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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
2016 THIRD QUARTERLY REPORT**

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.

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 All members of the Board attended the Board meeting to review this quarterly report.
- 1.3 Mr. Ding Yi, the person-in-charge of the Company; Mr. Qian Haifan, the person overseeing accounting operations; and Mr. Xing Qunli, the person-in-charge of the Accounting Department, make representations in respect of the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The financial statements contained in this third quarterly report have not been audited, but have been considered and approved by the Audit Committee.

2. MAJOR ACCOUNTING DATA AND MOVEMENT IN SHAREHOLDERS

2.1 Major accounting data

Unit: '000 Currency: RMB

	As at the end of the reporting period	As at the end of previous year	Increase/(decrease) at the end of the reporting period as compared with the end of the previous year (%)
Total assets	62,627,460	62,454,466	0.28
Net assets attributable to equity holders	19,271,651	18,455,838	4.42
	From the beginning of the year to the end of the reporting period (January – September)	From the beginning of previous year to the end of the reporting period of the previous year (January– September)	Increase/(decrease) as compared with the same period of the previous year (%)
Net cash flows from operating activities	2,279,947	3,033,560	-24.84
Revenue	32,991,403	34,726,380	-5.00
Net profit attributable to equity holders of the Company	759,429	-2,575,382	-
Net profit excluding non-recurring gains or losses attributable to equity holders of the Company	710,187	-2,762,562	-
Return on net assets (weighted average) (%)	4.03	-11.71	Increased by 15.74 percentage points
Basic earnings per share (RMB/share)	0.0986	-0.3344	-
Diluted earnings per share (RMB/share)	0.0986	-0.3344	-

Items and amount of non-recurring gains or losses

✓ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the reporting period (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)
Profit/(losses) from disposal of non-current assets	-86,891.48	-909,376.48
Government subsidies recognized in current gains/ losses (excluding those having close relationship with the Company's normal business, conforming to the national policies and regulations and enjoying ongoing fixed amount or quantity according to certain standard)	22,422,552.18	161,388,692.18
In addition to effective hedging business related to normal operations of the Company, changes in fair value of trading financial assets and trading financial liabilities held, as well as the return on investment generated from the disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets	2,776,457.65	15,588,747.65
Non-operating income and expenses other than the above items	1,373,668.87	1,873,173.87
Other profit and losses items in line with the definition of non-recurring gains or losses	0	-152,568,484.00
Impact of income tax	14,048,845.72	-2,236,661.28
Impact of minority interests (after tax)	25,742,276.97	26,105,560.97
Total	66,276,909.91	49,241,652.91

2.2 Total number of shareholders and table of shareholdings of the top ten shareholders and the top ten public shareholders (or shareholders without selling restrictions) as at the end of the reporting period

Unit: Share

Total number of shareholders 267,674

Shareholdings of the top ten shareholders

Name of shareholder (Full name)	Number of shareholding at the end of the reporting period	Percentage (%)	Number of shares under restricted condition for sales	Number of pledged or frozen shares		Type of shareholders
				Status	Volume	
Magang (Group) Holding Co., Limited	3,506,467,456	45.53	0	Nil	0	State-owned shareholder
Hong Kong Securities Clearing Company Nominees Limited	1,710,404,900	22.21	0	Unknown	Unknown	Foreign shareholder
Central Huijin Investment Ltd.	142,155,000	1.85	0	Unknown	Unknown	Others
China Securities Finance Corporation Limited	88,096,538	1.14	0	Unknown	Unknown	Others
Industrial and Commercial Bank of China Limited – GF Industry Leaders Mixed Assets Fund	33,757,238	0.44	0	Unknown	Unknown	Others
Bosera Funds – Agricultural Bank of China (ABC) – Bosera China Securities Finance Asset Management Plan	33,609,200	0.44	0	Unknown	Unknown	Others
Dacheng Fund – ABC – Dacheng China Securities Finance Asset Management Plan	33,609,200	0.44	0	Unknown	Unknown	Others
ICBCCS – ABC – ICBCCS China Securities Finance Asset Management Plan	33,609,200	0.44	0	Unknown	Unknown	Others
GF Fund Management – ABC – GF China Securities Finance Asset Management Plan	33,609,200	0.44	0	Unknown	Unknown	Others
China AMC – ABC – China AMC China Securities Finance Asset Management Plan	33,609,200	0.44	0	Unknown	Unknown	Others

Shareholding of top ten shareholders without selling restrictions

Name of shareholder	Number of shares without selling restrictions	Type and number of shares	
		Type	Number
Magang (Group) Holding Co., Limited	3,506,467,456	RMB-denominated ordinary shares	3,506,467,456
Hong Kong Securities Clearing Company Nominees Limited	1,710,404,900	Overseas-listed shares	1,710,404,900
Central Huijin Investment Ltd.	142,155,000	RMB-denominated ordinary shares	142,155,000
China Securities Finance Corporation Limited	88,096,538	RMB-denominated ordinary shares	88,096,538
Industrial and Commercial Bank of China Limited – GF Industry Leaders Mixed Assets Fund	33,757,238	RMB-denominated ordinary shares	33,757,238
Bosera Funds – Agricultural Bank of China (ABC) – Bosera China Securities Finance Asset Management Plan	33,609,200	RMB-denominated ordinary shares	33,609,200
Dacheng Fund – ABC – Dacheng China Securities Finance Asset Management Plan	33,609,200	RMB-denominated ordinary shares	33,609,200
ICBCCS – ABC – ICBCCS China Securities Finance Asset Management Plan	33,609,200	RMB-denominated ordinary shares	33,609,200
GF Fund Management – ABC – GF China Securities Finance Asset Management Plan	33,609,200	RMB-denominated ordinary shares	33,609,200
China AMC – ABC – China AMC China Securities Finance Asset Management Plan	33,609,200	RMB-denominated ordinary shares	33,609,200

Notes on the above shareholders' affiliated relation or concerned action

Magang (Group) Holding Co., Ltd. has no affiliated relation with any of the other foregoing shareholders, nor is it a person acting in concerned action; however, it is not in the knowledge of the Company whether there is any affiliated relation among other foregoing shareholders and whether they are persons acting in concerned action.

III. SIGNIFICANT MATTERS

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

✓ Applicable Not Applicable

During the reporting period, China's GDP increased by 6.7% year-on-year, representing a slowdown in growth. At the end of September, the price index for domestic steel products was 75.56, representing an increase of 23.48% year-on-year. During the reporting period, there were minimal fluctuations in steel price, while the price of iron ore and coking coal recorded a clear rebound. The Company's profit decreased on a quarter-on-quarter basis.

During the reporting period, the Company and its subsidiaries (the "Group") produced an aggregate of 4.44 million tonnes of pig iron, 4.67 million tonnes of crude steel and 4.46 million tonnes of steel products, representing a year-on-year decrease of 7.67%, 5.96% and 7.59%, respectively. During the period from January to September, the Group produced an aggregate of 12.87 million tonnes of pig iron, 13.59 million tonnes of crude steel and 12.93 million tonnes of steel products, representing a year-on-year decrease of 4.59%, 3.75% and 6.00%, respectively. According to the PRC Accounting Standards, the Group's operating revenue amounted to RMB32,991 million. Net profit attributable to shareholders of the Company was RMB759 million.

In the fourth quarter, the Company will continue to implement its operating strategy of "full loading, structural adjustment, stabilised production, cost control" by reducing cost on the basis of assuring stable and smooth production, while grasping market opportunities to keep adjusting product structure at the same time.

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

- (1) Financial assets at fair value through profit or loss decreased by 51.43% as compared to the end of last year, mainly due to the reduced holding of financial products of Ever-bright Bank by Magang Group Finance Co., Ltd. ("Finance Company").
- (2) Dividends receivable amounted to RMB17,280,000 as compared to zero at the end of last year, mainly due to the cash dividend allocation declared by our associate, Jinma Energy.

- (3) Financial assets purchased with agreement to resale amounted to RMB471,000,000 as compared to zero at the end of last year, mainly due to the launch of reverse repurchase business by the Finance Company in this period.
- (4) Loans and advances to customers increased by 62.97% as compared to the end of last year, mainly due to an increase in the amount of bill discount given by the Finance Company to the external members' units of the Group.
- (5) Other current assets dropped by 33.56% as compared to the end of last year, mainly due to a decrease in input value-added tax as compared to the end of last year.
- (6) Financial assets available for sale increased by 323.31% as compared to the end of last year, mainly due to an increase in purchase of policy financial bonds and enterprise bonds by the Finance Company in this period.
- (7) Investment properties increased by 369% as compared to the end of last year, mainly due to the introduction of investment properties in this period.
- (8) Deposits taken increased by 38.56% as compared into the end of last year, mainly due to the deposit of special rewards and subsidies to the Finance Company by Magang (Group) Holding Co., Ltd.
- (9) Financial assets sold for repurchase amounted to RMB24,000,000 as compared to zero at the end of last year, mainly due to an increase in bill rediscount with the Central Bank by the Finance Company in this period.
- (10) Financial liabilities at fair value through profit or loss amounted to –RMB189,688 as compared to zero at the end of last year, mainly due to the changes in the fair value of forward exchange rate hedging in this period.
- (11) Bills payable decreased by 39.85% as compared to the end of last year, mainly due to the increase in adoption of settlement method of bills receivable endorsement in this year, thus reduced the issuance of bills payable.

- (12) Advance from customers increased by 36.91% as compared to the end of last year, mainly due to the rise in steel price and steel prepayment by customers in this period.
- (13) Tax payable increased by 43.24% as compared to the end of last year, mainly due to the increase in outstanding tax payable at the end of this period as compared to the end of last year.
- (14) Interest payable decreased by 88.24% as compared to the end of last year, mainly due to the payment of interests of corporate bonds and interim bills, together with the prepaid interest of some financing products in this period.
- (15) Special reserves increased by 54.9% as compared to the end of last year, mainly due to the withdrawal of safety production fee exceeded the actually used amount.
- (16) Accumulated loss decreased by 55.49% as compared to the end of last year, mainly due to the profit of the Group in this period.

Items with more than 30% changes from the beginning of the year to the reporting period as compared to the same period of last year in the consolidated financial statements and the reasons for such changes:

- (1) Gain from changes in fair value amounted to RMB23,280,593 as compared to zero for the same period of last year, mainly due to gain from futures hedge and gain from the purchase of financial products by the Finance Company in this period.
- (2) Investment income increased by 95.43% as compared to the same period of last year, mainly due to an increase in net profit of the associates and joint ventures as compared to the same period of last year.
- (3) Non-operating income decreased by 40.43% as compared to the same period of last year, mainly due to a decrease in government subsidies in this period.
- (4) Non-operating expenses decreased by 83.7% as compared to the same period of last year, mainly due to the impact of compensation by Maanshan Iron & Steel Company Limited (Shanghai) Trade Co., Ltd in respect of the litigation judgment.
- (5) Income tax expenses decreased by 59.1% as compared to the same period of last year, mainly due to a decrease in deferred income tax expenses of this period as compared to the same period of last year.

- (6) Net profit attributable to shareholders of the parent company amounted to RMB759,428,563, representing an increase of 129.49% in profit as compared to the same period of last year, mainly due to an increase of gross profit of products in this period.
- (7) Profit attributable to minority interests amounted to RMB7,937,882, representing an increase of 103.79% in profit as compared to the same period of last year, mainly due to an increase in profit of non-wholly owned subsidiaries in this period as compared to the same period of last year.
- (8) Differences in the conversion of foreign currencies in financial statements increased by 224.78% as compared to the same period of last year, mainly due to the currencies used by foreign subsidiaries have strengthened against Renminbi.
- (9) Cash net inflows arising from operating activities decreased by 24.84% as compared to the same period of last year, mainly due to a decrease in payables from operating activities and an increase in inventories.
- (10) Cash net outflows arising from investing activities increased by 29.84% as compared to the same period of last year, mainly due to an increase in cash paid for acquisitions of fixed assets in this period.
- (11) Cash net outflows arising from financing activities increased by 175.97% as compared to the same period of last year, mainly due to a decrease in drawdown of loans and that the capital inflow from the issuance of short-term financing bonds was less than the capital outflow for the repayment of corporate bonds.

3.2 Analysis on progress, impacts and solutions of significant matters

Applicable Not Applicable

3.3 Fulfillment of commitments by the company and shareholders holding more than 5% of shares

Applicable Not Applicable

By a letter sent to the Company dated 24 July 2015, the controlling shareholder stated its plan to further acquire A Shares of the Company of not less than RMB409 million at an appropriate price through its wholly-owned subsidiary in compliance with the applicable laws and regulations, and undertook that the shares acquired would not be sold within six months after the completion of the further acquisition plan. For details, please refer to “Announcement on Intended Increase in Shareholding of the Company’s A Shares by the Controlling Shareholder” published on 25 July 2015. Website: <http://www.sse.com.cn>; <http://www.hkexnews.hk>.

The operation of Magang (Group) Holding Co., Ltd. recorded better since January to September 2016, turning from deficits to profit. However, due to the downside in macroeconomic growth and steel production and other factors, it was still weak in earnings basis and its cash position was difficult. It was hard to raise required fund to carry out the plan by far. Magang (Group) Holding Co., Ltd. will strive to enhance its funding capability in the premise to ensure the steady fund operation to implement the plan in compliance with the laws and regulations and strictly carry out its disclosure obligations.

3.4 The warning and explanation for 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.

Applicable Not Applicable

The Company expects that it will record cumulative profit for the period from the beginning of this year to the end of next reporting period. This is mainly because the Company has recorded profits in the first three quarters and the raw materials and steel markets are expected to remain relatively stable in the fourth quarter, thus will not adversely affect the Group.

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

27 October 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

4. APPENDIX

4.1 Financial Statement

Maanshan Iron & Steel Company Limited
Consolidated Statement of Financial Position
30 September 2016
Renminbi Yuan

Item	30 September 2016 Unaudited	31 December 2015 Audited
CURRENT ASSETS		
Cash and bank balances	4,420,034,685	5,142,711,482
Financial assets at fair value through profit or loss	488,294,000	1,005,271,054
Bills receivable	4,158,593,054	4,689,129,290
Trade receivable	690,571,963	796,986,661
Prepayments	605,735,881	634,407,421
Interest receivable	1,128,498	1,600,176
Dividends receivable	17,280,000	–
Other receivables	175,854,207	190,348,070
Financial assets purchased with agreement to re-sale	471,000,000	–
Inventories	7,569,414,336	6,018,495,505
Loans and advances to customers	1,194,394,754	732,913,869
Other current assets	630,178,271	948,518,258
Total current assets	20,422,479,649	20,160,381,786
NON-CURRENT ASSETS		
Available-for-sale financial investments	545,792,329	128,934,410
Long term equity investments	1,132,503,042	1,029,853,507
Investment properties	292,450,236	62,356,583
Property, plant and equipment	34,571,900,672	34,605,411,096
Construction in progress	3,504,759,891	4,245,762,868
Intangible assets	1,847,907,241	1,891,358,160
Deferred tax assets	309,666,614	330,407,545
Total non-current assets	42,204,980,025	42,294,084,169
Total assets	62,627,459,674	62,454,465,955

Maanshan Iron & Steel Company Limited
Consolidated Statement of Financial Position (Continued)
30 September 2016
Renminbi Yuan

Item	30 September 2016 Unaudited	31 December 2015 Audited
CURRENT LIABILITIES		
Short term loans	7,977,602,309	6,791,359,472
Deposits and deposits by bank	2,634,554,422	1,901,390,488
Financial liabilities at fair value through profit or loss	-189,688	-
Bill payable	3,214,321,415	5,343,906,398
Accounts payable	6,713,749,438	6,144,664,281
Advance from customers	3,563,046,332	2,602,554,258
Repurchase agreements of financial assets sold	24,000,000	-
Payroll and employee benefits payable	228,196,716	274,614,723
Taxes payable	214,714,530	149,898,321
Interest payable	17,731,702	150,829,308
Dividends payable	6,525,534	6,525,534
Other payables	1,410,429,172	1,258,463,513
Non-current liabilities due within one year	3,729,148,608	5,084,859,415
Accrued liabilities	26,191,286	22,232,713
Total current liabilities	29,760,021,776	29,731,298,424
NON-CURRENT LIABILITIES		
Long term loans	5,854,945,824	6,655,171,584
Bonds payable	3,985,666,667	3,979,666,667
Long-term employee benefits payable	30,990,576	28,857,389
Deferred income	1,390,449,179	1,285,164,299
Deferred tax liabilities	36,536,311	32,704,732
Total non-current liabilities	11,298,588,557	11,981,564,671
Total liabilities	41,058,610,333	41,712,863,095
OWNERS' EQUITY		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,329,067,663	8,329,067,663
Other comprehensive income	-116,957,851	-165,450,551
Special reserve	22,266,356	14,374,213
Surplus reserve	3,843,231,617	3,843,231,617
General reserve	102,539,024	102,539,024
Accumulated loss	-609,176,574	-1,368,605,137
Total equity attributable to owners of the parent company	19,271,651,421	18,455,838,015
Non-controlling interests	2,297,197,920	2,285,764,845
Total owners' equity	21,568,849,341	20,741,602,860
Total liabilities and owners' equity	62,627,459,674	62,454,465,955

Legal Representative:
Ding Yi

Chief Accountant:
Qian Haifan

Head of Accounting:
Xing Qunli

Maanshan Iron & Steel Company Limited
Statement of Financial Position of Parent Company
30 September 2016
Renminbi Yuan

Item	30 September 2016 Unaudited	31 December 2015 Audited
CURRENT ASSETS		
Cash and bank balances	4,209,915,712	4,531,034,025
Financial assets at fair value through profit or loss	29,791,860	3,145,560
Bills receivable	3,813,125,876	3,751,615,186
Trade receivable	1,543,176,485	1,563,775,000
Prepayments	370,501,260	371,248,500
Dividends receivable	24,505,723	7,225,723
Other receivables	105,109,587	246,097,801
Inventories	5,396,125,197	4,348,287,858
Other current assets	294,632,327	557,052,098
Total current assets	15,786,884,027	15,379,481,751
NON-CURRENT ASSETS		
Available-for-sale financial investments	126,722,160	126,722,160
Long term equity investments	6,996,427,307	6,830,479,397
Investment properties	307,602,918	75,681,866
Property, plant and equipment	26,352,724,257	25,954,686,393
Construction in progress	3,092,272,810	4,025,657,145
Intangible assets	948,869,061	971,003,316
Deferred tax assets	235,631,443	314,216,637
Total non-current assets	38,060,249,956	38,298,446,914
Total assets	53,847,133,983	53,677,928,665

Maanshan Iron & Steel Company Limited
Statement of Financial Position of Parent Company (Continued)
30 September 2016
Renminbi Yuan

Item	30 September 2016 Unaudited	31 December 2015 Audited
CURRENT LIABILITIES		
Short term loans	5,251,521,072	831,000,000
Financial liabilities at fair value through profit or loss	-189,688	-
Bills payable	2,284,387,412	3,981,623,516
Accounts payable	6,777,138,155	8,853,140,561
Advances from customers	2,516,779,690	2,132,448,152
Payroll and employee benefits payable	119,072,485	180,534,218
Taxes payable	143,862,566	50,206,106
Interest payable	15,391,509	147,852,499
Dividends payable	6,525,534	6,525,534
Other payables	993,547,441	1,001,923,405
Non-current liabilities due within one year	<u>3,729,148,608</u>	<u>5,084,859,415</u>
Total current liabilities	<u>21,837,184,784</u>	<u>22,270,113,406</u>
NON-CURRENT LIABILITIES		
Long term loans	8,890,605,276	9,289,847,408
Bonds payable	3,985,666,667	3,979,666,667
Deferred Income	<u>672,295,783</u>	<u>596,438,001</u>
Total non-current liabilities	<u>13,548,567,726</u>	<u>13,865,952,076</u>
Total liabilities	<u>35,385,752,510</u>	<u>36,136,065,482</u>
SHAREHOLDERS' EQUITY		
Share capital	7,700,681,186	7,700,681,186
Capital reserve	8,338,358,399	8,338,358,399
Special reserve	-193,708	-1,517,185
Surplus reserve	2,993,175,001	2,993,175,001
Accumulated loss	<u>-570,639,405</u>	<u>-1,488,834,218</u>
Total shareholders' equity	<u>18,461,381,473</u>	<u>17,541,863,183</u>
Total liabilities and shareholders' equity	<u>53,847,133,983</u>	<u>53,677,928,665</u>

Legal Representative:
Ding Yi

Chief Accountant:
Qian Haifan

Head of Accounting:
Xing Qunli

Maanshan Iron & Steel Company Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the nine months ended 30 September 2016
Renminbi Yuan

	July-September Unaudited 2016	July-September Unaudited 2015	January-September Unaudited 2016	January-September Unaudited 2015
Total operating revenue	11,990,240,146	11,278,859,355	32,991,402,706	34,726,380,048
Including: Operating revenue	11,990,240,146	11,278,859,355	32,991,402,706	34,726,380,048
Total operating cost	11,733,825,557	12,819,768,343	32,462,714,936	37,626,112,101
Including: Cost of sales	10,751,281,887	11,701,621,787	28,928,589,376	34,325,912,817
Business taxes and surcharges	41,557,557	21,677,531	147,144,504	147,892,490
Selling expenses	166,295,120	172,869,389	484,234,072	472,599,507
General and administrative expenses	368,096,866	340,660,913	1,416,565,997	1,163,633,109
Financial expenses	256,998,845	272,767,148	664,253,289	838,626,486
Impairment losses	149,595,282	310,171,575	821,927,698	677,447,692
Add: Gain on changes in fair value	19,819,002	–	23,280,593	–
Investment income	64,264,276	29,047,163	142,961,901	73,151,647
Including: share of profits of associates and joint ventures	69,959,294	21,416,202	139,306,220	62,530,249
Operating profit/(loss)	340,497,867	–1,511,861,825	694,930,264	–2,826,580,406
Add: Non-operating income	24,435,288	105,071,845	164,827,190	276,714,813
Including: gain on disposal of non-current assets	–	19,819,357	154,474	20,479,844
Less: Non-operating expenses	725,959	1,021,191	2,474,701	15,180,616
Including: loss on disposal of non-current assets	86,892	–	1,063,851	–
Profit/(loss) before tax	364,207,196	–1,407,811,171	857,282,753	–2,565,046,209
Less: Income tax expense	27,759,087	16,776,105	89,916,308	219,844,606
Net profit/(loss)	336,448,109	–1,424,587,276	767,366,445	–2,784,890,815
Net profit/(loss) attributable to equity holders of the parent company	306,675,592	–1,338,789,620	759,428,563	–2,575,382,047
Minority interests	29,772,517	–85,797,656	7,937,882	–209,508,768

Maanshan Iron & Steel Company Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*
For the nine months ended 30 September 2016
Renminbi Yuan

	July-September Unaudited 2016	July-September Unaudited 2015	January-September Unaudited 2016	January-September Unaudited 2015
Other comprehensive income, net of tax	9,350,658	2,680,708	48,971,077	-38,532,884
Other comprehensive income net of tax attributable to shareholders of the parent company	9,245,082	3,242,123	48,492,700	-38,862,110
Other comprehensive income that will not be reclassified subsequently to profit or loss	9,245,082	3,242,123	48,492,700	-38,862,110
Foreign currency translation differences	9,245,082	3,242,123	48,492,700	-38,862,110
Other comprehensive income net of tax attributable to minority shareholders	105,576	-561,415	478,377	329,226
Total comprehensive income	345,798,767	-1,421,906,568	816,337,522	-2,823,423,699
Total comprehensive income attributable to the shareholders of the parent company	315,920,674	-1,335,547,497	807,921,263	-2,614,244,157
Total comprehensive income attributable to the minority shareholders	29,878,093	-86,359,071	8,416,259	-209,179,542
Earnings per share:				
Basic earnings per share	0.0398	-0.1739	0.0986	-0.3344
Diluted earnings per share	0.0398	-0.1739	0.0986	-0.3344

Legal Representative:
Ding Yi

Chief Accountant:
Qian Haifan

Head of Accounting:
Xing Qunli

Maanshan Iron & Steel Company Limited
Statement of Profit or Loss and Other Comprehensive Income of Parent Company
For the nine months ended 30 September 2016
Renminbi Yuan

	July-September 2016 Unaudited	July-September 2015 Unaudited	January-September 2016 Unaudited	January-September 2015 Unaudited
Revenue	9,836,985,816	9,038,871,953	27,895,097,537	29,426,965,193
Less: Cost of sales	8,976,099,721	9,435,667,553	24,733,762,108	29,439,977,280
Business taxes and surcharges	29,431,494	4,560,412	102,390,031	94,027,848
Selling expenses	78,072,968	95,238,504	229,086,693	268,288,875
General and administrative expenses	239,730,290	235,010,397	700,595,535	829,993,687
Financial expenses	215,780,704	226,594,847	631,181,038	692,288,982
Impairment losses	148,945,268	309,702,230	770,037,994	613,622,425
Add: Gain on fair value changes	19,246,955	–	15,588,748	–
Investment income including: share of profits of associates and joint ventures	54,986,945 69,959,294	43,012,472 21,416,201	122,080,737 139,306,220	84,318,845 61,956,766
Operating profit/(loss)	223,159,271	–1,224,889,518	865,713,623	–2,426,915,059
Add: Non-operating income including: gain on disposal of non-current assets	19,807,493 –	74,165,633 20,927,710	132,374,952 –	219,324,419 21,324,038
Less: Non-operating expenses including: loss from disposal of non-current assets	306,502 86,892	609,327 –	1,308,568 702,103	1,069,786 –
Profit/(loss) before tax	242,660,262	–1,151,333,212	996,780,007	–2,208,660,426
Less: Income tax expense	–	–	78,585,194	110,472,155
Net profit/(loss)	242,660,262	–1,151,333,212	918,194,813	–2,319,132,581
Total comprehensive income/(loss)	242,660,262	–1,151,333,212	918,194,813	–2,319,132,581

Legal Representative:
Ding Yi

Chief Accountant:
Qian Haifan

Head of Accounting:
Xing Qunli

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement
For the nine months ended 30 September 2016
Renminbi Yuan

	For the nine months ended	
	30 September	
	2016	2015
	Unaudited	Unaudited
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	35,922,882,724	38,070,596,190
Net increase in customer bank deposits and due to banks and other financial institutions	733,163,934	134,859,915
Cash received from charging interests, fees and commission charged	44,359,304	95,473,090
Refunds of tax received	116,998,205	51,220,273
Net decrease in deposits in the Central Bank	19,292,452	504,467,708
Net increase in sale of financial assets sold or repurchased	24,000,000	101,176,672
Cash received relating to other operating activities	63,499,331	47,339,833
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	36,924,195,950	39,005,133,681
	<hr/>	<hr/>
Cash paid for goods and services	(28,759,607,604)	(31,424,959,051)
Net increase in the assets under resale agreements	(471,000,000)	–
Net increase in loans and advances granted	(605,480,885)	(11,603,142)
Cash used in the payment of interests, fees and commission	(23,813,866)	(26,648,085)
Cash paid to and on behalf of employees	(2,744,566,586)	(2,847,731,968)
Cash paid for all taxes	(1,419,567,829)	(1,447,436,143)
Cash paid relating to other operating activities	(620,211,715)	(213,195,594)
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	(34,644,248,485)	(35,971,573,983)
	<hr/>	<hr/>
Net cash flows from operating activities	2,279,947,465	3,033,559,698

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement (Continued)
For the nine months ended 30 September 2016
Renminbi Yuan

	For the nine months ended	
	30 September	
	2016	2015
	Unaudited	Unaudited
2. Cash flows from investing activities:		
Cash received by investors	658,682,328	1,073,490
Cash received from returns on investments	117,329,152	166,900,669
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,196,287	29,787,611
Net cash from decrease in restricted use of monetary funds	211,889,773	–
Other cash received in relation to investing activities	206,612,740	121,727,909
	<hr/> 1,196,612,740	<hr/> 319,489,679
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	(1,655,555,895)	(590,250,045)
Net cash from the decrease of restricted use of monetary funds	–	(357,162,050)
Cash paid for the investment of joint companies and other business entities	(593,445,541)	(109,311,358)
Cash paid for the acquisition of subsidiaries	–	(73,188,524)
	<hr/> (2,249,001,436)	<hr/> (1,129,911,977)
Sub-total of cash outflows from investing activities	<hr/> (2,249,001,436)	<hr/> (1,129,911,977)
Net cash flows from investing activities	<hr/> (1,052,291,156)	<hr/> (810,422,298)

Maanshan Iron & Steel Company Limited
Consolidated Cash Flow Statement (Continued)
For the nine months ended 30 September 2016
Renminbi Yuan

	For the nine months ended	
	30 September	
	2016	2015
	Unaudited	Unaudited
3. Cash flows from financing activities:		
Cash received from borrowing	13,928,112,753	15,490,616,957
Cash received from issuance of medium-term notes	–	4,000,000,000
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	13,928,112,753	19,490,616,957
Cash repayments of borrowings	(14,895,678,333)	(19,283,579,778)
Cash paid for distribution of dividend, profits or interest expenses	(863,626,052)	(870,591,434)
Sub-total of cash outflows from financing activities	(15,759,304,385)	(20,154,171,212)
	<hr/>	<hr/>
Net cash flows from/(used in) financing activities	(1,831,191,632)	(663,554,255)
4. Effect of foreign exchange rate changes on cash and cash equivalents	112,040,753	(71,025,126)
	<hr/>	<hr/>
5. Net increase in cash and cash equivalents	(491,494,570)	1,488,558,019
	<hr/>	<hr/>
Add: Balance of cash and cash equivalents at beginning of period	3,546,384,318	2,709,836,297
	<hr/>	<hr/>
6 Balance of cash and cash equivalents at end of period	3,054,889,748	4,198,394,316
	<hr/> <hr/>	<hr/> <hr/>

Legal Representative:
Ding Yi

Chief Accountant:
Qian Haifan

Head of Accounting:
Xing Qunli

Maanshan Iron & Steel Company Limited
Cash Flow Statement
For the nine months ended 30 September 2016
Renminbi Yuan

	For the nine months ended	
	30 September	
	2016	2015
	Unaudited	Unaudited
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	28,496,166,969	29,793,580,291
Refunds of taxes	116,998,205	51,220,273
Cash received relating to other operating activities	1,040,588	3,013,913
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	28,614,205,762	29,847,814,477
	<hr/>	<hr/>
Cash paid for goods and services	(26,085,517,691)	(28,559,664,683)
Cash paid to and on behalf of employees	(2,197,075,867)	(2,378,557,719)
Cash paid for all taxes	(937,193,931)	(1,043,360,738)
Cash paid relating to other operating activities	(199,084,765)	(340,442,422)
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	(29,838,833,071)	(32,180,667,905)
	<hr/>	<hr/>
Net cash flows from (used in) operating activities	(1,224,627,309)	(2,332,853,428)
	<hr/>	<hr/>
2. Cash flows from investing activities:		
Cash received from disinvestment	107,975,904	1,073,490
Cash received from investment income	105,908,559	182,168,536
Net cash received from disposal of fixed assets intangible assets and other long term assets	2,196,287	29,787,611
Cash received relating to other investing activities	204,055,346	107,975,904
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	419,527,320	321,005,541
	<hr/>	<hr/>
Cash paid for acquisitions of fixed assets intangible assets and other long term assets	(1,165,066,232)	(262,809,645)
Cash paid for investments in JV and other business units	(176,587,622)	(109,311,358)
Cash received from subsidiaries	(63,298,375)	(170,377,250)
Cash paid due to increase in pledged deposits, net	(17,750,802)	(506,734,493)
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	(1,422,703,031)	(1,049,232,746)
	<hr/>	<hr/>
Net cash flows from/(used in) investing activities	(1,003,175,711)	(728,227,205)
	<hr/>	<hr/>

Maanshan Iron & Steel Company Limited
Cash Flow Statement (Continued)
For the nine months ended 30 September 2016
Renminbi Yuan

	For the nine months ended	
	30 September	
	2016	2015
	Unaudited	Unaudited
3. Cash flows from financing activities:		
Cash received from borrowings	11,495,462,166	9,589,692,000
Cash received from issuance of medium-term notes	—	4,000,000,000
	<u>11,495,462,166</u>	<u>13,589,692,000</u>
Sub-total of cash inflows from financing activities	<u>11,495,462,166</u>	<u>13,589,692,000</u>
Cash repayments of borrowings	(8,845,722,048)	(11,241,392,500)
Cash paid for distribution of dividend or profits and for interest expenses	(820,569,791)	(818,803,689)
	<u>(9,666,291,839)</u>	<u>(12,060,196,189)</u>
Sub-total of cash outflows from financing activities	<u>(9,666,291,839)</u>	<u>(12,060,196,189)</u>
Net cash flows (of)/from financing activities	<u>1,829,170,327</u>	<u>1,529,495,811</u>
4. Effect of foreign exchange rate changes on cash	<u>59,763,578</u>	<u>(16,360,862)</u>
5. Net increase/(decrease) in cash and cash equivalents	<u>(338,869,115)</u>	<u>(1,547,945,684)</u>
Add: Balance of cash and cash equivalents at beginning of period	<u>4,025,187,000</u>	<u>4,807,119,543</u>
6. Balance of cash and cash equivalents at end of period	<u><u>3,686,317,885</u></u>	<u><u>3,259,173,859</u></u>

Legal Representative:
Ding Yi

Chief Accountant:
Qian Haifan

Head of Accounting:
Xing Qunli