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**BAOSTEEL HONG KONG
INVESTMENT COMPANY LIMITED**

寶鋼香港投資有限公司

*(a company incorporated in Hong Kong
with limited liability)*

 **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)

JOINT ANNOUNCEMENT

**(1) CLOSE OF MANDATORY CONDITIONAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION**

HONG KONG SECURITIES LIMITED

ON BEHALF OF

BAOSTEEL HONG KONG INVESTMENT COMPANY LIMITED

鋼香港投資有限公司 (THE “OFFEROR” OR “BAOSTEEL”)

TO ACQUIRE ALL THE ISSUED H SHARES IN

MAANSHAN IRON & STEEL COMPANY LIMITED*

(馬鞍山鋼鐵股份有限公司) (THE “COMPANY”)

(OTHER THAN THOSE ALREADY OWNED OR

AGREED TO BE ACQUIRED BY BAOSTEEL AND

PARTIES ACTING IN CONCERT WITH IT);

(2) RESULTS OF THE OFFER;

(3) SETTLEMENT OF THE OFFER; AND

(4) PUBLIC FLOAT OF THE COMPANY

Financial Adviser to the Offeror



Financial Adviser to the Company



References are made to (i) the composite offer and response document dated 30 September 2019 (the “**Composite Document**”) jointly issued by the Offeror and the Company in relation to the Offer; and (ii) the joint announcement issued by the Offeror and the Company dated 28 October 2019 in relation to, amongst others, the Offer having become unconditional in all respects (the “**Unconditional Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFER

As disclosed in the Unconditional Announcement, the Acceptance Condition of the Offer set out in the Composite Document had been satisfied, and the Offer was declared unconditional in all respects on 28 October 2019.

Pursuant to Rule 15.1 and Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptances for at least 14 days after the Offer became or was declared unconditional (whether as to acceptances or in all respects). The Offeror and the Company jointly announce that the Offer was closed at 4:00 p.m. on Monday, 11 November 2019 and was not revised or extended.

RESULTS OF THE OFFER

As at 4:00 p.m. on Monday, 11 November 2019, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of a total of 896,387,958 H Shares under the Offer (the “**Acceptance Shares**”), representing approximately 11.640% of the total issued share capital and voting rights of the Company as at the date of this announcement and approximately 51.727% of the total number of issued H Shares as at the date of this announcement.

Taking into account the Acceptance Shares and the Shares already owned by the Offeror and parties acting in concert with it (except Hwabao Fund Management), the Offeror and parties acting in concert with it (excluding Hwabao Fund Management) are interested in an aggregate of 4,402,855,414 Shares, comprising 3,506,467,456 A Shares and 896,387,958 H Shares, together representing approximately 57.175% of the total issued share capital and voting rights of the Company as at the date of this announcement.

SETTLEMENT OF THE OFFER

Based on the valid acceptances in respect of 896,387,958 H Shares under the Offer at the Offer Price of HK\$2.97 per H Share, the total cash consideration paid or payable for the Acceptance Shares is HK\$2,662,272,235.26.

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptances of the Offer) for the Offer Shares tendered under the Offer have been or will be despatched to the Offer Shareholders accepting the Offer (to the address specified on the relevant Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days following the later of (i) the date on which the duly completed Form of Acceptance and the relevant documents of title in respect of such acceptance were received by the Registrar to render such acceptance complete and valid and (ii) the date on which the Offer became, or was declared, unconditional in all respects.

The latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offer is Wednesday, 20 November 2019.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately prior to the commencement of the Offer Period on 2 June 2019, the Offeror and parties acting in concert with it (excluding Hwabao Fund Management) did not hold, control or direct any Shares or rights over any Shares. Upon completion of the Equity Transfer and immediately prior to the despatch of the Composite Document, the Offeror and parties acting in concert with it (excluding Hwabao Fund Management) were interested in an aggregate of 3,506,467,456 A Shares, representing approximately 45.535% of the total issued share capital and voting rights of the Company.

Immediately after the close of the Offer (assuming that the transfer to the Offeror of those H Shares acquired by the Offeror under the Offer has been completed) and as at the date of this announcement, the Offeror and parties acting in concert with it (excluding Hwabao Fund Management) are interested in an aggregate of 4,402,855,414 Shares, comprising 3,506,467,456 A Shares and 896,387,958 H Shares, together representing approximately 57.175% of the total issued share capital and voting rights of the Company.

Save as disclosed above, neither the Offeror nor any party acting in concert with it (excluding Hwabao Fund Management) (i) held, controlled or directed any Shares or rights over any Shares immediately before the commencement of the Offer Period; or (ii) has acquired or agreed to acquire any Shares or rights over any Shares during the Offer Period and up to the date of this joint announcement. Further, neither the Offeror nor any party acting in concert with it (excluding Hwabao Fund Management) has borrowed or lent any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the date of this announcement, save for any borrowed securities which have been either on-lent or sold.

Set out below are the shareholding structure of the Company (1) immediately after Completion and as at the Latest Practicable Date and (2) immediately after the close of the Offer (assuming that the transfer to the Offeror of those H Shares acquired by the Offeror under the Offer has been completed) and as at the date of this announcement:

(1) Shareholding structure of the Company immediately after Completion and as at the Latest Practicable Date

Shareholders	Immediately after Completion and as at the Latest Practicable Date		
	<i>Number of A Shares</i>	<i>Number of H Shares</i>	<i>Shareholding percentage of entire issued share capital of the Company (approximately)</i>
Magang Group	3,506,467,456 <i>(with China Baowu holding 51% of the equity interest in Magang Group, and Anhui SASAC holding 49% of the equity interest in Magang Group)</i>	0	45.535%
Baosteel	0	0	0
Public shareholders	<u>2,461,283,730</u>	<u>1,732,930,000</u>	<u>54.465%</u>
Total	<u><u>7,700,681,186</u></u>		100%

- (2) **Shareholding structure of the Company immediately after the close of the Offer (assuming that the transfer to the Offeror of those H Shares acquired by the Offeror under the Offer has been completed) and as at the date of this announcement**

Shareholders	Immediately after the close of the Offer (assuming that the transfer to the Offeror of those H Shares acquired by the Offeror under the Offer has been completed) and as at the date of this announcement		
	<i>Number of A Shares</i>	<i>Number of H Shares</i>	<i>Shareholding percentage of entire issued share capital of the Company (approximately)</i>
Magang Group	3,506,467,456 <i>(with China Baowu holding 51% of the equity interest in Magang Group, and Anhui SASAC holding 49% of the equity interest in Magang Group)</i>	0	45.535%
Baosteel	0	896,387,958	11.640%
Public shareholders	<u>2,461,283,730</u>	<u>836,542,042</u>	<u>42.825%</u>
Total	<u><u>7,700,681,186</u></u>		100%

PUBLIC FLOAT OF THE COMPANY

Immediately after the close of the Offer and as at the date of this announcement, assuming that the transfer to the Offeror of those H Shares acquired by the Offeror under the Offer has been completed, an aggregate of 3,297,825,772 Shares, representing approximately 42.825% of all the issued shares of the Company, are held by the public (as defined under the Listing Rules) and the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is satisfied.

On behalf of the board
**Baosteel Hong Kong
Investment Company Limited**
寶鋼香港投資有限公司
Liu Wenxin
Director

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

11 November 2019
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, Zhang Wenyang

Non-executive Directors: Ren Tianbao

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

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than any information relating to Baosteel and/or parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of China Baowu or Baosteel) 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.

As at the date of this announcement, the directors of China Baowu are Chen Derong, Hu Wangming, Fu Zhongzhe, Li Guoan, Lin Jianqing, Luo Jianchuan, Wen Chuanfu and Fu Lianchun.

As at the date of this announcement, the directors of Baosteel are Cai Donghui, Liu Wenxin and Yan Yao.

The directors of China Baowu and Baosteel jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than any information relating to the Company) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Company) 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.

** For identification purpose only*