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馬鞍山鋼鐵股份有限公司
Maanshan Iron & Steel Company Limited

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

(Stock Code: 00323)

**INDICATIVE ANNOUNCEMENT ON CHANGE IN EQUITY
OF SHAREHOLDER**

Maanshan Iron & Steel Company Limited (the “Company”) and members of the board of directors (the “Board”) warrant that there are no false representations, misleading statements contained in, or material omissions from, this announcement, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the content of this announcement.

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Highlights:

- The change in equity is a reduction of shareholding and does not involve any tender offer
- The change in equity will not lead to any change in the controlling shareholder or de facto controller

I. BASIC SITUATION OF THE CHANGE IN EQUITY

At 4:00 p.m. on 22 May 2015, the Company received from the controlling shareholder of the Company, Magang (Group) Holding Company Limited (“Magang Group”), the Notice of Reduction of Shareholding of A Shares in Maanshan Iron & Steel Company Limited by Magang Group. The Company was informed that from 14 May 2015 to 22 May 2015, Magang Group reduced its shareholding by an aggregate of 379,956,471 shares in the Company via the auction trading system of Shanghai Stock Exchange, representing 4.93% of the Company’s total share capital. Among these transactions, 27,238,501 shares were reduced on 14 May 2015, 6,261,832 shares were reduced on 15 May 2015, and 346,456,138 shares were reduced on 22 May 2015.

Magang Group said in the notice that the reduction of shareholding is conducted to meet

the need for its transformational development.

After the above reductions, the number of shares of the Company held by Magang Group has changed to 3,506,467,456 shares, and the percentage of shareholding has dropped from 50.47% to 45.535%. Magang Group remains as the controlling shareholder of the Company.

Magang Group has obtained permission from State-owned Assets Supervision and Administration Authority for the reduction in the Company's shareholding. The accumulated reduction of shareholding shall not exceed 5% of the total share capital of the Company in the 12 months upon approval (commencing from 30 April 2015).

II. FOLLOW-UP MATTERS INVOLVED

The above change in equity will not lead to any change in the controlling shareholder. It is also not related to the Report on Disclosure of Change in Equity, Acquisition Report Summary, Offer Acquisition Report Summary and other follow-up matters.

The Board

Maanshan Iron & Steel Company Limited

22 May 2015

Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include:

Executive Directors: Ding Yi, Qian Haifan

Non-executive Directors: Su Shihuai, Ren Tianbao

Independent Non-executive Directors: Qin Tongzhou, Yang Yada, Liu Fangduan