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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Maanshan Iron & Steel Company Limited, you should at once hand this circular and the accompanying reply slip and form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND THE RULES OF PROCEDURES FOR GENERAL MEETING  
PROPOSED ISSUANCE OF CORPORATE BONDS IN PRC  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Notice for convening an Annual General Meeting (the “AGM”) of Maanshan Iron & Steel Company Limited (the “Company”) to be held at Magang Guest House, No. 2 Xi Yuan Road, Maanshan City, Anhui Province, the PRC, at 9:00 a.m. on Wednesday, 15 June 2011 is set out on pages 10 to 14 of this circular.

If you intend to attend the AGM, please complete and return the enclosed reply slip in accordance with the instructions printed thereon as soon as possible and in any event by no later than 4:00 p.m. on Monday, 16 May 2011.

Whether or not you intend to attend the said meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's registered office (in the case of proxy form by holders of domestic shares) at No.8 Jiu Hua Xi Road, Maanshan City, Anhui Province, the PRC or at the Company's H share registrar and transfer office, Hong Kong Registrars Limited (in the case of proxy form of holders of H shares) at Rooms 1712-1716, 17/Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours before the time appointed for such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meeting or any adjournment thereof, if you so wish.

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
 <b>Letter from the Board</b>	
Introduction .....	2
Proposed Amendments to the Articles of Association and the Rules of Procedures for General Meeting .....	3
Proposed Issuance of Corporate Bonds in PRC.....	3
AGM .....	6
Recommendations .....	6
 <b>Appendix I – Proposed Amendments to the Articles of Association     and the Rules of Procedures for General Meeting</b> .....	
	7
<b>Notice of Annual General Meeting</b> .....	10

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

“AGM”	the annual general meeting of the Company to be held on Wednesday, 15 June 2011 at 9:00 a.m. for the Shareholders to consider and to approve the resolutions set out in the notice of AGM
“Articles of Association”	articles of association of the Company
“Board”	the board of Directors
“Company”	Maanshan Iron & Steel Company Limited, a joint stock limited company incorporated in the PRC
“Corporate Bonds”	the bonds proposed to be issued by the Company in the PRC
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this circular, does not include Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan
“Proposed Issuance”	the proposed issuance of Corporate Bonds
“Rules of Procedures for General Meeting”	Rules of Procedures for General Meeting attached to the Articles of Association
“Shareholders”	the holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Gu Jianguo (*Chairman*)

Su Jianguang

Gao Haijian

Hui Zhigang

*Registered address:*

No. 8 Jiu Hua Xi Road,

Maanshan City,

Anhui Province, the PRC

*Non-executive Director:*

Zhao Jianming

*Independent Non-Executive Directors:*

Wong Chun Wa

Su Yong

Hui Leung Wah

Han Yi

29 April 2011

*To: The holders of H Shares*

Dear Sir/Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND THE RULES OF PROCEDURES FOR GENERAL MEETING  
PROPOSED ISSUANCE OF CORPORATE BONDS IN PRC  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with the relevant information regarding the proposed amendments to the Articles of Association and the Rules of Procedures for General Meeting, Proposed Issuance of Corporate Bonds in PRC and to give you notice of AGM at which resolutions are proposed for the Shareholders to consider and, if thought fit, approve, amongst other matters, the aforesaid amendments and Proposed Issuance.

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## LETTER FROM THE BOARD

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### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURES FOR GENERAL MEETING**

In view of the provisions of Rule 2.07A of the Listing Rules relating to the use of electronic means or website for communication with Shareholders and the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” issued by the Stock Exchange in December 2010 and the related amendments to the Listing Rules whereby the PRC incorporated issuers are allowed to prepare their financial statements using PRC accounting standards, amendments to the Articles of Association and the Rules of Procedures for General Meeting are proposed. Certain amendments to the Articles of Association and the Rules of Procedures for General Meeting are also proposed to bring them in line with the Company’s updated position and rules for conducting the general meeting. Details of all the proposed amendments to the Articles of Association and the Rules of Procedures for General Meeting are set out in Appendix I to this circular.

The proposed amendments to the Articles of Association and the Rules of Procedures for General Meeting are subject to the approval of the Shareholders by way of special resolution at the coming AGM and the approval of the relevant PRC government authorities.

### **PROPOSED ISSUANCE OF CORPORATE BONDS IN PRC**

In order to further improve the debt structure, broaden the financing channels, meet the capital requirements and reduce the financing costs of the Company, the Company proposes a public issuance of Corporate Bonds in PRC in accordance with the Company Law, the Securities Law, “Measures for the Pilot Scheme on the Issuance of Corporate Bonds” and other relevant laws and regulations in combination with the analysis and comparison of the current bond market as well as the capital requirements of the Company. The specific proposal is as follows:

#### **1. Size of the issuance**

The size of the Proposed Issuance of corporate bonds will not be more than RMB5.5 billion. The AGM shall authorise the Board to determine the specific size of the issuance within the aforesaid range based on the details of the Company’s capital requirements and the market conditions at the time of the issuance.

#### **2. Arrangements for placement with the Company’s holders of A shares**

The corporate bonds in the Proposed Issuance may be placed with holders of A shares of the Company. The AGM shall authorize the Board to determine the specific placement arrangements (including whether the placement will proceed or not, placement ratio, and so forth) based on the market conditions at the time of the issuance.

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## **LETTER FROM THE BOARD**

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### **3. Term of bonds**

The term of the corporate bonds of the Proposed Issuance will not be more than ten years. The AGM shall authorise the Board to determine the specific term prior to the issuance based on the market conditions and the details of the Company's capital requirements.

### **4. Use of proceeds**

Proceeds from the Proposed Issuance of corporate bonds will be used to improve the debt structure, to pay the Company's debts and to replenish the working capital. The AGM shall authorise the Board to determine the specific uses of the proceeds within the aforesaid range based on the details of the Company's capital requirements.

### **5. Venue of listing**

Upon completion of the Proposed Issuance of corporate bonds, the Company will file an application as soon as possible with the Shanghai Stock Exchange for the listing of the corporate bonds. Subject to the approval by the regulatory authorities, the Proposed Issuance of the corporate bonds may also be listed on other stock exchanges permitted under the applicable laws.

### **6. Terms of guarantee**

The AGM shall authorise the Board to determine the arrangements for providing a guarantee for the Proposed Issuance of corporate bonds.

### **7. Validity of the resolution**

The resolution on the Proposed Issuance of corporate bonds is valid for 36 months from the date of considering and approving the resolutions at the general meeting.

### **8. Matters authorised to the Board in respect of the Issuance**

The AGM shall authorise the Board and the authorised person of the Board to handle the following matters related to the Proposed Issuance of corporate bonds with full authority, in accordance with the relevant laws and regulations of the Company Law, the Securities Law and "Measures for the Pilot Scheme on the Issuance of Corporate Bonds" as well as other relevant requirements of the Articles of Association and in line with the prevailing market conditions on the basis of the principle of safeguarding the maximum interests of shareholders, including but not limited to:

- (1) formulate a specific proposal on the Issuance of the corporate bonds, and amend and modify the terms of the Issuance of the corporate bonds in accordance with the State laws and regulations as well as relevant rules of the securities regulatory authorities and the resolutions passed at the shareholders' general meeting and in line with the actual situations of the Company and the market, including but not limited to all matters related to the terms

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## LETTER FROM THE BOARD

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of the Issuance such as the specific size of the issuance, the term of the bonds, the type of the bonds, the interest rate of the bonds and the method of determining such interest rate, the scheduling of issuance (including whether the issuance is made in tranches, the number of tranches, and so forth), the guarantee plan, whether innovative provisions such as put and call provisions will be set, rating arrangements, specific subscription methods, specific placement arrangements, the duration and methods of repayment of the principal and interests thereon and the listing of the bonds;

- (2) engage intermediaries to handle the filing of an application for the Issuance of the corporate bonds, and the listing of the corporate bonds upon completion of the Issuance, including but not limited to authorising, executing, performing, amending and completing all the necessary documents, contracts, agreements and pacts (including but not limited to prospectus, sponsorship agreements, underwriting agreements, bond trusteeship agreements, listing agreements, all announcements and other legal documents, and so forth) related to the issuance and listing of the corporate bonds, and making relevant information disclosure in accordance with the laws, regulations and other regulatory documents;
- (3) select a bond trustee for the corporate bonds in the Issuance, sign a bond trusteeship agreement and formulate rules for bondholders' meetings;
- (4) make relevant modifications on the specific proposal on the Issuance of the corporate bonds and related matters based on the views of the regulatory authorities in the event of changes in the policy of the regulatory authorities regarding the issuance of corporate bonds or changes in the market conditions, except for matters which are required to be re-voted upon at the shareholders' general meeting in accordance with relevant laws, regulations and the Articles of Association of the Company;
- (5) handle other specific matters related to the Issuance and the listing of the corporate bonds;
- (6) this authorisation commences from the date of consideration and approval by the shareholders' general meeting until the date of completion of the handling of the aforesaid matters so authorised.

The Board of the Company hereby requests the AGM to approve the Board to authorise one of the Company's Directors as the authorised person for the Proposed Issuance to specifically handle matters related to the Proposed Issuance according to the resolutions passed at the shareholders' general meeting and the Board's authorisation.

The aforesaid authorised person has the right to handle the matters related to the Issuance on and listing on behalf of the Company during the course of the Issuance according to the scope of authorisation specified in the resolutions passed at the AGM and the further authorisation of the Board in the scope of the authorisation by the shareholders' general meeting.

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## LETTER FROM THE BOARD

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### 9. Protective measures for paying debts

The AGM shall authorise the Board to take the following measures in the event that it is expected not to be able to pay the principal and interests of the bonds on schedule or it is not able to pay the principal and interests of the bonds on schedule when they are due:

- (1) not distribute profits to the shareholders;
- (2) suspend major foreign investments, mergers or acquisitions as well as other capital expenditure projects;
- (3) deduct or cease the payment of wages and bonuses of directors and senior management;
- (4) not transfer main responsible persons.

After the Proposed Issuance is considered and approved by the AGM, it will be required to be reported to the China Securities Regulatory Commission for approval before execution.

### AGM

Notice of Annual General Meeting is set out on pages 10 to 14 of this circular. Resolutions will be voted upon by poll at the meeting. Enclosed with this circular is a form of proxy for use at the meeting. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy and return it to the Company in accordance with the instructions printed thereon. The completion of a form of proxy and returning it to the Company will not preclude you for attending and voting in person at the meeting.

### RECOMMENDATIONS

The Directors believe that the proposed amendments to the Articles of Association and the Rules of Procedures for General Meeting and the Proposed Issuance of Corporate Bonds in PRC are in the best interests of the Company and its Shareholders as a whole, and therefore recommend all the Shareholders to vote in favour of the relevant resolutions in the AGM.

Yours faithfully,  
By Order of the Board  
**Maanshan Iron & Steel Company Limited**  
**Gao Haijian**  
*Secretary to the Board*



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**APPENDIX I                      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND THE RULES OF PROCEDURES FOR GENERAL MEETING**

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1. The original Article 65(1): “The notice of a general meeting shall be sent to shareholders (whether or not such shareholders have the right to vote at the general meeting) by hand or by prepaid mail at the addresses of the recipients recorded in the share register. For holders of domestic shares, the notice of a general meeting may also be given by way of an announcement.”

shall be amended to: “The notice of a general meeting shall be given to shareholders by way of an announcement, or sent by hand or by prepaid mail. (In the event that such notice is sent, it shall be sent at the address of the recipients recorded in the share register). For holders of overseas listed foreign shares, subject to the compliance with applicable laws, regulations and the Listing Rules by the Company, such notice may be published on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed, without having to be given or provided in the means referred to above in this Article.”

2. The original Article 178(2): “The Company shall prepare and publish financial reports four times in each financial year: the quarterly financial reports shall be prepared and published within 30 days after the conclusion of the first three-month and first nine-month periods of each financial year; the interim financial report shall be prepared and published within 60 days after the conclusion of the first six-month period of each financial year; and the annual financial report shall be prepared and published within 120 days after the conclusion of each financial year, all of which shall be reviewed and verified according to the laws.”

shall be amended to: “The Company shall prepare and publish financial reports four times in each financial year: the quarterly financial reports shall be prepared and published within 1 month after the conclusion of the first three-month and first nine-month periods of each financial year; the interim financial report shall be prepared and published within 2 months after the conclusion of the first six-month period of each financial year; and the annual financial report shall be prepared and published within 3 months after the conclusion of each financial year, all of which shall be reviewed and verified according to the laws.”

3. The original Article 180(2): “For holders of foreign shares, the Company shall mail the aforesaid reports to each of the holders of overseas listed foreign shares by prepaid mail at the addresses of the recipients recorded in the share register pursuant to the relevant requirements of the listing rules of the stock exchange where the shares are listed abroad.”

shall be amended to: “For holders of foreign shares, the Company shall mail the aforesaid reports to each of the holders of overseas listed foreign shares by prepaid mail at the addresses of the recipients recorded in the share register pursuant to the relevant requirements of the listing rules of the stock exchange where the shares are listed abroad. Subject to the compliance with applicable laws, administrative regulations and the Listing Rules by the Company, such reports may be published on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed, without having to be given or provided in the means referred to above in this Article.”

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**APPENDIX I                      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND THE RULES OF PROCEDURES FOR GENERAL MEETING**

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4. The original Article 181: “The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards and the relevant regulations but also in accordance with the international accounting standards or the accounting standards of the place where the shares are listed abroad. In the event of any major inconsistencies between the financial statements prepared under the two types of accounting standards, such inconsistencies shall be indicated in the notes to the financial statements. When distributing profit after tax for a relevant accounting year, the Company shall distribute whichever is the lower of the profit after tax in the aforesaid two financial statements.”

shall be amended to: “The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and the relevant regulations.”

5. The original Article 182: “The interim results or financial statements published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and the relevant regulation as well as in accordance with the international accounting standards or the accounting standards of the place where the shares are listed abroad.”

shall be amended to: “The financial results or financial statements published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and the relevant regulations.”

6. The original Article 204(2): “For holders of overseas listed foreign shares of the companies listed in Hong Kong, the aforesaid document shall be despatched by mail.”

shall be amended to: “For holders of overseas listed foreign shares of the companies listed in Hong Kong, the aforesaid document shall be despatched by mail. Subject to the compliance with the applicable laws, administrative regulations and the Listing Rules by the Company, such document may be published on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed, without having to be given or provided in the means referred to above in this Article.”

7. The original Rules of Procedures for General Meeting 17(2): “The notice of a shareholders’ general meeting shall be sent to shareholders (whether or not such shareholders have the right to vote at the shareholders’ general meeting) by hand or by prepaid mail at the addresses of the recipients recorded in the share register. For holders of domestic shares, the notice of a shareholders’ general meeting may also be given by way of an announcement.”

shall be amended to: “The notice of a shareholders’ general meeting shall be given to shareholders by way of an announcement, or sent by hand or by prepaid mail. (In the event that such notice is sent, it shall be sent at the address of the recipients recorded in the share register). For holders of overseas listed foreign shares, subject to the compliance with the applicable laws, regulations and the Listing Rules by the Company, such notice may be published on the website designated by the stock exchange on which the shares of the Company are listed or on the website of the Company, or

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**APPENDIX I                      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND THE RULES OF PROCEDURES FOR GENERAL MEETING**

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sent by electronic means, or given in any other means acceptable by the stock exchange on which the shares of the Company are listed, without having to be given or provided in the means referred to above in this Article.”

8. The original Rules of Procedures for General Meeting 30: “A shareholders’ general meeting shall be convened by the chairman of the Board who shall preside at the meeting. If the chairman of the Board cannot attend the meeting for reason(s), the shareholders’ general meeting shall be convened and presided by the vice-chairman of the Board. If both the chairman and vice-chairman of the Board cannot attend the shareholders’ general meeting, the Board may designate a director of the Company to convene and preside at the shareholders’ general meeting as chairperson on his/her behalf. If a chairperson of the meeting has not been designated, shareholders attending the meeting may elect a person to act as the chairperson. If for any reason the shareholders cannot elect a chairperson, the shareholder (including proxy) holding the largest number of shares with voting rights at the meeting shall act as the chairperson of the meeting.”

shall be amended to: “A shareholders’ general meeting shall be convened by the chairman of the Board who shall preside at the meeting. If the chairman of the Board cannot attend the meeting for reason(s), the Board should designate a director of the Company to convene and preside at the shareholders’ general meeting as chairperson on his/her behalf. If a chairperson of the meeting has not been designated, shareholders attending the meeting may elect a person to act as the chairperson. If for any reason the shareholders cannot elect a chairperson, the shareholder (including proxy) holding the largest number of shares with voting rights at the meeting shall act as the chairperson.”

*In case there is any inconsistency between the English and Chinese version of this Appendix, the Chinese version shall prevail.*

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Maanshan Iron & Steel Company Limited (the “Company”) will be held at Magang Guest House, No. 2 Xi Yuan Road, Maanshan City, Anhui Province, the PRC at 9:00 a.m. on Wednesday, 15 June 2011.

The AGM will consider the following resolutions:

Ordinary resolutions:

1. To consider and approve the work report of the board of directors for the year 2010;
2. To consider and approve the work report of the supervisory committee for the year 2010;
3. To consider and approve the audited financial statements for the year 2010;
4. To consider and approve the profit distribution plan for the year 2010;
5. To consider and approve the appointment of Ernst & Young Hua Ming as the Company’s auditor for the year 2011, and to authorise the board of directors to determine the remuneration of the auditor based on that in 2010;
6. To consider and approve the Company’s “Twelfth Five-year” Development Strategy and Plan;

Special resolutions:

7. To consider and approve the resolution on the issuance of corporate bonds (the AGM will consider and vote on the resolution and Item (1) to Item (9) of the resolution item by item);

In order to further improve the debt structure, broaden the financing channels, meet the capital requirements and reduce the financing costs of the Company, the Company proposes a public issuance of corporate bonds (the “Issuance”) in PRC in accordance with the Company Law, the Securities Law, “Measures for the Pilot Scheme on the Issuance of Corporate Bonds” and other relevant laws and regulations in combination with the analysis and comparison of the current bond market as well as the capital requirements of the Company. The specific proposal is as follows:

- (1) Size of the issuance

The size of the public issuance of corporate bonds will not be more than RMB5.5 billion. The shareholders’ general meeting shall authorise the Board to determine the specific size of the issuance within the aforesaid range based on the details of the Company’s capital requirements and the market conditions at the time of the issuance.

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## NOTICE OF ANNUAL GENERAL MEETING

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(2) Arrangements for placement with the Company's holders of A shares

The corporate bonds in the public issuance may be placed with holders of A shares of the Company. The shareholders' general meeting shall authorise the Board to determine the specific placement arrangements (including whether the placement will proceed or not, placement ratio, and so forth) based on the market conditions at the time of the issuance.

(3) Term of bonds

The term of the corporate bonds of the Issuance will not be more than ten years. The shareholders' general meeting shall authorize the Board to determine the specific term prior to the issuance based on the market conditions and the details of the Company's capital requirements.

(4) Use of proceeds

Proceeds from the Issuance of corporate bonds will be used to improve the debt structure, to pay the Company's debts and to replenish the working capital. The shareholders' general meeting shall authorise the Board to determine the specific uses of the proceeds within the aforesaid range based on the details of the Company's capital requirements.

(5) Venue of listing

Upon completion of the Issuance of corporate bonds, the Company will file an application as soon as possible with the Shanghai Stock Exchange for the listing of the corporate bonds. Subject to the approval by the regulatory authorities, the corporate bonds may also be listed on other stock exchanges permitted under the applicable laws.

(6) Terms of guarantee

The shareholders' general meeting shall authorise the Board to determine the arrangements for providing a guarantee for the Issuance of corporate bonds.

(7) Validity of the resolution

The resolution on the Issuance of corporate bonds is valid for 36 months from the date of considering and approving the resolutions at the general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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(8) Matters authorised to the Board in respect of the Issuance:

The shareholders' general meeting shall authorise the Board and the authorized person of the Board to handle the following matters related to the issuance of corporate bonds with full authority, in accordance with the relevant laws and regulations of the Company Law, the Securities Law and "Measures for the Pilot Scheme on the Issuance of Corporate Bonds" as well as other relevant requirements of the Articles of Association and in line with the prevailing market conditions on the basis of the principle of safeguarding the maximum interests of shareholders, including but not limited to:

- A. formulate a specific proposal on the Issuance of the corporate bonds, and amend and modify the terms of the Issuance of the corporate bonds in accordance with the State laws and regulations as well as relevant rules of the securities regulatory authorities and the resolutions passed at the shareholders' general meeting and in line with the actual situations of the Company and the market, including but not limited to all matters related to the terms of the Issuance such as the specific size of the issuance, the term of the bonds, the type of the bonds, the interest rate of the bonds and the method of determining such interest rate, the scheduling of issuance (including whether the issuance is made in tranches, the number of tranches, and so forth), the guarantee plan, whether innovative provisions such as put and call provisions will be set, rating arrangements, specific subscription methods, specific placement arrangements, the duration and methods of repayment of the principal and interests thereon and the listing of the bonds;
- B. engage intermediaries to handle the filing of an application for the Issuance of the corporate bonds, and the listing of the corporate bonds upon completion of the Issuance, including but not limited to authorising, executing, performing, amending and completing all the necessary documents, contracts, agreements and pacts (including but not limited to prospectus, sponsorship agreements, underwriting agreements, bond trusteeship agreements, listing agreements, all announcements and other legal documents, and so forth) related to the issuance and listing of the corporate bonds, and making relevant information disclosure in accordance with the laws, regulations and other regulatory documents;
- C. select a bond trustee for the corporate bonds in the Issuance, sign a bond trusteeship agreement and formulate rules for bondholders' meetings;
- D. make relevant modifications on the specific proposal on the Issuance of the corporate bonds and related matters based on the views of the regulatory authorities in the event of changes in the policy of the regulatory authorities regarding the issuance of corporate bonds or changes in the market conditions, except for matters which are required to be re-voted upon at the shareholders' general meeting in accordance with relevant laws, regulations and the Articles of Association of the Company;
- E. handle other specific matters related to the Issuance and the listing of the corporate bonds;

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## NOTICE OF ANNUAL GENERAL MEETING

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- F. this authorisation commences from the date of consideration and approval by the shareholders' general meeting until the date of completion of the handling of the aforesaid matters so authorised.

The Board of the Company hereby requests the shareholders' general meeting to approve the Board to authorise one of the Company's Directors as the authorised person for the Issuance to specifically handle matters related to the Issuance according to the resolutions passed at the shareholders' general meeting and the Board's authorisation.

The aforesaid authorised person has the right to handle the matters related to the Issuance and Listing on behalf of the Company during the course of the Issuance according to the scope of authorisation specified in the resolutions passed at the shareholders' general meeting and the further authorisation of the Board in the scope of the authorisation by the shareholders' general meeting.

- (9) Protective measures for paying debts

The shareholders' general meeting shall authorise the Board to take the following measures in the event that it is expected not to be able to pay the principal and interests of the bonds on schedule or it is not able to pay the principal and interests of the bonds on schedule when they are due:

- A. not distribute profits to the shareholders;
  - B. suspend major foreign investments, mergers or acquisitions as well as other capital expenditure projects;
  - C. deduct or cease the payment of wages and bonuses of directors and senior management;
  - D. not transfer main responsible persons.
8. To consider and approve the amendments to the articles of association of the Company and its appendix "Rules of Procedures for General Meeting" (details of which are set out in the Appendix I to the Company's circular dated 29 April 2011), and to propose to the shareholders' general meeting to authorise the board of directors to make appropriate modifications to the wordings of the amendments to the articles of association pursuant to the requirements of the relevant authorities and to carry out other related matters;

Review Item:

9. To listen to independent directors' report on work.

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

27 April 2011  
Maanshan City, Anhui Province, the PRC

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

<i>Executive Directors:</i>	<i>Gu Jianguo, Su Jianguang, Gao Haijian and Hui Zhigang</i>
<i>Non-executive Director:</i>	<i>Zhao Jianming</i>
<i>Independent Non-executive Directors:</i>	<i>Wong Chun Wa, Su Yong, Hui Leung Wah and Han Yi</i>

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

I. Persons entitled to attend the AGM

Persons who hold H shares of the Company and are registered as holders of H shares on the register of members maintained by The Hong Kong Registrars Limited as at the market close in the afternoon of Monday, 16 May 2011 shall have the right to attend the AGM after completing the registration procedures for attending the meeting. (Holders of A shares will be notified separately.)

II. Registration procedures for attending the AGM

1. Holders of H shares shall deliver their written replies for attending the AGM, copies of transfers, share certificates or copies of receipts of share transfer and copies of their own identity cards to the Company by no later than Thursday, 26 May 2011. If proxies are appointed by shareholders to attend the meeting, they shall, in addition to the aforementioned documents, deliver the proxy forms and copies of their own identity cards to the Company.
2. Shareholders can deliver the necessary documents for registration to the Company in one of the following ways: in person, by post or by facsimile. Upon receipt of such documents, the Company will complete the registration procedures for attending the AGM.

III. Appointing Proxies

1. Shareholders who have the right to attend and vote at the AGM are entitled to appoint in writing one or more proxies (whether a shareholder or not) to attend the AGM and vote on their behalves.
2. The instrument of appointing a proxy must be in writing signed by the appointer or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign or other documents of authorisation must be notarially certified. The notarially certified power of attorney or other documents of authorisation and proxy forms must be delivered to the registered office of the Company by not less than 24 hours before the time appointed for the holding of the AGM in order for such documents to be valid.

IV. Shareholders or their proxies attending the AGM shall be responsible for their own accommodation and travel expenses.

V. The Company's register of members for H shares will be closed from Tuesday, 17 May 2011 to Wednesday, 15 June 2011 (both days inclusive), during which period no transfer of H shares will be registered. Holders of H shares who wish to be entitled to attend the AGM and the payment of the final dividend of 2010 must deliver their instruments of transfer together with the relevant share certificates to The Hong Kong Registrars Limited, the Registrar of H shares of the Company, by no later than 4:00 p.m. on Monday, 16 May 2011.

The address of the Registrar for the Company's H shares: Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Share registration date for holders of A shares will be announced later.

VI. Company's registered address: No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, The PRC, postal code: 243003

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Fax: 86-555-2887284

Contact persons: Ms. He Hongyun, Mr. Xu Yayan