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

(Stock Code: 00323)

CONTINUING CONNECTED TRANSACTIONS AMENDMENTS TO TERMS OF CCT AGREEMENTS

I. NEW OUYE LIANJIN SUPPLEMENTAL AGREEMENT

On 15 August 2018, the Company entered into the Original Ouye Lianjin CCT Agreement with Ouye Lianjin, agreeing that, from 1 January 2019 to 31 December 2021, the Group would continue to sell or provide products to Ouye Lianjin, and Ouye Lianjin would continue to sell or provide products and services to the Group. On 7 May 2020, the Company entered into the Existing Ouye Lianjin Supplemental Agreement with Ouye Lianjin, proposing to, as for the products to be sold by Ouye Lianjin to the Group, (i) increase the annual cap for the year 2020 by RMB3,711.7 million from RMB3,796.8 million, with an adjusted annual cap for the year 2020 of RMB7,508.5 million, and (ii) increase the annual cap for the year 2021 by RMB5,070.0 million from RMB4,522.5 million, with an adjusted annual cap for the year 2021 of RMB9,592.5 million.

Due to the impact of the increase in demand and price rise, the caps under the Existing Ouye Lianjin CCT Agreement could not meet the expectation. As such, the Company entered into the New Ouye Lianjin Supplemental Agreement with Ouye Lianjin, proposing to, as for the products to be sold by Ouye Lianjin to the Group, increase the annual cap for the year 2021 by RMB921.4 million from RMB9,592.5 million, with an adjusted annual cap for the year 2021 of RMB10,513.9 million. All other existing principal terms and conditions under the Original Ouye Lianjin CCT Agreement and Existing Ouye Lianjin Supplemental Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Original Ouye Lianjin CCT Agreement and Existing Ouye Lianjin Supplemental Agreement has not exceeded the existing annual caps.

As of the date of this announcement, the Parent Company holds approximately 47.59% of the issued share capital of the Company and is the controlling shareholder of the Company. It also holds 69.83% equity interests of Ouye Lianjin, meaning that Ouye Lianjin is a subsidiary of the Parent Company and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions under the New Ouye Lianjin Supplemental Agreement would constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the New Ouye Lianjin Supplemental Agreement on an annual basis are 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 Chapter 14A of the Listing Rules.

II. NEW MAGANG GROUP SUPPLEMENTAL AGREEMENT

On 15 August 2018, the Company entered into the Original Magang Group CCT Agreement with the Parent Company, agreeing that, from 1 January 2019 to 31 December 2021, the Group would continue to sell or provide products and services to the Parent Group, and the Parent Group would continue to sell or provide products and services to the Group. On 7 May 2020, the Company entered into the Existing Magang Group Supplemental Agreement with the Parent Company, as for the infrastructure technical and renovation engineering services provided by the Parent Group, (i) increase the annual cap for the year 2020 by RMB1,600 million from RMB1,100 million, with an adjusted annual cap for the year 2020 of RMB2,700 million, and (ii) increase the annual cap for the year 2021 by RMB900 million from RMB1,000 million, with an adjusted annual cap for the year 2021 of RMB1,900 million.

Due to the impact of the increase in demand and price rise, the caps under the Original Magang Group CCT Agreement could not meet the expectation. As such, the Company entered into the New Magang Group Supplemental Agreement with the Parent Company, proposing to, (i) as for the products to be sold by the Group to the Parent Group, increase the annual cap for the year 2021 by RMB385 million from RMB1,165.3714 million, with an adjusted annual cap for the year 2021 of RMB1,550.3714 million, and (ii) as for the water and land transportation and related services, including highway transport, waterway transport, integrated port services (including cargo loading and unloading, storage, lump ore screening, transfer and short-distance handling, weighing, pickup and delivery, etc.), storage and delivery services, equipment (facility) maintenance services for production support, overhaul and medium maintenance of equipment, project and maintenance services for electrical, motor and transformer, operation and maintenance service and modification regarding automation and informatization, wheel processing services, agency services and automobile repair, monitoring and diagnostic services and related services, increase the annual cap for the year 2021 by RMB392.83 million from RMB3,010.1403 million, with an adjusted annual cap for the year 2021 of RMB3,402.9703 million. All other existing principal terms and conditions under the Original Magang Group CCT Agreement and the Existing Magang Group Supplemental Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Original Magang Group CCT Agreement and the Existing Magang Group Supplemental Agreement has not exceeded the existing annual caps.

As at the date of this announcement, the Parent Company is interested in approximately 47.59% of the Company's share capital and is the controlling shareholder and connected person of the Company. The transactions under the New Magang Group Supplemental Agreement would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the New Magang Group Supplemental 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 Chapter 14A of the Listing Rules.

III. NEW CHINA BAOWU SUPPLEMENTAL AGREEMENT

On 30 December 2019, the Company entered into the Original Ordinary Related Transaction Agreement with China Baowu, agreeing that, from 1 January 2020 to 31 December 2020, the Group would continue to sell or provide products and services to China Baowu Group, and China Baowu Group would sell or provide products and services to the Group. On 7 May 2020, the Company entered into the Existing China Baowu Supplemental Agreement with China Baowu to (i) increase the annual cap for the year 2020 by RMB10,334.7 million from RMB787 million, with an adjusted annual cap for the year 2020 of RMB11,121.7 million; and (ii) newly set the annual cap of the products and services for the year 2021 of RMB19,893.09 million.

Due to the impact of the increase in demand and price rise, the caps under the Existing China Baowu Supplemental Agreement could not meet the expectation. As such, the Company entered into the New China Baowu Supplemental Agreement with China Baowu, proposing to, (i) increase the annual cap of the products sold by the Group to China Baowu Group for the year 2021 by RMB943.61 million from RMB232.92 million, with an adjusted annual cap for the year 2021 of RMB1,176.53 million, and (ii) increase the annual cap of the products sold by China Baowu Group to the Group for the year 2021 by RMB3,980 million from RMB14,784.45 million, with an adjusted annual cap for the year 2021 of RMB18,764.45 million. All other existing principal terms and conditions under the Existing Ordinary Related Transactions Agreement and the Existing China Baowu Supplemental Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Original Ordinary Related Transactions Agreement and the Existing China Baowu Supplemental Agreement has not exceeded the existing annual caps.

As of the date of the announcement, China Baowu is the controlling shareholder of the Parent Company, and indirectly holds a total of 57.19% equity interests of the Company. According to Chapter 14A of the Listing Rules, China Baowu is a connected person of the Company, and therefore, the transactions under the New China Baowu Supplemental Agreement are continuing connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the New China Baowu Supplemental Agreement are 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 Chapter 14A of the Listing Rules.

IV. SUPPLEMENTAL ENERGY SAVING AND ENVIRONMENTAL PROTECTION AGREEMENT

On 30 December 2018, the Company and Anhui Xinchuang entered into the Existing Energy Saving and Environmental Protection Agreement for the continuous provision of energy saving and environmental protection construction and services by Anhui Xinchuang to the Group and the sale of power, energy medium and finished products by the Group to Anhui Xinchuang during the period from 1 January 2019 to 31 December 2021.

Due to the impact of the increase in demand and price rise, the caps under the Existing Energy Saving and Environmental Protection Agreement could not meet the expectation. As such, the Company and Anhui Xinchuang entered into the Supplemental Energy Saving and Environmental Protection Agreement, proposing to increase the annual caps for the year 2021 for power, energy medium and finished products to be sold by the Group to Anhui Xinchuang by RMB109.46 million from RMB81 million, with an adjusted annual caps for the year 2021 of RMB190.46 million. All other existing principal terms and conditions under the Existing Energy Saving and Environmental Protection Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Existing Energy Saving and Environmental Protection Agreement has not exceeded the existing annual caps.

As at the date of this announcement, China Baowu is the controlling shareholder of the Parent Company, and indirectly holds a total of 57.19% equity interests of the Company. Anhui Xinchuang is a company controlled by China Baowu, and is therefore, a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Energy Saving and Environmental Protection Agreement and the CCT Supplemental Agreement would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the Supplemental Energy Saving and Environmental Protection Agreement (in aggregate with other CCT supplemental Agreements) are 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 Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee will advise the Independent Shareholders as to the terms of the CCT Supplemental Agreements and the transactions contemplated thereunder, 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 containing (i) the details of the CCT Supplemental Agreements, 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 CCT Supplemental Agreements and the respective proposed annual caps, (iv) and the notice of the EGM, will be despatched to the Shareholders on or before 20 October 2021.

I. NEW OUYE LIANJIN SUPPLEMENTAL AGREEMENT

On 15 August 2018, the Company entered into the Existing Ouye Lianjin CCT Agreement with Ouye Lianjin, agreeing that, from 1 January 2019 to 31 December 2021, the Group would continue to sell or provide products and services to Ouye Lianjin, and Ouye Lianjin would continue to sell or provide products and services to the Group. On 7 May 2020, the Company entered into the Existing Ouye Lianjin Supplemental Agreement with Ouye Lianjin, proposing to, as for the products to be sold by Ouye Lianjin to the Group, (i) increase the annual cap for the year 2020 by RMB3,711.7 million from RMB3,796.8 million, with an adjusted annual cap for the year 2020 of RMB7,508.5 million; and (ii) increase the annual cap for the year 2021 by RMB5,070.0 million from RMB4,522.5 million, with an adjusted annual cap for the year 2021 of RMB9,592.5 million.

Due to the impact of the increase in demand and price rise, the caps under the Existing Ouye Lianjin Supplemental Agreement could not meet the expectation. As such, the Company entered into the New Ouye Lianjin Supplemental Agreement with Ouye Lianjin, proposing to, as for the products to be sold by Ouye Lianjin to the Group, increase the annual cap for the year 2021 by RMB921.4 million from RMB9,592.5 million, with an adjusted annual cap for the year 2021 of RMB10,513.9 million. All other existing principal terms and conditions under the Original Ouye Lianjin CCT Agreement and the Existing Ouye Lianjin Supplemental Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Original Ouye Lianjin CCT Agreement and the Existing Ouye Lianjin Supplemental Agreement has not exceeded the existing annual caps.

Date

29 September 2021

Parties

- (1) The Company; and
- (2) Ouye Lianjin

Subject matter

Ouye Lianjin agreed to, inter alia, sell or provide products to the Group, including steel scrap products.

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 New Ouye Lianjin Supplemental Agreement. The terms of the products and services (including but not limited to pricing and payment) to be provided by Ouye Lianjin to the Group shall not be less favourable than those provided by the independent third parties to the Group for similar categories of products and services.

During the term of the implementation of New Ouye Lianjin Supplemental Agreement, the Company may decide, at its discretion, whether to enter into agreement with any independent third parties in respect of the transactions contemplated under the Ouye Lianjin Supplemental Agreement.

Consideration

Based on the current pricing standards, the sales of products from Ouye Lianjin to the Group shall be based on the pricing of market price, which shall be determined through open tenders, price comparison, arm's length negotiations between the parties, based on normal commercial terms and comparable market. In practice, steel scrap products will be priced with reference to market price obtained through market research on industry websites including "SteelHome" (<http://www.steelhome.cn>) and "MySteel" (www.mysteel.com) which are commonly recognised sources of data for the iron and steel industry.

The pricing regarding the services and products to be provided by Ouye Lianjin to the Group shall not be higher than the pricing of the same categories of products and services provided by the independent third parties to the Group.

Payment

For the payment of products sold or services provided by Ouye Lianjin to the Group, the Group shall pay for such products or services within 10 business days after the Group shall have received such products or services and completed the procedures of financial settlement.

Condition precedent

The New Ouye Lianjin Supplemental Agreement is conditional upon the Independent Shareholders approving the New Ouye Lianjin Supplemental Agreement and the relevant proposed annual caps at the EGM.

Duration

The New Ouye Lianjin Supplemental Agreement shall be effective subject to approval of Independent Shareholders at the EGM to be convened and expire on 31 December 2021.

Existing annual caps and actual transaction amounts

The existing annual caps (tax exclusive) and the actual transaction amount (tax exclusive) in respect of products provided by Ouye Lianjin to the Group under the Original Ouye Lianjin CCT Agreement and Existing Ouye Lianjin Supplemental Agreement for the year ended 31 December 2019, for the year ended 31 December 2020, for the year ended 31 December 2021 and for the first six months ended 30 June 2021 are set out below:

RMB

	For the year ended 31 December 2019	For the year ended 31 December 2020	For the first six months ended 30 June 2021	For the year ended 31 December 2021
Existing annual caps	3,282,400,000	7,508,500,000	N/A	9,592,500,000
Actual transaction amounts	3,075,590,000	5,499,820,000	6,598,400,000	N/A

Proposed Annual Caps

The proposed annual caps (tax exclusive) in respect of the products provided by Ouye Lianjin to the Group under the New Ouye Lianjin Supplemental Agreement for the year ended 31 December 2021 are set out below:

RMB

**For the year ended
31 December 2021**

Proposed annual caps of the products	10,513,900,000
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Hence, the total proposed annual caps for sales or provision of products and services by the Group to Ouye Lianjin and sales or provision of products and services by Ouye Lianjin to the Group for the year ended 31 December 2021 will be RMB10,599,662,300.

The proposed annual caps in respect of the New Ouye Lianjin Supplemental Agreement for the year 2021 are determined by reference to (i) the market price for the continuing connected transactions; (ii) the Group's anticipated demand for Ouye Lianjin's products and services to meet its production plan; and (iii) Ouye Lianjin's anticipated capacity to provide products and services to the Group.

Reasons for and benefits of the New Ouye Lianjin Supplemental Agreement

Obtaining reliable products and services from Ouye Lianjin with unique techniques ensures that the Group is able to sustain stable and sustainable production and is in the interests of the Group. Ouye Lianjin is specialized in providing scrap steel products and has rich experience in the business. The terms and pricing of the Ouye Lianjin's CCT Supplemental Agreement are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

As of the date of this announcement, the Parent Company holds approximately 47.59% of the issued share capital of the Company and is the controlling shareholder of the Company. It also holds 69.83% equity interests of Ouye Lianjin, meaning that Ouye Lianjin is a subsidiary of the Parent Company and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions under the New Ouye Lianjin Supplemental Agreement would constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the New Ouye Lianjin Supplemental Agreement are 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 Chapter 14A of the Listing Rules.

II. NEW MAGANG GROUP SUPPLEMENTAL AGREEMENT

On 15 August 2018, the Company entered into the Original Magang Group CCT Agreement with the Parent Company, agreeing that, from 1 January 2019 to 31 December 2021, the Group would continue to sell or provide products and services to the Parent Group, and the Parent Group would continue to sell or provide products and services to the Group. On 7 May 2020, the Company entered into the Existing Magang Group Supplemental Agreement with the Parent Company to, as for the infrastructure technical and renovation engineering services provided by the Parent Group, (i) increase the annual cap for the year 2020 by RMB1,600 million from RMB1,100 million, with an adjusted annual cap for the year 2020 of RMB2,700 million; and (ii) increase the annual cap for the year 2021 by RMB900 million from RMB1,000 million, with an adjusted annual cap for the year 2021 of RMB1,900 million.

Due to the impact of the increase in demand and price rise, the caps under the Original Magang Group CCT Agreement could not meet the expectation. As such, the Company entered into the New Magang Group Supplemental Agreement with the Parent Company, proposing to, (i) as for the products to be sold by the Group to the Parent Group, increase the annual cap for the year 2021 by RMB385 million from RMB1,165.3714 million, with an adjusted annual cap for the year 2021 of RMB1,550.3714 million; and (ii) as for the water and land transportation and related services, including highway transport, waterway transport, integrated port services (including cargo loading and unloading, storage, lump ore screening, transfer and short-distance handling, weighing, pickup and delivery, etc.), storage and delivery services, equipment (facility) maintenance services for production support, overhaul and medium maintenance of equipment, project and maintenance services for electrical, motor and transformer, operation and maintenance service and modification regarding automation and informatization, wheel processing services, agency services and automobile repair, monitoring and diagnostic services and related services, increase the annual cap for the year 2021 by RMB392.83 million from RMB3,010.1403 million, with an adjusted annual cap for the year 2021 of RMB3,402.9703 million. All other existing principal terms and conditions under the Original Magang Group CCT Agreement and Existing Magang Group Supplemental Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Original Magang Group CCT Agreement and Existing Magang Group Supplemental Agreement has not exceeded the existing annual caps.

Date

29 September 2021

Parties

- (1) The Company; and
- (2) The Parent Company

Subject matter

The Company through itself and the Group agreed to sell or provide the following products to the Parent Group, including (i) finished products and relevant commodities, such as steel, steel ingot, accessories, materials (stainless steel band, cable, tool, etc.), coke powder, iron scales and other products (labour protection and office supplies, etc.); and (ii) water, electricity and gas, including electricity, living water, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air and other gases.

The Parent Company through itself or the Parent Group agreed to sell or provide services to the Group, including water and land transportation and related services, including highway transport, waterway transport, integrated port services (including cargo loading and unloading, storage, lump ore screening, transfer and short-distance handling, weighing, pickup and delivery, etc.), storage and delivery services, equipment (facility) maintenance services for production support, overhaul and medium maintenance of equipment, project and maintenance services for electrical, motor and transformer, operation and maintenance service and modification regarding automation and informatization, wheel processing services, agency services and automobile repair, monitoring and diagnostic services and related 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 New Magang Group Supplemental Agreement. The terms of the products and services (including but not limited to pricing and payment) to be provided by the Group to the Parent Group shall not be more favourable than those provided by the Group to the independent third parties for similar categories of products and services. The terms of the products and services (including but not limited to pricing and payment) to be provided by the Parent 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 and services.

During the term of the New Magang Group Supplemental Agreement, the Company may decide, at its discretion, whether to enter into agreement with any independent third parties in respect of the transactions contemplated under the New Magang Group Supplemental Agreement.

Consideration

The pricing shall be determined based on the state-prescribed price. In the absence of the state-prescribed price, the pricing shall be determined based on the market price, which shall be agreed through open tender, price comparison and arm's length negotiations by both parties under normal commercial terms.

Meanwhile, the price of the products and services to be provided by the Group to the Parent Group shall not be lower than the price of the same categories of products and services provided by the Group to independent third parties.

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

According to the current pricing standards, the pricing principle for each of the transactions under the New Magang Group Supplemental Agreement is as follows:

Category	Pricing principle	Items
Products to be sold by the Group to Parent Group	Government price	Electricity/living water/industrial treated water
	Market price	Blast furnace gas/coke oven gas/converter gas/steam/compressed air/other gases/steel/ingot/coke/iron oxide/metallurgical accessories/materials (stainless steel belt, cable, tools, etc.)/labor insurance, office supplies, etc.

Category	Pricing principle	Items
Subject services provided by the Parent Group to the Group	Market price	Water and land transportation and related services, including highway transportation, waterway transportation, integrated port services (including cargo loading and unloading, storage, lump ore screening, transfer and short-distance handling, weighing, pickup and delivery, etc.), storage and delivery services, equipment (facility) maintenance services for production support, overhaul and medium maintenance of equipment, project and maintenance services for electrical, motor and transformer, operation and maintenance service and modification regarding automation and informatization, wheel processing services, agency services and automobile repair, monitoring and diagnostic services and related services.

Payment

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

As for the payment of subject services, the Group shall ascertain the fee in accordance with the service progress and pay the Parent Group within 30 business days after the Group has verified the quality.

Condition precedent

The New Magang Group Supplemental Agreement is conditional upon the Independent Shareholders approving the New Magang Group Supplemental Agreement and the relevant proposed annual caps at the EGM.

Duration

The New Magang Group Supplemental Agreement shall be effective subject to approval of Independent Shareholders at the EGM to be convened and expire on 31 December 2021.

Existing annual caps and actual transaction amounts

Under the Original Magang Group CCT Agreement, the existing annual caps (tax exclusive) and the actual transaction amount (tax exclusive) in respect of the products to be sold by the Group to Parent Group and subject services provided by the Parent Group to the Group for the year ended 31 December 2019, for the year ended 31 December 2020, for the year ended 31 December 2021 and for the first six months ended 30 June 2021 are set out below:

RMB

		For the year ended 31 December 2019	For the year ended 31 December 2020	For the first six months ended 30 June 2021	For the year ended 31 December 2021
1. Products sold by the Group to the Parent Group, including (i) steel, steel ingot, accessories, materials (stainless steel band, cable, tool, etc.), coke powder, iron scales and other products (labour protection and office supplies, etc.), and (ii) living water, electricity, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air and other gases.	Existing annual caps	965,297,000	1,061,345,700	N/A	1,165,371,400
	Actual transaction amounts	475,761,000	472,030,000	439,420,000	N/A
2. Subject services provided by the Parent Group to the Group	Existing annual caps	2,744,340,800	2,902,740,100	N/A	3,010,140,300
	Actual transaction amounts	2,010,303,000	2,420,420,000	1,538,690,000	N/A

Proposed Annual Caps

The proposed annual caps (tax exclusive) in respect of the products sold by the Group to Parent Group and subject services provided by the Parent Group to the Group under the New Magang Group Supplemental Agreement for the year ended 31 December 2021 are set out below:

RMB

**For the year ended
31 December 2021**

1. The products sold by the Group to the Parent Group, including (i) steel, steel ingot, accessories, materials (stainless steel band, cable, tool, etc.), coke powder, iron scales and other products (labour protection and office supplies, etc.), and (ii) living water, electricity, industrial treated water, blast furnace gas, coke oven gas, converter gas, steam, compressed air and other gases.	1,550,371,400
2. Subject services provided by the Parent Group to the Group	3,402,970,300

Hence, the total proposed annual caps for the sales or provision of products and services by the Group to the Parent Group and sales or provision of products and services by the Parent Group to the Group for the year ended 31 December 2021 will be RMB9,063,038,300.

The proposed annual caps in respect of the New Magang Group Supplemental Agreement for the year 2021 are determined by reference to (i) the historical transaction amounts; (ii) the market price for the continuing connected transactions; (iii) the Group's anticipated capacity to provide the services and products to the Parent Group and the Group's anticipated demand for the Parent Group's services and products to meet its production plan; and (iv) the Parent Group's anticipated demand for the Group's services and products and the Parent Group's anticipated capacity to provide the services and products to the Group.

Reasons for and benefits of the New Magang Group Supplemental Agreement

It will be in the interest of the Group to obtain a reliable and uniquely skilled supply of products and services from the Parent Group to ensure the Group's stable and continuous production. The Parent Group is specialized in providing the subject services and has rich experience in the business. The terms and pricing of the New Magang Group Supplemental Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, the Parent Company is interested in approximately 47.59% of the Company's share capital and is the controlling shareholder and connected person of the Company. The transactions under the New Magang Group Supplemental Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the New Magang Group Supplemental 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 Chapter 14A of the Listing Rules.

III. NEW CHINA BAOWU SUPPLEMENTAL AGREEMENT

On 30 December 2019, the Company entered into the Original Ordinary Related Transaction Agreement with China Baowu, agreeing that, from 1 January 2020 to 31 December 2020, the Group would continue to sell or provide products and services to China Baowu Group, and China Baowu Group would sell or provide products and services to the Group. On 7 May 2020, the Company entered into the Existing China Baowu Supplemental Agreement with China Baowu to, (i) increase the annual cap for the year 2020 by RMB10,334.7 million from RMB787 million, with an adjusted annual cap for the year 2020 of RMB11,121.7 million, and (ii) newly set the annual cap of the products and services for the year 2021 of RMB19,893.09 million.

Due to the impact of the increase in demand and price rise, the caps under the Existing China Baowu Supplemental Agreement could not meet the expectation. As such, the Company entered into the New China Baowu Supplemental Agreement with China Baowu, proposing to, (i) increase the annual cap of the products sold by the Group to China Baowu Group for the year 2021 by RMB943.61 million from RMB232.92 million, with an adjusted annual cap for the year 2021 of RMB1,176.53 million, and (ii) increase the annual cap of the products sold by China Baowu Group to the Group for the year 2021 by RMB3,980 million from RMB14,784.45 million, with an adjusted annual cap for the year 2021 of RMB18,764.45 million. All other existing principal terms and conditions under the Existing Ordinary Related Transactions Agreement and the Existing China Baowu Supplemental Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Original Ordinary Related Transactions Agreement and the Existing China Baowu Supplemental Agreement has not exceeded the existing annual caps.

Date

29 September 2021

Parties

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

Subject matter

The Group agreed to sell products to China Baowu Group, among others, including steel products, billet, energy, spare parts and related products, etc.

China Baowu Group agreed to sell products to the Group, among others, including iron ores, limestones, scraps, spare parts, auxiliary materials, etc.

The spare parts provided by China Baowu Group to the Group currently are spare parts for rolls and cold rolling equipment, while there is not any sale of spare parts by the Group to China Baowu Group currently. However, in case China Baowu Group has urgent needs for certain spare parts which the Group could provide, the Group could arrange the sale of such products to China Baowu Group as part of the collaboration and cooperation between the Group and China Baowu Group.

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

During the term of the New China Baowu Supplemental Agreement, the Company may decide, at its discretion, whether to enter into agreement with any independent third parties in respect of the transactions contemplated under the New China Baowu Supplemental Agreement.

Consideration

The pricing for energy medium (i.e. electricity, living water, industrial treated water and natural gas) shall be based on the state-prescribed price. For other products and services and in the absence of the state-prescribed price, the pricing shall be based on the market price, agreed through open tender, price comparison and arm's length negotiations under normal commercial terms. The Company will also obtain the market price through quotations from independent third-party suppliers and service providers, recent transaction prices of the Group with independent third parties, price enquiry and comparison with industry players and researches on industry websites.

Meanwhile, the price regarding the products to be provided by the Group to China Baowu Group shall not be lower than the price of the same categories of products provided by the Group to independent third parties. The terms of the sale of energy medium by the Group to independent third parties would be based on state-prescribed price, while that of other products and services sold by the Group to independent third parties would be based on market price.

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

In accordance with the current pricing standards, the pricing principle for each of the transactions under the New China Baowu Supplemental Agreement are as follows:

Category	Pricing principle	Items
Products sold by the Group to China Baowu Group	Market pricing	Steel products, billet, spare parts and related products, etc.
	State-prescribed pricing	Energy
Products purchased by the Group from China Baowu Group	Market pricing	Iron ores, limestones, scraps, spare parts, auxiliary materials, etc.

Payment

The payment and settlement will be based on two-party or three-party agreements executed by different parties of the transactions; control of the procedures and settlement of finances will be conducted in accordance with the respective agreements.

The payment method for each of the items under the New China Baowu Supplemental Agreement is as follows:

Category	Payment method
Energy medium provided 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.
Steel products, billet, spare parts and related products, etc. provided by the Group to China Baowu Group	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.
Products provided by China Baowu Group to the Group	For the payment of products sold or provided by the China Baowu Group to the Group, the Group shall pay for them within 30 business days after the Group shall have received and verified the quality of the goods.

Condition precedent

The New China Baowu Supplemental Agreement is conditional upon the Independent Shareholders approving the New China Baowu Supplemental Agreement and the relevant proposed annual caps at the EGM.

Duration

The New China Baowu Supplemental Agreement shall be effective subject to approval of Independent Shareholders at the EGM to be convened and expire on 31 December 2021.

Existing annual caps and actual transaction amounts

The existing annual caps (tax exclusive) and the actual transaction amount (tax exclusive) in respect of products sold by the Group to China Baowu Group under the Original Ordinary Related Transactions Agreement and the Existing China Baowu Supplemental Agreement for the two years ended 31 December 2020 and 31 December 2021 and for the first six months ended 30 June 2021, and under the Previous Ordinary Related Transactions Agreement from 19 September 2019 to 31 December 2019 are set out below:

RMB

	Original Ordinary Related Transactions Agreement and Existing China Baowu Supplemental Agreement			Previous Ordinary Related Transactions Agreement		
	Annual caps for the year ended 31 December 2020	Actual transaction amounts for the year ended 31 December 2020	Annual caps for the year ended 31 December 2021	Actual transaction amounts for the first six months ended ending 30 June 2021	Annual caps from 19 September 2019 to 31 December 2019	Actual transaction amounts from 19 September 2019 to 31 December 2019
Products, including steel products, billet, energy, spare parts and related products, etc.	448,120,000	194,240,000	232,920,000	162,830,000	30,000,000	12,158,000

The existing annual caps (tax exclusive) and the actual transaction amount (tax exclusive) in respect of products sold by China Baowu Group to the Group under the Original Ordinary Related Transactions Agreement and the Existing China Baowu Supplemental Agreement for the two years ended 31 December 2020 and 31 December 2021 and for the first six months ended 30 June 2021, and under the Previous Ordinary Related Transactions Agreement from 19 September 2019 to 31 December 2019 are set out below:

RMB

	Original Ordinary Related Transactions Agreement and Existing China Baowu Supplemental Agreement			Previous Ordinary Related		
	Annual caps for the year ended 31 December 2020	Actual transaction amounts for the year ended 31 December 2020	Annual caps for the year ended 31 December 2021	Actual transaction amounts for the first six months ended 30 June 2021	Annual caps from 19 September 2019 to 31 December 2019	Actual transaction amounts from 19 September 2019 to 31 December 2019
Products, including iron ores, limestones, scraps, spare parts, auxiliary materials, etc.	7,241,650,000	1,944,900,000	14,784,450,000	4,817,400,000	220,000,000	142,473,000

Proposed Annual Caps

The proposed annual caps (tax exclusive) in respect of products sold by the Group to China Baowu Group under the New China Baowu Supplemental Agreement for the year ended 31 December 2021 are set out below:

RMB

**For the year ended
31 December 2021**

Proposed annual caps for products, including steel products, billet, energy, spare parts and related products, etc.	1,176,530,000
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The proposed annual caps (tax exclusive) in respect of products sold by China Baowu Group to the Group under the New China Baowu Supplemental Agreement for the year ended 31 December 2021 are set out below:

RMB

**For the year ended
31 December 2021**

Proposed annual caps for products, including iron ores, limestones, scraps, spare parts, auxiliary materials, etc.	18,764,450,000
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Hence, the total proposed annual caps in respect of the products and services provided by the Group to China Baowu Group and the products and services provided by China Baowu Group to the Group for the year ended 31 December 2021 will be RMB24,816,700,000.

The proposed annual caps in respect of the New China Baowu Supplemental Agreement for the year 2021 are determined by reference to (i) the state-prescribed price or the market price regarding the continuing connected transactions; (ii) the Group's anticipated capacity in providing products to China Baowu Group, and the Group's anticipated demand for China Baowu Group's products to meet its production plans; and (iii) China Baowu Group's anticipated demand for the Group's products and services, and anticipated capacity in providing products to the Group.

Reasons for and benefits of the New China Baowu Supplemental Agreement

Through the China Baowu Supplemental Agreement, the Group could obtain reliable products and services, ensuring that the Group is able to conduct production stably and continuously and are in the interests of the Group. China Baowu Group is specialized and has rich experience in providing the products and services that it provides to the Group. The Group's sales of products to China Baowu Group is not only profitable, but also ensures the stable and smooth production of the Group as it will guarantee the demand for the Group's products and hence will bring stable income to the Group and maintains the Group's production scale. The terms and pricing of the New China Baowu Supplemental Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Listing Rules Implications

As of the date of the announcement, China Baowu is the controlling shareholder of the Parent Company, and indirectly holds a total of 57.19% equity interests of the Company. According to Rule 14A of the Listing Rules, China Baowu is a connected person of the Company, and therefore, the transactions under the New China Baowu Supplemental Agreement are continuing connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the New China Baowu Supplemental Agreement are 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 Chapter 14A of the Listing Rules.

IV. SUPPLEMENTAL ENERGY SAVING AND ENVIRONMENTAL PROTECTION AGREEMENT

On 30 December 2018, the Company and Anhui Xinchuang entered into the Existing Energy Saving and Environmental Protection Agreement for the continuous provision of energy saving and environmental protection construction and services by Anhui Xinchuang to the Group and the sale of power, energy medium and finished products by the Group to Anhui Xinchuang during the period from 1 January 2019 to 31 December 2021.

Due to the impact of the increase in demand and price rise, the caps under the Existing Energy Saving and Environmental Protection Agreement could not meet the expectation. As such, the Company and Anhui Xinchuang entered into the Supplemental Energy Saving and Environmental Protection Agreement, proposing to increase the annual caps for the year 2021 for power, energy medium and finished products to be sold by the Group to Anhui Xinchuang by RMB109.46 million from RMB81 million, with an adjusted annual caps for the year 2021 of RMB190.46 million. All existing principal terms and conditions under the Existing Energy Saving and Environmental Protection Agreement remain unchanged.

The Company has confirmed that as of the date of this announcement, the transaction amount under the Existing Energy Saving and Environmental Protection Agreement has not exceeded the existing annual caps.

Date

29 September 2021

Parties

- (1) The Company; and
- (2) Anhui Xinchuang

Subject matter

The Group shall sell power, energy medium and finished products to Anhui Xinchuang, including lime, energy medium, etc. The terms (including but not limited to pricing and payment) regarding sale of power, energy medium and finished products are agreed after arm's length negotiations and under normal commercial terms between the parties and the terms (including but not limited to pricing and payment) shall not be more favourable than those offered by the Group to independent third parties for the sales of similar power, energy medium and finished products.

Consideration

The parties agreed to adopt an appropriate, reasonable and fair pricing method in accordance with the principle of fairness in formulating the transactions under the Energy Saving and Environmental Protection Agreement. The pricing shall be based on state-prescribed price, if any. In the absence of the state-prescribed price, the pricing shall be based on the market price, determined through open tender, price comparison and arm's length negotiation under normal commercial terms and by reference to comparable transaction prices in the market. Meanwhile, the price regarding the sales of power, energy medium, finished product shall not be lower than the price of same categories of power, energy medium, finished product sold by the Group to independent third parties.

Payment

The payment in respect of power, energy medium, and finished product shall be paid by the Company on monthly basis by the end of each month.

Condition precedent

The New Energy Saving and Environmental Protection Agreement is conditional upon the Independent Shareholders approving the New Energy Saving and Environmental Protection Agreement and the relevant proposed annual caps at the EGM.

Duration

It shall be effective subject to approval of Independent Shareholders at the EGM to be convened and expire on 31 December 2021.

Existing annual caps and actual transaction amounts

The existing annual caps (tax exclusive) and the actual transaction amounts (tax exclusive) in respect of the sales of power, energy medium and finished products by the Group to Anhui Xinchuang under the Existing Energy Saving and Environmental Protection Agreement for the years ended 31 December 2019, 31 December 2020, 31 December 2021 and for the first six months ended 30 June 2021 are set out below:

RMB

	For the year ended 31 December 2019	For the year ended 31 December 2020	For the first six months ended 30 June 2021	For the year ended 31 December 2021
Existing annual caps	79,000,000	80,000,000	N/A	81,000,000
Actual transaction amounts	55,990,000	67,390,000	62,710,000	N/A

Proposed Annual Caps

Under the Supplemental Energy Saving and Environmental Protection Agreement, the proposed annual caps (tax exclusive) in respect of the products provided by the Group to Anhui Xinchuang pursuant to the Supplemental Energy Saving and Environmental Protection Agreement for the year ended 31 December 2021 are set out below:

RMB

**For the year ended
31 December 2021**

Proposed annual caps in respect of the sale of power, energy medium and finished products by the Group to Anhui Xinchuang	190,460,000
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The proposed annual caps in respect of the Supplemental Energy Saving and Environmental Protection Agreement for the year of 2021 are determined by reference to (i) the state-prescribed price and/or the market price regarding the sale of power, energy medium and finished products; (ii) the anticipated production of the sale of power, energy medium and finished products and Anhui Xinchuang's anticipated demand for them.

Reasons for and benefits of the Supplemental Energy Saving and Environmental Protection Agreement

Given the stringent requirements imposed by the PRC government on environmental protection (especially in iron and steel industry), adoption of the construction and services provided by Anhui Xinchuang will benefit the Company from using the advanced energy saving and environmental protection ancillary facilities and focusing on its business and operations of steel production. The terms and pricing of the Supplemental Energy Saving and Environmental Protection Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Listing Rules Implications

As at the date of this announcement, the Parent Company is interested in approximately 47.59% of the Company's share capital and is a controlling shareholder and connected person of the Company. As at the latest practicable date, Anhui Xinchuang is a company controlled by the Parent Company and the Company is also interested in 16.34% of Anhui Xinchuang's share capital. As an associate of the Parent Company, Anhui Xinchuang is a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Energy Saving and Environmental Protection Agreement and the CCT Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the proposed annual caps for the transactions contemplated under the Supplemental Energy Saving and Environmental Protection Agreement (in aggregate with other CCT supplemental Agreements) are 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 Chapter 14A of the Listing Rules.

Information on the Company, the Parent Company, Ouye Lianjin, China Baowu and Anhui Xinchuang

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 state-owned holding enterprise with limited liability and the 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.

Ouye Lianjin is a state-owned holding enterprise and mainly engaged in recycling, processing and sales of scrap metal; sales and storage of raw iron; domestic trade agency services. The ultimate beneficial owner of Ouye Lianjin is the Parent Company.

China Baowu is a state-owned capital investment company controlled and held by the State-owned Assets Supervision and Administration Commission of the State Council. It 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 a state-owned holding enterprise and mainly 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 Anhui Xinchuang is China Baowu.

Internal Management of the Agreement

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

Approval by the Board

In the 50th meeting of the ninth session of the Board on 29 September 2021, the Board approved the CCT Supplemental Agreements. The Directors attending the Board meeting regarding the CCT Supplemental Agreements consider the CCT Supplemental Agreements and the proposed annual caps in respect thereof have been negotiated on an arm’s length basis and on normal commercial terms and they are of the view that 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 under the CCT Supplemental Agreements by virtue of being employed by the Parent Company or due to other reasons and had thus abstained from voting on the Board resolutions in respect of such agreements and the proposed annual caps. Save as disclosed above, none of the Directors attending the Board meeting has a material interest in the CCT Supplemental Agreements.

GENERAL

The Company will convene EGM to consider and approve the CCT Supplemental Agreements and the transactions contemplated thereunder, including the respective proposed annual caps. In accordance with the Listing Rules, the vote of the Independent Shareholders taken at the EGM to approve the CCT Supplemental Agreements and the transactions contemplated thereunder, including the proposed annual caps will be taken by poll. Any Shareholder with a material interest in the continuing connected transactions contemplated under the agreements and his/her associates will abstain from voting at the EGM. Accordingly, China Baowu, the Parent Company and its associates will abstain from voting at the EGM. The result of the vote will be announced after the EGM.

The Independent Board Committee will, among other things, advise the Independent Shareholders as to the terms of the CCT Supplemental Agreements and the transactions contemplated thereunder, 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 containing (i) the details of the CCT Supplemental Agreements, 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 CCT Supplemental Agreements and the respective proposed annual caps, (iv) and the notice of the EGM, will be despatched to the Shareholders on or before 20 October 2021.

DEFINITIONS

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

“Anhui Xinchuang”	Anhui Xinchuang Energy Saving and Environmental Protection Science & Technology Co., Ltd., a joint stock limited company incorporated in the PRC
“Board”	the board of Directors of the Company
“CCT Agreements”	the Original Ouye Lianjin CCT Agreement, the Existing Ouye Lianjin Supplemental Agreement, the Original Magang Group CCT Agreement, the Existing Magang Group Supplemental Agreement, the Original Ordinary Connected Transactions Agreement, the Existing China Baowu Supplemental Agreement, the Existing Energy Saving and Environmental Protection Agreement

“CCT Supplemental Agreements”	the New Ouye Lianjin Supplemental Agreement, the New Magang Group Supplemental Agreement, the New China Baowu Supplemental Agreement and the Supplemental Energy Saving and Environmental Protection Agreement
“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 is 90% controlled by the SASAC 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
“EGM”	the extraordinary general meeting to be convened by the Company to consider and approve, among other things, the CCT Supplemental Agreements
“Existing China Baowu Supplemental Agreement”	the ordinary connected 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
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	a board committee comprising all the Independent Non-executive Directors, which will, among others, consider and advise the Independent Shareholders in relation to the CCT Supplemental Agreements and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Independent Financial Adviser”	Halcyon Capital Limited, a licensed corporation to conduct type 6 (advising on corporate finance) regulated activities under the SFO. As the Independent Financial Adviser, it will advise the Independent Board Committee and the Independent Shareholders in relation to the CCT Supplemental Agreements, 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Masteel Group” or “Parent Company”	Magang (Group) Holding Company Limited, a wholly 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 connected transactions supplemental agreement entered into between the Company and China Baowu 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 transactions agreement entered into between the Company and China Baowu on 30 December 2019
“Original Magang Group CCT Agreement”	the continuing connected transactions agreement entered into between the Company and the Parent Company on 15 August 2018
“Original Ouye Lianjin CCT Agreement”	the continuing connected transactions agreement entered into between the Company and Ouye Lianjin on 15 August 2018
“Ouye Lianjin”	Ouye Lianjin Renewable Resources Co., Ltd. (formerly known as Maanshan Masteel Scrap Steel Co., Ltd. with its name changed on 19 February 2020), a limited company established in the PRC
“PRC”	the People’s Republic of China
“Previous Ordinary Related Transaction Agreement”	the ordinary related transactions agreement entered into between the Company and China Baowu on 19 September 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subject Services”	Water and land transportation and related services, including highway transport, waterway transport, integrated port services (including cargo loading and unloading, storage, lump ore screening, transfer and short-distance handling, weighing, pickup and delivery, etc.), storage and delivery services, equipment (facility) maintenance services for production support, overhaul and medium maintenance of equipment, project and maintenance services for electrical, motor and transformer, operation and maintenance service and modification regarding automation and informatization, wheel processing services, agency services and automobile repair, monitoring and diagnostic services and related services)

“Supplemental Energy Saving and Environmental Protection Agreement” the supplemental energy saving and environmental protection agreement entered into between the Company and Anhui Xinchuang on 29 September 2021

“%” 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.