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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: 323)

OVERSEAS REGULATORY ANNOUNCEMENT

**ANNOUNCEMENT IN RESPECT TO THE PROVISION OF
GUARANTEE BY
MAANSHAN IRON & STEEL COMPANY LIMITED
TO
ITS WHOLLY-OWNED SUBSIDIARY
MG-VALDUNES S.A.S.**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Important Notice:

- Guaranteed party: MG-Valdunes S.A.S. (“Valdunes S.A.S.”).
- Guaranteed amount and actual amount of guarantee provided: Maanshan Iron & Steel Company Limited (the “Company”) provided Valdunes S.A.S. a credit guarantee of RMB170 million. The Company has already provided a credit guarantee of RMB80 million to Valdunes S.A.S..
- There has been no provision of counter-guarantees.
- There have been no overdue guarantees provided by the Company and its subsidiaries.

I. Information of the Guarantee

Valdunes S.A.S. is a wholly-owned subsidiary of the Company. On 15 June 2016, the Company convened the twenty-first meeting of the eighth session of the board of directors (the “Board”), in which the Company was approved to provide

Valdunes S.A.S. a credit guarantee of RMB170 million. The voting result on the resolution was as follows: 7 voted in favour, 0 voted against and 0 abstained from voting.

II. Information of the Guaranteed Party

Name of the company: MG-Valdunes S.A.S. (MG-VALDUNES)

Registered capital: EUR40.20 million

Registered address: Usine De Valenciennes, Rue Gustave Delory, Trith Saint Leger

Legal representative: Wu Liping

Scope of business: Designing, manufacturing, processing, putting into production, repairing and maintaining of all kinds of products and facilities that are applied in railway transportation, urban transportation and mechanical industry; sales, import and export of various shapes of steel products.

Financial information:

Unit: EUR'000

No.	Financial Metrics	2015 Annual	2016 First Quarter
1	Total assets	55,606.7	57,871.3
2	Total liability	23,538.8	29,007
3	Bank loan	0	4,007.4
4	Current liability	23,062.1	27,854.6
5	Net asset value	32,067.9	28,864.3
6	Operating revenue	62,492.4	13,598.2
7	Net profit	-8,132.1	-3,203.7

III. Major Terms of the Guarantee Agreement

To enable Valdunes S.A.S. to maintain the normal production and operation, settle the contract payment of projects under construction and complete fixed asset investment so as to improve manufacturing capabilities, the Company shall provide a credit guarantee of RMB170 million in relation to the loans of Valdunes S.A.S.

IV. Opinion of the Board

The Board of the Company is of the view that Valdunes S.A.S. is a wholly-owned subsidiary of the Company, and the formulation of its development strategies and daily operation are under the control of the Company, therefore approved the Company to provide a credit guarantee of RMB170 million in relation to the loans

of Valdunes S.A.S.

V. The Aggregate Amount of External Guarantees and the Aggregate Amount of Overdue Guarantees

As of the date of this announcement, the Company and its subsidiaries have already provided the following guarantees: Anhui Chang Jiang Iron & Steel Co., Ltd, the Company's subsidiary, provided guarantees of RMB50 million and RMB100 million to its wholly-owned subsidiaries, Anhui Chang Jiang Iron & Steel Trading Nanjing Co., Ltd and Anhui Chang Jiang Iron & Steel Trading Hefei Co. respectively. The Company has already provided a credit guarantee of RMB80 million to Valdunes S.A.S..

VI. Documents available for Inspection

1. Resolutions of the Board
2. Opinion of independent directors

The Board
Maanshan Iron & Steel Company Limited

15 June 2016

Maanshan City, Anhui Province, the PRC

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

Executive Directors: Ding Yi, Qian Haifan

Non-executive Directors: Su Shihuai, Ren Tianbao

Independent Non-executive Directors: Qin Tongzhou, Yang Yada, Liu Fangduan