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

(Stock Code: 00323)

**ANNOUNCEMENT ON APPROVAL OF APPLICATION TO
THE COURT FOR RESTRUCTURING OF MAANSHAN
MASTEEL YUYUAN LOGISTICS CO., LTD.,
A SUBSIDIARY OF THE COMPANY**

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.

Reference is made to the announcement of Maanshan Iron & Steel Company Limited (the "Company") dated 24 September 2012, whereby it was announced that Maanshan Masteel Yuyuan Logistics Co., Ltd. (馬鞍山馬鋼裕遠物流有限公司) ("Logistics Company"), a wholly-owned subsidiary of the Company, had filed civil lawsuits to Maanshan City Intermediate People's Court for the recovery of the goods and amounts owed by suppliers in respect of the trade disputes arose between Logistics Company and the suppliers. The Court has accepted the cases.

The upstream suppliers of the Logistics Company have committed breach of contract by means of non-performance upon expiry of contracts, as well as keeping the goods or funds in arrears in the course of carrying out the steel trade, The above have brought about tremendous risks for the Logistics Company and also caused its failure to perform the contracts as scheduled for its downstream clients, resulting in the debt of RMB650.37 million. As at 30 September 2012, the book value of the total assets and total liabilities of the Logistics Company is RMB998.51 million and RMB725.79 million respectively. The majority of accounts deposits received, payable and loans payable concerning the total liabilities are due debts. Under the circumstance that the accounts and goods receivable remain unpaid or in arrears, the Logistics Company has become insolvent.

Recently, the Logistics Company has complied with the court in respect of debt recovery with all-out efforts, and proactively communicated with the related creditors for negotiation on the trade disputes as well. In order to properly handle the related disputes and protect the creditors' benefits, on 8 October 2012 the Logistics Company reported to the Board of Directors of the

Company on the decision of the Logistics Company to apply to the court for restructuring, with the hope to conduct sufficient negotiation with the creditors as the court provides the leading guidance in this aspect, in order to obtain a scheme acceptable by both parties and ensure the sustainability and development of the Logistic Company.

The Company agrees to the application of the Logistics Company to the court for restructuring so as to launch the relevant restructuring work with the court providing the leading guidance.

The Board of the Company has held a meeting and formed resolutions on 8 October 2012, and instructed the Logistics Company to continue to recover debts proactively and effectively, and report promptly on the relevant situation of significance.

The Company will disclose promptly the situation of the court's acceptance on the application of the Logistics Company for restructuring and its subsequent ruling as well as the relevant major progress of the cases in accordance with the relevant requirements of The Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

By order of The Board
Ren Tianbo
Maanshan Iron and Steel Company Limited

8 October 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