

NOTICE IS HEREBY GIVEN that the 2004 Annual General Meeting of the Company will be held at the Conference room of Angang Dongshan Hotel, 108 Dong Feng Street, Tie Dong Street, Anshan City, Liaoning Province, China at 9:00 a.m. on 9 May 2005 for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the 2004 report of the Board of Directors of the Company;
2. To consider and approve the 2004 report of the Supervisory Committee of the Company;
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2004;
4. To consider and approve the proposed profit distribution plan of the Company for 2004;
5. To consider and approve the remuneration of the directors and supervisors of the Company for 2004;
6. To consider and approve the appointment of the auditors for 2005 and to authorise the Board of Directors of the Company to determine their remuneration;
7. To consider and approve the estimate of the continuing connected transactions of the Company for 2005;
8. To consider and approve the appointment of Ms. Wang Xiaobin as an independent director of the Company. Ms. Wang's biographical information is set out as follow:

Ms. Wang Xiaobin is 37 years of age and has worked with the audit and business consulting department of PriceWaterhouse (Australia) and then served as a director of Investment Bank Department of Internationale Nederlanden Bank N.V.. She is currently the financial controller of China Resources Power Holdings Company Limited. Ms. Wang is a member of Institute of Chartered Accountants in Australia, Australian Society of Certified Practising Accountants and Securities Institute of Australia.

Ms. Wang does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, nor does she have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

9. To consider and approve the report of Board of Directors on the use of funds raised in previous fund raising exercise.

SPECIAL RESOLUTIONS

10. To consider and, if thought fit, pass the relevant amendment to the Articles of Association of the Company (the "Relevant Amendment") in order to comply with the provisions under Certain Rules in Respect of the Strengthening of the Protection of the Interests of the Public Shareholders issued by China Securities Regulatory Committee and the Rules Governing the Listing of the Stocks (amended in 2004) of Shenzhen Stock Exchange;

The Proposed Amendments are as follows:

- 10A. THAT Article 17 of the Articles of Association is proposed to be amended as follows:

- (i) paragraph 3 and 4 of Article 17 to be deleted in their entirety;
- (ii) a new paragraph 3 of Article 17 to be inserted after the existing paragraph 2 as follows:

"Upon the conversion of convertible debentures of the Company into A Shares, the share capital structure of the Company shall be: 2,962,985,697 ordinary shares, of which, 1,319,000,000 shares are held by Anshan Iron & Steel Group Complex in the form of state-owned shares, representing 44.5% of the total share capital of the Company; 890,000,000 shares are held by foreign shareholders in the form of H shares, representing 30.0% of the total share capital of the Company; and 753,985,697 shares are held by domestic shareholders in the form of domestic listed shares, representing 25.5% of the total share capital of the Company."

- 10B. Article 20 of the Articles of Association is proposed to be amended and restated in its entirety as follows:

"The registered capital of the Company shall be Rmb 2,962,985,697."

- 10C. The following paragraph is proposed to be inserted after paragraph 1 of Article 60 of the Articles of Association:

"If any matter set out in Article 81 is proposed to be considered and approved at the general meeting of the Company, upon giving the notice of such general meeting, the notice of such general meeting shall be re-published within 3 days after the share registration date."

SPECIAL RESOLUTIONS *(continued)*

- 10D. The existing Article 68 of the Articles of Association is proposed to be amended and restated in its entirety as follows and the existing Articles 68 and the articles thereafter shall be renumbered accordingly:

"Article 68: The board of directors, the independent directors and the eligible shareholders may solicit votes of the shareholders of the Company to be cast at the general meeting. The person soliciting votes from the public shall carry out such activities in accordance with the relevant implementation rules."

- 10E. Two new Articles are proposed to be inserted before the existing Article 80 of the Articles of Association as follows and the existing Article 80 and the articles thereafter shall be renumbered accordingly:

"Article 81: The Company shall establish and enhance the system for public shareholders to vote on major issues. Apart from the approval at the general meeting, any of the following issues or the relevant application in relation to such application proposed to the general meeting shall be only carried out upon approval by the holders of at least half of the shares carrying voting rights cast by the social public shareholders (including the holders of overseas listed foreign investment shares) at the general meeting:

- (a) Any issue of new shares to the public (including issue of overseas listed foreign investment shares or other share titles), issue of convertible debentures, placing of shares to existing shareholders (except for the actual controlling shareholders has undertaken to fully subscribe for the shares in cash before the general meeting is convened);
- (b) Major asset restructuring of the Company if the assets proposed to be acquired are being proposed to be acquired at a total price which is more than 20% (inclusive) of the audited book net value of such assets;
- (c) Repayment of debts due to the Company by any shareholder using such shareholder's shares of the Company;
- (d) Overseas listing of any significant subsidiaries of the Company;
- (e) Other relevant issues which may have a substantial impact on the interests of the social public shareholders in the development of the Company.

If a general meeting is convened to consider and approve the issues mentioned herein, the announcement of the resolutions of the general meeting shall set out the number of the public shareholders voting at the general meeting, the shares held by them and the percentage in the total number of the shares held by the public shareholders and the results of their votes as well as the shareholding of the 10 largest public shareholders and the result of their votes.

SPECIAL RESOLUTIONS *(continued)*

If the Company convenes a general meeting to consider and approve the issues mentioned herein, it shall provide the shareholders with a on-line voting platform.

Upon the completion of the voting procedure at the general meeting, the Company shall announcement the results after counting all the votes of the votes cast on-site, on-line and through other authorized methods. The service provider for the on-line voting system, the Company and the substantial shareholders shall keep the results of voting confidential before the formal announcement.

“Article 82: The Company shall duly protect the rights of the public shareholders to elect any director or supervisor. The opinions of the public shareholders shall be well represented in the election of the directors and supervisors at the general meeting by prompting the accumulative voting system. The accumulative voting system referred to herein means that in the election of the directors or supervisors at the general meeting, each share carrying voting right shall carry the same number of voting right as the number of directors or supervisors proposed to be elected and the voting rights of the shareholders may be collectively cast.”

- 10F. The existing Article 107(a) of the Articles of Association is proposed to be renumbered as Article 110(a) and amended as follows:

“(a) Any connected transaction between the Company and the connected person in a total amount more than Rmb3 million or 5% of the latest audited net assets value of the Company or required to be disclosed and subject to independent shareholders’ approval shall be approved by the independent directors and proposed to the board of directors for discussion. The independent directors may retain independent financial advisers to issue independent financial advisers’ report as basis for making their conclusion.”

- 10G The former Article 108 of the Articles of Association is proposed to be renumbered as Article 111 and be amended restated as follows:

“Article 111: Apart from fulfilling the duties mentioned under the foregoing article, the independent directors shall provide independent opinions to the board of directors and shareholders’ general meeting on the following issues:

- (a) any nomination, appointment for removal of any director;
- (b) any employment or termination of employment of any senior management of the Company;

SPECIAL RESOLUTIONS *(continued)*

- (c) the remuneration of the directors and senior management of the Company;
 - (d) any existing or new loans to or other fund transfer with the shareholders of the Company, actual controller and their associated companies in the total amount more than Rmb 3 million or 5% of the latest audited net assets value of the Company or required to be disclosed and subject to independent shareholders' approval, and on whether the Company has taken effective measures to collect repayments;
 - (e) the failure of the board of directors of the Company in making proposal for profit distribution in cash;
 - (f) issues which, in the opinions of the independent directors, may be detrimental to the interests of the minority shareholders; and
 - (g) other issues provided for in the Articles of Association."
- 10H. With reference to the amendment above, the Board of Directors be authorised:
- (a) to approve, execute and do or procure to execute and do, all such documents, deeds and things as it may consider necessary in connection therewith;
 - (b) to make such amendments to the Articles of Association of the Company as it thinks fit; and
11. To consider and approve proposals (if any) put forward at the meeting by any shareholder(s) holding 5% or more of the shares carrying the right to vote at such meeting.

By order of the Board
Angang New Steel Company Limited
Fu Ji Hui
Company Secretary

Anshan City
Liaoning Province, the PRC

16 March 2005

Notes:

- (a) Holders of the Company's H shares whose names appear on the register of members of the Company at the close of business on 8 April 2005 are entitled to attend the Annual General Meeting with their passports or other identity papers.
- (b) The register of members of the Company will be closed from 10 April 2005 to 9 May 2005, both days inclusive, during which time no share transfer will be effected.
- (c) Each shareholder who has the right to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies, whether they are shareholders or not, to attend and vote on his behalf at the Annual General Meeting.
- (d) A proxy of a shareholder who has appointed more than one proxy may only vote on a poll in respect of the shares actually held.
- (e) The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified. To be valid, the notarially certified power of attorney, or other documents of authorisation, and the form of proxy must be delivered to the Company's registrar, HKSCC Registrars Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof.
- (f) Shareholders intending to attend the Annual General Meeting should return the reply slip (which will be despatched to the shareholders with the Company's 2004 annual report) to the Secretary's Office of the Company on or before 5:30 p.m. 18 April 2005 personally or by mail, facsimile or cable. Failure to return the reply slip will not affect shareholders' rights to attend in person.
- (g) It is expected that the general meeting will last for half a day. The expenses for travelling and accommodation shall be borne by the shareholders.
- (h) The address of the Secretarial Office:

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Anshan City
Liaoning Province
Peoples' Republic of China
Post Code: 114003
Tel: 0412-633 4292 / 633 4293
Fax: 0412-672 7772