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

(Stock Code: 00323)

VOLUNTARY ANNOUNCEMENT

ANNOUNCEMENT ON THE PROGRESS OF THE INCREASE IN HOLDING OF A SHARES OF THE COMPANY BY CONTROLLING SHAREHOLDER AND ITS PARTY ACTING IN CONCERT

On 2 July 2020, Maanshan Iron & Steel Company Limited (the “**Company**”) received a notice from Magang Group Investment Company Limited (“**Magang Investment**”), a wholly-owned subsidiary and a party acting in concert of Magang (Group) Holding Company Limited (“**Magang Group**”), the controlling shareholder. The Company was notified that from 7 April 2020, being the date of initial increase in holding of the A shares of the Company, to 2 July 2020, Magang Investment increased its accumulated holding of A shares of the Company through centralized bidding on the Shanghai Stock Exchange trading system to 154,000,059 A shares, while the accumulative increase in shareholding accounted for 2.000% of the total issued shares of the Company. The relevant details are hereby announced as follows:

I. SUBJECT OF INCREASE IN SHAREHOLDING AND ITS SUMMARY

1. Account of increase in shareholding: account owned by Magang Investment.
2. Information of increase in shareholding:

From 7 April 2020, being the date of initial increase in holding of A shares of the Company, to 2 July 2020, Magang Investment increased its accumulated holding of A shares of the Company through centralized bidding on the Shanghai Stock Exchange trading system to 154,000,059 A shares, while the accumulative increase in shareholding accounted for 2.000% of the total issued shares of the Company and the accumulated acquisition amount was RMB397,117,985.89, and the average transaction price amounted to RMB2.5787.

Magang Group held a total of 3,506,467,456 shares (A shares) prior to the increase in shareholding (before the date of initial increase in holding of A shares of the Company), accounting for 45.535% of the total issued shares.

Upon the acquisition, Magang Group held a total of 3,506,467,456 shares (A shares), accounting for 45.535% of the total issued shares; Magang Investment held a total of 154,000,059 shares (A shares), accounting for 2.000% of the total issued shares; Magang Group and its party acting in concert, Magang Investment held a total of 3,660,467,515 shares (A shares), accounting for 47.535% of the total issued shares.

II. MAJOR CONTENT OF THE PLAN FOR INCREASE IN SHAREHOLDING

1. The purposes of increase in shareholding: to safeguard the stability of the Company's share price, and maintain the legitimate interests of shareholders of the Company as a whole. The purpose is also based on the confidence in the future development of the Company and the recognition of the long-term investment value of the Company.
2. Type of shares to be increased in shareholding: A shares.
3. The way and amount of proposed increase in shareholding: Magang Investment plans to continue the increase in the holding of A shares of the Company in its own name in the coming 12 months (not exceeding 12 months from the date of the initial increase in shareholding) in the manner permitted by the Shanghai Stock Exchange system (including but not limited to centralized bidding and bulk trading), with the amount for increase in shareholding not less than RMB409 million and not more than RMB500 million.
4. Price of proposed increase in shareholding: Magang Investment will gradually implement the plan for increase in shareholding based on the reasonable judgment of the stock price of the Company and in accordance with the fluctuation of stock price of the Company and the general trend of the capital market.
5. Implementation term of the plan for increase in shareholding: implementation term shall not exceed 12 months from the first date of the increase in shareholding.
6. Capital arrangement for the increase in shareholding: self-owned funds of Magang Investment.

III. UNCERTAIN RISKS FROM THE IMPLEMENTATION OF THE SUBSEQUENT PLAN FOR INCREASE IN SHAREHOLDING

During the process of implementing the subsequent plan for increase in shareholding, there may be risks currently unpredictable, resulting in failure to implement the plan for increase in shareholding. In the event of such risks, Magang Group and Magang Investment, its party acting in concert, will take practicable response measures and make disclosure in a timely manner.

IV. IMPLEMENTATION PROGRESS OF THE PLAN FOR THE INCREASE IN SHAREHOLDING

From 7 April 2020 to 2 July 2020, Magang Investment increased its accumulated holding of A shares of the Company through centralized bidding on the Shanghai Stock Exchange trading system to 154,000,059 A shares, while the accumulative increase in shareholding accounted for 2.000% of the total issued shares of the Company and the accumulated acquisition amount of A shares of the Company was RMB397,117,385.89. The implementation of the plan for the increase in shareholding has yet to be completed.

V. NOTES ON OTHER MATTERS

1. This increase in shareholding is in compliance with the relevant requirements of the Securities Law and other laws and regulations, departmental rules and the Business Rules of the Shanghai Stock Exchange.
2. Magang Group and its party acting in concert have undertaken not to reduce the holding of shares of the Company during the period of implementing the increase in shareholding and within the statutory period.
3. The increase in holding will not result in the failure of meeting the listing requirement, and will not result in changes in the controlling shareholders or actual controllers of the Company.
4. The Company will continue to monitor the increase in shareholding by Magang Group and its party acting in concert, and will make appropriate information disclosure in a timely manner.

The Board
Maanshan Iron & Steel Company Limited

2 July 2020
Maanshan City, Anhui Province, the PRC

As at the date of this announcement, the directors of the Company include executive directors Ding Yi, Wang Qiangmin, Ren Tianbao and Zhang Wenyang; non-executive director Qian Haifan; and independent non-executive directors Zhang Chunxia, Zhu Shaofang and Wang Xianzhu.