



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 with limited liability)

(Stock Code: 323)

ANNOUNCEMENT

Pursuant to the applicable rules and regulations of the People's Republic of China (the "PRC"), Maanshan Iron & Steel Company Limited (the "Company") will publish an announcement in relation to the listing of the circulating shares that are subject to selling restrictions (the "PRC domestic announcement") in designated newspapers in the PRC on 28 March 2007. Pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the PRC domestic announcement is summarised as follows:

The State Share Reform Proposal of the Company was considered and approved at the Relevant A Shareholders' Meeting held on 27 February 2006, with 29 March 2006 being the Shareholding Record Date. Trading of the Company's A shares resumed on 31 March 2006 upon the implementation of the State Share Reform Proposal.

Pursuant to the relevant provisions of the China Securities Regulatory Commission's "Administrative Procedures of the State Share Reform of Listed Companies", the non-circulating shares will not be listed for trading or transferred within 12 months from the Listing Date. Meanwhile, the Company's controlling shareholder Magang (Group) Holding Company Limited ("Magang Holding") has undertaken to the Company and the A shareholders that after the implementation of the State Share Reform, the Magang shares held by Magang Holding will not be listed for trading or transferred within 12 months from the Listing Date (31 March 2006); and the State-owned Shares held by Magang Holding will also not be listed for trading or transferred in the following 24 months. However, so far as it is permitted under the scope of prevailing policies; Magang Holding may carry out incentive stock option plan(s) or transfer shares to particular investor(s). Target(s) of the incentive stock option plan(s) should hold the shares for such period as prescribed under the relevant policies; and the particular investor(s) should, after acquiring the transferred shares from Magang Holding, continue to hold such transferred shares for the same period as undertaken by Magang Holding. Accordingly, the number of shares subject to selling restrictions to be listed this time is 87,810,000 shares.

The Board of Directors of the Company has applied to the Shanghai Stock Exchange on 27 March 2007 for the listing and circulation of the 87,810,000 shares subject to selling restrictions (representing approximately 1.36% of the total issued shares of the Company) on the Shanghai Stock Exchange. According to the evaluation opinion by the Shanghai Stock Exchange, the aforesaid 87,810,000 shares subject to selling restrictions were approved to be listed and circulated on the Shanghai Stock Exchange on 2 April 2007.

The Company's listing and circulation of the 87,810,000 shares subject to selling restriction is in compliance with the laws, rules and regulations of the PRC including the Company Law, the Securities Law and "Administrative Procedures of the State Share Reform of Listed Companies", as well as the relevant regulations of the Shanghai Stock Exchange.

Shareholders and the investing public are advised to pay attention to investment risks while trading in the shares of the Company.

Maanshan Iron & Steel Company Limited

Maanshan City, Anhui Province, the PRC
27 March 2007

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

Gu Jianguo, Gu Zhanggen, Zhu Changqiu, Zhao Jianming, Su Jianguang, Gao Haijian, Wong Chun Wa, Su Yong*, Hui Leung Wah*, Han Yi**

* *Independent Non-executive Directors*