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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)

**INSIDE INFORMATION/
OVERSEAS REGULATORY ANNOUNCEMENT
2013 THIRD QUARTERLY REPORT**

This announcement is made pursuant to rules 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICES

- 1.1 The board of directors (the “Board”), the Supervisory Committee, the Directors, the Supervisors and Senior Management of Maanshan Iron & Steel Company Limited (the “Company”) warrant that there are no false representations or misleading statements contained in, or material omissions from, this report; and severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report.
- 1.2 If any director(s) failed to attend the Board meeting to consider the quarterly report, the name(s) of such director(s) and the reason(s) for failing to attend the meeting shall be disclosed separately.

Name of Director not Attending	Position of Director not Attending	Reasons for the Absence of Director	Name of Proxy
Su Shihuai	Director	Other business engagements	Ding Yi

- 1.3 The financial statements contained in this third quarterly report have not been audited, but have been audited and approved by the Company’s Audit Committee.
- 1.4
- | | |
|---|----------------|
| Name of the person-in-charge of the Company | Ding Yi |
| Name of the person overseeing the accounting operations | Qian Haifan |
| Name of the person-in-charge of the Accounting Department | Zhang Qianchun |

Mr. Ding Yi, the person-in-charge of the Company, Mr. Qian Haifan, the person overseeing of accounting operations, and Mr. Zhang Qianchun, the person-in-charge of the Accounting Department, make representations in respect of the truthfulness and completeness of the financial statements contained in this quarterly report.

2 COMPANY PROFILE

2.1 Major accounting data and financial indicators

	<i>Currency: (RMB'000)</i>		
	As at the end of the reporting period	As at the end of the previous year	Increase/(decrease) of the end of the reporting period as compared to the end of the previous year (%)
Total assets	79,843,345	76,011,164	5.04
Owners' equity (or shareholders' equity)	22,700,009	23,126,644	-1.84
	Beginning of the year to the end of the reporting period (January to September)	Beginning of previous year to the end of the previous reporting period (January to September)	Increase/(decrease) as compared to the same period of the previous year (%)
Net cash flows from operating activities	4,084,899	3,372,401	21.13
	Beginning of the year to the end of the reporting period (January to September)	Beginning of previous year to the end of the previous reporting period (January to September)	Increase/(decrease) as compared to the same period of the previous year (%)
Operating income	56,392,085	59,955,423	-5.94
Net profit attributable to shareholders of the Company	-329,374	-3,137,549	Not applicable
Net profit attributable to shareholders of the Company excluding non-recurring gains or losses	-400,623	-3,203,647	Not applicable
Return on net assets – Weighted average (%)	-1.30	-4.86	Increased by 3.56 percentage points
Basic earnings per share (RMB/share)	-0.0428	-0.4074	Not applicable
Diluted earnings per share (RMB/share)	-0.0428	-0.4074	Not applicable

Excluding items and amounts of non-recurring gains or losses:

Item	<i>Unit: Yuan</i> <i>Currency: RMB</i> Amount from the beginning of the year to the end of the reporting period (January to September)
Gains or losses from disposal of non-current assets	-703,136
Subsidy income accounted for in the profit and loss account for the reporting period	41,540,501
Gains or losses on debt restructuring	400,000
Gains or losses from change in fair value	-155,830
Other non-operating income and expenses other than the above items	-1,078,441
Amortisation of deferred income	69,958,122
Income tax effect	-27,447,401
Effect on minority interests (After tax)	-11,264,599
Total	71,249,214

2.2 Total number of shareholders as at the end of the reporting period and table of shareholding of the top ten shareholders of shares not subject to selling restrictions

Unit: Shares

Total number of shareholders as at the end of the reporting period 344,840

Shareholding of the top ten shareholders

Name of shareholder	Type of shareholders	As a Percentage to number of shares held (%)	Total number of shares held	Number of shares held with selling restrictions	Number of pledged or frozen shares
Magang (Group) Holding Company Limited	State-owned shareholder	50.47	3,886,423,927	0	0
HKSCC (Nominees) Limited	Foreign shareholder	22.17	1,707,246,898	0	Unknown
中國建設銀行－鵬華價值優勢股票型證券投資基金	Others	0.69	52,999,969	0	Unknown
張沐城	Others	0.35	27,300,000	0	Unknown
王勇	Others	0.26	19,950,000	0	Unknown
何文華	Others	0.16	11,983,587	0	Unknown
張武	Others	0.12	9,000,000	0	Unknown
白計平	Others	0.11	8,209,900	0	Unknown
肖國文	Others	0.10	7,847,358	0	Unknown
張俊英	Others	0.10	7,520,000	0	Unknown

Shareholding of top ten shareholders without selling restrictions

Name of shareholder	Number of shares held without selling restrictions	Type and number of shares
Magang (Group) Holding Company Limited	3,886,423,927	RMB-denominated ordinary shares
HKSCC (Nominees) Limited	1,707,246,898	Overseas-listed foreign shares
中國建設銀行－鵬華價值優勢股票型 證券投資基金	52,999,969	RMB-denominated ordinary shares
張沐城	27,300,000	RMB-denominated ordinary shares
王勇	19,950,000	RMB-denominated ordinary shares
何文華	11,983,587	RMB-denominated ordinary shares
張武	9,000,000	RMB-denominated ordinary shares
白計平	8,209,900	RMB-denominated ordinary shares
肖國文	7,847,358	RMB-denominated ordinary shares
張俊英	7,520,000	RMB-denominated ordinary shares

Description of any connected relationships or concerted actions among the abovementioned shareholders

There was no connected relationship between Holding and any of the afore-mentioned shareholders, nor were they concerted parties as defined in the Measures on Management of Acquisition for Listed Companies. The Company is not aware of whether the other shareholders mentioned above had connected relationship or whether they were concerned parties.

3 SIGNIFICANT MATTERS

3.1 Details of and reasons for material changes in the major financial statement items and financial indicators of the Company

During the reporting period, economic growth was resumed in major developed countries while the rate of growth was decelerating in emerging economies. At the end of September, the price index for international steel products was 168.20, down 4.16% year-on-year, representing a decrease of 2.81% as compared to the end of June. The domestic economy became stabilized, but there was no significant improvement in the demand for iron and steel. At the end of September, the price index for domestic steel products was 100.57, down 1.84% year-on-year, representing a decrease of 2.08% as compared to the end of June. During the reporting period, prices of raw materials and fuels rebounded, leading to a quarter-on-quarter increase in the Company's consolidated procurement costs.

During the reporting period, the Company and its subsidiaries (the “Group”) produced 476 tonnes of pig iron, 490 tonnes of crude steel and 468 tonnes of steel products, representing year-on-year increase of approximately 7.94%, 11.87% and 13.87% respectively. During the reporting period, under the PRC Accounting Standards, the Group’s operating revenue amounted to RMB19,440 million. Net profit attributable to shareholders of the Company was RMB3.48 million.

In the fourth quarter, the Company will continue to implement the business policy to “maintain stable production, adjust the structure and reduce inventory” and will strengthen quality management, site management and daily cost management to ensure the stable production and business development, and boost continuous enhancement in the quality of physical products and economic operation.

Items with more than 30% changes as compared to the end of 2012 in the consolidated financial statements and the reasons for such changes:

- (1) Notes receivable amounted to RMB11,766,886,640, an increase of 46% as compared to the end of the previous year, mainly due to the increase in notes receivable received by the sales business.
- (2) Interests receivable amounted to RMB3,129,038, a decrease of 35.43% as compared to the end of the previous year, mainly due to the decrease in loan interests receivable by Finance Company from the Group Company.
- (3) Loans and advances amounted to RMB50,593,850, a decrease of 76.53% as compared to the end of the previous year, mainly due to the decrease in the Finance Company’s loans to the Group Company.
- (4) Investment properties amounted to RMB1,441,155, a decrease of 67.25% as compared to the end of the previous year, mainly due to the disposal of Auto-parking, a subsidiary of the Company, during the period, resulting in the decrease in investment properties.
- (5) Construction materials amounted to RMB182,816,640, a decrease of 72.87% as compared to the end of the previous year, mainly due to the increase in the number of projects under construction and in the consumption of construction materials.
- (6) Projects under construction amounted to RMB8,335,518,278, an increase of 46.3% as compared to the end of the previous year, mainly due to increased investment in the projects of the Company and its subsidiaries under construction.
- (7) Deposits taken amounted to RMB1,784,006,943, an increase of 215.66% as compared to the end of the previous year, mainly due to the increase in the Group’s internal deposits taken by Finance Company.
- (8) Short-term borrowings amounted to RMB13,329,263,188, an increase of 36.33% as compared to the end of the previous year, mainly due to increased proportion of settlement method by letter of credit on behalf of overseas parties as a result of purchase of imported ores by the Company during the period.

- (9) Notes payable amounted to RMB7,047,162,703, an increase of 38.28% as compared to the end of the previous year, mainly due to the increase in notes payable issued by the Company for the purchase of raw materials and fuels.
- (10) Accounts receivable in advance amounted to RMB8,027,361,149, an increase of 31.10% as compared to the end of the previous year, mainly due to the increase in loans received in advance by the sales business.
- (11) Payroll payable amounted to RMB324,682,531, an increase of 42.34% as compared to the end of the previous year, mainly due to the increase in the provision for bonuses during the period.
- (12) Interests payable amounted to RMB357,458,306, an increase of 74.14% as compared to the end of the previous year, mainly due to the payment of interests for the Company's short-term financing bonds falling in October of every year, resulting in the increase in interests payable at the end of September.
- (13) Non-current liabilities due within one year amounted to RMB1,843,816,000, an increase of 38.06% as compared to the end of the previous year, mainly due to the increase in long-term loans due within one year.
- (14) Long-term borrowings amounted to RMB4,673,104,000, a decrease of 52.86% as compared to the end of the previous year, mainly due to the Company's repayment of some long-term borrowings with short-term financing during the period.
- (15) Exchange fluctuation reserve amounted to RMB-64,022,450, a decrease of 309.84% as compared to the end of the previous year, mainly due to the depreciation of exchange rates of the book entry currency by some overseas subsidiaries against RMB

Items with more than 30% changes as compared to January to September of 2012 in the consolidated financial statements and the reasons for such changes:

- (1) Business taxes and surcharges amounted to RMB190,395,442, an increase of 63.88% year-on-year, mainly due to the increase in value-added tax payable during the period, thereby resulting in the increase in additional taxes such as urban construction tax.
- (2) Loss from impairment of assets amounted to RMB665,091,178, a decrease of 42.84% year-on-year, mainly due to the year-on-year decrease in the provision for price decreases in inventory during the period.
- (3) Loss from changes in fair value amounted to RMB155,830, an increase of 281.56% year-on-year, mainly due to the fall in the prices of shares of the investees.
- (4) Non-operating expenses amounted to RMB2,398,991, a decrease of 37.67% year-on-year, mainly due to the year-on-year decrease in the loss from disposal of fixed assets and in the penalty and confiscation expenses during the period.
- (5) Net cash outflow from financing activities amounted to RMB1,962,737,848, a decrease of 30.72% year-on-year, mainly due to the decrease in cash paid for debts during the period.

3.2 Progress of significant matters and its impact and solution analysis

1. The Company's proposed disposal to the parent company of some assets related to the non-iron and steel principal business and the entry into related continuing connected transaction agreements

Company has made announcements regarding this matter. For details, please refer to *Shanghai Securities News* dated 19 July, 23 August and 30 October 2013 as well as the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange.

2. Bankruptcy and restructuring involving Masteel Yuyuan Logistics, a subsidiary of the Company

Company has made announcements regarding this matter. For details, please refer to the announcements published in *Shanghai Securities News* on 27 March 2013 and in the Annual Report 2012 on the websites of the Shanghai Stock Exchange and Hong Kong Stock Exchange.

3.3 The warning and explanation in the forecast of the possible aggregate net profits from the beginning of the year to the end of the next reporting period becoming a loss or significant changes over the corresponding period last year

Following the efforts of all staff, the Company's losses decreased substantially year-on-year in the first three quarters of the year. It is very likely for the raw materials and fuels market as well as the steel product market to remain weakly fluctuated in the fourth quarter. It is expected that the Company will not incur such heavy losses as it did in the last fourth quarter. Accordingly, there will be a significant decrease in loss from the Company's aggregate net profits year-on-year.

4 APPENDIX

4.1

Maanshan Iron & Steel Company Limited
Consolidated Balance Sheet
30 September 2013
Unit: RMB

Assets	30 September 2013 Unaudited	31 December 2012 Audited
Current assets:		
Cash and bank balances	7,588,611,344	9,782,424,115
Financial assets held-for-trading	431,290	587,120
Bills receivable	11,766,886,640	8,060,760,260
Trade receivables	1,455,682,708	1,411,927,109
Dividends receivable	46,800,000	46,800,000
Interest receivable	3,129,038	4,846,087
Prepayments	1,751,254,028	2,037,721,944
Other receivables	479,490,761	469,008,747
Inventories	12,443,433,829	11,250,937,262
Loans and advances	50,593,850	215,562,806
Total current assets	35,586,313,488	33,280,575,450
Non-current assets:		
Long-term equity investments	1,275,997,937	1,210,311,409
Investment properties	1,441,155	4,400,618
Fixed assets	31,724,757,038	32,478,798,396
Construction materials	182,816,640	673,731,960
Construction-in-progress	8,335,518,278	5,697,669,676
Intangible assets	2,043,781,632	1,963,421,181
Deferred tax assets	692,718,932	702,255,349
Total non-current assets	44,257,031,612	42,730,588,589
Total assets	79,843,345,100	76,011,164,039

Maanshan Iron & Steel Company Limited
Consolidated Balance Sheet (Cont'd)
30 September 2013
Unit: RMB

Liabilities and shareholders' equity	30 September 2013 Unaudited	31 December 2012 Audited
Current liabilities:		
Deposits taken	1,784,006,943	565,167,982
Financial assets sold or repurchased	487,783,625	494,753,998
Short-term loans	13,329,263,188	9,777,449,423
Bills payable	7,047,162,703	5,096,302,242
Accounts payable	7,005,711,963	7,029,326,670
Deposits received	8,027,361,149	6,122,954,555
Payroll and benefits payable	324,682,531	228,107,066
Taxes payable	(315,123,119)	(331,007,320)
Interests payable	357,458,306	205,268,222
Dividends payable	80,642,412	80,492,522
Other payables	1,165,202,377	1,058,965,107
Non-current liabilities due within one year	<u>1,843,816,000</u>	<u>1,335,542,400</u>
Total current liabilities	<u>41,137,968,078</u>	<u>31,663,322,867</u>
Non-current liabilities:		
Long-term loans	4,673,104,000	9,914,180,000
Bonds payable	8,274,820,293	8,261,992,704
Deferred income	562,406,376	618,997,012
Deferred tax liabilities	<u>38,757,833</u>	<u>40,614,884</u>
Total non-current liabilities	<u>13,549,088,502</u>	<u>18,835,784,600</u>
Total liabilities	<u>54,687,056,580</u>	<u>50,499,107,467</u>
Shareholders' equity:		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,329,067,663	8,329,067,663
Surplus reserves	12,040,790	14,768,610
Retained profits	3,750,928,170	3,750,928,170
General risk reserve	55,650,161	55,650,161
Retained profit	2,915,663,783	3,245,037,973
Exchange fluctuation reserve	<u>(64,022,450)</u>	<u>30,510,424</u>
Total equity attributable to equity holders of the parent company	<u>22,700,009,303</u>	<u>23,126,644,187</u>
Minority interests	<u>2,456,279,217</u>	<u>2,385,412,385</u>
Total shareholders' equity	<u>25,156,288,520</u>	<u>25,512,056,572</u>
Total liabilities and shareholders' equity	<u>79,843,345,100</u>	<u>76,011,164,039</u>

Maanshan Iron & Steel Company Limited
Consolidated Income Statement
For the nine months ended 30 September 2013
Unit: RMB

	July – September 2013 Unaudited	January – September 2013 Unaudited	July – September 2012 Unaudited	January – September 2012 Unaudited
Operating revenue	19,439,522,760	56,392,085,099	19,368,539,202	59,955,422,559
Less: Cost of sales	18,454,227,055	53,698,022,416	19,283,215,276	59,450,978,282
Taxes and surcharges	55,480,015	190,395,442	25,762,145	116,180,135
Selling expenses	105,141,489	288,837,594	88,285,714	268,495,502
Administrative expenses	345,410,141	1,029,072,321	320,086,348	995,789,588
Financial expenses	287,067,787	912,904,122	359,537,061	1,167,620,214
Assets impairment losses	187,260,621	665,091,178	576,632,072	1,163,564,576
Add: Income/(Loss) on changes in fair value	(58,260)	(155,830)	(16,300)	(40,840)
Investment income	35,051,082	104,433,948	34,369,424	87,929,944
Including: Share of profits of associates and a jointly controlled entity	26,131,414	75,652,095	16,884,955	70,323,003
Operating profit/(loss)	39,928,474	(287,959,856)	(1,250,626,290)	(3,119,316,634)
Add: Non-operating income	27,685,764	112,516,037	38,492,468	105,957,781
Less: Non-operating expenses	(656,992)	2,398,991	2,065,089	3,848,681
Including: Net loss on disposal	(999,199)	703,136	2,071,490	1,190,470
Profit/(loss) before tax	68,271,230	(177,842,810)	(1,214,198,911)	(3,017,207,534)
Less: Income tax expense	42,222,399	119,335,527	22,767,758	94,492,726
Net profit/(loss)	<u>26,048,831</u>	<u>(297,178,337)</u>	<u>(1,236,966,669)</u>	<u>(3,111,700,260)</u>
Including: Net profit realized by the merged party in an amalgamation under common control prior to amalgamation amalgamation under common control prior amalgamation to amalgamation	-	-	-	11,496,935
Net profit/(loss) attributable to equity holders of the parent company	3,448,888	(329,374,190)	(1,244,869,504)	(3,137,548,514)
Minority interests	<u>22,599,943</u>	<u>32,195,853</u>	<u>7,902,835</u>	<u>25,848,254</u>

Maanshan Iron & Steel Company Limited
Consolidated Income Statement (Cont'd)
For the nine months ended 30 September 2013
Unit: RMB

	July – September 2013 Unaudited	January – September 2013 Unaudited	July – September 2012 Unaudited	January – September 2012 Unaudited
Earnings per share:				
Basic earnings per share (cents)	<u>0.04</u>	<u>(4.28)</u>	<u>(16.17)</u>	<u>(40.74)</u>
Diluted earnings per share	<u>0.04</u>	<u>(4.28)</u>	<u>(16.17)</u>	<u>(40.74)</u>
Other comprehensive income	<u>(3,189,490)</u>	<u>(94,532,874)</u>	<u>25,791,765</u>	<u>19,299,551</u>
Total comprehensive income	<u>22,859,341</u>	<u>(391,711,211)</u>	<u>(1,211,174,904)</u>	<u>(3,092,400,709)</u>
Including: Total comprehensive income/(loss) attributable to the shareholders of the parent company	<u>259,398</u>	<u>(423,907,064)</u>	<u>(1,219,077,739)</u>	<u>(3,118,248,963)</u>
Total comprehensive income attributable to the minority shareholders	<u>22,599,943</u>	<u>32,195,853</u>	<u>7,902,835</u>	<u>25,848,254</u>

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement
For the nine months ended 30 September 2013
Unit: RMB

	For the nine months ended	
	30 September	
	2013	2012
	unaudited	unaudited
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	63,775,120,780	69,221,484,821
Refunds of tax received	37,458,386	31,484,392
Net increase in sale of financial assets sold or repurchased	(6,970,373)	172,625,784
Net increase in deposits taken	1,218,838,961	–
Cash received from charging interests, fees and commission charged	149,405,638	56,715,063
Cash received relating to other operating activities	3,260,414	11,973,919
	<hr/>	<hr/>
Sub-total of cash inflows	65,177,113,806	69,494,283,979
	<hr/>	<hr/>
Cash paid for goods and services	(54,652,715,305)	(60,550,007,780)
Cash paid to and on behalf of employees	(3,870,940,955)	(3,468,652,328)
Cash paid for all taxes	(1,900,101,058)	(1,330,303,128)
Net increase in deposits in the Central Bank	(366,249,071)	–
Net (decrease)/increase in loans and advances granted	124,968,956	(97,381,771)
Net decrease in deposits taken	–	(302,540,537)
Cash used in the payment of interests, fees and commission	(31,510,950)	(8,627,905)
Cash paid relating to other operating activities	(395,666,201)	(364,369,597)
	<hr/>	<hr/>
Sub-total of cash outflows	(61,092,214,584)	(66,121,883,046)
	<hr/>	<hr/>
Net cash flows from operating activities	4,084,899,222	3,372,400,933
	<hr/>	<hr/>

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement (Cont'd)
For the nine months ended 30 September 2013
Unit: RMB

	For the nine months ended	
	30 September	
	2013	2012
	unaudited	unaudited
2. Cash flows from investing activities:		
Cash received from returns on investments	174,580,960	171,953,086
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	21,343,683	11,913,876
Cash received from the decrease in pledged deposits	-	-
Other cash received in relation to investing	71,781,652	11,280,000
	<hr/>	<hr/>
Sub-total of cash inflows	267,706,295	195,146,962
	<hr/>	<hr/>
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	(4,800,868,163)	(3,252,825,638)
Cash paid for investments	(83,000,000)	(94,618,329)
Net cash from the increase of restricted use of monetary funds	(804,713,141)	(2,223,136,970)
Cash paid for the acquisition of subsidiaries	-	(429,290,736)
	<hr/>	<hr/>
Sub-total of cash outflows	(5,688,581,304)	(5,999,871,673)
	<hr/>	<hr/>
Net cash flows from investing activities	(5,420,875,009)	(5,804,724,711)
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Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement (Cont'd)
For the nine months ended 30 September 2013
Unit: RMB

	For the nine months ended	
	30 September	
	2013	2012
	unaudited	unaudited
3. Cash flows from financing activities:		
Cash received from borrowing	18,368,192,868	27,170,985,265
Cash received from the issuance of company bonds	-	-
Cash received from the absorption of investments	49,000,000	378,000,000
Including: Cash received from the absorption of minority investments by subsidiaries	49,000,000	378,000,000
Sub-total of cash outflows	18,417,192,868	27,548,985,265
Cash repayments of borrowings	(19,538,827,957)	(29,161,119,752)
Cash paid for distribution of dividend, profits or interest expenses	(841,102,759)	(1,220,820,893)
Including: dividends and profits paid by subsidiaries to minority shareholders	(10,329,021)	(20,261,168)
Sub-total of cash outflows	(20,379,930,716)	(30,381,940,645)
Net cash flows from financing activities	(1,962,737,848)	(2,832,955,380)
4. Effect of foreign exchange rate changes on cash and cash equivalents	(66,061,346)	6,035,798
5. Net increase/(decrease) in cash and cash equivalents	(3,364,774,981)	(5,259,243,360)
Add: Balance of cash and cash equivalents at beginning of period	6,629,796,092	9,302,476,206
6. Balance of cash and cash equivalents at end of period	3,265,021,111	4,043,232,846

Maanshan Iron & Steel Company Limited

Balance Sheet

30 September 2013

Unit: RMB

Assets	30 September 2013 Unaudited	31 December 2012 Audited
Current assets:		
Cash and bank balances	6,310,423,368	6,359,785,755
Financial assets held-for-trading	431,290	587,120
Bills receivable	6,557,561,435	5,001,092,227
Trade receivables	1,989,510,893	1,785,315,692
Dividends receivable	64,487,460	66,475,194
Interests receivable	–	5,159,705
Prepayments	1,649,627,722	1,044,242,745
Other receivables	331,366,928	279,377,529
Inventories	7,705,387,691	8,172,351,955
	24,608,796,787	22,714,387,922
Non-current assets:		
Long-term equity investments	6,770,190,377	6,708,697,609
Investment properties	16,783,888	17,188,937
Fixed assets	25,763,329,795	27,725,274,143
Construction materials	155,288,561	350,239,732
Construction-in-progress	5,664,476,409	4,115,011,626
Intangible assets	1,124,968,793	1,148,988,370
Deferred tax assets	662,169,377	679,495,010
	40,157,207,200	40,744,895,427
Total non-current assets	40,157,207,200	40,744,895,427
Total assets	64,766,003,987	63,459,283,349

Maanshan Iron & Steel Company Limited
Consolidated Balance Sheet (Cont'd)
30 September 2013
Unit: RMB

Liabilities and shareholders' equity	30 September 2013 Unaudited	31 December 2012 Audited
Current liabilities:		
Short-term loans	5,458,331,542	4,970,468,532
Bills payable	3,190,018,000	1,552,887,366
Accounts payable	10,431,440,222	7,982,070,150
Deposits received	5,632,668,696	4,595,208,580
Payroll and benefits payable	250,872,273	119,617,400
Taxes payable	(97,558,310)	(217,257,558)
Interests payable	329,402,847	207,613,733
Dividends payable	6,296,662	6,146,772
Other payables	795,781,777	809,058,988
Non-current liabilities due within one year	1,825,616,000	1,335,542,400
	<hr/>	<hr/>
Total current liabilities	27,822,869,709	21,361,356,363
	<hr/>	<hr/>
Non-current liabilities:		
Long-term loans	6,903,844,000	11,817,407,500
Bonds payable	8,274,820,293	8,261,992,704
Deferred income	536,495,908	592,659,282
	<hr/>	<hr/>
Total non-current liabilities	15,715,160,201	20,672,059,486
	<hr/>	<hr/>
Total liabilities	43,538,029,910	42,033,415,849
	<hr/>	<hr/>
Shareholders' equity:		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,338,358,399	8,338,358,399
Surplus reserves	2,964,168,101	2,964,168,101
Retained profits	2,224,766,391	2,422,659,814
	<hr/>	<hr/>
Total shareholders' equity	21,227,974,077	21,425,867,500
	<hr/>	<hr/>
Total liabilities and shareholders' equity	64,766,003,987	63,459,283,349
	<hr/> <hr/>	<hr/> <hr/>

Maanshan Iron & Steel Company Limited
Consolidated Income Statement
For the nine months ended 30 September 2013
Unit: RMB

	July – September 2013 Unaudited	January – September 2013 Unaudited	July – September 2012 Unaudited	January – September 2012 Unaudited
Operating revenue	13,353,492,985	41,759,677,212	14,249,844,520	46,469,631,028
Less: Cost of sales	12,746,016,245	40,143,286,881	14,387,791,493	46,851,063,890
Taxes and surcharges	38,456,082	146,835,796	14,175,033	73,115,658
Selling expenses	55,605,804	164,007,933	62,844,083	199,477,628
Administrative expenses	224,812,260	667,471,697	203,876,731	640,052,715
Financial expenses	237,590,127	778,244,356	337,760,921	1,017,826,353
Assets impairment losses	172,260,620	650,637,006	571,523,329	1,128,182,146
Add: Loss on changes in fair value	(58,260)	(155,830)	(16,300)	(40,840)
Investment income	466,828,046	545,643,141	48,351,805	256,173,542
Including: Share of profits of associates and a jointly controlled entity	26,131,414	77,597,768	16,884,955	77,699,950
Operating profit/(loss)	345,521,633	(245,319,146)	(1,279,791,565)	(3,183,954,660)
Add: Non-operating income	22,436,720	67,394,951	19,790,253	60,973,232
Less: Non-operating expenses	750,104	2,607,515	748,433	1,498,684
Including: Net loss/(gain) on disposal of non-current assets	672,412	2,084,428	1,790,229	547,813
Profit/(loss) before tax	367,208,249	(180,531,710)	(1,260,749,745)	(3,124,480,112)
Less: Income tax expense	14,758	17,361,713	20,532	3,057,100
Net profit/(loss)	367,193,491	(197,893,423)	(1,260,770,277)	(3,127,537,212)
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	367,193,491	(197,893,423)	(1,260,770,277)	(3,127,537,212)

Maanshan Iron & Steel Company Limited
Cash Flow Statement
For the nine months ended 30 September 2013
Unit: RMB

	For the nine months ended	
	30 September	
	2013	2012
	unaudited	unaudited
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	47,884,384,155	53,037,200,093
Cash received relating to other operating activities	53,791	–
	<hr/>	<hr/>
Sub-total of cash inflows	47,884,437,946	53,037,200,093
	<hr/>	<hr/>
Cash paid for goods and services	(37,241,688,593)	(47,753,484,732)
Cash paid to and on behalf of employees	(2,778,696,585)	(2,707,435,219)
Cash paid for all taxes	(1,244,527,184)	(646,344,222)
Cash paid relating to other operating activities	(395,874,725)	(368,242,653)
	<hr/>	<hr/>
Sub-total of cash inflows	(41,660,787,087)	(51,475,506,826)
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	6,223,650,859	1,561,693,267
	<hr/>	<hr/>
2. Cash flows from investing activities:		
Cash received from returns on investments	625,277,421	300,926,670
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	21,343,683	11,913,876
Other cash received related to investing activities	30,241,152	11,280,000
	<hr/>	<hr/>
Sub-total of cash inflows	676,862,256	324,120,546
	<hr/>	<hr/>
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	(2,231,055,517)	(1,237,233,570)
Cash paid for investments	(83,000,000)	(1,512,800,607)
Net cash from increase of restricted use of monetary funds	(97,295,110)	(800,000,000)
	<hr/>	<hr/>
Sub-total of cash outflows	(2,411,350,627)	(3,550,034,177)
	<hr/>	<hr/>
Net cash flows from investing activities	(1,734,488,371)	(3,225,913,631)
	<hr/>	<hr/>

Maanshan Iron & Steel Company Limited
Cash Flow Statement (Cont'd)
For the nine months ended 30 September 2013
Unit: RMB

	For the nine months ended	
	30 September	
	2013	2012
	unaudited	unaudited
3. Cash flows from financing activities:		
Cash received from borrowings	10,037,872,034	22,838,945,489
Cash received from the issuance of company bonds	—	—
	<hr/>	<hr/>
Sub-total of cash inflows	10,037,872,034	22,838,945,489
	<hr/>	<hr/>
Cash repayments of borrowings	(13,963,145,378)	(21,459,707,222)
Cash paid for distribution of dividend, profits or interest expenses	(738,961,797)	(1,060,450,405)
	<hr/>	<hr/>
Sub-total of cash outflows	(14,702,107,175)	(22,520,157,627)
	<hr/>	<hr/>
Net cash flows from financing activities	(4,664,235,141)	318,787,862
	<hr/>	<hr/>
4. Effect of foreign exchange rate changes on cash and cash equivalents	28,415,158	(13,263,752)
	<hr/>	<hr/>
5. Net increase/(decrease) in cash and cash equivalents	(146,657,495)	(1,358,696,254)
	<hr/>	<hr/>
Add: Balance of cash and cash equivalents at beginning of period	5,559,785,755	4,768,791,715
	<hr/>	<hr/>
6. Balance of cash and cash equivalents at end of period	5,413,128,260	3,410,095,461
	<hr/> <hr/>	<hr/> <hr/>

4.2. Change in accounting policy and its effect

During the period, there is no change to the Group's accounting policies or accounting estimates as compared to the latest financial reports.

4.3. Change in the scope of consolidation

During the period, there is no change to the consolidation scope of the Group's financial statements as compared to the latest financial reports.

By order of the Board
Ding Yi
Chairman
Maanshan Iron & Steel Company Limited

29 October 2013

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, Ren Tianbao

Non-executive Director: Su Shihuai

Independent Non-executive Directors: Qin Tongzhou, Yang Yada, Liu Fangduan