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**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: 00323)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

### **ANNOUNCEMENT ON RESOLUTIONS OF THE BOARD OF DIRECTORS**

The Company and members of the board of directors (the "Board") warrant the truthfulness, accuracy and completeness of the announcement, and jointly accept the responsibilities for any false representations, misleading statements contained in, or material omissions from, this announcement, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the content of 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 twenty-first meeting of the sixth session of the Board (the "Meeting") of Maanshan Iron & Steel Company Limited (the "Company") was held at the office building of the Company on 22 March 2011. There were nine Directors eligible for attending the Meeting and seven of them attended the Meeting. Mr. Zhao Jianming, Director, had appointed Mr. Gu Jianguo, Chairman, to attend the Meeting and exercise his voting rights according to Mr. Zhao's decision. Mr. Hui Leung Wah, Independent Director, had appointed Mr. Wong Chun Wa, Independent Director, to attend the Meeting and exercise his voting rights according to Mr. Hui's decision. Mr. Gu Jianguo, Chairman of the Company, presided over the Meeting. The following resolutions were considered and approved unanimously at the Meeting:

1. The audited financial statements of the Company for year 2010 were considered and approved.
2. The after-tax profit distribution plan of the Company for the year 2010 was considered and approved.

As audited by the domestic and international auditors, for the year starting from 1 January 2010 and ending at 31 December 2010, the Company's net profit amounted to RMB905.72 million under PRC Accounting Standards and RMB902.92 million under Hong Kong Accounting Standards. After appropriating the statutory reserves, profit available for distribution to the shareholders as at the end of 2010 amounted to RMB7,171.63 million under PRC Accounting Standards and RMB6,794.37 million under Hong Kong Accounting Standards.

In accordance with the articles of association of the Company, the Company shall distribute after-tax profits for a current year 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 available for distribution to shareholders for year 2010 amounts to RMB6,794.37 million. Taking into account the future development of the Company and the overall long-term interest of the shareholders, the Board recommended the payment of a cash dividend of 0.05 (tax inclusive) per share for 2010 based on the latest share capital of 7,700,681,186 shares of the Company. The total dividend amounts to RMB385.03 million (tax inclusive). The retained profit of the Company will be carried forward to year 2011 but no capital reserve fund will be transferred to share capital.

3. The Work Report of the Board for year 2010 was considered and approved.
4. The resolutions on the changes in the provisions for price decrease of inventories, the write-off of bad debts, and the disposals of fixed assets were considered and approved.

A write-off of RMB0.3422 million was approved for the provision of price decreases in spare parts.

A write-off of bad debts amounting to RMB4.6421 million was approved.

The original value of the disposals of fixed assets approved was RMB91.123 million while the net value was RMB9.89 million. The original value of the sales of fixed assets was RMB14.349 million while the net value was RMB0.72 million and the net sales income was RMB3.906 million. A net loss of RMB5.987 million for the disposal of such assets was accounted for in the current profit and loss. Among the above-mentioned disposals and sales of fixed assets, the original value and net value of the accrued provision of value decreases in the Powder Metallurgy Factory amounted to RMB6.0446 million and RMB0.2026 million respectively. The write-off of RMB2.82 million was approved for the accrued provision of value decreases in the Powder Metallurgy Factory.

5. In accordance with the authorisation granted by the annual general meeting held on 8 June 2010 as well as the review and confirmation by the Audit Committee, the Board decided to pay a fee aggregating RMB4.535 million to Ernst & Young and Ernst & Young Hua Ming for their carrying out the 2010 annual audit and interim agreed-upon procedures, whereby the Company is responsible for food and accommodation expenses during the period for their work on the audit and on the agreed-upon procedures.
6. The resolution on the re-appointment of Ernst & Young Hua Ming as the auditor of the Company for year 2011, and on the grant of authorisation to the Board to determine its remuneration based on the situation in 2010 was considered and approved.
7. In view of the results of the remuneration appraisals of respective Directors and Senior Management for year 2010 by the Remuneration Committee of the Board, the remunerations for Directors and Senior Management for year 2010 were approved.
8. The full text and the summary of the Company's 2010 Annual Report were considered and approved.
9. The Company's "Twelfth Five-year" Development Strategy and Plan was considered and approved.
10. The Self-assessment Report on Internal Control of the Company for year 2010 by the Board was considered and approved.
11. The Social Responsibility Report of the Company for year 2010 was considered and approved.
12. The resolution on the increase in registered capital in Ma Steel (Hefei) Iron & Steel Co. Ltd ("Hefei Company"), a subsidiary in which the Company has controlling interests, was considered and approved.

The increase in registered capital amounting to RMB1,420 million will be provided in two tranches in proportion to the interests held by the Company in Ma Steel (Hefei) Iron & Steel Co. Ltd ("Hefei Company"), namely, that an increase in registered capital of RMB852 million to be provided in March 2011 and an increase in registered capital of RMB568 million to be provided in the first half of 2012, was approved. After the completion of the increases in the registered capital in two tranches, the registered capital of Hefei Company will be increased from RMB500 million to RMB2,500 million. The Company will continue to hold 71% equity interests in Hefei Company.

13. The Implementation Scheme for the Company's Internal Control Regulations was considered and approved.

The above-mentioned resolutions 1, 2, 3, 6 and 9 will be submitted to the annual general meeting for consideration. The notice of annual general meeting will be announced separately.

By Order of the Board  
**Gao Haijian**  
*Secretary to the Board*

22 March 2011  
Maanshan City, Anhui Province, the PRC

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

*Executive Directors: Gu Jianguo, Su Jiangan, Gao Haijian, Hui Zhigang*

*Non-executive Director: Zhao Jianming*

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