

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



(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.

On 29 August 2019, the twenty-third meeting of the ninth session of the board of directors of Maanshan Iron & Steel Company Limited (the "Company") was held at the Magang Office Building. There were seven directors eligible for attending the meeting and seven of them attended it. The meeting was chaired by Mr. Ding Yi, the chairman of the board of directors. The following resolutions were considered and approved:

- I. The resolutions in relation to the changes in 2019 interim inventory depreciation reserves, changes in bad debt reserves and long-term equity investment impairment provision were approved.
  1. It is approved to reverse inventory depreciation reserves of raw materials, semi-finished products and finished products in an amount of RMB 640.6796 million; the inventory depreciation reserves of raw materials, semi-finished products and finished products are in an amount of RMB 127.2159 million.

The impact of the Company's inventory depreciation reserves on the income and loss of 2019 interim consolidated statement was to increase the profit by RMB 513.4637 million in the consolidated statement.

2. It is approved to reverse receivable bad debts reserves in an amount of RMB 16.987 million; accrue other receivable bad debt reserves in an amount of RMB 0.344 million.

The impact of the Company's receivable bad debt reserves on the income and loss of 2019 interim consolidated statement was to increase the profit by RMB16.643 million in the consolidated statement.

3. It is approved to make provision for long-term equity investment impairment in an amount of EUR73.89 million, equivalent to RMB599.1672 million.

The Company engaged Beijing Tianjian Xingye Assets Appraisal Company Limited to make assessment on the market value of all shareholders' equity of MG-Valdunes S.A.S. ("Valdunes S.A.S."), a wholly-owned subsidiary of the Company. The assessment date was 31 March 2019. The assessment method was the income method. After assessment, the total shareholder equity value of Valdunes S.A.S. on 31 March 2019 was EUR36.31 million.

Pursuant to the assessment results, the Company conducted an impairment test on the long-term equity investment of Valdunes S.A.S.. The initial cost of the long-term equity investment was EUR110.2 million and the equity value was EUR36.31 million. Accordingly, the Company made provision for the long-term equity investment impairment in an amount of EUR73.89 million, equivalent to RMB599.1672 million when the 2019 interim results was announced.

The long-term equity investment impairment had no impact on the consolidated income and loss. In addition, according to the results of the impairment test, Valdunes S.A.S. made provision for the fixed assets impairment of its long-term assets in an amount of EUR13.86 million, equivalent to RMB106 million, in the 2019 interim consolidated financial statements. Its impact on the profit of the 2019 interim consolidated statement was to reduce the profit by RMB106 million.

II. The change of accounting policy was approved.

For details, please refer to "Announcement on Changes in Accounting Policies" published by the Company on the same day.

III. The Company's unaudited interim financial report, and full text and summary of the interim report for 2019 were approved.

IV. The resolution in relation to purchase of land for construction of coke oven project was approved.

The relevant land and ground assets to be acquired by the Company are held by Anhui Magang Chemical Energy Technology Company Limited, a holding subsidiary of Magang Group, the controlling shareholder of the Company. For details, please refer to "Connected Transaction Land Acquisition" published by the Company on the same day.

The above fourth resolution constituted connected transaction matters and the connected directors, Mr. Ding Yi, Mr. Qian Haifan and Mr. Ren Tianbao, abstained from voting. The voting results by non-connected directors were as follows: 4 voted in favour, 0 voted against and 0 abstained from voting. The voting results of the other resolutions were: 7 voted in favour, 0 voted against and 0 abstained from voting.

**Maanshan Iron & Steel Company Limited**  
*Board of Directors*

29 August 2019

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*