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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 ON THE PROVISION OF GUARANTEE BY MAANSHAN IRON & STEEL COMPANY LIMITED TO MAANSHAN IRON & STEEL (HK) LIMITED, ITS WHOLLY-OWNED SUBSIDIARY**

The board of directors of the Company (the “Board of Directors”) 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 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### **Important notice regarding the content:**

- Name of guaranteed party: Maanshan Iron & Steel (HK) Limited
- The guarantee amount and aggregate guarantee amount: the guarantee amount is US\$30 million and the aggregate guarantee amount is US\$38.30 million (equivalent to approximately RMB262 million)
- Provision of counter-guarantee: Nil
- Aggregate amount of external guarantees: equivalent to RMB4,062 million
- Aggregate amount of overdue external guarantees: 0

#### **I. General Information of the Guarantees**

A meeting of the sixth session of the Board of Directors of Maanshan Iron & Steel Company Limited (the “Company”) was convened on 30 March 2010. Nine directors were eligible for attending the meeting and nine of them attended the meeting. After consideration, the provision of a guarantee of US\$30 million banking credit facilities for its wholly-owned subsidiary Maanshan Iron & Steel (HK) Limited (“HKL”) to open

letters of credit with the Industrial and Commercial Bank of China (Asia) Co., Ltd. was unanimously approved by the directors attending the meeting. The matter is not required to be submitted to the shareholders' meeting for approval pursuant to the relevant provisions of the articles of association of the Company.

As at the date of this announcement, the Company's aggregate amount of external guarantees does not exceed 50% of the latest audited net assets of the Company.

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

The guaranteed party HKL is a wholly-owned subsidiary of the Company, with Mr. Xue Kai as its legal representative and registered capital of HK\$4.8 million. HKL's place of incorporation is Hong Kong and its scope of business covers imports and exports, introduction of technology and equipment and other businesses.

As at 31 December 2009, total assets of HKL amounted to approximately RMB83.98 million, total liabilities amounted to approximately RMB530,000 and net assets amounted to approximately RMB83.45 million. The Company's net profit for 2009 amounted to approximately RMB6.98 million.

## **III. Opinion of the Board of Directors**

HKL is a wholly-owned subsidiary of the Company with good operation results in the past and a sound current financial position. To provide a guarantee to HKL will facilitate it to develop its import business. The Board of Directors has approved to provide to HKL with the above-mentioned banking credit facilities guarantee.

## **IV. The Aggregate Amount of External Guarantees and the Aggregate Amount of Overdue External Guarantees**

As at the date of this announcement, the aggregate amount of the external guarantees of the Company was equivalent to RMB4,062 million and there were no overdue external guarantees. The controlling subsidiaries of the Company have not provided any external guarantees.

## **V. Documents Available for Inspection**

1. Resolutions of the thirteenth meeting of the sixth session of the Board of Directors of the Company;
2. Audited financial statements of HKL for 2009; and
3. A copy of the Business Registration Certificate of HKL.

By Order of the Board of Directors

**Gao Haijian**

*Secretary to the Board of Directors*

30 March 2010

Maanshan City, Anhui Province, the PRC

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

*Executive Directors: Gu Jianguo, Su Jiangang, Gao Haijian, Hui Zhigang*

*Non-executive Director: Zhao Jianming*

*Independent Non-executive Directors: Wong Chun Wa, Su Yong, Hui Leung Wah, Han Yi*