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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)

OVERSEAS REGULATORY ANNOUNCEMENT

ANNOUNCEMENT REGARDING THE CHANGES IN ACCOUNTING POLICIES

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 23 August 2017, Maanshan Iron & Steel Company Limited (the “**Company**”) convened the 29th meeting of the eighth session of the board of directors (the “**Board**”), at which “the resolution in relation to the changes in accounting policies” was considered and approved. Details of the resolution are set out as follows:

I. Brief description of the changes in accounting policies

On 10 May 2017, the Ministry of Finance revised the “China Accounting Standard No. 16 – Government Grants” and issued the “Notice of Issuance of Amendments on China Accounting Standard No. 16 – Government Grants” (Accounting [2017] No. 15), which requires the implementation in all enterprises adopting the Accounting Standard for Business Enterprises starting from 12 June 2017, under which the prospective application shall be adopted for government grants existed on 1 January 2017 and adjustment in accordance with such standards shall be made to the additional government grants between 1 January 2017 to the date of the implementation of the standards. The standards require that the government grants related to the daily operations of enterprises shall be included in other income or offset against related expenses based on the nature of the economic business. Government grants unrelated to the daily operations of enterprises shall be included in the non-operating income or expense. Enterprises shall separately list the item of “other income” above the item of “operating profits” in the profit statement and government grants included in other income shall be reflected in such item.

II. Impact of the changes in accounting policies on the Company

The Company changed the accounting policies according to the above requirements and

government grants related to the daily operations and income after 1 January 2017 are listed and reported as “other income” instead of “non-operating income” in the profit statement. The changes in the accounting policies also affect the financial statements of the Company in the first half of 2017 as follows: “other income” increased RMB83,563,376 while “non-operating income” decreased by RMB83,563,376 and no retrospective adjustments were made for the related amounts before 1 January 2017.

III. Views of independent directors and the supervisory committee

Opinions of the independent directors: Regarding the changes in accounting policies, the decision making process is in compliance with the relevant laws and regulations and the requirements under the Articles of Association, and it is in the interest of the Company and its shareholders as a whole, without prejudice to the interest of the Company and its shareholders. As such, the independent directors agreed to the changes in accounting policies.

Opinions of the supervisory committee: The Company made changes to the original accounting policies and the relevant accounting subjects of the Company according to the revised standards of the Ministry of Finance. The changes are in compliance with the relevant requirements of the Ministry of Finance, the China Securities Regulatory Commission and the Shanghai Stock Exchange. The decision making process is in compliance with the relevant laws and regulations and the requirements under the Articles of Association, without prejudice to the interest of the Company and its shareholders as a whole. As such, the supervisory committee agreed to the changes in accounting policies.

The Board

Maanshan Iron & Steel Company Limited

23 August 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