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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)**

## **ADOPTION OF CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

Reference is made to the announcement of Maanshan Iron & Steel Company Limited (the “**Company**”) dated 15 June 2011 in relation to the appointment of Ernst & Young Hua Ming as the Company’s auditors for the year of 2011 at the Company’s annual general meeting held on 15 June 2011 (the “**AGM**”). According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” which was published by The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) in December 2010, Mainland audit firms approved by the Ministry of Finance (“**MOF**”) of China and China Securities Regulatory Commission (“**CSRC**”) can apply the accounting policies in the Mainland when providing services to Mainland incorporated issuers which are listed in Hong Kong for the financial year ending on or after 15 December 2010.

The Company is aware that Ernst & Young Hua Ming is a Mainland audit firm approved by the MOF and CSRC. In order to reduce the workload of auditing and expenses, Ernst & Young Hua Ming will be the only auditor auditing the Company’s financial statements after the appointment at the AGM in accordance with China Accounting Standards for Business Enterprises (“**CASBE**”) and undertaking the role of original overseas auditors in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (including annual review of continuing connected transactions, etc.). The Company is of the view that there will not be any financial impact to adopt and prepare its financial statements under CASBE.

By Order of the Board  
**Su Jiangang**  
*Chairman*

11 August 2011  
Maanshan City, Anhui Province, the PRC

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

*Executive Directors: 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*