



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)

ANNOUNCEMENT ON THE ISSUE OF SHORT-TERM COMMERCIAL PAPERS

This announcement is made pursuant to Rule 13.09(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Pursuant to the requirements set out in Rules 14 and 14A of the Listing Rules, the issue of the short-term commercial papers does not constitute any transactions within its meaning prescribed therein.

The Company and members of 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.

The general meeting of Maanshan Iron & Steel Company Limited (the "Company") approved, on 1 February 2007, the resolution regarding the issue by the Company of short-term commercial papers for an aggregate principal amount not exceeding RMB3 billion in the PRC within a 12-month period from the date of the general meeting approving the issue.

The Company completed the issue of RMB2 billion of short-term commercial papers on 31 August 2007. The maturity period of the batch of short-term commercial papers is 365 days with an interest rate of 4.2%.

Bank of Communications Co., Ltd. is the lead underwriter organising the underwriters for the batch of short-term commercial papers. The batch of short-term commercial papers was issued publicly in the national inter-bank bond market through a book-building centralised placing process. The proceeds of the batch of short-term commercial papers will be used primarily for meeting the Company's working capital needs for production operation and facilitating the reduction of finance expenses for the Company.

The relevant documents in relation to the issue of the batch of short-term commercial papers are announced on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and ChinaBond (<http://www.chinabond.com.cn>).

Maanshan Iron & Steel Company Limited

3 September 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 Jiangan, Gao Haijian, Wong Chun Wa, Su Yong*, Hui Leung Wah*, Han Yi**

** Independent non-executive directors*