMPANY

I. Introduction of the Transaction

Baowu Finance is an investee company of the Company, and a subsidiary of China Baowu, the indirect controlling shareholder of the Company. Baowu Finance proposed to absorb and merge with TISCO Finance Co., Ltd., which is also a subsidiary of China Baowu, and to cancel the legal person status of TISCO Finance Co., Ltd. The original shareholders of TISCO Finance Co., Ltd., TISCO Group and TISCO Stainless Steel, would become new shareholders of Baowu Finance. As a shareholder of Baowu Finance, the Company will not make capital injection this time.

At the ninth meeting of the tenth session of the Board of the Company held on 28 July 2023, the related directors Mr. Ding Yi and Mr. Mao Zhanhong abstained from voting as required, and five non-related directors voted in favor of the matter.

II. Basic Information on the Parties to the Transaction

(I) China Baowu Steel Group Corporation Limited

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)

LETTER FROM THE BOARD

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) *Baoshan Iron & Steel Co., Ltd.*

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)

LETTER FROM THE BOARD

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 items 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 Company Limited

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)

LETTER FROM THE BOARD

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 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 items 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) Magang (Group) Holding Company Limited

1. Registered address: No. 8, Jiuhua West Road, Yushan District, Maanshan City
2. Legal representative: Ding Yi
3. Unified social credit code: 91340500150509144U
4. Registered capital: RMB6,666.28039476 million
5. Nature of enterprise: Limited liability company (state owned and controlled)
6. Principal scope of business: capital management; mining and selection of mineral products; construction of construction projects; building materials, machinery manufacturing, maintenance and design; foreign trade; domestic

LETTER FROM THE BOARD

trade (except for projects restricted by the state); supply, marketing and storage of materials; property management; advisory services; leasing; agroforestry. (Limited to subordinate branches) (For projects subject to the administrative approval, approvals from the relevant authorities must be obtained prior to the commencement of operation).

7. Key financial data for 2022 (Unit: RMB): Total assets: RMB127,080.9701 million; equity attributable to the owners of the parent company: RMB33,221.8798 million; operating revenue: RMB221,190.4465 million; net profit attributable to owners of the parent company: RMB1,749.7465 million.

(V) TISCO Group

1. Registered address: No. 2, Jiancaoping, Jiancaoping District, Taiyuan City, Shanxi Province
2. Legal representative: Sheng Genghong
3. Unified social credit code: 91140000110114391W
4. Registered capital: RMB6,674.68 million
5. Nature of enterprise: Other limited liability company
6. Principal scope of business: smelting, processing, manufacturing and sales of steel, billets, ingots, pig iron, rolls, ferroalloys, coking products, refractory materials, minerals, metal products, raw materials required for iron and steel production, building materials, electronic products, metallurgical electromechanical equipment and spare parts; technical services; road freight transportation; architectural engineering, construction engineering, engineering design and construction; food business, lodging services, catering hotels and other service industries; contracting overseas projects in the industry, domestic and international bidding projects, and the import and export of the required equipment, materials and spare and accessory parts; dispatching laborers for project production and service in the industry; (except for projects subject to special approval by the State) investment in mining industry, manufacturing industry, construction industry, real estate, technical services and geological prospecting industry, transportation and warehousing industry, production and supply industries of electricity, gas and water, and information transmission and computer software. (For projects subject to the administrative approval, approvals from the relevant authorities must be obtained prior to the commencement of operation)

LETTER FROM THE BOARD

7. Key financial data for 2022 (Unit: RMB): Total assets: RMB135,953.1584 million; equity attributable to the owners of the parent company: RMB53,427.3658 million; operating revenue: RMB108,750.3577 million; net profit attributable to owners of the parent company: RMB4,996.9948 million.

(VI) TISCO Stainless Steel

1. Registered address: No. 2, Jiancaoping, Jiancaoping District, Taiyuan City, Shanxi Province
2. Legal representative: Sheng Genghong
3. Unified social credit code: 91140000701011888X
4. Registered capital: RMB5,732.777796 million
5. Nature of enterprise: Other joint stock limited company (listed)
6. Principal scope of business: production and sales of stainless steel and other steel, billets, ingots, ferrous metals, ferroalloys and metal products; domestic trade and import and export of raw and auxiliary materials required for iron and steel production; wholesale and retail sales of building materials, standard machinery and accessories, electrical machinery and equipment; metallurgical technology development, transfer and training, and promotion of new metallurgical technologies, products and materials. Mining, processing, conveying and sales of iron ore and associated minerals; processing and sales of raw coal and clean coal; production and sales of coke and coking by-products, pig iron and by-products; production and sales of fertiliser (ammonium sulphate); sales of waste materials; production and sales of electronic products, instruments, meters and weighing systems, industrial automation engineering, industrial television design and installation, metering, testing (the above scope of business, except for the state-specific control products, is subject to the approval to operate with license files). Acting as an agent for communication business charging services (subject to mutual agreement). Undertaking engineering construction business of user communication pipelines, user communication lines, comprehensive wiring and its supporting equipment connected to the public communication network. Road transportation, engineering design and construction; catering hotels and other service industries; contracting overseas projects in the industry, domestic and international bidding, and the import and export of the required equipment, materials and spare and accessory parts; dispatching laborers for project

LETTER FROM THE BOARD

production and service in the industry. Electricity business: power generation business. (Except for projects subject to special approval by the State)

7. Key financial data for 2022 (Unit: RMB): Total assets: RMB72,859.3927 million; equity attributable to the owners of the parent company: RMB34,827.7438 million; operating revenue: RMB97,654.3770 million; net profit attributable to owners of the parent company: RMB153.5450 million.

III. Basic Information of Subject Matter of the Transaction

(I) Taiyuan Iron & Steel Group Finance Company Limited

1. Registered address: No.2 Building, No.83 Garden, Jiefang North Road, Jiancaoping District, Taiyuan City
2. Legal representative: Zhang Xiaodong
3. Unified social credit code: 911400000607262844
4. Registered capital: RMB2,000 million
5. Nature of enterprise: Other limited liability company
6. Principal scope of business: financial and financing consultancy, credit verification and relevant consultancy, agency business to members of the group; assisting members of the group in the collection and payment of transaction amount; approved insurance agency business; guarantee provided to members of the group; entrusted loans among members of the group; bill acceptance and discounting provided to members of the group; settlement of internal accounts transfer among members of the group and relevant settlement, design of liquidation plans; accepting deposits from members of the group; loans and finance leasing provided to members of the group; engagement in inter-bank borrowing. Underwriting of corporate bonds of members of the group; investment in marketable securities; buyer credit for member companies; foreign exchange business (foreign exchange trading business); entrusted investment business. (For projects subject to the administrative approval, approvals from the relevant authorities must be obtained prior to the commencement of operation)

LETTER FROM THE BOARD

7. Key financial data for 2022 (Unit: RMB): Total assets: RMB17,610.8492 million; equity attributable to the owners of the parent company: RMB3,646.5371 million; operating revenue: RMB611.1235 million; net profit attributable to owners of the parent company: RMB301.2098 million.

(II) Baowu Group Finance Co., Ltd.

1. Registered address: 9th Floor, Building 1, No. 1859 Expo Avenue, China (Shanghai) Pilot Free Trade Zone
2. Legal representative: Chen Haitao
3. Unified social credit code: 913100001322009015
4. Registered capital: RMB4,840 million
5. Nature of enterprise: Other limited liability company
6. Principal scope of business: permitted projects: corporate group finance company services. (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: RMB52,055.4086 million; equity attributable to the owners of the parent company: RMB4,988.9154 million; operating revenue: RMB1,441.0362 million; net profit attributable to owners of the parent company: RMB372.3866 million.
8. Shareholding structure of Baowu Finance before the absorption and merger:

No.	Name of Shareholder	Shareholding ratio
1	China Baowu	32.28%
2	Baoshan Iron & Steel Co., Ltd.	22.53%
3	Wuhan Iron and Steel Co., Ltd.	12.58%
4	The Company	29.68%
5	Magang (Group) Holding Company Limited	2.93%
Total		100%

LETTER FROM THE BOARD

IV. Principal Content and Pricing of the Transaction

The Company would waive the capital injection to Baowu Finance. Baowu Finance will merge with TISCO Finance Co., Ltd. by way of absorption and merger. All the original shareholders of TISCO Finance Co., Ltd., TISCO Group and TISCO Stainless Steel will become shareholders of Baowu Finance. The shareholding structure and proportion of Baowu Finance, after the absorption and merger, will be determined based on the appraised value. Baowu Finance, as the surviving company after the merger, shall inherit and undertake all the assets, liabilities, businesses, personnel, contracts and all other rights and obligations of TISCO Finance Co., Ltd.. The legal person status of TISCO Finance Co., Ltd. will be cancelled, and the profit and loss during the transitional period for both parties to the absorption and merger will be owned by the original shareholders of both parties in proportion to their shareholdings.

The benchmark date for audit and valuation is 30 April 2023. As valued, the net assets of Baowu Finance is RMB9,310 million, representing an appreciation of value of RMB2,010 million, or an appreciation rate of 27.55%, as compared with the audited book net assets of RMB7,300 million; as valued, the net assets of TISCO Finance Co., Ltd. is RMB3,048 million, representing an appreciation of value of RMB518 million, or an appreciation rate of 20.46%, as compared with the audited book net assets of RMB2,530 million. The above figures are subject to the appraisal value as filed with the competent authority.

Based on the calculation, the shareholding structure of Baowu Finance upon completion of the absorption and merger will be as follows (the final shareholding structure has been determined based on the appraisal value as filed with the competent authority):

Unit: RMB'0,000

No.	Name of shareholder	Registered capital	Percentage of shareholding
1	China Baowu	166,344.76	24.32%
2	Baoshan Iron & Steel Co., Ltd.	116,101.22	16.97%
3	Wuhan Iron & Steel Company Limited	64,827.05	9.48%
4	The Company	152,946.48	22.36%
5	Magang (Group) Holdings Co., Ltd.	15,098.83	2.21%
6	TISCO Group	86,027.65	12.58%
7	TISCO Stainless Steel	82,654.01	12.08%
Total		684,000.00	100%

LETTER FROM THE BOARD

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, expand leading industries, and allocate resources to investment in main business. Baowu Finance is in the financial business sector, which is not the investment direction of the main steel business of the Company. The waiver of the capital injection will have no material impact on the Company.

Upon completion of the absorption and merger, the shareholding held by the Company in Baowu Finance will decrease from 29.68% to 22.36% (the final ratio is calculated based on the appraisal value filed with the competent authority); the number of directors appointed by the Company in Baowu Finance remains unchanged.

Since Baowu Finance is not a subsidiary of the Company, as far as the Company is concerned, the aforesaid absorption and merger does not constitute a transaction under Chapter 14 and Chapter 14A of the Listing Rules, and no approval procedure of general meeting is required. However, pursuant to the regulations of the Shanghai Stock Exchange, the aforesaid absorption and merger will be submitted to the general meeting of the Company for approval by the Shareholders.

3. EGM AND H SHARES CLASS MEETING

The EGM and H Shares Class Meeting will be held at 1:30 p.m. on 29 August 2023 at the Magang Office Building, No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, at which relevant resolution will be proposed, including the approval of the resolution in relation to repurchase and cancellation of certain Restricted Shares as well as waiver of capital injection to an investee company.

Whether or not you are able to attend the EGM and H Shares Class Meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in any event not less than 24 hours before the time appointed for the holding of the EGM and H Shares Class Meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the above meetings or any adjourned meeting should you so desire.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director or Shareholder has a material interest in the resolution to be proposed at the EGM and H Shares Class Meeting and no Shareholder is required to abstain from voting on any resolution at the EGM and H Shares Class Meeting. The results of the poll will be announced after the EGM and H Shares Class Meeting.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Directors believe that the repurchase and cancellation of certain Restricted Shares as well as waiver of capital injection to an investee company are in the best interests of the Company and the Shareholders and therefore recommend all the Shareholders to vote in favour of such resolutions at the EGM and the H Shares Class Meeting.

Yours faithfully

By order of the Board

Maanshan Iron & Steel Company Limited

Ding Yi

Chairman

4 August 2023

NOTICE OF 2023 THIRD EXTRAORDINARY GENERAL MEETING



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

(Stock Code: 00323)

NOTICE OF 2023 THIRD EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 third extraordinary general meeting (the “**EGM**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) will be held at the Magang Office Building, No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the People's Republic of China (the “**PRC**”) at 1:30 p.m. on Tuesday, 29 August 2023.

The following resolutions will be considered at the EGM:

ORDINARY RESOLUTIONS

Resolutions for non-cumulative voting

1. To consider and approve the resolution in relation to repurchase and cancellation of certain restricted shares
2. To consider and approve the resolution in relation to the waiver of capital injection to Baowu Group Finance Co., Ltd.

By Order of the Board
Maanshan Iron & Steel Company Limited

Ding Yi
Chairman

4 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.

NOTICE OF 2023 THIRD EXTRAORDINARY GENERAL MEETING

Notes:

I. ELIGIBILITY FOR ATTENDING THE EGM

The Company's register of members for H shares will be closed from Thursday, 24 August 2023 to Tuesday, 29 August 2023 (both days inclusive), during which period no transfer of H shares will be registered. Holders of H shares who wish to be entitled to attend the EGM must deliver their instruments of transfer together with the relevant share certificates to The Hong Kong Registrars Limited, the Registrar of H shares of the Company, by no later than 4:30 p.m. on Wednesday, 23 August 2023. The address of the Registrar for the Company's H shares: Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Share registration date for holders of A shares will be announced separately.

II. REGISTRATION PROCEDURES FOR ATTENDING THE EGM

1. Holders of H shares shall deliver their copies of transfers for attending the EGM, share certificates or copies of receipts of share transfer and copies of their own identity cards to the Company by no later than Wednesday, 23 August 2023. If proxies are appointed by shareholders to attend the meeting, they shall, in addition to the aforementioned documents, deliver the proxy forms and copies of their own identity cards to the Company.
2. Shareholders can deliver the necessary documents for registration to the Company in one of the following ways: in person, by post or by facsimile. Upon receipt of such documents, the Company will complete the registration procedures for attending the EGM.

III. APPOINTING PROXIES

1. A shareholder who is entitled to attend and vote at the EGM is entitled to appoint in writing one or more proxies (whether being a shareholder or not) to attend the EGM and vote on his/her/its behalf.
2. The instrument of appointing a proxy must be in writing signed by the appointer or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign or other documents of authorisation must be notarially certified. The notarially certified power of attorney or other documents of authorisation and proxy forms must be delivered to the registered office of the Company by not less than 24 hours before the time appointed for the holding of the EGM in order for such documents to be valid.

IV. Shareholders or their proxies attending the EGM shall be responsible for their own food, accommodation and travel expenses.

V. CONTACT METHODS OF THE COMPANY

1. Registered address: No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC
2. Postal code: 243003
3. Telephone: 86-555-2888158
4. Fax: 86-555-2887284
5. Contact persons: Mr. Xu Yayan, Mr. Li Wei



馬 鞍 山 鋼 鐵 股 份 有 限 公 司
Maanshan Iron & Steel Company Limited

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

(Stock Code: 00323)

**NOTICE OF 2023 SECOND CLASS MEETING OF
THE HOLDERS OF H SHARES**

NOTICE IS HEREBY GIVEN that the 2023 second class meeting of the holders of H shares (the “**H Shareholders’ Class Meeting**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) will be held at the Magang Office Building, No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the People’s Republic of China (the “**PRC**”) at 1:30 p.m. on Tuesday, 29 August 2023 (or following the 2023 third extraordinary general meeting and 2023 second class meeting of the holders of A shares or any adjournment thereof).

The following resolution will be considered at the H Shareholders’ Class Meeting:

ORDINARY RESOLUTION

Resolution for non-cumulative voting

1. To consider and approve the resolution in relation to repurchase and cancellation of certain restricted shares

By Order of the Board

Maanshan Iron & Steel Company Limited

Ding Yi

Chairman

4 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.

NOTICE OF 2023 SECOND CLASS MEETING OF THE HOLDERS OF H SHARES

Notes:

I. ELIGIBILITY FOR ATTENDING THE H SHAREHOLDERS' CLASS MEETING

The Company's register of members for H shares will be closed from Thursday, 24 August 2023 to Tuesday, 29 August 2023 (both days inclusive), during which period no transfer of H shares will be registered. Holders of H shares who wish to be entitled to attend the H Shareholders' Class Meeting must deliver their instruments of transfer together with the relevant share certificates to The Hong Kong Registrars Limited, the Registrar of H shares of the Company, by no later than 4:30 p.m. on Wednesday, 23 August 2023. The address of the Registrar for the Company's H shares: Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Share registration date for holders of A shares will be announced separately.

II. REGISTRATION PROCEDURES FOR ATTENDING THE H SHAREHOLDERS' CLASS MEETING

1. Holders of H shares shall deliver their copies of transfers for attending the H Shareholders' Class Meeting, share certificates or copies of receipts of share transfer and copies of their own identity cards to the Company by no later than Wednesday, 23 August 2023. If proxies are appointed by shareholders to attend the meeting, they shall, in addition to the aforementioned documents, deliver the proxy forms and copies of their own identity cards to the Company.
2. Shareholders can deliver the necessary documents for registration to the Company in one of the following ways: in person, by post or by facsimile. Upon receipt of such documents, the Company will complete the registration procedures for attending the H Shareholders' Class Meeting.

III. APPOINTING PROXIES

1. Shareholders who have the right to attend and vote at the H Shareholders' Class Meeting are entitled to appoint in writing one or more proxies (whether a shareholder or not) to attend the H Shareholders' Class Meeting and vote on their behalves.
2. The instrument of appointing a proxy must be in writing signed by the appointer or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign or other documents of authorisation must be notarially certified. The notarially certified power of attorney or other documents of authorisation and proxy forms must be delivered to the registered office of the Company by not less than 24 hours before the time appointed for the holding of the H Shareholders' Class Meeting in order for such documents to be valid.

IV. Shareholders or their proxies attending the H Shareholders' Class Meeting shall be responsible for their own food, accommodation and travel expenses.

V. CONTACT METHODS OF THE COMPANY

1. Registered address: No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC
2. Postal code: 243003
3. Telephone: 86-555-2888158
4. Fax: 86-555-2887284
5. Contact persons: Mr. Xu Yayan, Mr. Li Wei