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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: 00323)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

### **ANNOUNCEMENT ON RESOLUTIONS OF THE BOARD OF DIRECTORS**

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.

The third meeting (the “**Meeting**”) of the ninth session of the board of directors (the “**Board**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) was held at the Magang office building on 19 January 2018. There were seven directors eligible for attending the Meeting and seven of them attended the Meeting. Mr. Ding Yi, Chairman of the Board, presided over the Meeting. The following resolutions were considered and approved:

1. Approve the proposal for disposal of retiring assets for the fourth quarter of 2017. The original value of the fixed assets to be retired was approximately RMB930.00 million and the net value was RMB90.18 million.
2. Approve the proposal for disposal of assets at the smelter operational area of Ma Steel (Hefei) Iron & Steel Co., Limited (“**Ma He Company**”), a subsidiary controlled by the Company.

The disposal of assets by Ma He Company can be divided into three main categories by the counterparts and the ways of transactions. The assets were assessed by Zhongming International Assets Appraisal (Beijing) Co., Ltd. and the valuation benchmark date was 30 September 2017. Details of the appraisal result and the disposal proposal are set out below:

- I. Assets proposed to be preserved by the government of Yaohai District, Hefei under the request to preserve industrial heritage based on the planning for the new centre of East Hefei had an original carrying value of RMB273.4565 million and a net value of RMB73.4543 million. The assets were valued at RMB73.1016 million and the impairment was assessed to be RMB352,700. The portion of assets will be expropriated by Hefei Land Reserve Centre at net value and the transfer procedures will be carried out.
- II. Major equipment at the smelter operational area of Ma He Company, such as rolling mills and concasters, had an original carrying value of RMB182.2526 million and a net value of RMB24.2199 million. The assets were valued at RMB21.0087 million and the impairment was assessed to be RMB3.2112 million. The portion of assets will be listed

and sold through Anhui Assets and Equity Exchange, under which auction will be conducted with the appraised value as the auction reserve price to determine the final purchaser.

- III. Apart from the assets involved in the above two proposed transactions, the remaining fixed assets and inventories to be disposed of in the smelter operational area had a net value of RMB361.4144 million in total. They were valued at RMB182.7737 million and the impairment was assessed to be RMB178.6407 million. The portion of assets will be listed and sold through Anhui Assets and Equity Exchange, under which auction will be conducted with the appraised value as the auction reserve price to determine the final purchaser. Given that the smelter operational area must be cleared and transferred by the end of August 2018, and the disposal of such portion of assets involves relatively large amount of consideration as well as vast area of demolition and high difficulty of the demolition, in order to facilitate the assets disposal, Ma He Company intends to provide risk premium of up to RMB50 million to the successful bidder who meets the requirements under national industrial policy and the standards in terms of construction period, safety, environmental protection and stability maintenance. Specific terms and requirements of the subsidy will be set out in the tender document.

In case of unsuccessful auction during the first attempt of assets disposal, reauction will be carried out at 90% of the appraised value after filing and confirming with the State-owned Assets Supervision and Administration Commission of Anhui Province in accordance with relevant regulations. Where the reauction is unsuccessful, the assets will be reappraised and the approval procedure for the disposal will be carried out once again.

The proposal for disposal of assets is to be submitted to and filed with the State-owned Assets Supervision and Administration Commission of Anhui Province.

Pursuant to the requirements under relevant laws, regulations and rules, the Company will continue to comply with the information disclosure obligations in accordance with the progress of assets disposal. Investors are advised to pay attention to the investment risks.

3. Approve the Company to commence the financial derivative hedging business.

The voting results of the above resolutions were as follows: 7 voted in favour, 0 voted against and 0 abstained from voting.

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

19 January 2018  
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, Zhang Wenyang*

*Non-executive Directors: Ren Tianbao*

*Independent Non-executive Directors: Zhang Chunxia, Zhu Shaofang, Wang Xianzhu*