IMPORTANT

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 all your overseas listed foreign shares in Maanshan Iron & Steel Company Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or whom the sale was effected for transmission to the purchaser.

馬 鞍 山 鋼 鐵 股 份 有 限 公 司

Maanshan Iron & Steel Company Limited

(a Sino-foreign joint stock limited company incorporated in the People's Republic of China with limited liability)

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The notice for convening an extraordinary general meeting of Maanshan Iron & Steel Company Limited (the "Company") to be held at the Magang Guest House, No. 2 Xi Yuan Road, Maanshan City, Anhui Province, at 9:00 a.m. on Saturday, 31 August 2002 is set out on pages 3 to 4 of this circular.

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the registered office of Maanshan Iron & Steel Company Limited not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof should they so wish.

15 July 2002

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馬 鞍 山 鋼 鐵 股 份 有 限 公 司
Maanshan Iron & Steel Company Limited

(a Sino-foreign joint stock limited company incorporated in the People's Republic of China with limited liability)

Directors:
Gu Jianguo *(Chairman)*
Gu Zhanggen
Zhu Zhangqiu
Shi Zhaogui
Wang Rangmin
Zhao Jianming
Su Jiangang
Gao Haijian

Independent directors:
Dong Yuanchi
Cheng Shaoxiu
Wu Junnian

Registered Office:
No. 8 Hong Qi Zhong Road,
Maanshan City,
Anhui Province,
the People's Republic of China

11 July 2002

To the holders of H Shares

Dear Sir/Madam,

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The PRC government has recently promulgated the Standards for Governance of Listed Companies (Document Zheng Jian Fa [2002] No. 1 jointly issued by the China Securities Regulatory Commission (the "CSRC") and the State Economic and Trade Commission on 7 January 2002 (the "Standards")) and the Guiding Opinions on the Establishment of Independent Director System by Listed Companies (Document Zheng Jian Fa [2001] No. 102 issued by the CSRC on 16 August 2001) (the "Guiding Opinions").

The board of directors would like to propose certain amendments to the Articles of Association of the Company in accordance with the Standards and the Guiding Opinions for shareholders' approval at an extraordinary general meeting. It is hoped that by introducing these amendments, the Company could foster regulation of its operation, enhance the corporate governance of the Company as a separate legal entity, and protect the legal rights and interests of the Company and its shareholders. The proposed amendments are now set out in Appendix I of this circular.

The board of directors believes that the proposed amendments do not cause any substantive changes to the content of the original Articles of Association in terms of their adherence to the "Mandatory Provisions for Companies Listing Overseas" ("Mandatory Provisions") issued on 27 August 1994 by the then State Council Securities Policy Committee and the State Commission for Restructuring the Economic System. Therefore, both the directors of the Company and the Company's legal advisor confirm that the amended Articles of Association will still satisfy the requirements of the Mandatory Provisions.

RECOMMENDATION

The directors believe that the Proposed Amendments to Articles of Association are in the best interests of the Company and its shareholders and accordingly recommended all the shareholders to vote in favor of this resolution at the extraordinary general meeting.

Yours faithfully,
Gu Jianguo
Chairman

馬鞍山鋼鐵股份有限公司
Maanshan Iron & Steel Company Limited

(a Sino-foreign joint stock limited company incorporated in the People's Republic of China with limited liability)

Notice of Extraordinary General Meeting

A meeting of the Board of Directors of Maanshan Iron & Steel Company Limited (the "Company") was held at Magang Guest House on 11 July 2002. 11 Directors were supposed to attend the meeting and 9 Directors were present. The meeting was chaired by Mr Gu Jianguo, Chairman of the Company. At the meeting, it was resolved that the Company would hold an Extraordinary General Meeting at Magang Guest House, No. 2 Xi Yuan Road, Maanshan City, Anhui Province, at 9:00 a.m. on Saturday, 31 August 2002.

The Extraordinary General Meeting will deal with the following matters:

1. to consider and approve the "Proposed Amendments to Articles of Association" (please see Appendix I for details);

2. to consider and approve the "Rules of Procedures for General Meetings of Maanshan Iron & Steel Company Limited";

3. to elect the Fourth Session of the Board of Directors of the Company (please see Appendix II for the name list and details of candidates of the Board of Directors, Appendix III for the nominator's statement in relation to the nomination of independent non-executive directors; Appendix IV for the declaration by candidates for independent non-executive directors); the resolution shall be voted on each and every candidate;

4. to elect Independent Supervisors of the Fourth Session of the Supervisory Committee of the Company who are not representatives from the staff; this resolution shall be voted on each and every candidate;

5. to consider and approve the remuneration and payment method for the Fourth Sessions of the Board of Directors and of the Supervisory Committee of the Company;

   The total remuneration for the Fourth Session of the Board of Directors should not exceed RMB2,080,000, of which not more than RMB15,000 should be given to each independent non-executive director. The total remuneration for the Fourth Session of the Supervisory Committee should not exceed RMB800,000, of which not more than RMB12,000 should be given to each independent supervisor.

6. to consider and approve the purchase of liability insurance for the directors, and to authorize the Board of Directors to handle the relevant procedures;

7. to approve the following resolution as a special resolution:

   "Consider and approve the Proposed Amendments to Articles of Association submitted by the Board of Directors, and authorize the Board of Directors to revise the wordings of the Articles of Association and undertake other related actions in accordance with the requirements (if any) of relevant government authorities."

By Order of the Board
Su Jiangang **Wang Dapeng**
Company Secretaries

Maanshan, Anhui, 11 July 2002

Notes:

I. Persons entitled to attend the meeting

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 on Tuesday, 30 July 2002. (Separate notification for A-Share Holders will be issued).

II. Registration procedures for attending the Extraordinary General Meeting

1. H-Share Holders shall deliver their written replies for attending the Extraordinary General Meeting, copies of transfer, share certificates or copies of receipts of share transfer and copies of their own identity cards to the Company by no later than Sunday, 11 August 2002. If proxies are appointed by shareholders to attend the meeting, the proxies 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 at the Company in 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 Extraordinary General Meeting.

III. Appointing Proxies

1. Shareholders who have the right to attend and vote at the Extraordinary General Meeting are entitled to appoint in writing one or more proxies (whether a shareholder or not) to attend and vote on their behalf.

2. The instrument appointing a proxy must be in writing signed by the appointor or his attorney duly authorized in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other documents of authorization must be notarially certified. The notarially certified power of attorney or other documents of authorization and proxy forms must be delivered to the registered office of the Company by not less than 24 hours before the time for the holding of the Extraordinary General Meeting in order for such documents to be valid.

3. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

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

V. The Company's register of members of H shares will be closed from Tuesday, 30 July 2002 to Saturday, 31 August 2002 (both days inclusive), during which period no transfer of H shares will be registered. H Shares Holders who wish to attend the Extraordinary General Meeting must deliver their instruments of transfer together with the relevant share certificates to the registrar of H shares of the Company by no later than 4:00 p.m. on Monday, 29 July 2002.

The address of the registrar for the Company's H shares: Hong Kong Registrars Limited, 1901–1905 Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Company's registered address:	No. 8 Hong Qi Zhong Road Maanshan City, Anhui Province The People's Republic of China
Telephone:	86-555-2888158
Fax:	86-555-2887284
Contact persons:	Ms. Xu Jihong, Ms. He Hongyun

1. The original Article 6.1 shall be amended as follows: "These Articles of Association shall, subsequent to the passage by the shareholders' meeting in the form of a special resolution and approval by the State Economic and Trade Commission and upon the date of registration with the administration for industry and commerce, replace the Articles of Association that the Company has originally registered with the administration for industry and commerce."

2. The original Article 16 shall be amended as follows: "The share capital of the Company shall be structured as follows: 6,455,300,000 ordinary shares which comprise 4,034,560,000 sponsor's shares, or 62.5% of the total number of ordinary shares issued by the Company, are held by Magang (Group) Holdings Company Limited, the sponsor of the Company; 687,810,000 shares, or 10.655% of the total number of ordinary shares issued by the Company, are held by other domestic shareholders; and 1,732,930,000 shares, or 26.845% of the total number of ordinary shares issued by the Company, are listed overseas and held by foreign shareholders."

3. References to "State Council Securities Commission" in Articles 17 and 18 shall be replaced by references to "State Council's governing authorities for securities."

4. The original Article 20.2.(4) shall be amended as follows: "The reserve fund shall be converted into capital in accordance with Article 153."

5. Article 45.7 shall be added to follow the original Article 45.6 as follows:

   "In the event of violation of the law or administrative regulations or infringement upon other shareholders' lawful interests on the part of any shareholders, other shareholders shall have the right to lawfully raise litigations against these shareholders demanding an end to such acts of violation or infringement. Directors, supervisors or managers who violate the law, administrative regulations or the Articles of Association while carrying out their duties shall undertake the responsibility to indemnify the Company if losses are incurred by the Company as a result of their acts of violation. Shareholders shall have the right to demand the Company to lawfully raise litigations in pursuit of indemnity." (The original Article 45.7 shall be changed to Article 45.8 accordingly.)

6. The original Article 50.15 shall be amended as follows:

   "The shareholders' general meeting may authorize or entrust the Board of Directors to deal with the following:

   (1) To decide on external investments, asset leasing, asset pledge and other guarantees, entrusting the Company's operations and financial management, etc in respect of not more than 10% of the latest audited net asset of the Company;

   (2) The shareholders' general meeting may authorize the Board of Directors to decide on or deal with matters not provided for in the law, regulations and the Articles of Association when such an authorization is necessary and reasonable."

7. Article 52 shall be amended by adding Clause (5) thereunder as follows: "if proposed by more than 50% of the independent directors."

8. The original Article 54 shall be amended as follows: "When the Company convenes a shareholders' general meeting, shareholders interested in 5% or more of the total number of voting shares of the Company or the Supervisory Committee shall have the right to propose in writing new resolutions to

the Company and the Company shall include such proposed resolutions in the agenda for such meeting to the extent that these resolutions fall within the terms of reference of the shareholders' general meeting."

9. The original Article 72 shall be amended as follows:

"Request by shareholders interested in 10% or more of the voting shares of the Company or by the Supervisory Committee to convene extraordinary general meetings or class meetings shall be processed as follows:

(1) A written request or several written requests in identical format to convene an extraordinary general meeting or a class meeting shall be signed and submitted to the Board of Directors, with the agenda of the meeting clearly stated. Upon receipt of such written request, the Board of Directors shall convene the extraordinary general meeting or class meeting as soon as practicable. The aforesaid proportion of shareholdings required shall be established according to records registered on the date on which the written request is submitted.

(2) In the event that the Board of Directors fail to issue a notice for convening a meeting within 15 days after the receipt of the aforesaid written request, the shareholders or the Supervisory Committee requesting such meeting may convene the meeting on a unilateral basis within three months after the receipt of the request by the Board of Directors, provided that the procedures on convening the meeting shall follow as much as practicable those procedures for a meeting convened by the Board of Directors.

Expenses reasonably incurred by the convening of meetings by shareholders or the Supervisory Committee on a unilateral basis as a result of the Board of Directors' failure to convene such meetings shall be reimbursed by the Company, to be deducted from amounts payable to the negligent Directors by the Company.

10. A new clause shall be added to the original Article 74 as Clause 2 as follows:

"Minutes shall be prepared to record decisions made in respect of matters discussed at shareholders' general meetings and duly signed by Directors attending the meetings."

11. The original Article 86 shall be amended as follows:

"The Company shall form a Board of Directors consisting of 7 to 19 Directors. External Directors shall account for more than one-half of the composition and Independent Directors shall account for more than one-third. The Board of Directors shall have one Chairman and one or two Vice-Chairmen. Directors shall not be required to hold shares in the Company."

12. The original Article 87 shall be amended as follows:

"Directors shall be elected at the shareholders' general meeting for a term of three years, and may offer themselves for re-election upon the expiry of such term, provided that Independent Directors shall not hold office for successive terms of more than six years.

The Chairman and Vice-Chairmen shall be elected and removed by the Board of Directors with a majority vote. The Chairman and Vice-Chairmen shall hold office for a term of three years and may offer themselves for re-election upon the expiry of such term.

The shareholders' general meeting shall not dismiss any Director before the expiry of his/her term without good reasons.

Subject to compliance with relevant laws and administrative regulations, any Director whose term has not yet expired may be removed by the passing of an ordinary resolution at a shareholders' general meeting (without prejudice to claims that may be made under any contracts).

The Board of Directors shall recommend to the shareholders' general meeting the dismissal of an Independent Director who fails to attend Board of Directors' meetings in person three times in a row. Except in the circumstances described above or otherwise forbidden to hold office under the Company Law, an Independent Director shall not be removed prior to the expiry of his/her term without good reasons. Any such early removal shall be disclosed by the Company as a special event subject to disclosure. If the Independent Director believes that the reason for removal given by the Company has been insufficient, he/she may make a public statement to the same effect."

13. The original Article 88.1.(12) shall be amended as follows: "To exercise the Company's right to make significant borrowings in the Company's annual financial budget;" and Article 88.1.(15) be amended as follows: "Other duties designated by the shareholders' meetings and the Articles of Association, provided that the Board of Directors shall report the state of implementation to the annual general meeting after performing such duties;"

14. The original Article 90 shall be amended as follows:

"The Chairman shall perform the following duties:

(1) To preside over shareholders' general meetings and to convene and preside over the Board of Directors meetings;

(2) To examine the implementation of Board resolutions;

(3) To counter-sign securities issued by the Company and other important documents of the Company;

(4) Other duties designated by the Articles of Association and the Board of Directors."

The Board of Directors may authorize the Chairman to perform the following duties:

(1) To convene shareholders' general meetings;

(2) To provide guidance to significant business activities of the Company during the intervals of Board of Directors meetings;

(3) To exercise special powers of discretion and disposal in respect of corporate matters, in cases of emergency such as wars, natural calamities in massive scale or other force majeure, provided that such discretion and disposal must be conducive to the Company's interests, and that a written report shall be furnished to the Board of Directors as soon as practicable after the exercising of such powers.

The Chairman may designate the Vice-Chairmen to perform his/her duties if he/she is not able to perform them himself/herself."

15. The original Article 91 shall be amended as follows:

"The Board of Directors shall meet at least four times each year and such meetings shall be convened by the Chairman. Apart therefrom, a Board meeting may also be convened if it is:

(1) Deemed necessary by the Chairman;

(2) Proposed jointly by one-third of the total number of Directors;

(3) Proposed by the General Manager;

(4) Proposed by more than one-half of the total number of Independent Directors;

(5) Proposed by the Supervisory Committee.

16. A new article shall be added immediately after the original Article 92 as Article 93 as follows:

"The Board of Directors shall provide sufficient information to the Directors, and the Company shall ensure that Independent Directors have the same access to information as do other Directors. The Company shall inform Independent Directors, in advance of legally required notice, and furnish to them adequate information, on any matters requiring decision of the Board. Independent Directors may request additional information if they deem information furnished by the Company insufficient. In the event that two or more Independent Directors are in the opinion that the information furnished is insufficient or that arguments are equivocal, they may make a joint request in writing to the Board of Directors for the postponement of the Board meeting or of the agenda concerned, which the Board of Directors shall accept." (The original Article 93 and other Articles thereafter shall be re-numbered accordingly.).

17. Eight new articles be added immediately following the original Article 95 as Articles 97-104 as follows:

"Article 97 — Written notices given by a nominating party in respect of the nomination of a person for election as Director shall be given to the Company seven days prior to the convening of the shareholders' meeting.

Article 98 — Candidates offering themselves to be elected as Directors shall be nominated by the Board of Directors, the Supervisory Committee or shareholders interested in more than 5% of the Company's shares in separate or aggregated holdings. Candidates offering themselves to be elected as Independent Directors shall be nominated by the Board of Directors, the Supervisory Committee or shareholders interested in more than 1% of the Company's shares in separate or aggregated holdings.

The Company shall disclose personal details of the candidates (including resumes and basic background) for directorships prior to the convening of the shareholders' general meeting to ensure shareholders will have sufficient knowledge of the candidates before the ballot.

Article 99 — Parties nominating candidates for election as Independent Directors shall do so with the approval of such candidates. Nominating parties shall have sufficient knowledge of the profession, academic qualifications, titles and detailed information on work experience including all part-time employments of a candidate, and shall furnish an opinion in respect of the candidate's qualifications and independence to act as an Independent Director. The nominated candidate shall make a public statement to the effect that he/she is not related to the Company in any way that might affect his/her independence and objective judgment.

The Board of Directors of the Company shall make announcements in relation to the above prior to the shareholders' general meeting at which Independent Directors are elected.

Article 100 — Prior to the convening of the shareholders' general meeting for the election of Directors, the Company shall submit all relevant materials of the nominees to the China Securities Regulatory Commission (CSRC), the CSRC representative office where the Company is located and the Stock Exchange. Nominees shall still be eligible as candidates for directorships notwithstanding CSRC's disapproval, but shall not be eligible as candidates for election as Independent Directors. The Company shall state whether candidates for election as Independent Directors have been subject to CSRC's disapproval when electing Independent Directors at a shareholders' meeting.

Article 101 — A Director may offer to resign prior to the expiry of his/her term. Resignation of directors shall be addressed to the Board of Directors in the form of a written resignation report.

In the event that a Director's resignation results in the number of Directors being less than the quorum, the resignation report of such Director shall become effective only when the vacancy arising from his/her resignation has been filled by a new Director. The Board of Directors consisting of the remaining Directors shall convene an extraordinary shareholders' meeting as soon as practicable to elect a Director to fill the vacancy arising from the resignation of any Director. The powers of the resigning Director and the Board of Directors consisting of the remaining Directors shall be subjected to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of a Director.

A resigning Independent Director shall give an account of any matters pertaining to his/her resignation or otherwise in his/her opinion warranting the attention of shareholders and creditors. In the event that the number of Independent Directors as a proportion of the total number of Directors falls short of the minimum requirement stipulated in the Company's Articles of Association as a result of the resignation of any Independent Director, the resignation report of such Independent Director shall become effective only when the vacancy arising from his/her resignation has been filled by a new Independent Director.

Article 102 — Independent Directors shall exercise the following special powers, in addition to powers given to Directors pursuant to the Company Law, other relevant laws and administrative regulations and the Articles of Association:

(1) To endorse material connected transactions (as defined in prevailing listing rules of the stock exchange on which the Company's shares are listed) before the same is submitted to the Board of Directors for discussion: Prior to making their decisions, Independent Directors may appoint intermediary institutions to furnish independent financial advisory reports on the basis of which the Independent Directors' decisions shall be made;

(2) To propose to the Board of Directors the appointment or dismissal of auditors;

(3) To propose to the Board of Directors the convening of extraordinary general meetings;

(4) To propose the convening of Board of Directors meetings;

(5) To independently appoint external auditing and consultant firms;

(6) To publicly call for voting rights from shareholders prior to the convening of shareholders' general meetings.

The execution of the aforesaid powers by Independent Directors described in this Article shall require the approval of more than half of the Independent Directors.

The Company shall disclose any circumstances due to which proposals described above are not adopted or the aforesaid powers cannot be properly exercised.

Article 103 — Aside from performing the duties as described in the preceding Article, Independent Directors shall also furnish their independent opinions to the Board of Directors or the shareholders' general meetings in respect of the following:

(1) Nomination, appointment and removal of Directors;

(2) Appointment or dismissal of senior management personnel;

(3) Remuneration for Company Directors and senior management personnel;

(4) Loans made by or other monetary transactions with shareholders or *de facto* controllers of the Company and their associated corporations which could be deemed as material connected transactions, and whether the Company is adopting effective measures to re-collect the debts.

(5) Matters which in the opinion of the Independent Directors might impair the interests of minority shareholders.

Independent Directors shall express their opinions on the foregoing matters described in this Article by indicating any of the following: agreement; reservation (with reasons); objection (with reasons); or inability to give an opinion and the limitations they are subjected to.

If the matter concerned constitutes a discloseable event, the Company shall make announcement on the opinions of the Independent Directors. In case the Independent Directors fail to reach a consensus among themselves, the Board of Directors shall separately disclose the opinions of each of the Independent Directors.

Article 104 — An Audit Committee shall be set up under the Company's Board of Directors, the major duties of which shall be:

(1) To propose the appointment or replacement of external audit firms;

(2) To supervise the internal audit system of the Company and its implementation;

(3) To facilitate communication between internal auditors and external auditors;

(4) To audit the financial information of the Company and its disclosures;

(5) To review and examine the internal control system of the Company."

18. A new item shall be added under the original Article 97 as Clause (4):

    "To be responsible for matters pertaining to information disclosure of the Company, ensuring the timeliness, accuracy, lawfulness, authenticity and completeness of the Company's information disclosure;" (the original Clause 4 shall be changed to Clause 5).

19. The original Article 104 shall be amended as:

    "The Supervisory Committee shall consist of three to six Supervisors (with six Supervisors currently in office), with External Supervisors accounting for more than half of the members of the Supervisory Committee and with more than two Independent Supervisors.

    A Supervisor shall serve a term of three years and may offer themselves for re-election and re-appointment. An Independent Supervisor may not hold consecutives offices for more than six years.

    The Supervisory Committee shall be headed by a Supervisory Committee Chairman, who shall be appointed or removed with the approval of more than two-thirds of the Supervisory Committee members by voting."

20. The original Article 107 shall be revised as:

    "The Supervisory Committee shall convene at least four meetings in a year. Meetings shall be convened by the Supervisory Committee Chairman.

    The Supervisory Committee shall convene interim meetings as and when needed. In the event that a Supervisory Committee meeting fails to be convened as scheduled, an announcement shall be made to account for the reasons of such failure."

21. A new article shall be added immediately after the original Article 108 as Article 118: "The Supervisory Committee may request the Directors, managers, other senior management personnel and external as well as internal auditors of the Company to attend a Supervisory Committee meeting and answer questions concerned."

22. A new article shall be added immediately after the original Article 109 as Article 120: "Minutes shall be taken at any Supervisory Committee meeting and Supervisors attending a meeting and the personnel responsible for taking the minutes shall sign against such minutes. Supervisors shall have the right to request their verbal remarks made at meetings be recorded in a certain manner in the minutes. Minutes of Supervisory Committee meetings shall be properly maintained as an important documentation of the Company."

23. A new item shall be added under the original Article 112 as item 10:

    "(10) Parties who are confirmed by CSRC to be persons banned from market entry and persons for whom such ban has not yet been removed."

24. Two new articles shall be added immediately after the original Article 112 as Article 124 and Article 125:

    "Article 124 — An Independent Director shall fulfill the following conditions:

    (1) Being qualified to act as a company director pursuant to the law, administrative regulations and other relevant regulations;

    (2) Being in possession of the independence required by the law, administrative regulations, ministerial regulations and the Articles of Association;

(3) Having basic knowledge of the operation of a listed company and being familiar with relevant laws, administrative regulations, constitutions and rules;

(4) Having more than five years of legal or economic experience or other work experience required for the performance of the duties of an Independent Director.

"Article 125 — An Independent Director must be in possession of independence and the following parties shall not act as Independent Directors:

(1) Employees of the Company or the Company's subsidiaries and their immediate family members (including spouses, parents and children) or major social connections (including siblings, parents in-law, sons/daughters in-law, siblings' spouses and siblings' brothers/sisters in-law) of such employees;

(2) Natural person shareholders directly or indirectly holding more than 1% of the Company's issued shares or ranking among the top 10 shareholders of the Company and their immediate family members;

(3) Employees of corporate shareholders directly or indirectly holding more than 5% of the Company's issued shares or ranking among the top five corporate shareholders of the Company and their immediate family members;

(4) Parties falling under any of the conditions described in the foregoing three paragraphs during the past year;

(5) Parties providing financial, legal and consultant services to the Company or its subsidiaries;

(6) Other parties determined by CSRC as unqualified to act as Independent Directors."

25. The original Article 131 shall be re-numbered as Article 144 and revised as follows: "The Company shall prepare quarterly financial reports within 30 days after the conclusion of the first three-month and first nine-month periods of each financial year, the interim financial report within 60 days after the conclusion of the first six-month period of each financial year and the annual financial report within 120 days after the conclusion of each financial year, all of which shall be audited and verified according to the law.

26. The original Article 133 shall be re-numbered as Article 146 and Clause 2 thereunder be revised as follows: "In respect of foreign shareholders, the Company shall send the aforesaid reports in prepaid mail to each holder of the foreign-owned shares listed overseas at the address recorded in the shareholders' register in accordance with the requirements of relevant listing rules of the overseas stock exchange on which the foreign-owned shares are listed."

27. The original Article 136 shall be re-numbered as Article 149 and revised as follows: "The Company shall publish its financial report four times in every financial year: the quarterly financial report within 30 days after the conclusion of the first three-month and first nine-month periods of each financial year, the interim financial report within 60 days after the conclusion of the first six-month period of each financial year and the annual financial report within 120 days after the conclusion of each financial year."

28. The original Article 143 shall be deleted.

29. Further to the aforesaid amendments, other chapters, sections, articles and clauses in the Articles of Association shall be re-numbered accordingly.

Mr Gu Jianguo, aged 49, master degree graduate, senior engineer, is the Company's Chairman and General Manager of Magang (Group) Holding Company Limited. In September 1993, Mr Gu was appointed the Company's Director and Deputy General Manager. In July 1995, he acted as Vice Chairman and General Manager of the Company. In June 1997, Mr Gu was appointed General Manager of Magang Holding. In July 1997, Mr Gu was appointed the Company's Chairman. In September 1998, Magang Holding became Magang (Group) Holding Company Limited and Mr Gu was appointed General Manager.

Mr Gu Zhanggen, aged 55, master degree graduate, senior political and labour specialist, is the Company's Vice Chairman and Secretary of the Party Committee, Magang (Group) Holding Company Limited's Secretary of the Party Committee and Deputy General Manager. Mr Gu was previously the Company's Supervisor and Chairman of the labour union. Since June 1997, he acted as the Company's Secretary of the Party Committee, Magang Holding's Secretary of the Party Committee and Deputy General Manager. Since September 1997, he acted as the Company's Director and Vice Chairman. In September 1998, Magang Holding was transformed into Magang (Group) Holding Company Limited and Mr Gu was appointed Secretary of the Party Committee and Deputy General Manager.

Mr Zhu Zhangqiu, aged 56, university graduate, senior engineer, is the Company's Director and General Manager. In 1993, Mr Zhu was General Manager of the Company's No. 1 Machinery Plant. In 1995, Mr Zhu was Manager of the Company's Mechanical Engineering Department. In June 1997, Mr Zhu was appointed the Company's Deputy General Manager. In September 1999, Mr Zhu was appointed the Company's Director and General Manager.

Mr Shi Zhaogui, aged 57, university graduate, senior engineer, is the Company's Director and Deputy General Manager of Magang (Group) Holding Company Limited. In September 1993, Mr Shi acted as the Company's Director and Deputy General Manager. In September 1999, he became Deputy General Manager of Magang (Group) Holding Company Limited.

Mr Wang Rangmin, aged 59, university graduate, senior engineer, is the Company's Director and Deputy General Manager of Magang (Group) Holding Company Limited. Since September 1993, Mr Wang acted as Deputy General Manager of Magang Holding. In September 1997, he was appointed the Company's Director. In September 1998, Magang Holding was transformed into Magang (Group) Holding Company Limited and Mr Wang was appointed Deputy General Manager.

Mr Zhao Jianming, aged 48, master degree graduate, senior engineer, is the Company's Director, Deputy Secretary of the Party Committee, Secretary of the Discipline Committee; Magang (Group) Holding Company Limited's Deputy Secretary of the Party Committee and Secretary of the Discipline Committee. In June 1997, Mr Zhao was appointed the Company's Deputy General Manager, Secretary of the Party Committee and Secretary of the Discipline Committee. In September 1997, Mr Zhao was appointed the Company's Director.

Mr Su Jiangang, aged 47, master degree graduate, is the Company's Director, Deputy General Manager, Chief Economist and Secretary to the Board of Directors. Since September 1993, Mr Su was appointed Secretary to the Board of Directors. In November 1995, Mr Su was appointed the Company's Deputy Chief Economist. In June 1997, Mr Su was appointed as Chief Economist. In September 1997, Mr Su was appointed the Company's Director and in September 1999, Mr Su was appointed Deputy General Manager.

Mr Gao Haijian, aged 45, master degree graduate, Senior Engineer, is the Company's Director and Deputy General Manager. In 1995, Mr Gao was appointed Director of the Multi-shaped Steel Plant Preparatory Office and General Manager of H-shaped Steel Plant. In June 1997, Mr Gao was appointed the Company's Deputy General Manager. In September 1999, Mr Gao was appointed the Company's Director.

Madam Cheng Shaoxiu, aged 59, is Chief Accountant of Anhui Guoyuan Holding (Group) Company Limited. In September 1999, she was appointed the Company's Independent Director. She holds a university degree and is a senior accountant. In 1966, she graduated from Anhui Finance and Business College majoring in accounting. She has been working in Anhui Slide Production Factory and Hefei Wireless No. 4 Factory. Since she joined Anhui International Trust Investment Company in 1985, she has been an accountant of the finance department, serving successively as Assistant Manager, Manager, Deputy Chief Accountant and Finance Manager, and Chief Accountant. Madam Cheng is also Director of Anhui Science and Technology Investment Company Limited, Independent Director of Shanghai Huayuan Corporate Development Company Limited and Supervisor of Shenzhen Penghua Fund Management Company.

Mr Wu Junnian, aged 36, is a lawyer of Taiji Law Firm in Shanghai. In September 1999, he was appointed Independent Director of the Company. He is a university graduate and a lawyer. In 1989, he graduated from Huadong Political and Law College. He has been working as a lawyer in Maanshan Jiangnan Law Firm and Maanshan Tianwen Law Firm. In 1997, Mr Wu established Maanshan Junhui Law Firm and acted as Director. Mr Wu was also an arbitor of the Maanshan Arbitration Committee and a member of Anhui Lawyer Committee of Construction and Property. In 2000, Mr Wu was appointed lawyer of Zhongjian Law Firm. From December 1993 to June 1994, Mr Wu was seconded to Livasiri & Co to work and further his research.

Mr Shi Jianjun, aged 47, PhD in Economics, is Deputy Principal of Nanjing University as well as Chief Accountant, Professor and Advisor for PhD students. In July 1982, Mr Shi received a Bachelor Degree of Economics from Anhui Finance and Business College, majoring in planning statistics. In December 1984, Mr Shi received a master degree from Xiamen University, majoring in economic statistics. In April 2001, Mr Shi received a PhD degree in economic statistics from Xiamen University. He has been Associate Professor, Assistant to Principal, Chief Accountant and Deputy Principal of Nanjing University. Mr Shi is also an independent director of Sinopec Yangzhi Petrochemical Company Limited.

Mr Chan Yuk Sing, aged 40, is a practicing solicitor in Hong Kong, he is currently a partner of Koo and Partners. Mr Chan obtained his Bachelor of Laws (Honour) Degree from England in 1984 and passed the English Law Society Finals Examination in 1985. Mr Chan was admitted as a solicitor in Hong Kong in 1987. He was also admitted as a solicitor in England and Wales in 1991.

The Board of Directors of Maanshan Iron & Steel Company Limited hereby publicly declares that in respect of its nomination of Cheng Shaoxiu, Wu Junnian, Shi Jianjun and Chan Yuk Sing (the "nominees") as candidates for Independent Non-executive Directors of the Fourth Session of the Board of Directors of the Company, there are no relationships between the nominees and the Company which may affect the independence of the nominees. The Company's specific declaration in this regard is as follows:

The current nomination is based on an adequate understanding of the nominees' profession, academic qualifications, titles and detailed information on work experience including all part-time employments assumed by the nominees and other information. (Please see Appendix II for the nominees' resumes and basic background.) The nominees have consented in writing to be candidates for Independent Non-executive Directors of the Fourth Session of the Board of Directors of the Company. (Please see Appendix IV for the nominees' declarations.) The nominator is of the opinion that the nominees:

1. are qualified to assume the position as directors of a listed company in accordance with laws, administrative regulations and other relevant provisions;

2. satisfy the conditions for the directorate position as required under the Articles of Association of the Company;

3. are independent as required by the *Guideline Opinions on the Establishment of Independent Director System in Listed Companies* issued by the China Securities Regulatory Commission, as

   (1) none of the nominees or their immediate families and principal social connections have assumed any position in the Company;

   (2) none of the nominees or their immediate families directly or indirectly holds 1% of the issued shares in the Company, or is among the top ten shareholders of the Company;

   (3) none of the nominees or their immediate families have assumed any position in any entity which directly or indirectly holds 5% or more of the issued shares of the Company, or have assumed any position in any entity which is among the top five shareholders of the Company;

   (4) none of the nominees fall within any of the circumstances listed in (1), (2) and (3) above in the past year; and

   (5) none of the nominees provides any financial, legal, management consultancy or technological consultancy services to the Company or any of its subsidiaries.

4. None of the nominees concurrently acts as independent non-executive directors for more than five companies listed on the Stock Exchange of Hong Kong, including the Company.

The nominator guarantees that the above declaration is true, complete and accurate, and does not include any false or misleading statements. The nominator fully understands the consequences that will arise from any false statements.

Nominator: Board of Directors of Maanshan Iron & Steel Company Limited

Maanshan, 11 July 2002

I, Cheng Shaoxiu, as candidate for Independent Non-executive Director of the Fourth Session of the Board of Directors of the Company, hereby publicly declare that there are no relationships between myself and the Company which may affect my independence. My specific declaration in this regard is as follows:

1. Neither myself nor my immediate families and principal social connections have assumed any position in the Company or any of its subsidiaries;

2. Neither myself nor my immediate families directly or indirectly hold 1% of the issued shares in the Company;

3. Neither myself nor my immediate families are among the top ten shareholders of the Company;

4. Neither myself nor my immediate families have assumed any position in any entity which directly or indirectly holds 5% or more of the issued shares of the Company;

5. Neither myself nor my immediate families have assumed any position in any entity which is among the top five shareholders of the Company;

6. I myself do not fall within any of the circumstances listed in 1 to 5;

7. I do not provide any financial, legal, management consultancy or technological consultancy services to the Company or any of its subsidiaries;

8. I do not obtain any other benefit from the Company, its significant shareholders or other connected companies or personnel which is not disclosed;

9. I am a qualified candidate as stated in the Articles of Association.

In addition, I do not concurrently act as independent non-executive director for more than five companies listed on the Stock Exchange of Hong Kong, including the Company.

I fully understand the responsibilities of being an independent non-executive director and guarantee that the above declaration is true, complete and accurate, and does not include any false or misleading statements. I fully understand the consequences that will arise from any false statements. China Securities Regulatory Commission (CSRC) may confirm my qualification and independence according to this declaration. During my term of office as Independent Non-executive Director, I shall comply with CSRC's statutes, regulations and notification requirements to ensure sufficient time and effort to fulfill my responsibilities, to judge independently, and not to be subjected to the influence of the significant shareholders, the ultimate controller or other connected entities or individuals of the Company.

Declarer: Cheng Shaoxiu
Hefei, 26 June 2002

I, Wu Junnian, as candidate for Independent Non-executive Director of the Fourth Session of the Board of Directors of the Company, hereby publicly declare that there are no relationships between myself and the Company which may affect my independence. My specific declaration in this regard is as follows:

1. Neither myself nor my immediate families and principal social connections have assumed any position in the Company or any of its subsidiaries;

2. Neither myself nor my immediate families directly or indirectly hold 1% of the issued shares in the Company;

3. Neither myself nor my immediate families are among the top ten shareholders of the Company;

4. Neither myself nor my immediate families have assumed any position in any entity which directly or indirectly holds 5% or more of the issued shares of the Company;

5. Neither myself nor my immediate families have assumed any position in any entity which is among the top five shareholders of the Company;

6. I myself do not fall within any of the circumstances listed in 1 to 5;

7. I do not provide any financial, legal, management consultancy or technological consultancy services to the Company or any of its subsidiaries;

8. I do not obtain any other benefit from the Company, its significant shareholders or other connected companies or personnel which is not disclosed;

9. I am a qualified candidate as stated in the Articles of Association.

In addition, I do not concurrently act as independent non-executive director for more than five companies listed on the Stock Exchange of Hong Kong, including the Company.

I fully understand the responsibilities of being an independent non-executive director and guarantee that the above declaration is true, complete and accurate, and does not include any false or misleading statements. I fully understand the consequences that will arise from any false statements. China Securities Regulatory Commission (CSRC) may confirm my qualification and independence according to this declaration. During my term of office as Independent Non-executive Director, I shall comply with CSRC's statutes, regulations and notification requirements to ensure sufficient time and effort to fulfill my responsibilities, to judge independently, and not to be subjected to the influence of the significant shareholders, the ultimate controller or other connected entities or individuals of the Company.

Declarer: Wu Junnian
Maanshan, 11 July 2002

I, Shi Jianjun, as candidate for Independent Non-executive Director of the Fourth Session of the Board of Directors of the Company, hereby publicly declare that there are no relationships between myself and the Company which may affect my independence. My specific declaration in this regard is as follows:

1. Neither myself nor my immediate families and principal social connections have assumed any position in the Company or any of its subsidiaries;

2. Neither myself nor my immediate families directly or indirectly hold 1% of the issued shares in the Company;

3. Neither myself nor my immediate families are among the top ten shareholders of the Company;

4. Neither myself nor my immediate families have assumed any position in any entity which directly or indirectly holds 5% or more of the issued shares of the Company;

5. Neither myself nor my immediate families have assumed any position in any entity which is among the top five shareholders of the Company;

6. I myself do not fall within any of the circumstances listed in 1 to 5;

7. I do not provide any financial, legal, management consultancy or technological consultancy services to the Company or any of its subsidiaries;

8. I do not obtain any other benefit from the Company, its significant shareholders or other connected companies or personnel which is not disclosed;

9. I am a qualified candidate as stated in the Articles of Association.

In addition, I do not concurrently act as independent non-executive director for more than five companies listed on the Stock Exchange of Hong Kong, including the Company.

I fully understand the responsibilities of being an independent non-executive director and guarantee that the above declaration is true, complete and accurate, and does not include any false or misleading statements. I fully understand the consequences that will arise from any false statements. China Securities Regulatory Commission (CSRC) may confirm my qualification and independence according to this declaration. During my term of office as Independent Non-executive Director, I shall comply with CSRC's statutes, regulations and notification requirements to ensure sufficient time and effort to fulfill my responsibilities, to judge independently, and not to be subjected to the influence of the significant shareholders, the ultimate controller or other connected entities or individuals of the Company.

Declarer: Shi Jianjun
Nanjing University, 9 July 2002

I, Chan Yuk Sing, as candidate for Independent Non-executive Director of the Fourth Session of the Board of Directors of the Company, hereby publicly declare that there are no relationships between myself and the Company which may affect my independence. My specific declaration in this regard is as follows:

1. Neither myself nor my immediate families and principal social connections have assumed any position in the Company or any of its subsidiaries;

2. Neither myself nor my immediate families directly or indirectly hold 1% of the issued shares in the Company;

3. Neither myself nor my immediate families are among the top ten shareholders of the Company;

4. Neither myself nor my immediate families have assumed any position in any entity which directly or indirectly holds 5% or more of the issued shares of the Company;

5. Neither myself nor my immediate families have assumed any position in any entity which is among the top five shareholders of the Company;

6. I myself do not fall within any of the circumstances listed in 1 to 5;

7. I do not provide any financial, legal, management consultancy or technological consultancy services to the Company or any of its subsidiaries;

8. I do not obtain any other benefit from the Company, its significant shareholders or other connected companies or personnel which is not disclosed;

9. I am a qualified candidate as stated in the Articles of Association.

In addition, I do not concurrently act as independent non-executive director for more than five companies listed on the Stock Exchange of Hong Kong, including the Company.

I fully understand the responsibilities of being an independent non-executive director and guarantee that the above declaration is true, complete and accurate, and does not include any false or misleading statements. I fully understand the consequences that will arise from any false statements. China Securities Regulatory Commission (CSRC) may confirm my qualification and independence according to this declaration. During my term of office as Independent Non-executive Director, I shall comply with CSRC's statutes, regulations and notification requirements to ensure sufficient time and effort to fulfill my responsibilities, to judge independently, and not to be subjected to the influence of the significant shareholders, the ultimate controller or other connected entities or individuals of the Company.

Declarer: Chan Yuk Sing
Hong Kong, 11 July 2002