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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: Masteel (Hong Kong) Co., Ltd. (“**Hong Kong Company**”).
- Guaranteed amount and actual amount of guarantee provided: Provision of a trade financing credit guarantee of RMB3 billion to Hong Kong Company. The balance of guarantee that the Company has actually provided to Hong Kong Company before this guarantee is zero.
- There has been no provision of counter-guarantees.
- This guarantee requires to be approved by the annual general meeting.
- There have been no overdue guarantees provided by the Company and its subsidiaries.

#### **I. Information of the Guarantee**

Hong Kong Company is a subsidiary of the Company, which the Company holds a stake of 91%. Masteel International Trade & Economic Corporation

(“**International Trade Company**”), a wholly-owned subsidiary of Magang (Group) Holding Company Limited (the controlling shareholder of the Company), holds a stake of 9%.

On 25 April 2017, the twenty-seventh meeting of the eighth session of the Board approved the Company to acquire the 9% stake of Hong Kong Company held by International Trade Company (Upon completion of the acquisition, Hong Kong Company will become a wholly-owned subsidiary of the Company). In addition, provision of a trade financing credit guarantee of RMB3 billion to the Hong Kong Company was also approved. The acquisition of the 9% stake of Hong Kong Company held by International Trade Company was a connected transaction and the resolution was approved by the non-connected directors, with the voting result being: 3 voted in favour, 0 voted against and 0 abstained from voting. The voting result on the resolution on the guarantee to Hong Kong Company was: 7 voted in favour, 0 voted against and 0 abstained from voting. According to the relevant regulations of the China Securities Regulatory Commission, the China Banking Regulatory Commission and the Articles of Association of the Company, the provision of guarantee to Hong Kong Company by the Company requires to be approved by the annual general meeting. The Board of the Company should submit the provision of guarantee to 2016 Annual General Meeting for consideration and approval.

## II. Information of the Guaranteed Party

### **Masteel (Hong Kong) Co., Ltd.**

Registered capital: HKD260 million

Registered address: Room 4308, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Legal representative: Ding Yi

Scope of business: Export of steel products, import of iron ore and a small amount of coking coal.

Financial information:

Unit: HKD'000

No.	Financial Metrics	Year 2016	January-March 2017
1	Current assets	1,387,832.0	1,472,149.9
2	Long term equity investments	150,833.9	152,901.4
3	Total assets	1,538,665.9	1,625,051.3
4	Total liabilities	1,183,046.2	1,258,519.9
5	Retained profit	95,619.7	106,531.3

6	Revenue	1,865,604.5	200,814.7
7	Net profit	45,574.1	2,389.4

Note: The financial data for the year 2016 was audited by Ernst & Young and the financial data for January-March 2017 has not been audited by Ernst & Young.

### **III. Major Terms of the Guarantee**

The Company shall provide a trade financing credit guarantee of RMB3 billion to Hong Kong Company.

### **IV. Opinion of the Board**

The Board of the Company is of the view that Hong Kong, as a world-famous free economy and offshore RMB center, can provide mature and diversified RMB business and financing products. By using Hong Kong Company as a financing platform, the Company can reduce financing cost and explore the diversity of financing channels. However, an important precondition for carrying out the above-mentioned strategy of the Company is that the Company must provide guarantee for its trade financing. The financing of Hong Kong Company under this guarantee will strictly be used for trade financing related to the purchase and sale business of the Company so that the risk in capital operation is controllable. The development strategy and daily operation of Hong Kong Company are both under the control of the Company, with a relatively low risk in guarantee. Therefore, the provision of a trade financing credit guarantee of not more than RMB3 billion to Hong Kong Company was approved.

### **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 RMB170 million and EUR52 million to Valdunes S.A.S. (a wholly owned subsidiary of the Company); Anhui Changjiang Iron & Steel Co., Ltd. (a controlling subsidiary of the Company) provided guarantees of RMB50 million and RMB100 million to its wholly-owned subsidiaries, Anhui Changjiang Iron & Steel Trading Nanjing Co., Ltd. and Anhui Changjiang 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**

25 April 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*