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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 ESTIMATED PROFIT IN ANNUAL RESULTS OF 2016**

This announcement is made by the board of directors (the “**Board**”) of Maanshan Iron & Steel Company Limited (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

### **I. Estimated results during the period**

1. Estimated results period: 1 January 2016 to 31 December 2016.
2. Estimated results: based on the preliminary estimates by the finance department of the Company, the operating results for the year of 2016 are expected to record a turnaround from the corresponding period of the previous year. Net profit attributable to equity shareholders of the Company is estimated to be approximately RMB1,228 million.
3. The estimated results have not been audited by certified public accountants.

### **II. Results for the corresponding period of the previous year**

1. Net loss attributable to equity shareholders of the Company: RMB 4,804.3 million
2. Basic loss per share: RMB0.624

### **III. Main reasons for the estimated profit of the results during the period**

In 2016, the Company took a proactive approach to act according to changing market conditions and became fully operational by being selective in procurement, lowering the inventory level of bulk resources and ensuring steady supply. Products portfolio was timely adjusted by paying close attention to the market, resulting in an increase in the production of the leading products. As supported by the efficient use of technologies, the product quality kept improving. Over the past year, the production went on steadily and our system operated efficiently. Meanwhile, as a result of our emphasis on benchmarking process and optimizing the cost audit system, a significant progress was made in reducing costs and tapping into our full potential.

#### **IV. Other matters**

The forecasts above are only preliminary estimates. For the detailed and accurate financial information, please refer to the annual report of 2016 to be formally disclosed by the Company.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

*The Board*

**Maanshan Iron & Steel Company Limited**

25 January 2017

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*