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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)

OVERSEAS REGULATORY ANNOUNCEMENT

ANNOUNCEMENT ON RESOLUTION OF THE BOARD OF DIRECTORS

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 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The seventh meeting of the seventh session of the Board (the “Meeting”) of Maanshan Iron & Steel Company Limited (the “Company”) was held at the Magang Guest House on 30 December 2011. Seven Directors were eligible for attending the Meeting and six of them attended the Meeting. Director Mr. Qian Haifan had appointed Director Mr. Ren Tianbao to attend the Meeting on his behalf and exercise his voting right according to his decision. Mr. Su Jiangang, Chairman, presided over the Meeting. The following resolution was considered and approved unanimously as follows:

The agreement of ongoing connected transactions for 2012 between the Company and Magang (Group) Holding Company Limited (hereinafter, “Magang Group”) was approved, and a Director was authorised to sign it.

A. Details and caps of the connected transactions

1. Purchase of goods, including the Company’s purchase of raw material and fuels from Magang Group and its subsidiaries, to be capped at RMB166,625,000.
2. Sales of goods, including the Company’s sales of steel products to Magang Group and its subsidiaries, to be capped at RMB44,738,000.

3. Construction of infrastructure and technology upgrade projects, including the receipt and provision of infrastructure projects between the Company and Magang Group together with its subsidiaries, to be capped at RMB188,111,800.
4. Professional services, including the receipt of catering and hygiene services from Magang Group and its subsidiaries by the Company, to be capped at RMB163,100,000.
5. Integrated services, including the receipt and provision of environmental protection services between the Company and Magang Group together with its subsidiaries, to be capped at RMB186,477,000.

The total cap of the five projects mentioned above amounted to RMB749,051,800.

B. Principles of connected transactions

1. The pricing principles comply with market rules; prices are set fairly and objectively. The pricing is in accordance with State guidance if there is any, or in accordance with market rates if there is not. If there are no market prices, the pricing is determined through sufficient negotiation between both trading parties.
2. Both parties undertake to provide the other party and its subsidiaries with services, goods and projects with standards and conditions not lower than those provided to independent third parties of similar services, goods and projects.

C. Opinions of non-associated Directors

All Directors of the Board who are not associated with Magang Group (including independent non-executive Directors) believed that such transactions were carried out between the Company and Magang Group in the normal course of business under normal commercial terms and were on terms no less favourable to the Company than normal commercial terms.

The Board

Maanshan Iron & Steel Company Limited

30 December 2011

Maanshan City, Anhui Province, the PRC

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

Executive Directors: Su Jiangang, Qian Haifan, Ren Tianbao

Non-executive Director: Zhao Jianming

Independent Non-executive Directors: Qin Tongzhou, Yang Yada, Wu Tat Man Damon Albert