

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



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

(Stock Code: 00323)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2024 ANNUAL REPORT

References are made to the 2024 Annual Report (the “**2024 Annual Report**”) published by Maanshan Iron & Steel Company Limited (the “**Company**”) on 29 April 2025. Unless otherwise defined herein, capitalized terms used in this section shall have the same meanings as those defined in the 2024 Annual Report.

In addition to the disclosures under: “10. SUBSTANTIAL RELATED PARTY TRANSACTIONS” of the 2024 Annual Report, the Company would like to supplement additional information in relation to the connected transactions in accordance with Chapter 14A of the Listing Rules:

- (1) China Baowu is the controlling shareholder of the Parent Company which itself is the controlling shareholder and a connected person of the Company while Baowu Finance is a subsidiary of China Baowu. Therefore, China Baowu, the Parent Company and Baowu Finance are connected persons of the Company.
- (2) Regarding the continuing related party transactions under the 2022–2024 “Sale and Purchase of Product Agreement” between the Company and China Baowu:

On 29 September 2021, the Company entered into the 2022–2024 “Sale and Purchase of Product 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.

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.

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.

- (3) Regarding the continuing related party transactions under the 2022–2024 “Acceptance and Provision of Services Agreement” between the Company and China Baowu:

The 2022–2024 “Acceptance and Provision of Services Agreement” was entered on 29 September 2021 between the Company and China Baowu, 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.

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.

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 China Baowu 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.

- (4) Regarding the continuing related party transactions under the 2023–2024 “Financial Services Agreement” between the Group and Baowu Finance:

On 15 November 2022, the Company and Baowu Finance entered into the 2023–2024 “Financial Services Agreement”, pursuant to which, Baowu Finance agreed to provide the Group with settlement services, deposit services, credit services and other financial services subject to the terms and conditions provided therein.

Deposit Services

The Group opens settlement accounts with Baowu Finance, and deposits funds into the saving accounts opened at Baowu Finance under the principles of independent choice and free access to these accounts.

Baowu Finance provides deposit services to the Group at the deposit interest rate determined in accordance with that of the same type and under the same terms promulgated by the People's Bank of China, in principle, not lower than the deposit interest rate of the same type and under the same terms of the independent major commercial banks in the PRC.

During the term of the agreement, the maximum daily deposit balance of the Group with Baowu Finance shall in principle not exceed RMB10 billion, the total interest fee paid by Baowu Finance to the Group for deposit services shall not exceed the maximum of RMB190 million per year. The above estimation of the maximum deposit balance has been determined with reference to the maximum deposit balance of the Group in Masteel Finance amounting to RMB9.687 billion for the period from 2020 to August 2022, taking into account the sales revenue set in the Group's strategic sales plan for the period from 2023 to 2024.

Credit Services

Baowu Finance will, within the scope permitted by national laws, regulations and policies, in accordance with the requirements of the China Banking and Insurance Regulatory Commission and in combination with its own operating principles and credit policies, support the Group's capital needs in business development, and provide comprehensive credit services for the Group. The Group may use the comprehensive credit extension provided by Baowu Finance to handle loans, bill acceptance, bill discounting and other types of financial services.

Baowu Finance provides preferential credit interest rates and rates for credit businesses such as loans, bill acceptance, bill discounting, etc. to the Group, which shall be in principle not higher than the credit interest rates and rates of the same type, under the same terms and at the same level obtained by the Group from independent major commercial banks in the PRC.

During the term of the agreement, the maximum comprehensive credit line provided by Baowu Finance to the Group shall not exceed RMB10 billion. The above estimation of the maximum comprehensive credit line has been determined with reference to the maximum total credit line obtained by the Group from Masteel Finance amounting to RMB9.05 billion and the maximum credit business balance amounting to RMB5.494 billion for the period from 2020 to August 2022, taking into account the Group's strategic planning for the period from 2023 to 2024.

Settlement Services and Other Financial Services

The Group opens settlement accounts with Baowu Finance. Baowu Finance provides collection services and payment services, as well as other ancillary services related to settlement business, according to the Group's instructions.

The fees charged by Baowu Finance for providing various settlement services to the Group shall be, in principle, not higher than those of the same type and under the same terms charged by independent major commercial banks in the PRC.

Baowu Finance may provide other financial services to the Group within the scope of its business, and the parties shall negotiate and sign a separate agreement before the provision of other financial services by Baowu Finance to the Group. Baowu Finance shall follow the principles of fairness and reasonableness to provide other financial services to the Group, and charge the relevant fees not higher than the fair market prices obtained by the Group from independent major commercial banks in the PRC or the standards stipulated by the State.

During the term of the agreement, the maximum service fee paid by the Group to Baowu Finance for financial services shall not exceed RMB210 million. The above estimation of the maximum service fee has been determined with reference to the maximum credit business balance of the Group in Masteel Finance amounting to RMB5.494 billion for the period from 2020 to August 2022 and an estimated upward fluctuation of 40% to 50% during the period from 2023 to 2024, half of which will be internal loans (the estimated composite interest rate being 3.55% by reference to the loan prime rate for 1-year loans published by the People's Bank of China) and the other half will be internal discounts (the estimated composite interest rate being 2.30% by reference to the discounted price of bills available from Masteel Finance), approximately RMB206 million in aggregate.

- (5) For further details of the above continuing connected transactions, please refer to the announcements of the Company dated 29 September 2021, and circular of the Company dated 12 November 2021.
- (6) The independent non-executive directors of the Company had reviewed and confirmed that the aforementioned continuing connected transactions for the year ended 31 December 2024 were entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms; and
 - (iii) according to the agreements governing them on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Board also considers that the continuing connected transactions had been conducted in accordance with the pricing policies under the relevant agreements and the Company's internal control procedures are adequate and effective.

- (7) Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued the unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. That is, nothing has come to the auditor’s attention that caused the auditor to believe that the continuing connected transactions:
- (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
 - (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
 - (iv) have exceeded the relevant annual caps as set by the Company.

Details of the all related party transactions conducted by the Group in the normal course of business are set out in Note 12 to the financial statements – Related Parties and Related Party Transactions of the 2024 Annual Report and all those related party transactions. Apart from the continuing connected transactions mentioned above, the other transactions constitute related party transactions but do not fall under the definition of “connected transaction” or “continuing connected transaction” under the Listing Rules, and the Company has complied with the requirements stipulated in Chapter 14A of the Listing Rules in respect of those related party transactions.

Save for the above supplemental information, all other information contained in the 2024 Annual Report remains unchanged.

By order of the Board
Maanshan Iron & Steel Company Limited
Jiang Yuxiang
Chairman

5 September 2025
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive director Jiang Yuxiang; and independent non-executive directors Guan Bingchun, He Anrui, Qiu Shengtao and Zeng Xiangfei.