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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.**

The board of directors (the “Board”) of Maanshan Iron & Steel Company Limited (the “Company”) and all directors warrant that there are no false representations and misleading statements contained in, or material omissions from, this announcement, and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of this announcement.

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: The Company provided Valdunes S.A.S. a credit guarantee of EUR10 million for a term of one year. The Company has already provided a credit guarantee of RMB250 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 29 December 2016, the Company convened the twenty-fourth meeting of the eighth session of the Board, in which the Company was approved to provide Valdunes S.A.S. a credit guarantee of EUR10 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	As of 31 December 2015	As of 30 September 2016
1	Total assets	58,437	60,675.7
2	Total liability	23,860	39,197.5
3	Bank loan	0	16,835.0
4	Current liability	23,166	38,435.7
5	Net asset value	34,577	21,478.2
6	Operating revenue	62,382	34,791.2
7	Net profit	-7,194	-13,097.9

III. Major Terms of the Guarantee Agreement

In order to replenish the working capital of Valdunes S.A.S., the Company shall provide a credit guarantee of EUR10 million for a term of one year.

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 it is approved that the Company will provide a credit guarantee of EUR10 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: the Company provided a credit guarantee of RMB 250 million to Valdunes S.A.S. (a wholly owned subsidiary of the Company); Anhui Chang Jiang Iron & Steel Co., Ltd (a subsidiary of the Company) 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.

VI. Documents available for Inspection

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

The Board
Maanshan Iron & Steel Company Limited

29 December 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