



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 ON RESOLUTIONS OF THE BOARD OF DIRECTORS

The Company and members of the board of directors confirm the truthfulness, accuracy and completeness of the announcement, and jointly accept the responsibility for any false content, misleading statements contained in, and material omissions from this announcement.

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.

The eleventh meeting of the fifth session of the board of directors (the "Board") of Maanshan Iron & Steel Company Limited (the "Company") (the "Meeting") was held at Magang Guest House on 17 April 2007. There were 10 directors eligible for attending the Meeting and 10 of them attended the Meeting. Mr. Gu Jianguo presided over the Meeting. The following resolutions were considered and approved unanimously at the Meeting:

1. The "Report of the Changes in the Relevant Accounting Policies of the Company upon Adoption of New Accounting Standards" was considered and approved.
2. The 2006 audited financial statements of the Company were considered and approved.
3. The 2006 after-tax profit distribution plan was considered and approved.

As audited by the domestic and international auditors, for the year starting from 1 January 2006 and ending at 31 December 2006, the after-tax profit of the Company for 2006 amounted to RMB2,313.225 million under PRC Accounting Standards and RMB2,269.098 million under Hong Kong Accounting Standards. In accordance with the articles of association of the Company, after appropriating 10% (RMB231.32 million) from the Company's net profit for contribution to the statutory reserves and together with the retained profit as at the end of 2005, the total profit attributable to shareholders for the year 2006 amounted to RMB5,646.825 million under PRC Accounting Standards and RMB5,549.167 million under Hong Kong Accounting Standards.

In accordance with the articles of association of the Company, the Company distributed after-tax profits based on the lower of the profit amounts reported in the two financial statements respectively under PRC Accounting Standards and Hong Kong Accounting Standards. As a result, profit attributable to shareholders for year 2006 should be RMB5,549.167 million. A dividend of RMB0.13 per share was recommended for year 2006, resulting in a total dividend payment of RMB839.189 million. The remaining amount of profit not appropriated would be carried forward to year 2007.

4. The 2006 Report of the Directors was considered and approved.
5. The resolution on the changes in bad debt provisions for receivables and in impairment provisions for inventories was considered and approved:
6. The resolution on the changes in fixed asset disposals, impairment provisions for fixed assets and impairment provisions for projects under construction were considered and approved.
7. In accordance with the authorisation granted by the annual general meeting held on 13 June 2006 as well as the review and confirmation by the Audit Committee which comprised independent directors, the Board decided to pay a fee aggregating HK\$5.75 million to Ernst & Young Hua Ming and Ernst & Young for their annual audit and interim agreed upon procedures work for year 2006, whereby the Company is responsible for accommodation expenses during the period of the audit and agreed upon procedures work on the Company.
8. The resolution on the re-appointment of Ernst & Young Hua Ming and Ernst & Young as the international and the PRC auditors of the Company for year 2007 was reviewed and approved and the Board was authorised to determine their respective remunerations.
9. In view of the results of appraisal on respective directors and senior management for year 2006 by the Remuneration Committee of the Board, the remunerations for directors and senior management for year 2006 were approved.
10. The full text of the 2006 annual report and its summary were considered and approved.

The above resolutions 2, 3, 4 and 8 will be submitted to the annual general meeting for approval.

Board of Directors
Maanshan Iron & Steel Company Limited

17 April 2007

Maanshan City, Anhui Province, the PRC

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

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

** Independent Non-executive Directors*

Please also refer to the published version of this announcement in South China Morning Post.