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

**(Stock Code: 00323)**

## **Appointment of the Financial Adviser and the Independent Financial Adviser**

Reference is made to the announcement (the “**Announcement**”) jointly published by the Company and Baosteel dated 22 July 2019, in relation to (1) Equity Transfer Agreement and (2) possible mandatory conditional cash offer by China International Capital Corporation Hong Kong Securities Limited on behalf of Baosteel to acquire all the issued H Shares in the Company (other than those already owned or agreed to be acquired by Baosteel and parties acting in concert with it) (the “**Offer**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company has appointed CLSA Capital Markets Limited, being a licensed corporation to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, as the financial adviser of the Company in connection with the Offer.

The Company also announces that as approved by the independent committee of the Board (the “**Independent Board Committee**”), Somerley Capital Limited, being a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer by the Independent H Shareholders.

The Composite Document to be despatched by the Company and Baosteel will contain the letter of advice from Somerley Capital Limited on whether the terms of the Offer are fair and reasonable and whether the Independent H Shareholders should accept the Offer.

On behalf of the board  
**Maanshan Iron & Steel Company Limited**  
**He Hongyun**  
*Secretary to the Board*

Maanshan City, Anhui Province, the PRC, 24 July 2019

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

*Executive Directors:* Ding Yi, Qian Haifan, Zhang Wenyang

*Non-executive Directors:* Ren Tianbao

*Independent Non-executive Directors:* Zhang Chunxia, Zhu Shaofang,  
Wang Xianzhu

*All directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*