

## Company Profile

Maanshan Iron and Steel Company Limited (the "Company") and its subsidiaries (collectively the "Group"), currently one of the largest iron and steel producers and marketers in the PRC, are principally engaged in the manufacture and sale of iron and steel products. Our production process mainly comprises coking, sintering, iron smelting, steel smelting and steel rolling. The Company's principal steel products come in four major categories: steel sections, wire rods, medium or thick steel plates and train wheels and tyres, with a full range of models and specifications designed for a variety of applications. Over 90% of these products are sold in the domestic market. The Company also markets a small volume of pig iron, steel billets and coking by-products.

Steel products accounted for 93% and 89%, respectively, of the Group's income and profits from principal activities. Other products included coking by-products, gas products and scrap iron and steel, together accounting for 7% and 10%, respectively, of the Group's income and profits. Sales and selling cost of steel products were RMB8,848 million and RMB7,638 million, respectively, with a gross profit ratio of 13.68%. For the year 2001, the Group's steel products sales accounted for approximately a 3% share of the China market. Analysed by markets, Anhui Province accounted for 35% of the Group's steel products sales; Jiangsu Province accounted for 12%; Shanghai accounted for 9%; Zhejiang Province accounted for 9%; other provinces in China accounted for 27%; and exports accounted for 8%.