



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)

**PRICE-SENSITIVE INFORMATION /
OVERSEAS REGULATORY ANNOUNCEMENT**

ANNOUNCEMENT ON SHARE MOVEMENTS

The board of directors of the Company (the “Board of Directors”) and all directors warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of this announcement.

This announcement is made pursuant to Rules 13.09(1) and (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Maanshan Iron & Steel Company Limited (“Magang Company” or the “Company”) published the “First Indicative Announcement on the 2008 Exercise of 馬鋼 CWB1 Warrants (“Magang CWB1 Warrants”) of Maanshan Iron & Steel Company Limited” in Shanghai Securities News on 6 November 2008. In addition, continuous information reminders were made from 7 November 2008 to 14 November 2008. From 17 November 2008 to 28 November 2008, the 2008 exercise of Magang CWB1 Warrants took place. On 1 December 2008, the Company published the “Announcement on the 2008 Exercise Results of Magang CWB1 Warrants of Maanshan Iron & Steel Company Limited” in Shanghai Securities News. Details of the share movements upon the implementation of the 2008 exercise of Magang CWB1 Warrants are hereby announced as follows:

1. REASON(S) FOR THE SHARE MOVEMENTS

Magang Company issued RMB5,500 million of bonds with warrants (the “Bonds with Warrants”, each unit bearing a nominal value of RMB100 and each board lot comprises 10 units) at the Shanghai Stock Exchange on 13 November 2006. Holders of the Bonds with Warrants were distributed with 230 warrants for each board lot of Bonds with Warrants of Magang Company. The aforementioned warrants, totalling 1,265 million units, were listed and traded on the Shanghai Stock Exchange on 29 November 2006 under the abbreviation of “Magang CWB1” (trading code: 580010). Holders of Magang CWB1 Warrants are entitled to exercise warrants within 10 trading days prior to 12 months after the date of listing of Magang CWB1 Warrants or within 10 trading days prior to 24 months after the date of listing of Magang CWB1 Warrants.

From 17 November 2008 to 28 November 2008, the second exercise of Magang CWB1 Warrants took place. As at 28 November 2008, a total of 942,129,470 Magang CWB1 Warrants were successfully exercised, resulting in movements in the Company’s shares.

2. DETAILS OF THE SHARE MOVEMENTS

Details of the movements in the Company's shares upon completion of the 2008 exercise of Magang CWB1 Warrants are as follows:

	Prior to the current movements		Current movements Increase / decrease (+/-)(shares)	After the current movements	
	Quantity (shares)	Percentage (%)		Quantity (shares)	Percentage (%)
I. Shares subject to selling restrictions					
1. State-owned shares	3,830,560,000	56.68		3,830,560,000	49.743
2. State-owned legal person shares	—	—			
3. Other domestic shares					
Including:					
Shares owned by domestic legal persons	—	—			
Shares owned by domestic natural persons	—	—			
4. Foreign-owned shares					
Including:					
Shares owned by foreign legal persons	—	—			
Shares owned by foreign natural persons	—	—			
II. Shares not subject to selling restrictions					
1. RMB-denominated ordinary shares (Note)	1,195,061,716	17.68	+942,129,470	2,137,191,186	27.753
2. Domestic listed foreign shares	—	—			
3. Foreign listed foreign shares	1,732,930,000	25.64		1,732,930,000	22.504
4. Others	—	—			
Total number of shares	6,758,551,716	100.00	+942,129,470	7,700,681,186	100.00

Note: Subsequent to the above-said share movements, the RMB-denominated ordinary shares that are not subject to selling restrictions include 52,857,851 A shares of the Company acquired via purchasing stocks from the secondary market by Magang (Group) Holding Company Limited (the "Holding"), the controlling shareholder of the Company. The Holding undertakes that it will not sell the shares of the Company it held during the implementation of the Continuous Acquisition Plan and during the statutory period.

3. DETAILS OF SHARE TRANSFERS PURSUANT TO THE SHARE MOVEMENTS

Upon the 2008 exercise of Magang CWB1 Warrants, all additional shares of the holders have been registered with China Securities Depository & Clearing Corp. Ltd. Shanghai Branch.

4. DETAILS OF THE RESPECTIVE 10 LARGEST SHAREHOLDERS OF THE COMPANY BEFORE AND AFTER THE EXERCISE OF MAGANG CWB1 WARRANTS

- (1) The 10 largest holders of the Company's A shares as at 14 November 2008 before the exercise of Magang CWB1 Warrants were as follows:

Name of shareholder	As a percentage to number of shares held (%)	Total number of shares held (shares)	Number of circulating shares held subject to selling restrictions (shares)
Magang (Group) Holding Company Limited 馬鋼（集團）控股有限公司	57.121	3,860,560,041	3,830,560,000
China Construction Bank – CIFM China Advantage Fund 中國建設銀行－上投摩根中國優勢證券投資基金	0.391	26,399,880	
China Construction Bank – Penghua Value Advanced Stock Fund 中國建設銀行－鵬華價值優勢股票型證券投資基金	0.318	21,500,000	
China Everbright Bank Co., Ltd. – Everbright Pramerica Quantified Core Fund 中國光大銀行股份有限公司－光大保德信量化核心證券投資	0.304	20,552,050	
Industrial and Commercial Bank of China – E Fund Value Growth Mixed Fund 中國工商銀行－易方達價值成長混合型證券投資基金	0.229	15,500,000	
China Merchants Bank – Shangzheng Bonus Trading and Open Index Securities Investment Fund 招商銀行股份有限公司－上證紅利交易型開放式指數證券投資基金	0.228	15,428,809	

Name of shareholder	As a percentage to number of shares held (%)	Total number of shares held (shares)	Number of circulating shares held subject to selling restrictions (shares)
Bank of China – Harvest Shanghai Shenzhen 300 Index Securities Investment Fund 中國銀行－嘉實滬深300指數證券投資基金	0.159	10,721,509	
China Construction Bank – Boshi Yufu Securities Investment Fund 中國建設銀行－博時裕富證券投資基金	0.111	7,523,447	
Industrial Commercial Bank of China – Lion Balance Fund 中國工商銀行－諾安平衡證券投資基金	0.080	5,399,897	
Bank of China International - Bank of China – The Dai-Ichi Mutual Life Insurance Company 中銀國際－中行－第一生命保險相互會社	0.078	5,270,834	

- (2) The 10 largest holders of the Company's A shares as at 28 November 2008 after the exercise of Magang CWB1 Warrants were as follows:

Name of shareholder	As a percentage to number of shares held (%)	Total number of shares held (shares)	Number of circulating shares held subject to selling restrictions (shares)
Magang (Group) Holding Company Limited 馬鋼（集團）控股有限公司	50.430	3,883,417,851	3,830,560,000
China Construction Bank – CIFM China Advantage Fund 中國建設銀行－上投摩根中國優勢證券投資基金	0.362	27,899,876	
China Construction Bank – Penghua Value Advanced Stock Fund 中國建設銀行－鵬華價值優勢股票型證券投資基金	0.292	22,500,000	
Bank of China Limited – AIG-Huatai Prosperous China Equity Fund 中國銀行股份有限公司－友邦華泰盛世中國股票型開放式證券投資基金	0.260	19,999,941	

Name of shareholder	As a percentage to number of shares held (%)	Total number of shares held (shares)	Number of circulating shares held subject to selling restrictions (shares)
China Merchants Bank – Shangzheng Bonus Trading and Open Index Securities Investment Fund 招商銀行股份有限公司－上證紅利交易型開放式指數證券投資基金	0.202	15,557,752	
Industrial and Commercial Bank of China – E Fund Value Growth Mixed Fund 中國工商銀行－易方達價值成長混合型證券投資基金	0.201	15,500,000	
Bank of China – Harvest Shanghai Shenzhen 300 Index Securities Investment Fund 中國銀行－嘉實滬深300指數證券投資基金	0.139	10,690,209	
中信證券－建行－中信證券股債雙贏集合資產管理計劃	0.134	10,298,587	
Orient Securities Company Limited 東方證券股份有限公司	0.105	8,080,005	
China Construction Bank – Boshi Yufu Securities Investment Fund 中國建設銀行－博時裕富證券投資基金	0.098	7,523,447	

By Order of the Board
Gao Haijian
Secretary to the Board

1 December 2008
Maanshan City, Anhui Province, the PRC

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

Executive Directors: Gu Jianguo, Gu Zhanggen, Su Jiangang, Gao Haijian, Hui Zhigang

Non-executive Director: Zhao Jianming

Independent Non-executive Directors: Wong Chun Wa, Su Yong, Hui Leung Wah, Han Yi