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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)

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTERESTS AND ASSETS

On 22 August 2013, the Company and the Parent Company conditionally entered into the Disposal of Equity Interests and Assets Agreement, pursuant to which the Company agreed to sell and the Parent Company agreed to acquire the Target Equity Interests and Assets for a total cash Consideration of RMB 3,843,272,800 (the appraised value to be verified and approved by the state-owned assets supervision and management department shall be determined as final Consideration).

As one or more of the applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction under the Listing Rules. As at the date of this announcement, the Parent Company is interested in approximately 50.47% of the Company's share capital and is a controlling shareholder and connected person of the Company. As such, the Disposal will therefore be subject to, amongst other thing, the approval of the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

A circular containing, among others, (i) further details of the Disposal of Equity Interests and Assets Agreement, (ii) the letter from the Independent Board Committee to the Independent Shareholders, (iii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Disposal Agreement, (iv) the summary of the Valuation Reports and other valuation and information as required under the Listing Rules, and (v) the notice of the EGM will be despatched to the Shareholders on or before 12 September 2013.

INTRODUCTION

On 22 August 2013, the Company and the Parent Company conditionally entered into the Disposal of Equity Interests and Assets Agreement, pursuant to which the Company agreed to sell and the Parent Company agreed to acquire the Target Equity Interests and Assets for a total cash Consideration of RMB 3,843,272,800.

MAJOR TERMS OF THE DISPOSAL OF EQUITY INTEREST AND ASSETS AGREEMENT

Date:

22 August 2013

Parties:

- (1) Company; and
- (2) Parent Company

Equity interests and assets to be disposed of:

The Company will dispose of the Target Equity Interests and Assets to the Parent Company.

(A) Target Equity Interests

The Target Equity Interests comprise of the equity interests of the Target Companies as follows:

1. 100% equity interest in Ma Steel Electrical Repair Co., Ltd.
2. 51% equity interest in Ma Steel Powder Metallurgy Co., Ltd.
3. 100% equity interest in Ma Steel Steel Structure Co., Ltd.
4. 45% equity interest in Maanshan Harbour Co., Ltd.
5. 58.96% equity interest in Ma Steel Engineering Co., Ltd.
6. 93.75% equity interest in MG Control Co., Ltd.
7. 35% equity interest in Zhengpu Harbour Co., Ltd.
8. 100% equity interest in Maanshan Used Vehicle Co., Ltd
9. 100% equity interest in Ma Steel Surface Engineering Co., Ltd.
10. 100% equity interest in Ma Steel International
11. 51% equity interest in Ma Steel United Co., Ltd.
12. 100% equity interest in Ma Steel Equipment Installation Co., Ltd.

There is no pledge, litigation or arbitration matters and legal action such as being seized or frozen involving the Target Equity Interests, and the other shareholders of the Target Companies have waived their pre-emptive rights.

(B) The Target Assets

The Target Assets comprise of

1. certain assets and liabilities of the Branches, which include:
 - (a) inventories, buildings, equipment, construction in progress and accounts payable under Heavy Machinery and Equipment Manufacturing Co.,
 - (b) inventories, buildings, equipment and construction in progress under Construction Engineering Co.,
 - (c) inventories, buildings, equipment, construction in progress and accounts payable under Equipment Maintenance Factory,
 - (d) inventories, buildings, equipment and construction in progress under Motor Transport Co.,
 - (e) inventories, buildings, equipment constructions in progress and accounts payable under Transportation Machinery and Equipment Manufacturing Co.,
 - (f) inventories, raw materials and work in progress (construction work) under Mechanical and Electrical Equipment Installation Engineering Branch,
 - (g) inventories, buildings, equipment, construction in progress and accounts payable under Refractory Materials Co.,
 - (h) inventories, buildings, equipment and intangible assets under Automation Engineering Co., and
2. twenty-seven pieces of lands, which are located at Maanshan, Anhui, PRC for industrial use.

There is no pledge, litigation or arbitration matters and legal action such as being seized or frozen involving the Target Assets. The creditors' rights, liabilities and labour force in connection with the Target Assets shall be assigned (or transferred) to the Parent Company.

Consideration:

The Consideration was arrived at after arm's length negotiation between the parties by making reference to (1) the Valuation Report of Beijing Pan-China Assets Appraisal Co., Ltd. and (2) the Valuation Report of Anhui Zhong'an Real Estate Appraisal Consulting Co., Ltd. The appraised value of the Target Equity Interests and Assets as at 31 May 2013 was RMB3,843,272,800.

The cash Consideration payable by the Parent Company to the Company for (1) the Target Equity Interests and (2) the Target Assets are RMB1,699,047,600 and RMB2,144,225,200 and the total cash Consideration is RMB3,843,272,800 (the appraised value to be verified and approved by the state-owned assets supervision and management department shall be determined as final Consideration).

The Company will make further announcement when the SASAC of Anhui Province approves the Valuation Reports and the official Valuation Reports are issued.

Payment terms:

The Parent Company shall remit the Consideration into the Company's designated account ten days after the Completion Date. If the Parent Company is unable to pay the Consideration during the aforesaid payment period in full, the Parent Company shall pay at least 30% of the total Consideration to the Company, and the balance can be paid by two installments: (1) by 31 December 2013, the Parent Company should pay at least 30% of the total Consideration to the Company, and (2) the remaining balance should be paid by 15 March 2014 to the Company. Regarding the possible deferred payment(s) as foresaid, the Parent Company shall pay interests in respect of the late payment(s) on 15 March 2014 in accordance with the lending rate of the beneficiary bank of the Company for the same period (six months).

Completion:

Completion Date shall be on 31 October 2013 or another date agreed by the Company and the Parent Company in writing to be the Completion Date. The Company and the Parent Company shall jointly procure all the follow-up procedures related to the Completion to be carried out before 31 December 2013.

Conditions precedent:

The Disposal Agreement shall be effective upon satisfaction of the following conditions (effective upon the later of the occurrence of the following events):

1. the resolution(s) of the Disposal be approved at the EGM; and
2. the Disposal be approved by the state-owned assets supervision and administration department.

Adjustment during transition period:

An adjustment amount will be agreed by the Company and the Parent Company for the total sum of the difference of (1) the book value of the Target Assets; and (2) the attributable net asset value of the Target Equity Interests between the transition period from the Valuation Reference Date to the Completion Date. A supplementary audit will be conducted by a certified PRC accountant, which is mutually recognised by the Company and the Parent Company within thirty working days after the Completion Date, which is the valuation reference date of the supplementary audit. If the adjustment amount is a positive amount, the Parent Company shall pay the cash sum within ten working days after the Company and the Parent Company agreed the adjustment amount. If the adjustment amount is a negative amount, the adjustment amount will be deducted from the Consideration payable by the Parent Company to the Company.

Risk Transfer:

Any legal liability and risk associated with the Target Equity Interests and Assets shall be transferred to the Parent Company as of the Completion Date.

Representations and Warranties:

The Parent Company acknowledged that a thorough due diligence was done and it has full knowledge and understanding of the actual and legal conditions in respect of the Target Equity Interests and Assets. The Parent Company agreed not to terminate the Disposal Agreement unilaterally on the ground of any defect in the Target Equity Interests and Assets or any risk involved in the Disposal after the Disposal Agreement takes effect.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion of the Disposal, the Company will cease to hold any interests in the Target Companies and none of the Target Companies will continue to be a subsidiary of the Company.

It is estimated that an unaudited gain of approximately RMB 918,207,000 (with the total expenses incidental to the Disposal to be confirmed for deduction) will arise from the Disposal, which is calculated with reference to the Consideration of RMB3,843,272,800 less the carrying value attributable to the Target Equity Interests and Assets as at 31 May 2013. The Company intends to apply the proceeds to repay the Company's borrowings and liabilities.

REASONS & BENEFITS

The Disposal of the non-iron and steel related assets will enable the Company to concentrate its manpower, physical and financial resources on its principal iron and steel operations and leverage such resources to improve the Company's overall strength on its principal iron and steel operations. It is expected the proceeds from the Disposal will help the Company improving its asset liquidity and focusing its resources more closely on its principal iron and steel business. Furthermore, the Company intends to use the sale proceeds to repay the Company's borrowings and liabilities, which will help saving the Company's financing costs.

INFORMATION ON THE COMPANY AND THE PARENT COMPANY

The Company is one of the largest iron and steel producers and marketers in the PRC and is principally engaged in the manufacture and sale of iron and steel products.

The Parent Company is a wholly state-owned enterprise with limited liability and a controlling shareholder of the Company. It is mainly engaged in mining and sorting of mineral products; construction; manufacturing of construction materials; trading; storage and property management; agriculture and forestry.

INFORMATION ON THE TARGET COMPANIES

1. Ma Steel Electrical Repair Co., Ltd. is a wholly owned subsidiary of the Company. It is mainly engaged in energy saving and environmental protection technology services; engineering technology consultation and services; electrical and machinery equipment repair and installation; electrical and machinery engineering, repair and installation; industrial building and electrical equipment grounding resistance testing; marketing of equipment, spare

parts and materials related to electrical and machinery equipment repair and installation; experiment and testing of high and low-voltage electrical equipment; dynamic balancing checks; process pipes and metallic framework manufacturing and installation; alloy bushing casting and processing.

As at 31 May 2013, the total assets of Ma Steel Electrical Repair Co., Ltd. amount to RMB32,494,600, the total liabilities amount to RMB20,277,600, and the owner's equities amount to RMB12,216,900. During the period of January to May 2013, the operating revenue amounts to RMB27,635,800, the operating costs amount to RMB24,637,900, the gross profit amounts to RMB757,500 and the net profit amounts to RMB518,300.

2. Ma Steel Powder Metallurgy Co., Ltd. is a subsidiary of the Company. It is mainly engaged in production and sales of sponge iron, reduced iron powder, water-atomized iron powder, powder metallurgical products, ferroalloy products and by-products; manufacturing and installation of machinery and equipment; production and processing of metallic products; technology consultation.

As at 31 May 2013, the total assets of Ma Steel Powder Metallurgy Co., Ltd. amount to RMB108,222,500, the total liabilities amount to RMB7,078,000, and the owner's equities amount to RMB101,144,600. During the period of January to May 2013, the operating revenue amounts to RMB31,328,500, the operating costs amount to RMB27,542,000, the gross profit amounts to RMB808,400 and the net profit amounts to RMB478,300.

3. Ma Steel Steel Structure Co., Ltd. is a wholly owned subsidiary of the Company. It is mainly engaged in manufacturing and installation of high-rise steel frameworks, bridge steel frameworks and plant steel frameworks; ground and foundation construction; manufacturing of non-standard equipment; manufacturing of heavy lifting equipment; manufacturing of process steel frameworks; manufacturing, sales and services of industrial pipes; export of metallic materials and steel framework products; contracting of domestic and overseas steel structure construction; steel structure engineering design and consultation service; manufacturing of metallic products; sales of metallic materials and building materials.

As at 31 May 2013, the total assets of Ma Steel Steel Structure Co., Ltd. amount to RMB631,219,700, the total liabilities amount to RMB119,103,700, and the owner's equities amount to RMB512,116,000. During the period of January to May 2013, the operating revenue amounts to RMB135,827,900, the operating costs amount to RMB129,708,900, the gross profit amounts to -RMB10,906,400 and the net profit amounts to -RMB10,913,000.

4. Maanshan Harbour Co., Ltd. is an associated company of the Company. It is mainly engaged in stevedoring of goods at ports; freight forwarding; storage service; water and land intermodal transit of goods and container stuffing and de-stuffing; integrated services for domestic trade and foreign trade vessels; machinery repair and parts manufacturing of port engineering.

As at 31 May 2013, the total assets of Maanshan Harbour Co., Ltd. amount to RMB1,021,794,500, the total liabilities amount to RMB599,820,700, and the owner's equities amount to RMB421,973,700. During the period of January to May 2013, the operating revenue amounts to RMB76,716,200, the operating costs amount to RMB55,168,400, the gross profit amounts to -RMB437,000 and the net profit amounts to -RMB436,200.

5. Ma Steel Engineering Co., Ltd. is a subsidiary of the Company. It is mainly engaged in planning and design, engineering technology consultation, engineering cost consultation, engineering supervision, engineering overall contracting, and project management contracting for projects in metallurgy, construction, environmental engineering and municipal engineering project as authorized by the authority in charge of the construction business; electromechanical equipment ancillary integration; computer technology service and ancillary sales; design of pressure vessels (type I pressure vessels and type II low and medium pressure vessels) as authorized by the quality check authority; design of pressure pipes (utility pipes grade GB1 and grade GB2, industrial pipes grade GC2 (1)(2)(3)(4)); contracting of consultation, design and supervision for overseas construction, environmental protection and metallurgical engineering projects, and the export of equipment and materials and cross-border supply of workers for the said overseas projects.

As at 31 May 2013, the total assets of Ma Steel Engineering Co., Ltd. amount to RMB271,293,400, the total liabilities amount to RMB105,359,900, and the owner's equities amount to RMB165,933,500. During the period of January to May 2013, the operating revenue amounts to RMB76,094,600, the operating costs amount to RMB60,311,500, the gross profit amounts to RMB962,000 and the net profit amounts to RMB484,300.

6. MG Control Co., Ltd. is a subsidiary of the Company. It is mainly engaged in electronic engineering specialized contracting grade II; intelligent building engineering specialized contracting grade II; security and alarm engineering design and construction grade A; automation engineering design grade B; fire control facilities engineering specialized contracting grade III; design, assembly, installation and repair of automation, computer and communications engineering; computer software development; network engineering technical services; manufacturing and sales of measurement instruments (as authorized by the State Bureau of Quality and Technical Supervision); manufacturing of communications devices; technology consultation and services.

As at 31 May 2013, the total assets of MG Control Co., Ltd. amount to RMB160,085,900, the total liabilities amount to RMB108,036,800, and the owner's equities amount to RMB52,049,100. During the period of January to May 2013, the operating revenue amounts to RMB35,291,700, the operating costs amount to RMB26,463,100, the gross profit amounts to RMB5,300 and the net profit amounts to -RMB750,600.

7. Zhengpu Harbour Co., Ltd. is an associated company of the Company. It is mainly engaged in cargo stevedoring, storage and processing service, intermodal transit and container stuffing and de-stuffing and related forwarding service; integrated services for domestic and foreign trade vessels.

As at 31 May 2013, the total assets of Zhengpu Harbour Co., Ltd. amount to RMB247,427,200, the total liabilities amount to RMB47,101,600, and the owner's equities amount to RMB200,325,700. During the period of January to May 2013, the gross profit amounts to RMB466,400 and the net profit amounts to RMB340,700.

8. Maanshan Used Vehicle Co., Ltd. is a wholly owned subsidiary of the Company. It is mainly engaged in trading of used automobiles; sales of automobiles (other than sedans) and automobile's parts; automobiles conditioning; property leasing.

As at 31 May 2013, the total assets of Maanshan Used Vehicle Co., Ltd. amount to RMB3,612,800, the total liabilities amount to RMB419,400, and the owner's equities amount to RMB3,193,300. During the period of January to May 2013, the operating revenue amounts to RMB2,667,300, the operating costs amount to RMB1,840,600, the gross profit amounts to RMB265,300 and the net profit amounts to RMB198,900.

9. Ma Steel Surface Engineering Co., Ltd. is a wholly owned subsidiary of the Company. It is mainly engaged in manufacturing, installation and repair of complete sets of machinery and equipment and spare parts; application of surface engineering technology; manufacturing and sales of casting and forging, metallic products and building materials; electromechanical engineering installation; manufacturing, restoration and electroplating of rolls and roll spare parts; manufacturing, restoration and alloy electroplating of copper plates and tubing for crystallizers; manufacturing of composite wear-resistant plates; technology consultation services; home appliances repairing.

As at 31 May 2013, the total assets of Ma Steel Surface Engineering Co., Ltd. amount to RMB308,836,000, the total liabilities amount to RMB35,971,100, and the owner's equities amount to RMB272,864,800. During the period of January to May 2013, the operating revenue amounts to RMB83,979,200, the operating costs amount to RMB76,266,400, the gross profit amounts to -RMB1,233,200 and the net profit amounts to -RMB1,238,200.

10. Ma Steel International is a wholly owned subsidiary of the Company. It is mainly engaged in the following business:

Licensed business activities: wholesale of coal; sending workers in the engineering, production and services business to overseas; freight insurance, vehicles insurance and casualties insurance brokerage; wholesale and retail of pre-packaged food.

General business activities: operating and forwarding the import and export business of various goods and technologies (excluding goods and technologies restricted or prohibited by the state from import or export); contracting for overseas construction and domestic construction for international tendering; wholesale and retail of coke, iron ore products,

ferroalloy products, non-ferrous metallic materials metallic products, scrap (excluding the recycled ones), pig iron, metallic products, steel, machinery and equipment and parts, electrical equipment, refractory materials, organic fertilizer, building materials, lubricants, wires and cables, rubber products, chemical products (excluding hazardous chemicals and precursor chemicals), grocery and farm products; economic and business information consultation service; storage service (excluding hazardous goods).

As at 31 May 2013, the total assets of Ma Steel International amount to RMB2,828,854,100, the total liabilities amount to RMB2,788,862,800, and the owner's equities amount to RMB39,991,300. During the period of January to May 2013, the operating revenue amounts to RMB3,537,744,500, the operating costs amount to RMB3,502,903,600, the gross profit amounts to -RMB3,537,700 and the net profit amounts to -RMB3,537,700.

11. Ma Steel United Co., Ltd. is a subsidiary of the Company. It is mainly engaged in the development, processing, manufacturing and sales of heavy rollers and rollers; provision of after-sale services and related technology consultation service.

As at 31 May 2013, the total assets of Ma Steel United Co., Ltd. amount to RMB287,319,100, the total liabilities amount to RMB127,260,700, and the owner's equities amount to RMB160,058,400. During the period of January to May 2013, the operating revenue amounts to RMB758,800, the operating costs amount to RMB799,600, the gross profit amounts to -RMB5,279,300 and the net profit amounts to -RMB5,279,300.

12. Ma Steel Equipment Installation Co., Ltd. is a wholly owned subsidiary of the Company. It is mainly engaged in the following business:

Licensed business activities: general road transportation for cargo, large articles transportation (Type I) (Operation in licensed activities is allowed within the validity period of the license.)

General business activities: manufacturing of pressure vessels (type III low and medium pressure vessels); manufacturing of boilers (grade A boiler limited to flute type exhaust heat boiler (excluding the drum)); installation of pressure pipes (GC type GC2 grade, GB type GB2 grade); manufacturing, installation, testing and repair of electro-mechanics and hydraulic machinery; installation and repair of lifting machinery (overhead travelling crane, gantry crane, portal slewing crane and mast crane); industrial furnace, anticorrosive protection and heat preservation and industrial civil building construction; hoisting assembly; steel extended processing, application and distribution; engineering design, technology consultation and labor service; mining machinery manufacturing.

As at 31 May 2013, the total assets of Ma Steel Equipment Installation Co., Ltd. amount to RMB169,940,200, the total liabilities amount to RMB65,872,200, and the owner's equities amount to RMB104,068,000. During the period of January to May 2013, the operating revenue amounts to RMB83,171,000, the operating costs amount to RMB71,663,400, the gross profit amounts to RMB511,400 and the net profit amounts to -RMB1,965,500.

The following table shows the net profit before tax and net profit after tax of the Target Companies based on their unaudited financial statements for the year ended 31 December 2011, 31 December 2012 and the five months from 1 January to 31 May 2013.

RMB'000

	Year ended 31 December 2011		Year ended 31 December 2012		Five months from 1 January to 31 May 2013	
	Net profit before tax	Net profit after tax	Net profit before tax	Net profit after tax	Net profit before tax	Net profit after tax
Ma Steel Electrical Repair Co., Ltd.	445	339	1,428	1,047	757	518
Ma Steel Powder Metallurgy Co., Ltd.	*	*	888	666	808	478
Ma Steel Steel Engineering Co., Ltd.	896	672	81	61	-10,906	-10,913
Maanshan Harbour Co., Ltd.	33,445	24,508	20,944	15,442	-437	-436
Ma Steel Engineering Co., Ltd.	37,122	31,732	33,077	28,429	962	484
MG Control Company, Limited.	12,910	11,773	21,692	18,783	5	-751
Zhengpu Harbour Co., Ltd.	0	0	-2	-2	466	341
Maanshan Used Vehicle Co., Ltd	681	498	678	483	265	199
Ma Steel Surface Engineering Technology Co., Ltd.	-1,488	-1,488	57	57	-1,233	-1,238
Ma Steel International	-170,235	-170,235	239,614	239,614	-3,538	-3,538
Ma Steel United Co., Ltd.	-11,837	-11,837	-22,495	-22,495	-5,279	-5,279
Ma Steel Equipment Installation Co., Ltd.	550	413	6,003	5,621	511	-1,966

* No available figure as Ma Steel Powder Metallurgy Co., Ltd was incorporated in October 2012

BOARD APPROVAL

By the 32nd meeting of the 7th session of the Board dated 22 August 2013, the Board approved the Disposal of Equity Interests and Assets Agreement.

The Directors attending the Board meeting on 22 August 2013 regarding the Disposal Agreement consider that the terms of the Disposal Agreement have been negotiated on an arm's length basis and on normal commercial terms and they are of the view that the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Of the Directors attending the Board meeting, the Abstained Directors were considered to have material interests by virtue of being employed by the Parent Company and had thus abstained from voting on the Board resolution(s) in respect of the Disposal Agreement. Save as disclosed above, none of the Directors attended the board meeting has a material interest in the Disposal Agreement.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction under the Listing Rules. As at the date of this announcement, the Parent Company is interested in approximately 50.47% of the Company's share capital and is a controlling shareholder and connected person of the Company. As such, the Disposal will therefore be subject to, amongst other thing, the approval of the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

An EGM will be convened to consider and, if thought fit, to approve the Disposal of Equity Interests and Assets Agreement and the transactions contemplated thereunder. In accordance with the Listing Rules, the vote of the Independent Shareholders taken at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder will be taken by poll. Any Shareholder with a material interest in the Disposal Agreement and its associates will abstain from voting at the EGM. Accordingly, the Parent Company and its associates will abstain from voting at the EGM. The result of the vote will be announced after the EGM.

The Independent Board Committee, will among others, consider and advise the Independent Shareholders in relation to the terms of the Disposal Agreement. Somerley Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, (i) further details of the Disposal of Equity Interests and Assets Agreement (ii) the letter from the Independent Board Committee to the Independent Shareholders, (iii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Disposal Agreement, (iv) the summary of the Valuation Reports and other valuation and information as required under the Listing Rules, and (v) the notice of the EGM will be despatched to the Shareholders on or before 12 September 2013.

DEFINITIONS

The following defined terms are used in this announcement:

“Abstained Directors”	Mr. Ding Yi, Mr. Su Shihuai and Mr. Qian Haifan, who had abstained from voting as Directors on the relevant Board resolution(s) relating to the subject transactions
“associates”	has the meaning as ascribed thereto in the Listing Rules
“Automation Engineering Co.”	Maanshan Iron & Steel Co., Ltd. Automation Engineering Co., a branch of the Company as at the date of this announcement
“Board”	the board of the Directors

“Branches”	branches of the Company
“Company”	Maanshan Iron & Steel Company Limited, a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal
“Completion Date”	31 October 2013 or another date agreed by the Company and the Parent Company in writing
“Consideration”	consideration payable by the Parent Company to the Company to acquire the Target Equity Interests and Assets
“Construction Engineering Co.”	Maanshan Iron & Steel Co., Ltd. Construction Engineering Co., a branch of the Company as at the date of this announcement
“Directors”	the directors of the Company
“Disposal”	disposal of the Target Equity Interests and Assets
“Disposal Agreement” or “Disposal of Equity Interests and Assets Agreement”	the agreement entered into between the Company and the Parent Company dated 22 August 2013 regarding the Disposal
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, the Disposal Agreement and the transactions contemplated thereunder
“Equipment Maintenance Co.”	Maanshan Iron & Steel Co., Ltd. Equipment Maintenance Co., a branch of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Heavy Machinery and Equipment Manufacturing Co.”	Maanshan Iron & Steel Co., Ltd. Heavy Machinery and Equipment Manufacturing Co., a branch of the Company in the PRC
“Independent Board Committee”	a board committee comprising all the Independent Non-executive Directors, which will, among others, consider and advise the Independent Shareholders in relation to the terms of the Disposal Agreement

“Independent Financial Adviser”	Somerley Limited, a corporation licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Disposal Agreement
“Independent Non-executive Directors”	independent non-executive Directors
“Independent Shareholders”	shareholders other than the Parent Company and any of its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maanshan Harbour Co., Ltd.”	Maanshan Harbour Group Co., Ltd., a limited liability company incorporated in the PRC and an associated company of the Company as at the date of this announcement
“Maanshan Used Vehicle Co., Ltd.”	Maanshan City Used Vehicle Trading Centre Co., Ltd., a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement
“Ma Steel Electrical Repair Co., Ltd.”	Maanshan Ma Steel Electrical Repair Co., Ltd., a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement
“Ma Steel Engineering Co., Ltd.”	Anhui Ma Steel Engineering Technology Co., Ltd., a limited liability company incorporated in the PRC and a subsidiary of the Company as at the date of this announcement
“Ma Steel Equipment Installation Co., Ltd. ”	Maanshan Ma Steel Equipment Installation Engineering Co., Ltd., a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement

“Ma Steel International”	Ma Steel International Trade and Economic Corporation, a company incorporated in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement
“Ma Steel Powder Metallurgy Co., Ltd.”	Anhui Ma Steel Powder Metallurgy Co., Ltd., a limited liability company incorporated in the PRC and a subsidiary of the Company as at the date of this announcement
“Ma Steel Steel Structure Co., Ltd.”	Maanshan Ma Steel Steel Structure Engineering Co., Ltd., a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement
“Ma Steel Surface Engineering Co., Ltd.”	Maanshan Ma Steel Surface Engineering Technology Co., Ltd., a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company as at the date of this announcement
“Ma Steel United Co., Ltd.”	Ma Steel United Co., Ltd., a limited liability company incorporated in the PRC and a subsidiary of the Company as at the date of this announcement
“MG Control Co., Ltd.”	MG Control Technique Company, Limited., a limited liability company incorporated in the PRC and a subsidiary of the Company as at the date of this announcement
“Maanshan Harbour Co., Ltd.”	Maanshan Harbour Group Co., Ltd., a limited liability company incorporated in the PRC and an associated company of the Company as at the date of this announcement
“Mechanical and Electrical Equipment Installation Engineering Branch”	Maanshan Iron & Steel Co., Ltd. Mechanical and Electrical Equipment Installation Engineering Branch, a branch of the Company as at the date of this announcement
“Motor Transport Co.”	Maanshan Iron & Steel Co., Ltd. Motor Transport Co., a branch of the Company as at the date of this announcement
“Parent Company”	Magang (Group) Holding Company Limited, a wholly state-owned enterprise with limited liability, formerly known as Maanshan Magang Holding Company, and was approved by the PRC government to restructure into Magang (Group) Holding Company Limited in September 1998

“PRC”	the People’s Republic of China
“Refractory Materials Co.”	Maanshan Iron & Steel Co., Ltd. Refractory Materials Co., a branch of the Company as at the date of this announcement
“RMB”	renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Assets”	the assets to be sold and transferred by the Company to the Parent Company under the Disposal Agreement
“Target Equity Interests”	the equity interests to be sold and transferred by the Company to the Parent Company under the Disposal Agreement
“Target Equity Interests and Assets”	the Target Equity Interests and the Target Assets
“Target Companies”	subsidiaries and associated company of the Company
“Transportation Machinery and Equipment Manufacturing Co.”	Maanshan Iron & Steel Co., Ltd. Transportation Machinery and Equipment Manufacturing Co., a branch of the Company as at the date of this announcement
“Valuation Reference Date”	31 May 2013
“Valuation Reports”	the Valuation Report of Anhui Zhong’an Real Estate Appraisal Consulting Co., Ltd. and the Valuation Report of Beijing Pan-China Assets Appraisal Co., Ltd.
“Valuation Report of Anhui Zhong’an Real Estate Appraisal Consulting Co., Ltd.”	valuation report prepared by Anhui Zhong’an Real Estate Appraisal Consulting Co., Ltd. dated 27 June 2013 regarding the valuation of the twenty-seven pieces of lands to be disposed of under the Disposal Agreement
“Valuation Report of Beijing Pan-China Assets Appraisal Co., Ltd.”	valuation report prepared by Beijing Pan-China Assets Appraisal Co., Ltd. dated 20 August 2013 regarding the valuation of the Target Equity Interests and certain assets and liabilities of the Branches to be disposed of under the Disposal Agreement

“Zhengpu Harbour Co., Ltd.”

Anhui Zhengpu Harbour Co., Ltd., a limited liability company incorporated in the PRC and an associated company of the Company as at the date of this announcement

“%”

per cent

By order of the Board
Maanshan Iron & Steel Company Limited
Ren Tianbao
Secretary to the Board

22 August 2013

Maanshan City, Anhui Province, the PRC

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

Executive Directors: Ding Yi, Qian Haifan, Ren Tianbao

Non-executive Directors: Su Shihuai

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