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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)**

## **CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcements (the “**Announcements**”) of Maanshan Iron & Steel Company (the “**Company**”) dated 28 March 2012 and 11 April 2012, respectively, in respect of 2011 Annual Results and Continuing Connected Transactions Financial Services Agreement. Terms used in this announcement have the same meanings as defined in the Announcements unless otherwise stated. The Company wishes to clarify certain information in and to provide further information to the Announcements.

In respect of the 2011 Annual Results Announcement dated 28 March 2012, the Company confirms that during the year ended 31 December 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

In respect of the loan services set out in Continuing Connected Transactions Financial Services Agreement Announcement dated 11 April 2012, the applicable percentage ratios (as set out in the Listing Rules) are more than 0.1% but less than 5%, which constitute exempt continuing connected transactions of the Company under Rules 14A.34 and 14A.66 (instead of Rule 14A.65) of the Listing Rules in which approval from independent shareholders of the Company is exempted and are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. The Company wishes to provide further information that Magang Group, together with its subsidiaries, are engaged in a wide variety of businesses, including sourcing of minerals and construction materials, construction services, warehousing and property management. The provision of financial services by the Finance Company to the Group can enable the Company to utilize part of the merged capital enhancing the capital utilization efficiency and to increase income by obtaining net interests and service fees through the Finance Company. Other financial services under the Financial Services Agreement are services which may be provided

by the Finance Company to the Group which include settlement, verification, consultation, agency and entrusted loan services.

Save as the aforementioned, all other aspects of the Announcements shall remain unchanged.

By Order of the Board  
**Ren Tianbao**  
*Secretary to the Board*

17 April 2012  
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*