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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

At a board meeting of Maanshan Iron & Steel Company Limited (the “**Company**”) held on 5 July 2012, the board of directors of the Company agreed to submit a proposal for amendments to the existing articles of association (“Articles of Association”) of the Company for approval by way of special resolution at the coming extraordinary general meeting (the “**EGM**”) of the Company.

A circular containing details of the proposed amendments to the Articles of Association, notice of the EGM and the reply slip will be despatched to the holders of H shares shortly.

Maanshan Iron & Steel Company Limited proposes to amend its Articles of Association in accordance with the requirements of the China Securities Regulatory Commission and the Anhui Regulatory Bureau, and in line with the actual situations of the Company.

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of special resolution at the extraordinary general meeting to be held by the Company.

A circular containing details of the proposed amendments to the Articles of Association, notice of the EGM and the reply slip will be despatched to the holders of H shares shortly.

The proposed amendments are as follows:

1. A new article is proposed to be added after Article 80 of the original Articles of Association as Article 81:

“Article 81: When a matter regarding the profits distribution of the Company, especially profits distribution by cash dividends distribution, or a matter regarding the adjustment of an established profit distribution policy, especially a cash dividend distribution policy, is being considered at a

general meeting, the Board should report a resolution as well as the reason of the arrangement first, then vote on the related resolution.”

Article numbers are renumbered hereafter.

2. A new item is proposed to be added after item 7 of Article 85 of the original Articles of Association as item 8:

“(8) Profit distribution policy, especially adjustment to the cash dividend distribution policy;”

Item numbers are renumbered hereafter.

3. A new article is proposed to be added after Article 105 of the original Articles of Association as Article 107:

“Article 107: In considering a matter regarding the profits distribution, especially cash dividends, the Board should fully safeguard the legitimate rights of shareholders of the Company to returns on assets and other rights as a priority. And a proposal shall be formed following special analysis and discussions on the returns of shareholders, and be first submitted for consideration by the Board’s Audit Committee composed of all independent directors. After the Audit Committee fully listens to views of independent directors and approves the matter by voting, it shall then submit the matter to the Board for consideration.

If a profit distribution policy, especially a cash dividend distribution policy, must be adjusted due to the Company’s production and operation conditions and its needs for long-term development, such adjustment shall be made with priority given to the interests of shareholders. The adjusted profit distribution policy shall not be in violation of relevant laws and regulations, normative documents as well as the relevant stipulations of these Articles of Association. A proposal on the adjustment of the profit distribution policy, especially a cash dividend policy, shall be formed following special discussions by the relevant departments, and be first submitted for consideration by the Board’s Audit Committee composed of all independent directors. After the Audit Committee fully listens to views of the independent directors and approves the proposal by voting, it shall then submit the proposal to the Board for consideration.”

Article numbers are renumbered hereafter.

4. A new item is proposed to be added after item 6 of Clause 1 of Article 126 of the original Articles of Association as item 7:

“(7) The adjustment of profit distribution policy of the Company, especially cash dividend distribution policy, and the adjustment of the profit distribution policy, especially cash dividend distribution policy.”

Item numbers are renumbered hereafter.

5. Clause 4 of Article 184 of the original Articles of Association: “Subject to the principle of giving proper regard to both the need to generate reasonable investment return for shareholders and the need to fulfill reasonable funding requirements of the Company, any surplus of profits after the Company has made up losses and made allocations to the statutory common reserve will be distributed as dividends to shareholders in proportion to their shareholdings. Cash dividend distribution policy should be maintained on a continuous and stable basis.”

is proposed be amended as: “Any surplus of profits after the Company has made up losses and made allocations to the statutory common reserve will be distributed as dividends to shareholders in proportion to their shareholdings.”

6. Article 188 of the original Articles of Associate “The Company may distribute its dividend in the following forms: (1) cash; (2) shares.”

is proposed to be amended as: “Profit Distribution and Cash Dividends Distribution policies of the Company:

(1) The profit distribution of the Company should be in accordance with the principles of focusing on the reasonable investment return for the shareholders as well as the reasonable requirement for funds of the Company.

(2) The Company may distribute dividends in cash or in share, of which priority shall be given to the distribution of dividends by cash distribution.

(3) The Company should maintain the continuity and stability of the policy on cash dividends. In case of having made profits for a year, the Company shall pay annual cash dividends once every year; If it is not able to pay cash dividends due to special reasons, the Board shall disclose such reasons in the annual report and explain at the general meeting.

(4) As for the annual profit distribution of the Company, the profits to be distributed in cash shall not be less than 30 per cent of the realized distributable profits available for that year. If such

percentage cannot be reached, the Board shall disclose reasons in the annual report and explain at the general meeting.

(5) According to the actual situation and under the premises to ensure the share capital and shareholding structure is reasonable, the Company may distribute dividends in shares.

7. A new Article 43 is proposed to be added after Article 42 of the Appendices of the original Articles of Association of the Order of Meeting for Shareholders' General Meeting of Maanshan Iron & Steel Company Limited:

“Article 43: When a matter regarding the distribution of profits of the Company, especially profits distribution by cash dividends distribution, or a matter regarding the adjustment of an established profit distribution policy, especially a cash dividend policy, is being considered at a general meeting of shareholders, the Board should report a resolution as well as the reason of the arrangement first, then vote on the related resolution.”

Item numbers are renumbered hereafter.

8. Clause 2 of Article 3 of the Appendices of the original Articles of Association of the Order of Meeting for the Board of directors of Maanshan Iron & Steel Company Limited: “When the chairman of the board of directors is unable to perform his/her duties and powers, these duties and powers shall be performed by the vice-chairman of the board of directors designated by the chairman.”

is proposed to be amended as: “When the chairman of the board of directors is unable to perform his/her duties and powers, these duties and powers shall be performed by a director designated by the chairman.”

9. The Clause 2 of Article 6 of the Appendices of the original Articles of Association of Order of Meeting for the Board of directors of Maanshan Iron & Steel Company Limited: “On occurrence of any of the events set out in the preceding sub-clauses (2), (3), (4) and (5) where the chairman is unable to perform his/her duties, he/she should designate a vice-chairman or a director to convene the extraordinary board of directors' meeting on his/her behalf. Where the chairman fails to perform his/her duties with no reason and does not designate a specific person to act on his/her behalf, the vice-chairman or a director recommended by more than half of the directors shall be responsible for convening the meeting.”

is proposed to be amended as: “On occurrence of any of the events set out in the preceding

sub-clauses (2), (3), (4) and (5) where the chairman is unable to perform his/her duties, he/she should designate a director to convene the extraordinary board of directors' meeting on his/her behalf. Where the chairman fails to perform his/her duties with no reason and does not designate a specific person to act on his/her behalf, a director recommended by more than half of the directors shall be responsible for convening the meeting.”

By Order of the Board
Ren Tianbao
Company Secretary

5 July 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