



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: 323)

OVERSEAS REGULATORY ANNOUNCEMENT

ANNOUNCEMENT ON RESOLUTIONS OF THE BOARD OF DIRECTORS

The Company and members of the board of directors (the “Board of Directors”) warrant the truthfulness, accuracy and completeness of the announcement, and jointly accept the responsibility for any false representations, 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 fifteenth meeting of the fifth session of the Board of Directors of Maanshan Iron & Steel Company Limited (the “Company”) (the “Meeting”) was convened at Magang Guest House on 16 August 2007. There were 10 directors eligible for attending the Meeting and 7 of them attended the Meeting. Mr. Gu Zhanggen, a Director, appointed Mr. Gu Jianguo, a Director, to attend the Meeting and vote on his behalf; Mr. Hui Leung Wah, a Director, appointed Mr. Wong Chun Wa, a Director, to attend the Meeting and vote on his behalf; while Mr. Su Yong, a Director, appointed Mr. Han Yi, a Director, to attend the Meeting and vote on his behalf. Mr. Gu Jianguo, Chairman of the Company, presided over the Meeting. The following resolutions were considered and approved unanimously at the Meeting:

1. The full report of the Company’s 2007 Interim Report, its summary and the financial report for the first half of 2007 were considered and approved.
2. The resolution on the writing-off of bad debt provisions for overdue deposits and impairment provision for certain price-drop inventories was considered and approved.
 - (i) The writing-off of RMB124,255,118 of bad debt provision for the principal of overdue deposits and RMB5,493,751 of bad debt provision for other receivables was approved.
 - (ii) The writing-off of RMB4.84 million of impairment provision for price-drop inventories was approved.

3. To comply with the State's industrial policies of phasing out obsolete production capacities and enhancing the competitiveness of enterprises, as well as shouldering the social responsibilities of environmental protection, saving energy and reducing emissions, to approve that three 300m³ blast furnaces at Iron-making Plant No.1 be classified as obsolete upon the commencement of operation of two large blast furnaces in the new area. The three blast furnaces were built separately in late 1950's and early 1960's, and had undergone substantial renovation in 1992, 1998 and 2005 respectively. The total initial value of such assets amounts to RMB151.924 million and the net value amounts to RMB101.05 million. After deducting an asset disposal income of RMB3.252 million, the resulting net loss of RMB97.798 million will be included in the profit and loss account for the current period. Upon commencement of operation, the two large blast furnaces in the new area will accommodate an abundant amount of molten iron, with improvements in technical and economic indicators. Therefore, the phasing out of the three furnaces will not affect the Company's production. The Company plans to phase out another two 300m³ blast furnaces in the second half of the year. These two blast furnaces have a total initial value of RMB82.07 million and a total net value of RMB32.97 million.
4. The provision of guarantee to Anhui Masteel K. Wah New Building Materials Co., Ltd. ("K. Wah Company"), a controlled subsidiary of the Company, for a RMB14 million credit facility with a two-year term obtained from the Maanshan Branch of Huishang Bank was approved. K. Wah Company will provide counter-guarantee for the guarantee provided by the Company, with the imported core equipment (vertical grinder) and its domestically-made ancillary equipment as collaterals.

The Company has no overdue external guarantees. Including the above-mentioned guarantee, the total external guarantee amount is approximately RMB5,305 million. Save for the above-mentioned guarantee, all guarantees are provided to wholly-owned subsidiaries of the Company and the total external guarantees represent 26.36% of the Company's net assets in the 2006 consolidated financial statements.

Board of Directors
Maanshan Iron & Steel Company Limited

16 August 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 Jiangang, Gao Haijian, Wong Chun Wa, Su Yong*, Hui Leung Wah*, Han Yi**

** Independent Non-executive Directors*