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

(Stock Code: 00323)

**CONTINUING CONNECTED TRANSACTIONS
SALE AND PURCHASE OF PRODUCTS AGREEMENT,
ACCEPTANCE AND PROVISION OF SERVICES AGREEMENT
AND NEW FINANCIAL SERVICE AGREEMENT**

SALE AND PURCHASE OF PRODUCTS AGREEMENT

The Existing Products Continuing Connected Transaction Agreements entered into by the Company and China Baowu and the Parent Group will expire on 31 December 2021. On 29 September 2021, the Company entered into the Sale and Purchase of Products Agreement with China Baowu, pursuant to which the Group agreed to continue to sell products to China Baowu Group and China Baowu Group agreed to continue to sell products to the Group during the period from 1 January 2022 to 31 December 2024.

ACCEPTANCE AND PROVISION OF SERVICES AGREEMENT

The Existing Services Continuing Connected Transaction Agreement entered into by the Company and China Baowu and the Parent Group will expire on 31 December 2021. On 29 September 2021, the Company entered into the Sale and Purchase of Products Agreement with China Baowu, pursuant to which the Group agreed to continue to provide services for China Baowu Group and China Baowu Group agreed to continue to provide services for the Group during the period from 1 January 2022 to 31 December 2024.

NEW FINANCIAL SERVICES AGREEMENT

The Original Financial Services Agreement for the year from 2019 to 2021 entered into by the Finance Company and the Parent Group on 15 August 2018 will expire on 31 December 2021. On 29 September 2021, the Finance Company and the Parent Group entered into the New Financial Services Agreement for the years from 2022 to 2024, pursuant to which the Finance Company agrees to provide the Parent Group and its subsidiaries with deposit services, loan services and other financial services subject to the terms and conditions provided therein.

As of the date of this announcement, China Baowu is the controlling shareholder of the Parent Company and indirectly holds approximately 57.19% of the share capital of the Company. The Parent Company holds approximately 47.59% equity interests of the share capital of the Company, being the controlling shareholder and a connected person of the Company. As of the date of this announcement, the Finance Company is a 91% owned subsidiary of the Company and an indirect subsidiary of the Parent Company. Therefore, China Baowu, the Parent Company and the Finance Company are connected persons of the Company. The transactions under the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the New Financial Services Agreement constitute continuing connected transactions of the Company under Rule 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the respective Proposed Annual Caps for the transactions contemplated under the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement, on an annual basis, are expected to be more than 5%, such continuing connected transactions are subject to requirements including reporting, announcement, annual review and Independent Shareholders' approval under Rule 14A of the Listing Rules.

The continuing connected transactions under the New Financial Services Agreement were entered into on normal commercial terms. In respect of the deposit services provided by the Finance Company to the Parent Company and its subsidiaries, as the deposit with the Finance Company is for the benefit of the Group where no security over assets of the Group is granted, the Company is exempted from reporting, announcement and Independent Shareholders' approval requirement under Rule 14A of the Listing Rules. In addition, in respect of the service charges of the other financial services under the New Financial Services Agreement, as the applicable ratios are more than 0.1% but less than 5%, they constitute exempted continuing connected transactions of the Company under Rule 14A of the Listing Rules and are exempt from the approval of Independent Shareholders and are only subject to the reporting and announcement requirements set out in Rule 14A of the Listing Rules.

The Independent Board Committee will advise the Independent Shareholders as to the relevant terms of the continuing connected transactions contemplated under the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement, including the respective Proposed Annual Caps. Halcyon Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to this respect thereof.

A circular that includes (i) the details of the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement, including the respective Proposed Annual Caps, (ii) the letter from the Independent Board Committee to the Independent Shareholders, (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as to the relevant terms of the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement and the respective Proposed Annual Cap, (iv) and the notice of convening the EGM, will be dispatched to the Shareholders on or before 20 October 2021.

I. SALE AND PURCHASE OF PRODUCTS AGREEMENT

The Existing Products Continuing Connected Transaction Agreements entered into by the Company and China Baowu and the Parent Group will expire on 31 December 2021. On 29 September 2021, the Company entered into the Sale and Purchase of Products Agreement with China Baowu, pursuant to which the Group agreed to continue to sell products to China Baowu Group and China Baowu Group agreed to continue to sell products to the Group during the period from 1 January 2022 to 31 December 2024. The principal terms of the Agreements are set out below:

Date

29 September 2021

Parties

- (1) The Company; and
- (2) China Baowu

Subject matter

The Company agreed to sell products to China Baowu Group through itself and the Group, including steel, ingot, coke, iron oxide, metallurgical accessories and materials (stainless steel belt, cable, tools, etc.) and other product (labor insurance, office supplies, etc.); electricity, domestic water, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air, other gases and slag, etc..

China Baowu itself agreed to sell products to the Company Group through itself and China Baowu Group, including ore, lime, scrap steel, steel billets, refractory materials, spare parts, complete equipment, non-standard spare parts and other commodities (coke, coal, alloy, oil, gas, etc.).

Both parties agreed to adopt an appropriate, reasonable and fair pricing method in accordance with the principle of fairness in formulating the transactions under the Sale and Purchase of Products Agreement. The terms of the products (including but not limited to pricing and payment) to be sold by the Group to China Baowu Group shall not be more favourable than those to the independent third parties provided by the Group for similar categories of products. The terms of the products (including but not limited to pricing and payment) to be sold by China Baowu Group to the Group shall not be less favourable than those provided by the independent third parties to the Group for similar categories of products.

During the term of the Sale and Purchase of Products Agreement, the Company has the right to decide whether to enter into transactions with any independent third parties in respect of the transactions contemplated under the Sale and Purchase of Products Agreement.

Consideration

The price shall be based on state-prescribed price, if any. In the absence of state-prescribed price, the pricing shall be based on the market price, which shall be determined through open tenders, price comparison, arm's length negotiations between the parties, and shall be based on normal commercial terms.

The pricing regarding the products to be sold by the Group to China Baowu Group shall not be lower than the price of the same categories of products sold by the Group to independent third parties.

The pricing regarding the products to be sold by China Baowu Group to the Group shall not be higher than the price of the same categories of products sold by the independent third parties to the Group.

In accordance with the current price standards, the price benchmarks adopted in other transactions under the Sale and Purchase of Products Agreement are as follows:

Category	Principle of Pricing	Items
Products sold by the Group to China Baowu Group	Government price	Electricity/domestic water/industrial treated water
	Market price	Blast furnace gas/coke oven gas/converter gas/steam/compressed air/other gases, etc.
	Market price	Steel/ingot/coke/iron oxide/metallurgical accessories/materials (stainless steel belt, cable, tools, etc.)/labor insurance, office supplies, etc.
Products purchased by the Group from China Baowu Group	Market price	Ore/lime/scrap steel/steel billets/refractory materials/spare parts and complete equipment/non-standard spare parts, etc.
	Market price	Other commodities (coke, coal, oil, etc.)

Payment

Regarding the payment of electricity, domestic water, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air, other gases and slag, etc. sold by the Group to China Baowu Group, the sum for the sales with respect to the previous month shall be paid by China Baowu Group to the Group at the beginning of each month and settlement will be done on a monthly basis. For the payment of steel, ingot, coke, iron oxide and other products (labour insurance, office supplies, etc.), at the end of each month, China Baowu Group shall pay to the Group the estimated sum in advance for the sales with respect to the following month and settlement will be done on a monthly basis. As for the payment of metallurgical accessories and other materials (stainless steel belts, cables, tools, etc.), the sum for the sales with respect to the previous month shall be paid by China Baowu Group to the Group and settlement shall be done on a monthly basis.

For the products sold by China Baowu Group to the Group, the Group shall pay for them within 30 business days after the Group has received and verified the quality of the goods.

Condition precedent

The Sale and Purchase of Products Agreement is conditional upon the Independent Shareholders approving the Sale and Purchase of Products Agreement and respective Proposed Annual Caps at the EGM.

Duration

Subject to the fulfillment of the aforementioned condition precedent, the Sale and Purchase of Products Agreement shall be for a term of three years commencing 1 January 2022 and ending 31 December 2024.

Existing Annual Caps and actual transaction amounts of the Existing Products Continuing Connected Transaction Agreement

The Existing Annual Caps (tax exclusive) for products under Original Magang Group CCT Agreement (as amended by the Existing Magang Group Supplemental Agreement and the New Magang Group Supplemental Agreement) and for the three years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

RMB

		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1. Products sold by the Group to the Parent Group, including steel, ingot, coke, iron oxide, metallurgical accessories and materials (stainless steel belt, cable, tools, etc.) and other products (labor insurance, office supplies, etc.); electricity, domestic water, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air, other gases and slag, etc.	Existing annual caps	965,297,000	1,061,345,700	1,550,371,400	N/A
	Actual transaction amounts	475,760,000	472,030,000	N/A	439,420,000
2. Products sold by the Parent Group to the Group, including ore, lime, scrap steel, refractory materials, spare parts, complete equipment, non-standard spare parts and other commodities (coke, coal, alloy, oil, gas, etc.)	Existing annual caps	2,033,126,400	2,105,434,900	2,125,822,600	N/A
	Actual transaction amounts	1,528,127,000	1,790,770,000	N/A	836,180,000

Under the Previous Ordinary Related Transaction Agreement and Ordinary Related Transaction (as amended by the Existing China Baowu Supplemental Agreement and the New China Baowu Supplemental Agreement), the existing annual caps (tax exclusive) of the relevant products from 19 September 2019 to 31 December 2019, for the two years ended/ending 31 December 2020, 31 December 2021 and the actual transaction amounts (tax exclusive) of the relevant products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>				
		From 19 September 2019 to 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021	
1.	Products sold by the Group to China Baowu Group, including steel products, billet, energy, spare parts and related products, etc.	Existing annual caps	30,000,000	448,120,000	1,176,530,000	N/A
		Actual transaction amounts	12,158,000	194,240,000	N/A	162,830,000
2.	Products sold by China Baowu Group to the Group, including iron ores, limestones, scraps, spare parts, auxiliary materials, etc.	Existing annual caps	220,000,000	7,241,650,000	18,764,450,000	N/A
		Actual transaction amounts	142,473,000	1,944,900,000	N/A	4,817,400,000

Under the Original Ouye Lianjin CCT Agreement (as amended by the Existing Ouye Lianjin Supplemental Agreement and the New Ouye Lianjin CCT Agreement), the existing annual caps (tax exclusive) of the products for the years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>			
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1. Products sold by the Group to Ouye Lianjin, (including water, electricity, gas, living water, industrial treated water, steam and other gases) and finished products and other commodities (including scraps raw materials and spare parts)	Existing annual caps	28,599,800	30,699,800	32,259,800	N/A
	Actual transaction amounts	17,119,000	10,400,000	N/A	6,430,000
2. Products sold by Ouye Lianjin to the Group, including scraps finished products	Existing annual caps	3,282,400,000	7,508,500,000	10,513,900,000	N/A
	Actual transaction amounts	3,075,593,000	5,499,820,000	N/A	6,598,400,000

Under the Chemical Energy Company Continuing Connected Transaction Agreement, the existing annual caps (tax exclusive) of the products for the years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>			
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1. Products sold by the Group to Chemical Energy Company, including electricity, gas, industrial treated water, coke oven gas, steam, compressed air raw coke oven gas, other gases, scrubbing oil, spare parts and materials	Existing annual caps	1,788,762,800	1,818,842,800	1,849,522,800	N/A
	Actual transaction amounts	1,754,513,000	1,498,870,000	N/A	826,400,000
2. Products sold by Chemical Energy Company to the Group, including coke oven gas and tar, etc.	Existing annual caps	1,962,750,000	1,990,970,000	2,019,740,000	N/A
	Actual transaction amounts	1,450,774,000	1,302,760,000	N/A	633,820,000

Under the K. Wah Company Continuing Connected Transaction Agreement, the existing annual caps (tax exclusive) of the products for the years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>				
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021	
1.	Products sold by the Group to K. Wah Company, including electricity and water slag	Existing annual caps	738,012,600	921,384,600	921,384,600	N/A
		Actual transaction amounts	N/A	419,140,000	733,723,000	688,140,000

Under the Existing Energy Saving and Environmental Protection Agreement (as amended by the Energy Saving and Environmental Protection Supplemental Agreement), the existing annual caps (tax exclusive) of the products for the years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>			
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1.	Power, energy medium and finished products sold by the Group to Anhui Xinchuang	79,000,000	80,000,000	190,460,000	N/A
	Existing annual caps				
	Actual transaction amounts	N/A	62,710,000	55,988,000	67,390,000

Under the Existing Sale and Purchase of Ore Agreement, the existing annual caps (tax exclusive) of the products for years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020, and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>			
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1.	Ore sold by the Parent Group to the Group, including electricity and water slag	5,232,820,000	5,368,260,000	5,761,700,000	N/A
	Existing annual caps				
	Actual transaction amounts	N/A	2,709,400,000	4,099,308,000	4,091,630,000

Under the Integrated Support Services Agreement, from 1 January 2019 to 31 December 2019, the existing annual caps (tax exclusive) of the related products and the actual transaction amounts (tax exclusive) of the related products are set out as below:

		<i>RMB</i>
		From 1 January 2019 to 31 December 2019
1. Products sold by the Group to the Parent Group, including energy, spare parts and related products, etc.	Existing annual caps	20,000,000
	Actual transaction amounts	1,384,000
2. Products sold by the Parent Group to the Group, including raw materials and related products, etc.	Existing annual caps	20,000,000
	Actual transaction amounts	4,728,000

Proposed Annual Caps

The Proposed Annual Caps for the transactions (tax exclusive) contemplated under the Sale and Purchase of Products Agreement for the years ending 31 December 2022, 31 December 2023 and 31 December 2024 are set out below:

	<i>RMB</i>		
	For the years ending 31 December 2022	For the years ending 31 December 2023	For the years ending 31 December 2024
1. The Group sells products to China Baowu, including steel, steel ingot, coke powder, iron oxide, metallurgical accessories, materials (stainless steel belt, cable, tools, etc.) and other products (labor insurance, office Supplies, etc.); electricity, domestic water, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air, other gases and water slag, etc.	13,859,277,400	15,149,577,600	15,952,495,300
2. China Baowu Group sells products to the Group, including ores, lime, scraps, refractory materials, auxiliary materials, complete equipment, non-standard prepared parts and other commodities (coke, coal, alloys, oil, gas, etc.)	39,451,969,700	39,524,488,400	39,941,462,000
Total	<u>53,311,247,100</u>	<u>54,674,066,000</u>	<u>55,893,957,300</u>

The Proposed Annual Caps in respect of the Sale and Purchase of Products Agreement for the term commencing 1 January 2022 and ending 31 December 2024 will be determined with reference to (i) the historical transaction amounts; (ii) the state-prescribed price or the market price for the continuing connected transactions; (iii) the Group's anticipated capacity to provide the products to China Baowu Group and the Group's anticipated demand for China Baowu Group's products to meet its production plan; and (iv) China Baowu Group's anticipated demand for the Group's products and China Baowu Group's anticipated capacity to provide the products to the Group.

Reasons for, and benefits of, the Sale and Purchase of Products Agreement

It will be in the interest of the Group to obtain a reliable and uniquely skilled supply of products from China Baowu to ensure the Group's stable and continuous production. The terms and pricing of the Sale and Purchase of Products Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

II. ACCEPTANCE AND PROVISION OF SERVICES AGREEMENT

The Existing Services Continuing Connected Transaction Agreements entered into by the Company and China Baowu and the Parent Group will expire on 31 December 2021. On 29 September 2021, the Company and China Baowu entered into the Acceptance and Provision of Services Agreement, pursuant to which during the period from 1 January 2022 to 31 December 2024, the Group agreed to continue to provide services to China Baowu Group, and China Baowu Group agreed to continue to provide services to the Group. The principal terms of the Agreement are set out below:

Date

29 September 2021

Parties

- (3) The Company; and
- (4) China Baowu

Subject matter

The Company agreed to provide products to China Baowu, including entrusted steel billets processing, metering, inspection, rental services, railway transport, etc..

China Baowu itself and China Baowu Group agreed to provide products to the Company, including infrastructural and technological renovation projects, energy conservation and environmental protection projects, contract energy management, custodial operations, major/medium maintenance of equipment, road transportation, waterway transportation, integrated port services, maintenance and preservation of equipment (facilities), automated/information operation and maintenance services and renovation; receiving inspection and repair services for electrical, electric and transformer works and other services (vehicle repair, monitoring and diagnostic services, etc.) Wheel processing, scrap steel processing, waste water treatment, gas processing, warehousing/distribution services, etc.; training, communication, printing, archiving, office rental, agency services and other specialized services.

Both parties agreed to adopt an appropriate, reasonable and fair pricing method in accordance with the principle of fairness in formulating the transactions under the Acceptance and Provision of Services Agreement. The terms of products (including but not limited to pricing and payment) to be provided by the Group to China Baowu shall not be more favourable than those to the independent third parties provided by the Group for similar categories of products. The terms of the products (including but not limited to pricing and payment) to be provided by China Baowu to the Group shall not be less favourable than those provided by the independent third parties to the Group for similar categories of products.

During the term of the Acceptance and Provision of Services Agreement, the Company has the right to decide whether to enter into transactions with any independent third parties in respect of the transactions contemplated under the Acceptance and Provision of Services Agreement.

Consideration

The price shall be based on state-prescribed price, if any. In the absence of state-prescribed price, the pricing shall be based on the market price, which shall be determined through open tenders, price comparison, arm's length negotiations between the parties, and shall be based on normal commercial terms.

The pricing regarding the products to be provided by the Group to China Baowu shall not be lower than the price of the same categories of services provided by the Group to independent third parties.

The pricing regarding the services to be provided by China Baowu Group to the Group shall not be higher than the pricing of the same categories of services provided by the independent third parties to the Group.

In accordance with the current price standards, the price benchmarks adopted in other transactions under the Acceptance and Provision of Services Agreement are as follows:

Category	Principle of Pricing	Items
Services provided by the Group to China Baowu	Market price	Provide entrusted steel billets processing, provide metering, inspection services, etc.
Services received by the Group from China Baowu	Market price	Infrastructure technical and renovation engineering services/overhaul and medium maintenance of equipment/highway transport/waterway transport/integrated port services/equipment (facility) maintenance services for production support/operation and maintenance service and modification regarding automation and informatization/project and maintenance services for electrical, motor and transformer/other services (automobile repair, monitoring and diagnostic services etc.)/wheel processing etc.
	Market price	Warehousing, distribution services/agency services, etc.

Payment

Regarding the payment of entrusted steel billets processing, metering, inspection services, etc., it shall be paid by China Baowu Group to the Group and settlement will be done on a monthly basis.

The payment of Infrastructure Technical and Renovation Engineering Services provided by China Baowu Group to the Group shall be made by the Group to the Parent Group within 30 business days in accordance with the construction progress after confirmation by the Company's management department. As for the payment of water and land transportation and related services, the Group shall ascertain the fee in accordance with the service progress and pay China Baowu Group within 30 business days after the Group shall have verified the quality.

Condition precedent

Acceptance and Provision of Services Agreement is conditional upon the Independent Shareholders approving the Acceptance and Provision of Services Agreement and respective Proposed Annual Caps at the EGM.

Duration

Subject to the fulfillment of the aforementioned condition precedent, the Acceptance and Provision of Services Agreement shall be for a term of three years commencing 1 January 2022 and ending 31 December 2024.

Existing Annual Caps and actual transaction amounts of the Existing Services Continuing Connected Transaction Agreements

The Existing Annual Caps (tax exclusive) for Services under the Original Magang Group CCT Agreement (as amended by Existing Magang Group Supplemental Agreement and New Magang Group Supplemental Agreement) for the years ended/ending 31 December 2019, 31 December 2020, 31 December 2021 and the actual transaction amounts (tax exclusive) of Services for the years ended 31 December 2019, 31 December 2020 and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>				
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021	
1.	Service provided by the Group to the Parent Group, including entrusted steel billets processing, metering, inspection, rental services, railway transport, etc.	Existing annual caps	83,874,000	83,874,000	83,874,000	N/A
		Actual transaction amounts	13,666,000	27,630,000	N/A	1,230,000

		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
2. The Parent Group provides services to the Group, including infrastructural and technological improvement projects, energy conservation and environmental protection projects, contract energy management, custodial operations, major/medium maintenance of equipment, road transportation, waterway transportation, integrated port services, maintenance and preservation of equipment (facilities), automated/information operation and maintenance services and renovation; receiving inspection and repair services for electrical, electric and transformer works and other services (vehicle repair, monitoring and diagnostic services, etc.) Wheel processing, scrap steel processing, waste water treatment, gas processing, warehousing/distribution services, etc.; training, communication, printing, archiving, office rental, agency services and other specialized services	Existing annual caps	4,094,340,800	5,602,740,100	5,302,970,000	N/A
	Actual transaction amounts	3,312,795,000	3,939,090,000	N/A	1,895,400,000

The Existing Annual Caps (tax exclusive) for Services under Previous Ordinary Related Transaction Agreement and Ordinary Related Transaction Agreement as amended by the Existing China Baowu Supplemental Agreement and the New China Baowu Supplemental Agreement for the terms during from 19 September 2019 to 31 December 2019, for the two years ended 31 December 2020 and the actual transaction amounts (tax exclusive) of Services for the years ended 31 December 2019, 31 December 2020 and the first six months ended 30 June 2021 are set out as below:

RMB

		From 19 September 2019 to 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first five months ended 30 June 2021
1. The Group provides services to China Baowu Group, including technical services, testing services, etc.	Existing annual caps	12,158,000	81,810,000	122,160,000	N/A
	Actual transaction amounts	683,000	7,170,000	N/A	3,810,000
	Existing annual caps	75,000,000	3,350,120,000	4,753,560,000	N/A
2. China Baowu Group provides services to the Group, including infrastructure and renovation services, commissioning agency, transportation, inspection and repair, commissioning processing, transportation loading and unloading, training, communication, printing, filing, newspaper, TV feature film production, office rental, singleton flat rental and other related services	Actual transaction amounts	39,861,000	845,270,000	N/A	497,880,000

Under the Original Ouye Lianjin CCT Agreement (as amended by the Existing Ouye Lianjin Supplemental Agreement and the Existing Original Ouye Lianjin CCT Agreement), the existing annual caps (tax exclusive) of the products for the years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020 and the first six months ended 30 June 2021 are set out as below:

RMB

		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1. Products sold by Ouye Lianjin to the Group, including scrap steel agency purchase and scrap steel processing.	Existing annual caps	36,163,600	43,680,600	53,502,500	N/A
	Actual transaction amounts	31,367,000	8,250,000	N/A	–

Under the Chemical Energy Company Continuing Connected Transaction Agreement, the existing annual caps (tax exclusive) of the products for years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the year ended 31 December 2019, 31 December 2020 and the first six months ended 30 June 2021 are set out as below:

RMB

		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021
1. Services provided by Chemical Energy Company to the Group, (including waste water treatment service, etc.)	Existing annual caps	7,190,000	8,320,000	8,910,000	N/A
	Actual transaction amounts	1,982,000	6,900,000	N/A	–

Under the Existing Energy Saving and Environmental Protection Agreement (as amended by the Energy Saving and Environmental Protection Supplemental Agreement), the existing annual caps (tax exclusive) of the products for years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 and the actual transaction amounts (tax exclusive) of the products for the years ended 31 December 2019, 31 December 2020 and the first six months ended 30 June 2021 are set out as below:

		<i>RMB</i>				
		For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ending 31 December 2021	For the first six months ended 30 June 2021	
1.	Provision of energy saving and environmental protection construction and services by Anhui Xinchuang to the Group)	Existing annual caps	906,100,000	916,100,000	946,100,000	N/A
		Actual transaction amounts	638,593,000	778,570,000	N/A	347,610,000

Under the Integrated Support Services Agreement, from 1 January 2019 to 31 December 2019, the existing annual caps (tax exclusive) of the related products and the actual transaction amounts (tax exclusive) of the products are set out as below:

		<i>RMB</i>	
		From 1 January 2019 to 31 December 2019	
1.	Services provided by the Group to the Parent Group, including, technical services and related services, etc.	Existing annual caps	9,000,000
		Actual transaction amounts	1,050,000
2.	Integrated services provided by the Parent Group to the Group, including the training, communication, printing, filing, newspaper, TV feature film production, office rental, singleton flat rental, property and building services, etc.	Existing annual caps	282,000,000
		Actual transaction amounts	95,136,000

Proposed Annual Caps

The Proposed Annual Caps for the transactions (tax exclusive) contemplated under Acceptance and Provision of Services Agreement for the years ending 31 December 2022, 31 December 2023 and 31 December 2024 are set out below:

	<i>RMB</i>		
	For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024
1. Service provided by the Group to China Baowu Group, including entrusted steel billets processing, metering, inspection, rental services, railway transport, etc.	272,589,100	311,487,100	331,972,900
2. China Baowu Group provides services to the Group, including infrastructural and technological improvement projects, energy conservation and environmental protection projects, contract energy management, custodial operations, major/medium maintenance of equipment, road transportation, waterway transportation, integrated port services, maintenance and preservation of equipment (facilities), automated/information operation and maintenance services and renovation; receiving inspection and repair services for electrical, electric and transformer works and other services (vehicle repair, monitoring and diagnostic services, etc.) Wheel processing, scrap steel processing, waste water treatment, gas processing, warehousing/distribution services, etc.; training, communication, printing, archiving, office rental, agency services and other specialized services	11,694,097,000	12,032,859,300	12,036,864,500
Total	<u>11,966,686,100</u>	<u>12,344,346,400</u>	<u>12,368,837,400</u>

The Proposed Annual Caps in respect of the Acceptance and Provision of Services Agreement for the term commencing 1 January 2022 and ending 31 December 2024 will be determined with reference to (i) the historical transaction amounts; (ii) the state-prescribed price or the market price for the continuing connected transactions; (iii) the Group's anticipated capacity to provide the products to China Baowu Group and the Group's anticipated demand for China Baowu Group's products to meet its production plan; and (iv) China Baowu Group's anticipated demand for the Group's products and the China Baowu Group's anticipated capacity to provide the products to the Group.

Reasons For and Benefits of the Acceptance and Provision of Services Agreement

It will be in the interest of the Group to obtain a reliable and uniquely skilled supply of services from China Baowu Group to ensure the Group's stable and continuous production. The terms and pricing of the Acceptance and Provision of Services Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

III. NEW FINANCIAL SERVICES AGREEMENT

The Original Financial Services Agreement for the years from 2019 to 2021 between the Finance Company and the Parent Group signed on 15 August 2018 will expire on 31 December 2021. On 29 September 2021, the Finance Company and the Parent Group entered into the New Financial Services Agreement for the years from 2022 to 2024, pursuant to which, the Finance Company agrees to provide the Parent Group and its subsidiaries with deposit services, loan services and other financial services subject to the terms and conditions provided therein. The principal terms of the Agreement are set out below:

Date

29 September 2021

Parties

- (i) The Finance Company; and
- (ii) The Parent Group

Duration

The New Financial Services Agreement shall be for a term commencing from 1 January 2022 to 31 December 2024.

Deposit services

When the Finance Company provides deposit services to the Parent Group and its subsidiaries, the interest rate for deposits shall refer to the benchmark interest rates and floating range set by the PBOC, and according to the principle of marketization, it must not be higher than the interest rates for deposits of a similar nature and under similar terms provided to the Parent Group and its subsidiaries by other independent commercial banks or financial institutions in the PRC.

The Parent Group and its subsidiaries open saving accounts with the Finance Company, and deposit funds into the saving accounts opened at the Finance Company under the principle of free access to these accounts, and in accordance with the requirements for the Parent Group to deposit cash in the Finance Company under the “Funds Administrative Measures” (《資金管理辦法》). Deposits can be in the form of demand deposits, time deposits and agreement deposits, etc. Such services are financial assistance to be provided by the Parent Group and its subsidiaries on normal commercial terms (or better terms for the Company (including its subsidiaries)) for the interests of the Company (including its subsidiaries), and are not secured by the assets of the Company (including its subsidiaries).

Regarding the interest under the deposit services, the interest is calculated monthly with reference to the benchmark interest rates for deposits and the floating range set by PBOC and is payable quarterly. The calculation of interest and the interest rate are consistent with that of independent commercial banks and financial institutions.

Loan services

When the Finance Company provides loan services to the Parent Group and its subsidiaries, the loan interests charged shall refer to the range of interest rates set by the PBOC, and according to the principle of marketization, it must not be lower than the interest rates for loans of similar nature and under similar terms charged on the Parent Group and its subsidiaries by other independent commercial banks or financial institutions in the PRC.

The Parent Group and its subsidiaries can apply for the provision of loan services from the Finance Company anytime when necessary, and the Finance Company shall provide the Parent Group with loan services according to the terms and amounts of the applications and in accordance with law. During the term of the Agreement, the daily cap of the loans to be provided by the Finance Company to the Parent Group and its subsidiaries shall be RMB4,900,000,000 (interest payment included). The Parent Group and its subsidiaries shall provide security or guarantee for the loan services as required by the Finance Company.

The total amount of loan provided by the Finance Company to the Parent Group and its subsidiaries and interest payable at the end of each day shall not be higher than the total amount of deposits and accrued interests of the Parent Group and its subsidiaries with the Finance Company.

Regarding the loan services, the interest is calculated with reference to the benchmark interest rates for loans and the floating range set by the PBOC.

Other financial services

When the Finance Company provides other financial services (including reception of bills, securities underwriting, financial advisory, insurance brokerage and sale and purchase of foreign exchange) to the Parent Group and its subsidiaries, the charge shall comply with the principle of marketization and must not be lower than the fees for other financial services of similar nature and under similar terms charged on the Parent Group and its subsidiaries by other independent commercial banks or financial institutions in the PRC. In terms of other financial services as aforesaid, the Parent Group and its subsidiaries shall pay the Finance Company interests and service charges for services including reception of bills, securities underwriting, financial advisory, insurance brokerage and sale and purchase of foreign exchange at fair and reasonable market rates, which should not be higher than RMB250,000,000 (interest payment included) per annum during the term of the Agreement.

The other financial services provided by the Finance Company are mainly bills Reception and entrusted loans. The charges of bills Reception are determined at 0.5% of the bills by reference to the “Price Management Measures of Services of Merchant Bank” jointly issued by CBRC and the National Development and Reform Commission, which is consistent with merchant banks. For entrusted loan service, loans will be charged at 0.1% of the loan contract amount. All of the above-mentioned charges are not lower than the minimum charges for similar services of merchant banks.

Reasons for and Benefits of the New Financial Services Agreement

Through the provision of financial services by the Finance Company to the Parent Group and its subsidiaries, the Company can utilize part of its available funds to enhance its capital utilization efficiency and benefit from the net interests and services fees received by the Finance Company. Meanwhile, according to the above transaction principles and the risk control system in relation to the related transactions between the Finance Company and the Parent Group, such related transactions will not cause any adverse impact to the Company. In light of the aforesaid, it will benefit the Company and its shareholders as a whole.

Information on the Company, the Parent Company, China Baowu, Anhui Xinchuang and the Finance Company

The Company is one of the largest iron and steel producers and marketers in the PRC and is principally engaged in the manufacture and sale of iron and steel products.

The Parent Company is a wholly state-owned enterprise with limited liability and a controlling shareholder of the Company. It is mainly engaged in mining and sorting of mineral products, construction, manufacturing of construction materials, trading, storage and property management, as well as agriculture and forestry. The ultimate beneficial owner of the Parent Company is China Baowu.

China Baowu, a state-owned capital investment company controlled by the State-owned Assets Supervision and Administration Commission of the State Council, is mainly engaged in operating state-owned assets within the scope authorized by the State Council, as well as carrying out relevant state-owned capital investment and operation.

Anhui Xinchuang is principally engaged in energy saving and environmental protection engineering and operation, industrial water treatment and operation, production of energy saving and environmental protection equipment, energy management under contract, environmental monitoring and comprehensive utilization of solid waste resources. The ultimate beneficial owner of the Anhui Xinchuang is China Baowu.

The Finance Company is a non-banking institution established under the PRC laws in October 2011 with the approval of the CBRC and is subject to the supervision of the CBRC. It is mainly engaged in providing financial services including but not limited to deposit services, loan and entrusted loan services, discounting services and settlement services to the Parent Group and its subsidiaries and the members of the Group. The ultimate beneficial owner of the Finance Company is China Baowu.

Internal Management of the Agreements

To ensure effective execution and implementation of the pricing of the transactions under the Agreements, the Company has established “Internal Control Management Measures of Related Transactions” to regulate the pricing management of relevant related transactions.

The connected transaction management committee of the Company, which directly reports to the Board, is responsible for the on-going monitoring of all the continuing connected transactions of the Company, which include the continuing connected transactions contemplated under the Agreements. The responsibilities of the connected transaction management committee include, among other things, approving and monitoring of continuing connected transactions, gathering information for disclosure of continuing connected transactions pursuant to the Listing Rules, and monitoring of pricing procedures for continuing connected transactions to ensure that prices are determined on normal commercial terms. For each relevant functional department of the continuing connected transaction agreements or relevant companies entering transactions shall provide actual trading situation quarterly to the finance and accounting department of the Company. The finance and accounting department of the Company will report on quarterly basis to the connected transaction management committee regarding the actual amount of the continuing connected transactions conducted during the quarter and the estimated amount in the following quarter so as to facilitate the connected transaction management committee to (i) monitor the actual amount of continuing connected transactions carried out; and (ii) assess whether the annual cap of any continuing connected transactions will be exceeded. The continuing connected transaction management committee will then report to the Board on quarterly basis.

The marketing department will be responsible for the pricing management and will guide various departments and units to establish the procedures and mechanism of professional price management, so as to ensure that the pricing standard is fair and reasonable, and conform with the market principle. Market prices will be obtained through, among other things, open tenders/quotations from independent third party suppliers and service providers, recent transaction prices of the Group with independent third parties, pricing information obtained through subscription service and researches on industry websites. The market price information will be circulated by the department to other departments and companies of the Group to enable them to determine the prices for the continuing connected transactions.

Approval by the Board

In the 50th meeting of the nine session of the Board on 29 September 2021, the Board approved the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the New Financial Services Agreement. The Directors attending the Board meeting regarding the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the New Financial Services Agreement consider that the Agreements and the Proposed Annual Caps in respect thereof have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Agreements are entered into during the ordinary and usual course of business of the Group.

Among the Directors attending the Board meeting, Mr. Ding Yi was considered to have material interests on the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the New Financial Services Agreement by virtue of being employed by the Parent Company or other reasons, and thus abstained from voting on the Board resolutions in respect of the relevant agreements and the Proposed Annual Caps. Save as disclosed above, none of the Directors attended the Board meeting has a material interest in the Agreements.

Listing Rules Implications

As at the date of the announcement, China Baowu is the controlling shareholder of the Parent Company, is indirectly interested in approximately 57.19% of the Company's share capital, and is a controlling shareholder and connected person of the Company. As at the date of the announcement, the Finance Company is a 91% owned subsidiary of the Company and an indirect subsidiary of the Parent Company. Therefore, China Baowu, the Parent Company and the Finance Company are connected persons of the Company. Accordingly, the transactions under the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement constitute continuing connected transactions of the Company under Rule 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the respective Proposed Annual Caps for the loan services under the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the New Financial Services Agreement, on an annual basis, are expected to be more than 5%, such continuing connected transactions and Proposed Annual Caps are subject to requirements including reporting, announcement, annual review and Independent Shareholders' approval under Rule 14A of the Listing Rules.

The continuing connected transactions under the New Financial Services Agreement were entered into on normal commercial terms. In respect of deposit services provided by the Finance Company to the Parent Company and its subsidiaries, as the deposit with the Finance Company is for the benefit of the Group where no security over assets of the Group is granted, the Company is exempted from reporting, announcement and Independent Shareholders' approval requirement under Rule 14A of the Listing Rules. In addition, in respect of the service charges of the other financial services under the New Financial Services Agreement, as the applicable ratios are more than 0.1% but less than 5%, they constitute exempt continuing connected transactions of the Company under Rule 14A of the Listing Rules and are exempted from the approval of Independent Shareholders and are only subject to the reporting and announcement requirements set out in Rule 14A of the Listing Rules.

General

The Independent Board Committee will advise the Independent Shareholders in relation to the terms of continuing connected transactions of the loan services under the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the New Financial Services Agreement, including the respective Proposed Annual Caps. Halcyon Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to this respect thereof.

A circular that includes (i) the details of the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement, including the respective Proposed Annual Caps, (ii) the letter from the Independent Board Committee to the Independent Shareholders, (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as to the relevant terms of the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and the loan services under the New Financial Services Agreement and the respective Proposed Annual Cap, (iv) and the notice of convening the EGM, will be dispatched to the Shareholders on or before 20 October 2021.

Definitions

In this announcement, the following expressions have the following meaning:

“Acceptance and Provision of Services Agreement”	the acceptance and provision of services agreement entered into between the Company and China Baowu on 29 September 2021
“Anhui Xinchuang”	Anhui Xinchuang Energy Saving and Environmental Protection Technology Company Limited, a joint stock company incorporated in the PRC with limited liability
“Board”	the board of the Directors of the Company
“Chemical Energy Company”	Anhui Ma Steel Chemical Energy Technology Co., Ltd. (安徽馬鋼化工能源科技有限公司), a limited company incorporated in the PRC
“Chemical Energy Company Continuing Connected Transaction Agreement”	the Continuing Connected Transaction Agreement dated 15 August 2018 executed by the Company and Chemical Energy Company, pursuant to which the parties agree that from 2019 to 2021, the Group will sell or provide products to Chemical Energy Company, and Chemical Energy Company will sell or provide products to the Group
“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
“China Baowu Group”	China Baowu and its subsidiaries (excluding the Group)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Maanshan Iron & Steel Company Limited, a joint stock limited company incorporated in the PRC, which shares are listed on the Stock Exchange

“Directors”	the directors of the Company
“Energy Saving and Environmental Protection Supplemental Agreement”	the energy saving and environmental protection supplemental agreement entered into between the Company and Anhui Xinchuang on 29 September 2021
“Existing China Baowu Supplemental Agreement”	the ordinary related transactions supplemental agreement entered into between the Company and China Baowu on 7 May 2020
“Existing Energy Saving and Environmental Protection Agreement”	the energy saving and environmental protection agreement entered into between the Company and Anhui Xinchuang on 15 August 2018
“Existing Magang Group Supplemental Agreement”	the continuing connected transactions supplemental agreement entered into between the Company and the Parent Company on 7 May 2020
“Existing Ouye Lianjin Supplemental Agreement”	the continuing connected transactions supplemental agreement entered into between the Company and Ouye Lianjin on 7 May 2020
“Existing Products Continuing Connected Transaction Agreements”	the Original Magang Group CCT Agreement (revised by the Existing Magang Group Supplemental Agreement and the New Magang Group Supplemental Agreement), the Original Ordinary Related Transaction Agreement (revised by the Existing China Baowu Supplemental Agreement and the New China Baowu Supplemental Agreement), the Original Ouye Lianjin CCT Agreement (revised by the Existing Ouye Lianjin Supplemental Agreement and New Ouye Lianjin CCT Agreement), the Chemical Energy Company Continuing Connected Transaction Agreement, K. Wah Company Continuing Connected Transaction Agreement, Existing Energy Saving and Environmental Protection Agreement (revised by the Energy Saving and Environmental Protection Supplemental Agreement Amendment), the Sale and Purchase of Ore Agreement and the Integrated Support Services Agreement

<p>“Existing Services Continuing Connected Transaction Agreements”</p>	<p>the Original Magang Group CCT Agreement (revised by the Existing Magang Group Supplemental Agreement and the New Magang Group Supplemental Agreement), the Original Ordinary Related Transaction Agreement (revised by the Existing China Baowu Supplemental Agreement and the New China Baowu Supplemental Agreement), the Original Ouye Lianjin CCT Agreement (revised by the Existing Ouye Lianjin Supplemental Agreement and New Ouye Lianjin CCT Agreement), the Chemical Energy Company Continuing Connected Transaction Agreement, Existing Energy Saving and Environmental Protection Agreement (revised by the Energy Saving and Environmental Protection Supplemental Agreement) Amendment) and the Integrated Support Services Agreement</p>
<p>“EGM”</p>	<p>the extraordinary general meeting to be convened by the Company to consider and approve, among other things, the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement and New Financial Services Agreement</p>
<p>“Group”</p>	<p>the Company and its subsidiaries</p>
<p>“Hong Kong”</p>	<p>Hong Kong Special Administrative Region of the PRC</p>
<p>“Independent Board Committee”</p>	<p>a board committee comprising all the Independent Non-executive Directors, which will, among others, consider and advise the Independent Shareholders in relation to the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement, the New Financial Services Agreement, and the transactions contemplated thereunder, including the respective Proposed Annual Caps</p>

“Independent Financial Adviser”	Halcyon Capital Limited, a licensed corporation to conduct type 6 (advising on corporate finance) regulated activities under the SFO. Halcyon Capital Limited, being the independent financial adviser, advises the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase of Products Agreement, the Acceptance and Provision of Services Agreement, the New Financial Services Agreement, the transactions contemplated thereunder, and the respective Proposed Annual Caps
“Independent Non-executive Directors”	independent non-executive Directors of the Company
“Independent Shareholders”	shareholders of the Company other than the Parent Company and its associates
“Integrated Support Services Agreement”	the integrated support services agreement entered into between the Company and the Parent Company on 27 December 2018
“K. Wah Company”	Anhui Ma Steel K. Wah New Building Materials Co., Ltd.(安徽馬鋼嘉華新型建材有限公司), a limited company incorporated in the PRC
“K. Wah Company Continuing Connected Transaction Agreement”	the continuing connected transaction agreement dated 15 August 2018 executed by the Company and K. Wah Company, pursuant which the parties agreed that the Group would sell or provide products to K. Wah Company from 2019 to 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magang Group” or “Parent Company”	Magang (Group) Holding Company Limited, a solely state-owned enterprise with limited liability, formerly known as Maanshan Magang Holding Company, and was approved by the government to restructure into Magang (Group) Holding Company Limited in September 1998

“New China Baowu Supplemental Agreement”	the ordinary related transactions supplemental agreement entered into between the Company and China Baowu on 29 September 2021
“New Financial Services Agreement”	the financial services agreement entered into between the Finance Company and the Parent Group on 29 September 2021
“New Magang Group Supplemental Agreement”	the continuing connected transactions supplemental agreement entered into between the Company and the Parent Company on 29 September 2021
“New Ouye Lianjin Supplemental Agreement”	the continuing connected transactions supplemental agreement entered into between the Company and Ouye Lianjin on 29 September 2021
“Original Ordinary Related Transaction Agreement”	the ordinary related transaction agreement entered into between the Company and China Baowu on 30 December 2019
“Original Financial Services Agreement”	the financial services agreement entered into between the Finance Company and the Parent Group on 15 August 2018
“Original Magang Group CCT Agreement”	the continuing connected transactions agreement entered into between the Company and the Parent Company on 15 August 2018
“Ouye Lianjin”	Ouye Lianjin Renewable Resources Co., Ltd. (歐冶鏈金再生資源有限公司) (formerly known as Maanshan Masteel Scrap Steel Co., Ltd. with its name changed on 19 February 2020), a limited company established in the PRC
“Original Ouye Lianjin CCT Agreement”	the continuing connected transaction agreement entered into between the Company and Ouye Lianjin on 15 August 2018
“PRC”	the People’s Republic of China
“Previous Ordinary Related Transaction Agreement”	the ordinary related transaction agreement entered into between the Company and China Baowu on 19 September 2019

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase of Products Agreement”	the sale and purchase of products agreement entered into between the Company and China Baowu on 29 September 2021
“Sale and Purchase of Ore Agreement”	the sale and purchase of ore agreement dated 15 August 2018 executed by the Company and the Parent Company, pursuant to which the parties agreed that the Company would purchase ore and iron ore from the Parent Company from 2019 to 2021
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	percentage

By Order of the Board
Maanshan Iron & Steel Company Limited
He Hongyun
Secretary to the Board

29 September 2021
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include: Executive directors Ding Yi and Ren Tianbao; Independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.