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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)

ANNOUNCEMENT REGARDING APPROVAL BY THE NATIONAL DEVELOPMENT AND REFORM COMMISSION OF THE ENVIRONMENT-FRIENDLY RELOCATION OF PROJECTS AT MA STEEL (HEFEI) IRON & STEEL CO., LTD.

The Board of Directors (the “Board”) and all the directors of the Company warrant that there are no false representations or 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 information contained in this announcement.

Maanshan Iron & Steel Company Limited (“Magang” or the “Company”) has recently received an “Official Reply on the Approval by the National Development and Reform Commission of the Environment-friendly Relocation of Projects at Ma Steel (Hefei) Iron & Steel Co., Ltd.” forwarded by the Development and Reform Commission of Anhui Province, and hereby issues the project relocation approval announcement as follows:

1. It has been principally approved that the environment-friendly relocation of projects at Ma Steel (Hefei) Iron & Steel Co., Ltd. (“Ma Steel (Hefei)”) can be carried out by Magang, provided that the total scale of iron and steel production be reduced in Anhui Province.
2. Location for project implementation: Hefei City and Maanshan City, Anhui Province.
3. Major particulars of the projects:

Iron and steel production system: major new processing facilities include sintering, coke furnace, blast furnace, electric furnace, converter; refining, continuous casting, hot rolling machines, pickling cold rolling machine, continuous annealing and hot galvanizing machines. Products are positioned as high-end plate products and other products such as high-speed wheels and large steel castings used in various industries such as the home appliance industry and the light industry. Upon implementation of the projects, Magang headquarters will have an annual output of 13,550,000 tonnes of iron, 15,000,000 tonnes of steel and 14,080,000 tonnes of steel products, while Ma Steel (Hefei) will have a deep-processing capacity for an annual output of 2,550,000 tonnes of steel products.

Public auxiliary facilities: one 40,000 m³/hour oxygen generator, one 153.3 MW CCGP generation unit and one 400 tonnes/day lime shaft kiln. Supporting industrial projects, such as plate processing and delivery centre and the steel processing and delivery centre will be constructed.

Elimination of backward production capacities: Upon implementation of the projects, Magang will eliminate 1,900,000 tonnes of iron-making and 2,000,000 tonnes of steel-making capacities of Ma Steel (Hefei), as well as 900,000 tonnes of iron-making and 1,400,000 tonnes of steel-making capacities of Magang headquarters.

4. Total investment of the projects: RMB20.788 billion (comprising US\$254.73 million in foreign exchange), among which RMB18.722 billion for investment in construction, RMB955 million for interest in the construction period, RMB1.111 billion for initial working capital. Equity fund of enterprise was RMB10.394 billion, accounting for 50% of the total investment, with the remaining part funded by bank loans.
5. Miscellaneous particulars: The Company will implement various energy-saving measures in strict compliance with the energy-saving assessment report approved by the National Development and Reform Commission; strictly comply with the requirements for environmental protection in the official reply of the Ministry of Environmental Protection of the People's Republic of China; construct projects within the compound of existing land in strict compliance with the relevant requirements of the Ministry of Land and Resources of the People's Republic of China, and make bids and tenders in strict compliance with the "Law of the People's Republic of China on Bid Invitation and Bidding" and relevant provisions.

These projects, i.e. the Company's late-stage structural adjustment planning under the Eleventh Five-Year Plan, were already considered and approved at the 19th meeting of the fifth session of the Board of the Company on 29 April 2008, and were considered and approved at the 2007 Annual General Meeting of the Company on 17 June 2008. Announcements containing details of the projects and details of the consideration of the same at the shareholders' meeting were already published in the Shanghai Securities News and on the website of the Shanghai Stock Exchange on 30 April 2008 and 18 June 2008 respectively.

Maanshan Iron & Steel Company Limited

4 December 2012

Maanshan City, Anhui Province, the PRC

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

Executive Directors: Su Jiengang, Qian Haifan, Ren Tianbao

Non-executive Director: Zhao Jianming

Independent Non-executive Directors: Qin Tongzhou, Yang Yada, Liu Fangduan