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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 SUBSIDIARY**

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: Valdunes S.A.S. was provided a financing guarantee not exceeding EUR42 million. The Company has already provided credit guarantees of RMB250 million and EUR10 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 14 February 2017, the Company convened the twenty-fifth meeting of the

eighth session of the Board (the “**Board**”), at which the Company was approved to provide Valdunes S.A.S. a financing guarantee not exceeding EUR42 million. The voting results on the resolution was as follows: 7 voted in favour, 0 voted against and 0 abstained from voting.

## **II. Information of the Guaranteed Party**

### **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**

The Company shall provide a financing guarantee in the amount not exceeding EUR42 million to 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 it is approved that the Company will provide it the guarantee.

#### **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 controlling subsidiaries have already provided the following guarantees: the Company provided credit guarantees of RMB250 million and EUR10 million to Valdunes S.A.S. (a wholly owned subsidiary of the Company); Anhui Chang Jiang Iron & Steel Co., Ltd. (a controlling 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., Ltd. respectively. There have been no overdue guarantees provided by the Company and its subsidiaries.

#### **VI. Documents available for Inspection**

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

*The Board*  
**Maanshan Iron & Steel Company Limited**

14 February 2017  
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*