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

(Stock Code: 00323)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE RESULTS OF THE INCREASE IN HOLDING OF A SHARES OF THE COMPANY BY CONTROLLING SHAREHOLDER AND ITS PARTY ACTING IN CONCERT

Reference is made to the announcement dated 13 July 2020 of the Company (the “**Announcement**”) in relation to the results of the increase in holding of A shares of the Company by a controlling shareholder and a party acting in concert. Capitalised terms used herein shall bear the same meanings as defined in the Announcement.

The Company hereby supplements that prior to 7 April 2020, being the date of the first increase in holding in A shares of the Company, Magang Group held a total of 3,506,467,456 A shares of the Company, accounting for 45.535% of the total issued shares of the Company; Upon the acquisition, Magang Group and Magang Investment, its wholly-owned subsidiary held a total of 3,664,749,615 A shares of the Company, accounting for 47.59% of the total issued shares.

Pursuant to Rule 26.1 of the Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission of Hong Kong (“**SFC**”), subject to the granting of a waiver by the executive director of the Corporate Finance Division of the SFC or any delegate(s) of the executive director (the “**Executive**”), when any person holds not less than 30%, but not more than 50% of the voting rights of a company and that person acquires additional voting rights and such acquisition has the effect of increasing that person’s holding of voting rights in the company by more than 2% from the lowest percentage holding of that person in the 12 month period ending on and inclusive of the date of the relevant acquisition, that person shall extend offers, on the basis set out in Rule 26 of the Takeovers Code, to the holders of each class of equity share capital of the company, whether the class carries voting rights or not, and also to the holders of any class of voting non-equity share capital in which that person, or persons acting in concert with him, hold shares.

In this regard, Magang Group has applied to the Executive for a waiver in accordance with Note 6(b) to Rule 26.1 of the Takeovers Code before the increase of its shareholding reached 2%. As disclosed in the Announcement, Baosteel Investment held a total of 896,387,958 H shares of the Company, accounting for 11.640% of the total issued shares. Magang Group and its parties acting in concert, Baosteel Investment and Magang Investment, held a total of 4,561,137,573 shares of the Company, accounting for 59.230% of the total issued shares. Taking into account that Magang Group and its parties acting in concert have been holding more than 50% of the shares of the Company since 11 November 2019, being the date on which the mandatory offer made by Baosteel Investment for the acquisition of all issued H shares of the Company was closed, and that Magang Group plans to increase its holding by no more than 2.5% of the total issued share capital of the Company, the Executive has granted the waiver to Magang Group.

Implementation of the plan for the increase in shareholding has been completed. Upon the completion, Magang Group increased its holding in the Company by 2.055% through Magang Investment, which is in compliance with the terms of the abovementioned waiver.

The Board

Maanshan Iron & Steel Company Limited

16 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.