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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)

ANNOUNCEMENT ON ADJUSTMENT IN DEPRECIATION PERIOD OF FIXED ASSETS

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 30 March 2016, the resolution on the adjustment in depreciation period of fixed assets of Anhui Chang Jiang Iron and Steel Co., Ltd (“Chang Jiang Steel”) was considered and approved at the nineteenth meeting of the eighth session of the Board (the “**Meeting**”) of Maanshan Iron & Steel Company Limited (the “**Company**”). The voting result on the above resolution was as follows: 7 voted in favour, 0 voted against and 0 abstained from voting. Chang Jiang Steel is a subsidiary controlled by the Company, in which the Company holds a 55% interest.

1. OVERVIEW OF ACCOUNTING ESTIMATE CHANGES

According to the provisions of Accounting Standards for Business Enterprises and the actual use of the fixed assets of Chang Jiang Steel, the Company re-verified the actual service life of various fixed assets of Chang Jiang Steel and decided to adjust the depreciation period of several fixed assets effective from 1 April 2016 as per the specific plan below:

Class of Fixed Assets	Depreciation Period (Year) before Adjustment	Depreciation Period (Year) after Adjustment
Buildings & Structures	20	30
Equipment	10	15
Transportation Equipment	5	8
Office (Electronics) equipment	10	5

2. EXPLANATION ON ACCOUNTING ESTIMATE CHANGES

During the “12th-Five-Year Plan” period, Chang Jiang Steel’s investment in the elimination of obsolete production facilities and upgrading and renovating fixed assets reached RMB 4.5 billion, which will enhance their performance and life cycle. Based on the appraisal and review of anticipated service years, estimated residual value and depreciation method of fixed

assets, the Company permitted Chang Jiang Steel to change the depreciation period of fixed assets. After the adjustment, the depreciation period and depreciation rate of fixed assets of similar types of Chang Jiang Steel still rank in the medium level of other steel enterprises.

The fixed assets of Chang Jiang Steel included in this appraisal and review include: the fixed assets used by the sintering plant, iron mills, steel mills, steel rolling mills, power plant, machine repair factory, transportation department and various directly-subordinated departments, which cover 4,006 items of fixed assets with original value of RMB5.626 billion. The field check covers more than 90% of the total original value of assets within the scope of appraisal and review.

3. EFFECT OF ACCOUNTING ESTIMATE CHANGES ON THE COMPANY

According to the provisions of Accounting Standards for Business Enterprises, Chang Jiang Steel adopted prospective application to make these changes in accounting estimates. These accounting estimate changes will be effective from 1 April 2016. Based on the estimates, the adjustment of depreciation period on fixed assets is expected to reduce Chang Jiang Steel's depreciation expenses of fixed assets by RMB106.33 million from April to December 2016; and to increase its owners' equities and net profits by RMB106.33 million in the financial year of 2016.

4. OPINIONS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is of the view that the above-mentioned resolution is in compliance with the relevant requirements of the laws, regulations and the provisions of Accounting Standards for Business Enterprises, and conform to the Company's actual production and operation conditions. The consideration procedure is also in compliance with the relevant requirements of the laws and regulations. No action that may harm the interest of the Company and its shareholders is found.

5. OPINIONS OF INDEPENDENT DIRECTORS

Independent directors are of the view that these accounting estimate changes comply with the relevant state laws, regulations and the provisions of Accounting Standards for Business Enterprises, and conform to actual using conditions of the fixed assets of Chang Jiang Steel. The reasons for adjustment are authentic and reliable. The adjustment does no harm to the interests of shareholders. The changed accounting information is more scientific and reasonable, and can fairly reflect Chang Jiang Steel's financial status and operating results. The considering and voting procedures of the Board comply with the relevant laws, regulations and the provisions of Articles of Association. Independent directors approve the resolution of the Board on adjusting the depreciation period of fixed assets of Chang Jiang Steel.

6. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions of the Board signed by directors present at the meeting;
2. Opinions of independent directors signed by independent directors;
3. Resolutions of the Supervisory Committee signed by supervisors present at the meeting;
4. Opinions of auditors.

The Board
Maanshan Iron & Steel Company Limited

30 March 2016
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